



QUA GRANITE
HAYAL YAPI VE ÜRÜNLERİ
SANAYİ TİCARET ANONİM ŞİRKETİ

20
24

ACTIVITY
REPORT

01.01.2024 – 31.12.2024
Consolidated Activity Report for the Period

QUA.COM.TR

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About Us

Qua Granite, having begun its activities in July 2016 in Aydın Söke Organized Industrial Zone, maintains its growth steadily and rapidly from that day to this. QUA Granite, producing technical granite and vitrified granite (granite tiles) which is the product group with the highest added value in the flooring sector in an indoor area of **170.292 m²** and outdoor area of **798.724 m²**, has succeeded in becoming one of the world's largest producers with a capacity of 41 million m².

QUA Granite, maintaining its business relations with existing and potential business partners based on trust and cooperation, has continued to create value for all its stakeholders also in 2024.

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+37.250

TREES SAVED FROM BEING CUT DOWN

-14.222

CARBON EMISSIONS REDUCED

BY THE FOOTSTEPS OF NATURE,
IN THE FOOTSTEPS OF NATURE...





WE FOLLOW THE FOOTSTEPS OF NATURE IN ALL OUR PRODUCTION ACTIVITIES AND OPERATIONAL PROCESSES...

Starting in 2016 in Aydin, we have come a long way in a short period of time in our journey in the sector. By integrating sustainability into all our working processes, we have shaped our corporate identity and perspective. In this direction, we offer our products to our stakeholders by taking inspiration from nature and limiting our impact on nature. At the point we have reached today, we have the largest facility in our country that produces only technical granite and we are making a name for ourselves in the world with our successful export rate.

As Qua Granite, we will continue to protect and transform the purity of nature with sustainability.

1.

Independent Auditor's Report regarding the
Annual Activity Report of Board of Directors



1. Independent Auditor's Report Regarding The Annual Activity Report Of Board Of Directors

Kind Attention to the General Assembly of Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş.

1) Opinion

We have audited the annual activity report on the account term of Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. ("Company") and its subsidiaries ("Group") between January 1 and December 31, 2024.

In our opinion, the consolidated financial information included in the annual activity report of board of directors as well as the examinations performed by the Board of Directors on the condition of Group are consistent with the full set of consolidated financial statements audited and the information we obtained during the independent audit and reflect the truth, in all important aspects.

2) Basis of Opinion

The independent audit we performed has been executed in compliance with the independent audit standards published by the Capital Market Board and with the Independent Auditing Standards which are a part of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority. Our responsibilities under such Standards are explained in detail in the section of our report titled Responsibilities of Independent Auditor for the Independent Auditing of Financial Statements. We declare herewith that we are independent of the Group as required by the ethical provisions in our Country with regards to the independent auditing of financial statements. We also fulfilled our other responsibilities regarding such ethics as required by the provisions of independent auditing. We believe that the independent auditing evidences we obtained during the independent audit form sufficient and suitable basis for building our opinion.

3) Our Auditor's Opinion on the Full Set of Consolidated Financial Statements

We have presented positive opinion in our auditor's report of March 11, 2025 on the full set of consolidated financial statements for the account term of Group between January 1 and December 31, 2024.

4) Responsibility of Board of Directors regarding the Annual Activity Report

The management of Group are responsible for the following with regards to the annual activity report in accordance with the Turkish Commercial Law no. 6102, articles 514 and 516 and the "Notification on the Principles regarding Financial Reporting in Capital Market" No. II-14.1 ("Notification") of the Capital Market Board:

a) prepares and presents to the general assembly the annual activity within the first three months following the balance sheet date.

b) prepares the annual activity report to reflect the flow of the activities of Group for that year as well as its financial condition in all aspects in a correct, complete, straightforward, true and honest way.

Financial condition is evaluated in this report in accordance with the consolidated financial statements. The report also

points at the development of Group and probable risks. The evaluation of board of directors on such issues is also included in the report:

c) Activity report also contains the following:

Activity report also contains the following:

- Incidents that happened and are of special importance in the Group following the end of activity year,
- Research and development studies of Group,
- Financial benefits paid to the members of board of directors and the senior manager such as remunerations, premiums and bonuses, and allowances, travel, accommodation and representation expenses, real and financial facilities, insurances and similar indemnities.

The Board of Directors also takes into consideration the secondary legislation regulations of the Republic of Turkey Ministry of Trade and related institutions while preparing the activity report.

5) Responsibility of Independent Auditor on the Independent Auditing of Annual Activity Report

Our purpose is to present our opinion and issue a report containing such opinion as to whether the consolidated financial information included in the annual activity report and the examinations performed by the Board of Directors are consistent with the audited consolidated financial statements of Group and the information we obtained during the independent audit and whether they reflect the truth.

The independent audit we performed has been executed in compliance with the Independent Auditing Standards and independent auditing standards published by the Capital Market Board. Such standards require that the independent audit is planned and executed by ensuring compliance with the ethical principles for the purpose of obtaining reasonable guarantee as to whether the consolidated financial information presented in the activity report and the examinations performed by the Board of Directors on the Group's position, using the information presented in the audited consolidated financial statements, are consistent with the consolidated financial statements and the information obtained during the audit and whether they reflect the truth.

This independent audit is executed and concluded by the responsible auditor Halil Sağlam.

NEVADOS BAĞIMSIZ DENETİM A.Ş.

Halil Sağlam
Independent Accountant and Financial Advisor
Responsible Auditor

Istanbul, March 11, 2025

2.

Message of the Chairperson of
Board of Directors



2. Message of the Chairperson of Board of Directors

Dear Stakeholders,

2024 has been a year that uncertainties in global economy, fluctuations in financial markets as well as geopolitical tension were felt intensely. Taking inflation under control in balance with buoyancy came to the forefront as a target of first priority throughout the world. The central banks of developed countries kept interest rates at historical high levels; whereas, partial difficulties were faced in terms of reaching long-term targets even though the inflation data were generally improved. The macroeconomics agenda of Turkey in 2024 was formed with fight against inflation and the conventional economic policies for the purpose of ensuring macro-financial stability. Now we enter 2025 with hope as the rebalancing struggle at the last quarter of the year yielded results. We believe that such positive picture will be maintained and Turkey will be progressing resolutely on its way to reach its economic targets in the following term.

We, Qua Granite, have remained faithful on our strategical route map to carry our strong position in our market a step even further under the challenging economic conditions in 2024. We determined our basic targets as ensuring real income increase, managing cash flow and liquidity effectively and focusing on sustainability and digitalization. We took important steps to reach such targets and also, we will be maintaining our activities in this respect in the following term.

We focused on both volume increase and price adjustments in order to raise our sales incomes, developing new products, different sales channels and innovative business models. We gave priority in digitalizing to measure our production costs and operating expenses accurately for the purpose of increasing our operational profitability. We optimized our terms of receivables and payables in order to keep our operating capital in balance and manage liquidity effectively and we managed our risks on receivables through financial instruments. We prioritized our investments; however, we postponed our investments which do not have direct effect on operational profitability in the short term. We continued our Solar Power Plant (SPP) investment in order to reduce our energy costs, be protected against electricity price increases, reduce our carbon footprint and protect the environment. Furthermore, we managed our borrowing strategy carefully considering the probable movements in exchange rates for the purpose of reducing our financing expenses.

Since our establishment, we consider human and society as our priority and act with the principle to protect natural sources and the environment. We make socially beneficial investments and implement social responsibility projects. As an indication of our understanding in sustainability, we share our sustainability report every year with all our stakeholders transparently as we prepare in compliance with the GRI (Global Reporting Initiative) Standards and include in the UNGC (United Nations Global Compact).

We will be following closely the developments in our sector also in the following term and will continue growing with our strategies according rapidly with change. We will continue our work to reach our target of becoming a stronger brand together with our partners, employees and all our stakeholders.

I would like to present my thanks to all our stakeholders, especially our devoted employees, for their strong support on our journey of growing and developing.

Sincerely,
Ali Ercan
Chairperson, Board of Directors
QUA Granite



3.

QUA Granite, in Short



3. QUA Granite, in Short

Sources from nature...

Qua Granite, having begun its activities in July 2016 in Aydın Söke Organized Industrial Zone, maintains its growth steadily and rapidly from that day to this. Qua Granite started its activities in 2016 with a production capacity of 5.5 million m²/year and produces technical granite and vitrified granite (granite tiles) which is the product range with highest added value in the flooring sector in an indoor area of 798.724 m² and outdoor area of 170.493 m². With the aim of reaching optimum occupancy of first line and benefiting from scale economy and focusing on exportations, the company completed its second production line rapidly in 6 months and became active in June 2017 with a capacity of 5.5 million m²/year. As of 2021, Qua Granite initiated investments towards capacity increase and reached 6 production lines and increased its capacity to 41.0 million m²/year with the gradual commissioning of 4 new lines in 2022 and thus, became one of the largest technical granite facilities producing under a single roof in the world.

Qua Granite, attaching importance in exportation since the day its establishment, aims at obtaining half of its sales income from foreign markets. Qua Granite exports to over 100 countries and over 1.000 customers in 5 continents, mainly EU countries and the USA. Qua Granite develops strategies with the aim of leading sustainable improvement in every geography it operates and acts in line with such strategies; and it is a signatory since 2021 in the "United Nations Global Compact" (UN Global Compact) which is the largest corporate sustainability initiative in the world and which is based on global principles in the areas of human rights, working standards, environment and the fight against corruption.

Qua Granite considers sustainability in the environmental, social and economic sense as its basic priority and it speeded up its sustainability activities in this scope. It published its Sustainability Report for 2022 in the first quarter of 2023 and was included in the Sustainability Index of BIST. In the last quarter of 2024, it published its sustainability report for 2023, and the company's shares continue to be included in the Sustainability Index of BIST.

Qua Granite adopts lifelong sustainability approach for its production and products and put its signature in practices that would set a precedent for Turkey in order to reduce the consumption of natural sources and minimize the environmental effects of products; and completed the construction of purification facilities in compliance with all legal regulations. Qua Granite considers that the understanding of sustainable water management is one of the most important issued for the future of the world and that is among the basic requirements to leave a livable world for the generations beyond us; and thus, it implements this approach to almost every point of its operations. In this framework, it is the first and only company in its sector that purifies the entire water used in its production in the purification facility within its plant and thus brings back to production in place of discharging to nature. Sustainability is a strategic management model for Qua Granite and our Company continues its activities to be one of the most important actors in sustainable progress.

Within the scope of energy efficiency, we continue our activities to meet 20% of our Company's production energy needs from renewable energy sources with 20.4 MW rooftop SPP capacity at Aydın Söke OSB facilities.

Increasing female employment has been of priority for Qua Granite since the day it was established. Qua Granite approaches to all its employees with the basic principle of equality and accepts fighting against social gender inequality as a requirement for communal and social development; and it adopts the principle of equality of women and men from its employment processes up to in-company activities. Qua Granite employs 1.012 people as of 2024 and following the completion of investments, it aims at providing employment to over 1.100 personnel members and continuing its participations in Turkish economy in 2025.

Highlights...

- We are the leader in Turkey for its category with the largest facility producing only technical granites.
- We are the biggest producer in Europe with our technical granite production of 2 cm thickness.
- We realize production with a young and dynamic team with an age average of 35 in the newest and most modern facilities of the sector.
- We give priority to female employment and the principle of equality since the day of its establishment
 - Approach to all its employees with the basic principle of equality
 - Adopting the principle of equality of women and men in almost every point from its employment processes up to in-company activities aiming at eliminating social gender equality
 - Providing the opportunity to work for women not only in the office but in every point of production field.
 - Highest female employment in production stages in the sector.
 - Ensuring salary equality between male and female employees.
- We work by respecting the environment, nature and water
 - Principle of protecting the environment in every step from production to sales.
 - Production with the aim at sustainability and efficient use of natural sources
 - Purifying the water used in its purification facilities in the plant without discharging and thus bringing back to production. The first and only in its sector for such practice.
 - Meeting the Company's energy needs in production from renewable energy sources with the rooftop SPP.
- We are the first and only ceramic / technical granite company that is included in the Sustainability Index of Istanbul Stock Exchange.
- We are ranked as the 6th among 189 companies with the ESG score of 82/100 in the assessment performed by LSEG ESG for the construction materials sector in the world.
- We track the sustainability of the sources we use in our production by declaring transparent and comparable results of the environmental effects of our products throughout their lifespan through our EPD (Environmental Product Declaration) documents in compliance with the European standard EN 15804 (Sustainability of Construction Works) for our 7 mm and 20 mm product range.

QUA



798.724
M² INDOOR AREA



1.000
METERS PRODUCTION LINE



99 Million USD
2024 EXPORT REVENUE



170.493
M² OUTDOOR AREA



41.000.000
M² PRODUCTION CAPACITY

100+

**We Export to
100+ Countries**

Designs inspired by the nature decorate houses throughout the world.

500+

**Product range
of over 500+ items**

We always lead the way to the sector with our unique designs.

1.000+

**Domestic and
Foreign Customers**

We always work to be a high quality and reliable producers for our customers.

1.000+

Employees

We always consider the best for our employees and we struggle for improving our working conditions.



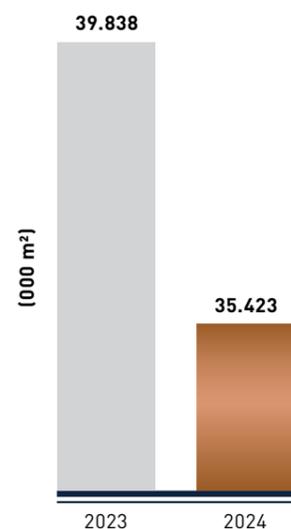
4.

Basis Financial Indicators

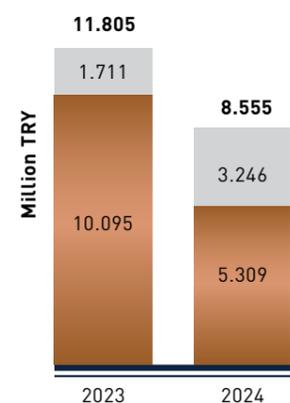


4. Basis Financial Indicators

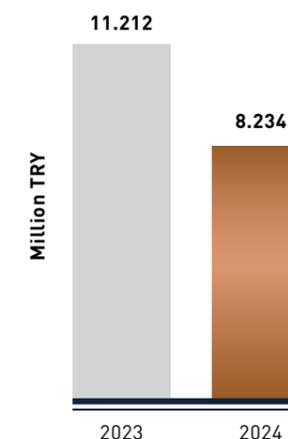
Sales Amount



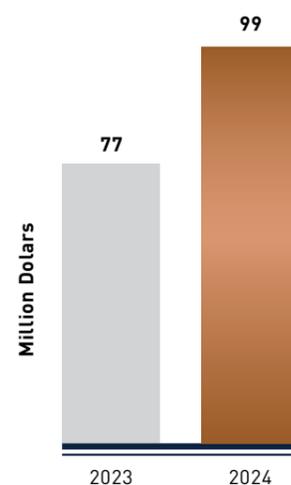
Sales Revenues and Distribution



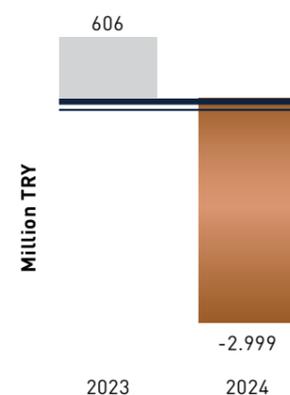
Equity



Export Revenues



Net Profit for the Period



Basic Ratios (%)	2023	2024
Gross Profit Margin	26,5	16,4
Operating Profit Margin (%)	18,8	4,7
Profit Before Tax Margin (%)	-8,5	-32,4
EBITDA Margin (%)	22,0	11,4
Net Profit Margin (%)	5,4	-36,9

Financial Ratios	2023	2024
Liquidity Ratios		
Current Ratio (Current Assets/Short Term Liabilities)	1,34	1,20
Liquidity Ratio (Current Assets-Stocks/Short Term Liabilities)	1,00	0,89
Financial Structure Ratios		
Total Liabilities to Total Assets Ratio (Short Term Liabilities + Long Term Liabilities/Total Assets)	0,46	0,46
Equity/Total Liabilities Equity (Short Term Liabilities + Long Term Liabilities)	1,16	1,16
Operating Profitability Ratios		
Profitability Ratio of Sales (Profit Before Tax/Net Sales)	-0,09	-0,32
Profitability Ratios of Assets (Profit Before Tax/Total Assets)	-0,05	-0,17
Profitability Ratio of Equity (Net Profit for the Period/Equity)	0,05	-0,36

***Definition of EBITDA: Gross Profit – General Management + Marketing Expenses + Research and Development Expenses + Depreciation*

ALMANAC 2024...

January

- Our application to issue debt instruments without public offering domestically at a nominal value of 10 billion TRY has been approved by the Capital Market Board.
- Our subsidiary has been established titled "Qua Home Collection Tekstil Mağazacılık San. ve Tic. A.Ş." with a capital of 10 million TRY as we own a share of 80% to engage in business in the sector of home textile products, accessories, wholesale and retail sales.

February

- The certificate for debt instruments of our company to be issued abroad at a total of 200 million EUR has been approved by the Capital Market Board.
- We participated in the construction and building materials exhibition the Big 5 Construct Saudi addressing to the Saudi Arabian market between the 26th and 29th of February.



April

- We participated in the Coverings Exhibition in USA between 22nd and 25th of April.



May

- Corporate Governance Compliance Report for 2023 has been published in KAP (Public Disclosure Platform).
- Sustainability Principles Compliance Framework Report of our Company has been published in KAP.
- We participated in the biggest international construction and interior architecture exhibition of Russia, MosBuild, between May 13th and 16th.



June

- Ordinary general assembly meeting for 2023 has been held.
- QUA Granite has been the 317th in the List of 500 Biggest Industrial Enterprises of Turkey published by Istanbul Chamber of Industry.
- Shares of Qua Granite have been included in BIST Participation 50 and BIST Participation Sustainability Indices.



July

- We rose 40 steps up at once and took our place as the 276th among Fortune 500 "Biggest Companies of Turkey".
- Our company resolved on opening branch office under the title QUA Granite Hayal Yapı ve Ürünleri Sanayi Ticaret Anonim Şirketi Skyland Branch Office in Istanbul in order to expand its activities.
- Long-term National Corporate Credit Rating of our Company has been determined as "AA-" (tr) and its profile as Stable in the evaluation of JCR Eurasia.



Agust

- Qua Granite ranked 383rd in the list of Capital 500, where Turkey's leading companies are determined every year.



September

- Based on the Corporate Governance Compliance Rating Report issued by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA), the Corporate Governance Rating of our Company rose up to 9,23.
- We participated in the Cersaie Exhibition between September 23rd and 27th which is deemed as the most prestigious organization in the World.



November

- Liquidation of Trio Mimarlık Zemin ve Banyo Ürünleri Ticaret A.Ş., which is a 75% subsidiary of our Company, has been completed.
- We participated in the Big 5 Global Exhibition held in Dubai between November 26-29, 2024.



December

- Board of Directors resolved on applying to the Capital Market Board for the issuance of foreign debt instruments with a ceiling of 200 million EUR.
- Our second Sustainability Report has been published in our company website expressing our sustainability strategy in line with the vision of our Company for “In the Footsteps of Nature with the Footsteps of Future” and our targets in compliance with our strategy, our good practices in environmental, social, governance areas, as well as our performance in 2023.
- Our Company has been the 6th among 189 companies with the ESG score of 82/100 as of 30.12.2024 in the evaluation made by LSEG in the world’s construction materials sector.



5.

QUA Granite Perspective



5. QUA Granite Perspective

OUR MISSION

What do stand for?

- Serving with the understanding of sustainable production above international standards in the sector that we are leading,
- Directing the sector with innovative and creative products,
- Creating sustainable values for all our business partners and employees that we are in collaboration with,

OUR TARGETS

Our objectives and the path we follow...

- Increasing its market share day by day at home and abroad with the understanding of high-quality products and good services,
- Rendering services effectively through environmental-friendly innovative technologies that are responsive to occupational safety,
- Being a leading company of choice in its field,
- Investing in the future of our country with the understanding of environmental and social sustainability.

OUR CORE VALUES

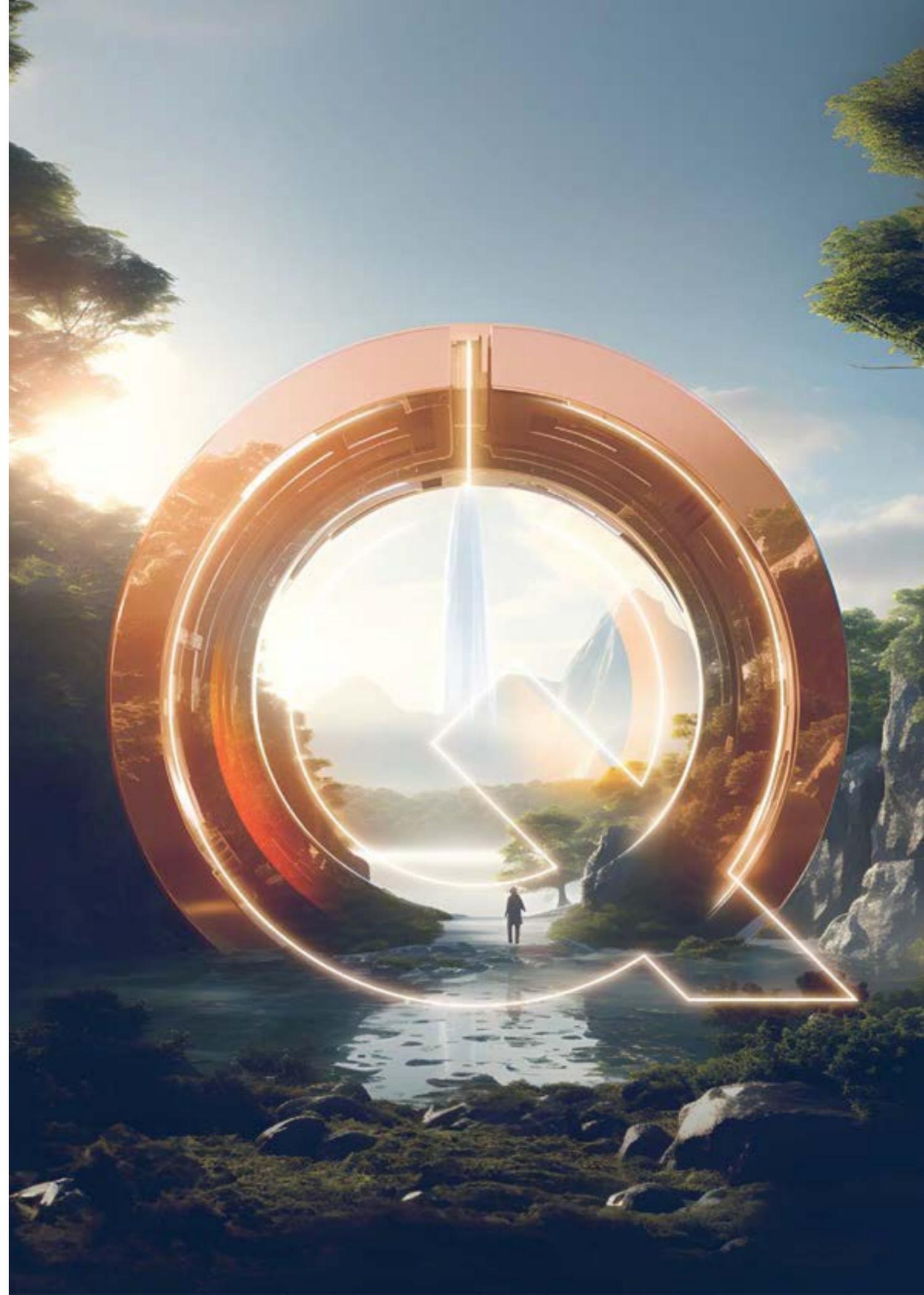
Those which determine our understanding and guide our behaviors...

- Environmental consciousness
- Ethical values
- Respect for the principle of equality
- Employee satisfaction
- Customer orientation

OUR STRATEGY

Growth and profitability shaped with the understanding of sustainable, environment-friendly production...

- Growing organically and inorganically by developing new products in new markets and existing business areas,
- Providing innovative and environment-friendly products by prioritizing creativity in the entire workflow,
- Being the most reliable brand meeting the needs and expectations of customers,
- Increasing the benefits provided to employees in human resources processes and increasing employment of women in all positions including production,
- Continuously improving total customer satisfaction.



6.

Milestones



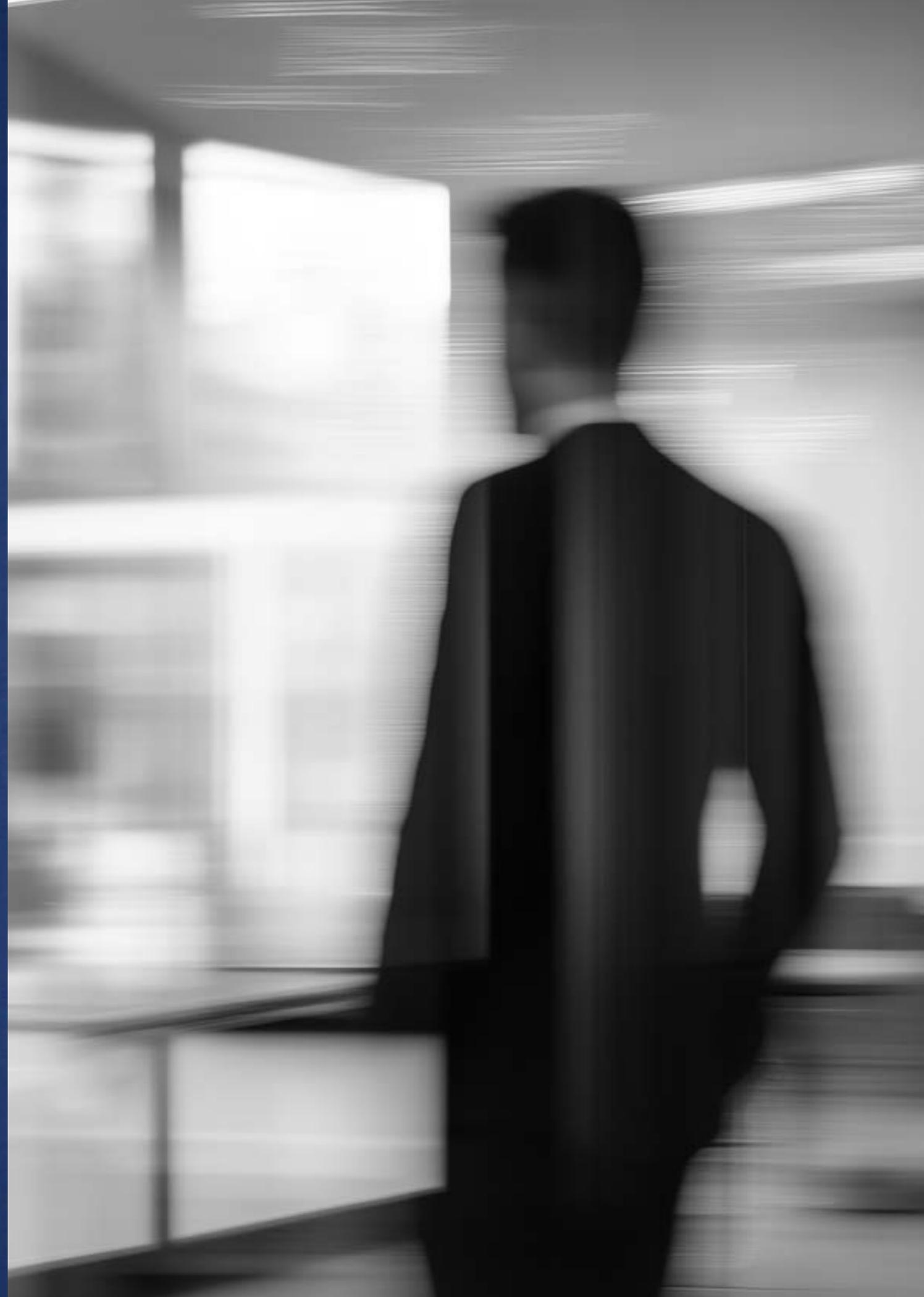
6. Milestones

Step by step, to success...



7.

General Information



7. General Information

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. was established in July 21, 2015 in Beykoz, Istanbul. Company address was moved to Bayraklı, Izmir on 01.02.2016 and then to its current address in Efeler, Aydın on 26.12.2017. Scope of activity of company is the production, sales and exportation of ceramic, flooring and tiling materials as well as technical granite. Qua is registered in Aydın Chamber of Commerce and Aydın Chamber of Industry under Trade Registry Number 19157 and Chamber of Industry Register Number 1999.

Shares of company are being traded in Borsa Istanbul Exchange Market (BIST) under the symbol "QUAGR".

Indices:

BIST STONE, SOIL / BIST PARTICIPATION ALL / BIST STAR / BIST INDUSTRIAL / BIST PARTICIPATION 100 / BIST 500 / BIST ALL-100 / BIST AYDIN / BIST CORPORATE GOVERNANCE / BIST ALL / BIST SUSTAINABILITY PARTICIPATION / BIST SUSTAINABILITY

Account terms related to the activity report:

This activity report is for the activities of account term between January 1 and December 31, 2024.

Registered addresses:

Center: Cumhuriyet Mah. 1955 Sokak No:1/11 Efeler, Aydın, Turkey

Söke branch office and production facility: Söke OSB Mahallesi 4. Sokak No: 1 Söke, Aydın, Turkey

İstanbul Branch: Huzur Mahallesi, Azerbaycan Caddesi, Skyland Sitesi B, Numara: 4B, İç Kapı Numarası: 316 Sarıyer/İstanbul

Websites:

<https://www.qua.com.tr/>

<https://yatirimci.qua.com.tr/>

<https://investor.qua.com.tr/>

<https://surdurulebilirlik.qua.com.tr/>

<https://sustainability.qua.com.tr/>

MERSİS (Central Registration System) number:

0460046761800013

E-mail address:

info@qua.com.tr

yatirimciiliskileri@qua.com.tr

investorrelations@qua.com.tr

Telephone and fax numbers:

T: 0850 888 07 08

F: 0850 466 06 60

8.

Information on Company's Managing Body,
Senior Directors and Personnel



8. Information on Company's Managing Body, Senior Directors and Personnel

a) Board of Directors



Chairperson, Board of Directors
Ali Ercan



Member, Board of Directors
Murat Yalçın Nak



Deputy Chairperson, Board of Directors
Yavuz Arıcan



Independent Member, Board of Directors
Nezih Kırımlı



Independent Member, Board of Directors
Efe Deniz Kılıç

Board of Directors of company consists of the following individuals as of 31.12.2024:

Board Members			
Name Surname	Position	Date of the General Assembly / Board of Directors	Duration of Assignment
Ali Ercan	Chairperson of Board of Directors	14/06/2024	14/06/2027
Yavuz Arıcan	Deputy Chairperson of Board of Directors	14/06/2024	14/06/2027
Murat Yalçın Nak*	Member of Board of Directors (Non-Executive)	24/09/2024	14/06/2027
Nezih Kırımlı	Independent Member of Board of Directors	14/06/2024	14/06/2027
Efe Deniz Kılıç**	Independent Member of Board of Directors	26/07/2024	14/06/2027

* Non-executive member of Board of Directors Mr. Altuğ Dayıođlu resigned from his position in our company as of 24/09/2024 and Mr. Murat Yalçık Nak has been assigned in the position vacant with the resignation of Mr. Altuğ Dayıođlu as Non-executive Member of Board of Directors as of 24/09/2024 provided to present to approval in first following General Assembly.

** Independent member of Board of Directors Mrs. Tijen Akdođan Ünver resigned from her position in our company and Mr. Efe Deniz Kılıç has been assigned in the position vacant with the resignation of Mrs. Tijen Akdođan Ünver as Independent Member of Board of Directors as of 26/07/2024 provided to present to approval in first following General Assembly.

In 2024, no independent member acting as Member of Board of Directors has engaged in any action infringing their independency. In 2024, no member of board of directors has engaged in activities competitive with the company on behalf of himself/herself or another person within the framework of the permission granted by the company's general assembly. Total of the benefits provided by the company to the members of the board of directors in the term ending on 31/12/2024 is 4.309.684 TRY.

The Board of Directors held 22 meetings between 01.01.2024 and 31.12.2024, and the participation rate was 100%.

b) Changes in the Board of Directors and the Distribution of Duties of the Board of Directors during the Year:

As of 13/02/2024, independent member of board of directors Mr. Aclan Acar resigned from his position and Mr. Nezih Kırımlı was assigned to the vacant position of Independent Member of Board of Directors by unanimous resolution rendered at the Board of Directors meeting held on 13/02/2024 as "Independent Member of Board of Directors". Mr. Nezih Kırımlı was elected as an Independent Member of the Board of Directors for a period of three years at the Ordinary General Assembly dated 14/06/2024.

As of 26/07/2024, independent member of board of directors Mrs. Tijen Akdođan Ünver resigned from her position and Mr. Efe Deniz Kılıç was assigned to the vacant position of Independent Member of Board of Directors by unanimous resolution rendered at the Board of Directors meeting held on 26/07/2024 as "Independent Member of Board of Directors".

As of 24/09/2024, non-executive member of board of directors Mr. Altuğ Dayıođlu resigned from his position and Mr. Murat Yalçın Nak was assigned to the vacant position of Member of Board of Directors by unanimous resolution rendered at the Board of Directors meeting held on 24/09/2024 as "Non-Executive Member of Board of Directors".

c) Structure and Formation of the Board of Directors:

The Company's affairs and management are carried out by the Board of Directors consisting of 5 (five) individuals elected among natural and legal persons nominated by the shareholders within the provisions of the Turkish Commercial Code and the Articles of Association by the General Assembly of Shareholders. Two members of the board of directors are executive and three are non-executive, and the fact that two of these members are independent is an important indicator of the institutionalization of the company.

If there is a vacancy in the Board of Directors and committee memberships during the term, then the provisions of Turkish Commercial Code and Capital Market Law are applicable.

Independence Statements of Independent Members of the Board of Directors were announced to the public in KAP with the Ordinary General Assembly Information document which are available for access in the webpage of company.

Approval is obtained from the General Assembly within the scope of Turkish Commercial Code, articles 395-396 for the Chairperson and members of the Board of Directors to carry out such works falling within the scope of the company in person or on behalf of others and to become shareholders in the companies performing such work. There is no restriction for the Members of Board of Directors to undertake different duties within or outside the group; however, all members are provided with sufficient time. Duties of the members of Board of Directors outside the shareholding are announced in KAP under "Information on Management". Relevant KAP announcement can be found at the following link:

<https://www.kap.org.tr/tr/sirket-bilgileri/genel/4887-qua-granite-hayal-yapi-ve-urunleri-sanayi-ticaret-a-s>.

Although there is no regulation on the selection criteria for the Members of Board of Directors in the articles of association of the company, current Members of the Board correspond with the principles included in the Corporate Governance Notification no. CMB Series II- 17-1. We do not have any Member in the Board that fail to comply with these criteria.

d) Resumes of Members of Board of Directors

Ali Ercan

Chairperson of the Board of Directors

Ali Ercan, born in Konya on 06.02.1986, after completing his high school education at TED Ankara College Foundation Private High School, completed his Business Administration education at the University of Leicester in England and graduated in 2007. After returning to Turkey, he served as general manager, member of board of directors, deputy Chairperson of board of directors and Chairperson of board of directors in areas such as ceramics, tourism, mining and trade both in family companies and the companies he owned. Ali Ercan, having high-level knowledge and experience in ceramics, technical granite production and financial management, also served as founding member in various non-governmental organizations. Ali Ercan has implemented many projects in real estate development, e-commerce, construction, ceramics, tourism and industry and has been serving as the Chairperson of board of directors and controlling shareholder of Qua Granite since 24.08.2016. Mr. Ali Ercan is also the Chairperson of the Board of Directors of Q Yatırım Holding and a member of the Board of Directors of Ercan Group companies.

Yavuz Arıcan

Deputy Chairperson of the Board of Directors – General Manager

Yavuz Arıcan, born in Diyarbakır on 16.11.1968, graduated from the Department of Metallurgical Engineering of Middle East Technical University in 1992. Between 1995-1998, he served as Production Chief at Söğüt Ceramic Factory, as Production

Chief and Deputy Manager at Ege Ceramic Factory between 1998- 2004, as Production Manager at Graniser Ceramic Factory between 2004-2006, as Production Manager at Hitit Ceramic Factory between 2006-2007, and finally, he has been serving as Production Manager and Plant Director at Bien Seramik and Qua Granite, which are companies owned by Ercan Group of Companies since 2007. Yavuz Arıcan, having high-level knowledge and experience in production management and techniques, maintains his position as the Deputy Chairperson of the Board of Directors and General Manager in our company.

Murat Yalçın Nak

Member of Board of Directors (Non-Executive Member)

Before establishing Taxim Capital, he worked at Acıbadem Healthcare Group for 6 years as COO responsible for commercial operations (hospitals, medical centers, physician payments, insurance companies, budgeting, pricing, international business development, corporate communications, etc.). Before Acıbadem, he worked as general manager and board member at Memorial Health Group for 3 years, as country director at PwC Consulting which is the strategy and management consulting division of PwC for 2 years, as customer relations and project manager at McKinsey which is known as the world's most respected strategy consulting company for 5 years and as planning and product manager at the Germany and Turkey offices of Procter&Gamble which is one of the world's largest corporations in the fast moving consumer goods sector for 7 years in total. Nak completed his undergraduate degree in Industrial Engineering at Boğaziçi University and his MBA at Northwestern University's J.L. Kellogg Graduate School of Management in Chicago, USA. Nak has been a scholar at TEV (Turkish Education Foundation), American Fulbright and VKV (Vehbi Koç Foundation) during his higher education. He was a member of the board of directors of TKYD (Corporate Governance Association of Turkey) in the past. He is currently a member of TOBB's (Union of Chambers and Commodity Exchanges of Turkey) Venture Capital Council and Endeavor's Istanbul branch.

Nezih Kırımlı

Independent Member of Board of Directors

Nezih Kırımlı was born in Safranbolu in 1985. He completed his primary, secondary and high school education at TED Karabük College. Then he graduated from Dokuz Eylül University, Department of Business Administration. In 2007, he started his business life in the Iron and Steel sector. Between 2018-2020, he completed his Executive MBA education at Sabancı University and Columbia University. In 2011, he joined Kibar Dış Ticaret within Kibar Holding. He is currently working as the Trade Director of Kibar Holding and manages the foreign trade processes of 85 export countries and the trade volume in Turkey's domestic market. Nezih Kırımlı is married with two children, speaks English, Spanish and German, and is a member of the Board of Directors of TED Karabük College Alumni Association, Fenerbahçe 1907 Association and Fenerbahçe Congress.

Efe Deniz Kılıç

Independent Member of Board of Directors

Before joining Taxim Capital, he worked as a mergers and acquisitions specialist at Pragma which is one of the leading investment consulting firms in Turkey. During this period, he provided consultancy services to clients from various sectors such as industrial products, consumer goods, healthcare and infrastructure. Mr. Kılıç completed his undergraduate degree in International Trade at Boğaziçi University and his Master's degree in Finance at ESADE Business School in Barcelona, Spain.

e) Duties undertaken by the Board Members outside the Company

Name Surname	
Ali Ercan	Chairperson of the Board of Q Yatırım Holding Board Memberships in Ercan Group Companies
Yavuz Arıcan	Bien Yapı Ürünleri Sanayi Turizm ve Tic. A.Ş. (Member of the Board of Directors)
Murat Yalçın Nak	Taxim Capital Advisers Limited (Founder and Managing Partner)
Nezih Kırımlı	Kibar Dış Ticaret A.Ş. (Foreign Trade Director)
Efe Deniz Kılıç	Taxim Capital Advisers Limited (Expert)

f) Statement of Independence by Independent Member

STATEMENT OF INDEPENDENCE

February 13, 2024

I declare herewith, within the framework of the criteria specified in the Articles of Association of QUA GRANITE HAYAL YAPI VE ÜRÜNLERİ SANAYİ TİCARET A.Ş. (Company) and in the Notification on Corporate Governance No. II-17.1 as announced by the Capital Market Board (CMB), that I run for serving as "Independent Member"; and in this context, declare that:

- There is no employment relationship between the company, company's management control, or partnerships which it has significant influence, shareholders who have control on the management company, or have a significant impact on the company, or legal entities in which these shareholders have management control and me, my spouse, and my relatives by blood and marriage up to second degree, in managerial position undertaking significant duties and responsibilities within the last five year; that higher than 5% of any capital or voting rights or privileged shares are not owned together or alone or no significant commercial relationship is established;
- I have not been a shareholder (5% and above), or manager who assumes important duties and responsibilities, or a member of the board of directors during periods when services or products are purchased or sold, in companies where the company has purchased or sold a significant amount of services or products within the framework of agreements concluded, including mainly the auditing (tax auditing, legal auditing, internal auditing), rating and consultancy of company within the last five years;
- I have professional training, knowledge and experience to fulfil the duties I will undertake as an independent member of board of directors;
- I will not work full-time in any public institution and organizations after being elected as a member, except as university lecturer, provided that it is in compliance with related regulations;
- I am considered as a resident in Turkey according to the Income Tax Law (Income Tax Law) dated 31/12/1960 and dated 19/12/1960 and numbered 193;
- I can make positive contributions to the activities of the company; I can maintain my impartiality in any conflicts of interest between the company and shareholders; I have strong ethical standards, professional reputation and experience to allow me to consider the rights of stakeholder and decide freely;
- I am able to allocate my time for company affairs to the extent that I can follow operations of company and fulfil the requirements of the duties I undertake, fully;
- I have not been a member of the board of directors of the company for more than six years in the last ten years;
- I do not serve as an independent board member in more than three of the companies in which the company or the shareholders holding the management control of the company have management control, and in more than five of the companies traded on the stock exchange in total;
- I have not been registered and promulgated on behalf of the legal entity elected as a member of the Board of Directors.

Nezih Kırımlı

STATEMENT OF INDEPENDENCE

July 26, 2024

I declare herewith, within the framework of the criteria specified in the Articles of Association of QUA GRANITE HAYAL YAPI VE ÜRÜNLERİ SANAYİ TİCARET A.Ş. (Company) and in the Notification on Corporate Governance No. II-17.1 as announced by the Capital Market Board (CMB), that I run for serving as "Independent Member"; and in this context, declare that:

k) There is no employment relationship between the company, company's management control, or partnerships which it has significant influence, shareholders who have control on the management company, or have a significant impact on the company, or legal entities in which these shareholders have management control and me, my spouse, and my relatives by blood and marriage up to second degree, in managerial position undertaking significant duties and responsibilities within the last five year; that higher than 5% of any capital or voting rights or privileged shares are not owned together or alone or no significant commercial relationship is established;

l) I have not been a shareholder (5% and above), or manager who assumes important duties and responsibilities, or a member of the board of directors during periods when services or products are purchased or sold, in companies where the company has purchased or sold a significant amount of services or products within the framework of agreements concluded, including mainly the auditing (tax auditing, legal auditing, internal auditing), rating and consultancy of company within the last five years;

m) I have professional training, knowledge and experience to fulfil the duties I will undertake as an independent member of board of directors;

n) I will not work full-time in any public institution and organizations after being elected as a member, except as university lecturer, provided that it is in compliance with related regulations;

o) I am considered as a resident in Turkey according to the Income Tax Law (Income Tax Law) dated 31/12/1960 and dated 19/12/1960 and numbered 193;

p) I can make positive contributions to the activities of the company; I can maintain my impartiality in any conflicts of interest between the company and shareholders; I have strong ethical standards, professional reputation and experience to allow me to consider the rights of stakeholder and decide freely;

q) I am able to allocate my time for company affairs to the extent that I can follow operations of company and fulfil the requirements of the duties I undertake, fully;

r) I have not been a member of the board of directors of the company for more than six years in the last ten years;

s) I do not serve as an independent board member in more than three of the companies in which the company or the shareholders holding the management control of the company have management control, and in more than five of the companies traded on the stock exchange in total;

t) I have not been registered and promulgated on behalf of the legal entity elected as a member of the Board of Directors.

Efe Deniz Kılıç

g) Operating Principles of the Board of Directors

According to the company's articles of association, the Board of Directors assembles as company business requires. However, the Board of Directors must hold a meeting at least once a month. Decisions of the Board of Directors can be rendered with absolute majority of those who attend the meeting physically or via electronic media. The manner of the meeting of the Board of Directors, quorum for the meeting and resolutions, voting, duties, rights and powers of the Board of Directors are subject to the provisions of Turkish Commercial Code and Capital Market Law. 30 separate decisions were resolved by holding Board of Directors Meetings on different dates in 2024. Members are invited to meetings orally or in writing by the Office Secretariat of the Board of Directors.

Members of the Board of Directors are elected for a maximum of 3 (three) years. Members of the Board of Directors whose election period has expired may be re-elected. If one of the position of members of the Board of Directors becomes vacant, the Board of Directors shall appoint a member temporarily to be submitted for approval by the next General Assembly Meeting to be held for the vacant membership and to serve until this meeting. Instead of a Board Member nominated and elected by Group A shareholders, the candidate proposed by the majority of the members of the Board of Directors elected and serving upon nomination by Group A shareholders is appointed with the approval of the Board of Directors. The member approved by the General Assembly to be appointed shall complete the term of office of member's predecessor. The members of the Board of Directors may be dismissed at any time with the decision of the General Assembly if there is a relevant item on the agenda or if there is a justified reason, even if there is no item on the agenda. If a legal person is elected as a member of the board of directors, only one natural person determined by the legal person on behalf of the legal person shall be registered and promulgated together with the legal person. The legal person who is a member of board of directors may change the person registered in his/her name at any time. If the independent member loses his/her independence, resigns or becomes unable to fulfil his/her duty, then the regulations specified in capital market legislation and corporate governance principles of CMB shall be complied with.

A Chairperson and a deputy Chairperson are elected among the members at the first meeting of the Board of Directors held after the election of the general assembly in accordance with the article "regulating the Duties and Powers of the Board of Directors" of the articles of association of our company. Members of the Board of Directors distribute their duties among each other.

In accordance with the Turkish Commercial Law and capital market regulations; the formation, duties and working principles of the committees that the Board of Directors is obliged to establish, including early detection of risk committee, are carried out subject to the provisions of Turkish Commercial Law, regulations of CMB on corporate governance and other relevant regulations. The Board of Directors shall establish committees and subcommittees on such matters deemed necessary under the Turkish Commercial Law and Capital Market Regulations.

The management and outwards representation of the Company belong to the Board of Directors. The Board of Directors is authorized to resolve on all kinds of works and transactions required for the realization of subject matter of the Company, except for those under the authorization of General Assembly in accordance with the Turkish Commercial Law, regulations of CMB and other relevant regulations and the Articles of Association.

The Board of Directors is authorized to transfer the management partially or entirely to one or more members of the Board of Directors or a third person based on an internal directive to be issued in accordance with the Turkish Commercial Law, Article 367. Such internal directive regulates the company's management; defines required tasks for the same; shows locations, and especially determines who is affiliated with whom and to whom he/she is obliged to provide information. The Board of Directors informs the shareholders and

creditors, who present their interests worth protecting convincingly, about this internal directive in writing, upon request.

In order to render all documents and contracts presented by the company valid, it is required that these bear the signature of person or persons authorized to bind the company and affixed under the title of company. The Board of Directors may assign the power of representation to one or more managing members or third parties as directors per Turkish Commercial Law, Article 370/2. It is essential that at least one board member has the power of representation.

h) Number, Structure and Independence of Committees Established in the Board of Directors

There are three committees operating within the Board of Directors of Qua Granite: the Auditing Committee, the Corporate Governance Committee and the Early Detection of Risk Committee. These committees consist of the following members:

	Independent Member?	Executive Member?
Auditing Committee Efe Deniz Kılıç – Chairperson Nezih Kırımlı – Member	Yes Yes	Yes Yes
Corporate Governance Committee Efe Deniz Kılıç – Chairperson Murat Yalçın Nak – Member Hayrettin Büyükgizgi* – Member	Yes No No	No No -
Early Detection of Risk Committee Nezih Kırımlı – Chairperson Murat Yalçın Nak – Member	Yes No	No No

*Not a member of the Board of Directors.

In line with the Corporate Governance Principles specified with the “Notification of Corporate Governance” of CMB, Series II-17-1; three committees have been established: in consideration of the structure and activities of existing committees as required by the structuring of Board of Directors and within the framework of provisions included in the Notification of Capital Market Board on Corporate Governance (II-17-1);

Auditing Committee, Early Detection of Risk Committee and Corporate Governance Committees were formed with the participation of a maximum of two members of the Board of Directors. The duties and responsibilities of the Nomination Committee and Remunerations Committee are fulfilled by Corporate Governance Committee.

The auditing committee meets quarterly and consists of two members. The Auditing Committee receives continuous information about its duties specified in the legislation and informs the Board of Directors of its opinions and determinations about the financial statements that show the quarterly performance of company and that will be disclosed to the public.

The Corporate Governance Committee meets as often as necessary and consists of three members. Within the scope of the assignment performed in the Board of Directors Resolutions dated 10.06.2020 (numbered 2021-30) and 20.09.2021 (numbered 2021-39); the Board of Directors also undertake the duties of:

- Nomination Committee
- Remuneration Committee

The Early Detection of Risk Committee reviews risk management systems at least once a year and consists of at least two members. Committee members are selected among members who have the ability, experience and potential to perform their duties without being influenced under no circumstances.

Statutes showing the working procedures and principles of the committees is available for access at “<https://yatirimci.qua.com.tr/>”.

In 2024, all Board Committees fulfilled their duties and responsibilities required in accordance with the Corporate Governance Principles and their principles and acted effectively. In 2024, in compliance with the working principles of the committee;

- Auditing Committee assembled six times, on 18/04/2024, 30/04/2024, 16/05/2024, 20/06/2024, 25/09/2024 and 10/11/2024;
- Corporate Governance Committee assembled four times, on 02/04/2024, 18/04/2024, 30/09/2024, 25/11/2024;
- Early Detection of Risk Committee assembled six times, on 04/04/2024, 20/06/2024, 30/09/2024, 20/10/2024, 16/11/2024 and 25/12/2024.

Early Detection of Risk Committee presented information about its activities to the Board of Directors with a report prepared once a year.

Accordingly;

- The committee responsible for audits supervised the operation and efficiency of company’s accounting system, disclosure of financial information to the public as well as the independent audit and internal control and internal audit system during the activity year.
- The Corporate Governance Committee fulfilled duties of determining whether Corporate Governance principles are applied within the Company during the activity year; if not, the grounds and conflicts of interest arising from failing to comply fully with these principles, and presented recommendations to the Board of Directors for the purpose of improving Corporate Governance Practices and also supervised the work of the Investor Relations Department.
- The Early Risk Detection Committee worked for the purpose of early determination of risks that would jeopardize the company’s existence, development and existence during the activity year, taking necessary measures with regards to such risks determined, and managing the risk; and reviewed risk management requests.

i) Duties and Working Principles of the Auditing Committee

1. Purpose

The Company established the Auditing Committee (“Committee”) upon its resolution rendered on 01/03/2021 under no. 2021/11 as required by the Capital Market Law No. 6362 (“CMB”), Turkish Commercial Law No. 6102 (“TCC”), Notification of the Capital Market Board on Corporate Governance (“CMB”) (II-17.1) and Corporate Governance Principles regulated in the Notification on Corporate Governance in force as amended and changed from time to time.

The purpose of the Committee is to supervise the operation and efficiency of company’s accounting system, disclosure of financial information to the public as well as the independent audit and internal control and internal audit system.

2. Structure of Committee

The Committee must consist of at least two members, and all members must be independent board members.

At least one of the committee members must have 5 years of experience in auditing/accounting and finance.

It is necessary to ensure that a board member does not participate in more than one committee.

The members of the Committee are determined by the Board of Directors and promulgated on the Public Disclosure Platform.

3. Duties and Responsibilities of the Committee

The duties and responsibilities of the Committee are as follows:

- ▶ Supervision of the operation and efficiency of company's accounting system, disclosure of financial information to the public as well as the independent audit and internal control and internal audit system;
- ▶ Selection of the independent auditing organization, issuing independent auditing agreements and initiating the independent audit process and supervision of the works of the independent auditing organization at every stage;
- ▶ Determining the independent auditing organization that will render its services to the company and the services to be rendered by such independent auditing organization and presenting the same for the approval of board of directors;
- ▶ Determining the methods and criteria to be applied for examining and settling any complaints reported to the company regarding the accounting and internal control system and independent auditing of company, and for evaluating the company employees' notifications on accounting and independent auditing within the framework of the confidentiality principle,
- ▶ Evaluation of the annual and interim financial statements to be disclosed to the public with regards to their compliance with the accounting principles followed by the company and to their accuracy; seeking opinions of the Company's responsible managers and independent auditors and notifying the Board of Directors in writing together with the evaluations of the Committee,
- ▶ Immediately informing the Board of Directors in writing of any findings and evaluations as well as suggestions related to the duties and responsibilities of the Committee.

4. Actions and Meetings of the Committee

The Committee assembles at least once every three months and at least four times a year; and the conclusions obtained in the meeting are recorded in the minutes and resolutions rendered are submitted to the Board of Directors. The committee's activities and conclusions of meeting must be explained in the annual activity report. The number of written notifications made by the Committee to the board of directors during the accounting period is also stated in the yearly activity report.

The Committee may invite any person it deems necessary to its meetings and seek their opinions.

The Committee benefits from opinions of independent experts on the issues it deems necessary regarding its activities. The Company covers the cost of such consultancy services required by the Committee. However, in such case, the activity report should provide information on the person/organization rendering such services and as to whether such person/organization has any relation with the Company.

5. Changes in the Working Principles of Committee

Proposals for any change in such working principles are submitted to the Board of Directors by the Committee and are put on the agenda at the first meeting of the Board of Directors.

6. Enforcement

These working principles and any related changes and updates come into force upon resolution of the Board of Directors.

STATEMENT OF RESPONSIBILITY PREPARED UNDER THE NOTIFICATION OF CAPITAL MARKET BOARD ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKET, NO. II-14.1, ARTICLE 9 RESOLUTION BY THE BOARD OF DIRECTORS ON THE ACCEPTANCE OF ACTIVITY REPORT

DATE OF RESOLUTION: 11/03/2025

RESOLUTION NO: 2025/03

Consolidated financial statements, including footnotes, as well as the income statement, detailed income statement, cash flow statement, equity change statement (Financial Statements) and the Activity Report, which were prepared by our Company and subjected to independent auditing by Nevados Bağımsız Denetim A.Ş. for the accounting term 01.01.2024 - 31.12.2024, in compliance with the formats specified under Turkish Financial Reporting Standards and by the Capital Market Board in accordance with the Notification of Capital Market Board on the Principles of Financial Reporting in Capital Markets (II- 14. 1) (Notification) and the Principle Decision of 28.12.2023 on the inflation accounting practice, as well as the Corporate Governance Conformity Report issued as required by the resolution of Capital Market Board (CMB) dated 10.01.2019 and no. 2/49, and the Sustainability Principles Conformity Report issued by using the template of Corporate Governance Reports and Sustainability Report from the Corporate Governance Information Form, have been presented to us for examination; and based on the 9th Article of aforementioned Notification;

We declare herewith that:

- They were examined by our part;
- Within the framework of the knowledge we have within the scope of our duties and responsibilities in the Company, they do not contain any misrepresentation on important issues or any omissions that may be misleading as of the date of representation;
- Within the framework of the knowledge we have within the scope of our duties and responsibilities in the Company, inform that the financial statements issued under the Notification are, together with those within the scope of consolidation, reflect the facts on the assets, liabilities, financial status and profit and loss of the company, faithfully; and we declare that we have responsibility for this disclosure.

Bahadır Ilgaç
Chairperson of Auditing Committee

Nezih Kırımlı
Member of Auditing Committee

Hakkı Çatman
Financial Affairs Director

j) Duties and Working Principles of Corporate Governance Committee

1. Purpose

The Company established the Corporate Governance Committee ("Committee") upon its resolution rendered on 01/03/2021 under no. 2021/11 as required by the Capital Market Law No. 6362 ("CMB"), Turkish Commercial Law No. 6102 ("TCC"), Notification of the Capital Market Board on Corporate Governance ("CMB") (II-17.1) and Corporate Governance Principles regulated in the Notification on Corporate Governance in force as amended and changed from time to time.

The basic purpose of the Committee is to determine whether Corporate Governance principles are applied within the Company; if not, the grounds and conflicts of interest arising from failing to comply fully with these principles, and to present recommendations to the Board of Directors for the purpose of improving Corporate Governance Practices and also to supervise the work of the Investor Relations Department.

To the extent that it is allowed with the Corporate Governance Principles, since no separate nomination committee and remunerations committee have been established as required by the structuring of Company's board of directors, the Committee performs also the duties of nomination and remuneration committee as specified in the Corporate Governance Principles.

2. Structure of Committee

The Committee must consist of at least two members. In the presence of two members, both of them, and, in the presence of more than two members, majority of the members must consist of non-executive members of the board. Chairperson of committee is elected among the independent members of the Board of Directors. Experts not members of the Board of Directors may become members of the Committee.

The Chief Executive Officer/General Manager cannot take part in the Committee.

It is necessary to ensure that a board member does not participate in more than one committee.

The members of the Committee are determined by the Board of Directors and promulgated on the Public Disclosure Platform.

It is obligatory to assign the director of investment relations department of a member of the Committee.

3. Duties and Responsibilities of the Committee

The duties and responsibilities of the Committee on corporate governance are as follows:

- ▶ determining whether Corporate Governance principles are applied within the Company; if not, the grounds and conflicts of interest arising from failing to comply fully with these principles;
- ▶ presenting recommendations to the Board of Directors for the purpose of improving Corporate Governance Practices;
- ▶ Supervising the work of the investor relations department.

Duties and responsibilities of the Committee on nominations are as follows:

- ▶ establishing a transparent system for the identification, assessment and training of suitable candidates for the Board of Directors and managerial positions with administrative responsibility; and acting on the determination of policies and strategies in this regard;
- ▶ evaluating the candidate proposals for independent membership, including also the management and investors, in consideration as to whether the candidate bears the independence criteria; and submitting such evaluation to the Board of Directors for approval under a report;
- ▶ performing regular evaluations on the structure and efficiency of the Board of Directors and submitting recommendations to the Board of Directors regarding any possible changes in this regard.

Duties and responsibilities of the Committee on remunerations are as follows:

- ▶ Determining the principles, criteria, and practices to be utilized in the remuneration of the members of the Board of Directors and the managers with administrative responsibility in consideration of the long-term objectives of the Company and supervising the same;
- ▶ Submitting suggestions to the Board of Directors regarding the remuneration to be provided to the Board Members and managers with administrative responsibility, in consideration of the degree of meeting the criteria used in remunerations.

4. Actions and Meetings of the Committee

The Committee assembles as frequently as deemed necessary; and all actions performed are recorded in writing. The Committee presents reports containing information on its actions and the conclusions of meeting to the Board of Directors.

The Committee may invite any person it deems necessary to its meetings and seek their opinions.

The Committee benefits from opinions of independent experts on the issues it deems necessary regarding its activities. The Company covers the cost of such consultancy services required by the Committee. However, in such case, the activity report should provide information on the person/organization rendering such services and as to whether such person/organization has any relation with the Company.

5. Changes in the Working Principles of Committee

Proposals for any change in such working principles are submitted to the Board of Directors by the Committee and are put on the agenda at the first meeting of the Board of Directors.

6. Enforcement

These working principles and any related changes and updates come into force upon resolution of the Board of Directors.

k) Duties and Working Principles of the Early Determination of Risk Committee

1. Purpose

The Company established the Early Determination of Risk Committee ("Committee") upon its resolution rendered on 01/03/2021 under no. 2021/11 as required by the Capital Market Law No. 6362 ("CMB"), Turkish Commercial Law No. 6102 ("TCC"), Notification of the Capital Market Board on Corporate Governance ("CMB") (II-17.1) and Corporate Governance Principles regulated in the Notification on Corporate Governance in force as amended and changed from time to time.

The basic purpose of the Committee is early determination of risks that would jeopardize the company's existence, development and existence during the activity year, taking necessary measures with regards to such risks determined, and managing the risk.

2. Structure of Committee

The Committee must consist of at least two members. In the presence of two members, both of them, and, in the presence of more than two members, majority of the members must consist of non-executive members of the board. Chairperson of committee is elected among the independent members of the Board of Directors. Experts not members of the Board of Directors may become members of the Committee.

- ▶ The Chief Executive Officer/General Manager cannot take part in the Committee.
- ▶ It is necessary to ensure that a board member does not participate in more than one committee.
- ▶ The members of the Committee are determined by the Board of Directors and promulgated on the Public Disclosure Platform.

3. Duties and Responsibilities of the Committee

The duties and responsibilities of the Committee are as follows:

- ▶ Evaluating and identifying all risks that may jeopardize the company's existence, development and persistence, as well as their possibility of occurrence and their effects;
- ▶ Establishing risk measurement models and risk management systems and reviewing their effectiveness at least once a year,
- ▶ Informing the Board of Directors and presenting necessary warnings regarding the measurement and monitoring of risks and the use of risk factors in decision-making processes;
- ▶ Presenting recommendations to the Board of Directors in order to improve risk management practices and models,
- ▶ Acting as necessary for the adoption and implementation of risk management policies and practices by all Company units and employees.

4. Actions and Meetings of the Committee

The Committee assembles as frequently as deemed necessary; and all actions performed are recorded in writing. The Committee presents reports containing information on its actions and the conclusions of meeting to the Board of Directors.

The Committee may invite any person it deems necessary to its meetings and seek their opinions.

The Committee benefits from opinions of independent experts on the issues it deems necessary regarding its activities. The Company covers the cost of such consultancy services required by the Committee. However, in such case, the activity report should provide information on the person/organization rendering such services and as to whether such person/organization has any relation with the Company.

5. Changes in the Working Principles of Committee

Proposals for any change in such working principles are submitted to the Board of Directors by the Committee and are put on the agenda at the first meeting of the Board of Directors.

6. Enforcement

These working principles and any related changes and updates come into force upon resolution of the Board of Directors.

9.

Organization, Capital and
Shareholding Structure of Company



9. Organization, Capital and Shareholding Structure of Company

a) Capital and Shareholding Structure, Prohibition of Transaction and Competition with the Company

The company's issued capital is totally 2.640.000.000 TRY as of 31 December 2024, which is fully paid in. This capital is divided into 2.640.000.000 shares worth 1 (one) Turkish Lira each; and 462.000.000 shares among these are Group A registered shares, and 2.178.000.000 shares are Group B bearer shares.

The shareholders of the Company as of 31 December 2024 and their shares in the capital are as follows as provided with historical values:

December 31, 2024		
Shareholders	Share Total (TRY)	Share Rate (%)
Q Yatırım Holding A.Ş.*	1.000.646.251	37,90
Ali Ercan	785.443.276	29,75
Public Offer – Other Persons	853.910.473	32,35
Total	2.640.000.000	100,00

*Sole shareholder of the company is Ali Ercan. Management dominance of Ali Ercan in Qua Granite has not changed.

Registered capital ceiling of the Company is 15.000.000.000 TRY. The capital structure as of 31 December 2024 per share groups is given in the table below.

		Capital Total (TRY)	Share in Capital (%)	Voting Right Rate (%)
Q Yatırım Holding A.Ş.*	A	462.000.000	37,90	63,47
	B	538.646.251		
Ali Ercan	B	785.443.276	29,75	17,50
Other	B	853.910.473	32,35	19,03
Total	A+B	2.640.000.000	100,00	100,00

b) Changes within the Account Term

None.

c) Explanations on privileged shares and voting rights of shares

Group A shares have special rights and privileges specified in the articles of association. Group B shares do not have any privileges. As regulated in the 7th Article of the Company's Articles of Association; half of the Board of Directors consisting of minimum 5 and maximum 8 members shall be selected among Group A shareholders or candidates to be nominated by them; and 2 members of the Board of Directors consisting of 5 members; 3 members of the Board of Directors consisting of 6 members; 3 members of the Board of Directors consisting of 7 members; and 4 members of the Board of Directors consisting of 8 members shall be selected among Group A shareholders or candidates to be nominated by them.

According to the 10th Article of the Articles of Association, Group A shareholders have 5 voting rights, and Group B shareholders have 1 voting right in the General Assembly meetings

d) Directly Owned Affiliates and Subsidiaries

As of December 31, 2024, our affiliates subjected to consolidation and our shareholding percentages regarding our financial fixed assets are as follows:

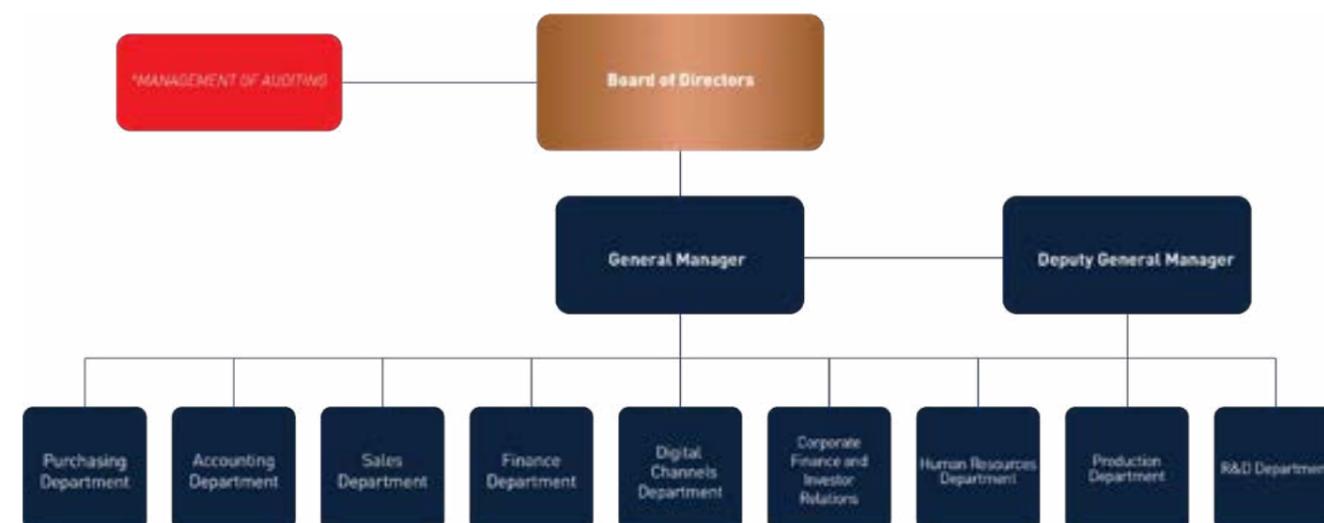
Trade Name	Scope of Activity	Paid-in Issued Capital	Share of Company in Capital	Share of Company in Capital (%)	Nature of relation with the Company
Qua Trading Ticaret A.Ş.	Sale of granite, ceramic, floor tiles and tile materials	30.000.000	30.000.000	100	Subsidiary
Qua Home Collection Tekstil Mağazacılık San. ve Tic A.Ş.	Wholesale and retail sale of home textile products and accessories	10.000.000	8.000.000	80	(subject to Consolidation)

Qua Trading Ticaret A.Ş., 100% subsidiary of the Company, sells technical granite, ceramic, floor tile and materials abroad as registered for export.

Qua Home Collection Tekstil Mağazacılık San. ve Tic A.Ş., 80% subsidiary of the Company, sells home textile products and accessories wholesale and retail.

The liquidation procedures of Trio Mimarlık Zemin ve Banyo Ürünleri Ticaret A.Ş., 75% subsidiary of our Company, have been completed in 2024 and the company has been canceled from the trade registry.

e) Organizational Structure



*Independent department reporting to the Board of Directors

f) Executive Staff

Yavuz Arıcan

General Manager

Yavuz Arıcan, born in Diyarbakır on 16.11.1968, graduated from the Department of Metallurgical Engineering of Middle East Technical University in 1992. Between 1995-1998, he served as Production Chief at Söğüt Ceramic Factory, as Production Chief and Deputy Manager at Ege Ceramic Factory between 1998- 2004, as Production Manager at Graniser Ceramic Factory between 2004-2006, as Production Manager at Hitit Ceramic Factory between 2006-2007, and finally, he has been serving as Production Manager and Plant Director at Bien Seramik and Qua Granite, which are companies owned by the Ercan family. Yavuz Arıcan, having high-level knowledge and experience in production management and techniques, maintains his position as the Deputy Chairperson of the Board of Directors and General Manager in our company.

Uygar Sezişer

Deputy General Manager

Uygar Sezişer completed his undergraduate degree at Yıldız Technical University, Faculty of Shipbuilding and Maritime Studies. He started his career as Planning and Exploration Lieutenant at Gölcük Shipyard Directorate in 2004 and continued as Operating Engineer at Gemak Shipyard between 2005-2012. Between 2012-2019, he worked at Kardemir A.Ş. as Investments Project Engineer, Advisor to the Board of Directors and Chief Project Engineer responsible for Investments, respectively. Between 2019 and 2024, he worked as General Manager at Karçel A.Ş.

Hakkı Çatman

Financial Affairs Manager

Hakkı Çatman was born in Bozüyük on 11.09.1988. He graduated from the Department of Business Administration of Eskişehir Anadolu in 2009. Between 2009 and 2011, he served as Accounting Specialist at Euro Dekor A.Ş.; and between 2012 and 2016, as Accounting Specialist at Bien Ceramics. Hakkı Çatman has Certified Public Accountant license and has been working in the position as the accounting manager in the company since 2016.

Canan Güven

Technology Director

Canan Güven was born in Ankara on 22.07.1967. She graduated from the Chemical Engineering Department of Middle East Technical University in 1990. She served as Production Chief in Söğüt Seramik between 1991-1997, and as R&D Manager in the same company between 1997-2005. She served as Technology Manager between 2009-2011 and as Technical Manager in 2012 in Uşak Seramik. She worked as R&D Manager in Ercan Group of Companies between 2012-2016. She has been working as Technology Director at Qua Granite since 2016.

Hayrettin Büyükgizgi

Corporate Finance and Investor Relations Manager

Hayrettin Büyükgizgi was born on 20.11.1979 in Istanbul. After completing his high school education at Fenerbahçe Anatolian High School, he received his undergraduate degree from Istanbul University, Faculty of Economics, Department of Economics in 2001. He completed his master's degree in 2004 at Marmara University, Banking and Insurance Institute, Department of Banking. He served as Research Department Specialist at Strateji Menkul Değerler A.Ş. between 2001-

2004, and as Corporate Finance Director at Alantra Daruma Finansal Danışmanlık Hizmetleri A.Ş. between 2004-2017; and as Corporate Finance Manager at Teb Yatırım Menkul Değerler A.Ş. between 2017-2018. He has been working as Corporate Finance and Investor Relations Manager within Qua Granite since 2018.

Yahya YAVUZ

Purchasing Director

Yahya Yavuz was born on 10/12/1970 in Nevşehir. In 1996, he completed his undergraduate degree at Istanbul University, Faculty of Economics, Department of Economics. In 1996, he began his business life. He served as Inspector at Yay-Sat A.Ş., Assistant Finance Manager at Sağra A.Ş., Assistant Finance Manager at Kastamonu Entegre Ağaç Sanayi A.Ş., Assistant General Manager at Beğendik A.Ş., Sales Director at Ant Gıda A.Ş., General Manager at Yıl-Pa Mobilya İmalat Pazarlama LTD ŞTİ and General Manager at Marikat Gıda Perakende A.Ş., respectively. He is currently working as Purchasing Director at Qua Granite.

Nesrin Kamaş

Information Safety Manager

Nesrin Kamaş was born in 1976 in Munich. She graduated from the Department of Computer Engineering of Near East University in 2000 and completed her master's degree in Information Technology Law in Hacettepe University in 2020.

She served respectively as Programmer in the Prime Ministry and Ministry of Foreign Affairs of Republic of Turkey between 2000 and 2005; as Researcher in TÜBİTAK UEKAE Scientific and Technological Research Council of Turkey – International Electronic and Cryptology Research Institute and Cyber Security Institute between 2005 and 2013; as Information Security Specialist and Project Director in TÜRKİSAT A.Ş. between 2013-2019; as Project Director in STM A.Ş. between 2019-2021; Cyber Security Director in Interdata A.Ş. in 2021; Governance Specialist in Havelan A.Ş. and Information Security Manager in Q Yatırım Bankası A.Ş. in 2022. She has been working in Qua Granite A.Ş. as of September 2023 as Information Security Director.

g) v

As of 31/12/2024 the number of personnel members of Qua Granite is 1.012. (31.12.2023: 1.378).

The remuneration policy for the Board of Directors and senior executives and the remuneration policy for the identification of remuneration system and practices and other rights for the members of Board of Directors and managers are published on Qua Granite website.

Following rights and benefits are provided to blue-collar and white-collar personnel:

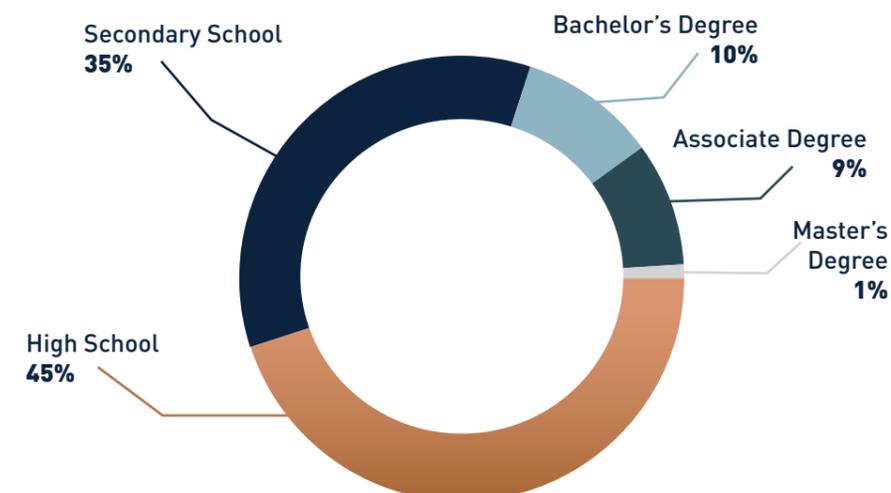
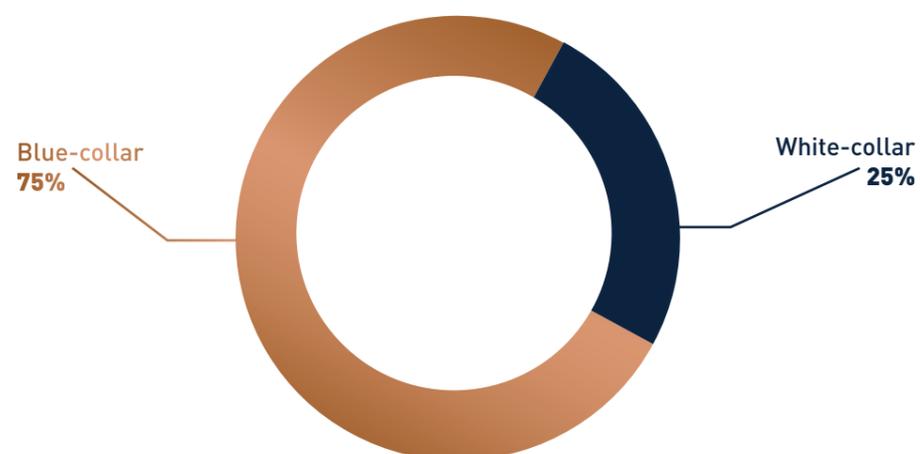
Wages and wage principles: Regular wage, annual wage increase, overtime, holiday work and weekend work.

Additional Payments: Annual leave fee, tuition aid, transportation allowance, food allowance.

Leaves: Annual paid leave and compassionate leave.

It is of great importance to strengthen the relationship between the educational system and business live of our employees in terms of improving human resources within the qualified workforce needs of our country. In this context, we give support in collaboration with Occupational Training Centers to maintain their activities in the name of meeting the need for employed individuals.

Compensation policy for our employees is published on the company website, and the provision for severance and leave indemnities have been calculated as 88.766.366 TRY as of December 31, 2024.



h) Prohibition of Transaction and Competition with the Company

The Chairperson and Members of the Board of Directors cannot make any transactions related to the company in the name or on account of themselves or others without the permission of General Assembly. The Chairperson and Members of the Board of Directors entitled in the General Assembly held on 14.06.2024 according to the Turkish Commercial Code. During the 2024 activity year, members of the Board of Directors did not perform any transaction related to any company and did not make any attempt to compete in the field of its scope of activity.

i) Benefits provided to Members of the Governing Body and Senior Executives

The remuneration policy for the Board of Directors and senior executives is published on the Company website. The company did not loan any quantity, make any credits available, make any individuals credits available through any third person, or provide guarantees such as security in favor of any member of the board of directors and/or managers.

The General Assembly determines the quantity and payment dates of attendance fees, wages and similar rights that can be provided to the members of the Board of Directors other than dividends. The remuneration principles of the members of the Board of Directors and senior executives are made available in writing.

The Remuneration Policy is submitted presented for information of shareholders as a separate article at the General Assembly meeting, and the shareholders are enabled to express their opinions in this respect. Share registers or payment plans based on the company's performance are not used in the remuneration of independent members of the board of directors. The wages of independent members of the Board of Directors are determined to protect their independence according to the regulations of the Capital Market Board. It has been approved to separately determine and provide allowance fee to the Members of Board of Directors and Independent Members of Board of Directors upon Resolution rendered by the Board at the Ordinary General Assembly held on 14.06.2024. Benefits total provided to the Company's Members of the Board of Directors for the term ending on 31 December 2024 has been 4.309.684 TRY.

10.

Our Sustainability Approach



10. Our Sustainability Approach

a) Our Sustainability Strategy

Qua Granite, in addition to being the largest facility in Turkey focusing only on technical granite production, operates in a large scale of geography with its exports to more than 100 countries in 5 continents. The company basically prioritizes leading sustainable development in the environmental, social and economic sense in all geographies where it operates; and develops and implements strategies in this respect. In addition to the sustainability policies, it has consistently implemented since the day of its establishment, increasing women's employment and prioritizing equality in the working environment have been among the basic principles of Qua Granite. Qua Granite, adopting the principle of equality between men and women in all in-company activities, approaches all its employees with the basic principle of equality and gives preference to fight against gender inequality. Within this framework, in technical granite sector, where female employment is low, it offers women the opportunity to work at every point of the production area outside the office and is proud of being referred as a company employing highest number of women in the production phase. Qua Granite, employing 1.012 as of 2024 year-end, continues contributing in the region where it operates and in Turkish economy.

Qua Granite focuses on reducing the consumption of natural resources and minimizing the environmental effects of its products adopting a lifelong sustainability approach for its production processes and products. In line with its corporate culture and experience in sector, it has completed the construction of its purification facilities in compliance with all legal regulations before the construction of its production facilities, for the purpose to implement sustainability practices setting an example for the sector it serves and for Turkey. In this framework of sustainable water management, it is the first and only company in its sector that purifies the entire water used in its production in the purification facility within its plant and thus that brings back to production in place of discharging to nature.

The company headed towards to carry the value created for all its shareholders to the future, guiding the technical granite sector as the leader. Sustainable Principles Conformity Report and its Environmental, Social and Corporate Management performance for 2024 is published on its website and "KAP" (Public Disclosure Platform).

In the ceramics sector, where energy is one of the most important process inputs, the steps to be taken in line with the strategy aim to ensure clean and efficient energy supply security and to create sustainable alternatives.

Küresel İtkeler Sözleşmesi

Qua Granite, approaching to sustainability as a strategic management model, makes effort also to become one of the most important actors in sustainable development. In compliance with 10 principles of the United Nations Global Compact (UN Global Compact), signed in 2021 and having demonstrated sustainability performances contributing in United Nations Sustainable Development Objectives, it continues getting much closer to its target every passing year.

For detailed information: www.unglobalcompact.org



STARTING THE SUSTAINABILITY JOURNEY

The needs for the ESG program were identified. We signed the United Nations Global Compact. We were entitled to receive Zero Waste Certificate.

IMPLEMENTATION OF INITIAL DEPARTMENT-BASED ACTIONS

Measurements began and critical indicators started to be collected. Initial sustainability projects were developed on a departmental basis. Research on renewable energy was initiated. Policies were established. Our Corporate Governance Rating increased to 9.05.

FIRST SUSTAINABILITY REPORTING

The first sustainability report covering the years 2021 and 2022 and prepared in accordance with GRI Standards was published. We were granted the award of "The Company with the Highest Increase in Rating in the Corporate Governance Index in the Last Year" at the 13th Corporate Governance Award by the Corporate Governance Association of Turkey (TKYD). We became a member of the United Nations Global Compact (UNGC). The first part of renewable energy investments was initiated. We reached the finals of the 2023 Sustainable Business Awards with our innovative project on water recovery, "100% Utilization of Process Waste Water Project". We received EPD Certificate for our 7 mm and 20 mm product groups. We joined the Sustainability Index of Istanbul Stock Exchange with our high LSEG ESG Score. Our LSEG ESG Score reached 82 and we ranked 6th among 88 companies in our sector worldwide.

TSRS, COMPLIANCE AND IMPROVED ESG PERFORMANCE

Our corporate governance rating increased to 9.23 in 2024. A sustainability working group was established. The prioritization analysis was updated through one-on-one meetings and surveys with stakeholders. The working principles of the Sustainability Committee, prepared under the leadership of the Corporate Governance Committee, were approved by the Board of Directors. The 2023 Sustainability Report, prepared in accordance with GRI Standards, was published in December 2024. Short/Medium/Long-term goals and metrics were defined, and work on the 2030 Sustainability Program commenced.



SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

We aim to make a direct contribution to the relevant Sustainable Development Goals while focusing on our identified priority issues.

Qua Granite 2023 Priority Issues	Relevant Sustainable Development Goals	How Do We Manage the Priority Issue?
Environmentally Friendly Products	SDG 12, 13, 14, 15	As Qua Granite, we are committed to ensuring the development, implementation and use of sustainable environmentally friendly products, services and packaging materials. We prioritize sustainability by adopting various strategies and practices to produce environmentally friendly products.
Product Quality and Reliability	SDG 8, 9, 11, 12	As Qua Granite, a company that adopts sustainability in production, we make our understanding of quality sustainable with our certifications that we regularly update within the framework of our obligations.
R&D and Innovation	SDG 7, 8, 9	As Qua Granite, we adopt the principle of responding to the changing demands of our customers at the highest level. In this context, we research suitable materials, develop technologies and create recipes to meet new needs through our intensive R&D activities.
Customer Experience and Satisfaction	SDG 8, 9, 12	As Qua Granite, which offers services to over 1,000 domestic and foreign customers, we define the concept of "Happy Customer" as an indicator that all our operational processes are managed efficiently and effectively. We carry out our activities with this understanding in order to always keep the quality of the products and services we offer to our customers at the highest level.
Circular Economy and Waste Management	SDG 8, 9, 11, 12, 13	By recycling wastes generated in our production processes and integrating them into the system, we recover materials that are considered lost into the national economy, thus, we make a significant contribution to the circular economy and raise awareness.
Transition to a Low Carbon Economy and Tackling the Climate Crisis	SDG 7, 13	We support the transition to a low carbon economy and the fight against the climate crisis by optimizing production processes to reduce carbon emissions, using materials with low carbon footprint, increasing energy efficiency, using renewable energy sources and developing innovative solutions in the fight against climate change.
Protection of Biodiversity	SDG 14, 15	We regularly monitor the impact of our operations on biodiversity, take preventive measures and report these processes. We ensure that our investments do not have any impact on biodiversity.

SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

Qua Granite 2023 Priority Issues	Relevant Sustainable Development Goals	How Do We Manage the Priority Issue?
Employee Health and Safety	SDG 3	As Qua Granite, we prioritize employee health and safety as our primary goal. By emphasizing our determination to create a sustainable working environment, we keep our commitment to protect the health and safety of our employees at the highest level.
Ethics and Code of Conduct	SDG 8, 10	We define ethics as the foundation of sustainability and include our ethical principles within the "Ethics Policy", which all employees and managers of Qua Granite must comply with.
Strong Corporate Governance and Risk Management Practices	SDG 8, 10	As Qua Granite, we further strengthen our corporate governance understanding with the improvements we make in our corporate governance structure every year and with a broad perspective. We adopt a proactive risk management approach and work on risk and opportunity analysis.
Financial Performance and Growth in International Markets	SDG 8	As Qua Granite, we regularly analyze our financial performance, optimize our costs through budget and planning studies, create long-term economic value for all our stakeholders through proper investment and resource management, and develop growth strategies for these markets through international market research.
Equal Opportunity, Diversity and Inclusion	SDG 5, 8	As Qua Granite, we define our employees as the key force behind our success; we take firm steps towards our goals by nurturing equal opportunity, diversity and inclusion.
Employee Rights, Development and Engagement	SDG 8	We adopt and develop fair, transparent and integrated practices in line with global human resources trends to attract, develop and retain the most valuable talents. We aim to rapidly progress towards becoming an exemplary and preferred employer both in our sector and in our country.
Responsible Procurement and Supply Chain	SDG 8	As Qua Granite, we believe that we need to focus on sustainability in the value chain to ensure corporate sustainability. We carry out the relations we establish with our suppliers, who are among the important stakeholders of our company, and the policies we develop with great sensitivity from supplier selection to the final procurement process.
Corporate Social Responsibility	SDG 8, 9, 10, 11, 12, 13	As Qua Granite, we pay attention to developing projects that add value to society and social life and generate social benefits since our establishment.

b) Our ESG performance

We aim at ensuring 100% conformity to the Sustainability Principles Coherence Framework as prepared in line with the amendment on the Corporate Governance Notification of Capital Market Board dated 10/01/2022. The Sustainability Principles Conformity Report showing the status of conformity with the principles specified in the Sustainability Principles Coherence Framework of the Capital Market Board is available at <https://www.surdurulebilirlik.qua.com.tr/>.

The results of the study we conducted focusing sustainability show that Qua Granite is ranked as 6th among 189 companies with an ESG score of 82/100 as of 31/12/2024 as evaluated by LSEG ESG in construction materials sector in the world. Our shares began to be traded as of 01/10/2023 in the "BIST Sustainability" index with this high sustainability score of our company.

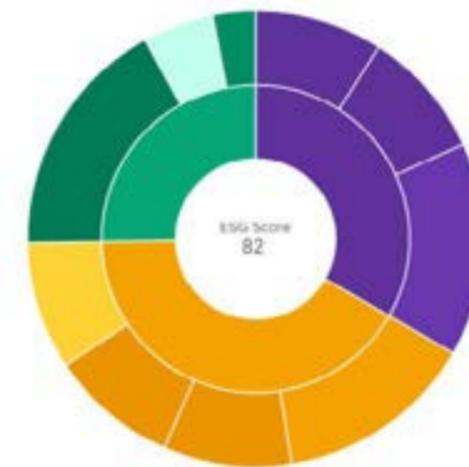
Global Principles Agreement

Qua Granite, approaching to sustainability as a strategic management model, makes effort also to become one of the most important actors in sustainable development. In compliance with 10 principles of the United Nations Global Compact (UN Global Compact), signed in 2021 and having demonstrated sustainability performances contributing in United Nations Sustainable Development Objectives, it continues getting much closer to its target every passing year.

For detailed information: www.unglobalcompact.org

Qua Granite Hayat Yapı ve Ürünleri Sanayi Ticaret A.Ş.
ESG puanı : 82 /100

Environment	91
Emissions	100
Use of resources	92
Innovation	89
Social	82
Human Rights	36
Product Liability	92
Waste	97
Meetings	49
Governance	73
Management	91
Shareholders	6
Corporate Social Liability Strategy	82



COMPARISON AND RANKING

Qua Granite Hayat Yapı ve Ürünleri Sanayi Ticaret A.Ş. is a House Building and Construction Materials company. The ranking of this company among all companies included in this industry is shown below.

6 / 189
Construction Materials Companies

2022 data reported by Qua Granite Hayat Yapı ve Ürünleri Sanayi Ticaret A.Ş. was used as basis in the evaluation.

² Our ESG ranking executed by BIST Istanbul Stock Exchange is available at the website of LSEG ESG. <https://www.lseg.com/en/data-analytics/sustainable-finance/esg-scores?esg=Qua+Granite+Hayat+Yapi+ve+Urunleri+Sanayi+Ticaret+AS>

c) Working Principles of Sustainability

Purpose and Scope

Sustainability Committee has been established in order to report to the Board of Directors for the purpose of increasing the value produced by Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. in environmental, social and corporate areas and determining its sustainability strategy and conducting, monitoring and auditing its policies, targets and applications in sustainability. The purpose of such arrangement is to determine the duties and working principles of the Sustainability Committee (Committee) of Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. (Company).

Establishment and Structure of Committee

The Committee is established and authorized with the approval of Board of Directors.

The Committee consists of 4 members including the General Manager, Technology Director, Environmental and Sustainability Manager, and Corporate Finance and Investor Relations Director.

The Committee is chaired by the General Manager. The Committee is coordinated by the Corporate Financing and Investor Relations Director. The resolutions rendered by the Committee is implemented by the Working Group.

Structure of the Working Group

The Working Group works directly in connection with the Sustainability Committee. It consists of the Environment – Energy Working Group, Reporting – Stakeholder Relations Working Group, Corporate Social Responsibility Working Group, Research & Development – Digitalizing – Innovation Working Group.

Working Procedures and Principles

The Committee meets once a year at required times. The meeting is held with the participation of at least half of the number of members of the Committee. The Committee resolves with absolute majority. In case of equity, the vote of the President of Committee is calculated as two votes. The Committee keeps the resolutions rendered in meetings in writing including also the place and time of meeting, and the information on the participating members and archives after signed by the Committee members. The Committee is liable for reporting the resolutions to the Board of Directors.

Duties and Responsibilities

The duties and responsibilities of the Committee include the following:

- Working for the purpose of integrating sustainability in the Company structure and performing projects,
- Following national and international developments in terms of sustainability,
- Establishing sustainability strategy, targets, route maps, and policies.
- Managing the risks in terms of social, environmental and corporate management proactively and directing the sustainability strategy and policy of the Company,
- Supporting and ensuring the implementation of projects for the purpose of reducing carbon emissions during working processes under the scope of fight against climate change,
- Following the route map of company and the developments in applications regarding sustainability; setting goals; determining performance measures in this context; auditing the performance in line with the set goals; and ensuring active participation of all related units of the Company in the process,
- Authorizing and coordinating the Working Group established within the Company within the scope of such studies;
- Reviewing and rearranging, conducting, following, auditing, and when required, presenting to the approval of Board of Directors the sustainability policy, targets, applications, working principles, management system regularly,
- Ensuring that all Company employees are informed in line with the sustainability policy and targets of the Company and

working for the internalizing of such policies by the employees,

- Ensuring the participation of stakeholders in terms of the Company's sustainability strategy, policy and applications for all stakeholders,
- Ensuring that the working outputs coincide with the Company's sustainability policies and Company's expectations.

Responsibilities and Working Principles of the Working Group

- The Working Group has been established in support of the implementation of resolutions rendered by the Committee,
- The Working Group is liable for fulfilling all the duties assigned by the Committee.
- The Working Group is responsible for setting the goals based on the resolutions rendered in the Committee, ensuring the implementation of and following all sustainability activities, making revisions when necessary, and reporting to the President of Committee and the Committee.
- The members of the Working Group participate and contribute in the activities of Committee representing their respective departments.
- The members of the Working Group participate and contribute in the activities of Committee representing their respective departments.

Validity

These working principles and any amendments and updates on the same enter into force with the Resolution of the Board of Directors.

Members of the Sustainability Committee	
Name / Surname	Position
Yavuz Arıcan	President / General Manager
Canan Güven	Member / Technology Director
Hayrettin Büyükkızı	Member / Investor Relations and Corporate Financing Director
Aybala Sarı	Member / Environment and Sustainability Manager

d) Kurumsal Yönetim Derecelendirme Notu

Qua Granite raised its corporate governance rating score, which was 9,13 in 2023, to 9,23 in 2024 in the study performed on the basis of the Corporate Governance Principles of the Capital Market Board and included in the Corporate Governance Index of Istanbul Stock Exchange.



Such score has been formed as a result of the importance attached by Qua Granite on corporate governance principles, its willingness in maintaining this as a continuous and dynamic process, and as a result of the activities performed in this direction.

Qua Granite is included in the 1st group based on the World's Corporate Governance Index ("DKYE") published by SAHA on the 12th of July, 2023. Details of World's Corporate Governance Index published by SAHA is accessible at <http://www.saharating.com>.

Corporate Governance Rating Report is accessible at the corporate website of SAHA, www.yatirimci.qua.com.tr, Public Disclosure Platform (KAP, www.kap.gov.tr).

Corporate Governance Score 9,23

Main sections: Average 92,25

Sub-categories	Weight	Score assigned in 2024
Shareholders	25%	89,59
Public Disclosure and Transparency	25%	97,68
Stakeholders	15%	93,92
Board of Directors	35%	89,56
Total		92,25



11.

Shareholders



11. Shareholders

a) Shareholder Relations Unit

Following individuals serve in the Shareholder Relations Unit:

Hayrettin Büyükizgi

Corporate Finance and Investor Relations Director

h.buyukizgi@qua.com.tr

0850 888 07 08

Hakkı Çatman

Financial Affairs Director

h.catman@qua.com.tr

0850 888 07 08

Hayrettin Büyükizgi has a “Capital Market Activities Level 3 License - 200595” and “Corporate Governance Rating License - 916390” as stated in the CMB’s Notification on Corporate Governance II-17.1 and serves as a full-time Corporate Finance and Investor Relations Manager in the Company. He is also a member of Qua Granite Corporate Governance and Sustainability Committees.

The Investor Relations Department provides communication between our company and investors as required by provision of the Notification of the Capital Market Board on Corporate Governance, Serial: II-17.1, article 11, paragraph 1, as published in the Official Journal dated 03.01.2014 and numbered 28871 and it directly reports to the Board of Directors.

The Investor Relations Department submits report at least once a year on the activities conducted to the Board of Directors.

This unit also fulfills the liabilities resulting from the regulations of Capital Market Law as specified in the 11th article of same notification and coordinates practices on conformity with the Corporate Governance Principles and Sustainability Principles. Activities carried out by the unit mainly include:

- ▶ Ensuring that the records of correspondences between the investors and company as well as other information and documents are kept properly, securely and up-to-date;
- ▶ Fulfilling the transactions related to capital increases and dividend payments made in previous years,
- ▶ Holding the General Assembly meeting in compliance with the applicable regulations in force, the articles of association and other in-company regulations;
- ▶ Preparation of documents required to be submitted to the information and examination of shareholders in relation to the General Assembly meeting; taking measures to ensure that the General Assembly meeting is held in compliance with the relevant legislation, articles of association and other partnership arrangements and sending the minutes upon request;
- ▶ Responding to written information requests of shareholders about the company by consulting with relevant authorities, except for any confidential and trade secret information;
- ▶ Notification of necessary Exceptional Situation Disclosures to BIST, KAP and CMB in consideration of CMB’s Notification of Serial II-15-1;

- ▶ Following, observing, monitoring and presenting to the attention of relevant units of the company the fulfilment of the obligations arising from the capital market legislation, including also any and all matters related to corporate governance and public disclosure,
- ▶ Preparing the list of those who have access to internal information; providing information about the protection of internal communication and ensuring that those who have access to internal information comply with the confidentiality rules until the public disclosure of special situations, financial statements and other situations; and taking necessary measures in this respect;
- ▶ Reporting regularly to the Corporate Governance Committee and the Board of Directors on Investor Relations activities and share performance. Summarizing any questions, demands and issues frequently asked and regarded by investors.
- ▶ Following any changes in the Capital Market Legislation and providing necessary information within the Company;
- ▶ Executing the activities in terms of the sustainability reporting and entering the same in Istanbul Stock Change’s Sustainability Index. Following, planning and reporting the activities of Sustainability Group, which consists of managers within the company in quality, environment, technology and R&D departments; and leading the team. Reporting the actions taken periodically and sharing the same the General Manager and the Board of Directors.

During the operating period of 2024, the written and verbal information inquiries from shareholders and investors were responded to within the framework of the legislation and Public Disclosure regulations; and no complaint or incident occurred regarding the fact that such information inquiries were not responded to and/or that they contained information different from such information disclosed to the public and/or information not disclosed to the public. The confidentiality of information regarding the current status of Company or of potential commercial value is protected by the Company and company officials who are aware of such information in such a way that such information cannot be known to third parties and cannot usually be accessed until such information is disclosed to the public. The “List of those having Access to Internal Information” is prepared and such list is updated in case of any change in accordance with the 16th article of the Notification Serial: II-15.I published by the Capital Market Board.

Qua Granite attaches importance to two-way communication with investors and shareholders; and focuses on improving the accountability and transparency of its activities. It adopts an effective, timely and equal communication policy about significant changes that may affect its activities. The Investor Relations Department in 2024:

Responded to all 46 applications submitted to the Investor Relations Unit from shareholders and investor organizations through various communication methods.

- The department negotiated with 11 analysts and portfolio managers in 4 meetings.

It continues improving successful practices in terms of compliance with corporate governance principles of increasing importance with further arrangements of the Capital Market Board (CMB). In this direction, in 2024, the corporate governance rating of Qua Granite was confirmed as 9,23 out of 10.00 (SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., September 06, 2024).

b) Use of the Right to Information by the Shareholders

No discrimination exists among the shareholders in exercising their right to information and review the same.

Qua Granite shareholders submit their information inquiries and questions by contacting the company via telephone and e-mail.

Almost all of the questions submitted by the investors is about periodic income, sales, completion of investments, capital increase, value of share certificates, and the distribution of dividends. Such questions are responded within the information disclosed to the public.

For the purpose of expanding shareholders' right to information; up-to-date information, excluding confidential and trade secret information, is available on the company's website. Any developments that may affect the exercise of shareholders' rights are announced on the Public Disclosure Platform (PDP) as material disclosures. Furthermore, General Assembly Minutes are published on the website.

The demand for the appointment of a private auditor is not regulated as an individual right of claim in the articles of association of the company, and in cases not regulated by the provisions of the articles of association, relevant articles of the Turkish Commercial Law are applicable. Since it is regulated by the provisions of Turkish Commercial Law no. 6102 for the demand by shareholders to assign a private auditor for the examination of a specific material condition, no provision is provided in this respect in the Articles of Association of the Company. No demand was submitted by the shareholders in 2024 in this respect.

c) General Assembly Meetings

On June 14, 2024, ordinary general assembly meeting of the Company for 2023 was held. Invitation to the meeting was published in the Turkish Commercial Registry Journal on 22/05/2024 and no. 11087, at the company website, www.qua.com.tr and the portal of Merkezi Kayıt Kuruluşu A.Ş. and company, as stipulated in the Turkish Commercial Law and CMB legislation as well as the articles of association of company to include the agenda. The General Assembly was held by announcement at the Public Disclosure Platform (KAP) and Electronic General Assembly System within its legal period. The quorum for meeting and resolutions in General Assemblies is specified in the 13th Article of the company's Articles of Association. Accordingly, General Assembly Meetings and the quorum in such meeting are subject to the provisions of the Turkish Commercial Law.

In the Ordinary General Assembly Meeting of 2023, it was recorded that out of 2.640.000.000 shares corresponding to the Company's capital of TRY 2.640.000.000, 3.507.832 shares were represented in person, and 1.822.183.440 shares were represented by deputy out of a total of 1.825.691.272, physically; thus, the meeting quorum stipulated by both the law and the articles of association was present.

Participants from personnel members and customers were present as stakeholders in the Ordinary General Assembly. Media was not present at the meeting. Shareholders executed their right to ask questions in the General Assembly. Responses related to the financial statements and upper limit of donations were communicated verbally to the shareholders at the meeting. There was not any demand for negotiation beyond the agenda announced at the meeting. Shareholders participating in the General Assembly provided activity reports as hard copy; and furthermore, they were able to have access to necessary information from the Public Disclosure Platform, Central Registry Agency, the Electronic General Assembly System and www.qua.com.tr website.

d) Voting Rights and Minority Rights

In accordance with the company's articles of association, each Group A shareholder is provided with 5 (five) voting rights. Each B Group shareholder is provided with 1 (one) voting right. The right to attend and vote at the general assembly may not be conditioned on the storage of documents or share certificates proving that the shareholder is a shareholder of the Company, a credit institution or elsewhere.

The minority rights of the shareholders, who constitute one-twentieth of the capital, as regulated in Articles 411, 420, 439, 486, 531, 559 and other articles of Turkish Commercial Law, capital market legislation, CMB regulations and other

relevant legislation and the use of such rights cannot be restricted or prevented.

There is no controlling partner in the company in case of mutual participation. There is no provision in the Articles of Association of the Company regarding the representation of minority shares in management and the use of cumulative voting.

Implementation is voluntary according to the Capital Market Legislation. Therefore, cumulative votes are not used in the General Assemblies of the Company. Minority shares are not represented in the management because of the requirement to render some resolutions rapidly and the difficulties in their implementation.

e) Profit Distribution Policy and Dividend Right

Profit Distribution Policy has been developed by the Board of Directors within the Corporate Governance Principles framework of the Capital Market Board. It is the authority and responsibility of the Board of Directors to follow, monitor, develop and update the Company's Profit Distribution Policy. Any changes in the Profit Distribution Policy are disclosed to the public following the resolution of the Board of Directors within the framework of the regulations regarding public disclosure of exceptional situations together with its justification and are submitted to the approval of shareholders at the general assembly meeting and published on the Company's website (www.qua.com.tr).

In principle, to the extent that relevant regulations and financial opportunities allow, resolution is rendered on profit distribution in consideration of market expectations, long-term strategy, capital requirements of the Company's affiliates and subsidiaries, investment and financing policies, profitability and cash status. The dividend may be distributed to the shareholders free of charge through the addition of cash or profit to the capital, or a certain amount of cash may be distributed as a free share.

The dividend is distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates. The company does not have any shares with dividend privileges.

Unless the reserve funds to be allocated according to the Turkish Commercial Law and the profit share determined for the shareholders in the articles of association or profit distribution policy are allocated; it cannot be resolved on to allocate other reserve funds, to transfer the profit to the next year and to distribute a share from the profit to the members of the Board of Directors, partnership employees and persons other than the shareholder; and no share from the profit can be distributed to such individuals unless the profit share determined for the shareholders is paid in cash.

Profit distribution is intended to be performed within no later than one month following the General Assembly meeting; and the General Assembly resolves on the date of profit distribution. The General Assembly, or if authorized, the Board of Directors may resolve on distributing the dividend in instalments in compliance with the Capital Market Legislation.

The Board of Directors may distribute an advance of dividend provided that it is authorized by the General Assembly and the capital market legislation is complied.

f) Distribution of Dividends

ŞIn accordance with "The Notification on the Principles regarding Financial Reporting in Capital Markets" numbered II.14.1 of the Capital Markets Board ("CMB") for the accounting period of our Company for the year 2023, in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") and in compliance with the formats determined by POA and CMB and audited by Nevados Bağımsız Denetim A.Ş., net profit for the period was realized as TRY 419.432.282, while

net loss for the period before inflation adjustment was realized as TRY 102.420.082,72 in the financial statements prepared in accordance with the relevant provisions of Tax Procedure Law No. 213 ("TPL").

The General Assembly approved not to distribute profits since there is no distributable profit for the period in the financial statements of our Company prepared in accordance with the principles of the Tax Procedure Law, to transfer the Net Profit for the Period declared in accordance with the CMB Financial Reporting Standards for the accounting period of 2023 to the "Retained Earnings" account and to transfer the net loss for the period to the losses of previous years according to the records of the Tax Procedure Law.

Share Group Particulars	Payment	Cash Profit Share to be paid to TRY 1 Nominal Value Share - Gross (TRY)	Cash Profit Share to be paid to TRY 1 Nominal Value Share - Gross (%)	Withholding Tax Rate (%)	Cash Profit Share to be paid to TRY 1 Nominal Value Share - Net (TRY)	Cash Profit Share to be paid to TRY 1 Nominal Value Share - Net (%)
Group A, not traded, TREQAGR00014		0,0000000	0	0	0,00000000	0
Group B, QUAGR,zTREQA-GR00022		0,0000000	0	0	0,00000000	0

g) Transfer of Shares

The transfer of company shares is performed in accordance with the Turkish Commercial Law, Capital Market Legislation and relevant legislation.

Group (A) and (B) shares may be freely transferred without any limitation. In order to allow for the conversion any of the Group (A) shares into shares that can be traded on the stock exchange for any reason; necessary amendment should be performed in the articles of association for the conversion of these shares into Group (B) shares, such amendment should be approved by the general assembly.

In case the Company takes back its shares, action shall be taken in accordance with the Capital Market Legislation and other relevant legislation and such special situation shall be disclosed as necessary.

h) Company Information Policy

Company information policy is based on the materiality principle other than those specified by legal regulations. Disclosures to the public are primarily performed on the Public Disclosure Platform (PDP) and, when necessary, through the press. Upon demand, press organizations are contacted as long as deemed necessary regardless of period. Corporate Governance Committee determines such information policies. "Corporate Finance and Investor Relations" department is responsible for the execution of the information policy.

1. Purpose

The purpose of the information policy is to ensure active, effective and transparent communication by sharing all kinds of information that are not a trade secret with all stakeholders, including shareholders, investors, employees, customers and relevant authorized institutions, in compliance with the regulations applicable to the Company and the provisions of the Articles of Association, in a complete, fair, accurate, timely, understandable, affordable and easily accessible manner.

The Company complies with the Capital Market Law No. 6362 ("CMB"), the Turkish Commercial Law No. 6102 ("TCC"), capital market legislation, other relevant legislation and regulations as well as with the regulations of Borsa İstanbul A.Ş. ("BIST"). The Capital Market Board ("CMB") pays maximum attention to meeting the principles contained in the Corporate

Governance Principles stipulated by the Notification on Corporate Governance in force, as may be amended and changed occasionally.

In accordance with the 19th Article of the Company's Articles of Association titled "Disclosure", "The Company fulfils its obligations to inform the CMB within the framework of the procedures and principles contained in the capital market legislation, as well as its obligations to disclose the financial statements and reports and independent audit reports stipulated in the legislation, to the public in compliance with the regulations stipulated by the CMB."

The Company Information Policy has been developed in accordance with the 17th Article of the Notification of CMB on Special Situations (II 15.1) and with the Notification on Corporate Governance (II-17.1); and is announced to all stakeholders through the Company's website (www.qua.com.tr).

2. Authorities and Responsibilities

Information Policy was developed by the Board of Directors under CMB's Corporate Governance Principles framework and presented to the shareholders as a separate item on the agenda of the Company General Assembly Meeting. The Board of Directors is authorized to and responsible for monitoring, supervising, developing and updating the Company's public disclosure and information policy. Any amendments in the Information Policy are published on the Company's website (www.qua.com.tr) following the approval of the Board of Directors. Investor Relations Department has been assigned to observe and monitor all kinds of issues related to public disclosure. All questions regarding the principles and procedures of implementation of this policy should be directed to the Investor Relations Department.

3. Information Methods and Means

The information methods and means used by the Company within the framework of the Information Policy are as follows:

- ▶ Financial statements, independent auditor's reports and statements entered in the Public Disclosure Platform (PDP) periodically;
- ▶ Annual Activity Reports
- ▶ Company website (www.qua.com.tr)
- ▶ Exceptional situation disclosure forms
- ▶ Promulgations and announcements performed through Turkish Commercial Registry Journal and daily newspapers
- ▶ Communication methods using communication means such as telephone, e-mail, fax

4. Principles on the presentations and reports provided at information meeting or press conferences

Information inquiries from shareholders, investors and analysts to the Company shall be responded by the Investor Relations Department within the framework of publicly disclosed information through written, verbal or informative meetings in an accurate, complete manner and by observing the principle of equality.

Press-broadcasting bodies may be utilized; press conferences may be held and/or press releases may be published, and other means of communication may be used in the public announcement of matters subject to exceptional situations, including future evaluations. Prior to or simultaneously with the disclosure of such matters under exceptional situations as mentioned, a statement is made also in the PDP and such disclosure is also made available at the Company's website.

Company officials may, from time to time, attend conferences or meetings at national and international level to share information with investors and analysts. Presentations and reports used at such events can be published on the Company's website.

5. Principles on following the news and rumors released in media organs or websites about the company and on the presentation of statements in this regard

The company follows the news and rumors released in national or international media organs, websites and other communication channels through a media monitoring company.

In principle, the company does not express opinions on any speculations released in media organs, websites and other communication channels. General Manager and Investor Relations Department evaluates as to whether such news and rumors would have effect on the value of the company's shares and the investors' decisions and resolves on whether or not to make an exceptional situation statement. If it is concluded that such news and rumors may affect the value of the company's shares and the investors' decisions, then an exceptional situation statement is given. The Chairperson of the Board of Directors, General Manager and Investor Relations Department are authorized to give such exceptional situation statements on behalf of the Company.

6. Measures taken for ensuring confidentiality until any exceptional situation is disclosed to the public

Until the disclosure of exceptional situations to the public, the Company management is responsible for ensuring the confidentiality of the such information. In this context, employees aware of the relevant information cannot share such information with third parties until an exceptional situation statement is given. The Company may postpone the disclosure of internal information to the public to avoid harming its legitimate interests, provided that this does not result in misleading the investors and that such information is kept confidential. In such cases, the Company takes all kinds of measures necessary to ensure the confidentiality of internal information in accordance with the capital market regulations. If it is determined that internal information has been disclosed to third parties within the scope of Capital Market regulations and it is concluded that the confidentiality of information cannot be ensured, then an exceptional situation statement is given immediately. As soon as the reasons for postponing the disclosure of internal information to the public are eliminated, public statement is given as required by the legislation. The statement contains the decision of postponement and its grounds.

The Company informs its managers and employees, through in-company training, about the obligations specified in law and relevant legislation with regards to internal information and sanctions related to the misuse or dissemination of such information. The Company takes necessary action by obtaining confidentiality commitment and similar methods to prevent access to such information by employees and third parties other than those included in the list of persons having access to internal information. Those having access to internal information are informed in writing, against signature, about the sanctions related to the misuse or dissemination of such information in a way that will enable them accept the set forth in the law and relevant legislations regarding internal information.

7. Principles on the determination of individuals with administrative responsibility

Within the framework of capital market legislation, "Persons with Administrative Responsibility" is defined as (i) members of the board of directors of Company; (ii) persons, even not a member of the board of directors, who have regular access to the internal information of the Company directly or indirectly in any way whatsoever and who have the authority to make administrative decisions to affect prospective development and commercial objectives of the Company.

Persons with Administrative Responsibility in the Company have been designated as Board Members, General Manager, Assistant General Managers and Directors.

8. Principles on the disclosure of prospective assessments

Evaluations that include plans and forecasts that are internal information about the future or that give investors an idea about the Company's future activities and its financial status and performance can be disclosed to the public within the framework of the principles specified in the capital market legislation. Where prospective information is disclosed to the public, these are disclosed together with assumptions and retrospective realizations on which the assumptions are based. If it is determined that prospective predictions will not be realized to a considerable extent afterwards, then such information is reviewed and revised.

Prospective assessments are based on reasonable assumptions and estimates. In case of deviation due to unforeseen risks and developments, and there is significant difference between the issues previously disclosed to the public and their realizations, then the public is informed including also the reasons for such differences.

The Chairperson of the Board of Directors, General Manager and Investor Relations Department are authorized to explain prospective assessments of the company.

Prospective assessments can be made, within the framework of the principles specified in the capital market legislation, by utilizing media organs, press conferences, press releases, national or international conferences or meetings and other means of communication in addition to exceptional situation statements.

9. Company Website (www.qua.com.tr)

The Company website at (www.qua.com.tr) is actively used for public disclosure, as recommended by the CMB Corporate Governance Principles. Disclosures available at the Company's website are not considered in place of the notifications and exceptional situation disclosures required to be given in compliance with the provisions of the capital market legislation. All public disclosures by the company are made available for access through its website. The website is configured and segmented accordingly. All kinds of measures are taken for the security of website. The website is arranged in the content and manner stipulated by CMB's Corporate Governance Principles. In particular, the website contains announcements of general assembly meetings, information document regarding the articles of agenda, other information, documents and reports related to the articles of the agenda as well as information about the methods of participation in general assembly, to draw attention of visitors. Action is taken on a continuous basis for the improvement of website.

i) Company Website and Contents

As required by the "Regulation on the Websites to be Launched by Capital Companies" as published in the Official Journal dated 31/05/2013 and numbered 28663 under the Turkish Commercial Law, the guidance regarding the allocation of specific part of the website for publications of the company required under the law and with regards to assigning it for information society services have performed at our webpage www.qua.com.tr under the section "Information Society Services". All information about our company is accessible at this address. The website contains trade registry information of our company, its Articles of Association, Company policies, its partnership and management structure, annual activity reports, periodic financial statements and reports, independent auditing and auditor's reports, company's production and investment activities, Exceptional Situation Statements and information about subsidiaries.

Information on privileged shares, the dates and numbers of the trade registry journals in which amendments are promulgated, as well as the final version of the company's articles of association, the agenda of the general

assembly meetings, the list of attendance and meeting minutes, voting by proxy form, important board decisions that may affect the value of capital market instruments and frequently asked questions have been added to the website to respond to information inquiries presented to the company. Moreover, English version of the Investor Relations section which has been available at our website since 2021 is also available for access. The activity report, financial statements and respective footnotes for 2024 and the financial statements and indicators on a quarterly basis are also presented in English.

It is also possible to have access to information about the company at <https://e-sirket.mkk.com.tr/esir/Dashboard.jsp#/sirketbilgileri/17603>.

General headings of information included in the company website are as follows:

› **COMPANY DETAILS**

› **DOCUMENT DISPLAY**

- Resolution of Board of Directors on the amendment of articles of association of Company
- Income statement
- Cashflow statement
- Balance sheet
- Statement of changes in equity
- Invitations to general assembly
- Articles of association of Company
- Minutes of General assembly
- Minutes of Privileged Shareholders Special Board
- Internal directive

The general headings of the information provided in the “Investor Relations” section of the company website are as follows:

› **COMPANY DETAILS**

- Trade Registry and ID information
- Articles of Association
- Partnership Structure
- Vision and Mission
- Board of Directors
- Resumes of Member of Board of Directors
- Market Data
- Investor Presentation

› **POLICIES**

- Profit Distribution Policy
- Donations and Aids Policy
- Pricing Policy
- Information Policy
- Codes of Business and Ethics
- Personnel Compensation Policy
- Human Resources Policy

› **COMMITTEES**

- Auditing Committee
- Detection of Risk Committee
- Corporate Governance Committee

› **ARCHIVES**

- Registration statement
- Resolution and Report of Board of Directors regarding the Intended Use of Funds
- Legal Expert Report
- Real Estate Valuation Report
- Price Determination Report
- Sales Announcement to Account Holders
- Internal directive
- Legal Liability Statement
- Undertaking of Repurchase Order
- Statement on the Real Estate Valuation Report
- Independent Auditor’s Statement of Responsibility

› **ACTIVITY REPORTS AND FINANCIAL STATEMENTS**

› **SHARE PERFORMANCE AND STOCK EXCHANGE INFORMATION**

› **GENERAL ASSEMBLY**

- Promulgation of Invitation to General Assembly
- Agenda
- Power of attorney
- Information Document
- Minutes of Ordinary General Assembly
- Ordinary General Assembly – List of Attendants

› **ANNOUNCEMENTS AND FREQUENTLY ASKED QUESTIONS**

› **SUSTAINABILITY**

- Policies
- Documents and Certificates
- Sustainability Report

j) Activity Report

The Board of Directors prepares the activity report in detail to ensure that the public has access to complete and accurate information about the Company’s activities. The annual activity report of our Company for the year 2024 has been prepared in accordance with the Turkish Commercial Code No. 6102, the Regulation of the Ministry of Customs and Trade on the Determination of the Minimum Content of the Annual Report of Companies, the Notification of the Capital Markets Board on the Principles of Financial Reporting in Capital Markets and the Corporate Governance Notification.

There is no reciprocal shareholding exceeding 5% of direct participation in the capital.

12.

Research and Development
Activities of Company



12. Research and Development Activities of Company

Qua Granite manages all its activities in compliance with the global standards and requirements. Such approach is positioned as the main determinant of investment policies as the basic guarantee of both current and future existence of the Company. Research and Development and related engineering units perform the product and production systems improvement activities within the company. We continue our R&D activities intensely in order to reply to the market dynamics and changing demands of our customers in the recent years at the highest level. Such strategy shaped in the axis of lean production, sustainability and digitalizing (Industry 4.0) has been determined with the participation of stakeholders within the group. The projects and conducted in an expert human resources and appropriate research environment.



Qua Granite is currently one of the strongest global players in the sector with a production capacity of 41 million m², option for 16 dimensions, production capability for different thicknesses, design alternatives addressing to different likings, wide product portfolio and international quality certificates.

The need for imported auxiliary materials has increased with the increasing product diversity in years. The company took action within its body for some of the imported auxiliary materials (composite glaze, composite engobe, medium, cake base, etc.) needed for glazed technical production; and these were also tested with an operating trial and began being used in production.

Furthermore, new featured formulas are developed within our company in order to comply with the increasing product diversity and studies are performed towards reducing the use of imported materials, whereas, supporting the use of sustainable raw materials.

We, Qua Granite, position Research & Development and innovation among our priorities in all of the areas such product development, improvement of Production processes, optimization of supply chain, developing high-quality and sustainable products, occupational health and safety.

The process of reducing the emissions for the ceramics sector, being one of the energy-dense sectors, has various difficulties and requires dramatical transformations. R&D and innovation activities are being conducted effectively for the purpose of realizing the transformation process successfully and allowing our company to make progress in sustainability.

Progresses and investments within the scope of R&D activities in 2024 are specified below.

- New glaze formulations were developed and provided positive results that will provide savings in the use of paint for black or very dark marble-looking total lappato products, which receive domestic and international demands increasingly. Furthermore, the productivity of glazes we use is increased thanks to our R&D activities on dark products, resulting in decrease in their quantity of use.
- As of the past years, satin matte surface glaze was developed and used in products to obtain natural marble or polished wood texture. Production of nature-identical parquet-looking porcelain tiles was started in our new lines of

darker wooden products in this series with a thickness of 7 mm and dimensions of 20x120 cm. We also reduced significantly our purchase rates of imported digital paint as a result of our rigorous work with the domestic digital paint producer at home for such products. Therefore, in addition to reducing our emissions resulting from our supply chain, we continued our activities towards reducing our environmental effect with the use of materials recovered from product rectifications and system.

- In products with 1,0 cm and 2,0 cm thicknesses with alternative granules, surfaces with a high non-slip degree and easier to clean were developed without changing the appearance of the designed product.
- From the very beginning of our production, raw wastes generated out of the system and all the recycling water generated out of the filter press is recycled 100% within the company and are not discharged to the environment.
- Also, the solid waste generated from filter presses were used in formulations and were used at specific quantities for 2,0 cm products. Residue use activities were performed for the filtered waste pulp materials coming out together with the production increases in previous years.
- Positive results were obtained from trials to localize imported frits in cooperation with Chemicall Kimya Sanayi ve Ticaret A.Ş. (Chemicall), which is one of the related party companies; and basic frits, which are used extensively in total lappato products, were produced in Chemicall and began to be used. These studies are ongoing on other frit types. Again, trials were initiated with Chemicall for the localization of granules that are still being imported.
- In addition to continuing the development and domestication of material alternatives in order to be affected less by foreign-source dependency and global economic fluctuations, we give priority to our collaborations with domestic producers and continue supporting domestic production in all other chains.
- Floor washing water in the Masse preparation section and the Spray Dryer pool cleaning water is not conveyed to the industrial wastewater treatment plant but recycled within the section. Thus, the use of well water is reduced, allowing for energy efficiency.
- Dust containment systems have been installed to contain the dust emissions generated in the units within the factory, and raw wastes from such dust containment system are 100% recycled during the production process.
- The production of environmentally friendly 0.7 cm thin ceramics, which reduce the use of boxes and pallets, consume less raw materials, allow for transportation of higher quantity at a single time, and thus less fuel consumption, has been initiated. It can be produced in 60x60 and 60x120cm sizes and 0.7 cm thin, meeting all internationally accepted standards and technical resistance specifications. This product group passed all the audits and certificates were updated.
- We continue our approaches underlining resource limitation in terms of power management and build our future plans over renewable power strategies. Within this context, our Roof Solar Power Plant activities continue.
- We use waste heat from chimneys in the stage of oven pre-drying through heat recovery in our ovens and thus, gain significant savings in our natural gas consumption. Moreover, we removed the gas heaters used for drying the surface water following the polishing and sizing, resulting in success in the reduction of natural gas consumption.
- We applied for patents for our 18 new products in our new product collection prepared for 2024 Cersaie.



Believing that it is possible to make the future livable only by means of green technologies which minimize the environmental effects, limit the use of resources and ensure their most effective use, we follow and develop every trend regarding the technologies we use in our production activities. We, Qua Granite, will steam ahead with our R&D activities in line with our targets.

13.

Activities of Company and Significant
Developments in such Activities



13. Activities of Company and Significant Developments in such Activities

a) Information of the Investments of Company within the related Account Term

In the ceramics industry, we protect our world and green future with our sustainability strategies. We take important steps with our responsible approach to leave a habitable environment for future generations. We contribute to carbon-free future with our clean energy investments, and we are preparing to realize a renewable energy investment with a total power of 20.4 MW at our facility located in Aydın Söke Organized Industrial Zone. In the first stage, it is planned to invest approximately USD 10.2 million on a total area of 150,000 m² in the rooftop SPP plant. In addition, 487 million TRY were spent for investments in 2024.



b) Information on the Risk Management, Internal Control System and Internal Auditing Activities of Company, and Opinion of Managing Body in this respect

Risk Management

The Board of Directors of Qua Granite carries out its activities in a transparent, accountable, fair and Responsible manner. The Board of Directors establishes internal control systems, considering also the opinions of relevant Board of Directors committees, to include risk management and information systems and processes that can minimize the effects of risks likely to affect the Company's stakeholders, especially its shareholders. Early Determination of Risk Committee has been established in conformity with the Turkish Commercial Law no. 6102, article 378 for the purpose of allowing for the effective operation of committees within the Board of Directors. The Committee issues report at least once a year and works on the early detection, evaluation, and calculation of effects and probabilities of all kinds of risks, such as strategic, financial, operational, etc., that may have an effect on the Company. The Committee also makes recommendations and suggestions in terms of managing and reporting such risks in compliance with the corporate risk-taking profile of Company, applying necessary measures related to identified risks, as well as the development and integration of effective internal control systems in consideration of also any decision-making mechanisms.

Relevant audits are carried out on the compliance of the transactions and activities with legal legislation and company policies by the Auditing Committee of company. The Auditing Committee meets regularly, checks financial statements and reports of the company, whether subject to independent audit or not, examines the balance sheet and profit and loss accounts, audits their compliance with the accounting principles and standards specified by the Capital Market Board and submits them to the approval of Board of Directors.

Risk Management Methods of Qua Granite:

- Performance and risk indicators are used as an early warning system to monitor the risks and take necessary measures on a timely manner. The ERP system, being integrated into all processes within the company and including all instantly generated data, is an effective technological decision support system where basic performance and basic risk indicators are monitored.
- With the use of this method, the activities' results are monitored instantaneously, and human errors are eliminated, while the early detection of risk and the effectiveness of the internal control system is elevated. Moreover, the internal communication system, which uses high-level technology, allows for quickly intervening to and producing solutions for any problems.
- Business continuity and crisis management activities are carried out in order to prevent and reduce any losses arising from risks that may result in business and production interruptions, such as natural risks and supply chain problems, and are supported by effective insurance management.
- Investments are made in backup systems together with cyber security warning and protection systems to prevent the effects of extraordinary conditions and data losses.

Financial Risks

The Company's main financial instruments are bank loans, bond issuances, cash and short-term deposits. Main purpose of these financial instruments is to finance the Company's business activities. The Company also has other financial instruments, such as trade payables and receivables arising from direct operating. Main risks arising from the Company's financial instruments are interest risk, liquidity risk, foreign currency risk, and credit risk. Company management and board of directors of company review and agree on policies for the management of following risks. The Company also takes in to consideration the market value risk of all its financial instruments.

1) Capital management

The Company aims at, while managing its capital, maintaining the most appropriate capital structure and ensuring continuity of the Company's activities in order to provide benefit to its partners and reduce the cost of capital. In the light of the change in economic conditions, the Company manages its capital structure and makes corrections. The company may determine the quantity of dividends payable to stakeholders when it deems appropriate, issue new shares or return the capital to stakeholders and sell its assets to reduce borrowing, for the purpose of regulating and maintaining the Company's capital structure. The company monitors its capital structure by using the "Net Total Earnings before Financial Debt/Interest and Depreciation" ratio and aims at ensuring that such rate does not exceed 2.0, except for investment periods.

2) Interest rate risk

The Company is exposed to interest risk arising from the change in interest rates to which the assets and liabilities with interest limit are subjected. The Company manages this risk by trying to balance the interest rates of its assets and liabilities or changing the fixed/variable interest weight in its portfolio when it deems necessary based on the market

conditions. Some of the interest rates related to financial debts are based on the interest rates valid in the market. Therefore, the Company is affected by changes in interest rates in national and international markets. The effect of market risk arising from changes in interest rates on the Company is primarily related to its debt obligations.

3) Foreign currency risk

The Company bears a foreign currency risk arising from its transactions and the machinery and equipment it imports. These risks arise from the fact that the Company purchase and sells goods, makes borrowings, uses bank loans, and hold time and demand deposits in currencies other than the functional currency. The Company manages its foreign currency risk by trying to balance its foreign currency assets and liabilities and by using derivative transactions. Strategic foreign currency weight in asset and liability management can demonstrate tactical changes based on the dynamics of market.

As of 31/12/2024, net foreign exchange shortage position was realized as 2.541 million TRY. On the other hand, 60,1% of net sales income was obtained from exports, and the total export quantity in 2024 was 3.245 million TRY. The company holds cash in foreign currency against its short- and medium-term liabilities in foreign currency for the management of foreign currency risk.

4) Credit risk

Credit risk is the risk of financial loss incurred by one of the parties in mutual relation due to the failure of other party to fulfil its obligations for an economic purpose. Financial instruments of the Company, which may lead to significant concentration of the credit risk, consist mainly of cash and cash equivalents and trade receivables. Maximum credit risk the Company may incur is equivalent to the amounts reflected in the financial statements. The Company has cash and cash equivalents in various reputable financial institutions. The Company manages this risk by evaluating the reliability of related financial institutions on a constant basis.

Direct Debiting System which is applicable for dealer receivables due to domestic technical granite sales, is used as an effective method for securing the receivables. All of our foreign receivables are secured under letter of credit, letter of guarantee, export credit insurance, bank limit or cash payment methods.

5) Liquidity risk

Liquidity risk is the risk that a company fails to meet its funding needs. The Company aims to assure continuity and variability of cash inflows through short- and long-term bank loans, bond issuances, cash and short-term deposit management. As of 31/12/2024, net credit debt total (debts to banks and financial institutions are included) minus net cash and cash equivalents (financial investments are included) is 3.907 million TRY.

6) Raw material price risk

The company may be affected by the price changes in certain raw materials and materials such as paint, feldspar, Ukrainian clay and polishing stones. Operational activities of Company constantly require the purchase of such raw materials and materials; and the Company management implements risk strategies in order to manage the price risk of such raw materials. The company keeps inventory of raw materials, paints, clays and polishing stones enough to support production for 3-4 months in order to avoid commodity price risk.

c) Internal Control Mechanism

The current internal control system, mainly for increasing the efficiency and productivity of Company's activities, ensuring reliability in financial reporting, and compliance with laws and regulations, is audited by the Internal Auditing Department within the framework of the annual internal audit plan. The results of such audits are presented to the Auditing Committee

and then reported to the Board of Directors by the Auditing Committee. The Auditing Committee reviews the effectiveness of internal audit activities at meetings held throughout the year. In such meetings, opinions of internal auditor, external auditor or other company managers are also sought when needed. The internal Auditing team contacts independent auditors within the scope of auditing activities when necessary. The Board of Directors of Company reviews the structure and activities of existing committees within the framework of the provisions specified in the Notification of Capital Market Board on Corporate Governance; and establishes the Auditing Committee, Early Detection of Risk Committee and Corporate Governance Committee. Corporate Governance Committee carries out the duties and responsibilities of the Nomination Committee and Remuneration Committee.

d) Information Security

Directorate of Information Safety has been established within our organization structure as of September, 2023. Within the scope of the ongoing process of preparations for the certification under ISO/IEC 27001, together with securing our system against any possible threats regarding our information assets and ensuring the continuity of the system, it is aimed at;

- Establishing and operating an Information Security Management System compatible with ISO/IEC 27001 standard;
- Managing any risks against information assets;
- Allowing for continuous improvement in the field of information security;
- Acting to develop technical and social competencies in order to raise awareness of information security;
- Eliminating any possible interruptions during critical business processes, and if not, making our processes operable again within the targeted rescue period;
- Complying with all legal regulations and the agreements concluded with third persons (business partners, customers, suppliers) with regards to information security;
- Protecting our reputation and brand value before our employees, customers, suppliers and the public.

e) Digitalizing

Digital technologies have a critical place for the company to reach its sustainability targets. Such technologies play an important role in terms of digitalizing the data and all supply process, monitoring, reporting and following the current condition. Work processes become more transparent, productivity increases and every stage of the supply chain can be managed more effectively with the use of digital technologies.

Qua Granite focused in 2024 on optimizing its production processes, increase productivity and benefit from innovative technologies in line with its strategic targets through digitalizing activities. Significant digitalizing activities within the year are as follows:

Under the scope of activities for compliance with ISO/IEC 27001 standard;

- Network topology was reviewed and company's VLAN project was completed.
- Security of Sensitive data was ensured via the DLP Project.
- EDR Project ensured monitoring the end user endpoint safety and taking rapid action when necessary.
- Review of SIEM correlation rules was completed.
- Activities were started with regards to acquiring PAM product acquisition under the scope of assessment management audit.

f) Strategic Targets of Company

- ▶ To increase its production capacity, quality standards and operational productivity and therefore its competitive power in regional and international markets and preserve its position as the leading producer company in its sector in Turkey.
- ▶ To grow organically and inorganically by developing new and innovative products in prospective markets and current areas of activity.
- ▶ To be a leading brand that meets the needs and expectations of its customers and is preferred in the country and abroad.
- ▶ To keep customer satisfaction at highest level by producing products above industrial standards with an innovative philosophy in production.
- ▶ To improve Human Resources processes and the benefits provided to employees and to pioneer the employment of women at every stage of operations.
- ▶ To ensure sustainable production by considering the environmental effects in every step from the first stage of product to its presentation to the consumer.
- ▶ To ensure foreign currency input to the country through its exportation network to five continents.
- ▶ To maximize the advantage of scale economy and to perform most productive operations at most suitable costs by using the highest technology.
- ▶ To increase the productivity and feasibility of processes through technologies such as Industry 4.0 and data analytics.
- ▶ To develop strong and long-term CSO collaborations in educational, environmental and employment areas and therefore support its activities with a responsible understanding.
- ▶ To establish relations based on trust with stakeholders such as customers, suppliers, shareholders and society and therefore develop collaboration models pursuing mutual benefit by focusing on establishing powerful and permanent relations with stakeholders.
- ▶ To lead to its sector with modern production technologies and infrastructure investments and provide innovative solutions, whereas, to act with the understanding of sustainable production and therefore minimizing the use of natural sources.
- ▶ To invest in renewable power sources and therefore to reaching a more competitive position globally by reducing carbon emissions and with effective power cost management.
- ▶ To support sustainable progress and thus, fulfill its responsibility to its stakeholders and society.
- ▶ To perform activities in line with environmental, social and governance (ESG) principles and therefore, focus on not only financial success but also social benefits.

These strategic targets are determined by the Board of Directors; and the budgets are prepared on an annual basis; and the developments towards budget targets are evaluated on a monthly basis. The company’s vision, mission and strategic targets are explained in the annual report and at the corporate website.

g) Information on own shares acquired by the Company

None.

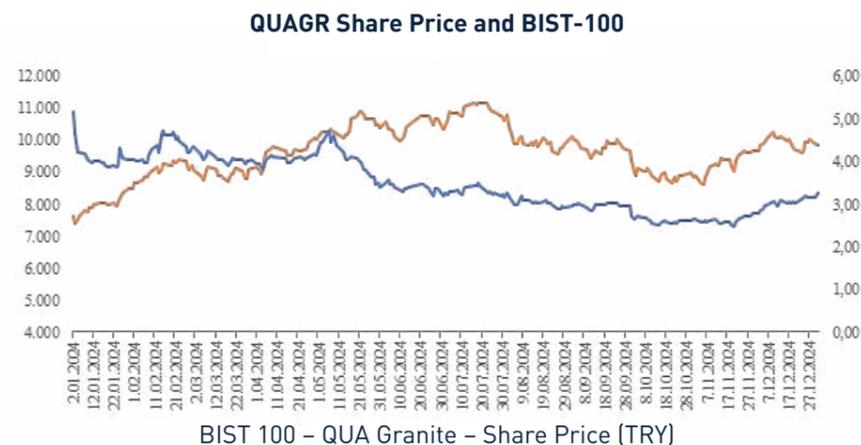
h) Credit Rating

Within the scope of the Notification of the Capital Market Board (CMB) on the Principles Regarding Rating Activities and Rating Agencies in Capital Markets; the long-term national corporate credit rating score assigned by JCR Avrasya Derecelendirme A.Ş on 17/04/2024 and revised on 30/07/2024 was revised from AA (tr) Negative level to AA- (tr)/Stable level. Its Short-term National Corporate Credit Rating Score preserved its J1+(tr) level from J1(tr) and its stable outlook.

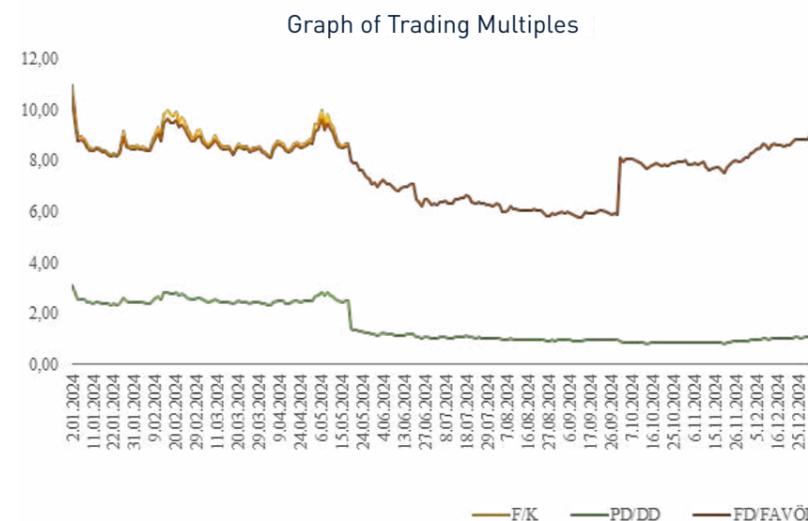
- Long-term National Corporate Credit Rating Score: AA- (tr) / (Stable Outlook)
- Short-term National Corporate Credit Rating Score: J1+ (tr) / (Stable Outlook)
- Long-term International Foreign Currency Corporate Credit Rating Score: BB (Stable Outlook*)
- Long-term International Local Currency Corporate Credit Rating Score: BB (Stable Outlook*)³

i) Share Performance

The shares of Qua Granite is being traded in Istanbul Stock Exchange since April 09, 2021 under the share code QUAGR. In 2024, BIST 100 had an increase of 31,6%; whereas, the shares of Qua Granite showed lowest level of 2,48 TRY and highest level of 5,17 TRY and they showed an annual decrease of 43,38% in 2024.

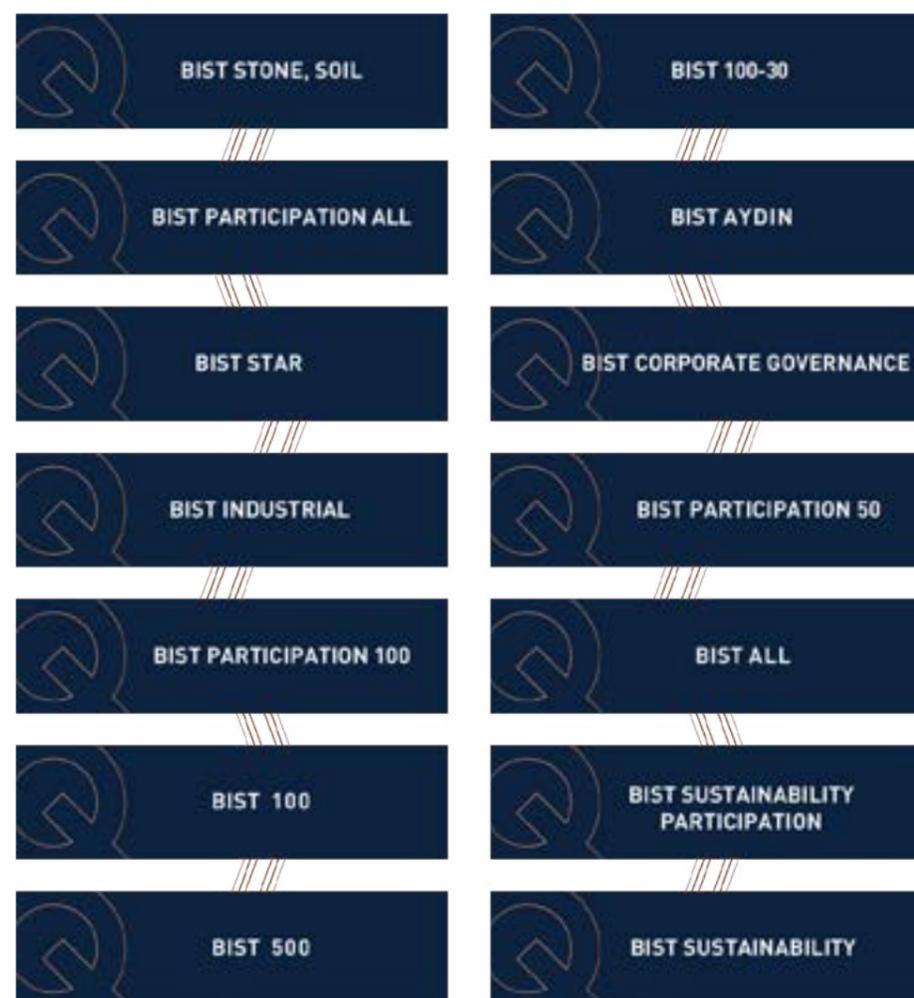


January 1 – December 31, 2024	Lowest	Highest	Average	December 31, 2024
Share Price (TRY)	2,48	5,17	3,46	3,25
Market Value (million TRY)	6.448	13.442	9.001	8.450



QUAGR Trading Codes	
Reuters	QUAGR.IS
Bloomberg	QUAGR.TI

³ (*) Outlook of international scores has been revised from "Negative" to "Stable" in parallel with Turkish score outlooks updated as of May 10, 2024 by Japan Credit Rating Agency, Ltd. (JCR).

ŞİRKETİN DAHİL OLDUĞU ENDEKSLER**j) Remarks on Private Audits and Public Audits Performed within the Account Term**

Within the activity term of our Company in 2024, full certification was carried out by the company Nazalı Denetim ve Yeminli Mali Müşavirlik A.Ş.

k) Information on Lawsuits Filed against the Company and Their Probable Consequences that May Affect the Financial Status and Activities of Company

There are no lawsuits filed against the company that may affect its financial status and activities of the company. Provisions for the lawsuits held in 2024 are provided in the footnote explanations of financial statements that was subjected to independent audit on 31/12/2024.

l) Remarks on the Administrative or Judicial Sanctions applied regarding the Company and the Members of the Board of Directors for any Practices contrary to the Provisions of the Legislation

There are not any administrative or judicial sanctions applied regarding the Company and the Members of Board of Directors due to any practices contrary to the provisions of the Legislation.

m) Information and Evaluations as to whether the Targets determined in Previous Terms have been Achieved, Whether the Resolutions of General Assembly have been Fulfilled, or if not, the Grounds of such Failure

All resolutions rendered in the General Assembly have been fulfilled; and, together with the effect of increasing costs, narrowing in foreign sales channels as well as the effects of exchange rates, the Company fell behind the financial consequences of the previous activity term and the foreseen budget targets in 2024 operating period.

n) If an Extraordinary General Assembly Meeting was held within the year, Information on such Extraordinary General Assembly, including also the date of meeting, resolutions taken at the meeting and transactions performed in this respect.

No Extraordinary General Assembly meeting was held within the year.

o) Information on Donations and Grants of Company within the Year and Expenditures made within the framework of Social Responsibility Projects

As of 31/12/2024, the Company has made donations and grants amounting to 1.476.828 TRY. While 436.000 TRY of these donations and grants were given as student scholarships, the remaining amount consists of donations to public institutions and associations.

p) If it is a Company Affiliated to the Group of Companies, Legal Transactions performed, upon direction of the Controlling Company, with the Controlling Company, a Company Affiliated to the Controlling Company for the Benefit of the Controlling Company or a Company Affiliated to the Controlling Company and All Other Measures Taken or Avoided for the Benefit of the Controlling Company or a Company Affiliated to the Controlling Company in the Past Operating Year

Our company, as required by the Turkish Commercial Law, issued an affiliation report for 2024. Legal Transactions performed, upon direction of the Controlling Company Q Yatırım Holding A.Ş., with the Controlling Company, a Company Affiliated to the Controlling Company for the Benefit of the Controlling Company or a Company Affiliated to the Controlling Company and All Other Measures Taken or Avoided for the Benefit of the Controlling Company or a Company Affiliated to the Controlling Company in the Past Operating Year were evaluated in the reports. It is also mentioned in the reports as to whether any suitable counter action was taken in each legal transaction, based on the terms and conditions that are known to them at the time such legal transactions are performed, or measures are taken or avoided; and as to whether such action taken or avoided caused any damage to the company, and if the company incurred any damage, whether this was compensated or not. Accordingly, Q Yatırım Holding A.Ş. in the capacity of the Controlling company, did not cause any damage due to such transactions to its subsidiaries and affiliates. Since the subsidiaries and affiliates did not incur any damage, the board of directors did not compensate for damage.

q) Information on Related Party Transactions and Balances as required by the Legislation

Detailed information on related party transactions is included in the note no. 26 provided in the financial statements of company subjected to independent audit on 31/12/2024.

r) Issued Capital Market Instruments**Capital Market Instruments with Issue Ceiling**

Type	Issue Ceiling and Resolution of Capital Market Board providing such ceiling
Commercial Paper	10.000.000.000 – 66/2013
Commercial Paper	10.000.000.000 – 1/14
Overseas Commercial Paper	200.000.000 EUR – 12/269

Capital market instruments issued by the Company within the operating term of 2024 are provided in the following table:

Type	Issue Total		Issue Date	Amortization Date	Form of Issue
	Total	Currency			
Commercial Paper	150.000.000	TRY	01.02.2024	31.05.2024	Qualified Investor
Commercial Paper	300.000.000	TRY	20.03.2024	19.03.2025	Qualified Investor

s) With regards to the process of preparing the consolidated financial statement; remarks on the main elements of the internal auditing and risk management systems of the group

The Internal Auditing Department, operating within the company, audits all consolidated companies and units periodically on a yearly basis. The department's business plan is approved annually by the Auditing Committee and renewed depending on the developments experienced during the year. In all companies of the Company that are subject to consolidation, internal auditing is carried out according to the standards published by the International Institute of Internal Auditing.

t) Information on the Conflicts of Interest between the Company and the Institutions rendering Services on Issues such as Investment Consultancy and Rating to the Company and the Measures Taken by the Company to Prevent such Conflicts of Interest

No situation that created a conflict of interest was observed during the term. In service procurement such as investment consultancy and rating, all legislation provisions, including the CMB legislation, are complied with and maximum care is taken to prevent any situation that may lead to a conflict of interest starting from the selection of these institutions by using internal procedures and reporting mechanisms prepared in this direction.

u) Information on the Existence of Non-Central Organizations:

The Company has a branch office at the address of Huzur Mahallesi, Azerbaijan Caddesi, Skyland Sitesi B, Numara: 4B, İç Kapı Numarası: 316 Sarıyer/İstanbul.

v) Information on any Legislative Changes that may Significantly Affect the Company's Operations:

There is any change in the legislation that may significantly affect the company's operations.

14. Financial Status

According to the financial statements prepared in compliance with the CMB's "Notification on Financial Reporting Principles in the Capital Markets" numbered II-14.1.

Income Statement (TRY)	31.12.2023	31.12.2024	Change
Sales revenues	11.232.573.730	8.135.908.555	-27,6%
Gross profit	2.979.848.701	1.332.439.302	-55,3%
<i>Gross profit margin</i>	26,5%	16,4%	
EBITDA	2.471.254.594	927.711.253	-62,5%
<i>EBITDA margin</i>	22,0%	11,4%	
Net profit	605.513.606	-2.999.109.301	a.d.
<i>Net profit margin</i>	5,4%	-36,9%	

Balance Sheet (TRY)	31.12.2023	31.12.2024	Change
Current assets	11.919.890.663	7.341.338.527	-38,4%
<i>Cash and cash equivalents</i>	1.241.979.347	347.745.522	-72,0%
<i>Trade receivables</i>	5.612.986.474	3.172.264.976	-43,5%
<i>Inventories</i>	2.993.541.684	1.876.987.777	-37,3%
<i>Prepaid expenses</i>	464.356.289	1.427.860.650	207,5%
<i>Other current assets</i>	1.607.026.869	516.479.602	-67,9%
Fixed assets	8.996.237.078	8.009.751.658	-11,0%
<i>Tangible fixed assets</i>	7.593.632.269	7.504.143.812	-1,2%
<i>Other fixed assets</i>	1.402.604.809	505.607.846	-64,0%
Assets total	20.916.127.741	15.351.090.185	-26,6%

Short-term liabilities	8.921.407.832	6.136.488.944	-31,2%
<i>Financial borrowings</i>	6.791.359.449	3.853.670.940	-43,3%
<i>Trade payables</i>	1.657.217.460	1.614.850.780	-2,6%
<i>Other short-term liabilities</i>	472.830.923	667.967.224	41,3%
Long-term liabilities	782.195.129	983.343.413	25,7%
<i>Financial borrowings</i>	466.298.152	829.651.223	77,9%
<i>Other long-term liabilities</i>	315.896.977	153.692.190	-51,3%
Liabilities total	9.703.602.961	7.119.832.357	-26,6%
Equities	11.212.112.813	8.233.644.760	-26,6%
Assets total	20.916.127.741	15.351.090.185	-26,6%

Production

Qua Granite Hayal Yapı ve Ticaret Sanayi A.Ş.'s capacity utilization rate in 2024 is 60%. The production volume, compared to 2023 decreased by 18.5% to 24,624 thousand m² due to the shrinking domestic demand. Production volumes are provided in the following table in comparison with the previous year.

Production (thousand m ²)	31.12.2023	31.12.2024	Difference	Change
Technical Granite	30.214	24.624	-5.589	-%18,5

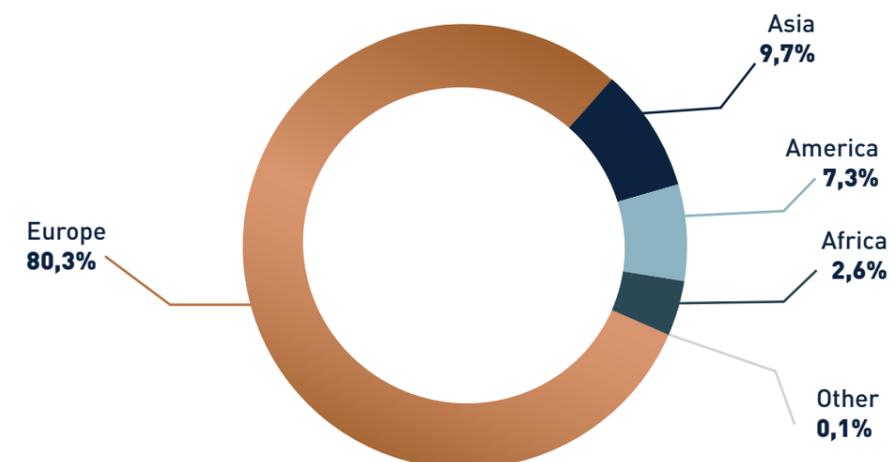
Sales

According to the financial statements prepared in accordance with the Notification on the Principles of Financial Reporting in Capital Markets No. II-14.1 of the CMB, net sales revenues decreased by 27,6% to 8,135 million TRY in 2024 compared to 2023, while sales quantity decreased by 11,1% to 35,423 thousand m² compared to the previous year. Foreign sales increased by 174,2% compared to 2023, while domestic sales decreased by 30,5% compared to the previous year.

Sales Quantity (thousand m ²)	31.12.2023	31.12.2024	Difference	Change
Domestic	36.064	25.075	-10.990	-30,5%
Foreign	3.774	10.348	6.574	174,2%
Total	39.838	35.423	-4.416	-11,1%

Net Sales Revenues (TRY)	31.12.2023	31.12.2024	Difference	Change
Domestic	10.094.678.049	5.309.174.164	-4.785.503.885	-47,4%
Foreign	1.710.522.475	3.245.581.966	1.535.059.491	89,7%
Total	11.805.200.524	8.554.756.130	-3.250.444.394	-27,5%

In 2024, the Company's exports amounted to 3.245 million TRY. The markets with highest volume abroad are England, Germany, Belgium, America, Italy and France, respectively. In 2024, the company exported to almost 100 countries; and such foreign income total was obtained from Europe, Asia, Africa at a rate of 80%, 10%, 3%, respectively, and the remaining was provided from North and South America.



15.

Sectoral Developments and
Position of Company in the Sector



15. Sectoral Developments and Position of Company in the Sector

a) Sectoral Developments

The manufacturing sector in which the Company operates is classified under the heading no. 23: "Manufacture of other non-metallic mineral products" according to NACE.2 Industrial Branches classification. Such heading no. 23 "Manufacture of other non-metallic mineral products" covers manufacturing activities related to a single substance of mineral origin. Although ceramic products under this heading are divided into seven sub-groups, the sub-group in which the Company's products are listed includes the production of ceramic tiles and tiles (also referred to as ceramic coatings). Ceramic tiles in this group are also divided according to their water absorption, durability, strength, etc. The purpose of the Company's establishment is to produce technical granite and glazed granite (Granite Tile), which has the highest added value in the ceramic coating sector and at the same time, is closest to the appearance of natural stone.

The ceramic coating industry is one of the two major groups within construction ceramics (construction ceramics are divided into two main groups as ceramic coating materials and ceramic sanitary ware); and is one of the leading construction material industries, in which Turkey is a traditional producer. In consideration of its installed capacity, product quality and diversity, and its share in total ceramic exports; coating materials are the most developed sub-sectors within Turkish ceramic industry.

According to data provided by the Turkish Construction Material Industrialists' Association (IMSAD), Turkey has an annual production capacity of approximately 500 million m² in ceramic coating materials as of 2024, ranking it as 3rd largest producer in Europe and the 8th in the world. Qua's share in the sector in terms of production capacity in Turkey is 8,2%. The sector is positioned among those providing high employment opportunities, presenting 35,000 direct and approximately 200,000 indirect jobs. With its nationwide structure and employment in Anatolian provinces, it supports regional development and the solution for the problem of population concentration in metropolitan areas. The development of the sector significantly increases employment in different provinces.

According to IMSAD's report published in February 2025 including the date of January-December 2024, which is one of the sources of sectoral data, the construction sector grew by 9,3% in 2024. The growth in construction sector, showing a growth of 7,2% in 2023, accelerated in 2024. The construction sector showed high growth for 2 years in a row following a narrowing of 5 years. Especially the construction activities in the earthquake region had been effective.

The construction sector grew over the general economy in all quarters and the entire of 2024. In the fourth quarter of 2024, general economy had a growth of 3,0%, whereas, the construction sector as 8,7%. The construction sector showed performance over general economy in all quarters of the year within its special conditions. While tightening policies caused slowdown in many sectors, the construction sector was affected at more limited terms. The growth in real estate sector weakened by 2,4%.

Industrial production of construction materials increased by 1,1% in December 2024 compared to the same month of previous year. Production increased by 10,9% in the first quarter of year compared to the first quarter of previous year. Production decreased by 3,9% in the second quarter. The decline in production was maintained in the third quarter and it decreased by 2,2% in the third quarter. Production in the final quarter increased by 1,0%.

In 2024 in general, production in 11 sub-sectors increased compared to 2023; whereas, production in 11 sub-sectors decreased. Relatively high production increases were reported in some sub-sectors. In 2024, the production of construction glasses increased by 13,0% and iron steel construction products increased by 12,4%. The productions of ready-mixed concrete production, wooden construction materials, and brick tile had a growth of 7,5%, 4,5%, and 3,5% respectively. On the other hand, production showed high decrease in some sub-sectors in 2024. The high production decrease in ceramic products was maintained also in 2024. Production of ceramic coating materials and ceramic health products decreased by 22,1% and 25,6% respectively in 2024. The production of metal construction and construction components, iron steel radiators, and combined parquet floor coverings decreased by 13,1%, 21,0% and 13,9% respectively.

The exportation of construction materials decreased by 0,5% and was realized as 29,03 million USD in 2024. Recession in exportation markets continued in 2024 in general. The decrease in working days in April and June in the second quarter affected exportation negatively. The appraisal experienced in Turkish liras throughout the year affects exportation negatively. Exportation recuperated in July but afterwards, it showed decrease again in August and September. However, there were increases in the last three months of the year. Annual exportation remained steady.

Exportation of Ceramic Coating Materials, based on January-December 2024 data;

- It was 684 million USD with an approximate increase of 8%. Exportation on quantitative basis (m²) increased by 27% and reached 97 million m² and average unit price reduced from 8,3 to 7,1 (\$/m²).
- First five countries receiving most exportations in the aforementioned term was USA, Germany, England, France and Canada respectively. Exportation to these 5 countries form 47,2% of total exportations.
- It is notable that in the first 10 country markets on value basis, exportation to USA decreased by 19% and exportation to Belgium, Romania, and Morocco increased by 46%, 38%, and 68% respectively.

Exportation of Ceramic Coating Materials								
January - December 2023				January - December 2024			2023-2024 (%) Change	
Country	Quantity (m ²)	Value (Thousand USD)	Unit Price (USD)	Quantity (m ²)	Value (Thousand USD)	Unit Price (USD)	Quantity	Value
USA	16.167	125.117	7,7	13.288	101.708	7,7	-17,8%	-18,7%
GERMANY	9.957	93.285	9,4	12.376	96.232	7,8	24,3%	3,2%
ENGLAND	6.691	53.234	8,0	7.690	57.146	7,4	14,9%	7,3%
FRANCE	4.396	39.477	9,0	5.228	42.417	8,1	18,9%	7,4%
ISRAEL	4.731	34.960	7,4	1.703	10.064	5,9	-64,0%	-71,2%
CANADA	3.331	25.034	7,5	3.555	25.823	7,3	6,7%	3,2%
IRAQ	2.752	24.187	8,8	2.735	21.849	8,0	-0,6%	-9,7%
TRNC	2.641	19.073	7,2	3.169	18.525	5,8	20,0%	-2,9%
ROMANIA	2.108	15.933	7,6	3.676	21.972	6,0	74,4%	37,9%
BELGIUM	1.607	15.555	9,7	3.045	22.659	7,4	89,5%	45,7%
Other (167 countries)	22.049	186.765	8,5	40.439	265.546	6,6	83,4%	42,2%
Total	76.430	632.619	8,3	96.904	683.941	7,1	26,8%	8,1%

⁴ https://imsad.org/Uploads/Files/Turkiye_IMSAD_Aylik_Sektor_Raporu_SUBAT2025.pdf

b) Marketing Activities

We, Qua Granite, shared with our public our second Sustainability Report, which we prepared in compliance with the Global Reporting Initiative (GRI) Standard Basic Principles and United Nations Sustainable Development Goals showing our governance, environmental and social performance at <https://surdurulabilirlik.qua.com.tr>.

Digital promotional tools such as the social media, mobile application, mailing, 3-dimensional simulation programs, etc. were remained to be used actively in 2024 for all marketing activities. Introductory arguments such as flyers, corporate leaflets, catalogues, brand guides were prepared to present superior aspects of our product range; and were shared with the in-company and outside target audiences.

We, Qua Granite, came together with our existing and potential target audience through the exhibitions abroad and presented our product range successfully.

Events

Stars of Exportation Awards

The ceremony for 2023 Stars of Exportation Awards organized every year by the Aegean Exporters' Associations was held on the 9th of January 2024 Tuesday with an award ceremony and gala dinner. 57 companies in 21 categories were presented totally 61 awards in the ceremony where Aegean exporters contributing to the Turkish economy through their exportations throughout the year over their turnover in 2023. Qua Granite was awarded with the 3rd place in "Ceramic and Soil Products" category.



QUA Granite Target Sharing Meeting

QUA Granite held its Target Sharing Meeting for 2024 in Von Resort Abant Hotel between the 29th and 31st of January 2024. General evaluation of 2023 and the medium-term and strategic senior management resolutions, sales management, marketing activities, performance and productivity measures and similar strategical applications and tactical decisions for 2024 were developed.



QUA Granite Summit Meetings

Qua Granite came together with its business partners in the Summit Meetings Event held in Marrakesh, Morocco. QUA Granite met with its business partners in the gala dinner held in Marrakesh, Morocco between February 9th and 12, 2024 and Summit Meetings were performed with its business partners collaborating in the sales figures of 2023 as well as its sustainable growth and value creation responsibility.



In the gala dinner of Summit Meeting held with the participation of 60 QUA Granite dealers, 23 awards in 3 categories were presented to the dealers by Mr. Ali Ercan, President of Board of Directors of QUA Granite.

QUA Granite organized the Summit Meetings with the motto "We have dreams; we have so much to do" and underlined that it will grow and achieve bigger successes together with its business partners.

QUA Granite sponsors LiveArch Master!

Qua Granite came together with 450 valuable architects, interior architects and faculty of architecture students in the "LiveArch Master" event held by YapıArch in Bursa on March 9, 2024. Comprehensive information on the advanced production technology, understanding of sustainable production and R&D investments of QUA Granite was shared with the participants.



QUA Granite Architect Communication

QUA Granite was hosted in the offices of İki Design Group in Istanbul on June 7, Saturday. Year 2024 Innovations of QUA Granite creating difference in architectural design applications with its unique color and pattern technology were explained to the architects and interior architects of İki Design Group with the presentation of Zübeyde Tarhan, Director of Architectural Affairs. In the event held also with the participation of Yasin Erdoğan, Sales Director of QUA Granite, attendants had pleasant conversations about the domestic and foreign investments, sustainability approach and production technology of company.



Sub-dealers Organization of QUA Granite

QUA Granite hosted its dealers in the sub-dealers organization held on June 7-8 in the store of its business partner Adaser Yapı in Kuşadası. New product portfolio was presented to the likes of sub-dealers and observations were shared mutually in the organization.



QUA Granite made a successful sub-dealers organization together with its main Black Sea Region dealer Kutluser between the 9th and 11th of August in Kuşadası. More than 40 sub-dealers from Samsun and Trabzon attended this event. The dealers were hosted in Kuşadası Liberty Hotel during the organization for three days.



The dealers had the opportunity to receive detailed information about the innovative products and services of QUA Granite. Furthermore, they improved their knowledge and experiences with various training sessions and seminars.

Exhibitions participated

QUA Granite came together with existing and potential customers through the exhibitions abroad and presented its product range successfully.

Participations in exhibition organizations in 2024 began with The Big 5 Construct Saudi Exhibition, addressing to Saudi Arabian market for building and construction materials between the **26th and 29th of February**. New products were presented in the exhibition and positive feedbacks were received.

Biggest international construction and interior architecture exhibition MosBuild was held in Moscow, capital of Russia on **May 13-16**. The exhibition hosted 57.502 visitors participating from more than 1.400 companies from 15 sectors from construction materials producers to furniture and interior design suppliers. New product portfolio was presented and positive feedbacks were received in the exhibition.

Coversings Exhibition acknowledged as the biggest sectoral exhibition of USA and organized every year in a different location was held this year in Atlanta with the participation of more than 1000 participants from 40 countries between **April 22-25**. QUA Granite participated in the exhibition with products selected specially from its wide product range and it received positive feedbacks from both customers and exhibition participants.

Cersaie Exhibition acknowledged as the most prestigious organization of the World was held between September 23-27 in Bologna, Italy as in every year. New series with dimensions 60x120, 100x100, and 30x90 were introduced during the exhibition. In addition to the exhibition where new products were introduced, our guests had unforgettable experiences with the shows and events prepared for two special nights in Palazzo Re Enzo Palace. In this event, QUA Granite hosted 900 global business partners and new collections were launched successfully.

Qua Granite participated in The Big 5 Global Exhibition held in Dubai on November 26-29, 2024. In this event being one of the biggest construction and building exhibitions of the world, it had the opportunity to develop international business collaborations and introduce the QUA Granite brand on global scale.



c) Corporate Social Responsibility Project

22nd of March - World Water Day

World Water Day was announced in 1993 for the purpose of creating awareness focusing on clean water problem and the protection of water sources by the United Nations (UN) and is celebrated every year on the 22nd of March. This year, it was celebrated under the theme "Benefiting water for piece". Basic focus points of World Water Day include supporting the target of "Clean Water and Sanitation" which is one of the sustainable development means of the UN. In this context, it is aimed at securing the access of everyone to clean and safe water throughout the world until 2030.

QUA Granite, as the biggest technical granite producer of Turkey, prepared a digital advertisement campaign using the power of artificial intelligence in order to draw attention to water sources being consumed and wasted gradually in this important day. Within the scope of this campaign, artificial intelligence was asked to answer the question "How would the future be without water". Striking answers and images provided by artificial intelligence were shared with the target audience. In this digital awareness campaign underlining the fact that water, being the symbol of fertility, is so precious that even one drop cannot be wasted, valuable information was shared with respect to developing individual water saving models for sustainable water management.



Q Yatırım Holding and Dokuz Eylül University Mentorship Protocol

Mentorship Protocol was signed between Q Yatırım Holding and Dokuz Eylül University, being one of the rooted universities of Izmir. Within the scope of this protocol signed on May 17, 2024, Q Yatırım and Dokuz Eylül University will be able to perform joint training activities and research projects and hold conferences, webinars, and certified training programs. Students of University will also have the opportunity to have their training period within the body of Q Yatırım Holding with this mentorship protocol.



QUA Granite participated in “AI:YDIN Technology in Artificial Intelligence Age Summit”

QUA Granite attended the “AI:YDIN Technology in Artificial Intelligence Age Summit” event organized with the collaboration of Adnan Menderes University Google Developer Students Club (GDSC) Community and Technology and Innovation Community on May 22, 2024. QUA Granite met university students that will be holding the light to the future of sustainable technologies and talked with the university students about the importance of artificial intelligence in Turkey and the goals of such technology shaping the future.



We get stronger with awareness!

LÖSEV, Türkiye genelinde 8 milyon gönüllüsüyle kanser konusunda farkındalık yaratmak için çalışmalarını sürdürüyor. Bu kapsamda, LÖSEV ekibi QUA Granite'in ev sahipliğinde Aydın Söke'de bulunan QUA Granite Fabrikası'nda ağırlandı.

Gerçekleştirilen bilgilendirme toplantısında, kanser hastalığında erken teşhisin önemi, LÖSEV gönüllüsü olarak yapılabilecekler ve LÖSEV'in yıllık hareketi gibi birçok önemli konu ele alındı. Katılımcılar, bu anlamlı buluşmada hem farkındalık kazandı hem de kansere karşı dayanışmanın gücünü bir kez daha hissetti.



Hand-in-Hand to Save Lives!

QUA Granite organizes blood donation campaigns with the Red Crescent regularly in line with its understanding of social responsibility. Acting with the awareness that blood donation is of vital importance, it continues providing hope for those needing.

Such solidarity getting stronger with the voluntary of QUA Granite employees is not only limited to blood donations but also improves social sensitivity and creates awareness. Each donation contributes in spreading goodness in addition to saving a life.

Together with the Professional of Tomorrow!

Human Resources Department of QUA Granite attended the Career Day event held in the campus of Adnan Menderes University meeting the students. Human Resources Managers came together with the professionals of tomorrow and answered their questions about business life and made valuable recommendations for their career planning.



d) Certificates and Documents

TSE EN 14411

Qua Granite, adopting the principle of using developing technology and knowledge at every stage of the production processes, produces in compliance with TS EN 14411 Bla Annex G standard, which is a national standard indicating quality values also utilized by manufacturers in European countries. The Company, which regularly performs process monitoring and quality conformity controls at every production stage, has the CE certificate required for its products to be sold in European Union member countries.



ISO 9001 “Quality Management Certificate”

Qua Granite was awarded with ISO 9001:2015 “Quality Management System Certificate”, ISO 14001 Environmental Management System Certificate and OHSAS 18001 Occupational Health and Safety Management System certificates in its first year of operation in the sector.

There have been radical amendments in 2015 practices of the ISO 9001 Standard; and our company's effective practices for the newly added items “Context of the Organization”, “Leadership”, “Risk & Opportunity Analyses”, “Planning of Changes”, “Corporate Information” were approved by IAS.

ISO 14001 Environmental Management System Certificate

Qua Granite aims at maximizing its target to follow its environmental effects and become a sustainable brand. In this direction, the company uses ISO 14001 Environmental Management System Standards to measure and manage its environmental performance effectively. Such standards allow for adopt a management notion covering all environmental elements such as water, air, waste. The company aims at implementing such standards as a part of fight against climate change.

ISO 14001 is also an indicator of Qua Granite's environmentally conscious management and production approach. In consideration of the environmental impacts at every step from the first stage of production to the presentation of the product to the consumer, the Company purifies entire water used in production in its plant at in-company treatment facility and brings it back to production without discharging.

Qua Granite, continuing to work within the framework of a nature-friendly policy, Qua ensures that all its employees, subcontractors and business partners show sensitivity in this regard. In this context, it conducts research and development activities to ensure recycling is performed at highest level. The company positions its sustainable, environmentally friendly work in all production activities as the most basic production principle, together with quality, efficiency and occupational safety.

Procedures, instructions and business plans are created as a result of the analyses and surveys carried out with the participation of its employees. Energy and natural resources are used in an elaborate and most accurate manner. Natural source consumption and waste rates in production lines and support processes are being tracked with numerical data. Qua Granite operates with the understanding of continuous improvement in environmental management by reducing the

quantity of resource use and waste generation per unit of production, thanks to its clean production practices.

The company, performing continuous improvements in line with the environmentally friendly policy it has adopted, carries out many actions to progress without harming the nature or consuming the resources.

Steps taken by Qua Granite for the Environment

- ▶ 94,000 m³/day capacity wastewater treatment plant utilizes all of the treated wastewater as recyclable.
- ▶ It uses raw materials and materials in a recyclable manner. It contributes to the recycling process by grouping its wastes.
- ▶ It makes waste oils usable by recycling.
- ▶ Within the Packaging and Packaging Waste Control Regulation, used packaging wastes are classified within themselves and stored in a manner that will not harm the environment and are recycled through licensed institutions.
- ▶ It performs the organizations necessary organizations to recycle packaging materials on the market, and thus, such packaging materials are regained.
- ▶ Hazardous wastes are minimized, and waste oil, battery, and packaging wastes contaminated with hazardous wastes are sent to licensed companies and recycled.
- ▶ The treatment sludge formed in its wastewater treatment facility is reused.
- ▶ The water treated in its wastewater treatment facility is reused, and water from underground sources is reduced to minimum level.
- ▶ Resources are used effectively.
- ▶ Elements that may cause environmental pollution are identified and controlled, and these elements are prevented by providing continuous improvements.
- ▶ It ensures that scraps and wastes from production activities are determined, taken under control, and used in the recycling of scrap and wastes, and those that are not recycled are disposed of through legal means.



ISO 45001 Occupational Health and Safety Management System Certificate

For Qua Granite, it is an integral part of the operations of the Company to guide its employees on occupational health and safety issues in all departments and to take measures regarding occupational health and safety in the workplace.

The Company's Occupational Health and Safety Board meets monthly and allows for the continuity of a safe working environment. The Workplace Health Unit renders full-time services to employees. The company has trained emergency teams (fire, first aid, search and rescue, etc.) within its body, and such training is updated at appropriate intervals.

Occupational Health and Safety Management System OHSAS 18001 was revised as ISO 45001 in 2018, and Qua Granite also ensured compliance with this and renewed its certificate within the same period.



ITUS Certificate

The Company has been certified with Discounted Guarantee Implementation System ("ITUS"); and such certificate allows for the return of the refunding receivables of taxpayers, who have transactions entitling them with the right to VAT refund and who fulfill general and special conditions specified for them under low financing conditions and within reasonable periods using a discounted guarantee.

Greenguard

Starting from the designing process, Qua Granite has once again been registered, earning the GREENGUARD and GREENGUARD GOLD certificates for its sensitivity to the environment and individuals during the life cycle of its products. The GREENGUARD and GREENGUARD GOLD Certificates are issued by UL Environment, which is an independent supervisory body, prove that the product complies with the requirements for indoor air quality.



Eurofins A+ Emission Certificate

Due to increasing environmental and health problems today, the effects of the materials on the environment and especially on human health constitute the most important selection criteria in addition to the criteria such as performance, aesthetics and quality in material selection in projects.

Qua Granite products, attaching highest priority on protecting human health and environment, have been successful in tests performed for VOC emissions in compliance with the requirements of the French legislation (order of April 2011) in conclusion to the examinations carried out by Eurofins laboratory and was awarded with the Eurofins A+ Emission Certificate.



TSE Double Star

TSE Double Star attests that Qua Granite products are not limited to minimum conditions but have properties above TSE Standards. In this context, water absorption degree is determined as 0.5% in the sectoral standards; whereas, the company's production values are below 0.3%.



Gost R

Qua Granite received the Gost R Certificate, mandatory as of 2001 by Russia, on February 13, 2020, as a result of the audit performed by Russia in compliance with the norms specified by Russian Federation.



CE Marking

The CE Mark is an indication of conformity with the New Approach Directives of the European Union, showing that the product bearing the CE marking is healthy and safe for humans, animals and the environment. CE Mark has become mandatory for ceramic tiles since 2005. This document is renewed following inspections by the Ministry of Environment and Urbanization annually. Company practices related to CE Marking are maintained effectively under the scope of (305/2011/ EU) Construction Materials Directive and EN 14411 Harmonized Standard.

SASO Quality Mark

As a result of the audit carried out by Saudi Arabian Standards Organization (SASO) in May 2023 regarding the SASO Quality Mark required by the SASO for exportations to Saudi Arabia, Qua Granite has been entitled to receive the SASO Quality Mark certificate.



CSTB - UPEC Sertifikası

The CSTB - UPEC Certificate, required for official sales of France, has been obtained for all dimensions of 3 products determined by exports as of 2023. The Certificate is audited and updated every year by French CSTB company. Qua Granite is one of the leading companies awarded with this certificate in Turkey.



Smeta – Certificate of Social Compliance

Upon Kingfister customer demand, Smeta - Social Compliance is audited and the document is updated annually. Smeta is a trading community auditing mechanism that aims at the improvement of the organizations in the supply chain on ethical trading. In other words, it is an auditing system designed to help supply chains improve their performance. To obtain this certificate, there are certain criteria that companies must comply with, whether a supplier or a purchasing party. Qua Granite is one of Turkey's few companies awarded with this certificate.



ISO 50001 – Energy Management Certificate

We manage Energy and Climate Change, which is our very high priority issue, within the scope of the Management Systems Policy, and we aim to minimize the risks that the climate crisis will bring with it. In this regard, Qua Granite, which has been conducting its energy management activities according to ISO 50001 Energy Management System standards since 2022, takes innovative steps to achieve its sustainability goals.

We closely follow the global risk agenda and international regulations evolving around low-carbon production models. We systematically monitor our energy consumption at every stage of our processes; and we prioritize and implement actions to improve production and maintenance activities. We incorporate new technologies for energy efficiency, energy saving and security into our processes through new investments and modernization projects.



Environmental Product Declaration (EPD)

We, Qua Granite, continue developing innovative solutions and presenting environment-sensitive products in line with our sustainability strategy. In line with our sustainable activities, we have the EPD Certificate, which shows measurable environmental effects of a product through LCA (Life Cycle Analysis), which is independently verified and documents its registration. Our EPD Certification processes have been completed and certificates have been obtained in 2023 for our product groups of 7 mm and 20 mm.



**Sürdürülebilir Enerji,
Ortak Geleceğimiz!**



Business Partners

QUA Granite, aiming at getting closer and presenting our high-quality products to our customers throughout Turkey with our dealer network spreading to 81 provinces in over 7 sales regions in 2024, maintains its sales activities 69 main dealers across Turkey.

Closer to Customers with its Strong Dealership Network

QUA Granite not only expands its dealership network in quantitative terms but also focuses on developing long-term and sustainable relations with its business partners. The company establishes partnership with its dealers based on trust and provides them with marketing and training support. Such approach both improves dealer satisfaction and allows for rendering higher quality services to end users.

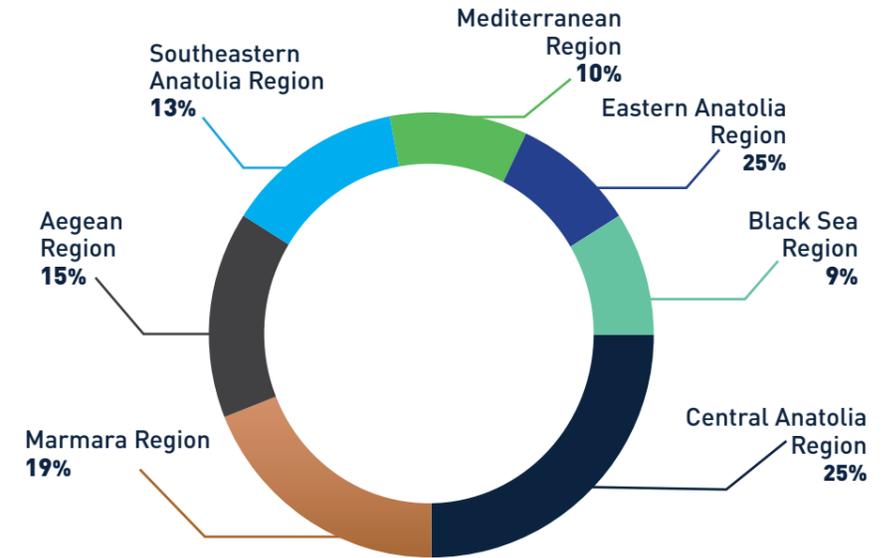
On-site Experience with the Retailing Strategy

QUA Granite also attaches importance on retailing strategy in order to allow its consumers experience its products more closely. Physical stores enable the customers examine the products on site and receive direct information from experts. Thus, customer experiences improve and brand recognition and reliability are strengthened.

The company continues the introduction of products and its sales activities in 89 branches of 2 different building supply stores across Turkey.



Distribution of Dealers



Products exported to more than 100 Countries in 5 Continents



QUA Granite maintains its cutting age in the global market with its sales volume and superior product quality throughout the world. QUA Granite exports to more than 100 countries within the scope of its foreign sales activities and aims at acquiring almost half of the company incomes from exportation.

Our markets with highest exportation volumes are:

- Belgium
- Germany
- England
- Romania
- France
- USA.

Especially international exhibitions are of great importance in our communications with our exportation customers as we assert being one of the biggest ceramic producers in the world. In this framework, we took part in 5 most important international exhibitions of the sector as QUA Granite in 2024.

- The Big 5 Construct held on February 26-29 in Saudi Arabia
- MosBuild held on May 13-16 in Russia
- Coverings held on April 22-25 in USA
- Cersaie held on September 23-27 in Italy
- The Big 5 Global held on November 26-29 in Dubai.

16.

Stakeholders



16. STAKEHOLDERS

a) Notification of Stakeholders

Stakeholders are persons, institutions or interest groups, such as employees, creditors, customers, suppliers, who are in direct contact with the Company and have interest in achieving the Company's goals or activities. Stakeholders are invited to meetings on matters concerning them when necessary. Information meetings are held with suppliers and distribution channels. Public disclosures are made through annual reports and the Central Registry Agency (CRA)-Public Disclosure Platform (PDP). Employees are regularly informed through announcements and various organizations. It is aimed that the general assembly meetings are open to all stakeholders, and that not only shareholders but all stakeholders are provided with and detailed information on the company's website, detailed activity reports, press releases and practices within the scope of the information policy based on transparency. Stakeholders can notify the investor relations department via e-mail and telephone to convey to the audit committee the issues that they consider to be against the legislation and ethically inappropriate. Furthermore, the employees having internal information have been notified with their responsibilities electronically; and the policy is adopted to take written statements of employees informing their responsibilities as having internal information and to maintain such statements in the respective unit.

Participation of Stakeholders in Management

No mechanism or model has been established within the framework of Corporate Governance Principles for the representation of stakeholders in the board of directors. Stakeholders' participation in management is ensured through means such as in-company suggestions and surveys. Practices on working conditions and employee rights are established with the agreement reached as a result of negotiations with employee representatives. An open-door principle has been adopted for conveying in-house suggestions and requests to the management.

Employee Representative

He/she is authorized to participate in work related to occupational health and safety, to monitor such work, to demand measures to eliminate the source of danger or to reduce the risk arising from such danger, to make proposals and to represent the employees in similar matters.

There is a wish, suggestion, satisfaction and complaint box at the personnel cafeteria and human resources office. Employees can share whatever they want through these boxes; and necessary procedures and forms have been established in this respect.

b) Human Resources Management

The company's human resources policies are determined based on education, development, performance, skills, loyalty and equality. These criteria are essential in both recruitment policies and career planning. Decisions taken regarding employees or developments concerning the employees are reported to employees or employee representatives.

The company's human resources policy has been announced at its website www.qua.com.tr. According to this, main principles of human resources policy are as follows:

- To elevate motivation of the employees and to develop their sense of belonging by improving the working environment,
- To ensure the protection of the material and moral rights of the employees

- To create equality of opportunity among employees,
- To give importance to internal and external training in order to increase knowledge and skills of employees and to ensure the continuity of their professional and personal progress,
- To increase personnel satisfaction by taking into account the suggestions and expectations of the employees,
- To organize social and cultural activities to improve internal communication within the company,
- To reward employees as a result of their performance evaluations,
- To implement an orientation program to facilitate the adaptation of newly hired personnel to the job,
- To constantly update and improve the human resources policy in line with the needs of the employees and the institution,

Our Human Resources Practices

Qua Granite does not discriminate between its employees for their religion, language, race and gender; it treats its employees equally regarding education and promotion; makes training plans to increase their knowledge, skills and manners and creates training policies.

Management principles of Qua Granite mainly include ensuring safe and equal working conditions and continuously improving such working environment. Within the framework of the principle of equality, human rights are respected, and necessary measures are taken to protect employees against physical, mental and emotional ill-treatment within the company.

Ensuring a safe working environment in the company's production units is one of the most important issues. In addition to the measures specified in the occupational health and safety regulations, employees also attend training given by authorized institutions.

Recruitment and Placement

- Employees are selected among the candidates who fully meet the values and competencies of the institution with the basic principle of giving equal opportunity to everyone in recruitment, providing commitment and cooperation to the company, and employing effective human resources that will carry Qua Granite to the future. Students who have completed their training periods in our company are also potential candidates.

- Although the interviews are shaped according to the position, personality tests, competency assessments, and skill tests can also be applied to the candidates depending on the situation required by the position. In addition, a multi-stage interview system enables the candidates to meet with the managers they will work with. As a result of all these evaluations, the human resources make job offers to the candidates who are found suitable.

- Giving orientation training to the employee who starts their job at Qua Granite is part of the recruitment process. The objectives of the orientation training are explaining general workflow of the company, Corporate culture and management systems, informing about occupational safety issues, speeding up the adaptation process and reducing labor turnover rate by ensuring work compliance.

Performance Assessment

It is a process designed to monitor, evaluate and improve the performance of corporate employees. At Qua Granite, a competency and target-based performance evaluation system is applied yearly for white-collar and blue-collar employees. Based on the principle of openness in the applied performance evaluation system, evaluations are carried out objectively

and systematically.

The system in question also aims to establish good communication, cooperation and solidarity between the evaluator and the evaluated. Goals are determined from top to bottom following the company's general policies. Performance evaluation results are used in rewarding, training planning, career planning and promotion practices.

Occupational Health and Safety

In order to create a safe and healthy working environment by meeting all legal and institutional requirements related to occupational health and safety in the work areas, Qua Granite is committed to identifying and defining the occupational health and safety risks of its activities and to creating and implementing targets and programs related to these risks.

Through OHS committees, occupational health and safety risks specified within the scope of ISO 45001 Occupational Safety and Health Certificate are determined and effectively managed, and the targets and programs related to these risks are created and reviewed. As of 2021, certification was performed by transition to ISO 45001 Occupational Health and Safety Certificate.

OHS training is provided for employees to internalize the OHS culture, manage risks and work following the requirements of a safe area. At the same time, in addition to providing OHS training to the business partners we work with, legal process controls of all stakeholders are also carried out.

In 2024, 31,800 hours of Occupational Health and Safety training was provided to employees. These trainings focused on topics such as first aid, closed areas, working at height, emergency interventions, electrical safety, pressurized gas safety, defensive driving, forklift safety.

MT Program

The MT Program is a program that aims at growing and developing the company with innovative, creative, sustainable and environmentally sensitive approaches based on the strategic management principles of Qua Granite. In this context, practices and studies aim for the required managers to adopt the Qua Granite culture within the company, increase their technical and theoretical knowledge, and develop their leadership qualities. The program also aims at creating executive official positions of the future.

Target Candidate Profile

The MT Program is created for experienced and inexperienced candidates who have graduated from the Departments of Materials Engineering of Universities and who determined ceramic industry as their career goal between the ages of 22-30. Candidates participating in the program are also Qua Granite trainees and they are potential candidates for creating future executive positions.

Social Responsibility

Qua Granite carries out social responsibility projects to contribute to developing the geography in which it operates and of Turkey in many fields, such as education and health. It has carried out various social responsibility projects to support institutions such as schools and security forces in line with the demands received from the District Governor's Office.

Company employees who care about public health participate in blood donation campaigns every 3 months.

Qua Granite distributes food aid packages to people in need every week with the Social Services Department of the District Governorship, tries to reach people from every part of the society and believes in social unity and cooperation. The Company, by contributing to the social activities organized by the Municipality, also supports granite demands of schools, mosques and law enforcement agencies required for the buildings and areas needing renewal.

The company carries out social responsibility projects to create similar conditions in education and to contribute to students who continue their education under challenging conditions to look at the future with hope by having libraries built in village schools as well as participating in book-stationery campaigns for schools in need for the purpose of supporting equality of opportunity in education.

c) Our Ethical Values Policy

Ethical rules established by the board of directors have been adopted by all company employees and measures have been adopted by the company to ensure compliance with these rules.

Company managers and employees cannot use confidential and non-public information about the company for their benefit or the benefit of others, cannot make untrue, false, misleading, or unfounded information about the company, and cannot disseminate and comment on the same. Managers cannot accept direct or indirect gifts and cannot gain unfair advantage in relation to the works of company. Confidentiality is essential for the company's trade secret information; they cannot be disclosed.

The company is sensitive to its social responsibilities. Regulations and ethical rules regarding the environment, consumers and public health are complied with. No lawsuit has been filed against the company since its establishment because of any damage to the environment. Environmental impact assessment reports are available for all investments performed by the company.

In order to further strengthen our company's corporate values and ethical standards, the Ethics Hotline has been launched. The Ethics Hotline is a communication channel that allows all our employees, customers, suppliers and other shareholders to safely and confidentially report

- Behaviors contrary to our ethical principles and code of conduct
- Suspicious of corruption and abuse
- Implementations contrary to the law

Our Ethics Hotline is not only a mechanism to report problems, but also a tool to strengthen our corporate culture and support our sustainable success. Each report contributes to creating a more transparent, fair and reliable business environment for our group.

Personnel Ethics Policy

"QUA GRANITE"

argues that the Code of Ethics must be followed for sustainable success and that these rules cannot be waived in any circumstances.

“QUA GRANITE”

It is aimed at guiding the employees in their decisions and behaviors while performing their duties with the Code of Ethical Conduct; creating a peaceful and productive working environment.

“QUA GRANITE”

regards to minimum working age and considers physical and mental conditions of its employees while assigning them.

“QUA GRANITE”

does not assign routine work to trainee staff; constructs the trainees' work time as an educational process.

“QUA GRANITE”

Asgari ücret seviyesinin altında ödeme yapmaz; tüm kıdem ve kademelerdeki çalışanlarını asgari ücretteki artışlardan faydalandırır.

“QUA GRANITE”

determines salary increases according to performance evaluation, does not discriminate against race, age and gender, and acts with the principle of equal opportunity; does not allow ill-treatment and harassment to its employees.

“QUA GRANITE”

makes salary payments regularly and on time; does not interrupt, postpone or delay payments.

“QUA GRANITE”

does not exceed the maximum weekly working time or normalize the practice of overtime.

“QUA GRANITE”

agrees and undertakes to comply with the 'Prevention of Harassment & Abuse & Discrimination' policy specified in International Labor Organization (ILO) standards, labor law numbered 4857 and social compliance rules of the international brands that we supply to.

“QUA GRANITE”

ensures that its employees use their weekly holidays and annual leave on time and within the specified time.

“QUA GRANITE”

signs contracts with all its employees within the framework of the law; strictly implements its obligations, and does not delay insurance and similar obligatory payments.

“QUA GRANITE”

does not compromise on orientation process and vocational training; considers training demands and keeps training channels open.

“QUA GRANITE”

pays same diligence to its subcontractors and temporary workers as its permanent employees; undertakes the same responsibility for all its employees.

d) Personnel Compensation Policy

Qua Granite, while determining the compensation policy for its employees, the provisions of Labor Law No. 4857 in force and the provisions of the effective 14th Article of repealed Labor Law No. 1475 are taken as a basis.

Severance Pay:

Severance is paid to its employees whose employment contract is terminated based on any of the conditions requiring severance payment as specified with the effective 14th article of Business Law no. 1475 repealed by Labor Law No. 4857 and who served for at least one year in the company, or, in case of death, to his/her legal inheritors, for the period served by the employee in the company.

Notice Period and Payment:

In cases where notice period is required to be recognized, the provisions of Article 17 of Labor Law No. 4857 are applicable. In addition, the employee's employment contract can be terminated by making payment in cash for his/her service until the end of the notice period. In cases where notice period is required, the personnel member is allowed to seek employment.

e) Our Confidentiality Policy

Protection of the confidentiality of the information shared by visitors of corporate website (<https://qua.com.tr/>) and the users of online services is of importance and priority for Qua Granite. Policies created with the basic principle of protecting the confidentiality, integrity and usability of information cover the basic ways, methods and principles adopted to protect the confidentiality of information.

Two essential pieces of information are collected via Qua Granite's corporate website (<https://qua.com.tr/>). These are "personal data" used to identify natural persons and "identification information" collected for better operation of the website. Cookies are a feature of the web browser software that allows web servers to store information in your browser temporarily. Data is collected through cookies to see how website visitors gain access. No personal information (which can identify you) is collected during this process.

f) Personal Data Protection Policy

Protection of personal data is among the basic principles of Qua Granite. Qua Granite, in its capacity as Data Controller, carries out the compliance process with the Personal Data Protection Law No. 6698 ("KVKK/Law") with due diligence and fulfils the obligations in all relevant legal legislations, especially the Law.

Personal Data Protection Policy ("Policy") has been prepared in compliance with KVKK and all regulations and other legal regulations regarding personal data, in consideration of the international rules and guiding documents in this field.

Qua Granite provides necessary training to its employees to raise awareness of personal data protection.

This Policy applies to all personal data of the employees, trainees, employee/trainee candidates, customers, potential customers, visitors, suppliers, external service providers and other third parties that are fully or partially automated or processed within Qua Granite and its branches by nonautomatic means, provided that it is part of any data recording system.

g) Customer and Supplier Relations

Qua Granite has developed and implemented a strategy based on the priority of ensuring the security, sustainability and circularity of the supply chain for raw materials, which are critical in the transition to a green and digital economy. In this regard, Qua Granite conducts research and innovation studies on raw material alternatives or sustainable production methods for the ceramic industry and develops various collaborations with local producers in this context.

In line with these purposes;

- The company attaches importance to customer satisfaction in the sales and marketing of goods and services and takes the necessary measures.
- The company takes necessary measures in order to establish and maintain relations with the customers and suppliers it provides products and services in compliance with the law and provisions of respective contract, and to observe international and sectoral standards in the provision of goods and services, and to review and renew its processes.
- Information about customers and suppliers is considered as trade secret, and due diligence is taken for their confidentiality.

17.

Amendments in the Articles of
Association within the Term



17. Amendments in the Articles of Association within the Term

a) Change in Registered Capital

None.

b) Amendment in Issued Capital

None.

18.

Summary of Forecast Report of Related Party Transactions in 2024 and Common and Ongoing Related Party Transactions in 2025



18. Summary of Forecast Report of Related Party Transactions in 2024 and Common and Ongoing Related Party Transactions in 2025

In 2024, the detailed report on transactions with related parties within the scope of General Notification on Corporate Tax contains the transactions within scope of transfer pricing.

The main activity of Qua Granite Hayal Yapı, ve Ürünleri A.Ş., is the production, sale and export of ceramic, floor tile and tile materials, and technical granite. For the period 01/01/2024 - 31/12/2024, the company's net sales revenue from all activities amounted to 8.135,9 million TRY and the cost of goods sold amounted to 6.803,5 million TRY. The conclusion of the related party transactions analysis, which covers 27,0% and 27,8% of our total net sales of 8.135,9 million TRY and cost of goods sold of 6,803.5 million TRY in 2024, respectively, is provided in the related report.

Qua Granite Hayal Yapı ve Ürünleri A.Ş., has chosen the comparable price method for the determination of imputed cost for this activity.

According to Article 10, titled "Common and Ongoing Transactions with Related Parties" of the Corporate Governance Notification No. 11-17.1 of the Capital Markets Board [CMB], which entered into force after being published in the Official Gazette dated January 3, 2014, and numbered 28871, and within the scope of the Common and Ongoing Related Party Transactions Report as a financial sales and purchase forecast for 2025, in the light of our Company's 2024 data and as the financial sales and purchase forecast for 2024, and within the scope of Common and Ongoing Related Party Transactions Report; it is forecasted that

a) the ratio of purchase transactions to the sales cost according to the last annual financial statements disclosed to the public,

b) the ratio of the sales transactions to the revenue amount according to the last annual financial statements disclosed to the public, as included in the annual financial statements disclosed to the public,

will reach more than 10% of the total of common and ongoing transactions to be performed within an account term by the related companies Bien Yapı Ürünleri Turizm Sanayi ve Ticaret A.Ş., and Bien Trading Dış Ticaret A.Ş.; therefore,

In this report, it is stated that in 2024, it was investigated by our company whether the price and profit shares applicable to non-related third persons are reasonable with regards to the sales performed by Bien Yapı Ürünleri Turizm Sanayi ve Ticaret A.Ş., and Bien Trading Dış Ticaret A.Ş. In this context, it has been confirmed that the terms of the transactions with related parties and profit sharing are fair and reasonable within the market conditions.

19.

Other Remarks



19. Other Remarks

Other mandatory disclosures of the Company within the scope of the Capital Markets Board and Turkish Commercial Law regulations are as follows:

a) Determinations and assessments of the governing body as to whether the company's capital is uncovered or whether the company is insolvent:

The Risk Management Committee evaluated whether the company's capital remained uncovered within the scope of Article 376 of the Turkish Commercial Law; and it was concluded that the issued capital of Qua Granite Hayal Yapı ve Ürünleri Sanayi A.Ş., which is 2.640 million TRY, preserved its existence with the equity of the parent company, which was 8.233 million TRY as of 31/12/2024, and that the debt structure of the company, which has a Total Net Debt / Total Equity Ratio of 53%, was suitable for the continuation of the activities in a healthy way.

b) Main Factors affecting the operating performance

Factors affecting the operations of companies serving in ceramics sector in Turkey are grouped under energy cost, transportation, promotions, training, introduction and marketing, legal arrangements and structural measures, R&D and Innovation and raw materials.

Ceramics sector is a sector consuming highly intensive energy because of its firing and drying processes during production. Increasing energy costs result in the sector incur energy costs much higher than the producers in Italy and Spain. It is estimated that energy costs will maintain disadvantageous position for Turkish producers in the long term. It is important that the ceramics sector should be supported with investments of organized industrial zones which provide the opportunity to benefit from low energy costs, transportation, information technologies as the most important inputs of the sector and which prepare industrial parcels with completed infrastructure to the investors.

In order to be affected by fluctuations in energy costs less, and reduce or carbon footprint and in line with our sustainable production target, feasibility surveys are completed and necessary applications are made to official bodies in terms of generate electricity from solar energy at the plant's rooftop to cover some part of electric generation. The volume of energy to be generated, total investment cost and investment return period will be determined finally after obtaining such permits from official bodies.

Ceramic products and raw materials are conveyed mostly through road transportation, resulting in increase in transportation costs as well as environmental problems, unprofitability and negative effects on the competitive power of Turkish producers. Infrastructure should be improved and the coordination level in transportation should be increased in order to reduce transportation costs. Producers generally travel a long distance to reach railway facilities; and therefore the cost advantage of railway transportation, providing approximately 50% advantage, is reduced due to unproductivity as a result of one-to-one comparison.

Investments on intermediary good or products with high importation dependence are supported under the scope of promotion of strategic investments. Furthermore, increases in exchange rates due to input of imported raw material are other factors increasing the costs of companies and creating effect on reducing profitability.

Ceramic application requires mastership and training. Courses should be established to provide training on ceramic applications in order to raise more qualified masters for the sector and ensure that the ceramic products in application substitutes competitive products with the advantages in application.

In addition to the advantage of cost and closeness to the market, investments on marketing and sales organizations should be focused on by increasing foreign production capacity.

R&D activities performed within the framework of a developed university-industry collaboration receiving intense participation of the sector as well as the laboratory testing and trial opportunities (SAM Ceramics Research Center) provide the power of knowledge for the sector. Therefore, technical problems should be solved rapidly and effectively. It is of great importance to unite the knowledge in universities, the capital and qualified workforce and developing and commercializing production methods with intense technology and spreading the same throughout the sector. In this context, studies of universities on ceramic products should be supported and their intended use should be scaled. Moreover, the volume of support provided by the companies in to R&D actions should be increased.

Turkish Ceramics Sector has important strategic advantages in terms of raw materials. There are 4 main raw materials included in traditional ceramic production: Kaolin, clay, feldspar and sand (quartz). Turkey has rich raw material sources compared to Italy and Spain. However, these sources could not be benefited sufficiently because of incorrect and insufficient use. Turkey has 14% of world feldspar reserves amounting 240 million tons and it has the biggest sodium feldspar reserves.

On December 3, 2021, the European Union Trade Commission initiated an anti-dumping investigation against imports of "Ceramic Tiles" and similar category in India as well as Turkey, upon the complaint of the European Ceramic Manufacturers Association, in respect of companies operating in this field.

The final decision was announced by the Commission on February 10, 2023. In the decision, it was announced that anti-dumping measures of 4,8% for Bien Yapı Ürünleri San. Tic. A.Ş., 20,90% for Hitit Seramik Sanayi ve Ticaret A.Ş., and 0% for Vitra Karo Sanayi ve Ticaret A.Ş. While the dumping rate was announced as 9,20% for companies operating in Turkey that cooperated within the scope of the investigation, this rate was announced as 20,90% for non-cooperating companies. As a result of the decision, it is expected that Turkish manufacturers exporting to the European market will be adversely affected by this development and will lose markets and customers.

20.

Developments after
Balance Sheet Date



20. Developments after Balance Sheet Date

a) Üst Düzey Yönetici Ataması

Mr. Ali Küçük has been appointed as the Deputy General Manager of our Company.

Personal Background – Ali Küçük

Mr. Ali Küçük completed his associate's degree in the Department of Forest Industry Engineering of Istanbul University in 1986. He completed his bachelor's degree in the Department of Metallurgical and Materials Engineering in Istanbul Technical University with honors in 1990 and then completed his master's degree in the Institute of Metallurgy, Osmangazi University in 1995. He started his business life in 1989 as a Research Personnel Member in Eczacıbaşı Endüstriyel Hammaddeler San. Tic. A.Ş. From 1990 to 1996, he worked as a Specialist and Manager in the Ceramics and Materials Unit Management department of the General Directorate of Mineral Research and Exploration, Presidency of Mineral Analyses and Technology. Between 1996 and 2012, he worked in Kaleseramik Çanakkale Kalebodur San. A.Ş.; as Technical Porcelain, R&D, P&D Manager, R&D, P&D Assistant Manager, R&D and Technology Manager, Productions Manager (Floor-Wall) and Technical Manager, R&D Center Manager (responsible for R&D, P&D, Investments, Energy, Environment, and Projects). He served as General Manager in Yurtbay Seramik San. Tic. A.Ş. between 2012 and 2014, President of Seramixan SAGIM between 2014 and 2016, General Manager in Decovita Yatırım Ürünleri San. Tic. A.Ş. between 2016 and 2019, Factory Manager in Bien Yapı between 2019 and 2021, and Factories Manager at NG Kütahya Seramik between 2021 and 2024. Ali Küçük, having extensive experience and knowledge in personal development, business development, research, development, design training, plant and system commissioning, was born in Çanakkale in 1967 and is married with two children.

b) Capital Market Board Approval for Issuance of Foreign Debt Instrument and Obtaining Certificate of Issue

The Certificate of Issue of our company for the sale of debt instruments to be issued abroad in US Dollars, Euro and/or Turkish Liras, up to 200.000.000 Euro and/or the total equivalent in Euro and/or Turkish Lira at the date of issue, has been approved with the resolution rendered by the Capital Market Board on 09.01.2025 under no. 2/9.

c) Completion of Issuance of Eurobond

The sale of financing bond, which is issued and sold abroad with a nominal value of 5 Million Euro, term of 364 days, redemption date of 13.02.2026, annual interest of 4%, has been completed.

d) About Solar Power Plant (SPP) Investment

Most important sustainability goals of Qua Granite include reducing our energy costs, protecting our company from price increases in electricity, reducing our carbon footprint, and contributing in the protection of sustainable environment.

The solution partner of our company in renewable energy investments is T2D Yenilenebilir Enerji Sis. San. ve Ticaret A.Ş. We aim at establishing a Solar Power Plant (SPP) of totally 100 Mwe through our renewable energy investments until 2030 and thus, reducing approximately 140.000 tons of Co2 emissions per year and avoiding from cutting approximately 365.200 full-grown trees per year.

The annual average electricity need in the facility of our company in Aydın Söke Organized Industrial Zone is 100 Mwe. 35.478 new generation Topcon Ntype solar panels of totally 150.000 m2 will be used in the roof SPP to be built in the first

stage. Total of this first investment is 10.200.000 USD and it is scheduled to complete the Solar Power Plant of 20,4 MWp in 2025.

e) Brand and TURQUALITY® Support Program

The application of our company for including our "QUA GRANITE" brand in the scope of TURQUALITY®/Brand support program has been examined and in conclusion to the Preliminary Surbey performed in our company, it has been approved to include the QUA GRANITE brand of our company in the scope of Brand support program.

f) Change in Member of Board of Directors and the Board Committees

In the Board of Directors meeting of our company, it is resolved as follows:

- 1) Resignation of Mr. Efe Deniz Kılıç, who resigned from his position as independent member of Board of Directors, from his position as member of Board of Directors is accepted;
- 2) Based on the resolution of the Capital Markets Board giving positive opinion rendered on 25.12.2024 under no. E-29833736-110.07.07-65048, Mr. Bahadır İlgaç is elected as Independent member of Board of Directors to complete the term of duty of his predecessor and such change will be presented to the approval of General Assembly together with the independence statement in the first General Assembly to be held under Turkish Commercial Law, article 363;
- 3) As a result of the resignation of Mr. Efe Deniz Kılıç, Mr. Bahadır İlgaç is elected to the Auditing Committee and Corporate Governance Committee of our company in the capacity of Chairperson;
- 4) The resignation and appointment in Membership of Board of Directors will be registered and promulgated before the Commercial Registry Directorate of Aydın.

Personal Background – Bahadır İlgaç

Bahadır İLGAÇ graduated from Ankara Çankaya Atatürk Anatolian High School and completed the Department of Mathematics of Middle East Technical University in 2004 and MBA program in Sabancı University in 2006. In the beginning of his career, he worked in the Strategy and Business Development departments of Doğan Holding and Borusan EnBW Enerji, respectively. Bahadır İLGAÇ joined MV Holding in 2011 and served the group as Business Development and Affiliates Director until 2020; he also acted as a Board Member at Dost Enerji, Hub GSYO, Paycore Payment Systems, KVK Technology, The Lifeco, VK Real Estate, Izmir Swissotel, TED Istanbul Private High School and Istanbul Film Studios. Bahadır İLGAÇ started working in 2020 in Netcad Yazılım A.Ş. as Chief Operating Officer and served as the Co-CEO of the company in 2021 and 2022. Bahadır İLGAÇ is the Chief Operating Officer of Saran Holding since 2023. Bahadır İLGAÇ is highly experienced in strategic planning, institutionalization, organizational transformation, subsidiary management, mergers and acquisitions, financing, budget and reporting.

STATEMENT OF INDEPENDENCE**January 13, 2025**

I declare herewith, within the framework of the criteria specified in the Articles of Association of QUA GRANITE HAYAL YAPI VE ÜRÜNLERİ SANAYİ TİCARET A.Ş. (Company) and in the Notification on Corporate Governance No. II-17.1 as announced by the Capital Market Board (CMB), that I run for serving as "Independent Member"; and in this context, declare that:

- a) There is no employment relationship between the company, company's management control, or partnerships which it has significant influence, shareholders who have control on the management company, or have a significant impact on the company, or legal entities in which these shareholders have management control and me, my spouse, and my relatives by blood and marriage up to second degree, in managerial position undertaking significant duties and responsibilities within the last five year; that higher than 5% of any capital or voting rights or privileged shares are not owned together or alone or no significant commercial relationship is established;
- b) I have not been a shareholder (5% and above), or manager who assumes important duties and responsibilities, or a member of the board of directors during periods when services or products are purchased or sold, in companies where the company has purchased or sold a significant amount of services or products within the framework of agreements concluded, including mainly the auditing (tax auditing, legal auditing, internal auditing), rating and consultancy of company within the last five years;
- c) I have professional training, knowledge and experience to fulfil the duties I will undertake as an independent member of board of directors;
- d) I will not work full-time in any public institution and organizations after being elected as a member, except as university lecturer, provided that it is in compliance with related regulations;
- e) I am considered as a resident in Turkey according to the Income Tax Law (Income Tax Law) dated 31/12/1960 and dated 19/12/1960 and numbered 193;
- f) I can make positive contributions to the activities of the company; I can maintain my impartiality in any conflicts of interest between the company and shareholders; I have strong ethical standards, professional reputation and experience to allow me to consider the rights of stakeholder and decide freely;
- g) I am able to allocate my time for company affairs to the extent that I can follow operations of company and fulfil the requirements of the duties I undertake, fully;
- h) I have not been a member of the board of directors of the company for more than six years in the last ten years;
- i) I do not serve as an independent board member in more than three of the companies in which the company or the shareholders holding the management control of the company have management control, and in more than five of the companies traded on the stock exchange in total;
- j) I have not been registered and promulgated on behalf of the legal entity elected as a member of the Board of Directors.

Bahadır İlgaç

21.

Proposal for Distribution of Profit of 2024

22.

Expectations for 2025



21. Proposal for Distribution of Profit of 2024

Our company does not have a distributable term profit based on the financial statements of 31.12.2024.

22. Expectations for 2025

On the basis of 2024, it is envisaged that it will provide double-digit growth on a consolidated basis by benefiting from wealthy and balanced customer portfolio having the capacity to support increase in sales volume thanks to the investments to be completed and that almost 50% of sales revenues will be obtained from exports, as in previous years. It is foreseen that margin of EBITDA (when other income and expenses from operating activities are eliminated) would increase in 2025 as compared to 2024 with the increases in volume, higher net income growth per m2 and our understanding to have economical expenditures. Investment expenditures are expected to return to their normal levels in 2025, considering that most of the machinery, land and construction investment expenditures for the capacity increase are completed. In consideration of the base effect created by the net working capital ratio to net sales revenues in 2024, it is foreseen to have an increase resulting from the increase in capacity usage ratio in 2025, while the focus on generating strong free cash flow remains. We will continue supporting the sustainability goals and the progresses on the way to zero carbon with the renewable power investment plan for 20,4 MW. Qua Granite aims at using its strategic approach for the future and sustainability in its targets in growth as a leverage and improving the value of Company.

23.

Independent Auditing Report

24.

Financial Statements and Footnotes



23. Independent Auditing Report

Published at the Public Disclosure Platform, MKK e-Company and www.qua.com.tr website.

24. Financial Statements and Footnotes

Published at the Public Disclosure Platform, MKK e-Company and www.qua.com.tr website.

25.

Statement of Compliance with
Corporate Governance Principles



25. Statement of Compliance with Corporate Governance Principles

The goal of Qua Granite Hayal Yapı A.Ş. in the age of global competition and change is able to acquire the change with sustainability approach in addition to financial success and reaches to a fair company level. With this awareness, the Company includes creating sustainable value for its stakeholders among its primary objectives. The ability of Qua Granite to be a respectable, innovative, hardworking, creative and sharing organization, its corporate and trustworthy standing towards its customers, employees and society, especially its shareholders and investors, is maintained by the Corporate Governance Principles it has been adopting for years. The purpose in determining and implementing these principles is to strengthen the trust of all stakeholders of the Company. Within the framework of this objective, Qua Granite Hayal Yapı A.Ş. declares that it has implemented the mandatory Principles within the scope of the "Corporate Governance Notification" published and enacted in the Official Gazette No. 28871 on January 3, 2014 and that it has implemented the regulations required by these principles within the framework of current practices.

Following ongoing studies such as the examination of global practices and the completion of data supply studies in a manner that will contribute to the company's goal of creating sustainable value, studies have been initiated to improve the level of compliance in the following terms with regards to the principles which are partially complied with or have not been complied with yet.

In addition to aiming at full compliance with the corporate governance principles that are not obligatory with the related regulation, it is considered that the current arrangements available in Turkish Commercial Law on the appointment of special auditor and dissenting rights are sufficient, such rights have not been arranged in the company charter separately. Some of the members of the Board of Directors serve in more than one committee because of the number of members of the Board and the committee structuring requirements. Remunerations and all other benefits provided to the members of Board of Directors and to senior managers are disclosed to the public through annual activity reports. However, such disclosure is not on personal basis as required by the Personal Data Protection Law. The grounds for not implementing such principles that are not obligatory on principle basis are presented for the information of our investors at www.qua.com.tr under the "Investor Relations" Section "Corporate Governance Compliance Report" heading and also in our Activity Reports for the respective years. Our company is not exposed to any conflicts of interest because of failure to comply with non-obligatory principles.

The Corporate Governance Compliance Reporting of our Company for the term between 01.01.2024 and 31.12.2024 under the scope of Notification of the Capital Markets Board (CMB) on Corporate Governance no. (SPK) II17-1, which is issued as required by the resolution of Capital Markets Board rendered on 10.01.2019 under no. 2/49, has been prepared in accordance with the mentioned format as "Corporate Governance Compliance Report" and "Corporate Governance Information Form" and published in the Public Disclosure Platform. Such notifications are accessible at the following links and in Public Disclosure Platform.

Our company will continue working on better operating the mechanisms within the mentioned principles in the corporate governance practices of the partnership and on improving our corporate governance practices including the limited number of voluntary principles not implemented.

In case of any change in the Corporate Governance Compliance Report and the Corporate Governance Information Form within the term, such special condition will be disclosed and also will be mentioned in the mid-term activity reports.

26.

Statement of Compliance with
Sustainability Principles



26. Statement of Compliance with Sustainability Principles

The Sustainability Principles Compliance Report for 2024 as prepared in accordance with the format specified with the resolution rendered by the CMB on 23.06.2022 under no. 34/977 has been presented for the information of shareholders and stakeholders in the Public Disclosure Platform. We will maintain our willful approach on producing solutions in areas requiring compliance and improvement by internalizing the Sustainability Principles in 2025 and in the following terms in consideration of also the requirements and developments in the regulations. Such notifications are accessible in the Sustainability section in Company summary page available in the Public Disclosure Platform.

Qua Granite aims at combining economic, environmental and social factors with corporate governance principles and thus, creating long-term value. It is listed in BIST Sustainability Index which contains companies with sustainability performances at top level since 2023 thanks to its activities in the sustainability area. Qua Granite, by the help of the Sustainability Index, shares information on the activities performed under environmental, social and corporate titles as well as the results of such performances and its related goals with its stakeholder and it is included in the evaluation of Environmental Management System of LSEG within the scope of the index.

**ACTIVITY REPORT OF THE BOARD OF DIRECTORS OF
QUA GRANITE HAYAL YAPI VE ÜRÜNLERİ SANAYİ TİCARET A.Ş.
FOR THE TERM BETWEEN JANUARY 1 – DECEMBER 31, 2024
SIGNATURES SECTION**

Ali Ercan
Chairperson, Board of Directors

Yavuz Arıcan
Deputy Chairperson, Board of Directors

Murat Yalçın Nak
Member, Board of Directors

Nezih Kırımlı
Independent Member, Board of Directors

Bahadır İlgaç
Independent Member, Board of Directors

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