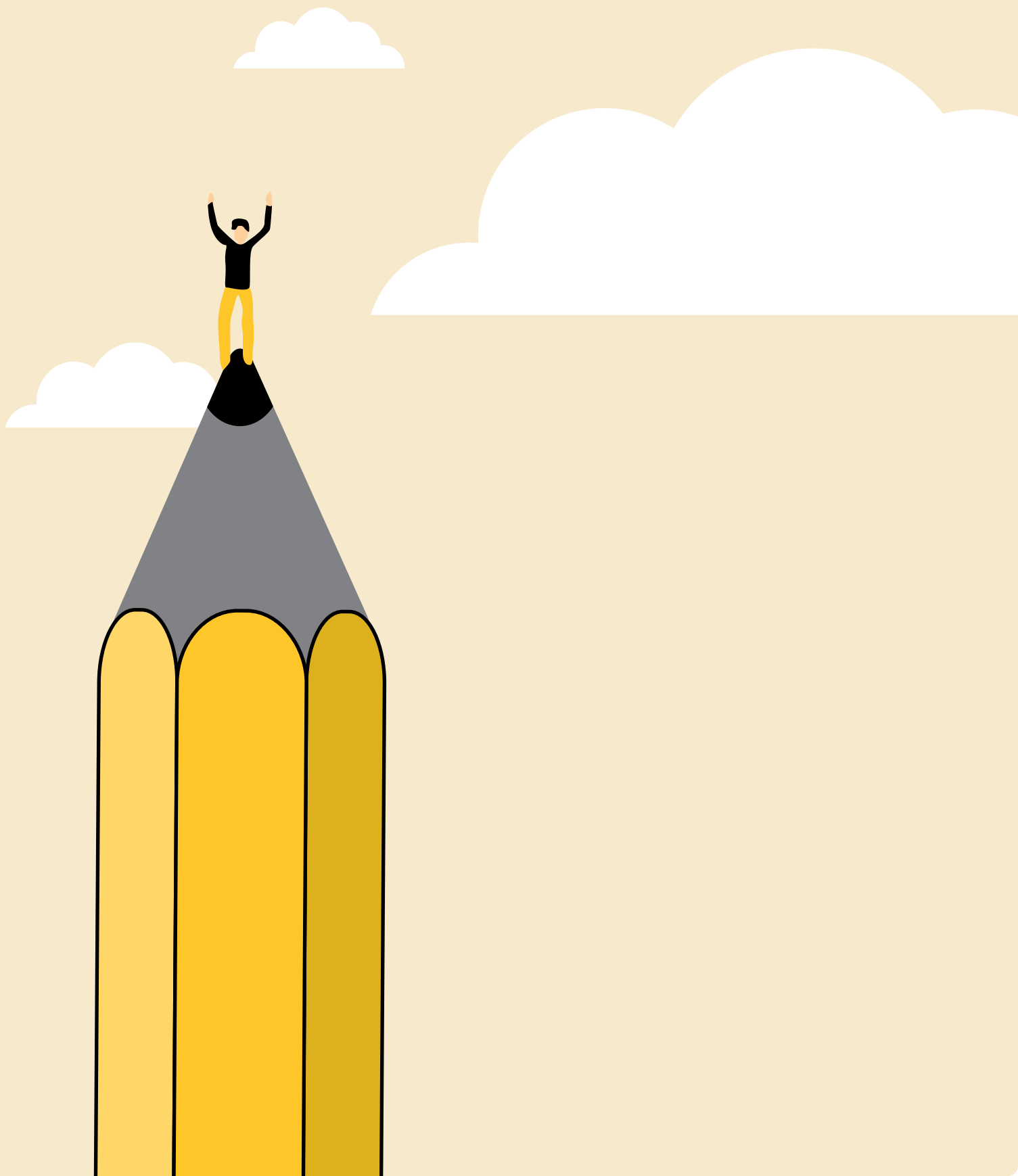




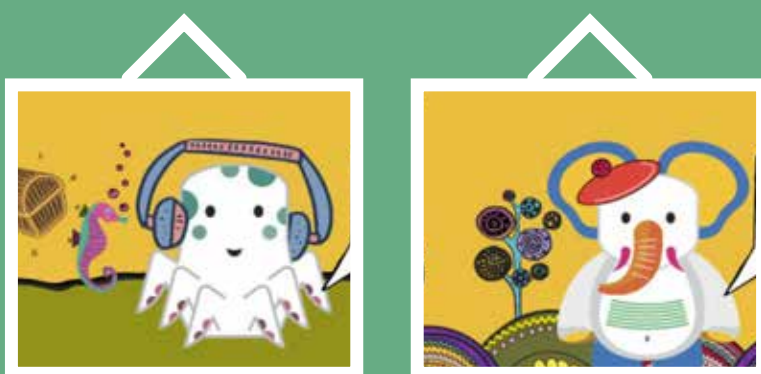
**January-June 2024
Interim
Annual Report**



More than a half-century of experience

Adel, Turkey's leading stationery brand for over 50 years, has become a tradition in the industry. With its extensive experience and capabilities, Adel sets itself apart from the competition.





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



Contents

3	Adel in Brief	12	Activities
6	Shareholder Structure	16	Financial Performance
7	About Anadolu Group	21	Other Information
7	About Faber-Castell	22	Information for Investors
7	Direct or Indirect Subsidiaries & Shareholding Interests	25	Independent Auditor's Review Report On Semi- Annual Report
8	CEO's Message	26	Contact
10	Management and Organizational Structure		

Adel in Brief

THE BIGGEST

Adel's manufacturing plant is the industry's biggest not just in Turkey but also in the region.



Turkey's premier stationery manufacturer

In 1969 Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) opened its factory in İstanbul's Kartal township, embarking on a journey that would see it become Turkey's most respected stationery brand and the first name in stationery that comes to mind. Earning the trust of consumers with high-quality, reliable products, Adel today is the country's biggest and most modern stationery manufacturer and continues to grow strongly as a member of Anadolu Group.

Having collaborated with the world's oldest manufacturer of wood-cased pencils Faber-Castell since 1969, in 1995 the two companies strengthened their relationship through a partnership whose investments continue to create added value for Turkey.

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

Backed by half a century of operational experience, Adel also manages an extensive portfolio of high-quality stationery products made by such well-known brands as Faber-Castell, Graf von Faber-Castell, Adel, Atlas, Max and Panfix.

Readily responding to home market demand as a result of its high production capacity and diverse offerings, Adel also exports goods to more than thirty countries. Some of the Faber-Castell branded products that it makes are likewise exported to a number of countries.

Adel is a prominent and effective representative of Turkey's stationery manufacturing industry in a number of national and international trade associations. The company has been a member of the European Writing Instrument Manufacturer's Association (EWIMA) since 1999. It is the only Turkish company to be a member of both. Adel is a member of the TÜKİD trade association of domestic stationery manufacturers in its home market.

Having played an important role in the development of successive generations, Adel's vision, responsible production practices, innovation, and product portfolio all position it as a leader in the stationery industry's future.

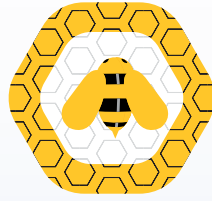
Vision

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

Mission

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





LEAVE A MARK



With Your Quality
LEAVE A MARK



With Your Innovation
LEAVE A MARK



With Your Goodness
LEAVE A MARK



Your Passion To Succeed
LEAVE A MARK

Values

Quality

Effectiveness, Reliability, Performance

Innovation

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

Goodness

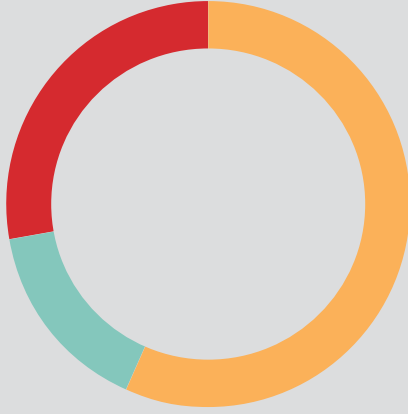
Sensitive, Thoughtful, Responsible, Fair, Promotes professional & personal development

Success

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



Shareholder Structure



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

The company had a total capital of TRL 23,625,000 as of 30 June 2024. This capital was divided into 23,625,000 shares, each with a par value of TRL 1.00. Of these shares, 3,637,941 were registered in the name of their owners while the remaining 19,987,059 were bearer instruments. The registered shares are required by Turkish foreign-investment regulations.

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

Shareholder	Share	Share ratio %
AG Anadolu Grubu Holding A.Ş.	13,439,211	56.89
Faber-Castell Aktiengesellschaft	3,637,941	15.40
Publicly-held shares	6,547,848	27.71



About Anadolu Group

Anadolu Group operates with the vision of being “The star that links Anatolia to the world and the world to Anatolia” and maintains its activities in 7 industries (beer, soft drink, retail, agriculture, automotive, stationery and energy) and in 20 countries with approximately 80 companies, 90 production facilities, 6 R&D centers and more than 100,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950, is a driving force of Turkish economy with its financial assets, its strong production capacity and the projects it is involved with. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda, Honda Marine, Kohler, Johns Hopkins Medicine. With assets worth TRL 391.8 billion in value in 2023, the Group booked a total turnover of TRL 375.6 billion on its operations.

Anadolu Group manages its environmental, social and corporate governance activities in the strategic areas “future” of Nature, Business and People, with the sustainability strategy “From Anadolu to the Future”. Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club. Anadolu Group strives to produce value in sustainable manner and consistently achieves a rapid and healthy growth through its commitment to a culture of partnership with global brands and international companies, its expertise in branded consumer products, its experience and strength as regional player in a broad geography and its understanding of strong corporate governance.

About Faber-Castell

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

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

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

Direct or Indirect Subsidiaries & Shareholding Interests

The company controls a stake of 7.67% (historical cost: TRL 3,833.36) in Ülku Kırtasiye Ticaret ve Sanayi A.Ş. in Turkey. This company is currently non-operational.

CEO's Message



Following a successful fair season...

During the second quarter, we continued to hit our targets and ensure that our supply, production, and shipment processes were aligned with the orders we received.

We wrapped up the first half of 2024 with a successful performance.

The first quarter of 2024 ended on a high note with a successful fair season in which the interest and demand for our products matched our expectations. During the second quarter, we continued to hit our targets and ensure that our supply, production, and shipment processes were aligned with the orders we received. Given the current economic situation and market challenges, we're proactively taking steps to optimize our production costs. We're also expanding into new sales channels to better address seasonality issues and serve the diversifying preferences of our consumer base.

We wrapped up a successful first half-year, driven by operational excellence that supported our growth and sustained our sales and profitability performance.

Our H1 2024 financial results show net sales of TRL 1,281 million. Gross profit amounted to TRL 713 million on a 56% margin that was 900 basis points higher than that of H1 2023. Our EBITDA (BNRI) margin also increased by 400 basis points YoY to 31% and reached TRL 395 million. Net profit weighed in at TRL 149 million. Our Net Debt/EBITDA (BNRI) ratio, which was 0.4% as of December 2023, increased slightly to 1.1 as of end-June 2024.

Our aim is to strengthen our global presence.

At Adel, we are actively seeking new international partnerships and export markets to bolster our global presence. We're also exploring various expansion opportunities to extend our reach.

We're proud to announce that we've become a global supplier to a major multinational retailer. We've successfully finalized the selection and manufacturing of the machines and molds needed

for our initial production run. Our successful collaboration so far gives us confidence that we can partner on new product groups in the future once these first shipments have been completed.

Being included in UNICEF's list of approved global suppliers has opened up exciting new horizons for us. We're confident that this achievement will lead to a wealth of other opportunities in the future as well.

Moving forward, we will be looking to expand our export footprint by targeting markets such as Egypt, Azerbaijan, and the Turkic Republics so as to increase the contribution that our export sales make to our overall sales performance.

We make sustainability intrinsic to all of our activities and operations.

At Adel we regard sustainability as more than just an objective: it's an integral part of our corporate DNA. The "Goodness Tree"

branded social responsibility projects that we undertake address and are aligned with United Nations 2030 “Climate Action” and “Quality Education” Sustainable Development Goals (UNSDG).

We actively undertake projects focused on environmental sustainability within the framework of the Adel Environmental, Energy & Climate Policy. We especially prioritize water conservation, biodiversity protection, and greater contributions to economic circularity. With a vision that champions sustainable development and creativity, we channel our R&D efforts towards expanding our sustainable product portfolio with innovative solutions. We’re actively pursuing this through collaborations with universities and dedicated projects carried out by our R&D center. We are tracking our carbon emissions in accordance with the UNSDG Climate Action goal. In May 2024, we finalized our corporate carbon footprint report based on 2023 data. We are currently working on Adel’s 2023 sustainability report and aim to publish the updated sustainability report before the end of the current year.

We have set ambitious targets for 2050: a 50% reduction in waste, a 50% recycling rate, and a 100% increase in our sales of sustainable products and services.

Just as important as our environmental performance are the steps we’re taking to improve our social and corporate governance scores. Along with

our own commitment to ethical and responsible business practices, our unwavering dedication to promoting and ensuring fair and safe working conditions throughout our supply chain are what set our brand apart in our sector. This approach, underpinned by the principles of transparency, accountability, and collaboration, is further validated by our SEDEX certification—a globally recognized accreditation demonstrating our commitment to ethical and responsible business practices across our supply chain.

We are focused on delivering a more compelling value proposition.

We’re ramping up our brand-building initiatives to create an even more powerful brand image, which will in turn enable us to deliver a more compelling value proposition to our stakeholders.

While Adel’s product portfolio, quality, and commitment to responsible production have firmly established it as a leading traditional stationery manufacturer, the company is also evolving. We are now taking steps to transform Adel into an education and office technology company which aligns with changing consumer demands and which captures the spirit of the times. With the goal of creating a more comprehensive and powerful portfolio, we are in discussions with leading European technology firms. We’re also exploring opportunities to incorporate innovative technological products from the Far East into our product line.

We are dedicated to enhancing the consumer experience and reinforcing our brands’ leadership, particularly during the crucial back-to-school period. At the same time, we remain committed to making a positive impact on the environment and society, while fulfilling our responsibilities towards all stakeholders.

We’re proud to have been named the Happiest Workplace in our sector in the Happy Place to Work: Turkey’s Happiest Workplaces survey. This achievement reflects our commitment to going beyond simply improving our own practices and actively contributing to a positive industry culture as well.

Our financial approach, grounded in effective cost management, operational profitability, and positive cash flow, will continue to underpin our commercial and financial sustainability. We are committed to ensuring that our strong operational performance is matched by equally impressive financial results as we move forward.

In closing, I extend my heartfelt thanks to our employees, business partners, shareholders, investors, and all other stakeholders for their contributions to our successful performance results.

Very truly yours,

Oğuz UÇANLAR

CEO

Management and Organizational Structure

The current members of the Adel Board of Directors were elected for one-year terms at the 16 April 2024 general meeting during which the company's 2023 results were also discussed. They will remain in office until the first annual meeting is convened to discuss the company's 2024 results. The duties and authorities of the Board of Directors are as set forth in the Turkish Commercial Code.

Board of Directors

Name	Position
Kamilhan Süleyman Yazıcı	Chairman
Tuğban İzzet Aksoy	Vice Chairman
İbrahim İzzet Özilhan	Board Member
Meltem Metin	Board Member
Mehmet Hurşit Zorlu	Board Member
Burak Başarır	Board Member
İbrahim Tamer Haşımoğlu	Board Member
Stephan Leo Rosen	Board Member
İzzet Karaca	Independent Board Member
Tayfun Bayazıt	Independent Board Member
Uğur Bayar	Independent Board Member
Eyüp Mehmet Cemil Yükselen	Independent Board Member

Committees Established under the Board of Directors

Audit Committee	Corporate Governance Committee	Early Detection of Risk Committee	Sustainability Committee
İzzet Karaca Chairman	Uğur Bayar Chairman	Uğur Bayar Chairman	Tayfun Bayazıt Chairman
Tayfun Bayazıt Member	İbrahim İzzet Özilhan Member	Tuğban İzzet Aksoy Member	Eyüp Mehmet Cemil Yükselen Member
	Mehmet Hurşit Zorlu Member	İzzet Karaca Member	Burak Başarır Member
	İbrahim Tamer Haşımoğlu Member	İbrahim Tamer Haşımoğlu Member	Demir Şarman Member
	Fatih Çakıcı Member		

Senior Management

Name	Position
Demir Şarman	Agribusiness, Energy and Industry Group President
Oğuz Uçanlar	CEO
Yasemen Güven Çayirezmez	CFO
Salih Emre Kavukçuoğlu	Human Resources Director
Serhat Çelik	Sales Director
Murat Büyükkucak	Marketing Director
Serhat Kara	Operations Director
Zülfü Tunç	Procurement and Logistics Director
Bekir Aladağ	Information Technologies and Services Manager

Financial Benefits Given to Senior Executives

The company's senior executives are the Agribusiness, Energy and Industry Group President and the CEO and all managers who report directly to the CEO. During January-June 2024, the total value of all benefits provided to senior executives was TRL 45,707 thousand.

Activities



The “Faber-Castell” brand with 98% recognition, the “Adel” brand with 78% recognition are among the leading players in the sector.



Sectoral Outlook and Adel’s Position in the Sector

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

With numerous players, many of whom are global actors, and import-heavy, Turkey’s stationery market is an intensely competitive one. Adel however leads the market thanks both to its production capabilities and to the knowledge and experience of more than half a century in business. The company’s chief advantages are high domestic production capacity, reputation as the most-preferred consumer brand, product quality and reliability, distribution efficiencies, and financial strength.

Adel’s status as a UNICEF-approved global supplier sets the company apart from its competitors.

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

Market research* shows that “Faber-Castell” enjoys nearly universal brand recognition of 98% and is the go-to choice for 79% of consumers, solidifying its position as the top brand in the industry. Recognized by 78% of consumers and used by 27% of them, “Adel” also commands a prominent spot among leading stationery brands.

Product safety and quality

Product safety and quality are what set Adel apart from its competitors.

Activities

Adel's Business Cycle

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

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

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

Adel is distinguished by its R&D, innovation, and production strengths.

Known for its production capacity and for its investments in R&D and technology, Adel's R&D center has been licensed by the Ministry of Industry and Technology since 2019 to perform specialized physical and chemical tests on stationery products. The company also leads its industry by developing products that satisfy the chemical safety standards of every national market in which it does business.

Constantly innovating, Adel introduces 250 or so new products every year. It also invests in R&D in its ongoing efforts to improve its materials and manufacturing processes in ways that are both economically and environmentally sustainable. Patent-awarded machinery designed and developed by Adel itself sharpen the company's competitive edge in the market.

Adel is committed to academic research and works closely with top academics in its industry. The company also leverages its capable R&D staff to engage in sectoral collaborations for which it secures funding through various national and international programs.

Adel is a leading manufacturer of a wide range of stationery and art supplies including wood-cased pencils, paint and copy pens, ballpoint pens, rollerball pens, felt-tip markers and pens,

crayons, watercolors, erasers, pencil sharpeners, finger paints, playdough, and gouache paints. Adel's products are known for their high quality, durability, and affordability.

In addition to its own products, Adel also markets and sells nearly 3,000 products made by the world's leading stationery and toy manufacturers.

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

Adhering to a responsible production approach and making product safety central to its production processes, Adel has 10 thousand product-safety and 30 thousand product-quality tests conducted every year on average in fulfillment of its "We will never sell anything that we wouldn't let our own kids use" promise.

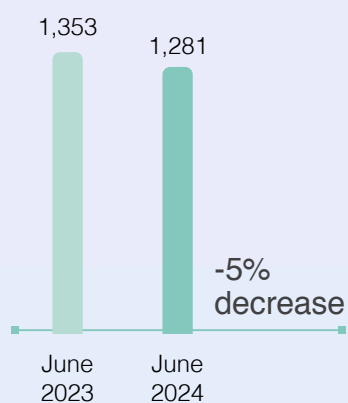
Adel is committed to producing high-quality products that touch people's lives, shape their dreams, and have a positive impact on the future. Heedful of complying with all management system standards in the conduct all of its operations, Adel therefore sets compliance targets and devotes resources to their fulfillment, ensures that all employees are made aware of standards and of the necessity of owning and complying with them, and strives to constantly improve and develop process performance.

Sales

A comparison of net sales revenues broken down by type during the first six months of 2024 and 2023 respectively is shown below.

Net Sales (TRL million)	January-June 2023	January-June 2024	Change (%)
Domestic sales	1,270	1,224	-4
International sales	83	57	-31
Total	1,353	1,281	-5

Net Sales (TRL million)



Weighing in at TRL 1,281 million, net sales were down 5% year-on-year; however if the effects of the mandatory application of TAS 29 are excluded, net sales actually experienced a robust 60% increase and would have amounted to TRL 1,209 million in value.



Financial Performance

Disclaimer

As required by the Capital Markets Board, our H1 2024 financials have been adjusted to account for the effects of inflation pursuant to TAS 29 ("Financial Reporting in Hyperinflationary Economies"). For this reason, all financial statements presented herein, including comparative data from earlier reporting periods, have been restated in accordance with TAS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 30 June 2024.

(TRL million)	1H23	1H24	%
Net Sales	1,353	1,281	-5
Gross Profit	636	713	12
EBITDA (BNRI) ⁽¹⁾	371	395	6
Net Profit/(Loss) before Tax	312	186	-40
Net Profit/(Loss)	219	149	-32
Net Working Capital	924	1,212	31
Net Financial Debt	610	738	21
Free Cash Flow	-208	-559	n.m.
Gross Profit Margin	47%	56%	
EBITDA (BNRI) ⁽¹⁾ Margin	27%	31%	
Net Profit Margin	16%	12%	

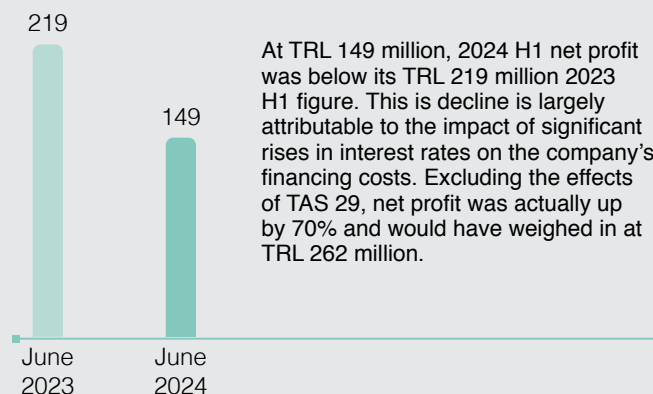
* All figures and tables in this report include IFRS16 impact.

⁽¹⁾ BNRI: Before non-recurring items

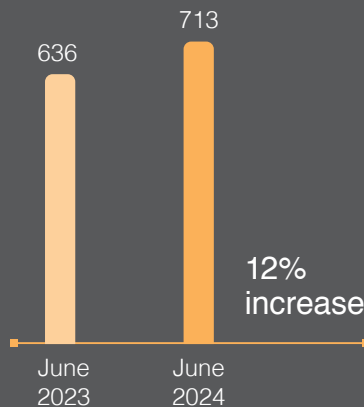
Consistent performance

Adel's operational successes in the first half year of 2024 drove the company's growth while maintaining the impressive sales and profitability figures that were achieved during the first half-year of 2023.

Net Profit (TRL million)



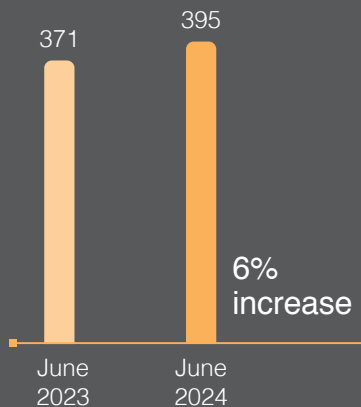
Gross Profit (TRL million)



Gross Profit Margin, %

47% → 56%

EBITDA (BNRI) (TRL million)



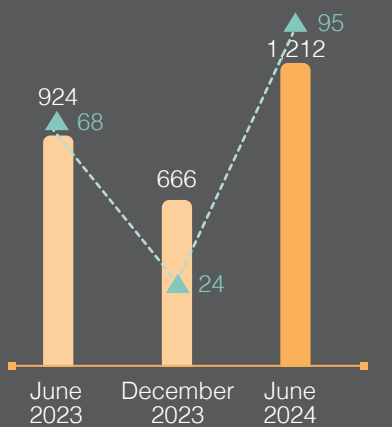
EBITDA (BNRI) Margin, %

27% → 31%

2024 H1 gross profit was up by 12% compared to 2023 H1 and amounted to TRL 713 million. The company's gross profit margin also improved significantly in 2024 H1, reaching 56%, or 900 basis points above its 2023 H1 figure. Excluding the effects of TAS 29, gross profit doubled, reaching TRL 787 million, while the company's gross profit margin increased by 1,200 basis points to 65%.

Even with the challenges of higher costs and operating expenses caused by inflation both in Turkey and globally, Adel's 2024 H1 EBITDA before non-recurring items still managed to grow by 6% compared to the 2023 H1 figure and weighed in at TRL 395 million. Its BNRI EBITDA margin also saw a healthy increase of by 400 basis points and reached 31%. Excluding the effects of TAS 29, there was a substantial 82% growth in BNRI EBITDA, which reached TRL 468 million, while the BNRI EBITDA margin expanded notably, increasing by 500 basis points to 39%.

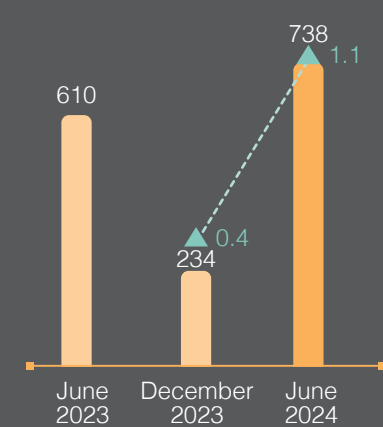
Net Working Capital (TRL million)



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

As of end-June 2024, Adel's net working capital requirement was TRL 1,212 million. Through effective balance sheet management, the company managed to keep the year-on-year increase in NWC to 31%, well below every posted rate of inflation. That said, Adel's net working capital/net sales ratio, which was 68% at end-June 2023, weighed in at 95% as of end-June 2024.

Net Financial Debt (TRL million)



Net Financial Debt (TRL million)
Net Financial Debt/EBITDA (BNRI)*

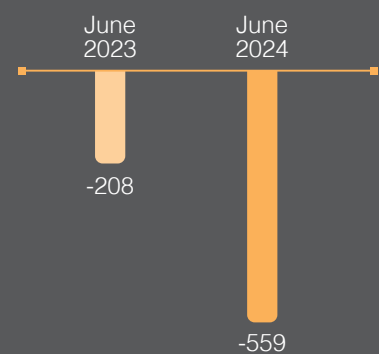
The company's as of end-June 2024 net financial debt was up by 21% year-on-year and weighed in at TL 738 million as of end-June. When accrued interest is excluded from the analysis, the year-on-year increase in net indebtedness was 9%.

By actively pursuing early collection of trade receivables through targeted payment campaigns, Adel managed to reduce its average net working capital requirement. The decrease in the NWC requirement proved advantageous in two ways: it not only lowered the company's financing costs but also ensured that the YoY increase in net financial debt was less pronounced than the increase in net working capital.

Adel's Net Debt/EBITDA (BNRI) ratio, which was 0.4% at end-2023, increased slightly to 1.1 as of end-June 2024.

* The Net Debt/EBITDA (BNRI) ratio is calculated on the basis of the previous twelve months' EBITDA (BNRI) figures.

Free Cash Flow (TRL million)



As of end-June 2024, Adel showed a negative free cashflow of TRL 559 million. This is TRL 351 million less than what it was at end-June 2023.



Financial Performance

Risks

Financial risks: The risks to which the company is exposed on account of its core business activity and chosen financial instruments broadly include interest rate risk, currency risk, liquidity risk, and credit risk. The company acknowledges the inherent uncertainties and volatilities that give rise to these risks and therefore develops and adheres to policies and procedures designed to ringfence and reduce them.

Interest rate risk: Owing to the cyclical nature of its business, the company requires large amounts of working capital during the first nine months of the year and is therefore highly sensitive to movements in credit interest rates. Interest rate trajectories are influenced by the interplay of geopolitical risks and the evolving dynamics of the country's macroeconomic indicators. Financial statements reflect this. The company generally finances its net working capital requirement (NWC) from its own equity resources when possible but also by borrowing

when necessary. To address its liquidity and interest rate risks, the company closely monitors the maturity profile of its loans and takes proactive measures when needed. These measures include restructuring short-term debt into longer maturities, issuing bonds, discounting receivables to expedite their collection, and diversifying funding sources through alternative financial instruments.

The company's reputation for prudent financial management enables it to secure financing at rates that are consistently below prevailing market rates. Prudent financial management will remain the cornerstone of the company's borrowing policy as it moves forward. We will prioritize maintaining a robust balance sheet that can adequately support our ongoing operations and future growth.

Currency risk: The company's commercial operations expose it to currency risk because its FX-denominated liabilities exceed its FX-denominated assets. To

reduce the impact of exchange rate movements on its costs, the company hedges its currency risk exposure through the use of derivative contracts. The company's risk management policy mandates hedging at least 50% of FX exposure. As of 30 June 2024, the company held no unhedged FX risk.

Credit risk: Most of the orders for the company's goods are received during the first quarter of the year. These orders are generally manufactured, filled, and delivered by the fourth quarter. The company utilizes a variety of payment methods such as credit cards, direct debiting, the Vinov digital payment platform, and postdated checks to streamline collections and mitigate credit risks associated with order-fulfillment. First-quarter promotional campaigns that incentivize credit-card use significantly reduce both collection risks and NWC. The company uses secured-payment systems to cover any remaining dealer receivables and obtains letters of guarantee to protect itself against any otherwise unsecured risks.

Summary Balance Sheet

(TRL million)	31 December 2023	30 June 2024
Cash and equivalents	990	89
Short-term financial investments	164	292
Trade receivables	148	759
Inventories	768	841
Other current assets	211	160
Current Assets	2,281	2,141
Financial investments	1	1
Tangible assets	695	686
Right of use assets	168	136
Intangible assets	99	82
Other non-current assets	38	49
Non-Current Assets	1,001	954
Total Assets	3,282	3,095
Short term borrowings	973	973
Short term portion of long term borrowings	326	44
Trade payables	174	172
Other current liabilities	286	375
Current Liabilities	1,759	1,564
Long term borrowings	89	102
Long term provisions	48	40
Non-Current Liabilities	137	142
Equity	1,386	1,389
Total Liabilities & Equity	3,282	3,095

Financial Performance

Summary Income Statement

(TRL million)	1 January- 30 June 2023	1 January- 30 June 2024
Revenues	1,353	1,281
Cost of sales (-)	-717	-568
Gross Profit	636	713
Operating expenses (-)	-386	-438
Other Operating Income /Expense (net)	28	-1
Operating Income	278	274
Income /(expense) from investment operations	5	-32
Financial income/(expense)	-57	-122
Monetary gains / (losses)	86	66
Income/(Loss) Before Tax from Continuing Operations	312	186
Tax income/(expense)	-93	-37
Net Income/(Loss)	219	149
EBITDA (BNRI) ⁽¹⁾	371	395
Profitability Ratios	1 January- 30 June 2023	1 January- 30 June 2024
Gross Profit Margin	47%	56%
Operating Profit Margin	21%	21%
Net Profit Margin	16%	12%
EBITDA (BNRI) ⁽¹⁾ Margin	27%	31%
Market Capitalization as of June 30 th (TRL thousand)	4,163,949	11,588,063

⁽¹⁾ BNRI: Before non-recurring items

Forward-Looking Statements Disclaimer

This document contains forward-looking statements concerning future performance and should be regarded as the company's good faith assumptions about the future. Such forward-looking statements reflect management's expectations based on currently available information at the time they are made. Adel's actual results are subject to future events and uncertainties that may significantly affect the company's performance.

Other Information

Employee Compensation and Benefits

As of 30 June 2024, Adel had an average of 341 employees on its payroll. Of these, 157 were white-collar employees and 184 were blue-collar employees.

The provision set aside to cover employees' severance pay entitlements decreased by TRL 7,094 thousand during the first half of 2024. This brought the total amount in the provision to TRL 28,942 thousand.

A total of TRL 312,976 thousand was paid to employees as salaries, wages, bonuses, and other benefits during the first half of 2024.

Charitable Donations & Assistance

Our company donated a total of TRL 1,851 thousand during the first half of 2024.

Information for Investors

Adel has been listed under the ticker symbol “ADEL” on the İstanbul stock exchange since 1996. 27.71% of the company’s shares are included in the BIST ALL SHARES, BIST 100, BIST INDUSTRIAL, BIST ISTANBUL indexes.

The Investor Relations Unit manages communication between the Board of Directors and shareholders. Its primary focus is to ensure the effective exercise of shareholder rights. The IRU’s duties include publishing material event disclosures as required by capital market regulations, publishing periodic informational announcements for the benefit of investors, managing the content of the company’s website, preparing annual reports, and responding to shareholders’ written and verbal requests for information.

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

Credit Rating

Adel’s long-term (National) credit rating has been upgraded from “AA- (tr)” to “AA (tr)” by credit rating agency JCR Avrasya Derecelendirme AŞ. The company’s short-term (National) credit rating and outlook remained unchanged at J1+ (tr) and “Stable” respectively.

JCR Eurasia Rating (25 August 2023)	Note	Outlook
Long-Term National Credit Rating	AA(tr)	Stable
Short-Term National Credit Rating	J1+(tr)	Stable
Long-Term International Foreign Currency Credit Rating	BB	Negative
Long-Term International Local Currency Credit Rating	BB	Negative

Investor Relations Contact Information			
	Yasemen Güven Çayirezmez CFO	Pelin İslamoğlu Reporting and Investor Relations Manager	Fatih Çakıcı Accounting Manager
	Investor Relations Unit Manager	Investor Relations Unit Officer	Investor Relations Unit Officer
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Dividend Policy

Adel allocates profits and pays dividends in accordance with its articles of association, subject to the requirements of Turkish commercial, capital market, tax, and other applicable laws, regulations, and administrative provisions. It is the company's policy to distribute at least 50% of its distributable profit to shareholders in the form of cash dividends and/or bonus shares each year. Implementation of this policy however is subject to the need for investments and other funding to support the company's long-term growth and may therefore be modified or suspended in the event of extraordinary developments in economic conditions. The Board of Directors passes a dividend-recommendation resolution for each fiscal year and submits it to the General Assembly of Shareholders for their approval. The general assembly sets the date for the start of dividend distribution but that date must be before the end of the year in which it is set.

General Assembly of Shareholders

Adel's general assembly of shareholders convened in ordinary session to discuss the company's 2023 results on Thursday 16 April 2024 at 09:30 a.m. The meeting was held at Fatih Sultan Mehmet Mahallesi, Balkan Caddesi No: 58 Buyaka E Blok 34771 Tepeüstü Ümraniye İstanbul. The meeting was conducted under the supervision of ministry representative Sezer Bektaş pursuant to İstanbul Directorate of Trade letter E-90726394-431.03-00095802622 dated 8 April 2024.

The meeting's invitation and agenda containing all the information required by law and by the company's articles of association had previously been published in the 25 March 2024 11050 issue of Türkiye Ticaret Sicili Gazetesi, in the 25 March 2024 issue of Nasıl Bir Ekonomi, a newspaper circulating in Turkey, and on the Public Disclosure Platform and the company's corporate website at www.adel.com.tr. Registered letters return receipt requested were also sent to registered shareholders from the Kocaeli Gebze Plastikçiler OSB branch of PTT on 25 March 2024 informing them of the meeting's date and agenda. All these announcements were made within the period of time prescribed by law.

On the same day that the general meeting was announced, Adel also published factually accurate information about the total number of shares in the company and their voting rights on its corporate website.

As of the date on which the general meeting agenda was prepared, no shareholders had submitted any written requests to the Adel Investor Relations Department about any issues that they wished to have included in the agenda; neither had the Capital Markets Board, or any other agency or organization with which the company interacts request that any item be placed on the agenda.

To facilitate shareholder participation in general meetings, a proxy voting authorization form and minutes of the five most recent annual general meetings are published on the Adel corporate website.

Before the meeting, the designated presiding officer made all preparations and gathered all information needed to ensure that the meeting was conducted in accordance with the requirements of the Turkish Commercial Code and of applicable laws, regulations, and administrative provisions.

During the meeting, company officers responded to shareholders' questions about items on the agenda.

The finalized and approved minutes of the general meeting were published as a material event disclosure on the Public Disclosure Platform and the Adel corporate website.

Information for Investors

The following resolutions were passed by shareholders at Adel's 16 April 2024 general meeting:

- A resolution approving the Adel Board of Directors 2023 annual report and financial statements
- A resolution approving payment of a total of TRL 150,002 thousand in dividends beginning on 26 September 2024 in line with CMB regulations and the Board of Directors' recommendation
- A resolution appointing Kamilhan Süleyman Yazıcı, Tuğban İzzet Aksoy, İbrahim İzzet Özilhan, Nazik Meltem Metin, Mehmet Hurşit Zorlu, Burak Başarır, İbrahim Tamer Haşımoğlu, Stephan Leo Rosen, İzzet Karaca (independent), Tayfun Bayazıt (independent), Eyüp Mehmet Cemil Yükselen (independent), Uğur Bayar (independent) to one-year terms of office on the company's board of directors and authorizing them to serve in that capacity until an annual general meeting is convened to discuss the company's 2024 results. It was resolved to pay a monthly gross salary of TRL 150,000 to each of the independent members of the Board of Directors.
- A resolution ratifying the appointment of PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the independent public accounting firm responsible for auditing the company's 2024 accounts and transactions.
- A resolution acknowledging that shareholders had been duly informed about the company's charitable donations in 2023 and about any income or other benefits that the company received on account of any guarantees, pledges, mortgages, or sureties that the company granted to any outside party during 2023.
- A resolution amending and registering the 10th article titled "Capital" of the Company's Articles of Association, which was approved by the CMB and the Ministry of Commerce of the Turkish Republic.

Dividend Payments

Adel has been a consistent dividend payer since 2006.

At the company's annual general meeting held on 16 April 2024, shareholders passed a resolution (1) approving the payment of a cash dividend totaling TRL 150,002 thousand out of the company's unconsolidated net profit as determined in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards and as prescribed by CMB Communiqué II:41.1 concerning principles with which joint stock companies subject to the Capital Markets Law must comply, (2) stipulating that shareholders who are resident taxpayers will receive a gross dividend of TRL 6.3493 (634.93% dividend) and a net (after-tax) dividend of TRL 5.71437 (571.44% dividend) for each share of stock with a par value of TRL 1.00 that they hold and (3) effecting cash dividend payments on 26 September 2024.

Share Capital Increase, Bonus Share Issue & CMB Application

At meetings of the Adel Board of Directors held on 1 July 2024 and 19 July 2024, the company's directors voted (1) in view of the TRL 1,450,000 thousand registered capital ceiling specified in article 10 ("Capital") of Adel's articles of association, to increase the company's paid-in capital from TRL 23,625 thousand TRL to TRL 259,875 thousand through a 1,000% bonus share issue, with the TRL 236,250 thousand increase being funded entirely from internal resources and (2) to amend both article 10 ("Capital") and article 12 ("Shares") of the articles of association accordingly as permitted by article 18 of the Capital Markets Law (Statute 6362).

The Adel Board of Directors also voted (1) to apply to the Capital Markets Board to have these changes in the articles of association approved and for CMB to license the bonus shares and (2) to amend the articles of association and publicly announce the amendments and bonus share issue once CMB's approval and license were received. An application in this regard was submitted to CMB on 22 July 2024.

Convenience Translation Into English Of Independent Auditor's Review Report On Semi-Annual Report Originally Issued In Turkish



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

We have been assigned to the review whether the financial information in the review report of Adel Kalemcilik Ticaret ve Sanayi A.Ş. (the "Company") prepared as at 30 June 2024 is consistent with the reviewed interim condensed financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed financial information on which we have expressed our conclusion dated 19 August 2024.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the review report is not consistent, in all material respects, with the interim financial information and the information presented in the explanatory notes to interim condensed financial statements.

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

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 19 August 2024

Contact

Adel

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