

ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED
31 DECEMBER 2025
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of Adel Kalemcilik Ticaret ve Sanayi A.Ş.

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of Adel Kalemcilik Ticaret ve Sanayi A.Ş. (the “Company”) which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
Revenue Recognition Revenue TL 2.099.613 thousand has been recognized in the statement of profit or loss for the accounting period 1 January-31 December 2025. Revenue is recognized in the financial statements when the Company fulfils its performance obligation by transferring control of the promised products to its customers. Since sales contracts are complex, the recognition of revenue in the relevant period depends on the correct evaluation of the sales conditions specific to each situation. For this reason, there is a risk that the revenue will not be recognized in the correct period or amount for the products whose production is completed and delivered, or for those whose invoices have not yet been issued to the customer. Revenue is one of the most significant indicators in the performance evaluation of the Company. Revenue has been selected as a key audit matter because it is of great importance in terms of evaluating the results of the strategies implemented during the year and monitoring performance and it has significant, decisive impact on more than one financial statement item. Disclosures regarding the Company's revenue-related accounting policies and amounts are included in Notes 2.2.1 of the attached financial statements.	The following audit procedures have been applied for the recognition of revenue: - Testing the design and implementation of internal controls on revenue recognition by understanding the Company's revenue process, - Evaluating whether the accounting policies applied by the Company management for recording revenue are in terms of TFRS, - Testing the transactions recorded as revenue during the period by sampling method by comparing them with invoices, supporting documents and collections from customers, - Testing the balances of trade receivables using the sampling method by sending confirmation letters, - Testing whether the sales returns realized after the reporting period are included in the financial statements in the relevant period, - Testing the revenue items belong to period ending and the beginning of the following period with the sampling method regarding the cut-off of the revenue, - Evaluating the accuracy and adequacy of the revenue related disclosures included in footnotes financial statements in terms of TFRS.



4. Responsibilities of management and those charged with governance for the financial statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that Adel Kalemcilik Ticaret ve Sanayi A.Ş.’s bookkeeping activities concerning the period from 1 January to 31 December 2025 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 2 March 2026.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 2 March 2026

CONTENTS	PAGES
STATEMENT OF FINANCIAL POSITION	1-2
STATEMENT OF PROFIT OR LOSS	3
STATEMENT OF OTHER COMPREHENSIVE INCOME.....	4
STATEMENT OF CHANGES IN EQUITY.....	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS.....	7-64

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira (“TRY”) in terms purchasing power of the TRY at December 31,2025 unless otherwise indicated)

	Notes	Audited 31 December 2025	Audited 31 December 2024
Assets			
Current assets			
Cash and cash equivalents	4	395,699	863,017
Trade receivables		153,831	171,738
- Trade receivables from related parties	23	9,925	55,947
- Trade receivables from third parties	7	143,906	115,791
Other receivables		694	1,996
- Other receivables from third parties	8	694	1,996
Inventories	9	1,132,923	1,033,306
Prepaid expenses	14	34,358	23,722
- Prepaid expenses to related parties	23	116	-
- Prepaid expenses to third parties		34,242	23,722
Current tax assets	14	10,193	159,298
Other current assets		80,771	92,950
- Other current assets from third parties	14	80,771	92,950
Total current assets		1,808,469	2,346,027
Non-current assets			
Financial investments	5	1,472	1,708
Property, plant and equipment	10	963,188	1,033,905
Right of use assets	6	114,692	200,430
Intangible assets	11	144,697	116,114
Prepaid expenses	14	19,494	21,678
Deferred tax assets	21	124,319	-
Total non-current assets		1,367,862	1,373,835
Total asset		3,176,331	3,719,862

Accompanying notes are an integral part of these financial statements

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira (“TRY”) in terms purchasing power of the TRY at December 31,2025 unless otherwise indicated)

	Notes	Audited 31 December 2025	Audited 31 December 2024
Liabilities			
Current liabilities			
Short-term borrowings		1,160,579	510,581
- Short-term borrowings from third parties		1,160,579	510,581
- Bank loans	6	230,886	510,581
- Issued debt securities	6	929,693	-
Current portion of long-term borrowings		486,399	145,502
Current portion of long-term borrowings from third parties	6	486,399	145,502
- Bank loans	6	192,612	36,610
- Lease liabilities		14,433	61,856
- Issued debt securities	6	279,354	47,036
Trade payables		122,164	174,038
- Trade payables to related parties	23	6,578	9,410
- Trade payables to third parties	7	115,586	164,628
Liabilities relating to employee benefits	8	69,988	141,526
Other payables		2,046	5,012
- Other payables to third parties	8	2,046	5,012
Derivative instruments	25.1	-	734
Deferred income	14	26,695	79,913
Short term provisions		12,641	24,891
- Current provisions for employee benefits	13	7,380	18,013
- Other short term provisions	12	5,261	6,878
Total current liabilities		1,880,512	1,082,197
Non-current liabilities			
Long-term borrowings		37,375	662,816
- Long-term borrowings from third parties	6	37,375	662,816
- Bank loans		-	222,516
- Issued debt instruments		-	327,230
- Lease liabilities		37,375	113,070
Liabilities relating to employee benefits	8	1,951	3,030
Non-current provisions		40,836	43,719
- Non-current provisions for employee benefits	13	40,836	43,719
Deferred tax liabilities	21	-	31,362
Total non-current liabilities		80,162	740,927
Equity			
Paid-in capital	15	259,875	259,875
Capital adjustment differences	15	495,528	495,528
Other accumulated comprehensive income (loss)		-	-
items that will not be reclassified to profit or loss		(24,807)	(19,613)
- Revaluation and remeasurement gains (losses)		(24,807)	(19,613)
Other accumulated comprehensive income (loss)		-	-
items that may be reclassified to profit or loss		16,027	16,320
- Gains/(loss) on hedge		16,027	16,320
Restricted reserves	15	405,164	394,427
Retained earnings	15	566,236	725,797
Net profit/(loss) for the period		(502,366)	24,404
Total equity		1,215,657	1,896,738
Total liabilities and equity		3,176,331	3,719,862

Accompanying notes are an integral part of these financial statements

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish lira (“TRY”) in terms purchasing power of the TRY at December 31,2025 unless otherwise indicated)

Profit or loss section	Notes	Audited	
		1 January- 31 December 2025	1 January- 31 December 2024
Revenue	16	2,099,613	3,549,764
Cost of sales (-)	16	(1,266,831)	(1,733,099)
Gross profit/(loss)		832,782	1,816,665
General administrative expenses (-)	17	(453,248)	(567,472)
Marketing expenses (-)	17	(557,483)	(761,081)
Research and development expenses (-)	17	(17,503)	(24,822)
Other operating income	18	19,019	25,317
Other operating expenses (-)	18	(30,862)	(65,322)
Operating profit/(loss)		(207,295)	423,285
Investment income	19	585	1,385
Investment expenses (-)	19	(3,277)	(60,362)
Operating profit/(loss) before finance income/(expense)		(209,987)	364,308
Finance income	20	118,209	343,136
Finance expense (-)	20	(750,869)	(755,194)
Monetary gains / (loss)	29	186,426	147,591
Profit/(loss) before tax from continuing operations		(656,221)	99,841
Tax income/(expense) from continuing operations		153,855	(75,437)
- Taxes on expense	21	-	-
- Deferred tax income/(expense)	21	153,855	(75,437)
Net profit/(loss) for the year		(502,366)	24,404
Earnings/(loss) per share (TRL per share)	22	(1.9331)	0.0939

Accompanying notes are an integral part of these financial statements

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira (“TRY”) in terms purchasing power of the TRY at December 31,2025 unless otherwise indicated)

	Notes	Audited	
		1 January- 31 December 2025	1 January- 31 December 2024
Net profit/(loss) for the year		(502,366)	24,404
Other comprehensive expenses that will not be reclassified		(5,194)	6,558
- Remeasurement of defined benefit assets/liabilities	13	(6,922)	8,746
-Taxes on other comprehensive income not to be reclassified to profit or loss		1,728	(2,188)
-Deferred tax (expense)/income		1,728	(2,188)
Other comprehensive expenses that will be reclassified to profit or		(293)	(2,149)
-Other comprehensive income / (expense) on cash flow hedge		(391)	(2,864)
-Other comprehensive expenses that will be reclassified to profit or loss, tax effect		98	715
-Deferred tax (expense)/income		98	715
Other comprehensive income /(expense)		(5,487)	4,409
Total comprehensive income		(507,853)	28,813

Accompanying notes are an integral part of these financial statements

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish lira (“TRY”) in terms purchasing power of the TRY at December 31,2025 unless otherwise indicated.)

			Accumulated Other Comprehensive Income/(Loss) Not to Be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income/(Loss) to Be Reclassified to Profit or Loss			Retained Earnings		
	Equity	Capital Adjustment Differences	Remeasurement Gains/(Losses) of Defined Benefit Plans	Foreign Currency Translation Differences	Gains/(Losses) on Hedging Instruments	Restricted Reserves Appropriated from Profit	Retained Earnings from Prior Years	Net Profit/(Loss) for the Period	Total Equity
As of 1 January 2024	23,625	731,778	(26,171)	(7,443)	18,469	373,138	161,968	823,891	2,099,255
Liquidation Effect	-	-	-	7,443	-	-	-	-	7,443
Transfers	236,250	(236,250)	-	-	-	21,289	802,602	(823,891)	-
Dividends Paid	-	-	-	-	-	-	(238,773)	-	(238,773)
Total Comprehensive Income/(Loss)	-	-	6,558	-	(2,149)	-	-	24,404	28,813
As of 31 December 2024	259,875	495,528	(19,613)	-	16,320	394,427	725,797	24,404	1,896,738
As of 1 January 2025	259,875	495,528	(19,613)	-	16,320	394,427	725,797	24,404	1,896,738
Transfers	-	-	-	-	-	10,737	13,667	(24,404)	-
Dividends Paid	-	-	-	-	-	-	(173,228)	-	(173,228)
Total Comprehensive Income/(Loss)	-	-	(5,194)	-	(293)	-	-	(502,366)	(507,853)
As of 31 December 2025	259,875	495,528	(24,807)	-	16,027	405,164	566,236	(502,366)	1,215,657

Accompanying notes are an integral part of these financial statements

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

	Notes	Audited	
		1 January - 31 December 2025	1 January - 31 December 2024
Cash Flows from Operating Activities		(263,673)	458,001
Profit/(Loss) for the Period		(502,366)	24,404
Adjustments Related to Reconciliation of Net Profit/(Loss) for the Period:		415,996	541,955
Adjustments for Depreciation and Amortization Expenses	6,10,11	169,474	216,950
Adjustments for Impairment (Reversal) of Assets		(22,302)	3,473
-Adjustments for Impairment (Reversal) of Receivables	7	1,517	1,455
-Adjustments for Inventory Write-Downs/(Reversals)	9	(23,819)	2,018
Adjustments for Provisions		86,967	52,551
-Adjustments for Employee Benefit Provisions/(Reversals)	13	86,967	45,917
- Adjustments for Litigation and/or Penalty Provisions (Reversals)	12	-	6,634
Adjustments for Interest Income and Expenses		679,353	533,092
-Adjustments for Interest Income	19	(68,652)	(217,308)
-Adjustments for Interest Expenses	19	748,005	750,997
-Deferred Finance Costs on Purchases	16	-	934
-Unrealized Finance Income on Sales		-	(1,531)
Adjustments for Fair Value Losses/(Gains)		(735)	(2,607)
Adjustments for Income Tax (Expense)/Income	20	(153,855)	75,437
Adjustments for Gains/(Losses) on Disposal of Non-Current Assets		2,556	(8)
Monetary Gains/(Losses)		(345,462)	(336,933)
Changes in Working Capital		(202,743)	(51,037)
Adjustments for Decrease (Increase) in Trade Receivables		16,390	49,727
Adjustments for Decrease (Increase) in Other Operating Receivables		1,303	12,677
Adjustments for Decrease (Increase) in Inventories		(75,799)	128,040
Adjustments for Decrease (Increase) in Prepaid Expenses		(8,453)	109
Adjustments for Increase (Decrease) in Trade Payables		(51,873)	(88,312)
Adjustments for Increase (Decrease) in Employee Benefit Liabilities		(72,616)	12,792
Adjustments for Increase (Decrease) in Other Operating Liabilities		(2,966)	4,263
Adjustments for Increase (Decrease) in Deferred Income (Excluding Liabilities Arising from Customer Contracts)		(53,218)	(220,056)
Adjustments for Other Changes in Working Capital		44,489	49,723
-Decrease (Increase) in Other Operating Assets		77,475	18,470
-Increase (Decrease) in Other Operating Liabilities		(32,986)	31,253
Cash Generated/(Used) from Operating Activities		(289,113)	515,322
Payments Made for Employee Benefit Provisions	13	(90,112)	(27,806)
Income Tax Refunds/(Payments)		115,552	(29,515)
Cash Flows from Investing Activities		(85,425)	(85,457)
Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets	10	4,550	582
Cash Outflows for Purchase of Property, Plant and Equipment and Intangible Assets	10	(89,975)	(86,039)
Cash Flows from Financing Activities		(16,167)	(623,300)
Cash Inflows from Borrowings	6	3,819,036	1,979,143
Cash Outflows for Repayment of Borrowings	6	(2,952,313)	(2,197,785)
Cash Outflows for Lease Liabilities	6	(78,621)	(79,246)
Dividends Paid		(156,560)	(208,653)
Interest Paid	6	(729,303)	(671,004)
Interest Received		69,375	224,374
Other Cash Inflows/(Outflows)		12,219	329,871
Effect of Monetary Gains/(Losses) on Cash and Cash Equivalents		(101,330)	(365,212)
Net Increase/(Decrease) in Cash and Cash Equivalents		(466,595)	(615,968)
Cash and Cash Equivalents at the Beginning of the Period	4	861,945	1,477,913
Cash and Cash Equivalents at the End of the Period	4	395,350	861,945

Accompanying notes are an integral part of these financial statements

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 1 - Company's organization and nature of operations

Adel Kalemcilik Ticaret ve Sanayi A.Ş. ("Company") operates in the production of pencils, colored pencils, toys, and other stationery products; the sale and export of finished goods manufactured at its facilities; and the import, trade, and distribution of raw materials, semi-finished, and finished products.

The company was established on 17 July 1967 and registered with the Istanbul Chamber of Industry (İSO) and the istanbul chamber of commerce (İTO) on the same date with the registration number 96078.

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

Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58 Buyaka E Blok 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 31 December, 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

	31 December 2025		31 December 2024	
	%	TL	%	TL
AG Anadolu Grubu Holding A.Ş.	56.89	147,832	56.89	147,832
Faber-Castell Aktiengesellschaft	15.40	40,017	15.40	40,017
Publicly Listed	27.71	72,026	27.71	72,026
		259,875		259,875

The average number of employees of the Company as at 31 December 2025 is 303 (31 December 2024: 371).

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

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 2024 TFRS Taxonomy updated by POA on July 3, 2024.

The financial statements have been presented in accordance with the 2024 TFRS Taxonomy, which was developed based on the financial statement templates set out in the Financial Statement Samples and User Guide published by the Public Oversight, Accounting and Auditing Standards Authority (POA) in the Official Gazette dated June 7, 2019, issue No. 30794, and 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. Subsidiaries and joint ventures operating abroad maintain their books of account and prepare their statutory financial statements in accordance with the laws and regulations of the countries in which they operate.

The Company's financial statements as of 31 December 2025 were approved by the Company's Board of Directors on 2 March 2026. The Board 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 June 30, 2024 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 2024 in terms of the purchasing power of that currency as of 31 December 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 2024.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

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 December 31, 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
31-Dec-25	3,513.87	1.00000	%211
31-Dec-24	2,684.55	1.30892	%291
31-Dec-23	1,859.38	1.88981	%268

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 based on 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 to make the correct presentation in accordance with TMS/IFRS to the legal records prepared on the historical cost basis.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

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

2.1.4 Shares in affiliates and joint ventures

A partnership is a joint venture in which entities with joint control in an arrangement have rights to the equity in the joint arrangement. Joint control is based on the control contract on an economic activity.

This control is deemed to exist when the decisions of the relevant activities require the parties sharing the control to agree with the unanimity of votes.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity accounting method, except when the investment, or a portion thereof, is classified as held for sales, in which case it is accounted for in accordance with TFRS 5. Under the equity method, an investment in associate or a joint venture is initially recognized in the financial statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate or a joint venture.

When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or a joint venture (which includes any long term interests that, in substance, form part of the Company's net investment in the associate or a joint venture), the company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

2.2. Significant accounting policies

A summary of the accounting policies applied during the preparation of the financial statements is as follows:

2.2.1 Revenue recognition

The Company recognizes revenue when, or as, it fulfills its performance obligation by transferring a contracted good or service to a customer. Control of an asset is passed to the customer. the asset is transferred when (or as) it passes.

The company records revenue in its financial statements in line with the following basic principles:

- (a) Determining contracts with customers
- (b) Determining performance obligations in the contract
- (c) Determining the transaction price in the contract
- (d) Allocating the transaction price to the performance obligations in the contract
- (e) Recognizing revenue as each performance obligation is satisfied.

Revenues are measured at the fair value of the amount receivable that has been or will be collected. Estimated customer returns, discounts and provisions are deducted from this amount. Revenue is reflected in the financial statements based on the transaction price. The transaction fee is the amount that the business expects to be entitled to in return for the transfer of the promised wooden pencils, crayons and copy pens, ballpoint pens, mechanical pencils and pencils, liquid ink pens, felt-tip pens, pastels, watercolors, erasers, finger paint, play dough, gouache, toys and other stationery products to the customer, excluding the amounts collected on behalf of third parties.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2. Significant accounting estimates and decisions (Continued)

Interest income is accrued in the relevant period at the rate of original effective interest rate, which reduces the remaining principal balance and the estimated cash inflows to be obtained from the relevant financial asset over its expected life to the registered value of the asset in question.

2.2.2 Going concern

The financial statements have been prepared on a going concern basis, assuming that the Company will derive benefits from its assets and fulfill its obligations within the next year and in the normal course of its operations.

As of December 31, 2025, the Company's total current liabilities exceed total current assets by TRY 72,042. The Company incurred a net loss of TRY 502,366 for the 2025 accounting period.

2.2.3 Inventory

The Company's inventories consist of raw materials, operating materials, packaging materials, semi-finished and finished items, stationery materials and toys.

Inventories are valued at the lower of cost or net realizable value. Cost of inventories includes all acquisition costs, conversion costs and other costs incurred in maintaining inventories in their present location and condition. Inventory conversion costs include costs directly attributable to manufacturing, such as direct labor costs. These costs also include systematically allocated amounts of fixed and variable overhead costs incurred in converting raw materials into finished goods.

The weighted average cost method (monthly) is applied in calculating the cost of stocks. Net realizable value is obtained by deducting the estimated cost of completion and the estimated costs that must be incurred to realize the sale from the estimated sales price in ordinary commercial activity. When the net realizable value of stocks falls below their cost, the stocks are reduced to their net realizable value, taking into account their useful life and quality, and are reflected as an expense in the statement of profit or loss in the year in which the impairment occurs. In cases where the conditions that previously caused stocks to be reduced to net realizable value no longer apply or an increase in net realizable value is proven due to changing economic conditions, the impairment provision is cancelled. The canceled amount is limited to the previously allocated impairment amount.

2.2.4 Loans and borrowing cost

Loans are recorded at their value, on the date they are received, after deducting transaction costs from the loan amount (Note 6). Loans are subsequently stated at discounted cost using the effective interest method. The difference between the remaining amount after deducting transaction costs and the discounted cost value is reflected in the income statement as financing cost during the credit period. Financing costs arising from loans are recorded in the income statement in the period in which they are incurred.

Financial investment income obtained by temporarily utilizing the unspent portion of the investment-related loan in financial investments is offset against borrowing costs eligible for capitalization. All other borrowing costs are recorded in the income statement in the periods in which they are incurred. The Company has no borrowing costs capitalized in the current and previous periods regarding qualifying assets.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2. Significant accounting estimates and decisions (Continued)

2.2.5 Property, plant and equipment

Property, plant and equipment are carried with their cost after subtracting accumulated depreciation and impairment. Property, plant and equipment are depreciated principally on a straight-line basis.

Depreciation is calculated using the straight-line depreciation method based on the economic lives of each asset, in order to reduce their cost to their residual value, applying the following rates (%).

	Useful lives
Land improvements	8 - 15
Buildings	5 - 50
Plant, machinery and equipment	3 - 20
Vehicles	3 - 12
Furniture and fixtures	1 - 50

Land and plots are not subject to depreciation due to their indefinite useful life. Gains or losses arising from the disposal of fixed assets are determined by comparing their net book value with the sales price and are recognized in operating profit. Maintenance and repair costs are expensed as incurred unless they provide a significant enhancement or a measurable improvement to the related asset, in which case they are capitalized.

2.2.6 Intangible assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the period in which it is incurred. Useful lives of intangible assets are determined as either finite or infinite. Intangible assets are amortized on a straight line basis over the estimated useful lives. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Intangible assets with infinite useful life formed in the financial statements in accordance with purchase method, are not subject to amortization and the carrying amounts of such intangibles are reviewed for impairment at least annually and whenever there is an indication of possible impairment.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. This difference is recognized in profit or loss when the asset is excluded from balance sheet.

	Useful lives
Rights	3-15
Research and development expenses	5
Other intangible assets	2-15

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2. Significant accounting estimates and decisions (Continued)

2.2.7. Impairment of assets

For assets subject to depreciation, an impairment test is applied in case of situations or events in which it is not possible to recover the book value. If the book value of the asset exceeds its recoverable amount, an impairment loss provision is recorded. The recoverable amount is the greater of fair value or value in use, less costs to sell. To assess impairment, assets are grouped at the lowest level at which they have separate identifiable cash flows. Non-financial assets other than goodwill that are subject to impairment are reviewed for possible reversal of impairment at each reporting date. There is no impairment associated with profit or loss in the financial statements for the period 31 December 2024.

2.2.8 Research and development expenses

Research expenses are recorded as expense when incurred. Project costs related to the development of new products or the testing and design of developed products are considered intangible assets if the project is commercially and technologically viable and the costs can be reliably determined. Other development expenses are recognized as expense when incurred. Development expenses recorded as expense in the previous period cannot be capitalized in the next period.

2.2.9 Financial instruments

Financial assets

The Company measures the remaining financial assets, except trade receivables, other receivables and cash and cash equivalents, which do not have a significant financing component, at fair value when they are first recognized in the financial statements. If trade receivables do not have a significant financing component in accordance with TFRS 15 (or the Company chooses a facilitating application), these receivables are measured at the transaction price (as defined in TFRS 15) during their initial recognition in the financial statements.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Company classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.9 Financial instruments (Continued)

Financial assets carried at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- (a) holding the financial asset under a business model that aim to collect contractual cash flows;
- (b) the contractual terms of the financial asset result in cash flows at specified dates that include only payments of principal and interest on the principal outstanding balance.

Interest income on financial assets shown at amortized cost is calculated using the effective interest method. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except:

This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except:

- (a) Financial assets that are credit-impaired when purchased or created. For such financial assets, the Company applies a credit-adjusted effective interest rate to the amortized cost of the financial asset, as of its initial recognition.
- (b) Financial assets that were not credit-impaired financial assets when purchased or created but subsequently become credit-impaired financial assets. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in subsequent reporting periods.

If the contractual cash flows of a financial asset have been changed or otherwise restructured and such modification or restructuring does not result in derecognition of the financial asset, the gross carrying amount of the financial asset is recalculated and the restructuring gain or loss is recognized in profit or loss.

In the absence of reasonable expectations regarding the partial or total recovery of a financial asset's value, the Company deducts the financial asset from the financial statements by directly deducting its gross book value.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) Holding the financial asset under a business model that aims to collect the contractual cash flows and sell the financial asset;
- (b) The contractual terms of the financial asset result in cash flows at specified dates that include only payments of principal and interest on the principal outstanding balance.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.9 Financial instruments (Continued)

Financial assets at fair value through other comprehensive income (continued)

Gains or losses on a financial asset measured at fair value through other comprehensive income, other than impairment gains or losses and foreign exchange gains or losses are determined until the financial asset is derecognised or reclassified, reflected in other comprehensive income. When a financial asset is reclassified the total gain or loss previously recognized in other comprehensive income is subtracted from equity as a reclassification adjustment and recognized in profit or loss at the reclassification date. If a financial asset measured at fair value through other comprehensive income is reclassified, the entity recognizes the total gain or loss that it previously recognized in other comprehensive income. Interest calculated using the effective interest method is recognized as profit or loss.

At initial recognition, the Company may make an irreversible choice to present subsequent changes in the fair value of the investment in an equity instrument not held for trading in other comprehensive income.

If a financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss. The financial assets in question, which constitute derivative products that have not been determined as an effective hedge against financial risk, are also classified as financial assets at fair value through profit or loss. Relevant financial assets are shown at their fair values, and gains and losses resulting from the valuation are recognized in the statement of profit or loss.

Impairment

The Company makes a loss provision for expected credit losses related to financial assets carried at amortized cost and financial assets at fair value through other comprehensive income.

The Company applies the impairment provisions when recognizing and measuring the provision for loss for financial assets measured at fair value through other comprehensive income. However, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

If the credit risk on a financial instrument has increased significantly since initial recognition, Entity measures the loss allowance for that financial instrument at an amount equal to lifetime expected credit losses at each reporting date.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.9 Financial instruments (Continued)

Financial Liabilities

The Company measures the financial liability at its fair value when first recognizing it. In the initial measurement of liabilities other than those at fair value through profit or loss, transaction costs directly attributable to their acquisition or issuance are added to the fair value.

The company classifies all financial liabilities as measured at amortized cost at subsequent recognition, except for:

- (a) Financial liabilities at fair value through profit or loss: These liabilities are measured at fair value at subsequent recognition, including derivatives.
- (b) Financial liabilities arising if the transfer of the financial asset does not meet the requirements for derecognition or if the continuing relationship approach is applied: If the company continues to present an asset in the financial statements to the extent of its continuing relationship. It also reflects a related liability in the financial statements. The transferred asset and the associated liability are measured to reflect the rights and obligations that the entity continues to hold. The liability attached to the transferred asset is measured in the same manner as the net book value of the transferred asset.
- (c) Contingent consideration recognized by the acquirer in a business combination to which TFRS 3 applies: After initial recognition, the fair value changes in such contingent consideration are measured through profit or loss.

The Company does not reclassify any financial liabilities.

Recognition and derecognition of financial assets and liabilities

The company records financial assets and liabilities only if it is a party to the contract of financial instruments. The Company derecognises the financial asset when its contractual rights to cash flows from the financial asset expire or transfer the related financial asset and all the risks and rewards of ownership of that asset to another party. In cases where all the risks and rewards of ownership of the asset are not transferred to another party and the control of the asset is retained by the Company. the Company continues to account for its remaining share in the asset and the liabilities arising from and due to this asset. In the event that the Company retains all the risks and rewards of ownership of a transferred asset. the financial asset continues to be accounted for and a collateralized liability against the transferred financial asset is also recognized for the revenues obtained. The company derecognises the financial liability only if the obligation defined in the contract is eliminated canceled or expired.

2.2.10 Transactions in foreign currency

In the statutory accounts of the Company, transactions in foreign currencies (currencies other than Turkish lira) are translated into Turkish Lira ("TRY") at the rates of exchange ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Gains and losses arising on settlement and translation of foreign currency items are included in the statements of income.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.11 Earnings per shares

Earnings/loss per share is the portion of the net profit or loss that accounts for the common share, which divided by the weighted average unit of common share. In Turkey, companies, can increase their capitals by the "bonus share" method that they distributed from the prior year profits. This type of "bonus share" distribution, is considered as issued share in the earnings per share calculations. Accordingly, weighted average share amount used in this calculations are computed by considering the prior effects of the distributed shares as well.

2.2.12 Events after the reporting period

It refers to events that occur in favor of or against the enterprise between the balance sheet date and the date of authorization for the publication of the balance sheet. In case there is new evidence of the existence of the said events as of the balance sheet date or if the related events occur after the balance sheet date, the company discloses the said issues in the related footnotes.

In case of occurrence of events requiring adjustment after the balance sheet date, the company adjusts the amounts included in the financial statements in accordance with this new situation.

2.2.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

An asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events that are not under the full control of the enterprise is considered a contingent asset. If the possibility of resources containing economic benefits entering the business is high, contingent assets are disclosed in the footnotes.

If contingent liabilities become probable but no reliable estimate can be made about the amount of resources containing economic benefits, the Company presents the relevant liability in the footnotes.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.14 Related parties

A related party is a person or entity that is related to the entity that prepares its financial statements.

a) A person or a member of that person's immediate family is related to a reporting entity if: This person:

- (i) Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries).
- (ii) Has an interest in the entity that gives it significant influence over the entity; or
- (iii) Has joint control over the entity.

(b) An entity is related to a reporting entity if any of the following conditions exist:

- (i) The entity and the reporting entity are members of the same group (that is, each parent, subsidiary and other subsidiary is related to the others).
- (ii) The entity is a subsidiary or joint venture of the other entity (or a member of a group of which the other entity is a member).
- (iii) If both businesses are joint ventures of the same third party.
- (iv) If one of the entities is a joint venture of a third entity and the other entity is a subsidiary of that third entity.
- (v) If the entity, the reporting entity, or an entity related to the reporting entity has post-employment benefit plans for employees, the sponsoring employers are also related to the reporting entity if the reporting entity itself has such a plan.
- (vi) A person, who identified in (a) controll the entity or joint entity.
- (vii) A person identified in subparagraph (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a fee is charged.

2.2.15 Current and deferred income tax

Current year tax liability is calculated on the taxable portion of the period profit. Taxable profit differs from the profit included in the statement of profit or loss because it excludes items that are taxable or deductible in other years and items that cannot be taxed or deducted. The Company's current tax liability is calculated using the tax rate that has been legalized or substantially legalized as of the balance sheet date.

Deferred tax is calculated using the liability method, based on temporary differences between the recorded values of assets and liabilities in the financial statements and their tax values. These temporary differences generally arise from the recognition of income and expenses in different reporting periods in accordance with CMB Financial Reporting Standards and Tax Laws.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.15 Current and deferred income tax (Continued)

In calculating deferred tax, tax rates enacted as of the balance sheet date in accordance with the tax legislation in the period in which it will occur are used.

While deferred tax liabilities are recognized for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are recognized provided that it is highly probable that these differences will be benefited from by generating taxable profits in the future.

If there is a legally enforceable right to offset current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset against each other.

Tax is included in the statement of profit or loss provided that it does not relate directly to a transaction recognized in equity. Otherwise, the tax is accounted under equity along with the relevant transaction.

2.2.16 Provision for retirement and severance pay

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard 19 (revised) "Employee Benefits" ("TAS 19"). The retirement benefit obligation recognised in the balance sheet represents the net present value of the total due to retirement of all employees. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.2.17 Statement of cash flow

Cash and cash equivalents are reflected in the balance sheet at cost. Cash and cash equivalents considered for the cash flow statement include cash on hand, bank deposits and highly liquid investments. In the cash flow statement, cash flows for the period are classified and reported based on operating, investment and financing activities.

Cash flows from operating activities represent the cash flows from the Company's main activities. Cash flows related to investing activities show the cash flows used and obtained by the Company in its investment activities (asset investments and financial investments). Cash flows related to financing activities show the resources used by the Company in financing activities and the repayments of these resources.

2.2.18 Capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.19 Netting/offset

All items that are significant in terms of content and amount are shown separately in the financial statements, even if they are similar in nature. Amounts that are not significant are shown by adding up items that are similar in terms of their principles and functions. As a result of the nature of the transactions and events requiring offset, showing these transactions and events over their net amounts or monitoring the assets at their amounts after deducting the impairment loss is not considered a violation of the non-offsetting rule.

2.2.20 Trade receivables and provisions for doubtful trade receivables

Trade receivables resulting from the supply of a product to a buyer by the Company are shown net of unaccrued financial income. Trade receivables after unaccrued financial income are calculated by discounting the amounts to be obtained in the following periods of the receivables recorded from the original invoice value using the effective interest method. Short-term receivables with no specified interest rate are shown at cost, unless the effect of the original effective interest rate is significant. The Company allocates provision for doubtful receivables for related trade receivables. If there is an objective finding that collection is not possible.

The amount of this provision is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows including the amounts that can be collected from guarantees and guarantees based on the original effective interest rate of the trade receivable.

Following the provision for doubtful receivables. If all or part of the amount is collected, the collected amount is deducted from the doubtful receivables provision and accounted for under other operating income.

2.2.21 Leases

As a lessee

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Company assess whether:

The company considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

- a) the contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) the Company has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) the Company has the right to direct use of the asset. The Company concludes to have the right of use, when it is predetermined how and for what purpose the Company will use the asset. The Company has the right to direct use of asset if either:

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.21 Leases (Continued)

After the above-mentioned assessments, the Company reflects a right-of-use asset and a lease liability in its financial statements at the actual commencement date of the lease.

- a) The Company has the right to manage and change how and for what purpose the asset will be used throughout the period of use. or
- b) Decisions on how and for what purpose the asset will be used are predetermined:
 - i. the Company has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Company designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

Right-of-use asset

The company measures the right-of-use asset at its cost at the actual commencement date of the lease. The cost of the right-of-use asset includes:

- a) amount of the initial measurement of the lease liability;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the Company; and
- d) to apply a cost model, the Company measure the right-of-use asset at cost:

When applying the company cost method. the right-of-use asset:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

While depreciating the right of use asset, the company applies the depreciation provisions in TAS 16 Property, Plant and Equipment standard.

Company applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, The Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company use the lessee's incremental borrowing rate.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.21 Leases (Continued)

Lease liability (Continued)

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) The amount obtained by deducting all kinds of leasing incentive receivables from fixed payments,
- b) Lease payments that are dependent on an index or rate, the first measurement of which is made using an index or rate on the date when the lease actually begins,
- c) The lease period indicates that the lessee will exercise an option to terminate the lease. Penalty payments for termination of the lease, if it is shown.

After the commencement date, the Company measure the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in- substance fixed lease payments.

Facilitating applications

Short-term lease contracts with a lease term of 12 months or less and contracts for information technology equipment leases (predominantly printers, laptop computers, mobile phones, etc.) determined by the Company as low value are considered within the scope of the exception recognized by TFRS 16 Leases Standard. Payments related to contracts continue to be recognized as expenses in the period in which they occur.

As a lessor

All leases for which the Company is a lessor are classified as operating leases. In operating leases, the leased assets are classified under investment properties, tangible fixed assets or other current assets in the balance sheet and the rental income obtained is reflected in the income statement in equal amounts during the lease period. Rental income is reflected to the income statement on a straight-line basis throughout the rental period.

Additions to right-of-use assets, depreciation expenses and book values are presented in Note 6 by underlying asset class.

2.2.22 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 31 December 2025 with the financial position statement prepared as of 31 December 2024; The profit or loss statement for the period 1 January- 31 December 2025, the profit or loss statement for the 1 January- 31 December 2024 accounting period, and the other comprehensive income statement for the 1 January- 31 December 2025 accounting period, the 1 January- 31 December 2024 accounting period, other comprehensive income statement, cash flow statement for the accounting period 1 January- 31 December 2025 and statements of changes in shareholders' equity are prepared comparatively with the related financial statements for the accounting period 1 January 31 December 2024.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.2 Significant accounting estimates and decisions (Continued)

2.2.22 Deferred tax assets calculated based on available tax deductions

Unused tax losses are recognized in the books if it is highly probable that sufficient taxable income will be available in future periods. The Company has deferred tax assets consisting of unused tax losses and other deductible temporary differences that can be deducted from future profits of its subsidiaries. The amount of deferred tax assets that can be partially or fully recovered has been estimated under current conditions. During the assessment, future profit projections, losses incurred in current periods, the dates on which unused losses and other tax assets can be used, and tax planning strategies that can be used when necessary were taken into account.

Based on the data obtained, if the Company's future taxable income is insufficient to cover the entire deferred tax asset, the entire deferred tax asset and a portion thereof are allocated. If future operating results indicate that the Company expects to use all of the deferred tax asset based on future profit projections.

The Company has a deductible financial loss of TL 618,841 as of December 31, 2025 (December 31, 2024: TL 0) (Note 21).

The company assesses the recoverability of deferred tax assets related to the aforementioned fiscal year losses based on business models that include taxable profit estimates. These business models incorporate forward-looking management estimates such as growth rates and exchange rate expectations. As a result of sensitivity analyses conducted on the forward-looking use of fiscal year losses, it was concluded that a 10% increase/decrease in the relevant estimates would have no significant impact on the recoverability of the related deferred tax assets.

2.2.23 Government incentives

Government grants are not recognized in the financial statements unless there is reasonable assurance that the entity will comply with the conditions required to receive the grant and that the grant will be received (Note 26).

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.3 New and Revised Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of 31 December 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 31 December 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;
 - 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.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

- **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'.
- **Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency;** effective from annual periods beginning on or after 1 January 2027. These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
 - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

- **Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements;** These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate. The Examples do not have an effective date, but entities might consider the application for December 2025 year-ends.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

- **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.

For the year ending December 2025, disclosures should include:

- the nature of the changes,
- the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,
- the planned adoption date, and
- either:
 - known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or
 - if that impact is not known or reasonably estimable, a statement to that effect.

In order to comply with Paragraphs 30-31 of IAS 8, entities should consider the following principles when preparing disclosures related to the adoption of IFRS 18:

a. Disclosures are expected to become increasingly detailed as entities implementation process progresses toward 2027.

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending December 2025, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

b. Where appropriate and reliable, consider including quantitative information.

It may be appropriate to disclose preliminary figures, when the company has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

c. Consider alignment with other public communications.

If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.

d. Disclosures should be based on the information available through the date of issuance of the financial statements,

not only the end of the reporting period.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures' and amendment;** 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.

IFRS 19 Subsidiaries without Public Accountability: Disclosures'; with these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

2.4 Changes and errors in accounting estimates

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are reviewed if there is a change in the conditions on which the estimate was based, new information is obtained, or additional developments occur. The effect of a change in an accounting estimate is reflected in the financial statements in a manner that will be taken into account in determining the period profit or loss, prospectively, if the change relates only to one period, in the current period in which the change is made, and if it relates to future periods, both in the period in which the change is made and in future periods.

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 2 - Basis of presentation of financial statements (Continued)

2.4 Changes and errors in accounting estimates (Continued)

The nature and amount of a change in the accounting estimate that has an effect on the current period's operating result or is expected to have an effect on the following periods is disclosed in the footnotes of the financial statements, unless it is not possible to estimate the effect on future periods. There has been no change or error in the accounting estimates of the financial statements for the 31 December 2025 accounting period.

2.5 Seasonality of activities

At the beginning of the year, the Company launches a sales campaign for specific products, followed by "dealer fairs" held in the first quarter to promote the sales of its manufactured and imported brands. During these campaigns and dealer fairs, customer orders are secured through checks, Direct Debit System (DDS), or credit cards. A significant portion of the orders received is shipped within the first half of the year.

2.6 Significant accounting judgments, estimates and assumptions

Fair values of derivatives and other financial instruments

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Expected credit losses

Provision for doubtful receivables is recognized using expected credit losses as defined in TFRS 9. The allowance for doubtful receivables is calculated using expected credit losses and excluding dealers subject to the Direct Debit System, taking into account the Company's estimates for the future in addition to past experience.

NOTE 3 - Segment reporting

Fields of activity of the Company established in Türkiye are the production of pencils, colored pencils, toys, and other stationery equipment; the sale and export of finished products in the facilities; and the import of all kinds of raw materials, semi-finished products, and finished products for purchase and sale.

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 4 - Cash and cash equivalents

	<u>31 December 2025</u>	<u>31 December 2024</u>
Time deposit	389,815	46,104
Demand deposit	1,425	213
Other cash equivalents	4,110	815,628
Cash and cash equivalents in the statement of cash flows	395,350	861,945
Interest income accruals	349	1,072
	395,699	863,017

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

NOTE 5 - Financial investments

	<u>31 December 2025</u>	<u>31 December 2024</u>
	%	%
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (*)	-	7.67
Other long-term investments (**)	1,472	-
	1,472	1,708

(*) The liquidation process of Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. was completed as of December 30, 2025.

(**) It is the amount of venture capital investment fund received by the Company on a long-term basis, equivalent to 2% of the corporate tax incentive utilized, as a result of its status as an R&D center.

NOTE 6 - Borrowings and right of use assets

31 December 2025	Interest Accruals	Amount
Short term borrowings		
TRL loans	23,47- 45,00	230,886
Issued debt instruments (*)	TLref + %1	929,693
		1,160,579

(*) The Company has issued debt instruments with a maturity date of November 25, 2026, with a principal and coupon payment at maturity, amounting to TL 500,000, bearing interest at 40.75%, with a 100 bps variable interest rate based on the BIST TLREF index change, maturing in 364 days, to be sold to qualified investors without a public offering in Turkey. November 25, 2026 maturity, principal and coupon payments at maturity, 350,000 TL in debt instruments.

As of 31 December 2025, the interest accrual calculated for the Company's issued debt instruments is classified within the issued debt instruments.

31 December 2025	Interest Accruals	Amount
Long term borrowings		
Current portion of long-term lease liabilities	14,00 - 34,50	14,433
Current portion of long-term loans	TLref + %1	192,612
Current portion of long-term issued debt securities (*)	TLref + %1	279,354
		486,399

(*) The Company has issued debt instruments amounting to TRL 250,000, offered exclusively to qualified investors without a public offering in the domestic market. These instruments have a maturity of 730 days, bear a variable interest rate of BIST TLREF + 100 bps, feature four coupon payments, and are set to mature on September 24, 2026.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 6 - Borrowings and right of use assets (Continued)

As of 31 December 2025, the interest accrual calculated for the short-term parts of the Company's long-term borrowings is classified within the short-term parts of the relevant long-term borrowings.

31 December 2025	Interest Accruals	Amount
Long term borrowings		
Long-term lease liabilities		37,375
		37,375

The details of the Company's short and long-term borrowings as of 31 December 2024 are as follows;

31-Dec-24

Share (%)	Interest Accruals	Amount
Short term borrowings		
TRL loans	48,00 - 54,00	510,581
		510,581

As of 31 December 2024, the interest accrual calculated for the Company's short-term loans is classified within the relevant short-term bank loans.

31-Dec-24	Interest Accruals	Amount
Current portion of long-term borrowings		
Current portion of long-term lease liabilities	14,00 - 45,00	61,856
Current portion of long-term loans	TLref + %1	36,610
Current portion of long-term issued debt securities	TLref + %1	47,036
		145,502

As of 31 December 2024, the interest accrual calculated for the short-term parts of the Company's long-term borrowings is classified within the short-term parts of the relevant long-term borrowings.

31-Dec-24	Faiz oranı %	Amount
Long term borrowings		
TRL loans	TLref + %1	222,516
Issued Debt Securities	TLref + %1	327,230
Lease Liabilities		113,070
		662,816

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

31-Dec-25	Total liabilities
1-2 years	37,375
	37,375

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 6 - Borrowings and right of use assets (Continued)

31-Dec-24	Total liabilities
1-2 years	662,816
	662,816

The movement of bank loans is as follows:

	<u>2025</u>	<u>2024</u>
1 January	1,143,973	1,894,065
Cash inflows from borrowings	3,819,036	1,979,143
Cash outflows for repayment of borrowings	(2,952,313)	(2,197,785)
Interest expense	708,201	714,694
Interest paid	(729,303)	(671,004)
Monetary gain/(loss)	(357,049)	(575,140)
31 December	1,632,545	1,143,973

The movement table of lease liabilities is as follows:

	<u>2025</u>	<u>2024</u>
1 January	174,926	208,718
Additions during the period	44,124	194,639
Cash outflows for debt repayments	(78,621)	(79,246)
Interest expense	39,804	36,303
Lease modification	(73,171)	(110,487)
Monetary (gain)/loss	(55,254)	(75,001)
31 December	51,808	174,926

The movement table of the right-of-use assets of the Company as of 31 December 2025 and 31 December 2024 is given below:

Right-of-use assets	Vehicles	Buildings	Total
1 January	42,126	158,304	200,430
Additions	44,124	-	44,124
Disposals	-	(12,219)	(12,219)
Lease modifications	-	(73,171)	(73,171)
Depreciation expense for the period	(5,330)	(39,142)	(44,472)
Closing balance as of 31 December 2025	80,920	33,772	114,692

(*) TRL 56 of depreciation expenses are included in the cost of goods sold, TRL 7.957 in general administrative expenses, and TRL 36.459 in marketing, sales and distribution expenses.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 6 - Borrowings and right of use assets (Continued)

Right-of-use assets	Vehicles	Buildings	Total
1 January	52,871	201,838	254,709
Additions	24,612	170,027	194,639
Disposals	(3,065)	(166,624)	(169,689)
Depreciation expense for the period	(32,292)	(46,937)	(79,229)
Closing balance as of 31 December 2024	42,126	158,304	200,430

(*) TRL 445 of depreciation expenses are included in the cost of goods sold, TRL 6.640 in general administrative expenses, and TRL 72.144 in marketing, sales and distribution expenses.

NOTE 7 - Trade receivables and payables

Trade receivables	31-Dec-25	31-Dec-24
Trade receivables from related parties (Note 23)	9,925	55,947
Trade receivables from third parties	143,906	115,791
	153,831	171,738

Trade receivables from non-related parties	31-Dec-25	31-Dec-24
Notes and checks receivable	6,650	2,059
Trade receivables	146,316	123,499
Less: Allowance for doubtful trade receivables	(9,060)	(9,767)
	143,906	115,791

As of 31 December 2025 and 2024, the movement table for doubtful trade receivables is as follows:

	2025	2024
1 January	9,767	12,054
Provision recognized during the period (Note 18)	1,938	1,455
Reversal of impairment provision (Note 18)	(421)	-
Monetary (gain)/loss	(2,224)	(3,742)
31 December	9,060	9,767

Trade payables	31-Dec-25	31-Dec-24
Trade payables to related parties (Note 23)	6,578	9,410
Trade payables to third parties	115,586	164,628
	122,164	174,038

Trade receivables from third parties	31-Dec-25	31-Dec-24
Trade payables	115,278	156,580
Other trade liabilities	308	8,048
	115,586	164,628

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 8 - Other receivables and payables

Other receivables	31-Dec-25	31-Dec-24
Receivables from third parties	694	1,996
	694	1,996
Other receivables	31-Dec-25	31-Dec-24
Amounts due from employees	2	1,302
Deposits and guarantees given	332	459
Other miscellaneous receivables	360	235
	694	1,996
Other payables	31-Dec-25	31-Dec-24
Other payables – third parties	2,046	5,012
	2,046	5,012
Other payables to unrelated parties	31-Dec-25	31-Dec-24
Taxes, duties and withholdings payable	1,386	4,126
Other	660	886
	2,046	5,012
Liabilities relating to employee benefits	31-Dec-25	31-Dec-24
Amounts due to employees	30,210	81,864
Social security premiums payable	11,442	12,235
Taxes, duties and withholdings payable	28,336	47,427
	69,988	141,526
Long-term liabilities for employee benefits	31-Dec-25	31-Dec-24
Amounts due to employees	1,951	3,030
	1,951	3,030

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 9 – Inventories

	31-Dec-25	31-Dec-24
Raw materials	243,946	275,327
Work in process	127,856	133,340
Finished goods	393,655	349,289
Trade goods	363,670	293,265
Other inventories	12,906	15,014
Less: Allowance for inventory write-downs (*)	(9,110)	(32,929)
	1,132,923	1,033,306

(*) As of 31 December 2025 and 2024, the movement table regarding the stock impairment provision allocated as a result of the evaluation regarding the recoverability of stocks is as follows:

	2025	2024
1 January	32,929	30,911
Reversal of impairment provision (-)	(32,929)	(14,563)
Allowance/provision for the period	9,110	16,581
31 December	9,110	32,929

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 10 - Property, plant and equipment

As of 1 January 2025	Lands	Land improvements and buildings	Buildings	Machinery and Equipment	Vehicles	Furniture and fixtures	Construction in progress	Special costs	Total
Cost	56,737	26,880	886,550	1,237,751	19,833	336,909	34,436	5,980	2,605,076
Accumulated depreciation	-	(24,696)	(182,768)	(1,039,328)	(19,801)	(300,029)	-	(4,549)	(1,571,171)
Net book value	56,737	2,184	703,782	198,423	32	36,880	34,436	1,431	1,033,905
Opening balance	56,737	2,184	703,782	198,423	32	36,880	34,436	1,431	1,033,905
Additions	-	-	650	21,741	-	4,817	8,253	4,238	39,699
Cost of disposals	-	-	-	(25,683)	-	(84,364)	-	(5,832)	(115,879)
Accumulated depreciation of disposals	-	-	-	24,970	-	79,593	-	4,425	108,988
Transfers	-	-	306	2,787	-	-	(26,118)	-	(23,025)
Depreciation (*)	-	(365)	(19,721)	(49,905)	(22)	(10,424)	-	(63)	(80,500)
Period End	56,737	1,819	685,017	172,333	10	26,502	16,571	4,199	963,188
As of 31 December 2025									
Cost	56,737	26,880	887,506	1,236,596	19,833	257,362	16,571	4,386	2,505,871
Accumulated depreciation	-	(25,061)	(202,489)	(1,064,263)	(19,823)	(230,860)	-	(187)	(1,542,683)
Net book value	56,737	1,819	685,017	172,333	10	26,502	16,571	4,199	963,188

(*) TRL 63.674 of depreciation expenses are included in the cost of goods sold, TRL 2.514 in general administrative expenses, TRL 9.372 in research and development expenses and TRL 4.940 in marketing, sales and distribution expenses.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 10 - Property, plant and equipment (Continued)

As of 1 January 2024	Lands	Land improvements and buildings	Buildings	Machinery and Equipment	Vehicles	Furniture and fixtures	Construction in progress	Special costs	Total
Cost	56,737	26,880	883,901	1,222,559	19,833	331,052	-	6,840	2,547,802
Accumulated depreciation	-	(24,327)	(161,441)	(993,335)	(19,785)	(293,128)	-	(2,800)	(1,494,816)
Net book value	56,737	2,553	722,460	229,224	48	37,924	-	4,040	1,052,986
Opening Balance	56,737	2,553	722,460	229,224	48	37,924	-	4,040	1,052,986
Additions	-	-	2,647	17,080	-	15,359	34,436	-	69,522
Cost of disposals	-	-	-	(1,889)	-	(9,503)	-	(860)	(12,252)
Accumulated depreciation of disposals	-	-	-	1,627	-	9,215	-	836	11,678
Depreciation (*)	-	(369)	(21,325)	(47,619)	(16)	(16,115)	-	(2,585)	(88,029)
Period End	56,737	2,184	703,782	198,423	32	36,880	34,436	1,431	1,033,905
As of 31 December 2024									
Cost	56,737	26,880	886,548	1,237,750	19,833	336,908	34,436	5,980	2,605,072
Accumulated depreciation	-	(24,696)	(182,766)	(1,039,327)	(19,801)	(300,028)	-	(4,549)	(1,571,167)
Net book value	56,737	2,184	703,782	198,423	32	36,880	34,436	1,431	1,033,905

(*) TRL 67.025 of depreciation expenses is included in the cost of goods sold, 2.490 TRL is included in general administrative expenses, 2.975 TRL is included in research and development expenses, and 15.539 TRL is included in marketing, sales and distribution expenses.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 11 - Intangible assets

Intangible assets include computer software, rights and development costs.

As of 1 January 2025	Rights	Developments	License agreements	Other	Total
Cost	4,201	114,926	312,386	29,201	460,714
Accumulated depreciation	(3,919)	(40,454)	(272,183)	(28,044)	(344,600)
Net book value	282	74,472	40,203	1,157	116,114
Opening	282	74,472	40,203	1,157	116,114
Additions	-	40,029	7,628	2,619	50,276
Cost of disposals	(1,778)	-	-	-	(1,778)
Accumulated depreciation of disposals	1,563	-	-	-	1,563
Transfers	-	23,025	-	-	23,025
Depreciation (*)	-	(25,553)	(16,002)	(2,948)	(44,503)
Period End	67	111,973	31,829	828	144,697

As of 31 December 2025					
Cost	2,423	177,980	320,014	31,820	532,237
Accumulated depreciation	(2,356)	(66,007)	(288,185)	(30,992)	(387,540)
Net book value	67	111,973	31,829	828	144,697

(*) For the current period, amortization shares include TRL 30.461 in the cost of goods sold, TRL 10.660 in general administrative expenses, TRL 42.053 in research and development expenses and TRL 5.802 in marketing, sales and distribution expenses, has been made.

As of 1 January 2024	Rights	Developments	License agreements	Other	Total
Cost	4,201	112,785	299,839	24,774	441,599
Accumulated depreciation	(3,693)	(17,861)	(250,424)	(20,332)	(292,310)
Net book value	508	94,924	49,415	4,442	149,289
Opening	508	94,924	49,415	4,442	149,289
Cost	-	2,141	12,547	1,829	16,517
Accumulated depreciation	(226)	(22,593)	(21,759)	(5,114)	(49,692)
Period end	282	74,472	40,203	1,157	116,114

As of 31 December 2024					
Cost	4,201	114,926	312,386	26,603	458,116
Accumulated depreciation	(3,919)	(40,454)	(272,183)	(25,446)	(342,002)
Net book value	282	74,472	40,203	1,157	116,114

(*) For the current period, amortization shares include TRL 26.620 in the cost of goods sold, TRL 2.318 in general administrative expenses, TRL 6.736 in research and development expenses, and TRL 14.017 in marketing, sales and distribution expenses, has been made.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 12 - Provisions, contingent assets and liabilities

	31-Dec-25	31-Dec-24
Provisions for lawsuits	5,261	6,878
	5,261	6,878

15 employees of the Company have filed 15 lawsuits against the Company for the cancellation of their employment contracts, reinstatement and other compensation claims and a provision for lawsuits amounting to TRL 5.261 has been set aside as a result of the evaluations of the lawyers in relation to the related lawsuits.

	2025	2024
Opening balance - 1 January	6,878	353
Provision recognized during the period	-	6,634
Monetary (gain)/loss	(1,617)	(109)
Closing balance - 31 December	5,261	6,878

Contingent liabilities and contingent assets

Adel Kalemcilik Ticaret ve Sanayi A.Ş. was unable to collect its receivable of TRL 1.026 arising from its current account relationship with its customer. As a result, enforcement proceedings were initiated under Istanbul 18th Enforcement Directorate file numbers 2012/20785E and 2012/18797E, as well as Kartal 1st Enforcement Directorate file number 2012/6142E. The sale of the seized real estate was requested on October 7, 2013. The valuation report has been notified, and the real estate sales process is ongoing.

2014/14137E, 2014/15246E, 2014/16896E, filed under Izmir 2, 8, 10 and 14th Enforcement Directorate, as a result Adel Kalemcilik Ticaret ve Sanayi A.Ş.'s inability to collect its receivable of TRL 8.389 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 Kalemcilik 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 31 December 2025. The company has objected to the enforcement proceedings in question and the proceedings are continuing.

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 12 - Provisions, contingent assets and liabilities (Continued)

Contingent liabilities and contingent assets (Continued)

The Company was unable to collect its receivable arising from a 689 TL advance payment to its supplier. Consequently, enforcement proceedings were initiated under file number 2024/25778 E at the Gebze Enforcement Directorate, and a provision has been made for the said amount. The main enforcement proceedings have been initiated, and inquiries have been made regarding the debtor's registered assets. No assets are registered in the debtor's name, and investigations are continuing in order to collect the receivable.

The aforementioned lawsuits do not have a material impact on the Company's financial position, operating results, or liquidity.

	31-Dec-25	31-Dec-24
<i>Guarantees and commitments given</i>		
Guarantee Letters	132,252	21,164
Letters of credit commitments	-	50,527

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

31-Dec-25

Guarantees, Pledges and Mortgages ("TRI") Provided by the Com	TRY Equivalent	EUR (000)	TRY
A. Total amount of guarantees, pledges and mortgages ("CPM") given in the Company's own legal name	132,252	-	132,252
B. Total amount of guarantees, pledges and mortgages ("TRI") given on behalf of subsidiaries included in full consolidation	-	-	-
C. Total amount of guarantees, pledges and mortgages given to secure third parties' obligations in the ordinary course of business	-	-	-
D. Total amount of other guarantees, pledges and mortgages given	-	-	-
i. Total amount of guarantees, pledges and mortgages given on behalf of the parent company	-	-	-
ii. Total amount of guarantees, pledges and mortgages given on behalf of other group companies not covered by items B and C	-	-	-
iii. Total amount of guarantees, pledges and mortgages given on behalf of third parties not covered by item C	-	-	-
	132,252	-	132,252

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 12 - Provisions, contingent assets and liabilities (Continued)

Contingent liabilities and contingent assets (Continued)

31-Dec-24

Guarantees, Pledges and Mortgages ("TRİ") Provided by the Com	TRY Equivalent	EUR (000)	TRY
A. Total amount of guarantees, pledges and mortgages ("CPM") given in the Company's own legal name	21,164	-	21,164
B. Total amount of guarantees, pledges and mortgages ("TRİ") given on behalf of subsidiaries included in full consolidation	-	-	-
C. Total amount of guarantees, pledges and mortgages given to secure third parties' obligations in the ordinary course of business	-	-	-
D. Total amount of other guarantees, pledges and mortgages given	-	-	-
i. Total amount of guarantees, pledges and mortgages given on behalf of the parent company	-	-	-
ii. Total amount of guarantees, pledges and mortgages given on behalf of other group companies not covered by items B and C	-	-	-
iii. Total amount of guarantees, pledges and mortgages given on behalf of third parties not covered by item C	-	-	-
	21,164	-	21,164

The ratio of other CPMs given by the Company to the Company's equity capital is 0% as of 31 December 2025 (31 December 2024: 0%).

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 13 - Employee benefits

Short-term employee benefits	31-Dec-25	31-Dec-24
Accrued bonuses	4,184	14,911
Accrued unused vacation pay	3,196	3,102
	7,380	18,013
Long-term employee benefits	31-Dec-25	31-Dec-24
Provision for severance pay	40,836	43,719
	40,836	43,719

The movement table of unused vacation accruals as of 31 December 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
1 January	3,102	4,867
Additions	22,849	14,743
Used vacations	(20,268)	(14,622)
Monetary (gain)/loss	(2,487)	(1,886)
31 December	3,196	3,102

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 January 2026, the severance pay to be paid is subject to a monthly ceiling of TRL 64.948,77 (1 January 2025: TRL 46.655,43). 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:

Severance pay liability is not legally subject to any funding. The severance pay provision is calculated by estimating the present value of the future probable obligation of the company arising from the retirement of its employees. TAS 19 ("Employee Benefits") requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability for each year of service increases in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As of 31 December 2025 and 2024, provisions in the attached financial statements are calculated by estimating the present value of the possible future liability arising from the retirement of employees.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 13 - Employee benefits (Continued)

Provisions for employee termination benefits (Continued)

	<u>2025</u>	<u>2024</u>
1 January	43,719	54,596
Service cost	23,064	27,229
Severance pay benefits paid	(21,076)	(13,184)
Remeasurement differences	6,922	(8,746)
Monetary (gain)/loss	(11,793)	(16,176)
31 December	40,836	43,719
	31-Dec-25	31-Dec-24
Real discount rate (%)	2.58	2.58
Employee turnover rate related to retirement (%)	92.64	92.82

NOTE 14 - Other assets and liabilities

Short-term Prepaid Expenses	31-Dec-25	31-Dec-24
Prepaid Expenses	18,268	5,933
Advances to Suppliers	16,090	17,789
	34,358	23,722
Current Tax Assets	31-Dec-25	31-Dec-24
Prepaid Taxes and Funds	10,193	159,298
	10,193	159,298
Other Current Assets	31-Dec-25	31-Dec-24
Recoverable VAT	80,771	92,865
Other Miscellaneous Current Assets	-	85
	80,771	92,950
Long-term Prepaid Expenses	31-Dec-25	31-Dec-24
Expenses Relating to Future Years	19,494	21,678
	19,494	21,678
Deferred Income	31-Dec-25	31-Dec-24
Advances Received	26,695	79,913
	26,695	79,913

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 15 - Capital, reserves and other equity items

Capital

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

	31-Dec-25		31-Dec-24	
	% Percentage	Amount	% Percentage	Amount
AG Anadolu Grubu Holding A.Ş.	56.89	147,832	56.89	147,832
Faber - Castell Aktiengesellschaft	15.40	40,017	15.40	40,017
Publicly Listed	27.71	72,026	27.71	72,026
Share Capital	100.00	259,875	100.00	259,875
Share Capital Adjustment		495,528		495,528
Total Equity		755,403		755,403

Capital adjustment differences express the effect of realigning cash additions to paid-in capital with year-end purchasing power.

Number of shares, share groups and privileges:

The Company has 40.017.351 registered shares amounting to TRL 40.017 and 219.857.649 registered shares amounting to TRL 219.858 in accordance with the Foreign Capital Legislation. There are no privileges granted to shareholders in the election of the board of directors.

Restricted reserves allocated from profit

According to the Turkish Commercial Code, legal reserves are divided into two: first and second legal reserves. According to the Turkish Commercial Code, the first legal reserves are allocated as 5% of the legal net profit until 20% of the company's paid capital is reached. The second set of legal reserves is 10% of the distributed profit exceeding 5% of the paid capital. According to the Turkish Commercial Code, as long as legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset losses and cannot be used in any other way. As a result of the sale of the company's real estate and participation shares, which are evaluated within the scope of Article 5/e of the Corporate Tax Law No. 5520, 75% of the sales profit is classified as "Profit from the sale of real estate and participation shares".

	31-Dec-25	31-Dec-24
Legal reserves	401,188	386,851
Real estate and subsidiary shares sales profit	1,911	5,510
R&D investment fund	2,065	2,066
	405,164	394,427

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 15 - Capital, reserves and other equity items (Continued)

Retained Earnings

Publicly listed companies distribute dividends in accordance with the requirements of CMB as explained below:

	31-Dec-25	31-Dec-24
Other retained earnings / (Accumulated losses)	330,376	441,431
Extraordinary reserves	235,860	284,366
	566,236	725,797

As of 31 December 2025 and 2024, the fund items included in shareholders' equity in the financial statements prepared in accordance with the Tax Procedure Law are as follows.

	31-Dec-25		
	CPI adjusted statutory entrys	PPI adjusted statutory entrys	Amounts Carried Forward in Prior Years' Profit/Loss
<i>Retained Earnings</i>			
Adjustments to share capital	611,955	495,528	116,427
Restricted reserves	443,541	405,164	38,377

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 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 Meeting held on 16 April 2025, since there was no Net Distributable Period Profit according to the statutory records in the Profit Distribution Table prepared within the scope of the Capital Markets Board Dividend Guide for the 2024 activity year of our Company. As of the date, the gross profit share of 150.026 full TRL, calculated on the basis of purchasing power, will be distributed to full taxpayer institutions at the rate of 57,73% gross amounting to 0,5773 full TRL for each share with a nominal value of 1 full TRL and 0,4907 for each share with a nominal value of 1 full TRL. It was decided to distribute a net cash dividend of 49,07% in full TRL, and dividend payments started and were completed on 26 September 2025.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 15 - Capital, reserves and other equity items (Continued)

Dividend Distribution

	31-Dec-25	31-Dec-24
Dividends paid to shareholders	173,228	238,773
	173,228	238,773

NOTE 16 - Revenue and cost of sales

	1 January - 31-Dec-25	1 January - 31-Dec-24
Domestic sales	2,810,195	4,822,326
Export / international sales	165,607	164,910
Sales discounts (-)	(876,189)	(1,437,472)
Net Sales	2,099,613	3,549,764
Cost of Sales	(1,266,831)	(1,733,099)
Gross Profit	832,782	1,816,665

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

	1 January - 31-Dec-25	1 January - 31-Dec-24
Raw materials and supplies expenses	299,695	469,163
Direct labor expenses	277,989	328,161
Manufacturing overhead expenses	123,193	156,692
Depreciation expenses	94,134	94,089
Provision for inventory write-downs	9,110	16,581
Change in work-in-progress inventory	5,483	(5,104)
Change in finished goods inventory	(78,021)	(21,283)
Cost of Finished Goods Sold	731,583	1,038,299
Cost of merchandise sold	535,248	694,800
Cost of Sales	1,266,831	1,733,099

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 17 - Expenses by natures

The operating expenses of the Company are as follows.

	1 January- 31-Dec-25	1 January- 31-Dec-24
Personnel Expenses	792,212	965,139
Raw Materials, Supplies, and Merchandise Expenses	762,405	1,137,576
Depreciation Expenses	169,475	216,950
Purchased Services Expenses	168,309	192,461
Domestic Selling Expenses	73,690	93,695
Advertising and Marketing Expenses	51,359	107,496
IT Expenses	48,047	40,654
Licensing Expenses	30,750	50,478
Maintenance and Repair Expenses	29,028	36,892
Insurance Expenses	24,286	22,079
Utilities Expenses	23,807	40,274
Transportation / Vehicle Expenses	10,070	12,525
Travel Expenses	5,273	13,518
Operating Supplies Expenses	3,987	3,130
Export / International Selling Expenses	2,687	9,592
Taxes, Duties, and Fees Expenses	2,376	9,734
Communication Expenses	2,291	2,516
Other Expenses	95,013	131,765
	2,295,065	3,086,474

By nature expenses include cost of sales, research and development expenses, marketing, selling and distribution expenses and general administrative expenses.

	1 January- 31-Dec-25	1 January- 31-Dec-24
Cost of Sales	1,266,831	1,733,099
Marketing, Selling, and Distribution Expenses	557,483	761,081
General and Administrative Expenses	453,248	567,472
Research and Development (R&D) Expenses	17,503	24,822
	2,295,065	3,086,474

The distribution of personnel expenses in research and development expenses, cost of sales, general administrative expenses and marketing, selling and distribution expenses is as follows:

Personnel Expenses

	2025	2024
Cost of Sales	319,378	375,642
Marketing, Selling, and Distribution Expenses	234,835	314,118
General and Administrative Expenses	232,792	262,798
Research and Development (R&D) Expenses	5,207	12,581
	792,212	965,139

Research and Development (R&D) Expenses

	2025	2024
Depreciation Expenses	10,742	9,714
Personel expenses	5,207	12,581
Other expenses	1,554	2,527
	17,503	24,822

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 17 - Expenses by natures (Continued)

Marketing, Selling, and Distribution Expenses

	2025	2024
Personnel Expenses	232,792	262,798
Domestic Selling Expenses	70,695	87,613
Depreciation Expenses	51,425	101,699
Advertising and Marketing Expenses	51,359	107,496
Licensing and Similar Expenses	30,750	50,478
Professional Services Expenses / Purchased Services	7,549	7,821
Transportation / Vehicle Expenses	7,208	8,831
Information Systems / IT Expenses	5,752	7,022
Research and Development (R&D) Expenses	1,194	5,821
Insurance Expenses	1,037	1,051
Other Expenses	97,722	120,451
	557,483	761,081

General and Administrative Expenses

	2025	2024
Personel expenses	234,835	314,118
Professional Services Expenses / Purchased Services	131,821	154,221
Information Systems / IT Expenses	34,618	17,884
Depreciation Expenses	13,174	11,448
Other expenses	38,800	69,801
	453,248	567,472

NOTE 18 - Other operating and investment activities income and expenses

	1 January - 31-Dec-25	1 January - 31-Dec-24
Other income from main operations		
Foreign exchange gain	13,075	14,264
Rediscount interest income	421	-
Other	5,523	11,053
	19,019	25,317

	1 January - 31-Dec-25	1 January - 31-Dec-24
Other operating expense		
Sale of scrap and other materials	15,857	25,862
Currency translation expense	6,764	7,830
Allowance for doubtful trade receivables (Note 7)	1,938	1,455
Donation expenses	85	10,846
Litigation provision expenses (Note 12)	-	6,634
Other	6,218	12,695
	30,862	65,322

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 19 - Income and expense from investment activities

	1 January - 31-Dec-25	1 January - 31-Dec-24
Income and expense from investment activities		
Profit on sale of property, plant and equipment	585	1,385
	585	1,385
Expenses from investment activities		
Losses from sale of property, plant and equipment	3,141	52,924
Expense arising from cancellation of the rental agreement	136	-
Transfer of currency translation differences recognized income statement	-	7,438
	3,277	60,362

NOTE 20 - Finance income and expenses

	1 January - 31-Dec-25	1 January - 31-Dec-24
Finance income		
Interest income	68,652	194,505
Gain on sale of funds	40,168	101,288
Foreign exchange gain	9,389	24,540
Income from foreign currency hedged deposits	-	22,626
Interest income from sublease receivables	-	177
	118,209	343,136
Finance expenses		
Interest expenses	748,005	750,997
Foreign exchange expenses	2,864	4,197
	750,869	755,194

NOTE 21- Income taxes

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

In Turkey, the corporate tax rate is 25%. The corporate tax return must be declared by the evening of the twenty-fifth day of the fourth month following period. It must be paid in one piece by the end of this month. In accordance with the tax legislation, provisional tax is calculated and paid at the corporate tax rate on the earnings generated quarterly, and the amounts paid in this way are offset from the tax calculated on annual earnings.

In accordance with the tax legislation in Turkey, financial losses can be carried forward for a maximum of five years following the year in which they occurred. In addition, tax declarations and relevant accounting records can be examined by the tax administration within five years.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 21- Income taxes (Continued)

Income taxes

	1 January - 31-Dec-25	1 January - 31-Dec-24
Current period provision for corporate tax (-)	-	-
Deferred tax income/(expense)	153,855	(75,437)
Total deferred tax expense, (net)	153,855	(75,437)

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

	2025	2024
Profit/loss before tax	(656,221)	99,841
Tax rate	%25	%25
Calculated tax expenses	(164,055)	24,960
Non-deductible expenses	12,213	5,967
Research and development allowances	-	(7,528)
Tax exempt income	(1,344)	(8,387)
Monetary gain/(loss)	(669)	60,425
Tax income/(expense)	(153,855)	75,437

	31-Dec-25	31-Dec-24
Less: Prepaid Corporate Tax	10,193	159,298
Current Period Income Tax (Liability)/Asset, Net	10,193	159,298

Tax Advantages Obtained Within the Scope of Investment Incentive System:

The profits obtained by the Company from its investments subject to incentive certificates are subject to corporate tax at reduced rates, starting from the accounting period in which the investment is partially or fully operated, until it reaches the contribution amount to the investment.

Within the scope of the Company's incentive certificates, there is no reduced corporate tax advantage used against the current period legal tax. (31 December 2024: No)

The company capitalizes its R&D expenditures within the scope of Law No. 5746 in its legal books. According to the provisions of the same law, by calculating the R&D expenditures made by the Company within the framework of the relevant legislation, it benefits from the R&D discount for the part of the R&D expenditures allowed by law.

As of December 31, 2025, the Company has not utilized the R&D tax credit benefit in lieu of legal tax (December 31, 2024: TL 5,735). The tax benefit of TL 17,520 (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 – December 31, 2025, includes deferred tax income of TL 17,520 related to the aforementioned deferred tax asset.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 21- Income taxes (Continued)

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 the tax benefits earned from deductible temporary differences, tax losses, and investment allowances with unlimited life that enable reduced corporate tax payments, in cases where it is probable that taxable income will be available. 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 assesses 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 aforementioned deferred tax assets will be recovered within five years from the balance sheet date.

In the sensitivity analysis conducted as of December 31, 2025, when the inputs included in the fundamental macroeconomic and sectoral assumptions forming the business plans were increased/decreased by 10%, there was no change in the recovery periods of deferred tax assets related to investment incentives, which are projected to be 5 years.

	Total Temporary Differences		Deferred Tax	
	31.Ara.25	31.Ara.24	31.Ara.25	31.Ara.24
Tangible and intangible assets	(18,576)	13,574	(4,644)	3,393
Provision for Employee Termination Benefits	41,964	40,657	10,491	10,164
Accrued Employee Bonuses	2,752	(1,818)	688	(454)
Carry Forward Tax Losses	618,841	-	154,710	-
R&D Tax Incentives	70,078	-	17,520	-
Adjustments Related to Derivative Instruments	(371)	(5,501)	(93)	(1,375)
Allowance for Doubtful Receivables	6,002	6,312	1,500	1,578
Provision for Unused Leave	3,196	3,102	799	775
Inventories and Allowance for Inventory Impairment	(163,074)	(180,311)	(40,769)	(45,078)
Provision for Litigation	5,255	6,878	1,314	1,720
Promotional Materials	1,907	2,525	477	632
Accrued Incentive Bonuses	-	14,973	-	3,743
Leasing Transactions	(62,883)	(25,505)	(15,721)	(6,376)
Other Adjustments	(7,808)	(336)	(1,953)	(84)
Deferred Tax Asset/(Liability), Net	497,283	(125,450)	124,319	(31,362)

	<u>2025</u>	<u>2024</u>
1 January	(31,362)	45,545
Deferred Tax Expense/(Income)	153,855	(75,437)
Effect of Remeasurements of Employee Termination Benefits Recognized in Equity	1,728	(2,188)
Effect of Derivative Financial Instruments	98	718
31 December	124,319	(31,362)

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 22 - 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- 31-Dec-25	1 January- 31-Dec-24
Profit/(Loss) for the Period	(502,366)	24,404
Average number of shares (1-TRL nominal value weighted average number of shares)	259,875,000	259,875,000
Earnings per share /(loss) (Full TRL)	(1.9331)	0.0939

NOTE 23 - Related parties transactions

Related Parties' Balances

	Receivables from related parties	
	31.Ara.25	31.Ara.24
Migros Ticaret A.Ş. (2)	6,543	39,269
A.W.Faber Castell Peruana SA (2)	1,804	2,500
A.W.Faber-Castell Vertrieb GmbH (2)	115	4,144
Anadolu Sağlık Merkezi Hastanesi A.Ş. (2)	-	8,835
Other	1,463	1,199
	9,925	55,947

	Payables to Related Parties	
	31-Dec-25	31-Dec-24
AG Anadolu Grubu Holding A.Ş. (1)	4,780	8,755
AEH Sigorta Acentalığı A.Ş. (2)	907	-
A.W.Faber-Castell Vertrieb GmbH (2)	28	23
Other	863	632
	6,578	9,410

Prepaid Expenses to Related Parties	31-Dec-25	31-Dec-24
A.W.Faber-Castell Vertrieb GmbH (2)	115	-
A.W.Faber Castell (I)	1	-
	116	-

1) Partners

2) Related Parties of AG Anadolu Grubu Holding A.Ş. and Faber-Castell Aktiengesellschaft

3) Other companies managed by the partner

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 23 - Related parties transactions (Continued)

b) Related Parties' transactions

	1 January - 31-Dec-25	1 January - 31-Dec-24
Purchases of Goods		
A.W.Faber-Castell Vertrieb GmbH (2)	137,082	148,045
A.W. Faber-Castell (Guangzhou) Stationery Co. Ltd. (2)	128,745	131,780
A.W.Faber Castell (M) Sdn.Bhd. (2)	75,600	114,112
P.T.A.W.Faber Castell Ind. (2)	4,832	26,409
A.W. Faber Castell(I) Pvt. Ltd. India (2)	3,346	1,943
	349,605	422,289
Sales of Goods		
Migros Ticaret A.Ş. (2)	203,145	132,296
A.W.Faber-Castell Vertrieb GmbH (2)	17,300	1,082
A.W.Faber Castell Peruana (2)	2,234	6,685
Anadolu Isuzu Otomotiv(2)	1,260	995
Other	2,163	26,758
	226,102	167,816
Services received		
AG Anadolu Grubu Holding A.Ş. (1)	95,336	87,342
Anadolu Efes Spor Kulübü (2)	11,095	7,611
Other	400	229
	106,831	95,182
Services given		
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün San ve Tic A.Ş (2)	16,253	-
AEP Anadolu Etap Penkon A.Ş (2)	15,707	27,195
A.W. Faber-Castell Vertrieb GmbH. (2)	6,085	7,919
Anadolu Kafkasya Enerji Yatırımları A.Ş. (2)	5,859	6,446
Other	1,228	2,232
	45,132	43,792
Other		
	1 January - 31-Dec-25	1 January - 31-Dec-24
Anadolu Education and Social Assistance Foundation (2)	-	4,645
	-	4,645

1) Shareholders

2) Related Parties of AG Anadolu Grubu Holding A.Ş. and Faber-Castell Aktiengesellschaft

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 23 - Related parties transactions (Continued)

c) Benefits provided to key management

Key management personnel consist of the Head of the Agriculture, Energy and Industry Group, the General Manager and the managers who report directly to the General Manager. Benefits for senior executives are as follows:

	2025	2024
Short-term employee benefits	118,409	153,146
Other long-term benefits	33,528	39,516
Post-employment benefits	6,377	-
Benefits due terminations	4,311	-
31 December	162,625	192,662

NOTE 24 - Nature and level of risks arising from financial instruments

(a) Capital risk management

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 and other debts, 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.

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

	31-Dec-25	31-Dec-24
Total borrowings	1,684,353	1,318,898
Less: Cash and cash equivalents	(395,699)	(863,017)
Net debt	1,288,654	455,881
Total equity	1,215,657	1,896,738
Total equity + net dept	2,504,311	2,352,619
□		
Net debt / (total equity+net debt) ratio	%51	%19

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - Nature and level of risks arising from financial instruments (Continued)

(b) Credit risk

Financial instruments have a counterparty risk as they may not fulfill requirements of the agreement. The Company manages credit risk by constantly evaluating the credibility of the related parties and by determining counterparty credit limits and due dates on a customer basis. Company also receives collaterals from customers as needed. Instruments that increase the credit reliability as guarantees received to determine the maximum amount of credit risk as of reporting date, are not taken into account.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

(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.

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

	31-Dec-25	31-Dec-24
Assets	60,186	86,412
Liabilities	(23,491)	(23,512)
Net Balance Sheet Foreign Currency Position	36,695	62,900

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

	Foreign Currency Appreciation	Foreign Currency Depreciation
Profit/(Loss) as of 31 December 2025		

In the event of a $\pm 20\%$ change in the USD/TRY exchange rate:

1- Net USD Assets/(Liabilities)	7,292	(7,292)
2- Portion Hedged Against USD Risk (-)	-	-
3- Net Effect of USD (1+2)	7,292	(7,292)

In the event of a $\pm 20\%$ change in the EUR/TRY exchange rate:

4- Net EUR Assets/(Liabilities)	40	(40)
5- Portion Hedged Against EUR Risk (-)	-	-
6- Net Effect of EUR (4+5)	40	(46)

In the event of an average $\pm 20\%$ change in other foreign currency exchange rates against TRY:

7- Net Assets/(Liabilities) in Other Currencies	-	-
8- Portion Hedged Against Other Foreign Currency Risk (-)	-	-
9- Net Effect of Other Foreign Currency Assets (7+8)	-	-
	7,332	(7,332)

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - Nature and level of risks arising from financial instruments (Continued)

(c) Currency risk and management (Continued)

Profit/(Loss) as of 31 December 2024	Foreign Currency Appreciation	Foreign Currency Depreciation
In the event of a $\pm 20\%$ change in the USD/TRY exchange rate:		
1- Net USD Assets/(Liabilities)	12,005	(12,005)
2- Portion Hedged Against USD Risk (-)	-	-
3- Net Effect of USD (1+2)	12,005	(12,005)
In the event of a $\pm 20\%$ change in the EUR/TRY exchange rate:		
4- Net EUR Assets/(Liabilities)	575	(575)
5- Portion Hedged Against EUR Risk (-)	-	-
6- Net Effect of EUR (4+5)	575	(575)
In the event of an average $\pm 20\%$ change in other foreign currency exchange rates against TRY:		
7- Net Assets/(Liabilities) in Other Currencies	-	-
8- Portion Hedged Against Other Foreign Currency Risk (-)	-	-
9- Net Effect of Other Foreign Currency Assets (7+8)	-	-
	12,580	(12,580)

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

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - 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:

	31-Dec-25				31-Dec-24			
	TRL Equivalent	Thousands USD	Thousands EUR	Thousands other	TRL Equivalent	Thousands USD	Thousands EUR	Thousands other
1. Trade receivables	48,766	968	145	-	19,697	285	136	-
2a. Monetary financial assets	1,285	30	-	-	46,104	1,000	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	10,135	200	31	-	20,611	432	15	-
4. Total current assets (1+2+3)	60,186	1,198	176	-	86,411	1,717	151	-
5. Trade receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Total non-current assets (5+6+7)	-	-	-	-	-	-	-	-
9. Total assets (4+8)	60,186	1,198	176	-	86,411	1,717	151	-
10. Trade payables	23,491	347	172	-	19,011	319	90	-
11. Financial liabilities	-	-	-	-	-	-	-	-
12a. Other monetary liabilities	-	-	-	-	4,501	96	1	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-
13. Total current liabilities (10+11+12)	23,491	347	172	-	23,512	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)	23,491	347	172	-	23,512	415	91	-
19. Net asset/ (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	184,418	4,000	-	-
19a. Total asset amount hedged	-	-	-	-	184,418	4,000	-	-
19b. Total liabilities amount hedged	-	-	-	-	-	-	-	-
20. Net foreign currency asset/ (liability) position (9-18+19)	36,695	851	4	-	247,317	5,302	60	-
21. Monetary items net foreign currency asset / (liability) position (1+2a+3+5+6a-10-11-12a-14-15-16a)	36,695	851	4	-	62,900	1,302	60	-
22. Exports	165,607	2,891	695	-	164,910	2,191	696	6,680
23. Imports	568,215	9,211	3,220	4,764	600,250	10,419	3,349	95
% 20 increase	-	7,293	46	-	-	9,172	439	-

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - Nature and level of risks arising from financial instruments (Continued)

(d) Interest rate risk and management

The interest rate position table showing the Company's interest rate-sensitive financial instruments is as follows:

	31-Dec-25	31-Dec-24
Fixed-Rate Financial Instruments		
Financial Liabilities	646,761	685,507
Floating-Rate Financial Instruments		
Financial Liabilities	1,037,592	633,392
	1,684,353	1,318,899

(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 taking into account the Company policies and procedures and accordingly, they are shown in the balance sheet net after 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 64% 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 92% 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 (DBS). Since the issuers of the checks received in general are the customers of the dealers, risk distribution is provided. Due to the fact that the Company operates in this system, there is no significant risk arising from its receivables.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - Nature and level of risks arising from financial instruments (Continued)

31-Dec-25	Trade Receivables		Other Receivables		Cash at Banks	Derivatives	Other Financial Assets
	Related Party	Other	Related Party	Other			
Maximum Credit Risk Exposure as of the Reporting Date	9,925	143,906	-	694	391,589	-	4,110
Portion of Maximum Risk Secured by Collateral	-	24,784	-	-	-	-	-
A. Carrying Amount of Financial Assets Neither Past Due Nor Impaired	9,925	143,906	-	694	391,589	-	4,110
B. Carrying Amount of Restructured Financial Assets That Would Otherwise Be Past Due or Impaired	-	-	-	-	-	-	-
C. Carrying Amount of Financial Assets Past Due but Not Impaired	-	-	-	-	-	-	-
Portion Secured by Collateral	-	-	-	-	-	-	-
D. Carrying Amount of Impaired Financial Assets	-	-	-	-	-	-	-
Past Due (Gross Carrying Amount)	-	9,060	-	-	-	-	-
Impairment (-)	-	(9,060)	-	-	-	-	-
- Portion of Net Amount Secured by Collateral	-	-	-	-	-	-	-
- Not Past Due (Gross Carrying Amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Portion of Net Amount Secured by Collateral	-	-	-	-	-	-	-
E. Off-Balance Sheet Items Exposing Credit Risk	-	-	-	-	-	-	-

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - Nature and level of risks arising from financial instruments (Continued)

31-Dec-24	Trade Receivables		Other Receivables		Cash at Banks	Derivatives	Other Financial Assets
	Related Party	Other	Related Party	Other			
Maximum Credit Risk Exposure as of the Reporting Date	55,947	115,791	-	1,996	47,390	-	815,627
Portion of Maximum Risk Secured by Collateral	-	13,577	-	-	-	-	-
A. Carrying Amount of Financial Assets Neither Past Due Nor Impaired	55,947	115,791	-	1,996	47,390	-	815,627
B. Carrying Amount of Restructured Financial Assets That Would Otherwise Be Past Due or Impaired	-	-	-	-	-	-	-
C. Carrying Amount of Financial Assets Past Due but Not Impaired	-	-	-	-	-	-	-
Portion Secured by Collateral	-	-	-	-	-	-	-
D. Carrying Amount of Impaired Financial Assets Past Due (Gross Carrying Amount)	-	9,766	-	-	-	-	-
Impairment (-)	-	(9,767)	-	-	-	-	-
- Portion of Net Amount Secured by Collateral	-	-	-	-	-	-	-
- Not Past Due (Gross Carrying Amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Portion of Net Amount Secured by Collateral	-	-	-	-	-	-	-
E. Off-Balance Sheet Items Exposing Credit Risk	-	-	-	-	-	-	-

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 24 - Nature and level of risks arising from financial instruments (Continued)

The details of the mortgages and guarantees received for the receivables with or without a balance are explained below.

	31-Dec-25	31-Dec-24
Guarantee Bonds	2,715	1,930
Pledge Agreements	108	1,315
Letter of Guarantee	26,746	23,610
	29,569	26,855

(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 TRL terms is shown below.

31-Dec-25	Book Value	Cash Outflows	Less than 3 months	3–12 months	1–5 years	Over 5 years
Financial Liabilities	1,684,353	1,960,683	632,562	1,328,121	-	-
Trade Payables	122,164	122,165	122,165	-	-	-
Other Liabilities	72,034	72,039	72,039	-	-	-

31-Dec-24	Book Value	Cash Outflows	Less than 3 months	3–12 months	1–5 years	Over 5 years
Financial Liabilities	1,318,899	1,611,196	615,484	-	995,712	-
Trade Payables	174,038	174,037	174,037	-	-	-
Other Liabilities	146,538	146,538	146,538	-	-	-

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 25 - Financial instruments

25.1 Fair value

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

Fair value hedge accounting

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

	31-Dec-25	Level 1	Level 2	Level 3
Derivative Financial Liabilities	-	-	-	-

	31-Dec-24	Level 1	Level 2	Level 3
Derivative Financial Liabilities	734	-	734	-

25.2 Derivative financial instruments and hedge accounting

	Contract Amount	2025		Contract Amount	2024	
		Fair Values			Fair Values	
		Asset	Liability		Asset	Liability
For Hedging Purposes:						
Forward Transactions	-	-	-	184,418	-	734
	-	-	-	184,418	-	734
Short-Term	-	-	-	184,418	-	734
	-	-	-	184,418	-	734

Derivative financial instruments are initially recognized at cost, and subsequently valued at fair value on 1 October 2018.

As of 31 December 2025, Adel has no foreign exchange forward transaction (As of 31 December 2024, Adel has a foreign exchange forward transaction with a nominal value of TRL 184.418 amounting to USD 4.000.000).

The Company documented the relationship between hedging instruments and hedged items at the beginning of the hedge transaction and also documented risk management objectives and the strategy for performing a variety of hedging transactions. Company, both at the beginning of the process of hedging transaction and on a regular basis of the hedging transaction, documented the assessment whether instruments used in hedging transactions are effective in high-level balancing changes in values of hedged items.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 25 - Financial instruments (Continued)

25.2 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 in foreign currencies in the market in which the Company operates for stock purchases, purchases of machinery and equipment denominated in foreign currency, and other service contracts denominated in foreign currency.

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. 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.

31-Dec-25	Note	Fair Value Changes Recognized in Profit or Loss	Financial Assets Measured at Amortized Cost	Financial Liabilities Measured at Amortized Cost	Carrying Amount	Fair Value
<u>Financial Assets</u>						
Cash and Cash Equivalents	4	-	395,699	-	395,699	395,699
Trade Receivables from Unrelated Parties	7	-	143,906	-	143,906	143,906
Receivables from Related Parties	23	-	9,925	-	9,925	9,925
Derivatives	5	-	1,472	-	1,472	1,472
<u>Financial Liabilities</u>						
Financial Borrowings	6	-	-	1,632,545	1,632,545	1,632,545
Lease Liabilities	6	-	-	51,808	51,808	51,808
Trade Payables to Unrelated Parties	7	-	-	115,586	115,586	115,586
Payables to Related Parties	23	-	-	6,578	6,578	6,578
Derivatives	8	-	-	2,046	2,046	2,046
<u>Financial Assets</u>						
Cash and Cash Equivalents	4	-	863,017	-	863,017	863,017
Trade Receivables from Unrelated Parties	7	-	115,791	-	115,791	115,791
Receivables from Related Parties	23	-	55,947	-	55,947	55,947
Derivatives	5	-	1,708	-	1,708	1,708
<u>Financial Liabilities</u>						
Financial Borrowings	6	-	-	1,143,973	1,143,973	1,143,973
Lease Liabilities	6	-	-	174,926	174,926	174,926
Trade Payables to Unrelated Parties	7	-	-	164,628	164,628	164,628
Payables to Related Parties	23	-	-	9,410	9,410	9,410
Derivatives	25.1	-	-	734	734	734
Other Financial Liabilities	8	-	-	5,012	5,012	5,012

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 26 - Government incentives and grants

There is no cash support amount collected from Scientific and Technological Research Council of Turkey "TUBITAK" regarding the research and development activities of the Company in 2025. (31 December 2024: None).

As of 31 December 2025, the amount of research and development deduction that the Company can use in tax calculation due to its expenditures on research and development studies is 70.078 TRL. (31 December 2024: 30.114 TRL).

The company applied for an research and development center in order to benefit from the incentives and exemptions provided within the framework of the Law No. 5746, and as a result of the examination made by the Ministry of Industry and Technology, the research and development center certificate was given to be effective as of 19 June 2019.

The company realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2012/3305, which regulates the investment legislation. The investment projects whose investment process continues and which continue to benefit from the investment contribution amounts are as follows;

As of 31 December 2025, the Corporate Tax deduction within the scope of incentive certificate numbered 502680 has not been benefited from. (31 December 2024: None).

Within the scope of the incentive certificate numbered 502790, no spent. The incentive certificate is subject to VAT and customs tax exemption, and there is no corporate tax support. (31 December 2024: 1.445 TRY)

NOTE 27 - Fees for service received from the independent auditor

The fees related to the services received by the Company from the Independent Auditing Firm (IAF) for the periods 1 January-31 December 2025 and 1 January -31 December 2024 are as follows:

	31-Dec-25	31-Dec-24
Independent Audit Fees for the Reporting Period	2,102	2,886
Fees for Tax Advisory Services	-	-
Fees for Other Assurance Services	110	124
Fees for Other Non-Audit Services (*)	1,958	-
	4,170	3,010

(*) It also covers the assurance audit fee for the 2024 TSRS sustainability report, which was conducted following the approval of the financial statements for the accounting period from January 1 to December 31, 2024.

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish lira ("TRY") in terms purchasing power of the TRY at December 31, 2025 unless otherwise indicated)

NOTE 28 - Disclosures on net monetary position gains / (losses)

Non-Monetary Items	31-Dec-25	31-Dec-24
Statement of Financial Position Items		
Inventories	274,184	357,490
Prepaid Expenses	8,365	9,127
Financial Investments	23	36
Property, Plant and Equipment	240,305	320,306
Intangible Assets	26,871	39,638
Right-of-Use Assets	55,784	63,579
Deferred Tax Asset	-	-
Deferred Income	(2,752)	1,808
Capital Adjustment Differences	(178,285)	(232,193)
Accumulated Other Comprehensive Income (Loss) Not to be Reclassified to Profit or Loss	15,970	2,691
Revaluation and Remeasurement Gains (Losses)	15,970	2,691
Accumulated Other Comprehensive Income (Loss) to be Reclassified to Profit or Loss	(3,853)	(3,391)
- Foreign Currency Translation Differences	(1)	2,286
- Gains (Losses) on Cash Flow Hedges	(3,852)	(5,677)
Restricted Reserves Appropriated from Profit	(90,546)	(116,003)
Retained Earnings	(156,999)	(260,600)
Statement of Profit or Loss Items		
Revenue	(207,293)	(495,935)
Cost of Sales (-)	114,785	256,279
Research and Development Expenses (-)	1,788	2,464
General Administrative Expenses (-)	616	65,502
Marketing Expenses (-)	54,489	90,947
Other Operating Income	(1,968)	(3,550)
Other Operating Expenses (-)	1,563	(19,843)
Investment Income	(7,423)	(4,922)
Investment Expenses (-)	-	7,014
Finance Income	(6,737)	(47,768)
Finance Costs (-)	65,144	98,619
Deferred Tax Income	(7,402)	13,999
Other Comprehensive Income Items		
Remeasurement Gains (Losses) of Defined Benefit Plans	(10,203)	2,297
Net Monetary Position Gains (Losses)	186,426	147,591

NOTE 29 - Events after the reporting period

The Company has issued a 364-day, +75 basis point variable-rate bond with a maturity date of February 19, 2027, and four coupon payments, based on the Borsa Istanbul TLREF index change, with a maturity date of February 19, 2027, and four coupon payments, within the scope of its borrowing instrument issuance limit of 3,000,000,000 TL (full TL), sold to qualified investors without a public offering in Turkey. The subscription process for the financing bond with an ISIN code of TRFADEL22714, which is based on the Borsa Istanbul TLREF index change +75 basis points variable interest rate, has a maturity date of February 19, 2027, and has 4 coupon payments, resulted in an issuance amount of 750,000,000 TL (full TL) nominal value. The sale of the aforementioned financing bond was completed on February 19, 2026, and the settlement was carried out on February 20, 2026. İş Yatırım Menkul Değerler A.Ş. acted as the underwriter for the issuance.