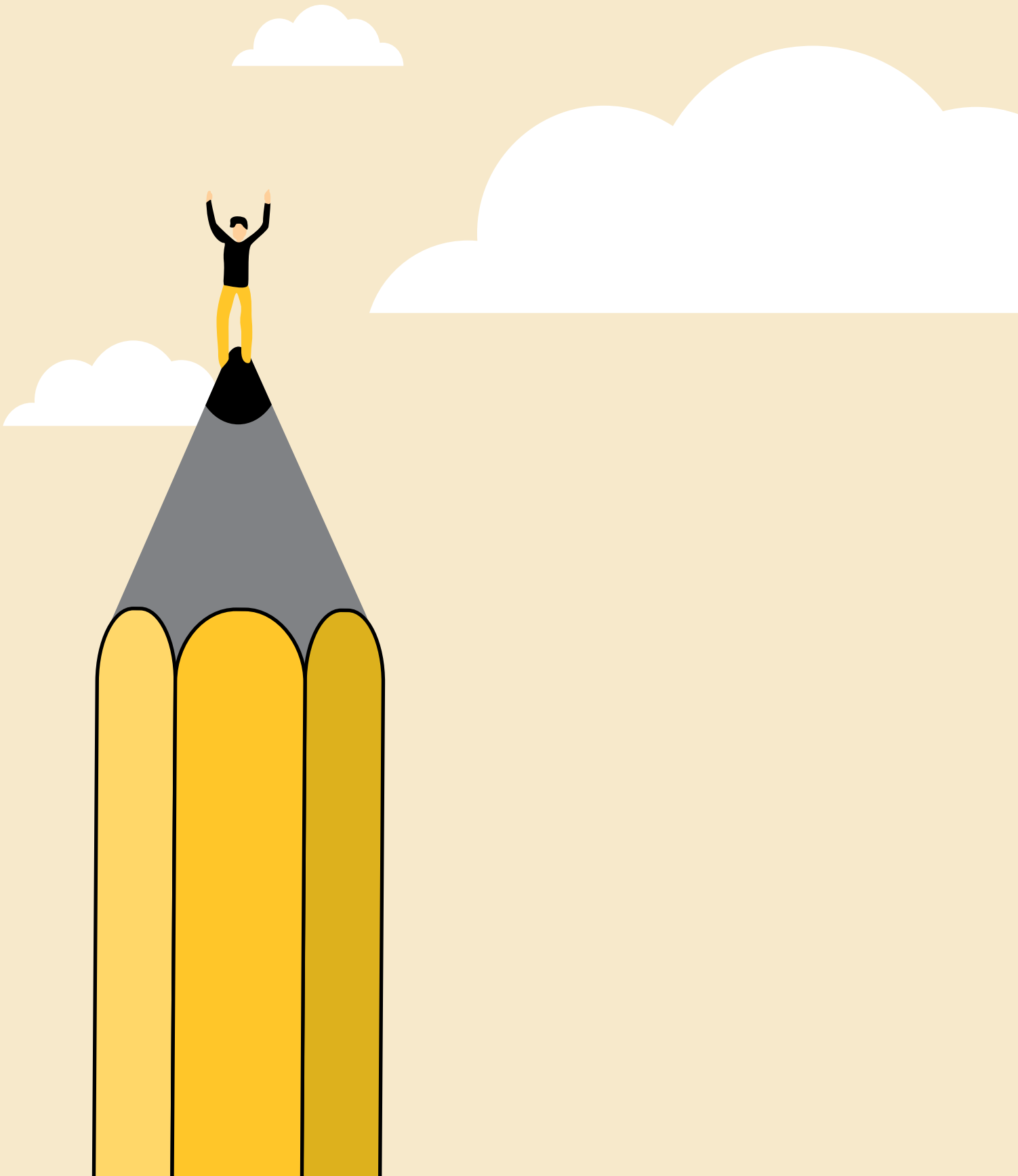




2025 ANNUAL
REPORT





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PRESENTATION

Over 55 years of experience

Adel, Turkey's leading stationery brand for over 55 years, has become a tradition in the industry. With its extensive experience and capabilities, Adel sets itself apart from the competition.





Adel's high production capacity and extensive product line allow it not only to respond to domestic demand but also to export the goods it makes to more than thirty other national markets. Furthermore, it exports some of its products manufactured under the Faber-Castell brand to various countries worldwide.

ADEL IN BRIEF

Adel plays a significant role in shaping the future of the stationery industry, contributing to the development of generations with its vision, commitment to responsible production, innovation, and extensive product portfolio.

Turkey's premier stationery manufacturer

A company whose name has been synonymous with stationery in Turkey for over half a century, Adel Kalemçilik Ticaret ve Sanayi A.Ş. (Adel) embarked upon its journey with the opening of its first factory in the İstanbul's Kartal township in 1969. Earning the trust of consumers with high-quality, reliable products, Adel today is the country's biggest and most modern stationery manufacturer and continues to grow strongly as a member of Anadolu Group.

Having collaborated with the world's oldest manufacturer of wood-cased pencils Faber-Castell since 1969, in 1995 the two companies

strengthened their relationship through a partnership whose investments continue to create added value for Turkey.

Since 2015, Adel has been conducting its manufacturing operations at a 36,000 m² plant in Çayırova that is the industry's biggest not just in Turkey but also in the region. Adel's R&D Center, which became operational in 2019, enhances the company's product innovation and development capabilities, which in turn supports its production competencies.

With its well-established history, extensive experience, over 3,000 product varieties, and Faber-Castell, Graf von Faber-Castell, and Adel branded stationery products, Adel

has a wide product portfolio with high quality and strong brand recognition.

Readily responding to home market demand as a result of its high production capacity and diverse offerings, Adel also exports goods to more than thirty countries. Additionally, it exports products manufactured under the partnership with Faber-Castell to various countries around the world.

Adel plays a significant role in shaping the future of the stationery industry, contributing to the development of generations with its vision, commitment to responsible production, innovation, and extensive product portfolio.



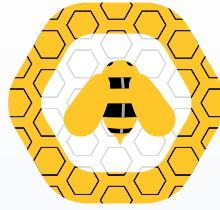
Vision

To be part of the life of everyone who wants to shape, to color their own dreams and leave a mark in future

Mission

To be an international company that supplies high-quality, innovative products and services, is socially and environmentally responsible, and is ethical in its behavior.





LEAVE A MARK



With Your Quality
LEAVE A MARK



With Your Innovation
LEAVE A MARK



With Your Goodness
LEAVE A MARK



Your Passion To Succeed
LEAVE A MARK

Values

Quality

Effectiveness, Reliability, Performance

Innovation

Forward-looking, Open to change and development, Technologically adept, Creative, Pioneering, Venturesome, Inquisitive

Goodness

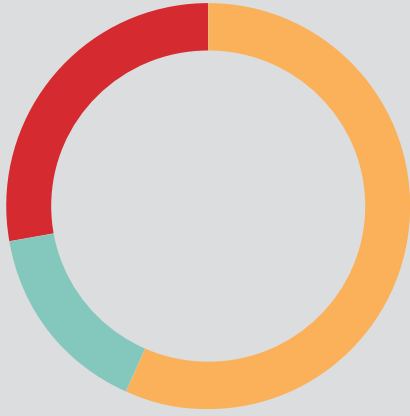
Sensitive, Thoughtful, Responsible, Fair, Promotes professional & personal development

Success

Self-motivating, Competitive, Ever-improving, Results-focused, Collaborative, Knowledge-sharing, Initiative-taking, Accountable



SHAREHOLDER STRUCTURE



- **56.89%** AG Anadolu Grubu Holding A.Ş.
- **15.40%** Faber-Castell AG
- **27.71%** Publicly-held shares

SHAREHOLDER STRUCTURE

As of 31 December 2025, the Company's capital stands at TRL 259,875 thousand, comprising 40,017,351 registered shares valued at TRL 40,017 thousand in compliance with the Foreign Capital Legislation, alongside 219,857,649 bearer shares totaling TRL 219,858 thousand.

The following table lists the personal or trade names of shareholders that own more than 10% of the Company's capital, the number of shares they own, and the percentage of their ownership.

Shareholder	Share	Share ratio %
AG Anadolu Grubu Holding A.Ş.	147,831,323	56.89
Faber-Castell AG	40,017,353	15.40
Publicly-held shares	72,026,324	27.71



ABOUT ANADOLU GROUP

Anadolu Group operates with the vision of being “The star that links Anatolia to the world and the world to Anatolia” and maintains its activities in 8 industries (retail, soft drink, beer, agriculture, automotive, stationery, energy and health) and in 20 countries with more than 80 companies, nearly 100 production facilities, 6 R&D centers and more than 100,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950, is a driving force of Turkish economy with its financial assets, its strong production capacity and the projects it is involved with. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda, Honda Marine, Kohler, Johns Hopkins Medicine. It exports to over 100 countries.

All environmental, social, and corporate governance-related issues are managed mindful of the company’s sustainability strategies. Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club.

Anadolu Group strives to produce value in sustainable manner and consistently achieves a rapid and healthy growth through its commitment to a culture of partnership with global brands and international companies, its expertise in branded consumer products, its experience and strength as regional player in a broad geography and its understanding of strong corporate governance.

ABOUT FABER-CASTELL

Founded in 1761, Faber-Castell is one of the oldest industrial companies in the world and has been owned by the same family for nine generations.

Faber-Castell is one of the world’s leading companies for high-quality products for writing, drawing and creative design as well as decorative cosmetic products. With more than two billion pencils and color pencils per year and around 6,500 employees, Faber-Castell is the world’s leading manufacturer of wood-cased pencils. Nowadays the company is represented in over 120 countries and has its own production sites in 10 countries as well as sales companies in 22 countries.

The company owes its leading position on the international market to its traditional commitment to the very highest quality, environmental responsibility and the large number of product innovations.

DIRECT OR INDIRECT SUBSIDIARIES & SHAREHOLDING INTERESTS

The liquidation of Ülkü Kırtasiye Ticaret ve Sanayi A.Ş., an associate of the company, was finalized as of year-end 2025.

MILESTONES



1969

Adel Kartal factory opens



1995

Faber-Castell partnership agreement



1996

Adel Kalemcilik Ticaret ve Sanayi A.Ş. IPO



1999

Graf von Faber-Castell brand launched



2013

Adeland & Max brands launched



2015

Manufacturing operations relocated to new Çayırova factory



2016

Adel Goodness Tree CSR program initiated



2018

Adel brand & corporate identity relaunch



2019

Panfix brand launched

Adel R&D center becomes operational



2020

Regional authorized dealership system introduced



2021

1500Kelime.com online platform opens



2022

Amfori BSCI (Business Social Compliance Initiative) certification awarded



2023

Adel is included in UNICEF's list of globally-approved suppliers



2024

Completion of the transition to the SEDEX SMETA 4 Pillar system and becoming a SEDEX member



For you dal sil,
 Cumanu adu pig sud da,
 Muga hadut ut taha
 Lant fagel vana.

Mm mau utu illia,
 Guga lilla nu dia,
 Muga lang tana!
 Mm mau nu.

Mau dau mau,
 tana vil,
 Ulu pta,
 Mm au utu

Jan Doe
 2025

AWARDS & RECOGNITIONS

2018 Stevie Awards

- **2018 Adel Rebranding:** PR/Communications Campaign of the Year, Events & Ceremonies category, Bronze
- **2018 Adel Rebranding:** Best PR Event, Bronze
- **2018 Adel Rebranding:** PR/Communications Campaign of the Year, "Marketing & Consumer Goods category, Bronze

2018 Felis Awards

- **Adel Brand & Corporate Identity relaunch**
 - o Public Relations category, Felis
 - o Best Brand Relaunch, Felis

2022 Stevie MENA Awards

- **1500Kelime.com platform**
 - o "Innovation in education & educational websites", Gold Stevie
 - o "Innovation in education & educational mobile apps", Gold Stevie



2022 PRIDA Awards

- **1500Kelime.com Project**
 - o CSR Success award
 - o Corporate Communications & Reports Success award
 - o Socially-Beneficial Projects Success award
- UNICEF - Campaigns that Give Hope to Children PRIDA award

2022 20th Altın Pusula PR Awards

- **1500Kelime.com Project**
 - o "Digital Communication - Corporate Responsibility", Gold

2022 Brandverse Awards

- **1500Kelime.com Project**
 - o "Quality Education", Bronze

2022 Stevie International Business Awards

- **1500Kelime.com Project**
 - o PR/Communications Campaign of the Year, "Corporate Responsibility" category, Bronze

2022 Capital Magazine “Happy Place to Work”

- Türkiye’s Happy Places to Work survey, “Office Supplies” sector, “Happy Place to Work” award

2022 25th KalDer Quality Circles Sharing Conference

- Kaizen category, “Leave a Mark” Project Team, First place

2023 26th KalDer Quality Circles Sharing Conference

- Kaizen category, “+1 Fazlayız” Project Team, First place

2023 Capital Magazine “Happy Place to Work”

- Türkiye’s Happy Places to Work survey, “Office Supplies” sector, “Happy Place to Work” award

2024 Anadolu Group Bi-Fikir Awards

- “Company with the Fastest Applications” Award for the 9th time and “Most Innovative Employee” Award for the 8th time

2024 MediaCat Felis Awards

- Felis Award in the Radio and Audio Category for Faber-Castell Grip Plus “Yumuşak Yazdırır” radio campaign

2024 Crystal Apple Awards

- For Faber-Castell Grip Plus ‘Yumuşak Yazdırır’ radio campaign
 - o Crystal Apple Award
 - o Grand Prix in the Radio and Audio Category

2025 Industrial Excellence Award Türkiye

- “Industrial Excellence Award”

2025 Crystal Apple Awards

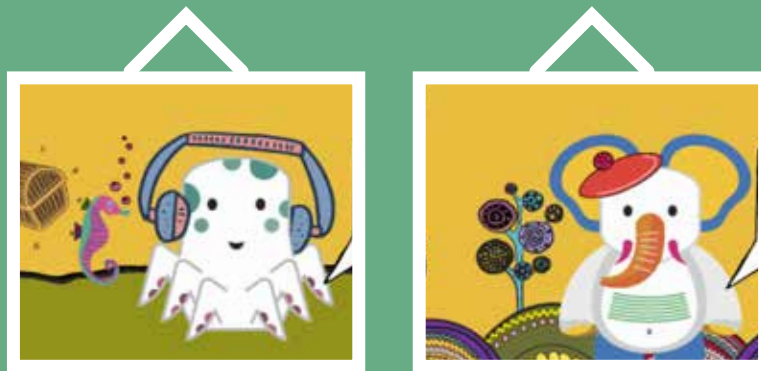
- Faber-Castell Pitt Graphite Matt - “Non-Reflective Advertisement” campaign
 - o Press Category - Bronze Apple

FROM THE MANAGEMENT...

Responsible production

Adel operates with the principle of “We will never sell anything that we wouldn’t let our own kids use.”





Making the best use of the growth opportunities presented by markets, Adel sets itself apart from its competitors by focusing on sustainability and product safety throughout the production cycle. This is done out of a sense of responsibility to the broad audience it serves.

MESSAGE FROM THE CHAIRMAN



rich product portfolio

We enrich our product portfolio that meets our consumers' expectations and responds to the needs of diverse segments.

Adel Kalemçilik, one of the longest-established companies of Anadolu Group, keeps carrying its over 55 years of experience forward along with its design, production and R&D competencies. Possessing one of the leading stationery manufacturing facilities in Türkiye and its neighboring regions, coupled with strong brands, we remain the best-known stationery brand in Türkiye to date.

2025 was similar to 2024 in that it was shaped by geopolitical risks and uncertainties tainting the global economy. Tightening monetary policies adopted against high inflation helped converge inflation upon targeted levels. However, desired growth rates remained elusive in a number of economies, with the EU countries taking the lead among them. The uncertainty in politics and the conflict environment continue to reflect negatively on economic activity.

The downtrend in inflation that made the highlight of 2025 from the standpoint of the Turkish economy persisted throughout the year. While economic growth continued, the rise in exports, the positive tendency in the current accounts balance, and the decline in CDS premium support more optimistic forward-looking projections. Looking at our sector, the high level of cost inflation and weak purchasing power of consumers continued to take their toll on our operations.

At Adel Kalemcilik, our priority targets in 2025 included devising solutions for the negative developments that repress our profitability, increasing operational efficiency, succeeding in cost management, and achieving progress in sustainability. As we enriched our product portfolio that meets our consumers' expectations and responds to the needs of diverse segments, we sought to upgrade customer experience by taking new steps with a focus on e-commerce and digitalization.

While we strive to mitigate our carbon footprint in line with our sustainability approach, we make sure that our waste is recovered for the circular economy. We consider product safety and quality as our indispensable priority. We remain strictly adhered to our responsible production concept in line with the motto "We do not offer any product that we would not let our own children use to the market".

We remain committed to business ethics, occupational health and safety principles, and we regard it as a primary responsibility to provide our employees with an equitable, inclusive, fair, and safe working environment.

In the coming period, sustainable and responsible production will be our priority as always. We will focus on our efforts to achieve growth in consumer demand and customer reach through our multi-channel structure. We will regard disciplined management of our operations as our main starting point and we will keep contributing value to our society and our sector with our robust governance model, proactive risk management, and operational excellence approach.

I would like to extend my heartfelt thanks to all our employees for contributing value to our company and our esteemed stakeholders for their unwavering support.

Sincerely,

Kamil Süleyman Yazıcı
Chairman

At Adel Kalemcilik, our priority targets in 2025 included devising solutions for the negative developments that repress our profitability, increasing operational efficiency, succeeding in cost management, and achieving progress in sustainability.

MESSAGE FROM THE GROUP PRESIDENT



strong market position

We targeted to cement Adel's market position on the foundations of quality, innovation and customer-orientation

As rough conditions including high inflation and the war environment in our near geography persisted in 2025 what has been a year of ongoing economic uncertainties and global volatilities, the slowdown in the overall economy and in the stationery sector, and the decline in consumers' purchasing power reflected on the financial performance and net sales of Adel as well.

In this challenging period, we targeted to cement Adel's market position on the foundations of quality, innovation and customer-orientation under the

guidance of Anadolu Group's strategic vision and values.

The main components of our roadmap include increasing the number of our dealers and customers, reinforcing our multi-channel structure, delivering fast solutions to consumer needs with trendy products, and maintaining our existing overseas operations both on supplier and export fronts.

In the coming period, we will be taking important steps in operational excellence and cost management in a bid to boost production efficiency. We will

preserve our strong and lasting bonds with our business partners and consumers in line with our business strategies, and we will sustain our pioneering position in the Turkish stationery sector with our structure that quickly adapts to changing needs and our innovative approach.

While we build on our business opportunities, we continue to tackle our way of doing business carefully as well. We regard sustainability as the key component of our way of doing business and corporate identity.

We address environmental, social and economic responsibilities with a holistic perspective, and act with lasting value creation understanding. As we mitigate our environmental impact through our initiatives in energy efficiency, waste management and water stewardship, we strengthen our contribution to circular economy with our R&D work targeted at sustainable product development and reduction of plastic use in packaging.

During 2025, we concentrated on growing our environmental and social contributions in line with our sustainable development targets; we developed projects in various areas with special emphasis on education and climate action. As a SEDEX member, we completed our transition to the SMETA 4 Pillar system. While we ensured the control and uniformity of ethical, environmental and social responsibilities throughout our

supply chain by way of this membership, we have also derived advantage for global competition in our sector. We have taken our report prepared in accordance with the GRI Reporting Standards last year one step further, and we transparently disclosed our environmental, social and governance (ESG) approach and performance results in our 2024 Sustainability Report, which we drew up in full alignment with the Turkish Sustainability Reporting Standards (TSRS 2) referencing the IFRS 21-S2 Standard.

I would like to extend my heartfelt gratitude to all our colleagues who strive to create a better future and to all our stakeholders for their contributions.

Sincerely,

Demir Şarman
Agribusiness, Energy and
Industry Group President

The main components of our roadmap include increasing the number of our dealers and customers, reinforcing our multi-channel structure, delivering fast solutions to consumer needs with trendy products, and maintaining our existing overseas operations both on supplier and export fronts.

BOARD OF DIRECTORS



Kamil Süleyman Yazıcı
Chairman

Kamil Yazıcı graduated from New York Military Academy (1996), holds a BA degree in Marketing from Emory University Goizueta Business School (2000), an MBA degree from American Institute of Business and Economics (2005) and has completed the GMP program at the Harvard Business School (2017). Yazıcı started his Anadolu Group career in year 2000 in the Finance Presidency as Assistant Finance Specialist and resumed his career in Anadolu Efes Russia Beer operations during 2002-2011 where he held multiple roles as Marketing Manager, Logistics Manager, Supply Chain Director, Business Development Director and finally led a pan-Russian effort to re-structure the sales organization for greater efficiency and effectiveness. In 2011, he was appointed as General Manager of Efes Vitanta in Moldova and continued this role until 2014. In 2014, he was appointed as Market Development Director responsible for all international markets where the group did not operate locally and held this position until 2017. Between 2017- 2025, Kamil Yazıcı served as Vice-Chairman on Anadolu Group holding and subsidiary Boards. In April 2025, he became the Chairman of Anadolu Group holding and group companies. In addition, he serves as Board Member for TAİK (Turkish-American Business Council), TOGG (Turkish National Auto Initiative), HBS Alumnus (Harvard Business School's Alumni Board) and is the Vice-Chairman of KYYDAS (the Kamil Yazıcı Family Trust). He is also a member of TÜSİAD (Turkish Industry & Business Association).



Tuğban İzzet Aksoy
Vice Chairman

Tuğban İzzet Aksoy graduated from the Management and International Finance Departments of the University of Oglethorpe in the USA, following his education at the Austrian High School. He began his professional career as an Assistant Expert in the Financial Affairs Directorate at Anadolu Endüstri Holding, in 1996. In December 1998 he was appointed as a Senior Broker at the Alternatifbank Treasury Department. Following five years in this role, Aksoy took on the role of Corporate Finance and Risk Manager at the Treasury and Risk Management Department of Anadolu Endüstri Holding A.Ş. in June 2003. In April 2008, he became Assistant Coordinator at Business Development Directorate, and between 2009-April 2019, he worked as Anadolu Group Energy Sector Coordinator. He continues to serve as Vice Chairman in various Anadolu Group companies. Aksoy, who has participated in professional training and seminars in his field, is member of energy groups of TÜSİAD and TOBB. Aksoy has been serving as an honorary consul of Georgia since 2016 and also holds Georgian Government Medal of Honor.



İ. İzzet Özilhan
Board Member

İ. İzzet Özilhan was born in İstanbul in 1982. He received his undergraduate degree from Hofstra University Banking and Finance Department in 2006 in USA. Özilhan, began his career as a Brand Representative at Coca Cola A.Ş in 2006 and served as Sales Executive in Coca-Cola Hellenic A.Ş. In 2009, he started working at Efes Russia and took up as Finance Manager and Brand Distribution Representative. In 2011, he started in Anadolu Efes Türkiye as Market Development Supervisor and continued as Horeca Manager, Modern Trade Sales Director and On-Trade Directorate respectively. In 2024, he became a board member at several Anadolu Group companies. Özilhan was chosen as Board Member of TÜSİAD in 2024 and also acts as the Leader of its Food, Beverage and Agriculture Roundtable. He also acts as a Board Member at TÜRKONFED.



Stephan Leo Rosen
Board Member

Born in Nuremberg/Germany in 1963, Stephan Rosen graduated from European School in Varese (Italy). After an apprenticeship at GRUNDIG AG, he graduated 1988 in Business Administration from VWA Nuremberg and started his career in the export department of STAEDTLER. 1991 he continued to work for its subsidiary in Milan/Italy in management position (mainly for procurement, logistics and finance as well as establishing the brands LEITZ and TIPP-EX in Italy). Since 1995 he has worked for Faber-Castell headquarters in Stein as Export Manager, from 2003 to 2006 as Head of Profit Centre Europe. In 2006, he was appointed as Sales Director Europe. From 2007, he also took on the position of Managing Director for Faber-Castell Czech Republic. Between 2015 and 2016 he managed the subsidiary in Austria. In the period from 2016 to October 2023 he covered the position as Managing Director of FaberCastell Italy. In 2020, he was appointed Co-Managing Director for the subsidiaries in France and Denmark.

BOARD OF DIRECTORS



Meltem Metin
Board Member

Born in 1969, she graduated Robert College in 1987 and studied Business Administration at Istanbul University. After a total 4 years of experience in marketing and financial control at Beymen and Pamukbank, she moved on with her career as a Financial Controller in Anadolu Holding in 1996. From 1998 onwards, she held Financial and General Management roles at Efes Invest and Coca-Cola Operations in Central Asia. She continued her role as General Manager of Coca-Cola Kazakhstan and Coca-Cola Kırgızstan after the merger of Efes Invest and Coca-Cola İçecek (CCI) in 2006. After an FMCG focused expat career of 9 years, she was appointed as the Strategy and Business Development Director at CCI HQ in 2009. She held the role while being a member of the Executive Committee of CCI until February 2021. She attended various executive programs at IMD and Harvard Business School. As a founding partner at Inova Grubu and Startme, she's been active in the Türkiye startup ecosystem providing end-to-end solutions to startups and startup investors since she left CCI in 2021.



Tamer Haşimoğlu
Board Member

He graduated from German High School and continued his higher education with a degree in Mechanical Engineering from Istanbul Technical University and a master's degree in International Business Administration from Istanbul University Institute of Business Economics. He started his professional career in 1989 as a Training Officer in Koç Holding Planning Coordination Department and worked as a Specialist, Manager and Coordinator. Between 2004 and 2011, he served as the Head of Strategic Planning at Koç Holding. During this period, he played an important role in determining the strategies of the Group companies and ensured that the main strategies and portfolio structure of Koç Group were determined. He carried out very important company acquisition and sales projects. These include the acquisitions of Tüpraş, Yapı Kredi and the sales of Migros, Koç Allianz, Demir Döküm, Döktaş and İzocam. From April 2011 to April 2022, he served as President of Koç Holding Tourism, Food and Retail Group. In this role, he was responsible for the management of 12 companies, including Koçtaş, Tat Gıda, Düzey Pazarlama, Divan, Setur, Setur Marinalar, Koç Sistem, KoçDigital, Ram and Inventram. Tamer Haşimoğlu currently serves as a Board Member in KYDDAŞ and some Anadolu Group companies. In addition to these duties, he is a member of TÜSİAD and Hisar Education Foundation (HEV) Board of Trustees. For a period of time, he was a member of the Board of Directors of YASED, a member of TÜSİAD (Turkish Industry & Business Association), a member of the Turkish Tourism Investors Association and a member of the Board of Directors of İMEAK Merchant Marine.



Burak Başarır
Board Member

Burak Başarır holds a BA in Business Administration and a minor in Computer Sciences from American River College. He studied management at California State University of Sacramento and received a BSc degree in business administration from Middle East Technical University in 1995. Başarır joined Anadolu Group in 1998 with his first post at Coca Cola İçecek (CCI) and assumed increasing managerial responsibilities in finance and commercial functions. He was assigned as Coca-Cola İçecek CFO in 2005 and has played a significant role during CCI's IPO process and effectively managed the financial integration of Efes Invest with CCI. Başarır led the largest operation of CCI in terms of volume and sales as the Türkiye Region President between 2010 and 2013. Başarır was appointed as Coca-Cola İçecek CEO in January 2014. He served as Anadolu Group Soft Drinks Group President and Coca-Cola İçecek CEO between 2014-2023. Başarır was appointed as Anadolu Group Deputy CEO in September 2023 and has been serving as Anadolu Group CEO since April 1st, 2024. Başarır is the Chairman of Anadolu Group Sustainability Committee and a member of the Turkish Industry & Business Association (TÜSİAD).



Mehmet Hurşit Zorlu
Board Member

Hurşit Zorlu holds a BSc degree in Economics from Istanbul University. Before joining the Anadolu Group as a Marketing Specialist at Efes Beverage Group in 1984, he held various positions in Toz Metal and Turkish Airlines. During his career at Efes Beverage Group, he assigned various positions including Assistant Marketing Manager, Assistant Project Development Manager, Project Development Manager and Business Development & Investor Relations Director respectively. Zorlu worked as Chief Financial Officer (CFO) at Anadolu Efes between 2000-2008 and CFO at Anadolu Group between 2008-2013. Zorlu served as Deputy CEO at Anadolu Group between 2013-2017. Hurşit Zorlu, who has been serving as the Chief Executive Officer of Anadolu Group since February 2017, retired as of April 1, 2024 from this position. Currently Hurşit Zorlu, is a Board Member of all Anadolu Group companies. Zorlu also served as the chairperson of Anadolu Group Sustainability Committee of the Group. Hurşit Zorlu is a High Advisory Council Member of the Turkish Investor Relations Society (TÜYİD) and served as the 8th term Chairperson of the Corporate Governance Association of Türkiye (TKYD) between 2015-2017.

BOARD OF DIRECTORS



İzzet Karaca
Independent Board Member

İzzet Karaca graduated from Boğaziçi University Industrial Engineering Department in 1977. Having started his professional career in 1977 at Koç Research and Development Centre, he held Industrial Engineer and IT Manager position until 1985. Between 1985-1988, Karaca worked as Systems and Organization Director at Ford Otosan. Since 1988, he held several positions at Unilever in Germany, Türkiye and Baltic States including Internal Audit Group Manager, Logistics Manager, Commercial Director and Managing Director. In addition, between 2011-2013, İzzet Karaca served as the Chairperson at YASED (International Investors Association). After serving as Executive Chairman at Unilever Türkiye and Unilever NAMET RUB (North Africa, Middle East, Russia, Ukraine and Belarus) and being a member of the Unilever CEO Forum, Karaca retired in December 2013. In 2015, he published his first book called "The New CEO is... You". İzzet Karaca, an Independent Board Member at Adel Kalemçilik Ticaret ve Sanayi A.Ş., is currently also an independent board member at AG Anadolu Grubu Holding A.Ş. and holds board memberships and consultancy positions in various companies. Mr. Karaca fulfills all the criteria for an independent member set forth in the CMB Corporate Governance Principles.



Eyüp Mehmet Cemil Yükselen
Independent Board Member

Mehmet Yükselen is graduated from Electronic Engineering from Boğaziçi University in 1991 and his MBA from Carnegie Mellon University. In 1993, Mr. Yükselen started his career as an expert consultant at The Boston Consulting Group and worked as an Assistant Manager at Mckinsey Company in 2000-2001, Istanbul Office Manager and Co-Founder at The Boston Consulting Group in 2001-2004, Strategy and Business Development Director at Sabancı Holding between 2004-2007, AccessTürkiye Capital Group Partner between 2007-2008, and Founding Partner at 2M Enerji ve Elektrik Üretim A.Ş. between 2005-2018. Eyüp Mehmet Cemil Yükselen is an Independent Board Member at Adel Kalemçilik Ticaret ve Sanayi A.Ş., and since 2018, he continues to work as a Founding Partner in MY Investment, MY Enerjisolar, MY Energy, which are among the companies of MY Group of Companies. Eyüp Mehmet Cemil Yükselen complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.



Uğur Bayar
Independent Board Member

Uğur Bayar graduated from New York State University, Department of Mathematics & Statistics with a BSc. degree. Bayar started his career at Citibank Türkiye in 1987 and served in various roles in the treasury department until he started public service in 1992. He served as the Vice President in Public Partnership Administration between 1992-1997 and President at Prime Ministry Privatization Administration of Türkiye between 1997-2002. During this time, he also assumed the Chairmanships of the Board at Erdemir and Petrol Ofisi, and the Board Memberships at Turkish Airlines and Turk Telekom. He joined Credit Suisse Türkiye in 2004 and served as the country CEO and Head of Investment Banking until 2017. He also served as the Chairperson of the Board of Directors of the World Wildlife Fund (WWF Türkiye) between 2010 and 2022.

Bayar, an Independent Board Member at Adel Kalemçilik Ticaret ve Sanayi A.Ş., also currently serves as the Vice President of the Marine Life Conservation Society and a member of the High Advisory Council of the Turkish Investor Relations Society.



Tayfun Bayazıt
Independent Board Member

Born in 1957, Tayfun Bayazıt got his bachelor's degree in mechanical engineering from the Southern Illinois University, followed by a master's degree (MBA) from Columbia University. Having started his career at Citibank in 1983, Bayazıt assumed Executive Vice President and Senior Executive Vice President positions at Yapı Kredi Bank from 1986 until 1995. He was President and CEO at Interbank from 1995 to 1996, and at Banque de Commerce et de Placements from 1996 to 1999. Having served as Vice Chairman at Doğan Holding from 1999 until 2001, Bayazıt was later appointed as CEO and Board member at Dışbank (2001-2005), Fortis Bank (2005-2007), and Yapı Kredi Bank (2007-2009), where he consequently served as Chairman from 2009 to 2011. He has been working as a consultant since 2011. In addition to his position as an independent board member at Adel Kalemçilik Ticaret ve Sanayi A.Ş., Tayfun Bayazıt currently serves as the Founding Partner of Bayazıt Yönetim Danışmanlık Hizmetleri Ltd. Şti., and as Chairman of the Board of Directors of Polisan Holding A.Ş., Polisan Yapıkim Yapı Kimyasalları A.Ş., Polisan Kimya San. Tic. A.Ş., Marsh Sigorta Brokerliği A.Ş., Aura Portföy Yönetimi A.Ş., B4YO Yönetim Danışmanlığı A.Ş., and Polisan Kansai Boya A.Ş. He is also a Board Member of Boyner Holding A.Ş., and an independent board member of D-Market Elektronik Hizmetler Tic. A.Ş. and Borusan Birleşik Boru Fabrikaları San. Tic. A.Ş. Tayfun Bayazıt is also actively involved in non-governmental organizations such as Turkish Industry & Business Association (TÜSİAD), Education Volunteers Foundation of Türkiye (TEGV), Corporate Governance Association of Türkiye (TKYD), WRI Türkiye, and Darüşşafaka. Tayfun Bayazıt complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

SENIOR MANAGEMENT



Demir Şarman
Agribusiness, Energy and Industry Group President

Demir Şarman started his career in 1993 as a Financial Audit Specialist at Arthur Andersen Türkiye and joined Anadolu Group's Beverage Division (Anadolu Efes) in 1997 as a Financial Controller. Between 1997-2009, Şarman held various positions at Anadolu Efes including CFO of Efes International and Group's Strategy and Business Development Director. Şarman served as the Chief Executive Officer of Anadolu Etap since its incorporation until June 2019. Demir Şarman, who assumed the responsibilities of Anadolu Group energy companies in April 2019, was appointed as Anadolu Group Agribusiness, Energy and Industry Group President in July 2019. Şarman is also a member of Anadolu Group Sustainability Committee. Besides carrying out his duties as the Chairman of the Federation of Food and Drink Industry Associations of Türkiye (TGDF) and Vice President of the International Fruit and Vegetable Juice Association (IFU), Şarman also performs his duties as the member of the Private Sector Advisory Committee of the Food and Agriculture Organization of the United Nations (FAO). Demir Şarman graduated from Middle East Technical University, Department of Economics in 1993. He has an MBA degree from University of Chicago and is also a Certified Public Accountant.



Oğuz Uçanlar
CEO

Oğuz Uçanlar received his BSc in mechanical engineering from Boğaziçi University in 2000 and his MBA from the University of Michigan in 2004. During the initial stages of his career he worked as an Export Manager for Ayvaz Endüstriyel Mamüller San. ve Tic. A.Ş. between 1997 and 2000 and then as Marketing Manager for Alarko Tourism Group in 2000 and 2001. He then held the positions of Advisor at PwC (2001-2002), Associate at Booz Allen Hamilton, Chicago, IL (2003-2007), Founder & CEO at Spaforever, Chicago, IL (2007-2011), Co-Founder and Managing Partner at 34 Developments, Chicago, IL (2007-2011), and Manager at Bain & Co., İstanbul (2011-2013). He joined the Anadolu Group in 2013, where he worked as Retail Group Director (2013-2014) before holding the position of Director of Operations and Sales (2014-2016) and CEO (2016-2023) at McDonald's. He served as the CEO of Adel/Faber-Castell between January 2023 - December 2025.



Evren Cankurtaran
CFO

Evren Cankurtaran received his B.A. in business administration from İstanbul University in 2008. He started his career the same year at PwC, working in the field of independent audit services between 2008 and 2011. He joined Anadolu Group in 2011 and started serving in the position of Consolidation and Financial Reporting Specialist at Anadolu Endüstri Holding A.Ş. He became Consolidation and Financial Reporting Supervisor in 2014 and Financial Control and Reporting Manager in 2017. He then functioned as Financial Control and Reporting Director at AG Anadolu Grubu Holding between 2021-2025. He has been appointed as Chief Financial Officer of Adel Kalemcilik in April 2025, in which position he currently serves. He is a Certified Public Accountant (CPA) and holds the Capital Markets Board of Türkiye (CMB) Advanced Level License.



Emre Kavukcuoğlu
Chief Human Resources Officer

Emre Kavukcuoğlu received his bachelor's degree in business administration (in English) from İstanbul University in 2000 and completed the Financial Management Certificate Program at İstanbul University Graduate School of Business in 2001. Having joined the Anadolu Group in 2000, he first worked as Assistant HR Generalist at Anadolu Endüstri Holding A.Ş., where he later functioned as HR Generalist and HR Chief between 2003 and 2006. He transferred to Efes Beverage Group in 2006, where he served as HR Supervisor until 2009 and as Compensation and Benefits Manager until 2014. Kavukcuoğlu was the HR Director for Anadolu Efes Kazakhstan between 2014 and 2018, and for Anadolu Efes Türkiye between 2018 and 2022. He has been serving as the Chief Human Resources Director of Adel Kalemcilik since July 2022.

SENIOR MANAGEMENT



Zülfü Tunç
Supply Chain Director

Zülfü Tunç received his B.A. in business administration from Gazi University in 2009 and pursued his master's studies (with thesis) in the Accounting & Finance Department at the same university. Having started his professional life as a research assistant in the Accounting and Finance Department at Gazi University in 2010, Tunç continued his career as an audit assistant at Ernst & Young Türkiye until the end of 2011.

He joined Anadolu Group in October 2011 and worked as Assistant Audit Specialist at Anadolu Endüstri Holding A.Ş. He joined Adel Kalemçilik through a horizontal transfer in June 2012, where he held the positions of Internal Audit Specialist (2012-2014), Budget, Reporting and Investor Relations Supervisor (2014-2016), Procurement Manager (2016-2020), and Export, Corporate and E-Commerce Business Unit Manager (2020-2021).

After joining Arçelik A.Ş. as Internal Audit Manager in June 2021, Tunç returned to Adel Kalemçilik as Procurement Director in August 2022. Having assumed the role of Procurement and Logistics Director in October 2023, Zülfü Tunç was named Supply Chain Director in June 2025, in which position he still serves.

Zülfü Tunç is a Certified Public Accountant (CPA), a title he has earned in 2015.



Serhat Çelik
Sales and Marketing Director

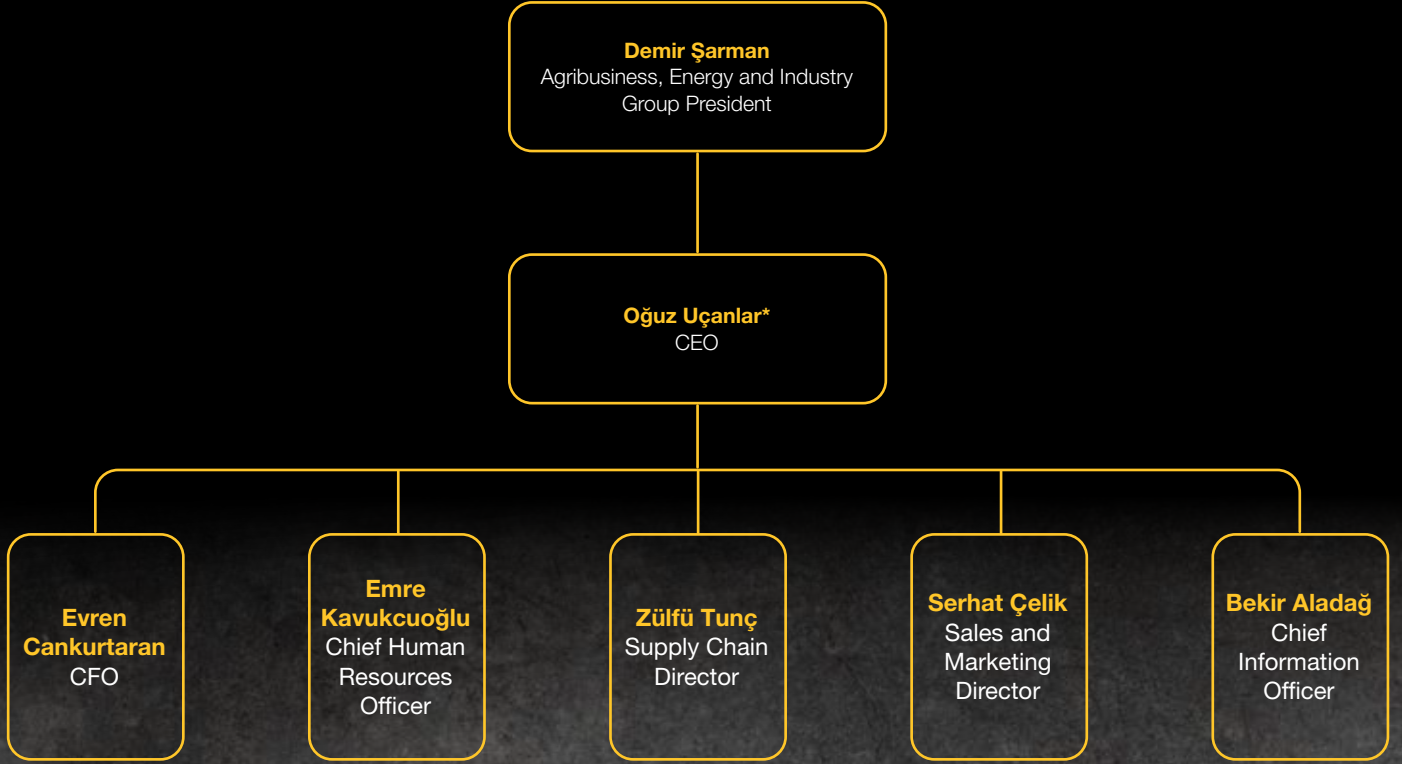
Serhat Çelik received his B.Sc. in Food Engineering from Uludağ University in 2008 and his MBA from Bahçeşehir University in 2015. He started his career in sales in 2009. He joined Coca-Cola İçecek (CCI) in 2010, holding various sales leadership roles in Türkiye and the Middle East. He served as the Country Sales Manager at CCI Kyrgyzstan between 2019 and 2021, and as Sales Manager at CCI Türkiye between January 2022 and December 2023. He joined Adel Kalemçilik in 2024 as Sales Director, where he has been working as Sales and Marketing Director since June 2025.



Bekir Aladağ
Chief Information Officer

Bekir Aladağ received his associate degree in computer programming from Anadolu University in 1993 and his bachelor's degree in business administration from the same university in 1999. He started his career as a computer programmer at Biltaş in 1995. He joined Anadolu Group in August 1996 and held various positions at Coca-Cola İçecek A.Ş. (CCI), which included Information Technology Business Analyst for AS400 systems, Information Technology SAP Business Analyst, and Information Technology SAP Finance Executive. He then worked as Information Technology Manager for CCI-Turkmenistan from March 2012 until March 2016, when he returned to the Turkish operations. Aladağ worked as IT Applications Integration Manager until year-end 2016, and Digital Technology Commercial Operations Manager between January 2017 and October 2023. He has been serving as Chief Information Officer at Adel Kalemçilik since November 2023.

Organizational Chart



*His term of office ended as of 31 December 2025.

INVESTOR RELATIONS

transparency and accountability

While ADEL embraces transparency towards stakeholders as an essential principle, the company pays maximum attention to accountability by disclosing company information accurately and intelligibly, making them equally and easily accessible to all.



Adel has been listed under the ticker symbol "ADEL" on the İstanbul stock exchange since 1996. 27.71% of the company's shares are included in the BIST ALL-100, BIST MAIN, BIST DIVIDEND 10 YEARS, BIST ALL, BIST INDUSTRIAL, BIST 500, BIST ISTANBUL AND BIST DIVIDEND 5 YEARS indexes.

The Investor Relations Unit manages communication between the Board of Directors and shareholders. Its primary focus is to ensure the effective exercise of shareholder rights.

The IRU's duties include publishing material event disclosures as required by capital market regulations, publishing periodic informational announcements for the benefit of investors, managing the content of the company's website, preparing annual reports, and responding to shareholders' written and verbal requests for information.

The Adel Corporate Governance Committee is responsible for overseeing the Investor Relations Department. The

committee defines standards for all public disclosures and basic investor relations principles. It reviews these standards and principles, as well as compliance with them, on an annual basis. The committee makes recommendations concerning these matters to the Board of Directors as necessary. The Investor Relations Department prepares a report on its activities and submits it to the Corporate Governance Committee every time the committee convenes.

Dividend Policy

Adel distributes profits in accordance with the profit-distribution clause of its articles of association, subject always to the requirements of the Turkish Commercial Code, Capital Market Regulations, tax laws, and all other applicable laws, regulations, and administrative provisions. It is the company's policy to distribute at least 50% of its annual distributable profits in the form of cash dividends and/or free shares. The company may deviate from this policy in special circumstances, such as when it needs to finance investments essential for long-term growth or when there are extraordinary developments in economic conditions. The Adel Board of Directors passes a profit-distribution resolution for each accounting period that is presented to shareholders for approval during a general meeting. The general assembly sets the date for dividend payments to begin but this date must be before the end of the year in which the decision is made. Subject always to

applicable laws and regulations, the company may decide to pay advances on dividends and/or to pay them in equal or unequal installments.

General meetings

Information about Adel Kalemcilik general meetings is provided in the "Corporate Governance/ Additional information about corporate governance/ Shareholders/General meetings" section of this report.

Dividend Payments

Adel has been a consistent dividend payer since 2006.

At the Ordinary General Assembly held on 16 April 2025, it was resolved that a gross cash dividend of TRL 150,026 thousand shall be distributed to shareholders, based on the Company's unconsolidated financial statements prepared in accordance with capital markets regulations and taking into account the statutory records maintained under the Tax Procedure Law (VUK). The dividend distribution will be

made entirely from prior years' profits (extraordinary reserves). Accordingly, for each share with a nominal value of TRL 1, a gross cash dividend of TRL 0.5773, corresponding to 57.73%, shall be paid to shareholders who are fully-liable resident corporate taxpayers, and a net cash dividend of TRL 0.490705, corresponding to 49.07%, shall be paid to other shareholders, for each share with a nominal value of TRL 1. In addition, a second legal reserve of TRL 13,703 thousand shall be set aside in accordance with applicable legislation. The dividend payment date has been determined as 26 September 2025.

From our 2024 net profit, a gross dividend of TRL 150,026,000 was paid to tax-resident corporations. This translates to a gross dividend of TRL 0.5773 per share with a nominal value of TRL 1.00 and corresponds to a gross dividend payout ratio of 57.73%. After taxes, the net dividend per share is TRL 0.4907 and corresponds to a net dividend payout ratio of 49.07%.

Credit Rating

Adel's long-term (National) credit rating has been revised from "AA+ (tr)" to "AA (tr)" by credit rating agency JCR Avrasya Derecelendirme A.Ş. The company's short-term (National) credit rating and outlook remained unchanged at J1+ (tr) and "Stable" respectively.

JCR Eurasia Rating (20 August 2025)	Note	Outlook
Long-Term National Credit Rating	AA (tr)	Stable
Short-Term National Credit Rating	J1+(tr)	Stable
Long-Term International Foreign Currency Credit Rating	BB	Stable
Long-Term International Local Currency Credit Rating	BB	Stable

ACTIVITIES

market leader

Adel is a market leader thanks both to its production capabilities and to the knowledge and experience of more than half a century in business.



Sectoral Review & Adel's Position in the Sector

The stability and growth potential of Türkiye's stationery market are ensured both by the country's youthful demographics and by an educational system in which some 26 million students ranging from preschool to post-graduate are enrolled.

Particularly in recent years, the increasing integration of technology into daily life, coupled with a growing awareness of sustainability, has been reflected in consumer expectations, leading to a significant transformation in the stationery sector. At the core of these changes lies rapid digitalization on one hand, and an increasing

demand for products made from recyclable and eco-friendly materials on the other.

With numerous players, many of whom are global actors, and import-heavy, Türkiye's stationery market is an intensely competitive one. Adel however leads the market thanks to its production capabilities, its product diversification based on its R&D and innovation capabilities, the knowledge and experience of more than 55 years in business. The company's chief advantages are high domestic production capacity, reputation as the most-preferred consumer brand, product quality and reliability, distribution efficiencies, and financial strength.

Adel, which effectively seizes the growth opportunities presented by the market, is fully aware of the responsibility placed on it by the wide audience it serves and distinguishes itself by focusing on sustainability and product safety throughout its production cycle.

Adel continues to take steps for strengthening its presence on e-commerce channels. Having added momentum to its efforts for increasing product access options for consumers, Adel opened authorized shops Türkiye's leading e-commerce platforms in 2025. In the coming period, shop openings will continue to increase direct access to end-users through new collaborations to be established with different marketplaces.

Adel's new website furnished with cutting-edge technology and standing out with its user-oriented interface design is an important tool that facilitates access to products and services, and enhances digital user experience.

Adel keeps endorsing its production strength and competencies with awards.

Having adopted responsible production approach, Adel claimed the Industrial Excellence Award, one of Europe's most eminent accolades which is granted in Türkiye as the result of the audits performed by Sabancı Business School under Sabancı University.

Adel's business is cyclical in nature.

The dynamics of the stationery industry in Türkiye are cyclical, with peak demand being determined by school openings and closures and by dealer and retailer stock replenishments. Customers typically place orders for the current year during its first quarter. These orders are manufactured as required and shipped during the second quarter to ensure that there are sufficient stocks of products available to meet the surge in

consumer demand in the third quarter when schools reopen.

Each year, Adel accepts orders for goods from retailers attending first-quarter trade fairs. Depending on their nature, these goods may be manufactured by Adel itself or imported. The company requires customers to provide a bond or other form of collateral sufficient to cover the value of their orders; the orders themselves are shipped by the end of the third quarter.

Owing to the cyclical nature of its business therefore, the company's net debt and net operating capital requirements typically peak at the end of the third quarter. Towards the end of the year however, both return to normal levels.

Adel is distinguished by its production and brand strengths.

Standing out with its production capacity, and investments in research and development, Adel has been providing physical and chemical testing capabilities specific to the stationery sector at its R&D Center, which holds a license from the Ministry of Industry and Technology since 2019, and has been leading the

Embracing responsible production approach, Adel claimed the Industrial Excellence Award.

industry by developing products that comply with the chemical product safety regulations of all countries within its commercial field of activity.

Constantly innovating, Adel introduces 300 or so new products every year. It also invests in R&D in its ongoing efforts to improve its materials and manufacturing processes in ways that are both economically and environmentally sustainable. Patent-awarded machinery designed and developed by Adel itself sharpen the company's competitive edge in the market.

Adel, which values academic studies, collaborates with prominent scholars in their respective fields and carries out sectoral partnerships through national and international funding programs with its competent team under the roof of its R&D Center.



ACTIVITIES

R&D and innovation

Adel's production capability, bolstered by R&D and innovation, consistently fosters new ventures and partnerships.



Adel exhibits its competence in R&D and production with a wide range of nearly 1,000 different product types including wood-cased writing and paint pens, ballpoint pens for writing comfort, erasers, sharpeners, whiteboard markers and permanent pens, watercolors in 21 shades, crayons in 48 shades, playdough available in nearly 20 colors and gouache paint product groups.

Alongside its own brands, Adel boasts an extensive product portfolio developed in collaboration with leading stationery brands worldwide, engaging in marketing and sales activities for over 3,000 product varieties.

Adel's production capability, bolstered by R&D as well as innovation, consistently fosters new ventures and partnerships.

Furthermore, studies on products developed in line with sustainability goals continue in the R&D Center. In addition to reducing the amount of petrochemical-derived plastics, the development stages of products made from alternative raw materials, with a reduced carbon footprint using natural resources, have been completed and have moved on to the

prototype product testing phase. Additionally, development studies on the primary packaging of products aimed at providing sustainable solutions and reducing plastic consumption, are progressing rapidly.

Within the scope of innovation-driven 2030 targets of Adel Kalemcilik, materials developed through up-cycling using natural resources have found applications in many sectors, and Adel has become the first company and R&D center to adapt these materials to the stationery sector.

The material and product bundle that has been developed is patented.

The advisory academician support team from national universities is being expanded to increase the speed of access to knowledge.

As part of domestic supplier development efforts, open innovation studies have been initiated for the local production of felt-tip paint pen inks within the scope of import substitution.

Research in artistic quality paint lead that enhances writing and painting comfort catering to evolving consumer demands and

expectations has been finalized, and product integration was completed at the onset of 2026.

Studies have been completed for watercolors that will have a long storage life in different geographic climates around the world.

Collaborations with other R&D centers of different business lines are ongoing in the form of joint work with academics and students from national universities, and development of innovative products and systems to enhance high-quality work outputs. In addition to all these processes, Adel Kalemcilik R&D Center offers fast and solution-oriented services and products to customers' demands for custom products based on its agile project management approach.

"Development of Pencil Slats from Waste Biomass", "Development of Sustainable Natural Wood Adhesive from Waste Biomass", "Development of Stationery Products Using Plastic Materials Derived from Household Waste Employing Upcycling Techniques", and "Development of No-cook Playdough" are some of the projects carried out between 2024 and 2026.

As part of Adel's R&D efforts on alternative raw materials for sustainable production:

Sustainable packaging studies are ongoing and the use of recycled plastic in crayon packaging has been expanded.

The vast majority of waste sawdust from the production of wood-cased pencils is utilized for energy conversion, and composite materials containing sawdust are being developed to reduce the consumption of petroleum-derived materials in line with green conversion goals. As a result of ongoing collaborations, steps have been taken to incorporate these materials into the bodies of watercolor plastic cases and felt-tip pens.

Adel has completed 40 R&D projects to date, 4 of which were completed in 2024 and had a budget of over EUR 100 thousand. The number of registered patents held by Adel has reached 16, alongside 41 registered designs and 2 utility models. The Company publishes articles in peer-reviewed journals and technical journals in the field of R&D. Adel continued to take part in university summits and events in 2025.

Product safety and management systems are in place at every stage of Adel's production operations.

Adhering to a responsible production approach and making product safety central to its production processes, Adel has 10 thousand product-safety and

30 thousand product-quality tests conducted every year on average in fulfillment of its "We will never sell anything that we wouldn't let our own kids use" promise.

Adel is committed to achieving compliance with all the management system standards in place at the company in all its operations as it manufactures products for use by people of any age wishing to touch people's lives, shape their dreams, and leave their mark on the future.

Adel therefore sets compliance targets and devotes resources to their fulfillment, ensures that all employees are made aware of standards and of the necessity of owning and complying with them, and strives to constantly improve and develop process performance.

Adel conducts its operations within the framework of the following certifications:

- ISO 9001 Quality Management System
- ISO 27001 Information Security Management System
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001 Energy Management System
- ISO 28000 Security Management System
- SEDEX Certificate
- Zero Waste
- FSC ® C130058 Certificate
- TSI Conformity Certificate

Sales

A comparison of net sales revenues broken down by type during 2025 and 2024 respectively is shown below.

Net Sales (TRL million)	January-December 2024	January-December 2025	Change (%)
Domestic Sales	3,386	1,935	-42.8%
International Sales	164	164	0.4%
Total	3,550	2,100	-40.8%

ASSESSMENT OF 2025 FINANCIAL RESULTS

Disclaimer

As required by the Capital Markets Board, our 2025 financials have been adjusted to account for the effects of inflation pursuant to TAS 29 ("Financial Reporting in Hyperinflationary Economies"). For this reason, all financial statements presented herein, including comparative data from earlier reporting periods, have been restated in accordance with TAS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 31 December 2025.

Net Sales

TRL 2,100 million

Gross Profit

TRL 833 million

Net Profit

TRL -502 million

Financial Performance

(TRL million)	2024	2025	%
Net Sales	3,550	2,100	-41%
Gross Profit	1,817	833	-54%
EBITDA (BNRI) (1)	547	1	-100%
Net Profit/(Loss) before Tax	100	-656	n.m.
Net Profit/(Loss)	24	-502	n.m.
Net Working Capital	1,057	1,179	12%
Net Financial Debt	456	1,289	183%
Free Cash Flow	-44	-992	-2157%
Gross Profit Margin	51%	40%	
EBITDA (BNRI) (1) Margin	15%	0%	
Net Profit Margin	1%	-24%	

Gross Profit Margin

40%

EBITDA Margin

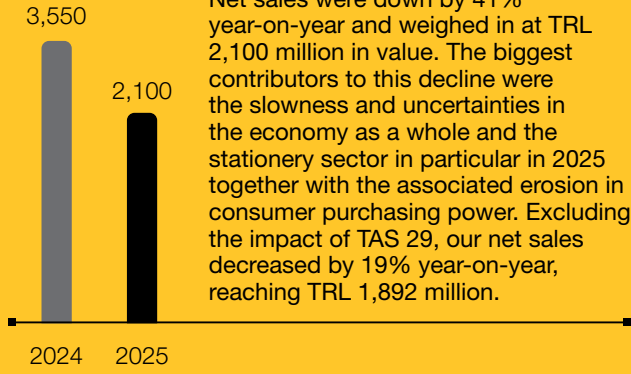
0%

Net Profit Margin

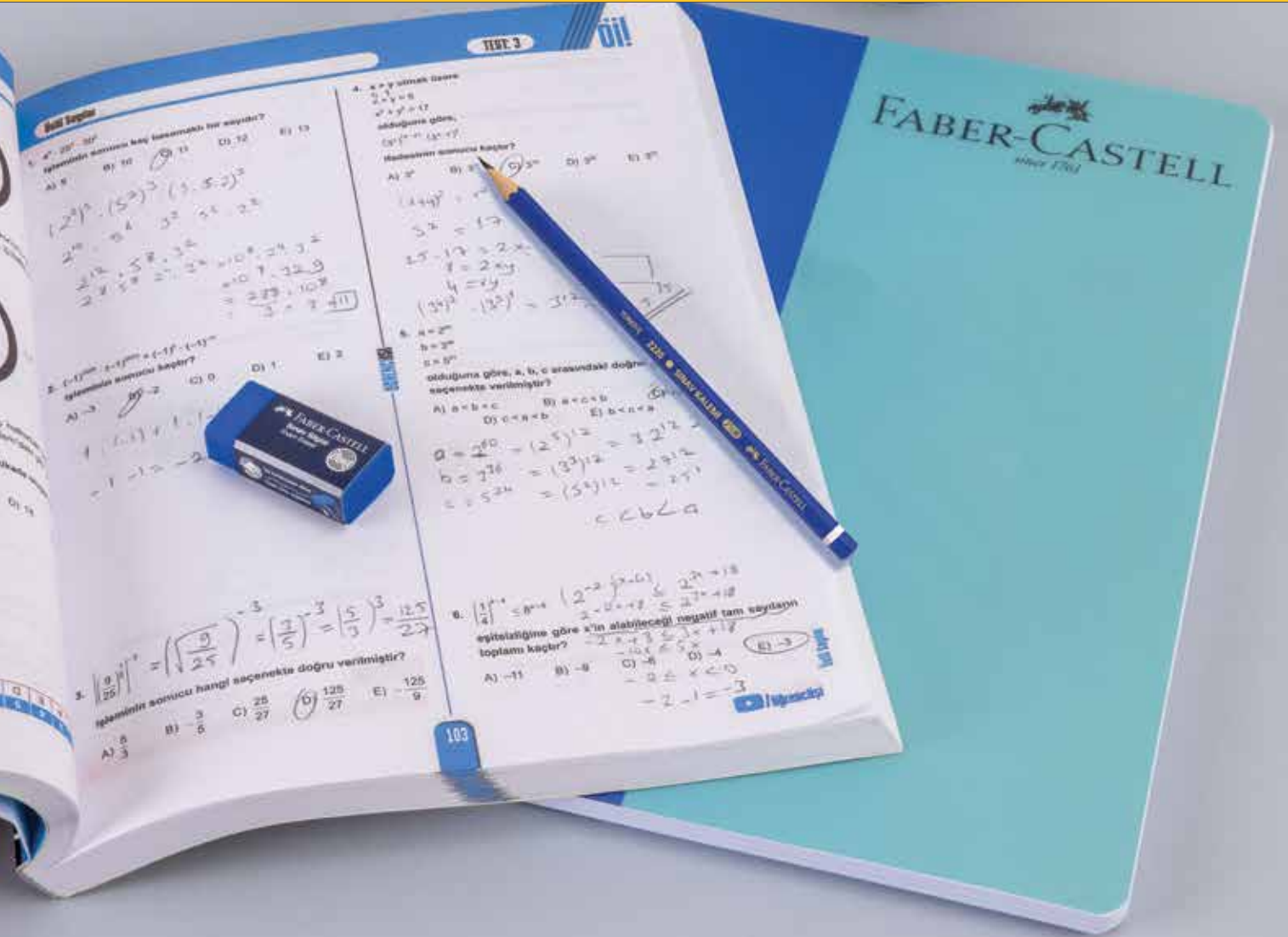
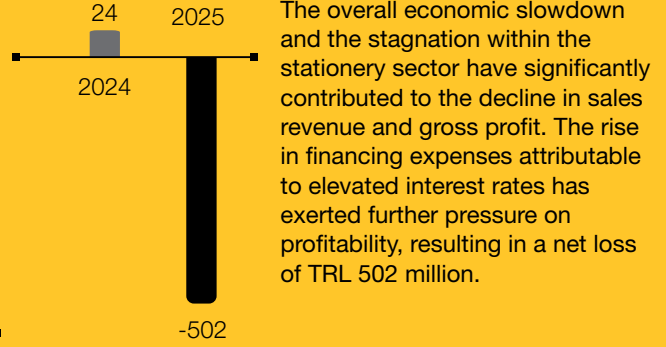
-24%

ASSESSMENT OF 2025 FINANCIAL RESULTS

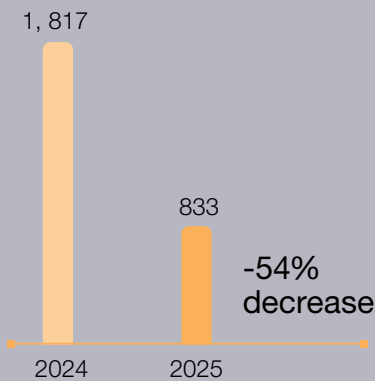
Net Sales (TRL million)



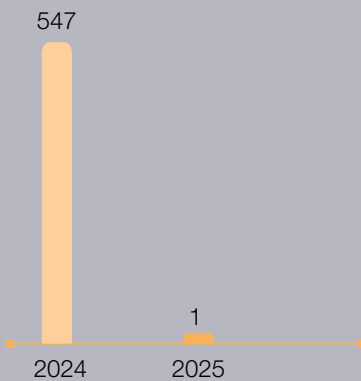
Net Profit (TRL million)



Gross Profit (TRL million)



EBITDA (BNRI) (TRL million)



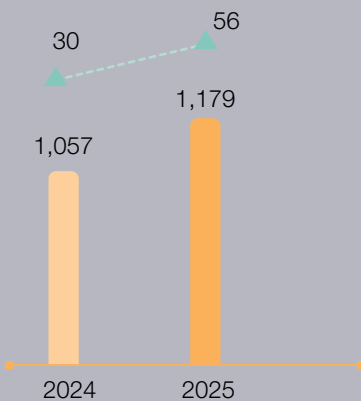
Our gross profit decreased by 54% year-on-year to TRL 833 million, with a gross profit margin of 40%. Excluding the TAS 29 impact, our gross profit amounted to TRL 941 million.

Our EBITDA (BNRI) for 2025 amounted to TRL 1 million. The decrease in gross profit, driven by the decrease in sales revenues, coupled with the strain on operating profitability at existing revenue levels due to fixed costs, has led to a downturn in EBITDA (BNRI). In particular, operating expenses remained relatively high compared to the decreased sales volume, which adversely affected operational profitability and led to a year-over-year decrease in EBITDA (BNRI).

Gross Profit Margin, %



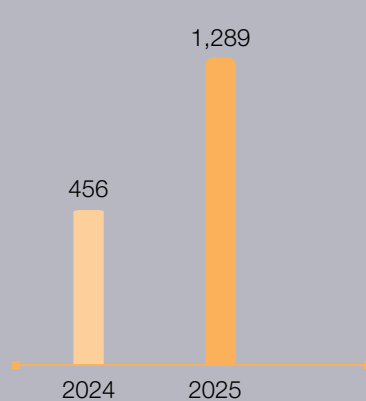
Net Working Capital (TRL million)



Net Working Capital (TL million)
 Net Working Capital/Net Sales (%)

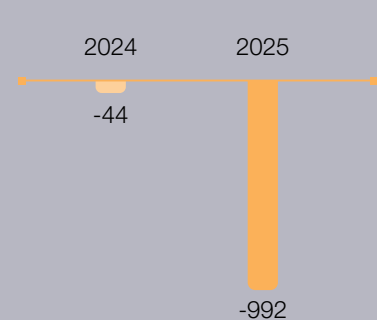
In 2025, our Company’s average net working capital requirement amounted to TRL 1,179 million. This increase was mainly attributable to rising inventory levels, in parallel with a contraction in sales volumes during the period. Despite the decline in operating volume, our Company continued to manage its working capital in a disciplined manner and implemented measures to optimize its cash conversion cycle.

Net Financial Debt (TRL million)



As of year-end 2025, our Company’s net financial debt stood at TRL 1,289 million. The contraction in sales volume, coupled with the increased need for financing and persistently high interest rates, led to an increase in net financial debt.

Free Cash Flow (TRL million)



As of December 2025, Adel showed a negative free cashflow of TRL 992 million.

*Net Working Capital/Net Sales ratio is calculated on the basis of the previous twelve months’ Net Sales figure.

RISKS

Financial Risk

In line with the nature of the industry in which it operates and the financial instruments it utilizes, our Company is exposed to various financial risks, particularly interest rate risk, currency risk, liquidity risk, and receivables risk. Ongoing uncertainties in global and local markets, macroeconomic developments, and volatility in financial markets have been closely monitored, and an effective risk management approach has been adopted to limit the impact of such risks on the financial statements.

Within the framework of risk management policies, financial risks have been regularly analyzed, monitored, and managed. In 2025, our Company continued to maintain a proactive risk management approach supporting financial sustainability and operational continuity.

Interest Rate Risk

Due to the nature of its operations, our Company operates with a high working capital requirement, particularly during the first nine months of the year. This increases its sensitivity to changes in market interest rates. Over the course of the year, fluctuations in interest rates have been observed, driven by both global monetary policies and domestic macroeconomic developments.

The net working capital requirement is predominantly financed through equity and bank loans. Within the scope of interest rate and liquidity risk management, the maturity structure of the loan portfolio is closely monitored, alternative financing sources are evaluated, and steps are taken to diversify the financing framework.

By virtue of disciplined financing policies, borrowing costs were maintained below market averages in 2025, and financial flexibility and balance sheet strength were preserved.

Currency Risk

Our company is exposed to currency risk due to its commercial activities, as its foreign currency liabilities exceed its foreign currency assets. To mitigate the impacts of this risk and protect against cost fluctuations, derivative financial instruments are employed as a hedge against currency risk.

In line with the risk management policy, the entire currency risks incurred in 2025 were hedged, thereby keeping the impact of currency market volatility on financial performance under control.

Receivables Risk

beginning of the year. During this period, various payment methods, including credit cards, the Direct Debit System (DDS), Vinov, and checks, continue to be used to mitigate receivables risk and enhance the effectiveness of collection processes.

To mitigate receivables risk and reduce working capital requirements, credit card and cash payment campaigns were also implemented in 2025, streamlining collection processes. The remaining dealer receivables were managed through secured payment systems, and letters of guarantee were obtained to mitigate exposure to open risks.

Through the diversification of payment systems, the stability of cash flows was maintained, and receivables risk was managed effectively.

SUMMARY BALANCE SHEET

(TRL million)	31.12.2024	31.12.2025
Cash and equivalents	863	396
Trade receivables	172	154
Inventories	1,033	1,133
Other current assets	278	125
Current Assets	2,346	1,808
Financial investments	2	1
Tangible assets	1,034	963
Right of use assets	200	115
Intangible assets	116	145
Other non-current assets	22	144
Non-Current Assets	1,374	1,368
Total Assets	3,720	3,176
Short term borrowings	510	1,162
Short term portion of long term borrowings	146	486
Trade payables	174	122
Other current liabilities	252	110
Current Liabilities	1,082	1,880
Long term borrowings	663	37
Long term provisions	47	43
Deferred tax liabilities	31	-
Non-Current Liabilities	741	80
Equity	1,897	1,216
Total Liabilities & Equity	3,720	3,176

SUMMARY INCOME STATEMENT

(TRL million)	1 January - 31 December 2024	1 January - 31 December 2025
Revenues	3,550	2,100
Cost of sales (-)	-1,733	-1,267
Gross Profit	1,817	833
Operating expenses (-)	-1,353	-1,028
Other Operating Income /Expense (net)	-41	-12
Operating Income	423	-207
Income /(expense) from investment operations	-59	-3
Financial income/(expense) (net)	-411	-632
Monetary gains / (losses)	147	186
Income/(Loss) Before Tax from Continuing Operations	100	-656
Tax income/(expense)	-76	154
Net Income/(Loss)	24	-502
EBITDA (BNRI) ⁽¹⁾	547	1
Profitability Ratios	1 January - 31 December 2024	1 January - 31 December 2025
Gross Profit Margin	51%	40%
Operating Profit Margin	12%	-10%
Net Profit Margin	1%	-24%
EBITDA (BNRI) ⁽¹⁾ Margin	15%	0%
Market Capitalization as of December 31 st	8,701	8,576

⁽¹⁾ BNRI: Before non-recurring items

WORKLIFE AT ADEL

an agile and efficient organization

Adel braces its capability to adapt to changing global and local economic dynamics with its agility. As of 2025, our Human Resources practices are being managed with the vision of making our organizational structure leaner, more focused and more efficient. Placing the right talent in the right role and making the most of our internal resources represent the main strategic axes of this period.



HR & talent management

Adel aims to build a corporate culture driven by high performance with its strategic moves targeted at organizational efficiency. To win the talent that best fit our strategic business plans and corporate values, our recruitment processes are managed in accordance with equal opportunity, transparency and merit principles. In candidate assessment processes, cultural alignment with long-term company strategies is a fundamental criteria, in addition to technical competence.

Adopting a dynamic approach to end-to-end talent management processes, our company meticulously structures each step from recruitment to succession, performance monitoring to career management. A management model that will ensure that the right responsibility is assumed by the right talent at the right time is implemented for the sustainability of an agile and efficient organizational structure.

Our employees are supported to grow into professionals possessing a global vision, prioritizing team success, having high analytical competence and taking initiative to come up with solutions. Our business- and

customer-oriented working principle is the beacon in this development journey.

Through the Organizational Development Forum (ODF) process systematically conducted across Anadolu Group to which Adel belongs, career planning and succession strategies are regularly reviewed for all our employees at all levels within the Group's synergy. The process assures critical roles that will shape our organization's future and high-potential talent are identified at an early stage, keeping their development under close monitoring.

Our compensation policies are managed within a transparent, objective structure consisting of a fixed salary and performance bonuses that applies to all levels including the senior management. Within the frame of our fair compensation approach, an assessment system free of all forms of discrimination is implemented, which is independent from factors including, but not limited to, language, race, gender, faith or age, and is based solely on skills and performance.

At Adel, we build our Human Resources strategy upon the pillars of organization, leadership, competence and talent. We base all our activities on these values and we adopt it as our principal responsibility to protect employee rights under any circumstance and to enhance job satisfaction.

Development Activities

At Adel Kalemcilik, we always look ahead and shape our future collectively, united in our passion for success. Accordingly, we transformed our 2025 development strategy into an efficiency-oriented journey, formulating it on the center of business impact and skills transformation rather than concentrating on total training volume. Our goal is to correctly identify the needs of a changing, transforming, agile and efficient organization to redesign training and development activities, while not causing any disruption to the professional development of our colleagues in the field. Our skills transformation initiatives were initiated in a pilot run with our Conventional Channel Sales organization operating under the Sales Directorate, and all

**At Adel Kalemcilik,
we always look ahead
and shape our future
collectively, united in our
passion for success.**



WORKLIFE AT ADEL

together to the future

As Adel Kalemcilik we are driven by a shared passion for success, looking always to the future and shaping it together.



related activities were completed in the reporting period. All our Sales Representatives and Regional Sales Managers were accompanied in one-day field visits for hands-on analysis of the organization's needs and employees' competence levels, allowing the mapping of the organization's existing skills.

At Adel, we believe that leadership helps reveal our individual and shared potential, and bears a priceless impact on our collective achievements. We have completed the first phase of our leadership-oriented "Adel Lead" training program co-developed with Bahçeşehir University for our specialist, supervisor and manager roles. In the light of current developments, we are targeting to initiate the redesigning of our Lead and

Campus training programs based on comprehensive need analyses we are planning to conduct across all our departments.

In 2025, Adel delivered 5,181 hours of training across various areas, including mandatory legal compliance, technical skills, first aid, environmental awareness, occupational health & safety, competition law, and information security.

In addition to company-supplied training resources, qualifying employees of all Anadolu Group members benefit from discounts on master's and doctoral programs at Koç, Sabancı, Bilgi, Özyeğin, Bahçeşehir, and Okan universities. This gives them the chance to advance their careers by developing themselves academically.

Equal Opportunities

Adel regards equal opportunities not just as a Human Resources policy, but as one of the building blocks of its business model. We are building all our organizational processes, from hiring to career planning and from compensation to development opportunities, solely on transparent and objective criteria, completely independent from age, gender, faith, ethnicity and socioeconomic factors. We regard diversity as a source of organizational wealth, and take the utmost care to create an accessible, inclusive and harmonious working ecosystem for our colleagues with disabilities.

In every stage of organizational restructuring in 2025, Adel continued to regard equal opportunities as an indispensable part of its business model. During the strategic focus phase, we keep upholding our human resources management understanding that is based on objective criteria and is independent from age, gender, faith and socioeconomic factors.

In alignment with the United Nations Sustainable Development Goals (UN SDGs), we embrace gender equality as a strategic priority, and strive to ensure this balance in all our operational processes. As a consequence of this visionary approach, we maintain the proportion of female employees as 34% and women representation in managerial roles as 36%. Our Company sees the

strong representation of women's voices in decision-making mechanisms as a key to our corporate success.

We periodically audit our equal opportunity initiatives and take improvement steps proactively by benchmarking our status against global standards. In our journey towards Anadolu Group's 2035 vision, the target is to elevate the proportion of female employees to 50%, ensure permanence of a minimum of 35% female representation in all managerial positions, and achieve an employee body that is fully inclusive in terms of such diversity criteria as gender, race, and age.

2050: The workforce is fully inclusive in terms of such diversity criteria as gender, race, and age.

In 2025, Adel delivered 5,181 hours of training across various areas, including mandatory legal compliance and technical skills,.



WORKLIFE AT ADEL

Occupational health & safety

Adel regards employee health and safety as a matter of the utmost importance and therefore gives great attention to the robustness and sustainability of its workplace health services. The company employs a professional healthcare staff consisting of a full-time workplace physician along with two full-time registered nurses who work on a shift basis.

Adel also offers optional private health insurance and supplementary coverage plans to make it easier for its employees to access the healthcare they need for non-work-related medical conditions. The protection of Adel employees' health and safety is governed by formally-adopted company policies such as the Adel Occupational Health & Safety Procedure and the Adel Medical Screening & Surveillance Procedure.

Adel regards continuously improving and developing its business processes so as to ensure that they do not adversely affect its employees' health or safety to be a fundamental tenet of all management systems policy. Adel is committed to full compliance with ISO 45001 Occupational Health & Safety Management System standards. The company believes continuous improvement is a shared responsibility and encourages all employees to embrace it as well.

ISO 45001 compliance processes are managed in line with company-published OHS procedures and under the oversight of the Adel Occupational Health & Safety Committee, which convenes at least once every two months. Unit heads are responsible for identifying hazards and conducting risk assessments within their units and for ensuring

that OHS procedures are properly followed. This process is also supported by OHS professionals such as OHS specialists, and workplace physicians. Risk assessments are conducted using the Fine-Kinney method. Each hazard is assigned a risk score based on its probability, severity, and frequency. These risk assessments inform all OHS practices at Adel. Actions that need to be taken are identified in accordance with the company's risk management & control hierarchy and corrective action records (CAR) are created and communicated to units' OHS officers. The progress of subsequent risk mitigation processes is tracked according to CAR-specified deadlines. Risk assessment processes are regularly reviewed and revised whenever it is suspected that risks may have changed in nature.

fair & equitable

In 2024, women made up 34% of Adel's workforce and held 36% of its management positions.



Guided by its vision of zero work-related accidents and illnesses, Adel's top priority is to provide the safest possible workplace environment for employees, contractor personnel, and visitors. The Adel Board of Directors is ultimately responsible for determining company-wide OHS strategies in its capacity as the company's highest decision-making authority. Adel's general manager and senior executives are responsible for the implementation of these strategies. Technical Services coordinates OHS activities across the company.

Adel regards training and awareness-raising as essential for the company-wide ownership of the OHS culture that it embraces. Employees received a total of 3,624 hours of OHS training during 2025. This training further

advanced efforts to raise OHS awareness and to promote a safer, healthier workplace culture across Adel. Along with employee OHS training, continuous risk assessment & monitoring as well as internal and external OHS auditing are also crucial for the ongoing improvement of the company's OHS performance.

Adel has identified the following short, medium, and long-term goals that it intends to achieve through comprehensive measures and proactive-improvement strategies:

- 2027: Bring work-related accident rates down by 20% from their 2024 levels
- 2030: Reduce these rates by 50%
- 2050: Be a zero-accident workplace.

Adel's top priority is to provide the safest possible workplace environment for employees, contractor personnel, and visitors.

OHS awareness

In 2025, a total of 3,624 person-hours of OHS training was provided to the employees, taking another step toward raising awareness of OHS issues and fostering a safer and healthier workplace culture.



SUSTAINABILITY AT ADEL

a sustainability champion

Adel is determined to steadily advance towards greater sustainability and to maintain its standing as the sustainability champion among Türkiye's stationery manufacturers.



Sustainability management

Sustainability is deeply ingrained in Adel's management philosophy. The company's Board of Directors and senior executives provide strategic leadership on sustainability-related issues. This involves identifying and then assessing sustainability-related risks and opportunities to determine strategic priorities and focus areas. The expectations of stakeholders such as suppliers, government agencies, NGOs, dealers, and customers are likewise all taken into account. All these elements are compiled into a corporate sustainability portfolio and action plans are formulated and implemented accordingly.

Sustainability management is an inherently complex process that requires cross-functional coordination across the company. Recognizing this, a multidisciplinary Sustainability Working Group consisting of representatives from units such as Finance, HR, Supply Chain, Purchasing, Corporate Communications, Environment, and OHS was set up in 2015. This group continued to evolve and in 2022 it was reorganized as the Sustainability Management Committee. This committee reports directly to the company general manager. Another committee responsible for sustainability governance continues its activities under

the title of "Board of Directors Sustainability Committee". The Regulation outlining the responsibilities and working principles of the Board of Directors Sustainability Committee was approved on 26 April 2024.

The Sustainability Committee serves as the core of the company's sustainability structure and oversees the operations of dedicated working groups whose members have knowledge and experience in specific areas such as environment & energy, social impact & communication, economics & finance, and quality & innovation.

The company has formulated and published a sustainability policy to help integrate its sustainability commitment into its corporate culture. The Sustainability Committee, which reports directly to the general manager, is responsible for making Adel's sustainability approach an intrinsic element of the company's corporate culture by coordinating all sustainability related decisions, operations, and actions.

As Adel resolutely moves ahead in its sustainability journey, the company targets to maintain its pioneering position in sustainability in the stationery sector in Türkiye. This approach is a solid indication of the responsibility the company feels towards the society and future generations, as well as its commitment to creating lasting value.

SEDEX Certification

In 2024, Adel successfully completed its transition to the SEDEX SMETA (Sedex Members Ethical Trade Audit) 4-Pillar System, securing its place among SEDEX member organizations.

Under the SEDEX SMETA 4-Pillar framework, Occupational Health and Safety, Environment, Business Ethics, and Working Conditions were assessed. Upon our integration into this system, the necessary information was also provided to stakeholders to ensure their compliance with the system.

What are we doing for the future of our planet?

With its core value of "Goodness" and its vision of being a part of the lives of everyone who wants to shape and color their dreams and leave a mark, Adel Kalemcilik carries out numerous successful projects that will foster social impact and actively supports existing social projects.

Recognizing the creation of value for both society and the industry as one of its fundamental responsibilities, Adel aligns all its business activities with the value of "Goodness". In line with this value it has adopted, Adel, which has been implementing its social responsibility projects under the umbrella of the "Goodness Tree" program since 2015, prioritizes "Climate Action" and "Quality Education" in alignment with the United Nations' 2030 Sustainable Development Goals. Adel continues its efforts to support the development and education-training needs of future generations while contributing to environmental and social sustainability.

Since 2012, Adel has implemented numerous projects in the field of Quality Education to contribute to social development and the well upbringing of future generations, with the goal of becoming a "Company Consulted on Education".

In 2024, Adel successfully completed its transition to the SEDEX SMETA (Sedex Members Ethical Trade Audit) 4-Pillar System, securing its place among SEDEX member organizations.



SUSTAINABILITY AT ADEL

low-emission

As part of the fight against the climate crisis, Adel tracks low-emission new technologies and develops projects for renewable energy generation and supply.

Adel carried out its corporate carbon footprint calculation in 2024, in accordance with the ISO 14064-1:2019 standards.



Adel has supported the training of nearly 12 thousand teachers to date through the Creative Child, Creative Mind Education Workshops, which started in 2012 and was implemented in collaboration with the Teachers Academy Foundation (ÖRAV), and has contributed to the development of the creativity of thousands of children.

To date, hundreds of thousands of schoolchildren have benefited from the learning and teaching resources made available to them through Goodness Tree.

During 2025, the company carried on with the projects executed in cooperation with civil society organizations and public agencies, helping raise generations with a high level of environmental consciousness and contributing to education. Within the scope of the project conducted on the occasion of the Environment Week, informative training on recycling was provided to students; following the training, waste stationery supplies collected in receptacles placed in schools were recycled at our plant into the bodies of watercolor plastic cases. These products were donated

to the Koruncuk Foundation for Children in Need of Protection, thus helping spread kindness. During the back-to-school season, contribution was made to girls with limited access to education as part of the Koruncuk Foundation's campaign "A Bag Carries the Future" for each Faber-Castell pencil purchased from Migros stores and mobile app. During the back-to-school period, product support continued to be made to numerous different institutions.

Adel also attaches importance and allocates resources to social gender equality issues (SDG 5). Women make up about 35% of its workforce, which is well above average in its sector. As a result of its having complied with workforce gender-equality criteria defined by İş Asset Management and the Center for Gender Studies at Koç University, Adel's publicly-traded shares are quoted in the İstanbul stock exchange's ISKDN index of companies that actively recruit women into their workforce and empower them to have more say in management.

Environmental responsibility is one of the building blocks of

Adel's mission. To this end, our company develops policies, systems, and processes that focus on environmental protection and climate change mitigation, and manages environmental issues with a holistic and systematic approach. The Company sets concrete targets for continuous improvement in key environment- and climate-related areas such as energy consumption, GHG and air emissions, water stewardship and wastewater management, waste reduction, biodiversity conservation, and materials use. The company also strives to constantly improve its performance in addressing these issues.

Within the scope of Adel's Climate Action efforts:

With a focus on conservation of natural resources and contributing to the circular economy, Adel's production facility utilizes rainwater for garden irrigation, and the majority of the approximately 800 tons of waste sawdust from the production of wood-cased pencils is used for energy conversion, while the production of composite materials

containing sawdust continues to serve the reduction of the petroleum derivatives consumed within the scope of green conversion.

Using only wood harvested from trees with FSC®-C130058 certification from the Forest Stewardship Council (FSC) Chain of Custody as having been raised for industrial purposes in the manufacture of pencils. This helps conserve the world's forest resources and protects natural habitats.

As part of its fight against the climate crisis, Adel tracks low-emission new technologies and develops projects for renewable energy generation and supply. Following its first carbon footprint calculation in 2021 to better manage its emissions and monitor its targets, Adel also carried out its corporate carbon footprint calculation in 2023 and 2024, in accordance with the ISO 14064-1:2019 standards. To develop more effective strategies

for monitoring and reducing carbon emissions throughout the Company's value chain, carbon emissions were addressed holistically. In this calculation, Scope 1 and Scope 2 emissions were kept under control, and Scope 3 emissions, such as those from supply chain and logistics, were also analyzed. According to the 2024 corporate carbon footprint calculation analysis, Scope 1 emissions amounted to 1,822.79 tons CO₂e, Scope 2 emissions were 2,837.98 tons CO₂e, and Scope 3 emissions totaled 16,249.39 tons CO₂e.

Adel shared its studies and commitments regarding climate change and greenhouse gas emissions, as well as its environmental, social, and governance (ESG) performance and results with its stakeholders under the title of Climate Crisis and Greenhouse Gas Emissions Management in its 2024 Sustainability Report published in August 2025.

Adel shared its studies and commitments regarding climate change and greenhouse gas emissions, as well as its environmental, social, and governance (ESG) performance and results with its stakeholders in its 2024 Sustainability Report.

contribution to the circular economy

With a focus on conservation of natural resources and contributing to the circular economy, Adel's production facility utilizes rainwater for garden irrigation and fire water system, and the majority of the approximately 800 tons of waste sawdust from the production of wood-cased pencils is used for energy conversion.



ESG INDICATORS

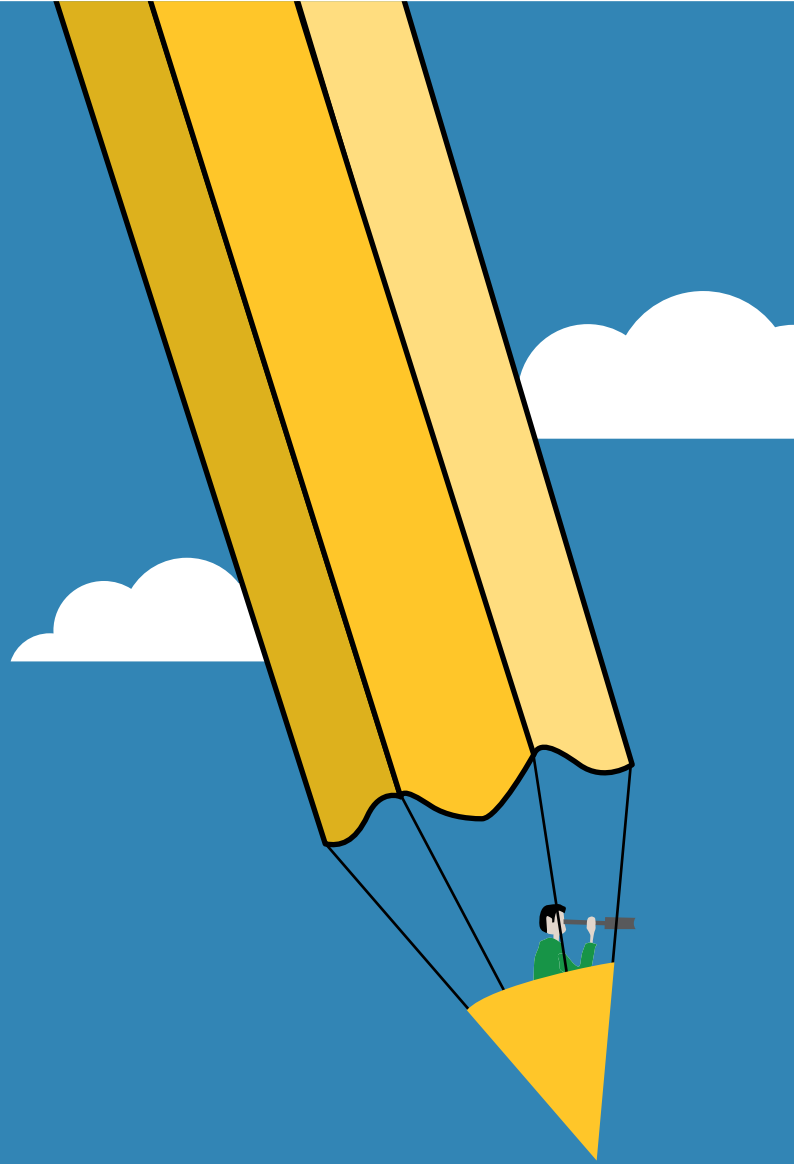
	2022	2023	2024
Energy Consumption (GJ)			
Natural gas	15,276	17,691	23,107
Chips	13,675	16,211	10,186
Diesel	13,770	776	523
Gasoline	3,226	8,268	6,853
Electricity	20,444	20,714	23,116
Total Energy Consumption	66,390	63,660	63,785
Emissions (tCO₂e)			
Scope 1	-	1,563	1,823
Scope 2	-	2,741	2,838
Scope 3	-	20,625	16,250
Air Emissions (kg/year)			
NOx	20,281	22,560	12,003
SOx	1,057	1,176	1,176
Volatile Organic Compounds (VOC)	42,731	47,533	56,710
Particulate Matter (PM)	4,572	5,068	3,608
Disposed Hazardous Waste (tons)			
Waste sent to storage/landfill	-	-	0.030
Amount incinerated (not for energy production)	0.009	0.004	-
Amount recovered for energy production	303.34	282	600
Amount of hazardous waste disposed off-site	303.34	282	251.77
Amount of hazardous waste recycled off-site	0.65	13.20	11.23
Disposed Non-Hazardous Waste (tons)			
Amount recovered for energy production (non-hazardous)	29.29	30.55	66.37
Recycled Non-Hazardous Waste (tons)			
Recycled/Recovered Non-Hazardous Waste	197.30	307.15	312.96
Water Withdrawal (m³)			
Surface Water	-	-	6,780.8
Groundwater	26,603	26,341	23,020


	2022	2023	2024
Management Systems			
Number of ISO 14001 certified facilities	1	1	1
Number of employees working in ISO 14001 certified offices/ facilities	422	378	351
Percentage (%) of employees covered by the ISO 14001 certification	100	100	100
Environmental Training			
Number of Employees	178	540	416
Employee Training Hours	972	810	1,832
Environmental Investments and Expenditures (TRL)			
Total environmental investments and expenditures	2,422,227	13,190,781	1,147,932
Environmental Products and Services			
Percentage of total wood or forest products labeled as wood or forest products FSC® certified (FSC® - C130058)	100	100	100
OHS Data			
Number of Employees	356	347	351
Number of Work Accidents	17	50	50
Number of Lost-Time Accidents	11	26	25
Number of Lost Days	46	99	403
Total working hours	923,299	856,087	966,375
Number of Fatal Accidents	0	0	0
Work Accident Statistics (Employees)			
Accident Frequency Rate (AFR) AFR = (Total Number of Accidents / Total Working Hours) × 1,000,000	18.41	58.40	51.73
Accident Severity Rate (ASR) ASR = (Total Lost Days / Total Working Hours) × 1,000	0.049	0.11	0.41
Other OHS Disclosures			
OHS training hours provided to employees	4,210	4,613	3,813
Number of employees participating in OHS training	490	517	876
OHS training hours provided to subcontractors	736	136	115
Number of subcontractors participating in OHS training	368	68	115
Number of near-miss incidents	3	12	37
Expenditure on OHS activities	4,110,000	3,524,000	5,340,000

CORPORATE GOVERNANCE

Socially- beneficial projects & undertakings

Since its inception, Adel has been committed to creating value and social benefit for all of its stakeholders in the conduct of its operations.





Adel's Goodness Tree Corporate Social Responsibility Program (CSR) supports socially-beneficial projects, especially those that contribute to the realization of two United Nations 2030 Sustainable Development Goals: Quality Education (SDG 4) and Climate Action (SDG 13).

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Adel Kalemcilik wholeheartedly embraces the Corporate Governance Principles published by the Capital Markets Board. The company strives to establish principles and structures that effectively cater to the interests of investors and all other stakeholder groups with whom it engages so as to ensure the best possible outcomes.

1. Corporate Governance Principles Compliance Statement

The company conducts all of its operations in accordance with applicable laws and regulations, including Capital Markets Board-mandated corporate governance principles (CMB CGP). During the 1 January 2025 to 31 December 2025 period covered by this report, Adel Kalemcilik complied with CMB Corporate Governance Communique II-17.1 dated 3 January 2014. This report provides information about the company's practices for each topic covered by the CMB communique during the reporting period. If any instances of non-compliance with those principles occurred, a reasoned explanation is provided. All conflicts of interest arising from non-compliance and any anticipated changes to the company's compliance practices are also fully disclosed. No conflicts of interest arising from any of the unresolved issues briefly mentioned in this report have been identified. Our Company's Corporate Governance Information Form (CGIF) templates can be accessed via the Corporate Governance button on the Public Disclosure Platform, Corporate Governance Compliance Report (CGCR) can be found under the Summary Information button on the Public Disclosure Platform, within the Corporate Governance Principles Compliance Report button, and the Sustainability Compliance Report templates can be accessed under the Summary Information button on the Public Disclosure Platform, within the Sustainability Report button.

- As required by CMB CGP §4.6.5, annual reports publicly disclose the total salaries and other benefits paid to all members of the Adel Kalemcilik Board of Directors and to the company's senior executives. However, salaries and benefits are not disclosed on an individual basis.
- The company is currently not in compliance with CMB CGP 3.1.2 which requires all companies to publicly disclose a compensation policy for non-administrative/non-executive personnel.
- Although care is taken to avoid having directors serve on more than one board committee, as required by CMB CGP §4.5.5, some Adel Kalemcilik directors do in fact serve on more than one. The small number of board members, the limited number of independent directors, and the need to select committee members who are conversant with each committee's object and scope make this necessary.

Uğur Bayar Corporate Governance Committee Chairman	Mehmet Hurşit Zorlu Corporate Governance Committee Member
İ. İzzet Özilhan Corporate Governance Committee Member	Tamer Haşimoğlu Corporate Governance Committee Member
Meltem Metin Corporate Governance Committee Member	Fatih Çakıcı Corporate Governance Committee Member

ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

SECTION I - SHAREHOLDERS

2. Investor Relations Unit

Adel Kalemcilik's investor relations unit is headed by the financial affairs director. The other members of this unit are the Accounting Manager and the Reporting & Investor Relations Specialist.

Adel Kalemcilik publicly discloses information about its financial results, performance, and other developments during each reporting period with shareholders, investors, brokerage firm research analysts, and other stakeholders through meetings and on its corporate website. The company promptly updates its website with any information or statements that may impact the exercise of shareholder rights.

The Adel Kalemcilik Board of Directors received the 2025 Corporate Governance Principles Compliance Report on 2 March 2026. The report included information about investor relations activities during the reporting period.

Company officers who are responsible for investor relations are identified below:

EVREN CANKURTARAN	FATİH ÇAKICI	GÖZDENUR KURUCA
CFO	Accounting Manager	Reporting & Investor Relations Specialist
Investor Relations Unit Manager	Investor Relations Unit Officer	Investor Relations Unit Officer
	Capital Market Activities Level 3 License: 208775 Corporate Governance Rating License-930122	
E-mail: evren.cankurtaran@adel.com.tr	fatih.cakici@adel.com.tr	gozdenur.kuruca@adel.com.tr
Phone: +90 850 677 70 00	+90 850 677 70 00	+90 850 677 70 00
Fax: +90 850 202 72 10	+90 850 202 72 10	+90 850 202 72 10

3. Exercise of Shareholders' Right to Information

Adel Kalemcilik complies with its public disclosure policy when dealing with shareholders' requests for information. The company also promptly updates its website with any information or statements that may impact the exercise of shareholder rights. Additionally, Adel Kalemcilik treats all shareholders and investors equally by ensuring that its statements reach everyone simultaneously, accurately, and with the same information.

Shareholders' statutory rights to access information and to examine company records are not thwarted or limited by Adel Kalemcilik's articles of association or by the decisions of any company organ. The company has established all necessary mechanisms to ensure that shareholders are able to fully and comprehensively exercise these rights.

Adel Kalemcilik's articles of association do not state that a shareholder who has already exercised their right to obtain information or to conduct an audit on a specific issue and has not been satisfied may exercise this right at a general assembly of shareholders, even if the matter is not already on the agenda. However neither do they contain any provision that would make it difficult to obtain information or to conduct an audit on a specific issue; furthermore, the company's management refrains from taking any action that would do so. The company complies with the Turkish Commercial Code's applicable provisions on the exercise of shareholders' right to request a special audit. No shareholder requested the appointment of a special auditor in 2025.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE

4. General Assembly of Shareholders Meetings

Adel Kalemcilik conducts its general meetings in accordance with CMB Corporate Governance Principles as set forth under the “General Assembly Meetings” rubric.

The Ordinary General Assembly Meeting of our Company for 2024 was held on 16 April 2025, at 10:00, at the address “Fatih Sultan Mehmet Mahallesi, Balkan Caddesi No: 58 Buyaka E Blok 34771 Tepeüstü Ümraniye İstanbul”, under the supervision of the Ministry representative Ms. Dilek Diren, who was assigned by the Istanbul Trade Directorate with the letter dated 14 April 2025 and numbered E-90726394-431.03-00108192028.

The invitation to the meeting and its agenda was duly issued in compliance with applicable laws and the Company’s articles of association, and the announcement was published in the Turkish Trade Registry Gazette on 25 March 2025, issue No. 11299, in the Türkiye edition of Milliyet Newspaper dated 25 March 2025, on the Public Disclosure Platform, on our Company’s official website at www.adel.com.tr, and the registered shareholders were formally notified via registered letter with return receipt, sent from the İstanbul Bostancı PTT branch on 25 March 2025, within the prescribed legal period.

As of the date of the general assembly meeting announcement, the Company’s shareholder structure, including the total number of shares and voting rights, was published on our Company’s website.

In the course of preparing the meeting agenda, no shareholders submitted written requests to the Company’s Investor Relations Department for the inclusion of any items. Likewise, there were no requests from other public institutions and organizations associated with shareholders, the Capital Markets Board (CMB), and/or the Company for the addition of an agenda item.

To facilitate shareholder participation in the general assembly, a proxy voting authorization form required for participation by proxy was published on our website. The meeting minutes of the last five years’ general assembly meetings were also published on our website.

The meeting chairperson made the necessary preparations in advance and obtained pertinent information regarding the conduct of the general assembly in compliance with the requirements of the Turkish Commercial Code, applicable laws, and regulations.

During the general assembly meeting, the questions of the shareholders attending the meeting regarding the agenda were answered.

Following the conclusion of the general assembly, the meeting minutes were published on the Public Disclosure Platform (KAP) as a material event disclosure and were also made available on our website on the same day.

The key resolutions adopted at our General Assembly meeting held on 16 April 2025, are as follows:

2024 Financial Statements and Annual Report drawn up pursuant to the Capital Markets legislation were approved by the General Assembly.

Members of the Board of Directors were individually acquitted of their fiduciary responsibilities in connection with their activities in 2024.

At the General Assembly meeting, the following individuals were elected as members of the Adel Board of Directors for a one-year term, to serve until the Ordinary General Assembly convened to discuss the 2025 fiscal year activities: Kamilhan Süleyman Yazıcı, Tuğban İzzet Aksoy, İbrahim İzzet Özilhan, Nazik Meltem Metin, Mehmet Hurşit Zorlu, İbrahim Tamer Haşimoğlu, Stephan Leo Rosen, İzzet Karaca (Independent), Tayfun Bayazit (Independent), Eyüp Mehmet Cemil Yükselen (Independent), Uğur Bayar (Independent). It was resolved that each Independent Board Member will be paid a monthly gross remuneration of TRL 225 thousand.

It was resolved to approve the designation of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the auditing of 2025 fiscal year accounts and transactions, and for the assurance audit of 2024 and 2025 sustainability reports.

Within the frame of CMB's provisions and in line with the proposal of the Board of Directors, it has been resolved to pay out the dividends in the amount of TRL 150,026 thousand (gross) to shareholders starting 26 September 2025.

It was submitted for the information of the shareholders that TRL 7,536 thousand (adjusted for 2024 purchasing power parity) was donated to foundations and associations.

5. Voting Rights and Protection of Minority Shareholders

Every effort is made to ensure that shareholders are able to exercise their voting rights without difficulty. Systems and processes have been established to make it as easy and convenient as possible for all shareholders to exercise their voting rights, regardless of their location. Article 33 ("Electronic participation in general meetings") of Adel Kalemcilik's articles of association allows those who are entitled to participate in general meetings to vote electronically, subject to the provisions of Turkish Commercial Code §1527. Some shareholders and proxies who attended the 2024 general meeting online used the company's TTK §1527-compliant electronic voting system to cast their votes.

No shares representing the company's paid-in capital enjoy or confer any special rights or privileges. No shareholders have any cross-shareholding relationships with each other or with the company.

Although CMB CGP allows minority-shareholding rights to be granted to those who control less than one-twentieth of a publicly-traded company's capital, Adel Kalemcilik's articles of association do not expand these rights beyond those mandated by law.

6. Dividend Rights

All shareholders have equal rights to the distribution of the company's profits.

Adel Kalemcilik distributes profits in accordance with the profit-distribution clause of its articles of association, subject always to the requirements of the Turkish Commercial Code, Capital Market Regulations, tax laws, and all other applicable laws, regulations, and administrative provisions. It is the company's policy to distribute at least 50% of its annual distributable profits in the form of cash dividends and/or free shares. The company may deviate from this policy in special circumstances, such as when it needs to finance investments essential for long-term growth or when there are extraordinary developments in economic conditions. The Adel Kalemcilik Board of Directors passes a profit-distribution resolution for each accounting period that is presented to shareholders for approval during a general meeting. The general assembly sets the date for dividend payments to begin but this date must be before the end of the year in which the decision is made. Subject always to applicable laws and regulations, the company may decide to pay advances on dividends and/or to pay them in equal or unequal installments.

The company paid all dividends in 2025 within the legally required timeframe.

Adel Kalemcilik's Profit Distribution Policy is published in its annual report and on its corporate website. The 2025 annual report contained detailed information about how 2024 profits were distributed.

7. Transfer of Shares

The company's articles of association do not restrict the transfer of shares; likewise the company engages in no practices that might hinder the free transfer of shares.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE

SECTION II- DISCLOSURE & TRANSPARENCY

8. Public Disclosure Policy

Adel Kalemcilik is committed to fully complying with Capital Markets Board Corporate Governance Principles pertaining to public disclosures and transparency. The company has adopted and published a public disclosure policy that covers all disclosures made to the public other than those required by law. This policy covers all aspects of public disclosure such as what information may be disclosed, who may disclose it, how often, and in what ways; how often company directors and officers may meet with media representatives; the frequency of public information meetings; and guidelines for responding to questions directed to the company.

Adel Kalemcilik publicly discloses all company-related information on the Public Disclosure Platform (www.kap.gov.tr) and on its corporate website in accordance with CMB CGP. The company's public statements are designed to help people make informed decisions. All information is provided in a clear, concise, and easy-to-understand manner; is accurate, complete, and up-to-date; and is conveniently and affordably accessible to all.

Adel Kalemcilik also uses the e-YÖNET platform to directly and effectively interact with its shareholders and investors. This platform was developed by the Central Registry Agency and provides a secure and convenient way for Adel Kalemcilik to communicate with its stakeholders.

In 2025, Adel Kalemcilik published 34 material event disclosures conforming to CMB regulations. All announcements were made in a timely manner on the Public Disclosure Platform and on the company's corporate website.

The Adel Kalemcilik Financial Affairs Department is responsible for ensuring compliance with the company's public disclosure policy. It does this in coordination with the Adel Kalemcilik Corporate Governance Committee. Detailed information about policy-compliance officers and their roles may be found in the "Investor Relations Unit" section of this report.

The company publishes an annual report that discloses its year-end financial results along with expectations for the next year and the assumptions and data on which those expectations are based. If the assumptions and data used to create expectations for the year are not met, or if it is clear that they will not be met, the company releases updated expectations to the public through interim reports. These reports include explanations for the changes in expectations.

The Adel Kalemcilik Public Disclosure Policy is published on the company's corporate website.

9. Corporate Website & Content

Adel Kalemcilik's corporate website is located at www.adel.com.tr. The company makes active use of this website and updates its information frequently. All information on the corporate website is complete, coherent, and self-explanatory. The information is also consistent with the company's legally-mandated material event disclosures. The corporate website's address is included in the company's letterhead. Complete information about the website is provided in §2.1 ("Corporate website") of the corporate governance principles compliance report. An English-language version of Adel Kalemcilik's website is accessible from www.adel.com.tr, however information about investor relations is not currently available in that language.

10. Annual Reports

The company's annual reports provide readers with accurate and complete information about the company's activities and operations. They are prepared with sufficient detail to do so. Annual reports contain information required by law and CMB CGP, as well as information published in §2.2.2 of the company's corporate governance principles compliance reports.

SECTION III - STAKEHOLDERS

11. Informing Stakeholders

A company's stakeholders are any individuals, organizations, or groups that have a stake or interest in the company's goals or activities. Stakeholders include a wide range of entities such as employees, customers, suppliers, shareholders, investors, government agencies, communities, and more. Adel Kalemcilik takes steps to protect the statutorily or contractually defined rights of stakeholders with whom it interacts. In situations where stakeholders' rights are not explicitly defined by statute or contract, the company makes a good-faith effort to uphold those rights to the best of its ability. Adel Kalemcilik has implemented all necessary mechanisms to comply with CMB CGP in its dealings with stakeholders.

Although CMB CGP §3.1.2 requires organizations to formulate an employee compensation policy and publicly disclose it, the company has not yet done so.

The company is committed to maintaining stakeholder satisfaction by promptly resolving issues involving employees and other stakeholders. Adel Consultation Line (0850 224 2335) has been in operation since 2013 and is open seven days a week from 08:00 to 20:00. Incoming calls are answered promptly and resolved within designated timeframes by appropriate department personnel.

The company ensures that its internal stakeholders (employees, suppliers, customers, consumers) are kept informed about matters of concern to them in various ways and through various channels. External stakeholders are informed about matters of concern to them by company officers through such means as annual reports, in-person meetings, trade fairs, and school and university campus events.

The company also organizes employee development programs, which include classroom training, e-learning, on-the-job training, and knowledge-sharing.

The Adel Kalemcilik Corporate Governance Committee has established reporting mechanisms for stakeholders to use to report non-compliant or unethical behavior by the company to the committee and to the Audit Committee. The Audit Committee is also responsible for determining whether or not management has established a system conforming to the committee's business-conduct rules and ethical standards. The Audit Committee additionally reviews whether management monitors the company's compliance with business-conduct rules and ethical standards, conducts abuse risk assessments, and provides training on abuse, business-conduct rules, and ethical standards.

12. Stakeholder Participation in Management

Adel Kalemcilik solicits stakeholders' opinions on decisions that may affect them and considers them. The company uses market research, polls, meetings, and other methods to learn stakeholders' thoughts about the company and its products and services.

Employees may submit value-adding ideas to management through the Bi-Fikir system on the Anadolu Group Innovation Portal. They may also submit ideas or requests for improvements in human resources management processes through the regularly-conducted Adel Kalemcilik Employee Loyalty Survey.

Complaints or requests received from customers, suppliers, or consumers through the Adel Consultation Line are responded to and resolved within designated timeframes by appropriate department personnel.

All customer and supplier information that is in the nature of a trade secret is held in the strictest confidence.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE

13. Human Resources Policy

The company's human resources policy and associated practices are fully compliant with CMB CGP 3.3. ("Human Resources Policy of the Corporation").

Adel Kalemcilik regards compliance with its human resources policy as one of its most basic goals and strategies. This is a policy which does not discriminate based on race, nationality, gender, or religion and which takes pride in the differences and abilities of its employees and sees them as an opportunity for its own development as a company. The company invests in employees' self-improvement and takes care to provide personnel with a safe workplace environment while respecting their rights under laws and regulations. The company invests in people and emphasizes training and development for personnel at every level that prepare them better for the future. Adel Kalemcilik aims to provide equal opportunities for all employees in such areas as recruitment, hiring, compensation, training, benefits, and career progression. It also prioritizes employee satisfaction and needs.

The company's relationship with its blue-collar workers is governed by a collective bargaining agreement. This agreement provides for three union representatives (a chief and two assistants) to act as intermediaries between the company and union members at the factory. These representatives are responsible for communicating the demands, complaints, and problems of blue-collar workers to the employer in a manner that complies with the law and the terms of the collective bargaining agreement. They also represent employees before the employer in matters related to health & safety and disciplinary issues and likewise follow up on and finalize the results of all actions taken. Four employees are elected by their peers to serve on the factory's workplace health & safety committee. All the four serve as regular members.

Adel Kalemcilik has a procedure in place for employees to directly contact management with requests or complaints. No employee has filed a discrimination complaint. Women make up about 34% of the company's workforce; about 36% of its managers are women.

Employees can access all job descriptions through the company's intranet. Performance reviews are conducted through an online system. Evaluation and reward criteria, along with expectations, are communicated to employees at the beginning of each year.

14. Ethical Guidelines & Social Responsibility

Adel Kalemcilik's strong commitment to ethical behavior is in line with the long-standing corporate culture of its parent company, Anadolu Holding. Adel Kalemcilik's ethical guidelines and principles are available on the company's website. Society, nature, the environment, national values, customs, and traditions are all respected. The company publicly discloses all material information about its management, finances, and exposure to legal risks in a timely, accurate, comprehensive, understandable, analyzable, and easily-accessible manner. This information is disclosed in a way that takes the rights and interests of both the company and its stakeholders into account. All transactions and decisions made by the company comply with the laws of the Republic of Türkiye. The company fulfills all legal obligations towards the environment and community of its locality without fail. Every year the company donates substantial quantities of school and stationary supplies to local schools, governments, and public authorities to be given to disadvantaged students.

SECTION IV - BOARD OF DIRECTORS

15. Structure & Composition of the Board of Directors

Adel Kalemcilik's articles of association state that the company's business and affairs are to be overseen by a board of directors with a minimum of seven and a maximum of thirteen members. The current board has 12 members, with one chair and one deputy chair.

Information about Duties Performed outside the Company by Members of the Board of Directors and Managers

Member of the Board of Directors	Position	Duties outside the company
Kamil Süleyman YAZICI	Chairman of the Board of Directors	Chairman of the Board of Directors, Vice Chairman of the Board of Directors, and Board Member in Anadolu Group companies; Vice Chairman of the Board of Directors at Kamil Yazıcı Yönetim ve Danışma A.Ş.; Board Member at TAİK (Türkiye-U.S. Business Council), TOGG (Türkiye's Automobile Joint Venture Group), and HBS Alumni Board (Harvard Business School Alumni Association); member of TÜSİAD
Tuğban İzzet AKSOY	Vice Chairman of the Board of Directors	Vice Chairman of the Board of Directors at Anadolu Group Holding and companies; member of TÜSİAD and TOBB; Honorary Consul of Georgia
İzzet ÖZİLHAN	Member of the Board of Directors	Board Member of TÜSİAD, Chairman of the TÜSİAD Agriculture, Food, and Services Roundtable, Board Member of TÜRKONFED
Meltem METİN	Member of the Board of Directors	Board Member at Anadolu Group Companies, Startme - Co-Founder, Board Member
Burak BAŞARIR	Member of the Board of Directors	CEO of Anadolu Group; Member of the Turkish Industry and Business Association (TÜSİAD); Chair of Anadolu Group Sustainability Committee
Mehmet Hurşit ZORLU	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies; Member of the High Advisory Board of the Turkish Investor Relations Society (TÜYİD)
Tamer HAŞİMOĞLU	Member of the Board of Directors	Member of the Board of Directors at KYDDAŞ and Anadolu Group companies; Member of the Board of Trustees of Hisar Education Foundation (HEV).
Stephan Leo ROSEN	Member of the Board of Directors	
İzzet KARACA	Independent Member of the Board of Directors	Member of the Board of Directors at AG Anadolu Grubu Holding A.Ş. and Adel Kalemcilik Tic. ve Sanayi A.Ş.; Board Member and Advisor at Defacto
Tayfun BAYAZIT	Independent Member of the Board of Directors	Founding Partner of Bayazit Yönetim Danışmanlık Hizmetleri Ltd. Şti.; Chairman of the Board of Directors at Polisan Holding A.Ş., Marmara Holding A.Ş., Polisan Yapı Kimyasalları A.Ş., Polisan Kimya San. Tic. A.Ş., Marsh Sigorta Brokerliği A.Ş., Aura Portföy Yönetimi A.Ş., B4YO Yönetim Danışmanlığı A.Ş. and Polisan Kansai Boya A.Ş.; Board Member at Boyner Holding A.Ş.; Independent Board Member at Hacı Ömer Sabancı Holding A.Ş., D-Market Elektronik Hizmetler Tic. A.Ş., Borusan Birleşik Boru Fabrikaları San. Tic. A.Ş.
Eyüp Mehmet Cemil YÜKSELEN	Independent Member of the Board of Directors	Founder and Chairman of the Board at MY Energy Group; Member of TKYD-Corporate Governance Association of Türkiye
Uğur BAYAR	Independent Member of the Board of Directors	Member of the High Advisory Board of the Turkish Investor Relations Association (TÜYİD); Member of the Board of Trustees of World Wildlife Foundation; Board Member at Marine Life Conservation Society; Independent Board Member at Migros Ticaret A.Ş.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE

Board members' resumes, including their outside duties, are available on the company's website. The company does not have specific rules governing board members' extramural roles or duties, but CMB CGP regulations are followed in such matters.

The company's articles of association require the Board of Directors to elect a new chair and deputy chair annually. The chair is responsible for overseeing board meetings, for ensuring that discussions are conducted in an orderly manner, and for having minutes kept of all discussions.

The company's articles of association define the powers of the board's chair and members and of senior executives. No one in the company has been granted the authority to make unlimited decisions on their own.

CMB CGP §4.3 ("Structure of the Board of Directors") states that a majority of board members must be non-executive directors, at least four of whom must be independent directors. The Adel Kalemcilik Board of Directors satisfies these requirements.

Under CMB CGP if the structure or size of a board does not allow for a separate nomination committee, the company's corporate governance committee is to serve as a nomination committee instead. In its capacity as a nomination committee, the Adel Kalemcilik Corporate Governance Committee individually reviewed the independent director candidacies of Uğur Bayar, Eyüp Mehmet Cemil Yükselen, İzzet Karaca and Tayfun Bayazit to determine if they met CMB CGP independence criteria. Finding that each did, the committee submitted its opinion and approval to the Adel Kalemcilik Board of Directors on 25 March 2025. The signed affidavits previously submitted by each candidate to the Corporate Governance Committee, stating that they conform to the independence criteria of laws and regulations, CMB CGP, and the company's articles of association, are presented in Appendix 2.

An information document was published simultaneously with the general meeting announcement, listing the independent director candidates and providing information about each candidate, including their resumes. Shareholders approved the appointment of these independent directors for a one-year term each, effective as of 16 April 2025.

All members of the Adel Kalemcilik Board of Directors are non-executive directors. The company's articles of association requires directors to be elected for one-year terms of office. Directors may be reelected.

There is a female member on the Board of Directors.

16. Board of Directors Operating Principles

The Adel Kalemcilik Board of Directors is responsible for administering the company in a transparent, accountable, fair, responsible, and CMB CGP-compliant manner.

The Adel Board of Directors is responsible for maintaining effective communication between the company and its shareholders and for addressing and resolving disputes that may arise. It does this by working closely with the Corporate Governance Committee and the Investor Relations Unit.

During the reporting period, five board meetings were held in person. All of the meetings were made with full attendance of the 11 members. Meetings to discuss the company's monthly results were announced at the beginning of the reporting period. Other meeting dates were announced two days beforehand by the director of communications secretariat. Four of these meetings were held with the attendance of 12 members, and one meeting was held with 11 members.

Minutes are kept of all board meetings and proceedings as required by CMB CGP. Board meetings discuss recent performance and current developments as well as future growth plans, strategies for dealing with competitors, matters touching upon the company's human resources organizational structure, and other

topics. Board minutes of purely commercial decisions are not publicly disclosed until all related matters have been decided, as doing so might otherwise lead to speculation and business losses. However, all decisions related to material events are publicly disclosed as required by CMB CGP.

As required by CMB CGP, a majority of the company's independent directors must approve all board decisions involving related-party transactions.

17. Number, Structure & Independence of Board of Directors Committees

CMB CGP §4.5.1 mandates the establishment of separate audit, corporate governance, nomination, and remuneration committees within boards of directors to enable the boards to perform their duties and fulfill their responsibilities effectively. The same article also says that if the composition of a board is such as to preclude the formation of separate nomination and remuneration committees, then the corporate governance committee is to perform those functions instead.

Audit, corporate governance, and risk committees have been duly formed within the Adel Kalemcilik Board of Directors. The functions of the two committees which have not been formed are carried out by the Corporate Governance Committee as permitted by CMB CGP.

Under CMB CGP §4.5.2, a board of directors is responsible for determining duties, working principles, and members of board committees and for publicly disclosing these matters. On 15 March 2013 the Adel Kalemcilik approved a regulation conforming to the requirements of CMB CGP that defined the duties and working principles of the Risk Committee. Regulations governing the duties and working principles of the audit and corporate governance committees were revised on 28 March 2014. All such regulations and changes in them are publicly disclosed on the company's corporate website at www.adel.com.tr.

CMB CGP §4.5.3 says that all audit committee members and the chairs of other board committees must be independent directors. On 25 March 2025, the Adel Kalemcilik Board of Directors elected board-committee chairs and members to serve one-year terms of office. As required by CMB CGP, the company's CEO is not a member of any board committee.

Information about Adel Kalemcilik Board of Directors committees is provided in the accompanying chart.

Audit Committee	Corporate Governance Committee	Early Detection of Risk Committee	Sustainability Committee
İzzet Karaca - Chairman	Uğur Bayar - Chairman	Uğur Bayar - Chairman	Tayfun Bayazıt - Chairman
Tayfun Bayazıt - Member	İ. İzzet Özilhan - Member	İ. İzzet Özilhan - Member	İ. İzzet Özilhan - Member
	Meltem Metin - Member	Meltem Metin - Member	Meltem Metin - Member
	Mehmet Hurşit Zorlu Member	Burak Başarır - Member	Burak Başarır - Member
	Tamer Haşimoğlu - Member	Tuğban İzzet Aksoy - Member	Eyüp Mehmet Cemil Yükselen - Member
	Fatih Çakıcı - Member	Tamer Haşimoğlu - Member	
		İzzet Karaca - Member	

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE

	Independent Member	Executive Duties
Audit Committee		
İzzet Karaca - Chairman	Yes	No
Tayfun Bayazıt - Member	Yes	No
Corporate Governance Committee		
Uğur Bayar - Chairman	Yes	No
İ. İzzet Özilhan - Member	No	No
Meltem Metin - Member	No	No
Mehmet Hürşit Zorlu - Member	No	No
Tamer Haşimoğlu - Member	No	No
Fatih Çakıcı - Member	No	No
Early Detection of Risk Committee		
Uğur Bayar - Chairman	Yes	No
İ. İzzet Özilhan - Member	No	No
Meltem Metin - Member	No	No
Burak Başarır - Member	No	No
Tuğban İzzet Aksoy - Member	No	
Tamer Haşimoğlu - Member	No	No
İzzet Karaca - Member	No	No
Sustainability Committee		No
Tayfun Bayazıt - Chairman	No	No
İ. İzzet Özilhan - Member	No	No
Meltem Metin - Member	No	No
Burak Başarır - Member	No	No
Eyüp Mehmet Cemil Yükselen - Member	Yes	No

Board committee chairs and members are nominated and elected taking into account the issues of the size of the Adel Kalemcilik boards of directors, the limited number of independent directors, and the need to select committee members who are conversant with each committee's object and scope

The Adel Kalemcilik Board of Directors' assessment of the working principles and effectiveness of board committees is presented in Appendix 1 of the Corporate Governance Compliance Report.

18. Risk Management & Internal Control Mechanisms

The Adel Kalemcilik Board of Directors has established a risk committee to identify and assess risks that could jeopardize the company's existence, development, and continuity. This committee takes steps to mitigate these risks and to manage them effectively. The Risk Committee meets as needed to perform its duties effectively but must convene at least twice a year. The committee regularly reports its activities, meeting agendas and decisions, and recommendations to the full board.

Adel Kalemcilik has established a Risk Management & Internal Control System (RMIC). The company's management is responsible for the operation and control of the RMIC. The chief financial officer (CFO) provides guidance and assurance on matters pertaining to the RMIC and reports directly to the Risk Committee.

Adel Kalemcilik senior executives identify significant opportunities and threats that may arise in the course of the company's operations and they manage both in line with the company's appetite for risk. They do this in the context of an overall Adel Kalemcilik Corporate Risk Management Framework. This is a systematic and disciplined process that has been created within the company to determine Adel Kalemcilik's business strategies. The process is informed by all of the company's personnel and informs all of the company's practices.

The Corporate Risk Management Framework ensures that both potential risks to the realization of the company's goals and those risks which are most in need of attention are communicated to management in a coordinated manner. High-priority risks and action plans for mitigating them are submitted to the Risk Committee, which reviews and presents them to the full board. This process is also fully integrated into all of the company's strategic business plans.

The company manages risks in a variety of ways as highlighted below.

- Performance and risk indicators are used as an early warning system for tracking risks and taking necessary measures in a timely manner. The SAP system, which is integrated into all company processes, is an effective technological decision support system deployed for this purpose.
- Operational processes and results are monitored in real time. This helps prevent human error while also increasing the effectiveness of risk-detection and internal control. An advanced internal communication system makes it possible to intervene and come up with solutions in the least amount of time.
- Effective business-continuity, crisis, and insurance management processes are used to prevent or mitigate losses arising from force majeure risks and from risks (such as supply chain problems) that might disrupt the conduct of business and production.
- The company invests in backup systems to protect its data and primary systems from unforeseen events.
- Environmental factors and extraordinary situations are constantly monitored and investigated to identify their causes. Measures to minimize risk are continuously implemented.

The Adel Kalemcilik Internal Audit Department has formulated a risk-based auditing plan. The department regularly reviews the company's risk management and internal control system in accordance with the plan and reports to company management and to the Audit Committee any issues that could potentially jeopardize:

- The accuracy and reliability of financial and operational information
- The company's operational effectiveness and efficiency
- The wellbeing of company assets
- The company's legal, regulatory, or contractual compliance.

The company's operational and management processes are certified as compliant with the ISO 9001 (Quality Management System Standard), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 27001 (Information Security Management System), ISO 50001 (Energy Management System), ISO 28000 Security Management System, SEDEX-SMETA (4 PILLAR) Social Compliance Report and Zero Waste Certificate. The company made its processes even more robust by qualifying for these certifications. Adel Kalemcilik meticulously complies with all occupational health & safety and environmental laws and regulations. The company has obtained all mandatory emissions, discharge quality control, noise, vibration, odor, waste management, and other environmental-safety licenses and permits. It continuously monitors compliance with the terms of these licenses and permits through internal audits.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE

19. The Company's Strategic Objectives

The Adel Kalemcilik Board of Directors has created corporate mission and vision statements. Both statements are publicly disclosed on the company's corporate website.

Adel Kalemcilik corporate vision statement

To be part of the life of everyone who wants to shape, colorful of their own dreams and leave a mark in future.

Adel Kalemcilik corporate mission statement

To be an international company that supplies high-quality, innovative products and services, is socially and environmentally responsible, and is ethical in its behavior.

Adel Kalemcilik corporate values statement

- Quality
- Innovation
- Goodness
- Success

The Adel Kalemcilik Board of Directors manages and represents the company with a mindfulness for the company's long-term interests. Taking a rational and prudent approach to risk management, the board makes strategic decisions with the aim of striking the right balance between risk, growth, and return. The board is also responsible for achieving the company's operational and financial performance targets. Managers formulate annual budgets and business plans and submit them to the board, which approves and authorizes their implementation. Managers also submit monthly budget and business plan performance reports, which the board reviews and assesses.

20. Financial Rights

Non-independent directors do not receive any fees or other benefits. At the 2023 general meeting held on 16 April 2025, shareholders voted to pay each independent director a net monthly fee of TRL 225,000, to be paid in equal monthly installments in order to preserve their independence. No other fees or benefits are paid to board members. Adel Kalemcilik complies with the CMB CGP §4.6.5 requirement to publicly disclose all remuneration and other benefits provided to board members and senior executives in its annual reports. However, the company reports these amounts on a collective rather than individual basis.

The company has implemented strict policies to ensure that no board member or senior executive receives any loans or credit from the company. This includes not extending loan terms, improving loan conditions, and providing indirect loans or credit in the form of cash or guarantees through third parties.

CMB CGP §4.6.2 requires companies to have a written policy on board member and executive remuneration. This policy must be published on the company's website and presented as a separate agenda item at general meetings. Shareholders must be given the opportunity to express their opinions about the policy. Adel Kalemcilik complies with CMB CGP §4.6.2 and publicly discloses its Remuneration Policy on its corporate website at www.adel.com.tr.

Adel Kalemcilik does not have a board-level remuneration committee. Instead, the Corporate Governance Committee performs the duties of a remuneration committee. This is permitted by CMB CGP.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2-Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1-Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2-The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7-Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	No one has privileged access to shareholder information.
1.3.8-Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10-The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11-The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There is no mutual subsidiary relationship in the Company's capital.
1.5. MINORITY RIGHTS						
1.5.1-The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital and our Company has adopted exactly the rate foreseen in the legislation for listed companies.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6. DIVIDEND RIGHT						
1.6.1-The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3-The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution has been made during the period.
1.6.4-The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1-There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.		X				It is not available on our corporate website and is disclosed on KAP under General Information-Capital and Shareholding Structure.
2.1.4-The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.			X			Although the Company has an English website, not all of the Turkish content is available on the English website.
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2-The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1-The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Some of the policies and procedures regarding the rights of stakeholders are published on the corporate web site.
3.1.4-A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			Although there is no provision in the articles of association, employees are encouraged to participate in management through internal practices.
3.2.2-Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.			X			In important decisions that have consequences for stakeholders, it is adopted as a principle to take the opinions of stakeholders. In this respect, efforts are made to obtain the opinions of stakeholders according to factors such as time constraints and the nature of the decision to be taken.
3.3. HUMAN RESOURCES POLICY						
3.3.1-The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3-The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4-Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.		X				Although briefings are held from time to time, for some issues, briefings are held only at the senior management level.
3.3.5-Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6-Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7-Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8-The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9-A safe working environment for employees is maintained.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3-The company complied with the quality standards with respect to its products and services.	X					
3.4.4-The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1-The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.		X				Although it is stated in the annual report that the duties and authorities of the board members comply with the Turkish Commercial Code, no detailed regulation is provided.
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5-The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.8-The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Adopting the principle of having 25% female members on the board of directors as a corporate governance principle, our Company has 1 female board member.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3-The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.		X				In the event that the members of the Board of Directors who cannot attend the meeting submit their opinions in writing, it is essential that these opinions are submitted for the information of the other members. However, in practice, there has not yet been a situation where opinions have been submitted in writing.
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no limits to external commitments of board members. We are acting in accordance with the provisions of TCC and CMB. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.			X			Due to the number of board members, board members serve on more than one committee.
4.5.6-Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No advisory service has been received.
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No specific study was conducted at board level regarding performance evaluation.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.		X				Total benefits of the top management are provided in the annual report but not disclosed individually.

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	None.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1433686
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Not offered.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	Within the scope of Principle 1.3.9., there are no transactions that do not have the approval of the majority of the independent members or the unanimous vote of the participants.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There are no related party transactions within the scope of Article 9 of the Corporate Governance Communiqué.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1411622
The name of the section on the corporate website that demonstrates the donation policy of the company	Our policy on donations and grants is included in the articles of association and is not published on our website. Investor Relations --> Corporate Governance --> Articles of Association
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/1433686
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	It is stipulated in Articles 32 and 33 of our Articles of Association. Investor Relations --> Corporate Governance --> Articles of Association
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The 2025 General Assembly meeting was attended by auditors and company employees in addition to shareholders. There are no restrictions on the participation of stakeholders in the General Assembly.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	There are no voting privileges.
The percentage of ownership of the largest shareholder	56.89%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	https://www.adel.com.tr/eng/investor-relations/dividends-and-capital-increases/dividends
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	There were no such proposals.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	There were no such proposals.

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
16/04/2025	0	56.93%	0.01%	56.92%	Investor Relations / Corporate Governance / General Assembly	Investor Relations / Corporate Governance / General Assembly	12	0	https://www.kap.org.tr/en/Bildirim/1433686

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	https://www.adel.com.tr/eng/investor-relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	It is not available on our corporate website and is disclosed on KAP under General Information - Capital and Shareholding Structure.
List of languages for which the website is available	Turkish-English

2.2. Annual Report

2.2.2. The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	The duties of the members of the board of directors and executives outside the company are disclosed in the Annual Report --> Corporate Governance --> Section IV Board of Directors --> 15. Structure and Composition of the Board of Directors. Declarations of Independence are presented under the Annual Report --> Declarations of Independence of Independent Members of the Board of Directors.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report --> Corporate Governance --> IV Board of Directors --> 17. Number, Structure and Independence of the Committees of the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report --> Corporate Governance --> IV Board of Directors --> 16. Operating Principles of the Board of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	There are no legislative changes that may significantly affect the Company's operations.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report --> Financial Statements and Independent Auditors' Report --> Note 12 Provisions, Contingent Assets and Liabilities.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Investment advisory and rating services are not provided.

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no mutual subsidiary.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report --> Corporate Governance Report --> Section III - Stakeholders --> 14. Code of Ethics and Social Responsibility
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	None.
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	CEO
The contact detail of the company alert mechanism	https://www.adel.com.tr/eng/investor-relations/corporate-governance/working-principles
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	None.
Corporate bodies where employees are actually represented	Syndicate
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Appointments made within this framework are evaluated at the board level.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	https://www.adel.com.tr/eng/human-resources/human-resources-policy
Whether the company provides an employee stock ownership program	There isn't an employee stock ownership program.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	https://www.adel.com.tr/eng/human-resources/human-resources-policy
The number of definitive convictions the company is subject to in relation to health and safety measures	None.
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	https://www.adel.com.tr/eng/human-resources/human-resources-policy
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	https://www.adel.com.tr/eng/sustainability/sustainability-approach
Any measures combating any kind of corruption including embezzlement and bribery	https://www.adel.com.tr/eng/human-resources/human-resources-policy

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	None.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Three
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report --> Corporate Governance --> Section IV Board of Directors --> 18. Risk Management and Internal Control Mechanism
Name of the Chairman	Kamilhan Süleyman Yazıcı
Name of the CEO	Oğuz Uçanlar
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	It is not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/1397480
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	1 - 8.33%

Board Members							
Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
KAMİLHAN SÜLEYMAN YAZICI	Non-Executive	Dependent Member	13/04/17		Not Considered	No	Yes
TUĞBAN İZZET AKSOY	Non-Executive	Dependent Member	5/4/2018		Not Considered	No	Yes
İBRAHİM İZZET ÖZİLHAN	Non-Executive	Dependent Member	16/04/24		Not Considered	No	Yes
NAZİK MELTEM METİN	Non-Executive	Dependent Member	16/04/24		Not Considered	No	Yes
MEHMET HURŞİT ZORLU	Non-Executive	Dependent Member	3/4/2014		Not Considered	No	Yes
BURAK BAŞARIR	Non-Executive	Dependent Member	16/04/24		Not Considered	No	Yes
İBRAHİM TAMER HAŞİMOĞLU	Non-Executive	Dependent Member	13/04/23		Not Considered	No	Yes
STEPHAN LEO ROSEN	Non-Executive	Dependent Member	1/1/2020		Not Considered	No	Yes
İZZET KARACA	Non-Executive	Independent Member	13/04/23	https://www.kap.org.tr/tr/Bildirim/1433686	Considered	No	Yes
TAYFUN BAYAZIT	Non-Executive	Independent Member	13/04/23	https://www.kap.org.tr/tr/Bildirim/1433686	Considered	No	Yes
EYÜP MEHMET CEMİL YÜKSELEN	Non-Executive	Independent Member	16/04/24	https://www.kap.org.tr/tr/Bildirim/1433686	Considered	No	Yes
UĞUR BAYAR	Non-Executive	Independent Member	16/04/24	https://www.kap.org.tr/tr/Bildirim/1433686	Considered	No	Yes

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period	Six
Director average attendance rate at board meetings	93%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3-5 days
The name of the section on the corporate website that demonstrates information about the board charter	Although there is no separate regulation on the conduct of board meetings, the relevant provision is included in the articles of association of the Company. https://www.adel.com.tr/eng/investor-relations/corporate-governance/articles-of-association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report --> Corporate Governance --> 17. Number, structure and independence of the committees established in the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	EDRC --> https://www.kap.org.tr/en/Bildirim/267378 Audit --> https://www.kap.org.tr/en/Bildirim/348772 Corporate --> https://www.kap.org.tr/en/Bildirim/348773 Sustainability --> https://www.kap.org.tr/en/Bildirim/1277863

Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	İzzet Karaca	Yes	Board member
Audit Committee	-	Tayfun Bayazit	No	Board member
Corporate Governance Committee	-	Uğur Bayar	Yes	Board member
Corporate Governance Committee	-	İ. İzzet Özilhan	No	Board member
Corporate Governance Committee	-	Meltem Metin	No	Board member
Corporate Governance Committee	-	Mehmet Hurşit Zorlu	No	Board member
Corporate Governance Committee	-	Tamer Haşimoğlu	No	Board member
Corporate Governance Committee	-	Fatih Çakıcı	No	Not board member
Committee of Early Detection of Risk	-	Uğur Bayar	Yes	Board member
Committee of Early Detection of Risk	-	İ. İzzet Özilhan	No	Board member
Committee of Early Detection of Risk	-	Meltem Metin	No	Board member
Committee of Early Detection of Risk	-	Burak Başarır	No	Board member
Committee of Early Detection of Risk	-	Tuğban İzzet Aksoy	No	Board member
Committee of Early Detection of Risk	-	Tamer Haşimoğlu	No	Board member
Committee of Early Detection of Risk	-	İzzet Karaca	No	Board member
Other	Sustainability Committee	Tayfun Bayazit	Yes	Board member
Other	Sustainability Committee	İ. İzzet Özilhan	No	Board member
Other	Sustainability Committee	Meltem Metin	No	Board member
Other	Sustainability Committee	Burak Başarır	No	Board member
Other	Sustainability Committee	Eyüp Mehmet Cemil Yükselen	No	Board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report --> Corporate Governance --> Section IV Board of Directors --> 17. Number, Structure and Independence of the Committees Established in the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report --> Corporate Governance --> Section IV Board of Directors --> 17. Number, Structure and Independence of the Committees Established in the Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	None.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report --> Corporate Governance --> Section IV Board of Directors --> 17. Number, Structure and Independence of the Committees Established in the Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	None.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report --> Evaluation of Financial Results for 2025.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.adel.com.tr/eng/investor-relations/corporate-governance/policies
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	The members of the Board of Directors are entitled to the following benefits under the Annual Report --> Corporate Governance --> Section IV Board of Directors --> 20. Financial Rights, To senior executives, Annual Report --> Other Legal Information on Activities --> Financial Rights Provided to Senior Management.

Composition of Board Committees-II					
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Corporate Governance Committee	-	100%	17%	4	4
Committee of Early Detection of Risk	-	100%	29%	3	6
Audit Committee	-	100%	100%	4	4
Other	Sustainability Committee	100%	40%	3	2

SUSTAINABILITY COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritized environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				Environmental, social and corporate risks and opportunities have been determined and detailed in the sustainability report.	2024 Adel Sustainability Report Risk Management Page 15
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				Environment, Energy and Climate Policy is determined by the company and It was announced to the public via the website.	Adel Environment, Energy and Climate Policies
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				The company has set short and long-term goals in line with its sustainability policy and strategies.	2024 Adel Sustainability Report Our Sustainability Goals Page 18-19
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				A Sustainability Committee has been established by the company and the duties and authorities of the individuals have been determined. Committee members are shared on the company website.	2024 Adel Sustainability Report Corporate Governance and Sustainability Approach Page 12
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				The work of the sustainability committee continues.	2024 Adel Sustainability Report Sustainability Governance Structure Page 16
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				The company has determined and published its goals within the scope of sustainability reporting in 2024.	2024 Adel Sustainability Report Our Environmental Impact and Management Page 38-41
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				Environmental, social and governance key performance indicators for the 2022-2023-2024 years have been published in the sustainability report.	2024 Adel Sustainability Report Environmental Performance Indicators Page 51-52

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Actions on products and services are detailed in the report.	2024 Adel Sustainability Report R&D, Innovation and Digitalization Page 29-32
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				Information regarding sustainability performance, targets and actions are partially included in our annual report, and our work on the targets continues in detail. It is detailed in our Sustainability Report for 2023.	2024 Annual Report / Sustainability At Adel https://www.adel.com.tr/eng/investor-relations/financial-reports
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Under the “Goodness Tree” initiative, nourished by the value of kindness at our core, we engage in corporate social responsibility projects focused on climate action and quality education. These projects align with the United Nations’ Sustainable Development Goals for 2030 and aim to benefit society. Our 2024 year-end activity report includes the projects we carried out in this context.	2024 Annual Report / Sustainability At Adel / What are we doing for the future of our planet?, https://www.adel.com.tr/eng/investor-relations/financial-reports
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/ or will significantly affect the Company’s activities, have been disclosed to the public.			X		Among the lawsuits filed and/or concluded against the company, those deemed necessary/ important are disclosed on KAP.	2024 Annual Report / Other Legal Information About Activities / Disclosure Of Lawsuits Initiated Against The Company That Might Materially Impact Its Financial and/or Operational Performance And Their Consequences https://www.adel.com.tr/eng/investor-relations/financial-reports

SUSTAINABILITY COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				2024 Sustainability report has been approved by GRI.	2024 Adel Sustainability Report GRI Content Index Page 58-63
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Adel has ISO 14001 Environmental Management System certificate. We mention the ISO 14001 Environmental Management System in our annual activity report.	2024 Adel Sustainability Report Our Environmental Impact and Management Page 38-41
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report About the Report Page 3
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Sustainability Governance Structure Page 16
B5. How the prioritized environmental issues have been integrated into business objectives and strategies has been disclosed.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Our Environmental Impact and Management Page 38-40
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Supply Chain Management Page 34-36

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Being an approved and global supplier of UNICEF is proof of our social sustainability.	2024 Adel Sustainability Report Page 10&29-30 Adel Kalemçilik in Numbers, R&D, Innovation and Digitalization
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Our Environmental Impact and Management Page 38-40
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Page 39-40 Climate Crisis and Greenhouse Gas Emissions Management, Waste Management, Water and Wastewater Management
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Our Environmental Impact and Management Page 38-40
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Page 17-19 Sustainability Priorities Management
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Page 17-19 Sustainability Priorities Management

SUSTAINABILITY COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B14. The programs/ procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.		X			Our company's R&D activities include studies to prevent and minimize the potential effects of products on the environment. Our comprehensive work on sustainability reporting continues. Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Page 29-30 R&D, Innovation and Digitalization
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				Our company has initiated sustainability efforts and continues to do so.	2024 Adel Sustainability Report Page 34-35 Supply Chain Management
B15. The environmental benefits/gains and cost savings of initiatives/ projects that aims reducing environmental impacts have been disclosed.	X				Our company shared the savings it achieved regarding the energy efficiency studies it implemented in its sustainability report.	2024 Adel Sustainability Report Page 17-19 Sustainability Priorities Management
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Adel has released carbon footprint report and provided details in the 2024 sustainability report.	2024 Adel Sustainability Report Page 40&52 Sustainable Product and Raw Material Management, Environmental Performance Indicators
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				Details about the use of renewable energy are given in the 2024 sustainability report.	2024 Adel Sustainability Report Page 38 Our Environmental Impact and Management

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Details about the use of renewable energy are given in the 2024 sustainability report.	2024 Adel Sustainability Report Page 39 Climate Crisis and Greenhouse Gas Emissions Management
B19. The renewable energy production and usage data has been publicly disclosed.			X			
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Details about the energy efficiency studies are given in the 2024 sustainability report.	2024 Adel Sustainability Report Page 38 Our Environmental Impact and Management
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				Details about water consumption are disclosed in the 2024 sustainability report.	2024 Adel Sustainability Report Page 38-39&51 Our Environmental Impact and Management, Climate Crisis and Greenhouse Gas Emissions Management, Environmental Performance Indicators
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X			
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X			
B24. If carbon pricing is applied within the Company, the details have been disclosed.			X			
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				Details are included in our 2024 Sustainability report.	2024 Adel Sustainability Report Page 27-28 Economic Performance and Value Creation

SUSTAINABILITY COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				The company has established its Human Rights and Employee Rights policy within the scope of Business Ethics Principles and Nonconformity Notification Regulation.	https://www.adel.com.tr/eng/human-resources/human-resources-policy , Corporate Social Responsibility (CSR), Business Ethics and Anti-Corruption
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				Language, race, color, gender, political opinion, belief, religion, sect, age, and physical disability do not have any impact on our remuneration criteria; on the contrary, we try to ensure that all employees are evaluated with the remuneration they deserve in accordance with their skills and performance by taking care not to include such discriminatory factors in our evaluation system.	https://www.adel.com.tr/eng/human-resources/human-resources-policy , Equal Opportunities Policy

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C1.3. The measures taken for the minority rights/ equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				The company has established its Human Rights and Employee Rights policy within the scope of Business Ethics Principles and Nonconformity Notification Regulation.	https://www.adel.com.tr/eng/human-resources/human-resources-policy , Corporate Social Responsibility (CSR), Equal Opportunities Policy
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Our company has a "Child Abuse Prevention Policy", "Discrimination and Harassment Prevention Policy" and "Forced Labor Policy" and is available on our website.	https://www.adel.com.tr/eng/human-resources/human-resources-policy , Corporate Social Responsibility (CSR), Equal Opportunities Policy
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				The company supports the development of employees who play a key role in achieving its strategic goals. It contributes to existing talents gaining new competencies that will help them adapt to the requirements of the age. Employees are offered fringe benefits such as private health insurance service and gift certificates, which they can also include their families.	https://www.adel.com.tr/eng/human-resources/human-resources-policy , Compensation and Benefits Management

SUSTAINABILITY COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				The Company's dispute resolution processes are explained in detail in the Ethics Policy. All employees have direct access to the management in accordance with the Employee Request and Complaint Procedure and can report any non-compliance with ethical principles to the Adel Kalemcilik Ethics Line. All notifications can be reported to the Ethics Committee anonymously, if they wish, through the following communication channels. E-Mail Address: etik@adel.com.tr Telephone Line: 0 (212) 401 30 66 E-Mail Address: etik@anadolugrubu.com.tr anadolugrubu@speakhub.com Website: www.anadolugrubuetikhat.com www.speak-hub.com/giris Telephone Line: 0 (212) 401 30 66	2024 Annual Report / Corporate Governance / Additional Information On Corporate Governance / Section III - Stakeholders / 13. Human Resources Policy, 2024 Annual Report / Corporate Governance / Additional Information On Corporate Governance / Section III - Stakeholders / 11. Informing Stakeholders, https://www.adel.com.tr/eng/investor-relations/annual-reports
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Employee loyalty and satisfaction are among the company's priorities. Employee satisfaction and loyalty surveys are conducted periodically within the company.	2024 Annual Report / Corporate Governance / Additional Information On Corporate Governance / Section III - Stakeholders / 12. Stakeholder Participation in Management https://www.adel.com.tr/eng/investor-relations/annual-reports
C1.6. The occupational health and safety policies have been established and disclosed.	X				Adel has an Occupational Health and Safety Policy. Additionally, the company is ISO 45001 certified.	https://www.adel.com.tr/eng/corporate/management-policies , Management System Policy

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Adel has an Occupational Health and Safety Policy. Additionally, the company is ISO 45001 certified. Accident statistics and measures taken are given in the 2024 sustainability report.	2024 Adel Sustainability Report Page 48, 57 Occupational Health and Safety, Social Indicators
C1.7. The personal data protection and data security policies have been established and disclosed.	X				The company discloses its policy regarding the protection and security of personal data to the public on its website.	https://www.adel.com.tr/eng/information/personal-data-disclosure-policy Adel Kalemcilik Personal Data Clarification Text Regarding the Processing of Personal Data, www.adel.com.tr/eng/corporate/certificates-ISO45001 HSMS Certificate
C1.8. The ethics policy have been established and disclosed.	X				The company explains its ethical rules in its Ethics Policy document and shares them publicly on its website.	https://www.adel.com.tr/eng/human-resources/human-resources-policy , Corporate Social Responsibility (CSR)
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.			X		in progress	
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Our Environment, Energy and Climate Policy has been determined by the Company and is publicly available on its website. Informational meetings and training sessions have been held on the subject, and training periods are given in the sustainability report.	2024 Adel Sustainability Report Page 43, 52 Employment and Talent Management, Environmental Performance Indicators

SUSTAINABILITY COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C2. Stakeholders, International Standards and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Customer satisfaction is among the priority issues of our company, and customer call center and similar services are provided in order to ensure customer satisfaction.	2024 Annual Report / Corporate Governance / Additional Information On Corporate Governance / Section III - Stakeholders / 12. Stakeholder Participation in Management http://www.adel-world.com/en/investor-relations/annual-reports
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				The 2024 sustainability report was examined under the title of stakeholder interaction.	2024 Adel Sustainability Report Page 16 Sustainability Approach
C2.3. The international reporting standards that adopted in reporting have been explained.	X				The 2024 sustainability report was prepared according to the GRI standard.	2024 Adel Sustainability Report Page 58 GRI Content Index
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.			X			
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.			X			

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.		X			The 2024 sustainability report was examined under the title of stakeholder interaction.	2024 Adel Sustainability Report Page 16 Sustainability Approach
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.		X			Under the “Goodness Tree” initiative, nourished by the value of kindness at our core, we engage in corporate social responsibility projects focused on climate action and quality education. These projects align with the United Nations’ Sustainable Development Goals for 2030 and aim to benefit society. Activity Report includes the projects we have undertaken in this context.	2024 Adel Sustainability Report Page 48 Social Benefit and Social Impact

OTHER LEGAL INFORMATION ABOUT ACTIVITIES

Trade Registry Information

Trade Name	: Adel Kalemcilik Ticaret ve Sanayi A.Ş.
Mersis (Central Registration System) Nr.	: 0007005986400010
Trade Registry Nr.	: 96078
Date of Incorporation	: 17.07.1967
Head Office Address	: Fatih Sultan Mehmet Mah. Balkan Cad. No: 58 Buyaka E Blok 34771 Ümraniye/İstanbul
Factory Address	: Şekerpınar Mah. Yanyol Sok. No: 7 41480 Çayırova/Kocaeli
Website	: www.adel.com.tr
Adel Consultation Line	: +90 850 224 23 35

Amendments to the Articles of Association

None.

Financial benefits given to senior executives

The company's senior executives are (1) the President of the Agriculture, Energy & Industry Group, (2) the Adel General Manager, and (3) all managers who report directly to the general manager. The total value of all financial benefits that have been or will be provided to senior executives during January-December 2024 is TRL 162,625 thousand.

Payroll & employee benefits

150 were white-collar personnel.

The company's employee severance pay provision lessened by TRL 2,883 thousand during the reporting period. The company's showed a severance pay provision of TRL 40,836 thousand as of the reporting date.

The company paid out a total of TRL 792,212 thousand to employees as wages, salaries, bonuses, and fringe benefits during the reporting period.

Charitable donations

The company paid out a total of TRL 85 thousand as charitable donations during the reporting period.

Disclosure of board members' related-party transactions on their own behalf or on behalf of others & their business dealings subject to non-compete clauses

No company executive was authorized by the general assembly to engage in business with the company on their own behalf or on behalf of others during the reporting period; neither did any engage in any business considered to be in direct competition with the company.

Disclosure of the company's acquisition of shareholding interests in itself

The company did not acquire any of its own shares during the reporting period.

Disclosure of special audits and public audits

The company did not undergo any special audits during the reporting period; however it did undergo a number of public audits to the extent required by the laws and regulations to which it is subject.

Disclosure of lawsuits initiated against the company that might materially impact its financial and/or operational performance and their consequences

As of 31 December 2025, the company was not involved in any litigation whose consequences could materially impact its financial position or operations. All provisions that have been set aside to cover any lawsuits which may have been initiated against the company but not yet resolved as of 31 December 2025 are disclosed in the footnotes to our financial statements.

Disclosure of any administrative or judicial action taken against the company or its officers on account of violations of laws and regulations

No administrative or judicial action has been taken against the company or any of its officers on account of any violations of laws and regulations.

Material events occurring after the balance sheet date

Affiliation disclosure (Issues pertaining to companies in the same corporate group)

According to the affiliation report approved by the Adel Kalemcilik Ticaret ve Sanayii A.Ş. Board of Directors concerning its relationship with the Anadolu Group: (1) Adel Kalemcilik Ticaret ve Sanayii A.Ş. has not engaged in any transactions upon the instructions of its controlling shareholder or of its controlling shareholders' affiliates with the intent of benefiting solely the controlling shareholder or the controlling shareholders' affiliates; (2) there are no measures which were either taken or avoided solely for the benefit of the controlling shareholder or its affiliates; (3) all dealings with the controlling shareholder and its affiliates during 2025 were conducted on an arm's-length basis so as to ensure the company could remain competitive under prevailing market conditions as we understood them to be at the time and the company was fairly and duly compensated on every occasion; (4) inasmuch as Adel Kalemcilik Ticaret ve Sanayii A.Ş. neither took nor refrained from taking any measure or precaution that might benefit the controlling shareholder or its affiliates but would be detrimental to its own interests, there is no need for any transactions or measures of a compensatory nature.

BOARD OF DIRECTORS' ASSESSMENT OF THE WORKING PRINCIPLES AND EFFECTIVENESS OF BOARD COMMITTEES

Subsequent to the CMB CGP-compliant election of its chair and members, the Adel Kalemcilik board of directors convened and on 25 April 2025 appointed:

- Independent directors İzzet Karaca as chair and Tayfun Bayazıt as member of the company's audit committee;
- Independent director Uğur Bayar as chair and İ. İzzet Özilhan, Mehmet Hürşit Zorlu, Nazik Meltem Metin, İzzet Karaca, İbrahim Tamer Haşimoğlu, and Investor Relations Unit accounting manager Fatih Çakıcı as members of the company's corporate governance committee;
- Independent director Uğur Bayar as chair, and directors Tuğban İzzet Aksoy, İbrahim İzzet Özilhan, Nazik Meltem Metin, Burak Başarır, İzzet Karaca, and İbrahim Tamer Haşimoğlu as members of the company's risk committee.
- Independent director Tayfun Bayazıt as chair, and directors İbrahim İzzet Özilhan, Nazik Meltem Metin, Burak Başarır and Eyüp Mehmet Cemil Yükselen as members of the company's risk committee.

On 15 March 2013 the Adel Kalemcilik approved a regulation conforming to the requirements of CMB CGP that defined the duties and working principles of the risk committee. Regulations governing the duties and working principles of the audit and corporate governance committees were revised on 28 March 2014. The Regulation outlining the duties and working principles of the Sustainability Committee was approved by the Board of Directors on 25 April 2025. All such regulations and changes in them are publicly disclosed on the company's corporate website at www.adel.com.tr.

In 2025, all Adel Kalemcilik Board of Directors committees actively fulfilled their duties and responsibilities as outlined in their own regulations and as mandated by CMB CGP.

To ensure the effectiveness of their work and the fulfillment of their duties and responsibilities as outlined in their own regulations and in accordance with their annual meeting schedules, these committees convened in 2025 as follows:

- The Audit Committee convened four times (24 March 2025, 21 May 2025, 8 October 2025, 5 December 2025).
- The Corporate Governance Committee convened four times (24 March 2025, 10 July 2025, 08 October 2025, 5 December 2025).
- The Risk Committee convened three times (21 May 2025, 8 October 2025, 5 December 2025).
- The Sustainability Committee convened three times (10 July 2025, 21 October 2025, 5 December 2025).

At the conclusion of every meeting, each committee submitted a report to the Adel Kalemcilik Board of Directors detailing its recent work and results as follows:

- The Audit Committee, which is responsible for ensuring that all internal and independent audits are conducted sufficiently and transparently and that the internal control system is implemented effectively, reported its opinions and recommendations on the internal audit and control system.
- The Corporate Governance Committee, which was established to monitor the company's compliance with corporate governance principles, to make recommendations to the Board of Directors, and to improve the company's corporate governance practices, ascertained whether or not the company is complying with corporate governance principles. If the company was not in compliance, the committee identified the reasons for non-compliance and potential conflicts of interest that could arise from non-compliance. The committee also reviewed the operations of the Investor Relations Unit. The committee submitted its report on recommended improvements to the full board.
- The Risk Committee, which is responsible for identifying, assessing, and managing risks that could jeopardize the company's existence, development, and continuity, reviewed the company's risk management systems to ensure they comply with CMB CGP and reported its findings to the full board. The committee also submitted the bimonthly reports required by article 378 of the Turkish Commercial Code (Statute 6102) to the full board.

DECLARATION OF INDEPENDENCE BY INDEPENDENT BOARD MEMBERS

DECLARATION OF INDEPENDENCE

I hereby declare that, with respect to Adel Kalemcilik Sanayi ve Ticaret A.Ş. (the Company);

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,
- I was not a shareholder of (5% and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,
- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
- I am not a full time employee with any public entity or organization following my election,
- I am assumed to be a resident in Türkiye in accordance with the Income Tax Law,
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;
- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,
- I have not been registered and announced as a board member representing the legal entity for which I will be elected.

Uğur BAYAR



DECLARATION OF INDEPENDENCE

I hereby declare that, with respect to Adel Kalemcilik Sanayi ve Ticaret A.Ş. (the Company);

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,
- I was not a shareholder of (5% and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,
- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
- I am not a full time employee with any public entity or organization following my election,
- I am assumed to be a resident in Türkiye in accordance with the Income Tax Law,
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;
- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,
- I have not been registered and announced as a board member representing the legal entity for which I will be elected.

İzzet KARACA



DECLARATION OF INDEPENDENCE BY INDEPENDENT BOARD MEMBERS

DECLARATION OF INDEPENDENCE

I hereby declare that, with respect to Adel Kalemcilik Sanayi ve Ticaret A.Ş. (the Company);

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,
- I was not a shareholder of (5% and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,
- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
- I am not a full time employee with any public entity or organization following my election,
- I am assumed to be a resident in Türkiye in accordance with the Income Tax Law,
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;
- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,
- I have not been registered and announced as a board member representing the legal entity for which I will be elected.

Tayfun BAYAZIT

DECLARATION OF INDEPENDENCE

I hereby declare that, with respect to Adel Kalemcilik Sanayi ve Ticaret A.Ş. (the Company);

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,
- I was not a shareholder of (5% and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,
- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
- I am not a full time employee with any public entity or organization following my election,
- I am assumed to be a resident in Türkiye in accordance with the Income Tax Law,
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;
- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,
- I have not been registered and announced as a board member representing the legal entity for which I will be elected.

Eyüp Mehmet Cemil YÜKSELEN



CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH

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

1. Opinion

We have audited the annual report of Adel Kalemcilik Ticaret ve Sanayi A.Ş. (the "Company") for the period 1 January - 31 December 2025.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of Turkish Standards on Auditing (the TSA) adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report 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) and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that 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. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 2 March 2026 on the full set financial statements for the period 1 January - 31 December 2025.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (TCC) No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Company operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Company's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of Adel Kalemcilik Ticaret ve Sanayi A.Ş. and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

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

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 2 March 2026

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

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
<p>Revenue Recognition</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Disclosures regarding the Company's revenue-related accounting policies and amounts are included in Notes 2.2.1 of the attached financial statements.</p>	<p>The following audit procedures have been applied for the recognition of revenue:</p> <ul style="list-style-type: none"> - 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.

INDEPENDENT AUDITOR'S REPORT

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.

INDEPENDENT AUDITOR’S REPORT

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

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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)
(Convenience translation into english of year end financial statements originally issued in Turkish)

	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

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)
(Convenience translation into English of year end financial statements originally issued in Turkish)

	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

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)
(Convenience translation into English of year end financial statements originally issued in Turkish)

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

OTHER COMPREHENSIVE INCOME 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)
(Convenience translation into english of year end financial statements originally issued in Turkish)

	Audited		
	Notes	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 loss		(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

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)
(Convenience translation into english of year end financial statements originally issued in Turkish)

	Equity	Capital Adjustment Differences	Accumulated Other Comprehensive Income/(Loss) Not to Be Reclassified to Profit or Loss Remeasurement Gains/(Losses) of Defined Benefit Plans
As of 1 January 2024	23,625	731,778	(26,171)
Liquidation Effect	-	-	-
Transfers	236,250	(236,250)	-
Dividends Paid	-	-	-
Total Comprehensive Income/(Loss)	-	-	6,558
As of 31 December 2024	259,875	495,528	(19,613)
As of 1 January 2025	259,875	495,528	(19,613)
Transfers	-	-	-
Dividends Paid	-	-	-
Total Comprehensive Income/(Loss)	-	-	(5,194)
As of 31 December 2025	259,875	495,528	(24,807)

Accumulated Other Comprehensive Income/(Loss) to Be Reclassified to Profit or Loss		Retained Earnings				Total Equity
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		
(7,443)	18,469	373,138	161,968	823,891	2,099,255	
-	-	-	-	-	-	
7,443	-	-	-	-	7,443	
-	-	21,289	802,602	(823,891)	-	
-	-	-	(238,773)	-	(238,773)	
-	(2,149)	-	-	24,404	28,813	
-	16,320	394,427	725,797	24,404	1,896,738	
-	16,320	394,427	725,797	24,404	1,896,738	
-	-	10,737	13,667	(24,404)	-	
-	-	-	(173,228)	-	(173,228)	
-	(293)	-	-	(502,366)	(507,853)	
-	16,027	405,164	566,236	(502,366)	1,215,657	

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

**STATEMENTS OF CASH FLOW 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)
(Convenience translation into English of year end financial statements originally issued in Turkish)

	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)		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		-	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		(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, 11	4,550	582
Cash Outflows for Purchase of Property, Plant and Equipment and Intangible Assets	10, 11	(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 Cash and Cash Equivalents at the End of the Period		(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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

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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).

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NOTE 2 - Basis of presentation of financial statements

2.1 Basis of preparation and presentation of financial statements

2.1.1 Statement of compliance with TFRS

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

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

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

2.1.2 Adjustment of financial statements in hyperinflationary periods (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TSI"). As of 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 December 2025	3,513.87	1.00000	211%
31 December 2024	2,684.55	1.30892	291%
31 December 2023	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.

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

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

2.1.4 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:

- Determining contracts with customers
- Determining performance obligations in the contract
- Determining the transaction price in the contract
- Allocating the transaction price to the performance obligations in the contract
- 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.

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

2.2. Significant accounting estimates and decisions (Continued)

2.2.1 Revenue recognition (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.

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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 lifes
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 lifes of intangible assets are determined as either finite or infinite. Intangible assets are amortized on a straight line basis over the estimated useful lifes.

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

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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

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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.

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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.

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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:

- Financial liabilities at fair value through profit or loss: These liabilities are measured at fair value at subsequent recognition, including derivatives.
- 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.
- 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.

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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.

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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) control 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.

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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.

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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:

- the contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- 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.
- 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
- 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:

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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.

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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:

- The amount obtained by deducting all kinds of leasing incentive receivables from fixed payments,
- 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,
- 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:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- 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.

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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 (Continued)

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).

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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.

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

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025: (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.

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

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025: (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.

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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).

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

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.

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.

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NOTE 4 - Cash and cash equivalents

	31 December 2025	31 December 2024
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

	31 December 2025		31 December 2024	
	%		%	
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş.	-	-	7.67	118
Other long-term investments ^(*)	-	1,472	-	1,590
		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.

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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 December 2024	Interest Accruals	Amount
Share (%)		
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.

Share (%)	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.

Share (%)	Interest Accruals	Amount
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 December 2025	Total liabilities
1-2 years	37,375
	37,375

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

Share (%)	Total liabilities
1-2 years	662,816
	662,816

The movement of bank loans is as follows:

	2025	2024
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:

	2025	2024
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.

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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

⁽¹⁾ 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 December 2025	31 December 2024
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 December 2025	31 December 2024
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 December 2025	31 December 2024
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 December 2025	31 December 2024
Trade payables	115,278	156,580
Other trade liabilities	308	8,048
	115,586	164,628

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NOTE 8 - Other receivables and payables

Other receivables	31 December 2025	31 December 2024
Receivables from third parties	694	1,996
	694	1,996
Other receivables	31 December 2025	31 December 2024
Amounts due from employees	2	1,302
Deposits and guarantees given	332	459
Other miscellaneous receivables	360	235
	694	1,996
Other payables	31 December 2025	31 December 2024
Other payables - third parties	2,046	5,012
	2,046	5,012
Other payables to unrelated parties	31 December 2025	31 December 2024
Taxes, duties and withholdings payable	1,386	4,126
Other	660	886
	2,046	5,012
Liabilities relating to employee benefits	31 December 2025	31 December 2024
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 December 2025	31 December 2024
Amounts due to employees	1,951	3,030
	1,951	3,030

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NOTE 9 - Inventories

	31 December 2025	31 December 2024
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

NOTE 10 - Property, plant and equipment

As of	Land improvements		Machinery and		Furniture and		Construction	Special	Total
1 January 2025	Lands	and buildings	Buildings	Equipment	Vehicles	fixtures	in progress	costs	
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.

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NOTE 10 - Property, plant and equipment (Continued)

As of	Land	Machinery	Furniture	Construction	Special				
1 January 2024	improvements	and	and	in progress	costs				Total
	Lands	and buildings	Buildings	Equipment	Vehicles	fixtures			
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 ⁽¹⁾	-	(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

⁽¹⁾ 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.

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NOTE 11 - Intangible assets

Intangible assets include computer software, rights and development costs.

			License		
As of 1 January 2025	Rights	Developments	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 ⁽¹⁾	-	(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

⁽¹⁾ 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.

			License		
As of 1 January 2024	Rights	Developments	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

⁽¹⁾ 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.

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NOTE 12 - Provisions, contingent assets and liabilities

	31 December 2025	31 December 2024
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.

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.

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

Contingent liabilities and contingent assets (Continued)

31 December 2025 31 December 2024

Guarantees and commitments given

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 December 2025

Guarantees, Pledges and Mortgages ("TRI") Provided by the Company

	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

31 December 2024

Guarantees, Pledges and Mortgages ("TRI") Provided by the Company

	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 ("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	-	-	-
	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%).

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NOTE 13 - Employee benefits

Short-term employee benefits	31 December 2025	31 December 2024
Accrued bonuses	4,184	14,911
Accrued unused vacation pay	3,196	3,102
	7,380	18,013
Long-term employee benefits	31 December 2025	31 December 2024
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:

	2025	2024
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.

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NOTE 13 - Employee benefits (Continued)

Provisions for employee termination benefits (Continued)

	2025	2024
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 December 2025	31 December 2024
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 December 2025	31 December 2024
Prepaid Expenses	18,268	5,933
Advances to Suppliers	16,090	17,789
	34,358	23,722
Current Tax Assets	31 December 2025	31 December 2024
Prepaid Taxes and Funds	10,193	159,298
	10,193	159,298
Other Current Assets	31 December 2025	31 December 2024
Recoverable VAT	80,771	92,865
Other Miscellaneous Current Assets	-	85
	80,771	92,950
Long-term Prepaid Expenses	31 December 2025	31 December 2024
Expenses Relating to Future Years	19,494	21,678
	19,494	21,678
Deferred Income	31 December 2025	31 December 2024
Advances Received	26,695	79,913
	26,695	79,913

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NOTE 15 - Capital, reserves and other equity items

Capital

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

	31 December 2025		31 December 2024	
	% 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 December 2025	31 December 2024
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

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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 December 2025	31 December 2024
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 December 2025		Amounts Carried Forward in Prior Years' Profit/Loss
	CPI adjusted statutory entries	PPI adjusted statutory entries	
Retained Earnings			
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.

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

Dividend Distribution

	31 December 2025	31 December 2024
Dividends paid to shareholders	173,228	238,772
	173,228	238,772

NOTE 16 - Revenue and cost of sales

	1 January - 31 December 2025	1 January - 31 December 2024
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 December 2025	1 January - 31 December 2024
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

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NOTE 17 - Expenses by natures

The operating expenses of the Company are as follows.

	1 January- 31 December 2025	1 January- 31 December 2024
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 December 2025	1 January- 31 December 2024
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

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NOTE 17 - Expenses by natures (Continued)

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:

	2025	2024
Personnel Expenses		
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
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

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NOTE 18 - Other operating and investment activities income and expenses

	1 January - 31 December 2025	1 January - 31 December 2024
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 December 2025	1 January - 31 December 2024
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

NOTE 19 - Income and expense from investment activities

	1 January - 31 December 2025	1 January - 31 December 2024
Income and expense from investment activities		
Profit on sale of property, plant and equipment	585	1,385
	585	1,385
	1 January - 31 December 2025	1 January - 31 December 2024
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

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NOTE 20 - Finance income and expenses

	1 January - 31 December 2025	1 January - 31 December 2024
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.

Income taxes

	1 January - 31 December 2025	1 January - 31 December 2024
Current period provision for corporate tax (-)	-	-
Deferred tax income/(expense)	153,855	(75,437)
Total deferred tax expense, (net)	153,855	(75,437)

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NOTE 21 - Income taxes (Continued)

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 December 2025	31 December 2024
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.

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.

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NOTE 21 - Income taxes (Continued)

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 December 2025	31 December 2024	31 December 2025	31 December 2024
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)
			2025	2024
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)

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 December 2025	1 January- 31 December 2024
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

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NOTE 23 - Related parties transactions

Related Parties' Balances

	Receivables from related parties	
	31 December 2025	31 December 2024
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 December 2025	31 December 2024
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

	31 December 2025	31 December 2024
Prepaid Expenses to Related Parties		
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

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NOTE 23 - Related parties transactions (Continued)

b) Related Parties' transactions

	1 January - 31 December 2025	1 January - 31 December 2024
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	-
Anadolu Efes Spor Kulübü ⁽²⁾	11,095	7,611
AEP Anadolu Etap Penkon A.Ş. ⁽²⁾	-	87,342
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		
Donations and Contributions ^(*)	-	4,645
	-	4,645

⁽¹⁾ Shareholders

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

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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 December 2025	31 December 2024
Total borrowings	1,684,353	1,318,899
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 debt	2,504,311	2,352,619
Net debt / (total equity+net debt) ratio	51%	19%

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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 December 2025	31 December 2024
Assets	60,186	86,412
Liabilities	(23,491)	(23,512)
Net Balance Sheet Foreign Currency Position	36,695	62,900

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

(c) Currency risk and management (Continued)

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

Profit/(Loss) as of 31 December 2025	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)	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)
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)

⁽¹⁾ The effect of derivative instruments for hedging purposes is not taken into account.

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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 December 2025					31 December 2024				
	TRL Equivalent	Thou- sands USD	Thou- sands EUR	Thou- sands GBP	Thou- sands other	TRL Equivalent	Thou- sands USD	Thou- sands EUR	Thou- sands GBP	Thou- sands 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	-	-

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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:

	<u>31 December 2025</u>	<u>31 December 2024</u>
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.

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

31 December 2025	Trade Receivables		Other Receivables		Cash at Banks	Deriva- tives	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	-	-	-	-	-	-	-
- <i>Portion Secured by Collateral</i>	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-

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

31 December 2024	Trade Receivables		Other Receivables		Cash at Banks	Deriva- tives	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	-	-	-	-	-	-	-
- <i>Portion Secured by Collateral</i>	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-

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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 December 2025	31 December 2024
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 December 2025	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 December 2024	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	-	-	-

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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 December 2025	Level 1	Level 2	Level 3
Derivative Financial Liabilities	-	-	-	-
	31 December 2024	Level 1	Level 2	Level 3
Derivative Financial Liabilities	734	-	734	-

25.2 Derivative financial instruments and hedge accounting

	Contract Amount	2025 Fair Values		Contract Amount	2024 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.

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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 December 2025	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
Financial Assets						
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
Financial Liabilities						
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

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NOTE 25 - Financial instruments (Continued)

25.2 Derivative financial instruments and hedging transactions (Continued)

31 December 2024	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
Financial Assets						
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
Financial Liabilities						
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

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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 December 2025	31 December 2024
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⁾	1,958	-
	4,170	3,010

⁽¹⁾ 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.

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

Non-Monetary Items	31 December 2025	31 December 2024
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.



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