ADEL KALEMCİLİK TİCARET VE SANAYİ A.Ş.

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

INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2026

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026
(Amounts expressed in thousands of Turkish lira ("TRL") in terms purchasing power of the TRL at September 30, 2026 unless otherwise indicated)

	Notes	Unaudited 30 September 2026	Audited 31 December 2025
Assets			
Current assets			
Cash and cash equivalents	4	126.211	491.921
Trade receivables		2.340.814	191.238
- Trade receivables from related parties	22	188.194	12.338
- Trade receivables from third parties	7	2.152.620	178.900
Other receivables	8	1.854	863
Inventories	9	838.267	1.408.416
Prepaid expenses	14	20.067	42.713
-Prepaid expenses to related parties	22	4.292	144
-Prepaid expenses to third parties		15.775	42.569
Current tax assets	14	17.001	12.672
Other current assets		452	100.414
- Other current assets from third parties	14	452	100.414
Total current assets		**3.344.666**	**2.248.237**
Non-current assets			
Financial investments	5	1.710	1.830
Property, plant and equipment	10	1.173.772	1.197.406
Right of use assets	6	101.074	142.582
Intangible assets	11	139.514	179.883
Prepaid expenses	14	50.969	24.234
Deferred tax assets	20	167.104	154.549
Total non-current assets		**1.634.143**	**1.700.484**
Total assets		**4.978.809**	**3.948.721**

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026
(Amounts expressed in thousands of Turkish lira ("TRL") in terms purchasing power of the TRL at September 30, 2026 unless otherwise indicated)

	Notes	Unaudited 30 September 2026	Audited 31 December 2025
Liabilities			
Current liabilities			
Current borrowings		3.280.490	1.442.797
-Current borrowings from third parties		3.280.490	1.442.797
- Bank loans	6	1.233.868	287.031
- Issued debt instruments	6	2.046.622	1.155.766
Current portion of long-term borrowings		15.259	604.677
-Current portion of long-term borrowings from third parties	6	15.259	604.677
- Bank loans	6	-	239.449
- Lease liabilities		15.259	17.943
- Issued debt instruments	6	-	347.285
Trade payables		177.810	151.871
- Trade payables to related parties	22	2.058	8.178
- Trade payables to third parties	7	175.752	143.693
Employee benefit obligations	8	61.002	87.007
Other payables		2.784	2.544
- Other payables to third parties	8	2.784	2.544
Deferred income	14	51.211	33.186
Short term provision		60.328	15.714
- Provisions for employment benefits	13	56.562	9.175
- Other current provisions	12	3.766	6.539
Total current liabilities		**3.648.884**	**2.337.796**
Non-current liabilities			
Non-current borrowings		11.505	46.463
- Non-current borrowings from third parties	6	11.505	46.463
- Lease liabilities		11.505	46.463
Employee benefit obligations	8	2.312	2.425
Non-current provisions		39.669	50.766
- Non-current provision for employee benefits	13	39.669	50.766
Total non-current liabilities		**53.486**	**99.654**
Equity			
Paid-in share capital	15	259.875	259.875
Adjustment to share capital	15	679.220	679.220
Other comprehensive expense not to be reclassified to profit or loss		(38.270)	(30.839)
- Revaluation and measurement gains / (losses)		(38.270)	(30.839)
Other comprehensive expense/(income) to be reclassified to profit or loss		19.913	19.924
- Gains/(loss) on hedge		19.913	19.924
Restricted reserves appropriated from profits	15	502.665	503.688
Prior years' profits/(losses)	15	80.426	703.929
Net profit/(loss) for the period		(227.390)	(624.526)
Total equity		**1.276.439**	**1.511.271**
Total liabilities and equity		**4.978.809**	**3.948.721**

Accompanying notes are an integral part of these financial statements

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AS AT SEPTEMBER 30, 2026
(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRL") as of September 30, 2026, unless otherwise stated)

		Unaudited			
Profit or loss	**Notes**	**1 January - 30 September 2026**	**1 January - 30 September 2025**	**1 July - 30 September 2026**	**1 July - 30 September 2025**
Revenue	16	2.814.415	2.390.217	848.888	1.053.268
Cost of sales (-)	16	(1.802.070)	(1.390.976)	(552.025)	(630.644)
Gross profit		**1.012.345**	**999.241**	**296.863**	**422.624**
General administrative expenses (-)		(361.261)	(451.724)	(94.698)	(130.727)
Marketing expenses (-)		(452.463)	(590.992)	(126.766)	(193.976)
Research and development expenses (-)		(27.687)	(15.054)	(9.904)	(4.068)
Other income from operating activities	17	12.486	20.605	2.567	4.559
Other expenses from operating activities (-)	17	(6.872)	(13.278)	(98)	(1.907)
Operating profit / (loss)		**176.548**	**(51.202)**	**67.964**	**96.505**
Income from investing activities	18	470	275	165	184
Expense from investing activities (-)	18	-	(4.063)	-	(2.012)
Operating profit before finance income / (expense)		**177.018**	**(54.990)**	**68.129**	**94.677**
Finance income	19	111.445	109.206	8.518	1.776
Finance expenses (-)	19	(826.028)	(669.152)	(307.112)	(256.254)
Monetary gain / (loss)	25	300.054	222.781	50.550	88.308
Profit/(Loss) before tax from continuing operations		**(237.511)**	**(392.155)**	**(179.915)**	**(71.493)**
Tax income from continuing operations		**10.121**	**124.549**	**7.626**	**33.435**
- Current Period Tax (Expense) Income	20	-	-	-	-
- Deferred tax income / (expense)	20	10.121	124.549	7.626	33.435
Net profit /(loss) for the period		**(227.390)**	**(267.606)**	**(172.289)**	**(38.058)**
Profit /(loss) per share (1 TRL per share)	21	**(0,8750)**	**(1,0297)**	**(0,6630)**	**(0,1464)**

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRL") as of September 30, 2026, unless otherwise stated)

		Unaudited			
		1 January -	1 January -	1 July -	1 July -
	Notes	30 September 2026	30 September 2025	30 September 2026	30 September 2025
Net profit /(loss) for the period		**(227.390)**	**(267.606)**	**(172.289)**	**(38.058)**
Other comprehensive income/expense					
Other comprehensive expenses that will not be reclassified to profit or loss		(7.431)	(8.616)	(1.745)	(1.817)
- Gains (Losses) on Remeasurements Defined Benefit Plans	13	(9.861)	(11.484)	(2.337)	(2.418)
-Other comprehensive expenses that will not be reclassified to profit or loss, tax effect		2.430	2.868	592	601
- Deferred tax income / (expense)		2.430	2.868	592	601
Other comprehensive income / (expense) that will be reclassified to profit or loss		(11)	(555)	1	(141)
- Currency translation differences					
- Other comprehensive income / (expense) on cash flow hedge					
-Other Comprehensive income / (expense) on cash flow hedge		(15)	(741)	1	(189)
-Other comprehensive expenses that will be reclassified to profit or loss, tax effect		4	186	-	48
- Deferred tax income / (expense)		4	186	-	48
Other comprehensive income / (expense)		**(7.442)**	**(9.171)**	**(1.744)**	**(1.958)**
Total comprehensive income		**(234.832)**	**(276.777)**	**(174.033)**	**(40.016)**

Accompanying notes are an integral part of these financial statements

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

ADEL KALEMCİLİK TİCARET VE SANAYİ ANONİM ŞİRKETİ

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRL") as of September 30,2026, unless otherwise stated)

			Other comprehensive income (loss) that will not be reclassified in profit or loss	Other comprehensive loss/(income) that will be		Accumulated profits		
	Share capital	Inflation adjustment to share capital	Defined benefit plans revaluation and measurement(losses)/gains	Gains/(loss) on hedge	Restricted reserves	Retained earnings	Net profit/(loss) for the period	Total equity
Balances as of 1 January 2025	**259.875**	**679.220**	**(24.383)**	**20.289**	**490.344**	**902.303**	**30.338**	**2.357.986**
Transfers	-	-	-	-	13.347	16.991	(30.338)	-
Dividends paid	-	-	-	-	-	(215.353)	-	(215.353)
Total comprehensive income / (loss)	-	-	(8.616)	(555)	-	-	(267.606)	(276.777)
Balances as of 30 September 2025	**259.875**	**679.220**	**(32.999)**	**19.734**	**503.691**	**703.941**	**(267.606)**	**1.865.856**
Balances as of 1 January 2026	**259.875**	**679.220**	**(30.839)**	**19.924**	**503.688**	**703.929**	**(624.526)**	**1.511.271**
Transfers	-	-	-	-	(1.023)	(623.503)	624.526	-
Total comprehensive income / (loss)	-	-	(7.431)	(11)	-	-	(227.390)	(234.832)
Balances as of 30 September 2026	**259.875**	**679.220**	**(38.270)**	**19.913**	**502.665**	**80.426**	**(227.390)**	**1.276.439**

Accompanying notes are an integral part of these financial statements

		Unaudited	
	Notes	1 January - 30 September 2026	1 January - 30 September 2025
Cash flow from operating activities		**(1.245.924)**	**(1.370.097)**
Net profit /(loss) for the period		**(227.390)**	**(267.606)**
Adjustments to reconcile net profit /(loss) for the period		**493.557**	**505.725**
Adjustments for depreciation and amortization expense	6,10,11	147.546	184.460
Adjustments for impairment loss/(reversal)		1.271	1.754
- Adjustments for impairment / (reversal) of receivables	*7*	*1.271*	*1.754*
Adjustments for provisions		75.906	42.338
- Adjustments for provisions / (reversal) for employee benefits		*77.400*	*42.338*
- Adjustments for provisions / (reversal) for lawsuit and other provisions	12	*(1.494)*	-
Adjustments for interest (income) / expense		710.868	614.453
- Adjustments for interest income	*19*	*(106.880)*	*(53.728)*
- Adjustments for interest expense	*19*	*817.748*	*668.181*
Adjustments for fair value (gain) / loss		-	(1.462)
Adjustments for tax incomes	20	(10.121)	(124.549)
Adjustments for gain / (loss) on sale of tangible and intangible assets	18	(470)	3.788
Monetary gain / (loss)		(431.443)	(215.057)
Changes in working capital		**(1.472.144)**	**(1.678.908)**
Adjustments for decrease/(increase) in trade receivables		(2.150.846)	(1.454.340)
Adjustments for decrease/(increase) in other receivables		(992)	492
Adjustments for decrease/(increase) in inventory		570.149	(172.786)
Decrease/(increase) in prepaid expenses		(4.088)	(8.778)
Adjustments for increase/(decrease) in trade payables		25.940	4.115
Adjustments for increase/(decrease) in employee benefit obligations		(26.119)	(103.509)
Adjustments for increase/(decrease) in other payables from operations		240	6.605
Increase / (decrease) in deferred income (other than obligations arising from customer contracts)		18.025	(84.638)
Adjustments for other increase/(decrease) in working capital		95.547	133.931
- Increase/(decrease) in other operating assets		*96.825*	*174.654*
- Increase/(decrease) in other operating liabilities		*(1.278)*	*(40.723)*
Cash flows from (used in) operating activities		**(1.205.977)**	**(1.440.789)**
Payments related with provisions for employee benefits		(39.947)	(62.932)
Income taxes (paid) return		-	133.624
Cash flow from investing activities		**(40.327)**	**(79.412)**
Cash inflows arising from sale of tangible and intangible assets	10, 11	496	6.192
Cash outflows arising from purchase of tangible and intangible assets	10, 11	(40.823)	(85.604)
Cash flow from financing activities		**1.008.017**	**557.386**
Proceeds from borrowings	6	4.711.543	2.205.443
Repayment of borrowings	6	(3.095.915)	(681.093)
Repayment of lease liabilities	6	(58.317)	(54.720)
Dividends paid		-	(215.353)
Interest paid	6	(656.545)	(748.190)
Interest received		107.251	49.511
Other cash inflows (outflows)		-	1.788
Monetary gain/(loss) impact on cash and cash equivalents		**(87.105)**	**(116.593)**
Net increase/(decrease) in cash and cash equivalents		**(365.339)**	**(1.008.716)**
Cash and cash equivalents at the beginning of the year	**4**	**491.487**	**1.071.556**
Cash and cash equivalents at the end of the year	**4**	**126.148**	**62.840**

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 30 September 2026, the Company has 27,71% of its shares registered in the BIST. The shareholders holding the majority of the Company's shares and their share ratios are as follows:

List of Shareholders

	30 September 2026		31 December 2025	
	%	TRL	%	TRL
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
Shares publicly held	27,71	72.026	27,71	72.026
		259.875		**259.875**

The average number of employees of the Company as at 30 September 2026 is 229 (31 December 2025: 303).

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 2026 TFRS Taxonomy updated by POA on July 3, 2025.

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.

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

The Company's financial statements as of 30 September 2026 were approved by the Company's Board of Directors on 27 October 2026. The General Assembly is authorized to amend the financial statements.

2.1.2 Adjustment of financial statements in hyperinflationary periods

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

The Company prepared its financial statements as at and for the period ended September 30, 2026 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on 23 November 2023 and the "Implementation Guide on Financial Reporting in High Inflation Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be expressed in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Accordingly, the Company has also presented its financial statements as of 31 December 2025 and 30 September 2025 in terms of the purchasing power of that currency as of 30 September 2026.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TSI"). As of September 30, 2026, the indexes and adjustment factors used in the restatement of the financial statements are as follows:

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)

Date	Index (*)	Adjustment Coefficient	Three-Year Compound Inflation Rate
30 September 2026	137,23	1,00000	%158
31 December 2025	110,39	1,24317	%211
30 September 2025	105,78	1,29732	%222

(*) Effective from 2026, TurkStat updated the base year of the index to 2025=100. Accordingly, index values reported in prior periods using a different base year and scaling have been revised by TurkStat based on the new base year. To ensure comparability, TurkStat has also restated the historical index data using the same base year.

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 TAS/TFRS to the legal records prepared on the historical cost basis.

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 whare 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.

2.1.5 Comparative information and restatement of prior period financial statements

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period financial statements and significant changes are explained. The financial statements of the Company include comparative financial information to enable the determination of the trends in the financial position and performance. The Company has prepared its financial position statement as of 30 September 2026 with the financial position statement prepared as of 31 December 2025; The profit or loss statement for the period 1 January - 30 September 2026, the profit or loss statement for the 1 January - 30 September 2025 accounting period, and the other comprehensive income statement for the 1 January - 30 September 2026 accounting period, the 1 January - 30 September 2025 accounting period, other comprehensive income statement, cash flow statement for the accounting period 1 January - 30 September 2026 and statements of changes in shareholders' equity are prepared comparatively with the related financial statements for the accounting period 1 January - 30 September 2025.

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 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 September 30, 2026, the Company's total current liabilities exceed total current assets by TRL 304.218. The Company incurred a net loss of TRL 227.390 for the nine months period ended September 30, 2026.

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 30 September 2026:

- **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 (earlier application permitted). 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 list of amended Accounting Standard and accompanying guidance include the following:

    - IFRS 1 First-time Adoption of International Financial Reporting Standards;
    - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
    - IFRS 9 Financial Instruments;
    - IFRS 10 Consolidated Financial Statements; and
    - IAS 7 Statement of Cash Flows.

- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). 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'.

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 30 September 2026:

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency; effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). 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 and reduce diversity in practice.

Amendment to IAS 28 – Fair Value Option in Investments in Associates and Joint Ventures; effective from annual periods beginning on or after 1 January 2027. If an entity has elected to apply IFRS 18 early and to use the fair value option granted by these amendments (for example, for a 30 September 2026 period-end), the entity should apply the amendments retrospectively for the reporting period ending on or after the issuance of these amendments (that is, also for the 30 September 2026 period-end). These amendments clarify which entities are eligible to measure investments in associates and joint ventures at fair value under IAS 28. The exemption from applying the equity method in IAS 28 allows eligible entities to make an election to measure investments in associates and joint ventures at fair value through profit or loss ('fair value option'). This election has to be made separately for each associate or joint venture at initial recognition.

These amendments address stakeholders' concerns about the diversity in practice when determining the scope of entities eligible to apply the fair value option. This diversity has become increasingly important because the measurement at either fair value or using the equity method affects the classification of income and expenses in the statement of profit or loss under IFRS 18 in either the operating or the investing category.

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

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). 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.

IFRS 19 Subsidiaries without Public Accountability: Disclosures'; effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). This new standard and amendments 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:

- Does not have public accountability; and
- Has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Amendment to IFRS 19 Subsidiaries without Public Accountability: Disclosures'; effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). In developing the reduced disclosure requirements in IFRS 19, the IASB considered the disclosure requirements in other IFRS Accounting Standards as at 28 February 2021. When IFRS 19 was issued, it did not contain reduced versions of any disclosure requirements that were added or amended after that date. Subsequently, the IASB issued these amendments to 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).

IFRS 20 Regulatory Assets and Regulatory Liabilities; effective from annual periods beginning on or after 1 January 2029 (earlier application permitted). This is a new Accounting Standard for entities subject to a specific type of rate regulation. It aims to help investors better understand how that rate regulation affects an entity's financial performance, financial position, and its prospects for future cash flows.

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

2.3 New and Revised Turkish Financial Reporting Standards (Continued)

IFRS 20 will affect entities subject to rate regulation that determines how much an entity can charge customers and when it can charge them. Entities that supply vital services such as electricity, water and gas are often subject to this type of regulation.

If there is a difference between when an entity supplies regulatory goods and services and when it charges customers for those goods and services, reported revenue may not fully reflect the entity's performance in a period. IFRS 20 calls this a 'difference in timing'. The key principle of IFRS 20 is that an entity should recognise the total allowed compensation for regulatory goods or services in the same reporting period that the entity supplies those regulatory goods or services. IFRS 20 requires entities to account for the effects of differences in timing in their financial statements by recognising regulatory assets and regulatory liabilities and the resulting regulatory income and regulatory expense.

2.4 Changes and errors in accounting estimates

Changes in accounting policies or accounting errors are applied retrospectively and the financial statements of the comparative period are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively. Except for the subject mentioned in "Comparative Information and Restatement of Prior Period Financial Statements", the Company has not identified any significant accounting error or estimated changes in accounting policies in the current year.

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 30 September 2026 accounting period.

2.5 Financial statements of a joint venture operating in a foreign country

The financial statements of the joint venture operating in a foreign country have been prepared in accordance with the legislation in force in the country in which it operates and have been prepared by reflecting the necessary corrections and classifications in order to comply with the Communiqué on the Principles of Financial Reporting in the Capital Markets.

The assets and liabilities of the joint venture operating in a foreign country have been translated into Turkish Lira ("TRL") using the exchange rates prevailing at the reporting date. Income and expenses have been translated into TRL using the average exchange rates for the reporting period. Exchange differences arising from the use of the closing and average exchange rates are recognised in equity under the caption "Foreign currency" translation reserve.

2.6 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.

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

2.7 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.

2.8 Government incentives

Government incentives are not recognized unless there is a reasonable reason to believe that the Company fulfills the requirements of these incentives and that this incentive will be received. These incentives are recognized in revenues in the period to match the costs they are expected to cover. Income from government incentives is recognized as a deduction from an appropriate expense item.

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.

NOTE 4 - Cash and cash equivalents

	30 September 2026	31 December 2025
Time deposit	73.190	484.606
Demand deposit	34.143	1.772
Other cash equivalents	18.815	5.109
Cash and cash equivalents in the statement of cash flows	**126.148**	**491.487**
Interest income accruals	63	434
Total	**126.211**	**491.921**

The Company has no blocked deposits as of 30 September 2026 (31 December 2025: None).

NOTE 5 - Financial investments

	30 September 2026		31 December 2025	
	%	TRL	%	TRL
Other long-term investments (*)		1.710		1.830
		1.710		**1.830**

(*) 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

30 September 2026	**Interest rate %**	**Balance**
Short term borrowings		
TRL loans	20,32- 42,00	1.233.868
Debt instruments issued (*)	40,75 - TLref + %0,75- TLref + %1	2.046.622
		3.280.490

(*) The Company has issued debt instruments including TRL 750.000 in principal amount with a 364 day maturity, maturing on 19 February 2027, bearing a floating interest rate of TLref + 75 bps, with principal repayment at maturity and four coupon payments, TRL 750.000 in principal amount with a 364 day maturity, maturing on 7 May 2027, bearing a floating interest rate of TLref + 100 bps, with principal repayment at maturity and four coupon payments, and TRL 350.000 in principal amount, maturing on 25 November 2026, bearing an interest rate of 40,75%, with principal and coupon payment at maturity.

As of 30 September 2026, the interest accrual calculated for the Company's issued debt instruments is classified within the issued debt instruments.

30 September 2026	**Interest rate %**	**Balance**
Short-term portions of long-term borrowings		
Short-term portions of long-term finance leases	-	15.259
		15.259

As of 30 September 2026, 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.

30 September 2026	**Interest rate %**	**Balance**
Long term borrowings		
Long-term lease payables	-	11.505
		11.505

The details of the Company's short and long-term borrowings as of 31 December 2025 are as follows;

31 December 2025	**Interest rate %**	**Balance**
Short term borrowings		
TRL loans	23,47- 45,00	287.031
Issued debt instruments	40,75 - TLref + %1	1.155.766
		1.442.797

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

31 December 2025	**Interest rate %**	**Balance**
Short-term portions of long-term borrowings		
Short-term portions of long-term finance leases	14,00 - 34,50	17.943
Short-term portions of long-term loans	TLref + %1	239.449
Short-term portions of long-term issued debt instruments	TLref + %1	347.285
		604.677

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 rate %	Balance
Long term borrowings		
Long-term lease payables	-	46.463
		46.463

As of 30 September 2026 and 31 December 2025, the maturity details of the Company's long-term loans and financial lease borrowings are given below:

30 September 2026	Total liabilities
1-2 years	11.505
	11.505

31 December 2025	Total liabilities
1-2 years	46.463
	46.463

The movement of bank loans is as follows:

	2026	2025
1 January	**2.029.531**	**1.422.170**
Cash inflows from borrowing	4.711.543	2.205.443
Cash outflows related to debt payments	(3.095.915)	(681.093)
Interest expense	788.016	625.410
Interest paid	(656.545)	(748.190)
Monetary (gain) / loss	(496.140)	(257.605)
30 September	**3.280.490**	**2.566.135**

The movement table of lease liabilities is as follows:

	2026	2025
1 January	**64.406**	**217.467**
Cash inflow within the period	-	23.155
Cash outflows related to lease payments for the period	(58.317)	(77.875)
Interest expense	29.732	42.771
Contract amendment	7.416	(4.683)
Monetary (gain) / loss	(16.473)	(55.319)
30 September	**26.764**	**145.516**

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

The movement table of the right-of-use assets of the Company as of 30 September 2026 and 30 September 2025 is given below:

Right of use assets	**Vehicles**	**Buildings**	**Total**
As of 1 January 2026	100.598	41.984	142.582
Disposal	(6.178)	-	(6.178)
Changes in contracts	-	7.416	7.416
Current depreciation expense (*)	(23.854)	(18.892)	(42.746)
As of 30 September 2026	**70.566**	**30.508**	**101.074**

(*) TRL 7.194 of depreciation expenses are included in general administrative expenses, and TRL 35.552 in marketing, sales and distribution expenses.

Right of use assets	**Vehicles**	**Buildings**	**Total**
As of 1 January 2025	52.370	196.801	249.171
Additions	23.155	-	23.155
Disposal	-	(15.190)	(15.190)
Changes in contracts	-	(4.683)	(4.683)
Current depreciation expense (*)	(29.981)	(38.967)	(68.948)
As of 30 September 2025	**45.544**	**137.961**	**183.505**

(*) TRL 136 of depreciation expenses are included in the cost of goods sold, TRL 14.077 in general administrative expenses, and TRL 54.735 in marketing, sales and distribution expenses.

NOTE 7 - Trade receivables and payables

Trade Receivables	**30 September 2026**	**31 December 2025**
Trade receivables from related parties (Note 22)	188.194	12.338
Trade receivables from third parties	2.152.620	178.900
	2.340.814	**191.238**

Trade receivables from third parties	**30 September 2026**	**31 December 2025**
Cheques and notes receivables	417.061	8.267
Trade receivables	1.745.890	181.896
Provisions for doubtful trade receivables (-)	(10.331)	(11.263)
	2.152.620	**178.900**

As of 30 September 2026 and 2025, the movement table for doubtful trade receivables is as follows:

	2026	**2025**
1 January	**11.263**	**12.142**
Provision provided during the period (Note 17)	1.278	2.453
Reversal of provision (Note 17)	(7)	(699)
Monetary (gain) / loss	(2.203)	(2.385)
30 September	**10.331**	**11.511**

NOTE 7 - Trade receivables and payables (Continued)

Trade payables	30 September 2026	31 December 2025
Trade payables to related parties (Note 22)	2.058	8.178
Trade payables to third parties	175.752	143.693
	177.810	**151.871**

Trade payables to third parties	30 September 2026	31 December 2025
Suppliers	175.672	143.310
Other trade payables	80	383
	175.752	**143.693**

NOTE 8 - Other receivables and payables

Other receivables	30 September 2026	31 December 2025
Other receivables from third parties	1.854	863
	1.854	**863**

Other receivables from third parties	30 September 2026	31 December 2025
Deposits and guarantees given	433	413
Other miscellaneous receivables	1.421	450
	1.854	**863**

Other payables	30 September 2026	31 December 2025
Other payables to third parties	2.784	2.544
	2.784	**2.544**

Other payables to third parties	30 September 2026	31 December 2025
Taxes, fees and deductions payable	771	1.723
Other	2.013	821
	2.784	**2.544**

Employee benefit obligations	30 September 2026	31 December 2025
Payables to employees	38.727	37.557
Social security premiums payable	12.119	14.224
Taxes, fees and deductions payable	10.156	35.226
	61.002	**87.007**

Long-term employee benefit obligations	30 September 2026	31 December 2025
Payables to employees	2.312	2.425
	2.312	**2.425**

NOTE 9 – Inventories

	30 September 2026	31 December 2025
Raw materials	242.938	303.267
Semi-finished goods	117.087	158.947
Finished goods	191.675	489.380
Trade goods	281.781	452.103
Other inventories	16.112	16.045
Provision for impairment of inventories (-) (*)	(11.326)	(11.326)
	838.267	**1.408.416**

(*) As of 30 September 2026 and 2025, the movement table regarding the stock impairment provision allocated as a result of the evaluation regarding the recoverability of stocks is as follows:

	2026	2025
1 January	**11.326**	**40.936**
Impairment losses reversed (-)	**-**	**-**
Impairment losses recognised	-	-
30 September	**11.326**	**40.936**

NOTE 10 - Property, plant and equipment

	Lands	Land improvements and buildings	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Special Cost	Total
As of 1 January 2026,									
Cost	70.534	33.416	1.103.318	1.537.363	24.656	319.944	20.538	5.453	3.115.222
Accumulated depreciation	-	(31.155)	(251.726)	(1.323.055)	(24.643)	(287.005)	-	(232)	(1.917.816)
Net book value	**70.534**	**2.261**	**851.592**	**214.308**	**13**	**32.939**	**20.538**	**5.221**	**1.197.406**
Opening balance	**70.534**	**2.261**	**851.592**	**214.308**	**13**	**32.939**	**20.538**	**5.221**	**1.197.406**
Additions	-	-	-	2.403	-	1.689	36.577	154	40.823
Disposal cost	-	-	-	(7.256)	-	(698)	-	-	(7.954)
Disposal depreciation	-	-	-	7.248	-	680	-	-	7.928
Depreciation (*)	-	(317)	(17.094)	(39.864)	(12)	(6.672)	-	(472)	(64.431)
Closing balance	**70.534**	**1.944**	**834.498**	**176.839**	**1**	**27.938**	**57.115**	**4.903**	**1.173.772**
As of 30 September 2026,									
Cost	70.534	33.416	1.103.318	1.532.510	24.656	320.935	57.115	5.607	3.148.091
Accumulated depreciation	-	(31.472)	(268.820)	(1.355.671)	(24.655)	(292.997)	-	(704)	(1.974.319)
Net book value	**70.534**	**1.944**	**834.498**	**176.839**	**1**	**27.938**	**57.115**	**4.903**	**1.173.772**

(*) TRL 50.971 of depreciation expenses are included in the cost of goods sold, TRL 2.081 in general administrative expenses, TRL 6.043 in research and development expenses and TRL 5.336 in marketing, sales and distribution expenses.

NOTE 10 - Property, plant and equipment (Continued)

	Lands	Land improvements and buildings	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Special Cost	Total
As of 1 January 2025,									
Cost	70.535	33.416	1.102.142	1.538.752	24.656	418.839	42.811	7.435	3.238.586
Accumulated depreciation	-	(30.702)	(227.212)	(1.292.073)	(24.616)	(372.999)	-	(5.655)	(1.953.257)
Net book value	**70.535**	**2.714**	**874.930**	**246.679**	**40**	**45.840**	**42.811**	**1.780**	**1.285.329**
Opening balance	**70.535**	**2.714**	**874.930**	**246.679**	**40**	**45.840**	**42.811**	**1.780**	**1.285.329**
Additions	-	-	844	16.375	-	5.800	35.057	-	58.076
Disposal cost	-	-	-	(29.965)	-	(66.128)	(4.515)	(4.776)	(105.384)
Disposal depreciation	-	-	-	29.844	-	61.050	-	4.754	95.648
Transfers	-	-	345	2.255	-	-	(22.989)	-	(20.389)
Depreciation (*)	-	(340)	(18.384)	(47.821)	(21)	(10.780)	-	(386)	(77.732)
Closing balance	**70.535**	**2.374**	**857.735**	**217.367**	**19**	**35.782**	**50.364**	**1.372**	**1.235.548**
As of 30 September 2025,									
Cost	70.535	33.416	1.103.331	1.527.417	24.656	358.511	50.364	2.659	3.170.889
Accumulated depreciation	-	(31.042)	(245.596)	(1.310.050)	(24.637)	(322.729)	-	(1.287)	(1.935.341)
Net book value	**70.535**	**2.374**	**857.735**	**217.367**	**19**	**35.782**	**50.364**	**1.372**	**1.235.548**

(*) TRL 61.903 of depreciation expenses is included in the cost of goods sold, TRL 2.795 is included in general administrative expenses, TRL 3.205 is included in research and development expenses, and TRL 9.829 is included in marketing, sales and distribution expenses.

NOTE 11 - Intangible assets

Intangible assets include computer software, rights and development costs.

	Rights	Developments	License agreements	Other intangible assets	Total
As of 1 January 2026,					
Cost	3.012	221.259	397.832	39.558	661.661
Accumulated amortizations	(2.929)	(82.058)	(358.263)	(38.528)	(481.778)
Net book value	**83**	**139.201**	**39.569**	**1.030**	**179.883**
Opening balance	**83**	**139.201**	**39.569**	**1.030**	**179.883**
Depreciation (*)	(62)	(29.882)	(9.526)	(899)	(40.369)
End of the period	**21**	**109.319**	**30.043**	**131**	**139.514**
As of 30 September 2026,					
Cost	3.012	221.259	397.832	39.558	661.661
Accumulated amortizations	(2.991)	(111.940)	(367.789)	(39.427)	(522.147)
Net book value	**21**	**109.319**	**30.043**	**131**	**139.514**

(*) For the current period, amortization shares include TRL 15.642 in the cost of goods sold, TRL 1.612 in general administrative expenses, TRL 19.936 in research and development expenses and TRL 3.179 in marketing, sales and distribution expenses, has been made.

	Rights	Developments	License agreements	Other intangible assets	Total
As of 1 January 2025,					
Cost	5.222	142.874	388.351	33.072	569.519
Accumulated amortizations	(4.873)	(50.292)	(336.755)	(33.249)	(425.169)
Net book value	**349**	**92.582**	**51.596**	**(177)**	**144.350**
Opening balance	**349**	**92.582**	**51.596**	**(177)**	**144.350**
Additions	-	26.463	-	1.065	27.528
Disposal cost	(2.209)	-	-	-	(2.209)
Disposal depreciation	1.965	-	-	-	1.965
Transfers	-	20.389	-	-	20.389
Depreciation (*)	-	(22.577)	(15.203)	-	(37.780)
End of the period	**105**	**116.857**	**36.393**	**888**	**154.243**
As of 30 September 2025,					
Cost	3.013	189.726	388.351	34.137	615.227
Accumulated amortizations	(2.908)	(72.869)	(351.958)	(33.249)	(460.984)
Net book value	**105**	**116.857**	**36.393**	**888**	**154.243**

(*) For the current period, amortization shares include TRL 23.483 in the cost of goods sold, TRL 2.504 in general administrative expenses, TRL 6.697 in research and development expenses, and TRL 5.096 in marketing, sales and distribution expenses, has been made.

NOTE 12 - Provisions, contingent assets and liabilities

	30 September 2026	31 December 2025
Provisions for lawsuits	3.766	6.539
	3.766	**6.539**

14 employees of the Company have filed 14 lawsuits against the Company for the cancellation of their employment contracts, reinstatement and other compensation claims and a provision for lawsuits amounting to TRL 3.766 has been set aside as a result of the evaluations of the lawyers in relation to the related lawsuits.

	2026	2025
As of 1 January,	**6.539**	**8.551**
Provisions no longer required (-)	(1.494)	-
Monetary (gain) / loss	(1.279)	(1.734)
As of 30 September,	**3.766**	**6.817**

Contingent liabilities and contingent assets

Due to the Company's inability to collect its receivable amounting to TRL 1.083 arising from its current account relationship with a customer, enforcement proceedings were initiated through the Istanbul 18th Enforcement Office under file numbers 2012/20785E and 2012/18797E. The sale of the seized immovable properties was requested on 7 October 2013. The valuation report has been served, and the process for the sale of the immovable properties 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 11.475 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 30 September 2026. 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.

Due to the Company's inability to collect its receivable arising from its current account relationship with a customer, the receivable was registered with the bankruptcy estate of the debtor through the Istanbul Anatolian 3rd Bankruptcy Office under file number 2020/25. A provision has been recognised for the related amount.

The Company was unable to collect its receivable arising from a TRL 996 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.

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

Contingent liabilities and contingent assets (Continued)

Deposits and guarantees given	30 September 2026	31 December 2025
Letters of guarantee	76.126	164.412

As of 30 September 2026 and 31 December 2025, the tables regarding the Company's collateral/pledge/mortgage ("CPM") position are as follows:

30 September 2026

Letter of guarantees, pledge and mortgages provided by the Company	TRL equivalents	EUR	TRL
A. Total amount of GPMs given on behalf of the Company's legal personality	76.126	-	76.126
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	-	-	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-
D. Total amount of other GPM's	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-
	76.126	**-**	**76.126**

31 December 2025

Letter of guarantees, pledge and mortgages provided by the Company	TRL equivalents	EUR	TRL
A. Total amount of GPMs given on behalf of the Company's legal personality	164.412	-	164.412
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	-	-	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-
D. Total amount of other GPM's	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-
	164.412	**-**	**164.412**

The ratio of other CPMs given by the Company to the Company's equity capital is 0% as of 30 September 2026 (31 December 2025: 0%).

NOTE 13 - Employee benefits

Short term employee benefits	30 September 2026	31 December 2025
Premium accruals	49.380	5.202
Provisions for unused vacations	7.182	3.973
	56.562	**9.175**

Long term employee benefits	30 September 2026	31 December 2025
Provisons for employment termination benefits	39.669	50.766
	39.669	**50.766**

The movement table of unused vacation accruals as of 30 September 2026 and 2025 is as follows:

	2026	2025
As of 1 January,	**3.973**	**3.856**
Addition	22.423	24.055
Provision for vacation used	(17.087)	(20.255)
Monetary (gain) / loss	(2.127)	(2.264)
30 September	**7.182**	**5.392**

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 October 2026, the severance pay to be paid is subject to a monthly ceiling of TRL 73.729,87 (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:

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 30 September 2026 and 31 December 2025, provisions in the attached financial statements are calculated by estimating the present value of the possible future liability arising from the retirement of employees.

NOTE 13 - Employee benefits (Continued)

Provisions for employee termination benefits (Continued)

	2026	2025
As of 1 January	**50.766**	**54.351**
Service cost	18.172	18.283
Severance pay paid	(31.252)	(24.138)
Actuarial (gain) / loss	9.861	11.484
Monetary (gain) / loss	(7.878)	(12.350)
30 September	**39.669**	**47.630**

	30 September 2026	31 December 2025
Discount rate (%)	3,35	2,58
Turnover rate used in retirement probability calculation (%)	92,03	92,64

NOTE 14 - Other assets and liabilities

Short-term prepaid expenses	30 September 2026	31 December 2025
Prepaid expenses for the coming months	11.465	22.711
Advances given	8.602	20.002
	20.067	**42.713**

Current tax assets	30 September 2026	31 December 2025
Prepaid taxes and funds	17.001	12.672
	17.001	**12.672**

Other current assets	30 September 2026	31 December 2025
Deffered VAT	423	100.414
Other miscellaneous current assets	29	-
	452	**100.414**

Long-term prepaid expenses	30 September 2026	31 December 2025
Prepaid expense for the following years	50.969	24.234
	50.969	**24.234**

Deffered income	30 September 2026	31 December 2025
Advances received	51.211	33.186
	51.211	**33.186**

NOTE 15 - Capital, reserves and other equity items

Capital

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

	30 September 2026		31 December 2025	
	% Share	Balance	% Share	Balance
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
Shares publicly held	27,71	72.026	27,71	72.026
Paid in capital	**100,00**	**259.875**	**100,00**	**259.875**
Inflation adjustment to share capital		679.220		679.220
Total capital		**939.095**		**939.095**

Capital adjustment differences express the effect of realigning cash additions to paid-in capital with reporting period 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".

	30 September 2026	31 December 2025
Legal reserves	498.747	498.747
Gain on sale of real estate and associate shares	1.350	2.373
R&D investment fund	2.568	2.568
	502.665	**503.688**

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:

	30 September 2026	31 December 2025
Other retained earnigs /(losses)	(155.555)	410.714
Extraordinary reserves	235.981	293.215
	80.426	**703.929**

As of 30 September 2026 and 2025, the fund items included in shareholders' equity in the financial statements prepared in accordance with the Tax Procedure Law are as follows:

	30 September 2026		
Retained Earnings	**PPI Adjusted Statuary Entrys**	**CPI Adjusted Statuary Entrys**	**Followed ammount of**
Adjustments to share capital	815.779	679.220	136.559
Reserves on retained erning	545.230	502.665	42.565

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.

Dividend distribution

	30 September 2026	30 September 2025
Dividends distributed to shareholders	-	215.353
	-	**215.353**

NOTE 16 - Revenue and cost of sales

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Domestic sales	4.225.676	3.308.587	1.158.260	1.391.758
Export sales	126.766	147.774	64.245	64.232
Sales discounts (-)	(1.538.027)	(1.066.144)	(373.617)	(402.722)
Net sales	**2.814.415**	**2.390.217**	**848.888**	**1.053.268**
Cost of sales (-)	**(1.802.070)**	**(1.390.976)**	**(552.025)**	**(630.644)**
Gross profit	**1.012.345**	**999.241**	**296.863**	**422.624**

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

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Direct material cost	364.835	338.397	91.628	137.354
Direct labour costs	224.691	271.621	57.408	75.185
General production expenses	140.320	110.182	38.683	32.750
Depreciation and amortization expenses	66.613	85.953	26.446	31.121
Change in semi-finished goods	41.859	26.057	18.996	45.660
Change in finished goods	297.705	(41.991)	123.664	20.292
Cost of products sold	**1.136.023**	**790.219**	**356.825**	**342.362**
Cost of goods sold	666.047	600.757	195.200	288.282
Cost of sales	**1.802.070**	**1.390.976**	**552.025**	**630.644**

NOTE 17 - Other operating income and expenses

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Other income from operating activities				
Reversal of litigation provision income (Note 12)	1.494	-	40	-
Foreign exchange gain	7.953	15.578	244	2.130
Reversal of provision for doubtful trade receivables (Note 7)	7	699	-	-
Other	3.032	4.328	2.283	2.429
	12.486	**20.605**	**2.567**	**4.559**

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Other expenses from operating activities				
Foreign exchange losses	743	8.261	(1.861)	1.200
Provision for doubtful trade receivables (Note 7)	1.278	2.453	1.141	-
Other	4.851	2.564	818	707
	6.872	**13.278**	**98**	**1.907**

NOTE 18 - Income and expense from investment activities

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Income from investment activities				
Gain on sales of fixed assets	470	275	165	184
	470	**275**	**165**	**184**

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Expense from investment activities				
Loss on sale of property, plant and equipment	-	4.063	-	2.012
	-	**4.063**	**-**	**2.012**

NOTE 19 - Finance income and expenses

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Finance income				
Interest income	106.880	53.728	16.301	8.526
Profit on sale of funds	-	49.937	-	-
Foreign exchange income	4.565	5.541	(7.783)	(6.750)
	111.445	**109.206**	**8.518**	**1.776**

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Finance expenses				
Interest expenses	817.748	668.181	313.033	263.651
Foreign exchange losses	8.280	971	(5.921)	(7.397)
	826.028	**669.152**	**307.112**	**256.254**

NOTE 20- Income taxes

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

In Türkiye, the corporate income tax rate is 25% as of 30 September 2026 (31 December 2025: 25%). Corporate income tax is levied on taxable corporate income, which is determined by adjusting the statutory accounting profit for non-deductible expenses and tax-exempt income and other allowances in accordance with the applicable tax legislation. Pursuant to Law No. 7582, published on 4 June 2026, the corporate income tax rate applicable to income derived from manufacturing activities by companies holding an industrial registration certificate and engaged in actual manufacturing activities has been reduced from 25% to 12.5%, effective from 1 January 2027. Although this amendment has no impact on the current period corporate income tax calculation, it has been reflected in the deferred tax calculations as of 30 September 2026, taking into consideration whether the underlying taxable profits are expected to arise from manufacturing or non-manufacturing activities, as deferred tax assets and liabilities are measured using the tax rates expected to apply in the periods in which the related temporary differences reverse.

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

NOTE 20- Income taxes (Continued)

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Current period statutory tax provision (-)	-	-	-	-
Deferred tax income/(expense)	10.121	124.549	7.626	33.435
Total deferred tax income, net	**10.121**	**124.549**	**7.626**	**33.435**

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

	30 September 2026	31 December 2025
Period income tax provision	-	-
Prepaid tax expenses (-)	17.001	12.672
Profit for the period tax (liability)/receivable,	**17.001**	**12.672**

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. (30 September 2025: None)

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 30 September 2026, the Company has not utilized any R&D deduction advantage against its statutory tax provision (30 September 2025: None). A tax advantage amounting to TRL 24.710 (31 December 2025: TRL 21.780), which is expected to be utilized in the foreseeable future arising from the unused R&D deduction, has been recognized as a deferred tax asset in the financial statements. A deferred tax income amounting to TRL 2.930 related to this deferred tax asset has been recognized in the statement of profit or loss for the period 1 January – 30 September 2026.

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

In the sensitivity analysis conducted as of September 30, 2026, 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.

NOTE 20- Income taxes (Continued)

	Total temprorary differences		Deferred tax	
	30 September 2026	**31 December 2025**	**30 September 2026**	**31 December 2025**
Tangible and intangible assets	(40.071)	(23.093)	(8.415)	(5.773)
Provision for employment termination benefits	40.501	52.169	8.505	13.042
Turnover and dealer premium provisions	169.040	-	42.260	-
Worker bonus accruals	12.266	3.421	3.067	855
Financial loss carried forward	551.639	769.325	115.844	192.331
R&D discount	117.668	87.119	24.710	21.780
Adjustments related to derivative instruments	2.274	(461)	568	(115)
Provision for doubtful receivables	7.280	7.461	1.820	1.865
Provision for unused vacation	7.182	3.973	1.795	993
Inventory, provision for impairment on inventories	(100.831)	(202.729)	(25.208)	(50.682)
Litigation provision	3.760	6.533	940	1.633
Promotion materials	2.301	2.370	575	597
Bulk consumption sales return provision	461	-	115	-
Incentive premium accrual	52.747	-	13.187	-
Lease services	(74.310)	(78.174)	(18.577)	(19.544)
Other adjustments	23.679	(9.716)	5.918	(2.433)
Deferred tax asset/(liability), net	**775.586**	**618.198**	**167.104**	**154.549**

	2026	**2025**
1 January	**154.549**	**(38.988)**
Deferred tax income/(expense)	10.121	124.549
Severance pay accounted under equity	2.430	2.868
Impact of derivative financial instruments	4	186
30 September	**167.104**	**88.615**

NOTE 21 - Earnings per share

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

	1 January - 30 September 2026	**1 January - 30 September 2025**	**1 July - 30 September 2026**	**1 July - 30 September 2025**
Profit /(loss) for the period	(227.390)	(267.606)	(172.289)	(38.058)
Average number of shares (weighted average number of shares with a nominal value of TRL 1 per share)	259.875.000	259.875.000	259.875.000	259.875.000
Earnings per share / (loss) (Full TRL)	**(0,8750)**	**(1,0297)**	**(0,6630)**	**(0,1464)**

NOTE 22 - Related parties transactions

a) Related Parties' balances

	Receivables from related parties	
	30 September 2026	**31 December 2025**
Migros Ticaret A.Ş. (2)	171.253	8.134
A.W.Faber-Castell Vertrieb GmbH (2)	11.711	143
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün San ve Tic A.Ş (2)	1.882	811
AEP Anadolu Etap Penkon Gıda ve İçecek A.Ş. (2)	1.638	320
Anadolu Kafkasya Enerji Yatırımları (2)	489	94
Other	1.221	2.836
	188.194	**12.338**

	Payable to related parties	
	30 September 2026	**31 December 2025**
AG Anadolu Grubu Holding A.Ş. (1)	1.194	5.944
Anadolu Sigorta Acentalığı A.Ş. (2)	304	34
PT Faber Castell Marketing Ind. (2)	88	96
Migros Ticaret A.Ş. (2)	28	11
A.W.Faber-Castell Vertrieb GmbH (2)	-	1.127
Other	444	966
	2.058	**8.178**

Prepaid expenses to related parties	**30 September 2026**	**31 December 2025**
A.W.Faber-Castell Vertrieb GmbH (2)	4.282	143
A.W.Faber-Castell(Guangzhou) (2)	10	-
A.W.Faber Castell (1)	-	1
	4.292	**144**

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

NOTE 22 - Related parties transactions (Continued)

b) Related Parties' transactions

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Purchases of goods				
A.W.Faber-Castell Vertrieb GmbH (2)	141.676	162.993	92.463	87.395
A.W. Faber-Castell (Guangzhou) Stationery Co. Ltd. (2)	99.422	159.955	44.629	113.414
A.W.Faber Castell Malezya Sdn.Bhd. (2)	95.996	93.985	383	5.148
P.T.A.W.Faber Castell Ind. (2)	10.108	3.583	4.756	-
A.W. Faber Castell(I) Pvt. Ltd. India (2)	-	3.128	-	-
	347.202	**423.644**	**142.231**	**205.957**

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Sales of goods				
Migros Ticaret A.Ş. (2)	216.786	260.186	199.393	208.847
A.W.Faber-Castell Vertrieb GmbH (2)	17.992	21.506	9.133	7.569
AG Anadolu Grubu Holding A.Ş. (1)	2.895	321	383	-
A.W.Faber Castell Peruana (2)	2.450	2.777	1.825	1.667
Anadolu Isuzu Otomotiv (2)	996	1.198	932	1
Other	2.303	1.354	1.615	2.142
	243.422	**287.342**	**213.281**	**220.226**

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Services received				
AG Anadolu Grubu Holding A.Ş. (1)	73.690	78.324	22.163	24.826
Migros Ticaret A.Ş. (2)	57.457	64.556	49.085	64.556
Other	681	14.848	616	14.214
	131.828	**157.728**	**71.864**	**103.596**

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Services given				
AEP Anadolu Etap Penkon Gıda ve İçecek A.Ş. (2)	15.974	14.583	4.791	2.818
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün San ve Tic A.Ş (2)	13.994	10.650	4.251	5.201
Anadolu Kafkasya Enerjı Yatırımları A.Ş. (2)	4.196	4.592	1.276	1.431
A.W. Faber-Castell Vetrieb Gmbh. (2)	-	7.565	-	-
Coca Cola Satış ve Dağıtım A.Ş. (2)	-	437	-	161
Other	895	355	287	247
	35.059	**38.182**	**10.605**	**9.858**

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

c) Benefits provided to key management

Key management personnel consist of the members of the Board of Directors, 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:

	2026	2025
Short-term employee benefits	120.478	122.449
Other long-term benefits	14.560	15.175
Benefits due terminations	5.951	7.928
Benefits provided due to termination of employment	2.152	5.276
30 September	**143.141**	**150.828**

NOTE 23 - Nature and level of risks arising from financial instruments

(a) Capital risk management

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

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

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

The Company's overall strategy based on equity does not differ from the previous period. The Company does not have speculative financial instruments (including derivative financial instruments) and does not have any activity related to the purchase and sale of such instruments.

As of 30 September 2026 and 31 December 2025, net debt/ (equity+net debt) ratio is as follows:

	30 September 2026	31 December 2025
Total borrowings	3.307.254	2.093.937
Less: Cash and cash equivalents	(126.211)	(491.921)
Net debt	3.181.043	1.602.016
Total equity	1.276.439	1.511.271
Total equity + net debt	**4.457.482**	**3.113.287**
Net debt / (total equity+net debt) ratio	**71%**	**51%**

(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.

NOTE 23 - Nature and level of risks arising from financial instruments (Continued)

(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:

	30 September 2026	31 December 2025
Assets	58.452	74.822
Liabilities	(23.579)	(29.204)
Net balance sheet foreign currency position	**34.873**	**45.618**

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

Profit/Loss 30 September 2026	Appreciation of foreign currency	Depreciation foreign currency
If the US Dollar changes 20% +/- against TRL :		
1- USD net asset/liability	4.882	(4.882)
2- Part hedged against USD risk (-) (*)	-	-
3- USD net effect (1+2)	**4.882**	**(4.882)**
In case the Euro changes 20% +/- against TRL:		
4- Euro net asset/liability	2.093	(2.093)
5- Hedged portion from Euro risk (-)	-	-
6- Euro net effect (4+5)	**2.093**	**(2.093)**
On average 20% +/- change in other exchange rates against TRL:		
7- Other foreign currency net asset/liability	-	-
8- Hedged portion from other exchange rate risk (-)	-	-
9- Net effect on other FX assets (7+8)	**-**	**-**
	6.975	**(6.975)**

Profit/Loss 31 December 2025	Appreciation of foreign currency	Depreciation foreign currency
If the US Dollar changes 20% +/- against TRL :		
1- USD net asset/liability	9.067	(9.067)
2- Part hedged against USD risk (-) (*)	-	-
3- USD net effect (1+2)	**9.067**	**(9.067)**
In case the Euro changes 20% +/- against TRL:		
4- Euro net asset/liability	57	(57)
5- Hedged portion from Euro risk (-)	-	-
6- Euro net effect (4+5)	**57**	**(57)**
On average 20% +/- change in other exchange rates against TRL:		
7- Other foreign currency net asset/liability	-	-
8- Hedged portion from other exchange rate risk (-)	-	-
9- Net effect on other FX assets (7+8)	**-**	**-**
	9.124	**(9.124)**

NOTE 23 - Nature and level of risks arising from financial instruments (Continued)

(c) Currency risk and management (Continued)

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

	30 September 2026				31 December 2025			
	TRL equivalent	USD	Avro	Other	TRL equivalent	USD	Avro	Other
1. Trade receivables	49.204	739	235	-	60.624	1.203	180	-
2a. Monetary financial assets	91	1	1	-	1.597	37	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	9.157	99	78	-	12.601	249	39	-
4. Total current assets (1+2+3)	**58.452**	**839**	**314**	**-**	**74.822**	**1.489**	**219**	**-**
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)	**58.452**	**839**	**314**	**-**	**74.822**	**1.489**	**219**	**-**
10. Trade payables	23.579	340	125	-	29.204	431	214	-
11. Financial liabilities	-	-	-	-	-	-	-	-
12a. Other monetary liabilities	-	-	-	-	-	-	-	-
12b. Othre non-monetary liabilities	-	-	-	-	-	-	-	-
13. Total current liabilities (10+11+12)	**23.579**	**340**	**125**	**-**	**29.204**	**431**	**214**	**-**
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)	**23.579**	**340**	**125**	**-**	**29.204**	**431**	**214**	**-**
19. Net asset/ (liability) position of off-balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19a. Total asset amount hedged	-	-	-	-	-	-	-	-
19b. Total liabilities amount hedged	-	-	-	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	**34.873**	**499**	**189**	**-**	**45.618**	**1.058**	**5**	**-**
21. Monetary items net foreign currency asset / (liability) position (1+2a+3+5+6a-10-11-12a-14-15-16a)	**34.873**	**499**	**189**	**-**	**45.618**	**1.058**	**5**	**-**
22. Exports	**126.766**	**1.919**	**555**	**-**	**205.878**	**3.594**	**864**	**-**
23. Imports	**511.145**	**7.030**	**2.959**	**1.800**	**706.388**	**11.451**	**4.003**	**5.922**
%20 increase	**-**	**4.882**	**2.093**	**-**	**-**	**9.067**	**57**	**-**

NOTE 23 - 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:

	30 September 2026	31 December 2025
Fixed-Rate Financial Instruments		
Financial Liabilities	1.454.106	804.034
Floating-Rate Financial Instruments		
Financial Liabilities	1.853.148	1.289.903
	3.307.254	**2.093.937**

(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 52% 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 95% 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.

(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.

NOTE 24 - Financial instruments

24.1 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

24.2 Derivative financial instruments and hedge accounting

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

As of 30 September 2026, the Company does not have any outstanding forward purchase contracts (31 December 2025: the Company does not have any outstanding forward purchase contracts).

At the inception of a hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, together with its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at the inception of the hedging relationship and on an ongoing basis, as to whether the hedging instruments used in hedging transactions are highly effective in offsetting changes in the fair values or cash flows of the hedged items.

The Company enters into various foreign currency forward contracts and options in order to manage fluctuations in foreign exchange rates. The derivative instruments purchased are primarily denominated in the currencies in which the markets in which the Company operates are active, and are used for the Company's inventory purchases, foreign currency-denominated machinery and equipment purchases, and other foreign currency-denominated service agreements.

Objectives of financial risk management:

The Company's finance department is responsible for ensuring access to financial markets on a regular basis and monitoring and managing the financial risks arising from the Company's operations. These risks include market risk (including foreign exchange risk, fair value 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.

NOTE 24 - Financial instruments (Continued)

24.2 Derivative financial instruments and hedge accounting (Continued)

30 September 2026	Notes	Fair value differences reflected in other comprehensive	Financial assets shown at amortized cost	Financial liabilities shown at amortized value	Book value	Fair value
Financial assets						
Cash and cash equivalences	4	-	126.211	-	126.211	126.211
Trade receivables from third parties	7	-	2.152.620	-	2.152.620	2.152.620
Receivables from related parties	22	-	188.194	-	188.194	188.194
Other financial assets	5	-	1.710	-	1.710	1.710
Financial liabilities						
Financial borrowings	6	-	-	3.280.490	3.280.490	3.280.490
Lease liabilities	6	-	-	26.764	26.764	26.764
Trade payables due to third parties	7	-	-	175.752	175.752	175.752
Payables due to related parties	22	-	-	2.058	2.058	2.058
Other financial liabilities	8	-	-	2.784	2.784	2.784

31 December 2025	Notes	Fair value differences reflected in other comprehensive	Financial assets shown at amortized cost	Financial liabilities shown at amortized value	Book value	Fair value
Financial assets						
Cash and cash equivalences	4	-	491.921	-	491.921	491.921
Trade receivables from third parties	7	-	178.900	-	178.900	178.900
Receivables from related parties	22	-	12.338	-	12.338	12.338
Other financial assets	5	-	1.830	-	1.830	1.830
Financial liabilities						
Financial borrowings	6	-	-	2.029.531	2.029.531	2.029.531
Lease liabilities	6	-	-	64.406	64.406	64.406
Trade payables due to third parties	7	-	-	143.693	143.693	143.693
Payables due to related parties	22	-	-	8.178	8.178	8.178
Other financial liabilities	8	-	-	2.544	2.544	2.544

NOTE 25 - Disclosures on net monetary position gains / (losses)

	30 September 2026	30 September 2025
Financial Position Statement Items		
Inventory	230.013	291.250
Prepaid expenses	8.608	9.234
Financial investments	-	30
Property, plant and equipment	240.255	258.056
Intangible assets	32.088	28.267
Right of use assets	18.466	24.840
Deferred income	(12.266)	(15.362)
Adjustment to share capital	(183.693)	(190.393)
Other comprehensive expenses that will not be reclassified to profit or loss	5.314	21.024
- Losses on remeasurement of defined benefit obligations	*5.314*	21.024
Other comprehensive income (expenses) that will be reclassified to profit or loss	(3.898)	(4.114)
- Currency translation differences	*(1)*	-
- Gains (loss) on hedge	*(3.897)*	(4.114)
Restricted reserves	(97.621)	(95.531)
Retained earnings	(16.435)	(172.244)
Profit or Loss Statement Items		
Revenue	(210.323)	(161.693)
Cost of sales (-)	136.363	93.916
Research and development expenses (-)	2.120	1.649
General administrative expenses (-)	30.118	47.447
Marketing expenses (-)	44.620	69.638
Other income from operating activities	388	(1.094)
Other expenses from operating activities (-)	(396)	1.356
Income from investment activities	-	(7.454)
Finance income	(10.896)	(5.887)
Finance expenses (-)	55.571	52.863
Deferred tax income	30.231	(7.905)
Other Comprehensive Income Statement Items		
Other comprehensive income (expenses) that will not be reclassified	1.427	(15.112)
NET MONETARY POSITION GAINS / (LOSSES)	**300.054**	**222.781**

NOTE 26 - Events after the reporting period

The Company's Board of Directors has decided to issue Turkish Lira-denominated debt instruments up to a maximum amount of TRL 4.000.000.000 (in full TRL) domestically, and the Company management has been authorized to apply to the Capital Markets Board for the approval of the relevant issuance documents. Accordingly, an application was submitted to the Capital Markets Board on October 19, 2026.