

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INTERIM CONDENSED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

**INTERIM CONDENSED
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

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**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025**

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

	Notes	Unaudited 30 September 2025	Audited 31 December 2024
Assets			
Current assets			
Cash and cash equivalents	4	48.445	827.004
Trade receivables		1.284.254	164.572
- Trade receivables from related parties	22	147.725	53.613
- Trade receivables from third parties	7	1.136.529	110.959
Other receivables		1.534	1.913
- Other receivables from third parties	8	1.534	1.913
Inventories	9	1.123.374	990.187
Prepaid expenses	14	21.667	22.732
- Prepaid expenses from related parties	22	117	-
- Prepaid expenses from third parties		21.550	22.732
Current tax assets	14	5.771	152.651
Other current assets		28.238	89.072
- Other current assets from third parties	14	28.238	89.072
Total current assets		2.513.283	2.248.131
Non-current assets			
Financial investments	5	1.564	1.637
Property, plant and equipment	10	952.385	990.762
Right of use assets	6	141.449	192.066
Intangible assets	11	118.894	111.268
Prepaid expenses	14	28.606	20.774
Deferred tax assets	20	68.304	-
Total non-current assets		1.311.202	1.316.507
Total assets		3.824.485	3.564.638

The accompanying notes form an integral part of these interim condensed financial statements.

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**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025**

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

	Notes	Unaudited 30 September 2025	Audited 31 December 2024
Liabilities			
Current liabilities			
Current borrowings		1.553.365	489.275
- Current borrowings from third parties		1.553.365	489.275
- Bank loans	6	1.043.118	489.275
- Issued debt instruments	6	510.247	-
Current portion of long-term borrowings		470.231	139.430
- Current portion of long-term borrowings from third parties	6	470.231	139.430
- Bank loans		172.674	35.083
- Lease liabilities		45.568	59.274
- Issued debt instruments		251.989	45.073
Trade payables		169.948	166.775
- Trade payables to related parties	22	5.357	9.017
- Trade payables to third parties	7	164.591	157.758
Employee benefit obligations	8	57.102	135.620
Other payables		9.894	4.803
- Other payables to third parties	8	9.894	4.803
Derivative instruments	24.1	-	704
Deferred income	14	11.338	76.579
Short term provision		9.415	23.854
- Provisions for employment benefits	13	4.156	17.262
- Other current provisions	12	5.259	6.592
Total current liabilities		2.281.293	1.037.040
Non-current liabilities			
Non-current borrowings		66.598	635.157
- Non-current borrowings from third parties	6	66.598	635.157
- Bank loans		-	213.231
- Issued debt instruments		-	313.575
- Lease liabilities		66.598	108.351
Employee benefit obligations	8	1.635	2.904
Non-current provisions		36.714	41.895
- Non-current provision for employee benefits	13	36.714	41.895
Deferred tax liabilities	20	-	30.053
Total non-current liabilities		104.947	710.009
Equity			
Paid-in share capital	15	259.875	259.875
Adjustment to share capital	15	464.004	464.004
Other comprehensive expense not to be reclassified to profit or loss		(25.436)	(18.794)
- Revaluation and measurement gains / (losses)		(25.436)	(18.794)
Other comprehensive expense/(income) to be reclassified to profit or loss		15.211	15.639
- Gains/(loss) on hedge		15.211	15.639
Restricted reserves appropriated from profits	15	388.255	377.967
Prior years' profits/(losses)	15	542.612	695.513
Net profit/(loss) for the period		(206.276)	23.385
Total equity		1.438.245	1.817.589
Total liabilities and equity		3.824.485	3.564.638

The accompanying notes form an integral part of these interim condensed financial statements.

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**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
AS AT SEPTEMBER 30, 2025**

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

Profit or loss	Notes	Unaudited		Unaudited	
		1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Revenue	16	1.842.427	3.119.770	811.883	1.259.782
Cost of sales (-)	16	(1.072.192)	(1.516.229)	(486.115)	(691.699)
Gross profit		770.235	1.603.541	325.768	568.083
General administrative expenses (-)		(348.198)	(394.626)	(100.768)	(113.962)
Marketing expenses (-)		(455.548)	(570.728)	(149.521)	(224.938)
Research and development expenses (-)		(11.604)	(13.595)	(3.136)	(4.434)
Other income from operating activities	17	15.883	20.960	3.515	4.109
Other expenses from operating activities (-)	17	(10.235)	(32.183)	(1.470)	(12.934)
Operating profit / (loss)		(39.467)	613.369	74.388	215.924
Income from investment activities	18	212	716	142	38
Expens from investment activities (-)	18	(3.132)	(57.826)	(1.551)	10.629
Operating profit before finance income / (expense)		(42.387)	556.259	72.979	226.591
Finance income	19	84.178	257.621	1.369	(18.185)
Finance expenses (-)	19	(515.796)	(559.611)	(197.527)	(127.472)
Monetary gain / (loss)	25	171.724	149.895	68.070	53.964
Profit/(Loss) before tax from continuing operations		(302.281)	404.164	(55.109)	134.898
Tax income from continuing operations		96.005	(136.144)	25.773	(83.121)
- Taxes on expense	20	-	(183.057)	-	(117.542)
- Deferred tax income / (expense)	20	96.005	46.913	25.773	34.421
Net profit/(loss) for the year		(206.276)	268.020	(29.336)	51.777
Profit/(loss) per share (1 TRL per share)	21	(0,7938)	8,3033	(0,1129)	1,6041

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ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

**INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

	Notes	Unaudited		Unaudited	
		1 January -	1 January -	1 July -	1 July -
		30 September 2025	30 September 2024	30 September 2025	30 September 2024
Net profit /(loss) for the year		(206.276)	268.020	(29.336)	51.777
Other comprehensive income/expense					
Other comprehensive expenses that will not be reclassified to profit or loss		(6.642)	8.983	(1.441)	(1.349)
- Gains (Losses) on Remeasurements Defined Benefit Plans	13	(8.852)	11.980	(1.863)	(1.796)
Other comprehensive expenses that will not be reclassified to profit or loss, tax effect		2.210	(2.997)	422	447
- Deferred tax income / (expense)		2.210	(2.997)	422	447
Other comprehensive income / (expense) that will be reclassified to profit or loss		(428)	(2.154)	(109)	(2.387)
- Currency translation differences					
- Other comprehensive income / (expense) on cash flow hedge					
-Other Comprehensive income / (expense) on cash flow hedge		(571)	(2.870)	(145)	(3.180)
-Other comprehensive expenses that will be reclassified to profit or loss, tax effect		143	716	36	793
- Deferred tax income / (expense)		143	716	36	793
Other comprehensive income / (expense)		(7.070)	6.829	(1.550)	(3.736)
Total comprehensive income		(213.346)	274.849	(30.886)	48.041

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ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

	Share capital	Inflation adjustment to share capital	Other comprehensive income (loss) that will not be reclassified in profit or loss	Other comprehensive loss/(income) that will be reclassified in profit or loss		Restricted reserves	Accumulated profits		Total equity
			Defined benefit plans revaluation and measurement(losses)/gains	Currency translation differences	Gains/(loss) on hedge		Retained earnings	Net profit/(loss) for the period	
Balances as of 1 January 2024	23.625	700.249	(25.079)	(7.131)	17.699	357.565	155.208	789.504	2.011.640
Liquidation effect	-	-	-	7.131	-	-	-	-	7.131
Transfers	236.250	(236.250)	-	-	-	20.346	769.158	(789.504)	-
Subsidiary acquisition or disposal	-	-	-	-	-	-	(228.800)	-	(228.800)
Total comprehensive income / (loss)	-	-	8.983	-	(2.154)	-	-	268.020	274.849
Balances as of 30 September 2024	259.875	463.999	(16.096)	-	15.545	377.911	695.566	268.020	2.064.820
Balances as of 1 January 2025	259.875	464.004	(18.794)	-	15.639	377.967	695.513	23.385	1.817.589
Transfers	-	-	-	-	-	10.288	13.097	(23.385)	-
Subsidiary acquisition or disposal	-	-	-	-	-	-	(165.998)	-	(165.998)
Total comprehensive income / (loss)	-	-	(6.642)	-	(428)	-	-	(206.276)	(213.346)
Balances as of 30 September 2025	259.875	464.004	(25.436)	-	15.211	388.255	542.612	(206.276)	1.438.245

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ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

**INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

	Notes	Unaudited	
		1 January - 30 September 2025	1 January - 30 September 2024
Cash flow from operating activities		(1.056.110)	(863.480)
Net profit /(loss) for the period		(206.276)	268.020
Adjustments to reconcile net profit /(loss) for the period		389.811	480.203
Adjustments for depreciation and amortization expense	6,10,11	142.180	156.514
Adjustments for impairment loss/(reversal)		1.352	993
- <i>Adjustments for impairment / (reversal) of receivables</i>	7	1.352	993
Adjustments for provisions		32.635	107.390
- <i>Adjustments for provisions / (reversal) for employee benefits</i>	13	32.635	103.296
- <i>Adjustments for provisions / (reversal) for lawsuit and other provisions</i>	12	-	4.094
Adjustments for interest (income) / expense		473.632	353.993
- <i>Adjustments for interest income</i>	19	(41.415)	(200.272)
- <i>Adjustments for interest expense</i>	19	515.047	554.718
- <i>Rediscount on interest income</i>		-	(453)
Adjustments for fair value (gain) / loss		(1.127)	(2.497)
Adjustments for tax incomes	20	(96.005)	136.144
Adjustments for gain / (loss) on sale of tangible and intangible assets		2.920	587
Monetary gain / (loss)		(165.776)	(272.921)
Changes in working capital		(1.294.136)	(1.283.322)
Adjustments for decrease/(increase) in trade receivables		(1.121.034)	(1.542.280)
Adjustments for decrease/(increase) in other receivables		379	10.790
Adjustments for decrease/(increase) in inventory		(133.187)	162.777
Decrease/(increase) in prepaid expenses		(6.766)	(47.761)
Adjustments for increase/(decrease) in trade payables		3.172	16.451
Adjustments for increase/(decrease) in employee benefit obligations		(79.787)	(50.052)
Adjustments for increase/(decrease) in other payables from operations		5.091	8.447
Increase / (decrease) in deferred income (other than obligations arising from customer contracts)		(65.241)	(270.957)
Adjustments for other increase/(decrease) in working capital		103.237	429.263
- <i>Increase/(decrease) in other operating assets</i>		134.627	363.822
- <i>Increase/(decrease) in other operating liabilities</i>		(31.390)	65.441
Cash flows from (used in) operating activities		(1.110.601)	(535.099)
Payments related with provisions for employee benefits	13	(48.509)	(29.920)
Income taxes (paid) return		103.000	(298.461)
Cash flow from investing activities		(61.202)	(43.286)
Cash inflows arising from sale of tangible and intangible assets	10	7.691	3.484
Cash outflows arising from purchase of tangible and intangible assets	10	(68.893)	(46.770)
Cash flow from financing activities		429.645	193.250
Proceeds from borrowings	6	1.700.000	1.950.555
Repayment of borrowings	6	(525.000)	(1.408.003)
Repayment of lease liabilities		(42.179)	(6.069)
Dividends paid		(165.998)	(228.800)
Interest paid	6	(576.720)	(530.101)
Interest received		38.164	200.542
Other cash inflows (outflows)		1.378	215.126
Monetary gain/(loss) impact on cash and cash equivalents		(89.872)	(262.278)
Net increase/(decrease) in cash and cash equivalents		(777.539)	(975.794)
Cash and cash equivalents at the beginning of the year	4	825.977	1.416.231
Cash and cash equivalents at the end of the year	4	48.438	440.437

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**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

NOTE 1 – COMPANY’S ORGANIZATON AND NATURE OF OPERATIONS

Adel Kalemcilik Ticaret ve Sanayi A.Ş. (“the Company”) ‘s fields of activity are the production of wooden wall pencils, colored pencils, toy products and other stationery products, sale of hygiene products, the sale and export of the products manufactured in the facilities and importing purchasing and selling of all kinds of raw, semi-finished and finished products.

The company was established on 17 July 1967 and registered with the Istanbul Chamber of Industry (ICI) and the Istanbul Chamber of Commerce (ICOC) on the same date with the registration number 96078.

The registered address of the company's headquarters is as follows:

Fatih Sultan Mehmet Dist. Balkan St. No:58 Buyaka E Block 34771 Tepeüstü - Ümraniye/İstanbul

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been traded on Borsa Istanbul (“BIST”) since 1996. As of 30 September , the Company has 27.71% of its shares registered in the BIST. The shareholders holding the majority of the Company's shares and their share ratios are as follows:

List of Shareholders

	30 September 2025		31 December 2024	
	%	TRL	%	TRL
AG Anadolu Grubu Holding A.Ş.	56,89	147.831	56,89	147.831
Faber-Castell Aktiengesellschaft	15,40	40.017	15,40	40.017
Shares publicly held	27,71	72.027	27,71	72.027
		259.875		259.875

The average number of employees of the Company as at 30 September 2025 is 312 (31 December 2024:371).

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation and presentation of financial statements

2.1.1 Statement of compliance with TFRS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations (“TAS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué. It is also presented in accordance with the 2025 TFRS Taxonomy updated by POA on July 3, 2024.

The Company's companies operating in Türkiye maintain their books of account and prepare their statutory financial statements in Turkish Lira in accordance with the principles and requirements issued by the Capital Markets Board (“CMB”), the Turkish Commercial Code (“TCC”) and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

In accordance with TAS 34 “Interim Financial Reporting”, entities are free to prepare their interim financial statements as a full set or condensed. In this context, the Company has preferred to prepare condensed interim financial statements. The condensed interim financial statements and notes are presented including the information required by the CMB.

The interim condensed financial statements should be read in conjunction with the audited financial statements and the accompanying notes as of December 31, 2024.

The financial statements of the Company as of September 30, 2025 were approved by the Board of Directors of the Company on September 30, 2025. The General Assembly is authorized to amend the financial statements.

2.1.2 Adjustment of financial statements in hyperinflationary periods

The Company prepared its financial statements as at and for the period ended September 30, 2025 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on 23 November 2023 and the "Implementation Guide on Financial Reporting in High Inflation Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be expressed in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Accordingly, the Company has also presented its financial statements as of 31 December 2025 in terms of the purchasing power of that currency as of 30 September 2025.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting in accordance with TAS 29 standards, starting from their annual financial reports for the accounting periods ending as of 31 December 2023.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation and presentation of financial statements (Continued)

2.1.2 Adjustment of financial statements in hyperinflationary periods (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TSI"). As of September 30, 2025, the indexes and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
30 September 2025	3.367,22	1,00000	%222
31 December 2024	2.684,55	1,25430	%291
30 September 2024	2.526,16	1,33294	%343

The main elements of the Company's adjustment for financial reporting purposes in high-inflation economies are as follows:

- The current period financial statements prepared in TRL are expressed with the purchasing power at the balance sheet date, and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed with current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficients.
- All items included in the comprehensive income statement, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet, are indexed with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period is recorded in the net monetary gain / loss account in the income statement.

2.1.3 Functional and reporting currency

The Company is based on the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Türkiye in keeping its accounting records and preparing its statutory financial statements. Investments valued by the equity method in foreign countries, have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries in which they operate. Financial statements of company have been prepared in Turkish lira on the basis of historical cost, excluding financial assets and liabilities that are expressed at their fair values. The financial statements have been prepared by reflecting the necessary adjustments and classifications in order to make the correct presentation in accordance with TMS/TFRS to the legal records prepared on the historical cost basis.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation and presentation of financial statements (Continued)

2.1.4 Comparative information and restatement of prior period financial statements

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period financial statements and significant changes are explained. The financial statements of the Company include comparative financial information to enable the determination of the trends in the financial position and performance. The Company has prepared its financial position statement as of 30 September 2025 with the financial position statement prepared as of 31 December 2024; The profit or loss statement for the period 1 January- 30 September 2025, the profit or loss statement for the 1 January- 30 September 2024 accounting period, and the other comprehensive income statement for the 1 January- 30 September 2025 accounting period, the 1 January- 30 September 2024 accounting period, other comprehensive income statement, cash flow statement for the accounting period 1 January- 30 September 2025 and statements of changes in shareholders' equity are prepared comparatively with the related financial statements for the accounting period 1 January – 30 September 2024.

The amount of TRL 32.484 shown under “Profit on sale of funds” in “Investment activity income” in the income statement dated September 30, 2024 has been classified under “Profit on sale of funds” in “Finance income.”

2.2 New and revised Turkish financial reporting standards

Disclosures regarding the impacts of the new IFRS/IFRS on the financial statements:

a) Standards, amendments, and interpretations applicable as of 30 September 2025:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2025:

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

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ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

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(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at September 30, 2025 unless otherwise indicated)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 New and revised Turkish financial reporting standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2025: (Continued)

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.
- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as ‘contracts referencing nature-dependent electricity’.
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 New and revised Turkish financial reporting standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2025: (Continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

2.3 Changes and errors in accounting estimates

Accounting estimates are made on the basis of reliable information and reasonable estimation methods. However, estimates are revised if there is a change in the circumstances under which the estimate was made, or if new information becomes available, or if additional developments occur. The effect of a change in an accounting estimate is recognized in the current period in which the change is made, if the change affects only one period, or prospectively in both the current and future periods, if the change affects future periods, in the financial statements in a manner that takes into account in determining the profit or loss for the period.

The nature and amount of any change in an accounting estimate that has an effect on the result of operations in the current period or is expected to have an effect on subsequent periods is disclosed in the notes to the financial statements, except where it is not possible to estimate the effect on future periods. As of September 30, 2025, there have been no changes and errors in accounting estimates.

2.4 Seasonality of activities

The Company starts with a sales campaign for certain products at the beginning of the year and then organizes “dealer fairs” in the first quarter of the year to sell the brands it produces and imports. During these sales campaigns and dealer fairs, checks, DDS, credit cards are taken against the order amounts of the customers and most of the shipment of the orders received is realized in the first half of the year.

2.5 Significant accounting judgments, estimates and assumptions

Fair values of derivatives and other financial instruments

The Company calculates the fair values of financial instruments that do not have an active market by using market data, the use of similar transactions without collusion, reference to the fair values of similar instruments and discounted cash flow analysis.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Significant accounting judgments, estimates and assumptions (Continued)

Expected credit losses

Provision for doubtful receivables is accounted for using expected credit losses defined in TFRS 9 standard. Calculated using expected credit losses and excluding dealers subject to the Direct Debit System, taking into account the company's forecasts for the future, in addition to past experience.

NOTE 3 – SEGMENT REPORTING

Fields of activity of the Company established in Türkiye are, respectively, the production of wooden wall pencils, colored pencils, toy products and other stationery equipment, the sale and export of finished products in the facilities, and importing all kinds of raw materials, semi-finished products and finished products, to buy and sell.

The Company's field of activity, the nature and economic characteristics of the products, the production processes, the classification according to the risks of the customers and the methods used in the distribution of the products are similar. In addition, the organizational structure of the Company has been established in such a way that a single activity is managed instead of the Company being managed in separate divisions containing different activities. For these reasons, the Company's operations are considered as a single operating segment, and the Company's operating results, the determination of the resources to be allocated to these activities, and the examination of the performances of these activities are evaluated within this framework.

NOTE 4 – CASH AND CASH EQUIVALENTS

	30 September 2025	31 December 2024
Demand deposit	7.960	44.181
Time deposit	37.030	204
Other cash equivalents	3.448	781.592
Cash and cash equivalents in the statement of cash flows	48.438	825.977
Interest income accruals	7	1.027
Total	48.445	827.004

The Company has no blocked deposits as of 30 September 2025 (31 December 2024: None).

NOTE 5 – FINANCIAL INVESTMENTS

	30 September 2025	31 December 2024
	% TRL	% TRL
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş.	7,67	113
Other long-term investments (*)	1.451	1.524
	1.564	1.637

(*) It is the amount of venture capital investment fund received by our company on a long-term basis, equal to 2% of the corporate tax incentive amount used, as it is an R&D center.

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NOTE 6 – BORROWINGS AND RIGHT OF USE ASSETS

30 September 2025	Interest rate %	Balance
Short term borrowings		
TRL loans	23,47- 47,00	1.043.118
Debt instruments issued (*)	TLref + %1	510.247
		1.553.365

(*) The Company will sell to qualified investors without public offering debt instruments worth TRL500,000 with a maturity of 364 days, carrying a variable interest rate of 100 basis points linked to the BIST TLREF index, with two coupon payments and redemption dated 13 March 2026.

As of 30 September 2025, the interest accrual calculated for the Company's short-term loans is classified within the relevant short-term bank loans, and the interest accrual calculated for the issued debt instruments is classified within the issued debt instruments.

30 September 2025	Interest rate %	Balance
Short-term portions of long-term borrowings		
Short-term portions of long-term finance leases	-	45.568
Short-term portions of long-term loans	TLref + %1	172.674
Short-term portions of long-term issued debt instruments (*)	TLref + %1	251.989
		470.231

(*) The Company has debt instruments amounting to TRL250,000, with a maturity of 730 days, carrying a variable interest rate of 100 basis points linked to the BIST TLREF index, with four coupon payments, and redemption dated 24 September 2026. These instruments are offered domestically to qualified investors without a public offering.

As of 30 September 2025, the interest accrual calculated for the Company's short-term loans is classified within the relevant short-term bank loans, and the interest accrual calculated for the issued debt instruments is classified within the issued debt instruments.

30 September 2025	Interest rate %	Balance
Long term borrowings		
Long-term lease payables		66.598
		66.598

31 December 2024	Interest rate %	Balance
Short term borrowings		
TRL loans	48,00 - 54,00	489.275
		489.275

As of 31 December 2024, the interest accrual calculated for the short-term loans of the Company has been classified under the related short-term bank loans.

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NOTE 6 – BORROWINGS AND RIGHT OF USE ASSETS (Continued)

31 December 2024	Interest rate %	Balance
Short-term portions of long-term borrowings		
Short-term portions of long-term finance leases	-	59.274
Short-term portions of long-term loans	TLref + %1	35.083
Short-term portions of long-term issued debt instruments	TLref + %1	45.073
		139.430

As of December 31, 2024, the accrued interest related to the current portions of long-term borrowings has been classified within the current portions of the respective long-term borrowings.

31 December 2024	Interest rate %	Balance
Long term borrowings		
TRL loans	TLref + %1	213.231
Debt instruments issued (*)	TLref + %1	313.575
Long-term lease payables	-	108.351
		635.157

As of 30 September 2025, and 31 December 2024, the maturity details of the Company's long-term loans and financial lease borrowings are given below.

30 September 2025	Total liabilities
1-2 years	66.598
	66.598

31 December 2024	Total liabilities
1-2 years	635.157
	635.157

The movement of financial borrowings is as follows:

	2025	2024
1 January	1.096.237	1.815.014
Cash inflows from borrowing	1.700.000	1.950.555
Cash outflows related to debt payments	(525.000)	(1.408.003)
Interest expense	482.078	529.262
Interest paid	(576.720)	(530.101)
Monetary (gain) / loss	(198.567)	(456.134)
30 September	1.978.028	1.900.593

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NOTE 6 – BORROWINGS AND RIGHT OF USE ASSETS (Continued)

The movement of lease liabilities is as follows:

	<u>2025</u>	<u>2024</u>
1 January	167.627	200.007
Cash inflow within the period	17.848	160.009
Cash outflows related to lease payments for the period	(60.027)	(58.419)
Interest expense	32.969	25.456
Contract amendment	(3.609)	-
Monetary (gain) / loss	(42.642)	(107.656)
30 September	112.166	219.397

The movement of the Company's right of use assets as of September 30, 2025 and September 30, 2024 is presented below.

Right of use assets	<u>Vehicles</u>	<u>Buildings</u>	<u>Total</u>
As of 1 January 2025	40.368	151.698	192.066
Additions	17.848	-	17.848
Disposal	-	(11.709)	(11.709)
Changes in contracts	-	(3.609)	(3.609)
Current depreciation expense (*)	(23.110)	(30.037)	(53.147)
As of 30 September 2025	35.106	106.343	141.449

(*) 105 TRL of depreciation expenses is included in the cost of goods sold, 10.851 TRL is included in general administrative expenses and 42.191 TRL is included in marketing, selling and distribution expenses.

Right of use assets	<u>Vehicles</u>	<u>Buildings</u>	<u>Total</u>
As of 1 January 2024	50.665	193.415	244.080
Additions	-	160.009	160.009
Disposal	(2.629)	(159.044)	(161.673)
Current depreciation expense (*)	(22.452)	(38.358)	(60.810)
As of 30 September 2024	25.584	156.022	181.606

(*) 356 TRL of depreciation expenses is included in the cost of goods sold, TRL 5.274 is included in general administrative expenses and TRL 55.180 is included in marketing, selling and distribution expenses.

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NOTE 7 – TRADE RECEIVABLES AND PAYABLES

Trade Receivables	30 September 2025	31 December 2024
Trade receivables from related parties (Note 22)	147.725	53.613
Trade receivables from third parties	1.136.529	110.959
	1.284.254	164.572

Trade receivables from third parties	30 September 2025	31 December 2024
Cheques and notes receivables	79.485	1.973
Trade receivables	1.065.916	118.345
Provisions for doubtful trade receivables (-)	(8.872)	(9.359)
	1.136.529	110.959

As of 30 September 2025, and 2024, the movement for doubtful trade receivables is as follows:

	2025	2024
1 January	9.359	11.551
Provision provided during the period	1.891	993
Reversal of provision	(539)	-
Monetary (gain) / loss	(1.839)	(3.077)
30 September	8.872	9.467

Trade payables	30 September 2025	31 December 2024
Trade payables to related parties (Note 22)	5.357	9.017
Trade payables to third parties	164.591	157.758
	169.948	166.775

Trade payables to third parties	30 September 2025	31 December 2024
Suppliers	164.545	150.046
Other trade payables	46	7.712
	164.591	157.758

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NOTE 8 – OTHER RECEIVABLES AND PAYABLES

Other receivables	30 September 2025	31 December 2024
Other receivables from third parties	1.534	1.913
	1.534	1.913
Other receivables from third parties	30 September 2025	31 December 2024
Receivables from employees	13	1.248
Deposits and guarantees given	332	440
Other miscellaneous receivables	1.189	225
	1.534	1.913
Other payables	30 September 2025	31 December 2024
Other payables to third parties	9.894	4.803
	9.894	4.803
Other payables to third parties	30 September 2025	31 December 2024
Taxes, fees and deductions payable	9.136	3.954
Other	758	849
	9.894	4.803
Employee benefit obligations	30 September 2025	31 December 2024
Payables to employees	34.853	78.448
Social security premiums payable	11.719	11.725
Taxes, fees and deductions payable	10.530	45.447
	57.102	135.620
Long-term employee benefit obligations	30 September 2025	31 December 2024
Payables to employees	1.635	2.904
	1.635	2.904

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NOTE 9 – INVENTORIES

	30 September 2025	31 December 2024
Raw materials	276.114	263.838
Semi-finished goods	107.690	127.775
Finished goods	367.081	334.713
Trade goods	390.708	281.028
Other inventories	13.336	14.388
Provision for impairment of inventories (-) (*)	(31.555)	(31.555)
	1.123.374	990.187

(*) As of 30 September 2025 and 2024, the movement table for the provision for inventory impairment, as a result of the assessment of the recoverability of inventories, is as follows:

	2025	2024
As of 1 January	31.555	29.621
Provisions no longer required (-)	-	-
30 September	31.555	29.621

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NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

	Lands	Land improvements and buildings	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Special Cost	Total
As of 1 January 2025,									
Cost	54.370	25.758	849.555	1.186.101	19.005	322.852	32.999	5.731	2.496.371
Accumulated depreciation	-	(23.666)	(175.140)	(995.954)	(18.975)	(287.515)	-	(4.359)	(1.505.609)
Net book value	54.370	2.092	674.415	190.147	30	35.337	32.999	1.372	990.762
Opening balance	54.370	2.092	674.415	190.147	30	35.337	32.999	1.372	990.762
Additions	-	-	650	12.622	-	4.471	27.015	-	44.758
Disposal cost	-	-	-	(23.097)	-	(50.972)	(3.480)	(3.681)	(81.230)
Disposal depreciation	-	-	-	23.004	-	47.058	-	3.665	73.727
Transfers	-	-	266	1.738	-	-	(17.720)	-	(15.716)
Depreciation (*)	-	(262)	(14.171)	(36.861)	(16)	(8.309)	-	(297)	(59.916)
Closing balance	54.370	1.830	661.160	167.553	14	27.585	38.814	1.059	952.385
As of 30 September 2025,									
Cost	54.370	25.758	850.471	1.177.364	19.005	276.351	38.814	2.050	2.444.183
Accumulated depreciation	-	(23.928)	(189.311)	(1.009.811)	(18.991)	(248.766)	-	(991)	(1.491.798)
Net book value	54.370	1.830	661.160	167.553	14	27.585	38.814	1.059	952.385

(*) 47.716 TRL of depreciation expenses is included in the cost of goods sold, 2.155 TRL is included in general administrative expenses, 2.469 TRL is included in research and development expenses, and 7.576 TRL is included in marketing, sales and distribution expenses.

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Continued)

	Lands	Land improvements and buildings	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Special Cost	Total
As of 1 January 2024,									
Cost	54.369	25.758	847.011	1.171.534	19.005	317.236	-	6.555	2.441.468
Accumulated depreciation	-	(23.312)	(154.704)	(951.877)	(18.959)	(280.894)	-	(2.683)	(1.432.429)
Net book value	54.369	2.446	692.307	219.657	46	36.342	-	3.872	1.009.039
Opening balance	54.369	2.446	692.307	219.657	46	36.342	-	3.872	1.009.039
Additions	-	-	416	6.183	-	6.721	32.153	-	45.473
Disposal cost	-	-	-	(955)	-	(6.990)	-	-	(7.945)
Disposal depreciation	-	-	-	528	-	4.039	-	-	4.567
Depreciation (*)	-	-	(15.716)	(33.497)	(10)	(9.011)	-	(2.204)	(60.438)
Closing balance	54.369	2.446	677.007	191.916	36	31.101	32.153	1.668	990.696
As of 30 September 2024,									
Cost	54.369	25.758	847.427	1.176.762	19.005	316.967	32.153	6.555	2.478.996
Accumulated depreciation	-	(23.312)	(170.420)	(984.846)	(18.969)	(285.866)	-	(4.887)	(1.488.300)
Net book value	54.369	2.446	677.007	191.916	36	31.101	32.153	1.668	990.696

(*) 44.479 TRL of depreciation expenses is included in the cost of goods sold, 1.638 TRL is included in general administrative expenses, 2.418 TRL is included in research and development expenses, and 11.903 TRL is included in marketing, sales and distribution expenses.

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NOTE 11 – INTANGIBLE ASSETS

Intangible assets include computer software, rights and development costs.

	Rights	Developments	License agreements	Other intangible assets	Total
As of 1 January 2025,					
Cost	4.025	110.130	299.349	25.492	438.996
Accumulated amortizations	(3.756)	(38.766)	(259.577)	(25.629)	(327.728)
Net book value	269	71.364	39.772	(137)	111.268
Opening balance	269	71.364	39.772	(137)	111.268
Additions	-	20.394	-	821	21.215
Disposal cost	(1.703)	-	-	-	(1.703)
Disposal depreciation	1.515	-	-	-	1.515
Transfers	-	15.716	-	-	15.716
Depreciation (*)	-	(17.403)	(11.714)	-	(29.117)
End of the period	81	90.071	28.058	684	118.894

As of 30 September 2025,					
Cost	2.322	146.240	299.349	26.313	474.224
Accumulated amortizations	(2.241)	(56.169)	(271.291)	(25.629)	(355.330)
Net book value	81	90.071	28.058	684	118.894

(*) For the current period, 18.101 TRL of amortization is included in the cost of goods sold, 1.930 TRL is included in the cost of general administrative expenses, 5.162 TRL is included in the cost of research and development expenses, and 3.924 TRL is included in the cost of marketing, sales and distribution expenses.

	Rights	Developments	License agreements	Other intangible assets	Total
As of 1 January 2024,					
Cost	4.025	108.077	287.325	23.740	423.167
Accumulated amortizations	(3.539)	(17.116)	(239.972)	(19.482)	(280.109)
Net book value	486	90.961	47.353	4.258	143.058
Opening balance	486	90.961	47.353	4.258	143.058
Additions	-	-	628	-	628
Depreciation (*)	(169)	(16.303)	(15.538)	(3.256)	(35.266)
End of the period	317	74.658	32.443	1.002	108.420

As of 30 September 2024,					
Cost	4.025	108.077	287.953	23.740	423.795
Accumulated amortizations	(3.708)	(33.419)	(255.510)	(22.738)	(315.375)
Net book value	317	74.658	32.443	1.002	108.420

(*) For the current period, TRL 19.056 of amortization is included in the cost of goods sold, TRL 1.456 is included in the cost of general administrative expenses, TRL 4.801 is included in the cost of research and development expenses, and TRL 9.953 is included in the cost of marketing, sales and distribution expenses.

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	30 September 2025	31 December 2024
Provisions for lawsuits	5.259	6.592
	5.259	6.592

The Company's 15 employees have filed 15 lawsuits against the Company for the cancellation of the termination of their employment contracts, reemployment and other compensation claims and a litigation provision amounting to TRL 5.259 has been set aside as a result of the evaluations of the lawyers in relation to the related lawsuits.

	2025	2024
As of 1 January,	6.591	338
Provision provided during the period	-	4.094
Monetary (gain) / loss	(1.332)	(89)
As of 30 September ,	5.259	4.343

Contingent liabilities and contingent assets

After Adel Kalemçilik Ticaret ve Sanayi A.Ş. could not collect its receivable of 60 TRL arising from its current account relationship with its customer, Istanbul 18th Enforcement Directorate file number 2012/20785E and 2012/18797E and Kartal 1st Enforcement Directorate file number 2012/6142E. Enforcement proceedings were carried out with and the sale of the seized real estate was requested on 7 October 2013. The valuation report has been notified and the real estate sales process continues.

2014/14137E, 2014/15246E, 2014/16896E, filed under Izmir 2, 8, 10 and 14th Enforcement Directorate, as a result Adel Kalemçilik Ticaret ve Sanayi A.Ş.'s inability to collect its receivable of 594 TRL arising from its current account relationship with its customer and 2015/574E, enforcement proceedings were initiated against the debtor company, and a payment order notification was issued against the debtor company, by proceeding with the main proceeding through a lien specific to bills of exchange. Investigations continue for the purpose of collecting the receivable.

There are commercial lawsuits filed against Adel Kalemçilik Ticaret ve Sanayi A.Ş. by the employees of the two subcontractors, whose contracts the Company terminated as of 31 August 2013, due to their failure to fulfill their legal obligations towards their employees, within the framework of the principles of joint and several liability. Provision has been made as of 30 September 2025. The company has objected to the enforcement proceedings in question and the proceedings are continuing.

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent liabilities and contingent assets (Continued)

Following the failure of Adel Kalemcilik Ticaret ve Sanayi A.Ş. to collect its receivables arising from its current account relationship with its customer, a lawsuit was filed with the file number 2016/12354 E (New Basis: 2021/14645 E.) filed within the Istanbul Anatolian 17th Enforcement Directorate. Provision has been made for the amount. Main proceedings have been initiated and the assets recorded on the debtor have been inquired about. There are no assets registered in the name of the debtor, investigations are continuing to collect the receivable.

Following the inability of Adel Kalemcilik Ticaret ve Sanayi A.Ş. to collect due to its current account relationship with its customer, a receivable was recorded in the bankruptcy estate with the file number 2017/32 at Istanbul Anadolu 3rd Bankruptcy Directorate. A provision has been made for the said amount.

Due to the Company’s inability to collect a receivable of TRL495 arising from an advance payment relationship with its supplier, a legal follow-up has been initiated under file number 2024/25778 at the Gebze Enforcement Office, and a provision has been recognized for the related amount. The main enforcement proceeding has commenced, and investigations have been conducted to identify assets registered under the debtor’s name. No assets have been found registered under the debtor. Efforts to collect the receivable are ongoing.

These proceedings are not expected to have a material impact on the Company’s operating results, financial position, or liquidity.

<i>Deposits and guarantees given</i>	30 September 2025	31 December 2024
Letters of guarantee	68.984	20.281
Letter of credit commitments	-	48.418

As of 30 September 2025, and 31 December 2024, the tables regarding the Company's collateral/pledge/mortgage (“CPM”) position are as follows:

30 September 2025

Letter of guarantees, pledge and mortgages provided by the Company	TRL equivalents	EUR	TRL
A. Total amount of GPMs given on behalf of the Company’s legal personality	68.984	-	68.984
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	-	-	-
Total amount of GPMs given by the Company for the liabilities of 3rd parties			
C. in order to run ordinary course of business	-	-	-
D. Total amount of other GPM’s	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-
	68.984	-	68.984

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2024

Letter of guarantees, pledge and mortgages provided by the Company	TRL equivalents	EUR	TRL
A. Total amount of GPMs given on behalf of the Company’s legal personality	20.281	-	20.281
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	-	-	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-
D. Total amount of other GPM’s	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-
	20.281	-	20.281

The ratio of other CPMs given by the company to the equity of the Company is 0% as of 30 September 2025 (31 December 2024: 0%).

NOTE 13 – EMPLOYEE BENEFITS

Short term employee benefits

30 September 2025 31 December 2024

Premium accruals	-	14.290
Provisions for unused vacations	4.156	2.972
	4.156	17.262

Long term employee benefits

30 September 2025 31 December 2024

Provisions for employment termination benefits	36.714	41.895
	36.714	41.895

The movement table of unused vacation accruals as of 30 September 2025 and 2024 is as follows:

	2025	2024
As of 1 January,	2.972	4.664
Addition	18.542	10.884
Provision for vacation used	(15.613)	(11.572)
Monetary (gain) / loss	(1.745)	(1.230)
30 September	4.156	2.746

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NOTE 13 – EMPLOYEE BENEFITS (Continued)

Provisions for employee termination benefits

In accordance with the provisions of the Labor Law in force, there is an obligation to pay the legal severance pay to employees whose employment contract has ended so that they are entitled to severance pay.

In addition, in accordance with the legislation currently in force, there is an obligation to pay the legal severance pay to those who have the right to leave the job by receiving severance pay. As of 1 July 2025, the severance pay to be paid is subject to a monthly ceiling of 53,919,68 full TRL (1 January 2025: 46,655,43 TRL). Severance pay liability is not legally subject to any funding. Severance pay liability is calculated based on the estimation of the present value of the company's possible future liability arising from the retirement of employees. TAS 19 (“Employee Benefits”) requires the company to develop its liabilities within the scope of defined monthly plans using actuarial valuation methods. Accordingly, the actuarial assumptions used in calculating total liabilities are stated below:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, the provisions in the accompanying financial statements as of 30 September 2025 and 31 December 2024 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

Severance Pay Accrual Movement Table

	<u>2025</u>	<u>2024</u>
As of 1 January	41.895	52.318
Service cost	14.093	19.155
Severance pay paid	(18.606)	(7.839)
Actuarial (gain) / loss	8.852	(11.980)
Monetary (gain) / loss	(9.520)	(9.550)
30 September	36.714	42.104

	30 September 2025	31 December 2024
Discount rate (%)	2,58	2,58
Turnover rate used in retirement probability calculation (%)	92,64	92,82

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NOTE 14 – OTHER ASSETS AND LIABILITIES

Short-term prepaid expenses	30 September 2025	31 December 2024
Advances given	9.749	17.047
Prepaid expenses for the coming months	11.918	5.685
	21.667	22.732
Current tax assets	30 September 2025	31 December 2024
Prepaid taxes and funds	5.771	152.651
	5.771	152.651
Other current assets	30 September 2025	31 December 2024
Deffered VAT	28.110	88.990
Other miscellaneous current assets	128	82
	28.238	89.072
Long-term prepaid expenses	30 September 2025	31 December 2024
Prepaid expense for the following years	28.606	20.774
	28.606	20.774
Deffered income	30 September 2025	31 December 2024
Advances received	11.338	76.579
	11.338	76.579

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NOTE 15 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Equity

The shareholders of the Company and their shares in the capital are given below.

	30 September 2025		31 December 2024	
	% Share	Balance	% Share	Balance
AG Anadolu Grubu Holding A.Ş.	56,89	147.831	56,89	147.831
Faber - Castell Aktiengesellschaft	15,40	40.017	15,40	40.017
Shares publicly held	27,71	72.027	27,71	72.027
Paid in capital	100,00	259.875	100,00	259.875
Inflation adjustment to share capital		464.004		464.004
Total capital		723.879		723.879

Inflation adjustments to share capital represent the effect of restating cash additions to paid-in capital with year-end purchasing power.

Number of shares and share groups and privileges:

40.017.351 shares of the Company, amounting to TRL 40.017 are registered in the name of the holder and 219.857.649 shares, amounting to TRL 219.858 are bearer share certificates in accordance with the Foreign Capital Legislation. There are no privileges granted to shareholders in the election of the Board of Directors.

Restricted reserves

The legal reserves consist of first and second legal reserves in accordance with the TCC. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's restated share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's restated share capital. Under TCC, the legal reserves are only available for netting off losses unless they exceed 50% of the historical paid-in share capital otherwise they are not allowed to be used for other purposes. As a result of the sale of the immovable and participation shares evaluated within the scope of Article 5/e of the Corporate Tax Law No. 5520, 75% of the sales profit has been classified as "Profit from the sale of real estate and participation shares".

	30 September 2025	31 December 2024
Legal reserves	384.445	370.708
Gain on sale of real estate and associate shares	1.831	5.280
R&D investment fund	1.979	1.979
	388.255	377.967

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NOTE 15 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

Retained Earnings

Retained earnings consist of extraordinary reserves and other retained earnings. Publicly listed companies distribute dividends in accordance with the requirements of CMB as explained below:

	30 September 2025	31 December 2024
Other retained earnings /(losses)	306.751	423.012
Extraordinary reserves	235.861	272.501
	542.612	695.513

As of September 30, 2025 and 2024, the fund items included within equity in the financial statements prepared in accordance with the Tax Procedure Law are as follows:

	30 September 2025		
	CPI Adjusted	PPI Adjusted	Followed
<u>Retained Earnings</u>	Statuary Entrys	Statuary Entrys	amount of
Adjustments to share capital	584.583	464.004	120.579
Reserves on retained earning	417.211	388.255	28.956

Dividend distribution

In accordance with the CMB decision numbered 7/242 dated 25 February 2005; If the profit distribution amount calculated in accordance with the CMB's regulations regarding the minimum profit distribution obligation, based on the net distributable profit found in accordance with the CMB regulations, can be fully covered from the distributable profit in the legal records, this entire amount will be distributed, and if not, the entire net distributable profit in the legal records will be distributed. If there is a period loss in the financial statements prepared in accordance with CMB regulations or in any of the legal records, no profit distribution will be made. With the decision of the CMB dated 27 January 2010, it was decided not to impose any minimum profit distribution obligation on dividend distribution for publicly held joint stock companies whose shares are traded on the stock exchange.

Capital increase, free of charge, capital inflation adjustment differences and registered values of extraordinary reserves; It can be used for cash profit distribution or loss offset. However, equity inflation adjustment differences are subject to corporate tax if used in cash profit distribution.

The company management took the profit distribution decision at the General Assembly meeting. In case of distribution of these profits, the entire profit distribution amount will be covered from the distributable profit in the legal records.

At the Ordinary General Assembly meeting held on April 16, 2025, it was decided to distribute a net period profit of 150.026 full TRL as a dividend from the Company's 2024 operating year according to the Profit Distribution Table prepared within the scope of the Capital Markets Board Dividend Guide. It was decided to distribute the gross dividend to full taxpayer institutions at a rate of 57,73%, which is 0,5773 full TRL for each share with a nominal value of 1 full TRL, and at a net rate of 49,07%, which is 0,4907 full TRL for each share with a nominal value of 1 full TRL. Dividend payments were made on September 26, 2025.

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NOTE 16 – REVENUE AND COST OF SALES

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Domestic sales	2.550.325	4.444.254	1.072.799	1.758.436
Export sales	113.907	127.271	49.511	44.501
Sales discounts (-)	(821.805)	(1.451.755)	(310.427)	(543.155)
Net sales	1.842.427	3.119.770	811.883	1.259.782
Cost of sales (-)	(1.072.192)	(1.516.229)	(486.115)	(691.699)
Gross profit	770.235	1.603.541	325.768	568.083

The breakdown of the cost of sales by periods is as follows:

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Direct material cost	260.842	373.219	105.876	128.629
Direct labour costs	209.371	228.904	57.954	70.019
General production expenses	84.931	108.978	25.245	37.418
Depreciation and amortization expenses	66.254	63.890	23.989	24.655
Provision for impairment of inventories	-	-	-	-
Change in semi-finished goods	20.085	11.632	35.195	45.735
Change in finished goods	(32.366)	133.576	15.641	134.311
Cost of products sold	609.117	920.199	263.900	440.767
Cost of goods sold	463.075	596.030	222.215	250.932
Cost of sales	1.072.192	1.516.229	486.115	691.699

NOTE 17 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Other income from operating activities				
Foreign exchange gain	12.008	14.320	1.642	3.663
Insurance indemnity income	143	337	(18)	(16)
Reversal of provision for doubtful trade receivables (Note 7)	539	-	-	-
Other	3.193	6.303	1.891	462
	15.883	20.960	3.515	4.109
Other expenses from operating activities				
Foreign exchange losses	6.368	7.873	925	1.352
Provision for doubtful trade receivables (Note 7)	1.891	993	-	(24)
Litigation provision expenses (Note 12)	-	4.420	-	2.024
Donation expenses	82	10.393	15	7.706
Other	1.894	8.504	530	1.876
	10.235	32.183	1.470	12.934

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NOTE 18 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Income from investment activities				
Gain on sale of property, plant and equipment	212	716	142	38
	212	716	142	38
Expense from investment activities				
Expense arising from the cancellation of the lease agreement	3.132	50.700	1.551	(10.629)
Transfer of foreign currency translation differences previously recognized in other comprehensive income to the statement of income	-	7.126	-	-
	3.132	57.826	1.551	(10.629)

NOTE 19 – FINANCE INCOME AND EXPENSES

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Finance income				
Interest income	41.415	178.703	6.572	2.227
Gain on sale of funds	38.492	32.484	-	11.407
Foreign exchange income	4.271	24.865	(5.203)	(33.954)
Currency-protected deposit income	-	21.390	-	2.152
Interest income from sublease receivables	-	179	-	(17)
	84.178	257.621	1.369	(18.185)
Finance expenses				
Interest expenses	515.047	554.718	203.228	163.959
Foreign exchange losses	749	4.893	(5.701)	(36.487)
	515.796	559.611	197.527	127.472

NOTE 20- DEFERRED TAX ASSETS AND LIABILITIES

The company is subject to taxation in accordance with the tax laws of the countries in which it operates and other legislation.

In Türkiye, the corporate tax rate is 25%. Corporate tax is declared until the twenty-fifth day of the fourth month following the end of the accounting period to which it relates and paid in one lump sum until the end of the relevant month. In accordance with the tax legislation, provisional tax is calculated and paid at the corporate tax rate on quarterly earnings, and the amounts paid in this way are deducted from the tax calculated over the annual income.

Under Turkish tax legislation, tax losses can be carried forward for a maximum of five years following the year in which they were incurred. In addition, tax returns and related accounting records can be examined by the tax administration within five years.

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NOTE 20- DEFERRED TAX ASSETS AND LIABILITIES (Continued)

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Current period statutory tax provision (-)	-	(183.057)	-	(117.542)
Deferred tax income/(expense)	96.005	46.913	25.773	34.421
Total deferred tax income, net	96.005	(136.144)	25.773	(83.121)

The reconciliation of the period’s tax expense with the profit for the period is as follows:

	30 September 2025	31 December 2024
Period income tax provision	-	-
Prepaid tax expenses (-)	5.771	152.651
Profit for the period tax (liability)/receivable, net	5.771	152.651

Tax Advantages Obtained Under the Investment Incentive System:

The Company's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or fully until the investment contribution amount is reached.

Within the scope of the Company's incentive certificates, there is no discounted corporate tax advantage used in return for the current period's legal tax. (30 September 2024: None.)

As of September 30, 2025, the Company has not utilized the R&D tax credit advantage in lieu of legal tax (September 30, 2024: TL 5.496). The tax benefit of TL 14.783 (December 31, 2024: none) that the Company is expected to benefit from in the foreseeable future on the unused R&D deduction is recognized as a deferred tax asset in the financial statements. The income statement for the period January 1 – September 30, 2025, includes deferred tax income of TL 14.783 related to the aforementioned deferred tax asset.

Deferred tax assets are recognized when it is probable that taxable income will be available in future years. Deferred tax assets are calculated based on tax benefits earned from deductible temporary differences, financial losses, and investment deductions with unlimited life that allow for reduced corporate tax payments. In this context, the Company bases the recognition of deferred tax assets arising from investment incentives in its financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to such investment deductions at each balance sheet date based on business models that include taxable profit forecasts. It is anticipated that the deferred tax assets will be recovered within five years from the balance sheet date.

In the sensitivity analysis conducted as of September 30, 2025, when the inputs in the macroeconomic and sectoral assumptions underlying the business plans were increased/decreased by 10%, there was no change in the five-year recovery periods projected for deferred tax assets related to investment incentives.

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NOTE 20- DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Tax Advantages Obtained Under the Investment Incentive System: (Continued)

	Total temporary differences		Deferred tax	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
Tangible and intangible assets	(8.376)	13.007	(2.094)	3.252
Provision for employment termination benefits	37.457	38.960	9.364	9.740
Turnover and dealer premium provisions	309.899	-	77.475	-
Royalty expense provision	11.846	5	2.962	1
Worker bonus accruals	11.847	(1.742)	2.962	(435)
R&D discount	59.131	-	14.783	-
Adjustments related to derivative instruments	1.926	(5.272)	482	(1.318)
Provision for doubtful receivables	5.795	6.048	1.449	1.512
Provision for unused vacation	4.156	2.972	1.039	743
Inventory, provision for impairment on inventories	(151.112)	(172.787)	(37.778)	(43.197)
Litigation provision	5.255	6.591	1.314	1.648
Promotion materials	2.100	2.419	525	605
Bulk consumption sales return provision	7.973	-	1.993	-
Incentive premium accrual	5.713	14.349	1.428	3.587
Lease services	(29.283)	(24.440)	(7.321)	(6.110)
Other adjustments	(1.103)	(327)	(279)	(81)
Deferred tax asset/(liability), net	273.224	(120.217)	68.304	(30.053)

	2025	2024
As of 1 January	(30.054)	43.644
Deferred tax expense/(income)	96.005	46.913
Severance pay accounted under equity effect of remeasurement differenc	2.210	(2.997)
Impact of derivative financial instruments	143	716
30 September	68.304	88.276

NOTE 21 – EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares of the Company during the period. The Company's earnings per share calculation is as follows.

	1 January - 30 September 2025	1 January - 30 September 2024
Profit /(loss) for the period	(206.276)	268.020
Average number of shares (weighted average number of shares with a nominal value of TRL 1 per share)	259.875.000	32.278.846
Earnings per share / (loss) (Full TRL)	(0,7938)	8,3033

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NOTE 22 – RELATED PARTY BALANCES AND TRANSACTIONS

a) Related Party Balances

	Receivables from related parties	
	30 September 2025	31 December 2024
Migros Ticaret A.Ş. (2)	143.674	37.631
A.W.Faber Castell Peruana SA (2)	1.265	2.396
Aep Anadolu Etap Penkon Gıda ve İçecek (2)	1.261	-
A.W.Faber-Castell Vertrieb GmbH (2)	105	3.971
Anadolu Sağlık Merkezi Hastanesi A.Ş. (2)	-	8.467
Other	1.420	1.148
	147.725	53.613

	Payable to related parties	
	30 September 2025	31 December 2024
AEH Sigorta Acentalığı A.Ş. (2)	2.216	-
AG Anadolu Grubu Holding A.Ş. (1)	1.208	8.390
A.W.Faber-Castell Vertrieb GmbH (2)	711	22
Other	1.222	605
	5.357	9.017

Prepaid expenses to related parties	30 September 2025	31 December 2024
A.W.Faber-Castell Vertrieb GmbH (2)	105	-
A.W.Faber-Castell(Guangzhou) (2)	11	-
A.W.Faber Castell (I)	1	-
	117	-

- 1) Shareholders
2) Other companies managed by the shareholders

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NOTE 22 – RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Related Party Transactions

	1 January - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Purchases of goods				
A.W.Faber-Castell Vertrieb GmbH (2)	125.638	133.177	67.366	62.811
A.W. Faber-Castell (Guangzhou) Stationery Co. Ltd. (2)	123.296	82.469	87.422	-
A.W.Faber Castell (M) Sdn.Bhd. (2)	72.445	77.024	3.968	-
P.T.A.W.Faber Castell Ind. (2)	2.762	25.307	-	-
A.W. Faber Castell(I) Pvt. Ltd. India (2)	2.411	1.862	-	-
	326.552	319.839	158.756	62.811
Sales of goods				
Migros Ticaret A.Ş. (2)	200.557	136.788	160.984	104.156
A.W.Faber-Castell Vertrieb GmbH (2)	16.577	22.656	7.835	10.686
A.W.Faber Castell Peruana (2)	2.141	4.031	1.285	4.031
Other	2.216	3.223	1.649	2.705
	221.491	166.698	171.753	121.578
Services received				
AG Anadolu Grubu Holding A.Ş. (1)	60.374	54.870	19.137	19.040
Migros Ticaret A.Ş. (2)	49.761	482	49.761	482
Anadolu Efes Spor Kulübü (2)	10.954	7.790	-	-
Diğer	520	25	2	15
	121.609	63.167	68.900	19.537
Services given				
AEP Anadolu Etap Penkon A.Ş (2)	11.240	13.779	2.172	4.788
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün San ve Tic A.Ş (2)	8.209	-	4.009	-
A.W. Faber-Castell Vertrieb GmbH. (2)	5.831	7.589	-	7.589
Anadolu Kafkasya Enerji Yatırımları A.Ş. (2)	3.539	3.444	1.103	1.186
Diğer	610	1.460	314	185
	29.429	26.272	7.598	13.748
Other				
Anadolu Eğitim ve Sosyal Yard. Vakfı (2)	-	4.451	-	2.999
	-	4.451	-	2.999

- 1) Shareholders
- 2) Other companies managed by the shareholders

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NOTE 22 – RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

c) Benefits provided to key management

The Company has determined the key management personnel as members of the board of directors, President of Agriculture Energy and Industry Group, general manager and managers reporting directly to the general manager. Benefits provided to key management personnel are as follows:

	2025	2024
Short-term employee benefits	94.386	87.629
Other long-term benefits	11.697	7.281
Benefits due terminations	6.111	-
Benefits provided due to termination of employment	4.067	-
30 September	116.261	94.910

NOTE 23 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The management of the Company considers the cost of capital and the risks associated with each class of capital. The management of the Company aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Company controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by total equity. Net debt is calculated as total liability (comprises of financial liabilities, leasing and trade payables as presented in the statement of financial position) less cash and cash equivalents. Total equity is calculated by adding shareholders equity and net debt, as shown in the balance sheet.

The Company's overall strategy based on equity does not differ from the previous period.

The Company does not have speculative financial instruments (including derivative financial instruments) and does not have any activity related to the purchase and sale of such instruments.

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**NOTE 23 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

(a) Capital risk management (Continued)

As of September 30, 2025 and December 31, 2024, net debt / (equity + net debt) ratio is as follows;

	30 September 2025	31 December 2024
Total borrowings	1.978.028	1.263.862
Less: Cash and cash equivalents	(48.445)	(827.004)
Net debt	1.929.583	436.858
Total equity	1.438.245	1.817.589
Total equity + net debt	3.367.828	2.254.447
Net debt / (total equity+net debt) ratio	57%	19%

(b) Credit risk

The Company's activities expose it to foreign exchange and other risks. The Company is also exposed to the risk that counterparties may not fulfill the requirements of the agreement due to holding financial instruments.

Market risks encountered at the Company level are measured on the basis of sensitivity analysis. In the current year, there has been no change compared to the previous year in the Company's exposure to market risks or in the way the Company handles or measures these risks.

(c) Currency risk and management

Transactions in foreign currency cause the exchange rate risk to occur.

The Company is exposed to exchange rate risk due to changes in the exchange rates used in the conversion of foreign currency assets and liabilities into Turkish lira. Currency risk arises due to future commercial transactions and the difference between recorded assets and liabilities.

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**NOTE 23 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

(c) Currency risk and management (Continued)

The TRL equivalents of foreign currency assets and liabilities held by the Company are as follows:

	30 September 2025	31 December 2024
Assets	48.774	82.806
Liabilities	(19.144)	(22.531)
Net balance sheet foreign currency position	29.630	60.275

The Company is exposed to currency risk mainly in US Dollar and Euro.

Profit/Loss 30 September 2025	Appreciation of foreign currency	Depreciation foreign currency
If the US Dollar changes 20% +/- against TRL :		
1- USD net asset/liability	6.533	(6.533)
2- Part hedged against USD risk (-) (*)	-	-
3- USD net effect (1+2)	6.533	(6.533)
In case the Euro changes 20% +/- against TRL:		
4- Euro net asset/liability	(607)	607
5- Hedged portion from Euro risk (-)	-	-
6- Euro net effect (4+5)	(607)	607
On average 20% +/- change in other exchange rates against TRL:		
7- Other foreign currency net asset/liability	-	-
8- Hedged portion from other exchange rate risk (-)	-	-
9- Net effect on other FX assets (7+8)	-	-
	5.926	(5.926)

(*) The effect of derivative instruments for hedging purposes is not taken into account.

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**NOTE 23 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

(c) Currency risk and management (Continued)

Profit/Loss 31 December 2024	Appreciation of foreign currency	Depreciation foreign currency
If the US Dollar changes 20% +/- against TRL :		
1- USD net asset/liability	11.504	(11.504)
2- Part hedged against USD risk (-) (*)	-	-
3- USD net effect (1+2)	11.504	(11.504)
In case the Euro changes 20% +/- against TRL:		
4- Euro net asset/liability	551	(551)
5- Hedged portion from Euro risk (-)	-	-
6- Euro net effect (4+5)	551	(551)
On average 20% +/- change in other exchange rates against TRL:		
7- Other foreign currency net asset/liability	-	-
8- Hedged portion from other exchange rate risk (-)	-	-
9- Net effect on other FX assets (7+8)	-	-
	12.055	(12.055)

(*) The effect of derivative instruments for hedging purposes is not taken into account.

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NOTE 23 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(c) Currency risk and management (Continued)

It summarizes the Company's foreign currency position risk. The recorded amounts of foreign currency assets and liabilities held by the Company are as follows. by foreign currency type:

	30 September 2025				31 December 2024			
	TRL equivalent	Thousand USD	Thousand Avro	Other	TRL equivalent	Thousand USD	Thousand Avro	Other
1. Trade receivables	13.378	290	28	-	18.875	285	136	-
2a. Monetary financial assets	21.913	515	11	-	44.180	1.000	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	105	-	2	-	19.751	432	15	-
4. Total current assets (1+2+3)	35.396	805	41	-	82.806	1.717	151	-
5. Trade receivables	13.378	290	28	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Total non-current assets (5+6+7)	13.378	290	28	-	-	-	-	-
9. Total assets (4+8)	48.774	1.095	69	-	82.806	1.717	151	-
10. Trade payables	19.144	308	131	-	18.217	319	90	-
11. Financial liabilities	-	-	-	-	-	-	-	-
12a. Other monetary liabilities	-	-	-	-	4.314	96	1	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-
13. Total current liabilities (10+11+12)	19.144	308	131	-	22.531	415	91	-
14. Trade payables	-	-	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-
17. Total non-current liabilities (14+15+16)	-	-	-	-	-	-	-	-
18. Total liabilities (13+17)	19.144	308	131	-	22.531	415	91	-
19. Net asset/ (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	176.722	4.000	-	-
19a. Total asset amount hedged	-	-	-	-	176.722	4.000	-	-
19b. Total liabilities amount hedged	-	-	-	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	29.630	787	(62)	-	236.997	5.302	60	-
21. Monetary items net foreign currency asset / (liability) position (1+2a+3+5+6a-10-11-12a-14-15-16a)	29.630	787	(62)	-	60.275	1.302	60	-
22. Total fair value of financial instruments used for currency hedge	-	-	-	-	-	-	-	-
23. Exports	113.907	1.887	618	-	158.028	2.191	696	6.680
24. Imports	530.098	9.041	3.062	4.764	575.202	10.419	3.349	95
% 20 increase	-	6.533	(607)	-	-	9.172	439	-

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**NOTE 23 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

(d) Interest rate risk and management

As of 30 September 2025, the Company does not have any floating rate borrowings. (31 December 2024: None).

(e) Credit risk management

Holding financial instruments also carries the risk that the other party will not be able to fulfill the requirements of the agreement. The Company's collection risk mainly arises from its trade receivables. Trade receivables are evaluated in accordance with the Company's policies and procedures and are recognized net of provision for doubtful receivables.

The majority of the Company's sales are for the domestic market and it is mainly carried out through dealers and wholesalers. About 54% of the sales are due to the sales of the manufactured products. The commercial goods sold by the Company are of foreign origin. Therefore the company's merchandise costs are sensitive to the exchange rate. The cost of raw materials depends on the general price trend in the country. Approximately 94% of the Company's net sales are domestically oriented and the fluctuations in exchange rates are taken into account when determining price levels.

The Company collects its receivables mainly through checks received from its dealers and also uses a direct debit system (DDS) and other collection instruments. The Company mainly uses the direct debit system (DBS) as a collection tool. Since the issuers of the checks received in general are the customers of the dealers, risk distribution is provided. Since the Company operates in this system, there is no significant risk arising from its receivables.

(f) Liquidity risk and management

The Company tries to manage its liquidity risk by regularly monitoring the cash flows and ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

Liquidity risk tables

Prudent liquidity risk management refers to holding sufficient cash, availability of sufficient credit transactions and fund resources, and the power to close market positions.

The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high-quality lenders.

The maturity distribution of the Company's derivative and non-derivative financial liabilities in Turkish Lira (TRL) is presented below.

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NOTE 24 – FINANCIAL INSTRUMENTS

24.1 Fair value

The Company considers that the carrying values of financial instruments reflect their fair values.

Fair Value Measurements

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques not containing observable market inputs

	30 September 2025	Level 1	Level 2	Level 3
Derivative financial liabilities	-	-	-	-
	31 December 2024	Level 1	Level 2	Level 3
Derivative financial liabilities	704	-	704	-

24.2 Derivative financial instruments and hedge accounting

The Company has started to apply cash flow hedge accounting as of October 1, 2018.

As of September 30, 2025, the Company has a forward transaction. (31 December 2024: Nominal value of TRL 176.722 amounting to USD 4.000.000).

At the inception of a hedging transaction, the Company documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company recognizes the hedging instruments used in hedging transactions both at the inception of the hedging transaction and at regular intervals in the hedged items. whether they are highly effective in offsetting changes in their values.

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NOTE 24 – FINANCIAL INSTRUMENTS (Continued)

24.2 Derivative financial instruments and hedging transactions (Continued)

The Company is a party to various forward foreign exchange contracts and options depending on the management of exchange rate fluctuations. The derivative instruments purchased are mainly denominated in foreign currencies in the markets in which the Company operates for inventory purchases, purchases of machinery and equipment denominated in foreign currencies and other service contracts denominated in foreign currencies.

	Contract Amount	2025		Contract Amount	2024	
		Fair Values			Fair Values	
		Asset	Liability		Asset	Liability
For hedging purposes:						
Forward transaction	-	-	-	176.722	-	704
	-	-	-	176.722	-	704
Short term	-	-	-	176.722	-	704
	-	-	-	176.722	-	704

Objectives in financial risk management:

The Company's finance department is responsible for ensuring regular access to financial markets and monitoring and managing the financial risks incurred in connection with the Company's activities. These risks are; It includes market risk (including currency risk, fair interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

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NOTE 24 – FINANCIAL INSTRUMENTS (Continued)

24.2 Derivative financial instruments and hedging transactions (Continued)

The Company does not have speculative financial instruments (including derivative financial instruments) and does not have any activity related to the purchase and sale of such instruments.

		Fair value differences reflected in other comprehensive income	Financial assets shown at amortized cost	Financial liabilities shown at amortized value	Book value	Fair value
30 September 2025	Notes					
<u>Financial assets</u>						
Cash and cash equivalences	4	-	48.445	-	48.445	48.445
Trade receivables from third parties	7	-	1.136.529	-	1.136.529	1.136.529
Receivables from related parties	22	-	147.725	-	147.725	147.725
Other financial assets	5	-	1.564	-	1.564	1.564
<u>Financial liabilities</u>						
Financial borrowings	6	-	-	1.978.028	1.978.028	1.978.028
Lease liabilities	6	-	-	112.166	112.166	112.166
Trade payables	7	-	-	164.591	164.591	164.591
Payables from related parties	22	-	-	5.357	5.357	5.357
Other financial liabilities	8	-	-	9.894	9.894	9.894
31 December 2024	Notes					
<u>Financial assets</u>						
Cash and cash equivalences	4	-	827.004	-	827.004	827.004
Trade receivables from third parties	7	-	110.959	-	110.959	110.959
Receivables from related parties	22	-	53.613	-	53.613	53.613
Other financial assets	5	-	1.637	-	1.637	1.637
<u>Financial liabilities</u>						
Financial borrowings	6	-	-	1.096.237	1.096.237	1.096.237
Lease liabilities	6	-	-	167.625	167.625	167.625
Trade receivables from third parties	7	-	-	157.758	157.758	157.758
Payables from related parties	22	-	-	9.017	9.017	9.017
Derivatives	24.1	-	-	704	704	704
Other financial liabilities	8	-	-	4.803	4.803	4.803

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NOTE 25 – DISCLOSURES ON NET MONETARY POSITION GAINS / (LOSSES)

	30 September 2025	30 September 2024
Financial Position Statement Items		
Inventory	224.501	295.750
Prepaid expenses	7.118	7.716
Financial investments	23	21
Property, plant and equipment	198.915	264.030
Intangible assets	21.789	33.735
Right of use assets	19.147	46.971
Deferred tax asset	-	10.153
Deferred income	(11.841)	2.119
Adjustment to share capital	(146.759)	(191.067)
Other comprehensive expenses that will not be reclassified to profit or loss	16.206	3.749
<i>- Losses on remeasurement of defined benefit obligations</i>	16.206	3.749
Other comprehensive income (expenses) that will be reclassified to profit or loss	(3.171)	1.881
<i>- Currency translation differences</i>	-	1.881
<i>- Gains (loss) on hedge</i>	(3.171)	-
Restricted reserves	(73.637)	(99.184)
Retained earnings	(132.769)	(220.495)
Profit or Loss Statement Items		
Revenue	(124.636)	(298.128)
Cost of sales (-)	72.392	125.784
Research and development expenses (-)	1.271	1.326
General administrative expenses (-)	36.573	42.253
Marketing expenses (-)	53.678	68.930
Other income from operating activities	(843)	(2.378)
Other expenses from operating activities (-)	1.045	2.558
Income from investment activities	(5.746)	(2.352)
Expenses from investment activities (-)	-	4.045
Finance income	(4.538)	(34.623)
Finance expenses (-)	40.748	62.659
Taxes on expense	-	22.447
Deferred tax income	(6.093)	-
Other Comprehensive Income Statement Items		
Other comprehensive income (expenses) that will not be reclassified	(11.649)	1.995
NET MONETARY POSITION GAINS / (LOSSES)	171.724	149.895

NOTE 26 – EVENTS AFTER THE REPORTING PERIOD

None.

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