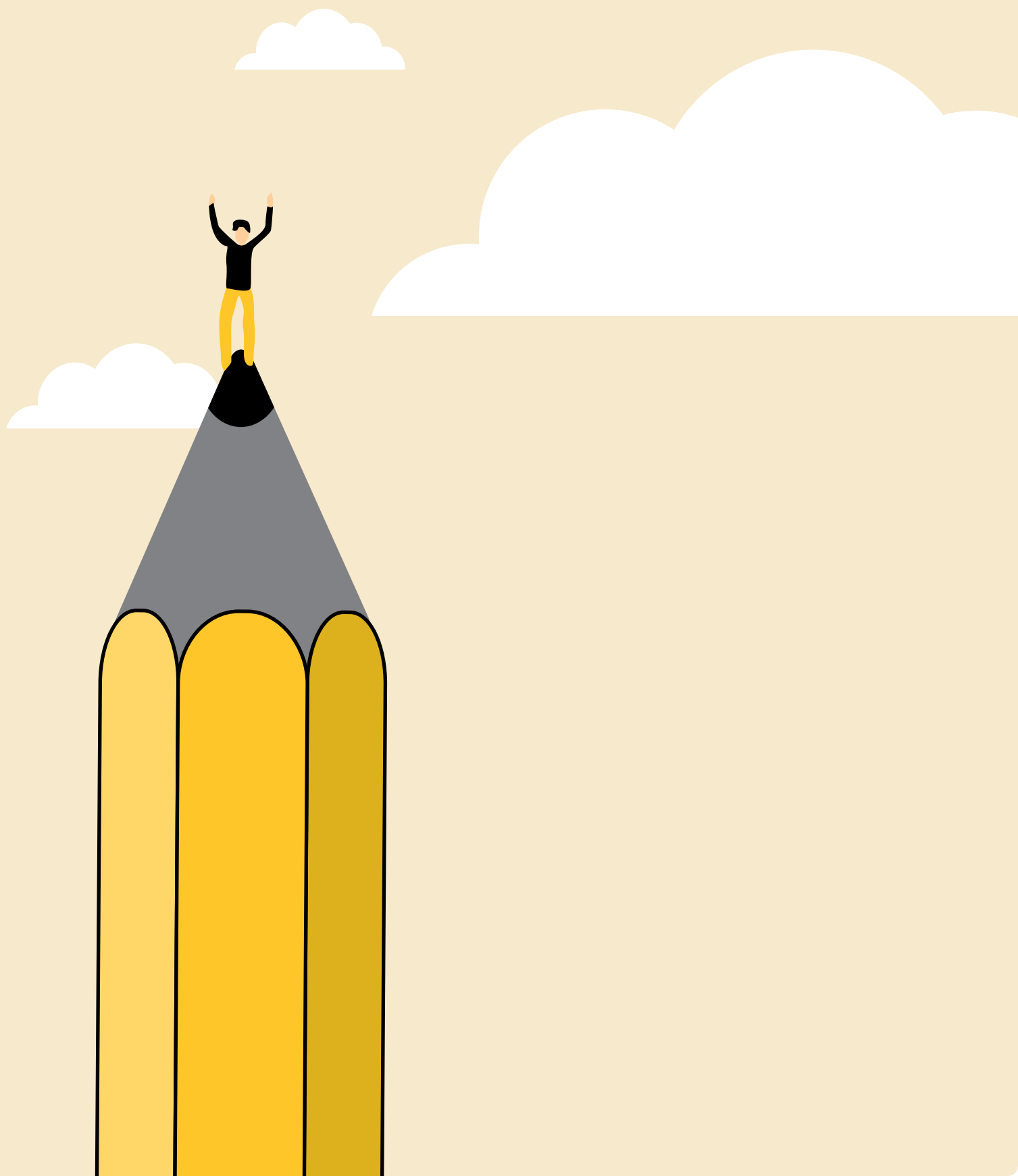




**January-June 2025
Interim
Annual Report**



Over 55 years of experience

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

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





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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

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

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

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

Since 2015, Adel has been conducting its manufacturing operations at a 36,000 m² plant in 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.

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

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

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

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

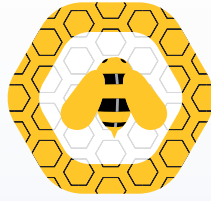
Vision

To be part of the life of everyone who wants to shape, 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

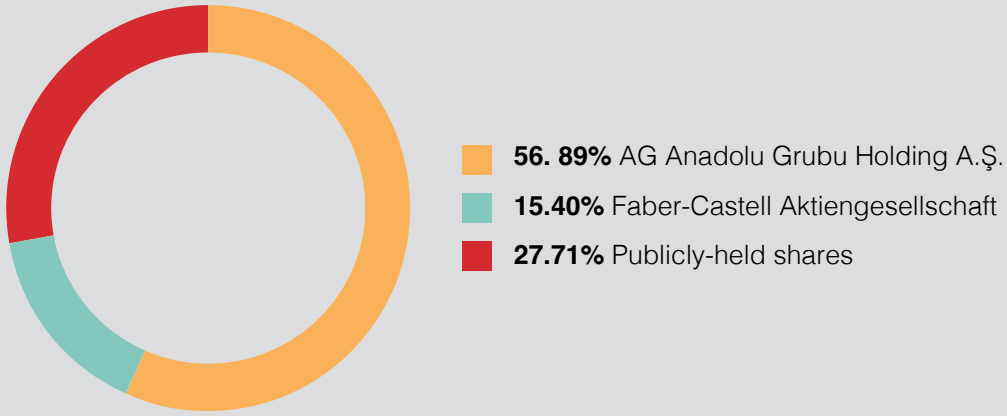
Sensitive, Thoughtful, Responsible, Fair, Promotes professional & personal development

Success

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



Shareholder Structure



As of 30 June 2025, the Company's capital stands at TRL 259,875 thousand, comprising 40,017,351 registered shares valued at TRL 40,017 thousand in compliance with the Foreign Capital Legislation, alongside 219,857,649 bearer shares totaling TRL 219,858 thousand.

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

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



About Anadolu Group

Anadolu Group operates with the vision of being “The star that links Anatolia to the world and the world to Anatolia” and maintains its activities in 8 industries (beer, soft drink, retail, agriculture, automotive, stationery, energy and health) and in 20 countries with more than 80 companies, more than 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. It exports to over 100 countries. In 2024, the Group achieved a revenue of TRL 563.8 billion, while its total assets reached TRL 543.7 billion.

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

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

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

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

Direct or Indirect Subsidiaries & Shareholding Interests

The company controls a stake of 7.67% (cost: TRL 105 thousand) in Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. in Turkey.

CEO's Message



Industrial Excellence

We are pleased and proud to have recently become the recipient, after undergoing a rigorous audit of our processes and operations by the Sabancı Business School of the Sabancı University, of the Industrial Excellence Award, one of the most prestigious award programs in Europe.

We focused on our strategic objectives in the first half of 2025.

The effects of government economic policies on consumer spending and on our own operations continued to be felt in the early months of 2025. With inflation continuing to subside however and in line with business plans informed by the impact of the economic climate on our operations, we were able to focus on increasing product range and reaching customers more easily through alternative sales channels in the first half-year. We continued to plan operations around our ongoing efforts to appeal to consumers across a variety of segments while creating production-side cost advantages and through competitive pricing.

During the second quarter of 2025, we carried out an organizational restructuring through a productivity-prioritizing approach in line with existing market conditions and in view of our future expectations. This restructuring concentrated on achieving growth that was

simultaneously more productive and more sustainable. As a result of this process, our company has achieved an organizational structure that is more nimble.

Our activities during the traditional first-quarter trade fair season this year were informed by our “Creating a brand-new experience” watchword in which we concentrated on strengthening business relationships across our value chain. During the second quarter, we concentrated on procurement and production operations to fulfill our Q1 orders in line with targets and strict adherence to plans.

During this year's trade fair season we launched and accepted retail sales orders for a line of stationary and school supply products to be manufactured under a Walt Disney Company license. The procurement processes associated with these items were also completed. We are currently managing shipment processes so as to effectively ensure that the goods are in stores and available for purchase by the time the fall back-to-school season arrives.

According to our 2025 H1 financial results, net sales weighed in at TL 959 million and gross profit reached TL 413 million on a 43% margin. We showed a net profit loss of TL 165 million.

We made new progress on the e-commerce and digitalization fronts.

We made significant progress towards further strengthening our presence in e-commerce channels during H1 2025. We opened stores authorized to sell our branded goods on one of our country's biggest e-commerce platforms. Our efforts to increase the range of options available for consumers to buy online are continuing at full speed and will continue in the period ahead. We also intend to enter into agreements with other online marketplaces and open stores there as well.

While continuing to strengthen our presence in digital channels, in Q2 2025 we relaunched our corporate website having overhauled it by incorporating leading-edge technological features and adding

a more user-friendly interface so as to deliver a more quality digital experience to stakeholders and make our product portfolio more accessible.

We're impacting the future today through our approach to sustainability.

While making sustainability an intrinsic element of our corporate identity, we're also focused on growing the Adel Goodness Tree through our commitment to both the "Climate Action" and the "Quality Education" UN Sustainable Development Goals. We are doing this by working with numerous socially-beneficial non-governmental organizations and public agencies on value-creating projects consistent with those two goals.

On the occasion of Environment Week in the second quarter of 2025, we partnered with a private educational institution in the conduct of an important project to help foster greater environmental awareness among present and future generations. Under this project, in which both students and teachers were actively involved, activities focused on messages that highlighted recycling principles and processes while bins for collecting discarded school supplies were set up on school premises. In the project follow-up, the plastics recovered from the bins were recycled and used in the manufacture of the trays of watercolor sets that were donated to the Koruncuk child protection foundation in line with Adel Goodness Tree principles.

In our ongoing efforts as the leaders of our sector, we have been sharing our environmental, social, and corporate governance (ESG) performance with

stakeholders through the Turkish Sustainability Reporting Standards (TSRS)-compliant sustainability reports that we've been publishing now for two years. We recently released the second of these reports covering our company's 2024 operations.

Our production and marketing successes continue to be confirmed by awards and recognitions.

We are pleased and proud to have recently become the recipient, after undergoing a rigorous audit of our processes and operations by the Sabancı Business School of the Sabancı University, of the Industrial Excellence Award, one of the most prestigious award programs in Europe, acknowledging our efforts as a company in Turkey committed to responsible production. Awards like these that recognize our R&D strengths, our approach to sustainable production, our flexible manufacturing capabilities, and our high levels of high employee satisfaction and participation make us even more motivated to strive and further improve everything we do.

In a similar vein, the receipt of yet another Association of Turkish Advertisers Kristal Elma accolade in the 37th edition of that award is a testament to our company's ongoing efforts to distinguish itself through effective marketing.

Let me take this opportunity to sincerely thank all the members of our team, for it is their efforts that make commendable successes such as these possible. Just as in the past so too in the future, we will continue to create value for our country by further developing our marketing efforts and production processes.

We will continue to maintain the strong bonds we have with our business partners and consumers.

Going forward in what remains of 2025, we will continue to keep a close watch on the impact of macroeconomic developments and evolving consumer trends on our sector and develop innovative products and services accordingly. Behaving responsibly in our dealings with our stakeholders, strengthening our brands' positions in the sector, and working on environmentally and socially-beneficial projects will remain among our priorities.

We are currently in the midst of all-out efforts to be fully ready for the new back-to-school season, which is of course one of our most important times of year. In order to address the upcoming surge in demand, we are increasing segment-targeted product diversity and deploying our sales channels more effectively to make certain we can respond to students' and parents' needs in the best way possible. With the same objective in mind, we are also focusing on strengthening our presence in digital channels and on constantly improving the customer experience.

In closing, I thank our employees, our business partners, our shareholders, our investors, and all our other stakeholders for their contributions to a more sustainable future and to our success.

Yours sincerely,

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 2025 general meeting during which the company's 2024 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
Kamil Süleyman Yazıcı	Chairman
Tuğban İzzet Aksoy	Vice Chairman
İbrahim İzzet Özilhan	Board Member
Nazik Meltem Metin	Board Member
Burak Başarır	Board Member
Mehmet Hurşit Zorlu	Board Member
İbrahim Tamer Haşımoğlu	Board Member
Stephan Leo Rosen	Board Member
İzzet Karaca	Independent Board Member
Tayfun Bayazıt	Independent Board Member
Eyüp Mehmet Cemil Yükselen	Independent Board Member
Uğur Bayar	Independent Board Member

Committees Established under the Board of Directors

Following the election of the members of the Board of Directors at the Ordinary General Assembly held on 16 April 2025, committee memberships have been established as outlined below, as per the relevant resolution of the Board of Directors and in accordance with the Corporate Governance Principles issued by the Capital Markets Board.

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	İbrahim İzzet Özilhan Member	İbrahim İzzet Özilhan Member
	Nazik Meltem Metin Member	Nazik Meltem Metin Member	Nazik Meltem Metin Member
	Mehmet Hurşit Zorlu Member	Burak Başarır Member	Burak Başarır Member
	İbrahim Tamer Haşimoğlu Member	Tuğban İzzet Aksoy Member	Eyüp Mehmet Cemil Yükselen Member
	Fatih Çakıcı Member	İbrahim Tamer Haşimoğlu Member	
		İzzet Karaca Member	

Senior Management

Name	Position
Demir Şarman	Agribusiness, Energy and Industry Group President
Oğuz Uçanlar	CEO
Evren Cankurtaran ^(*)	CFO
Salih Emre Kavukçuoğlu	Human Resources Director
Serhat Çelik ^(**)	Sales and Marketing Director
Zülfü Tunç ^(***)	Supply Chain Director
Bekir Aladağ	Information Technologies and Services Manager

^(*)Yasemen Güven Çayirezmez left her position on 31 March 2025, and Evren Cankurtaran started his duties on 1 April 2025.

^(**)Murat Büyükkucak left his position on 30 June 2025, and Serhat Çelik has been serving as Sales and Marketing Director since the same date.

^(***)Serhat Kara left his position on 30 June 2025, and Zülfü Tunç has been serving as Supply Chain Director since the same date.

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 2025, the total value of all benefits provided to senior executives was TRL 80,383 thousand.

Activities



The “Faber-Castell” brand with 98% recognition, the “Adel” brand with 75% recognition are among the leading players in the sector.



Sectoral Review & 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.

Particularly in recent years, the increasing integration of technology into daily life, coupled with a growing awareness of sustainability, has been reflected in consumer expectations, leading to a significant transformation in the stationery sector. At the core of these changes lies rapid digitalization on one hand, and an increasing demand for products made from recyclable and eco-friendly materials on the other.

With numerous players, many of whom are global actors, and import-heavy, Turkey's stationery market is an intensely competitive one. Adel however leads the

market thanks to its production capabilities, its product diversification based on its R&D and innovation capabilities, the knowledge and experience of more than 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, which effectively seizes the growth opportunities presented by the market, is fully aware of the responsibility placed on it by the wide audience it serves and distinguishes itself by focusing on sustainability and product safety throughout its production cycle.

Based on brand awareness research* conducted annually by Adel, the “Faber-Castell” brand boasts 98% awareness, establishing it as by far the leading brand in the industry in terms of positioning. The “Adel” brand boasts a 75% brand awareness, positioning it as one of the leading brands in the industry.

Product safety and quality

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

Activities

Adel made significant progress towards further strengthening its presence in e-commerce channels during H1 2025. A store authorized to sell its branded goods was opened on one of Turkey's biggest e-commerce platforms and efforts were accelerated to expand the range of options available for consumers to buy online. Going forward, the company intends to enter into agreements with other online marketplaces in order to gain direct access to end-users.

Adel also overhauled its corporate website by incorporating leading-edge technological features and adding a more user-friendly interface so as to deliver a more quality digital experience and make its products and services more accessible.

Adel's production and marketing successes continued to be confirmed by awards and recognitions during the reporting period.

As a company fully committed to responsible production, Adel became the recipient of the prestigious Turkish Industrial Excellence Award acknowledging its efforts in this direction after undergoing a rigorous audit of its processes and operations by Sabancı University's Sabancı Business School.

Adel's business is cyclical in nature.

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 production and brand strengths.

Standing out with its production capacity, and investments in research and development, Adel has been providing physical and chemical testing capabilities specific to the stationery sector at its R&D Center, which holds a license from the Ministry of Industry and Technology since 2019, and has been leading the industry by developing products that comply with the chemical product safety regulations of all countries within its commercial field of activity.

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

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

Adel is a leading manufacturer of a wide range of nearly 1,000 different 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, playdough, and gouache paints. Adel's products are known for their high quality, durability, and affordability.

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

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

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

recycled plastic in crayon packaging has been expanded.

As part of Adel's ongoing R&D and innovation-focused studies:

Adel has become the first company and R&D center to adapt materials developed through up-cycling using natural resources to the stationery sector.

In efforts to bring waste sawdust from wood-based products into the circular economy, studies are being accelerated to submit R&D projects to TÜBİTAK funding programs, aimed at both using them in plastic product groups and transforming them into different components in wood-based products.

Adel has completed 32 R&D projects to date, 4 of which were completed in 2024 and had a budget of over EUR 100 thousand. The number of registered patents held by Adel has reached 15, alongside 41 registered designs and 2 utility models.

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 half of 2025 and 2024 respectively is shown below.

Net Sales (TRL million)	January-June 2024	January-June 2025	Change (%)
Domestic Sales	1,654	900	-46
International Sales	76	59	-22
Total	1,730	959	-45



Financial Performance

Disclaimer

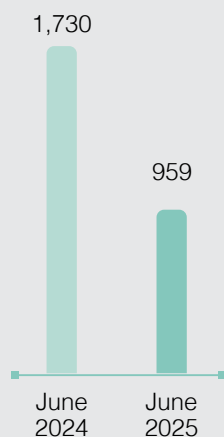
As required by the Capital Markets Board, our H1 2025 financials have been adjusted to account for the effects of inflation pursuant to TAS 29 ("Financial Reporting in Hyperinflationary Economies"). For this reason, all financial statements presented herein, including comparative data from earlier reporting periods, have been restated in accordance with TAS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 30 June 2025.

(TRL million)	1H24	1H25	%
Net Sales	1,730	959	-45%
Gross Profit	963	413	-57%
EBITDA (BNRI) ⁽¹⁾	532	14	-97%
Net Profit/(Loss) before Tax	250	-230	n.m.
Net Profit/(Loss)	201	-165	n.m.
Net Working Capital	1,637	1,562	-5%
Net Financial Debt	997	1,424	43%
Free Cash Flow	-755	-1,003	-33%
Gross Profit Margin	56%	43%	
EBITDA (BNRI) ⁽¹⁾ Margin	31%	1%	
Net Profit Margin	12%	-17%	

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

⁽¹⁾ BNRI: Before non-recurring items

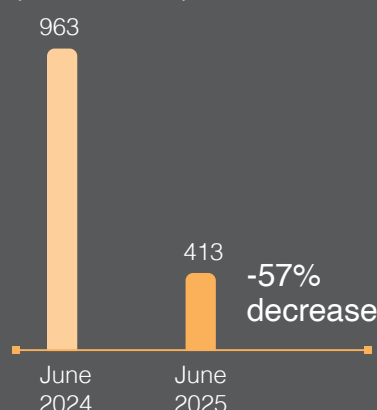
Net Sales (TRL million)



-45% decrease

Our net sales decreased by 45% year-over-year, totaling TRL 959 million. This decline can be attributed to the delay in shipments compared to the same period in the previous year, as well as the overall economic slowdown in the stationery sector, the general economic environment and economic uncertainties in 2025. Furthermore, the overall stagnation observed in the stationery sector has exerted considerable pressure on demand, directly affecting our sales volume and revenue.

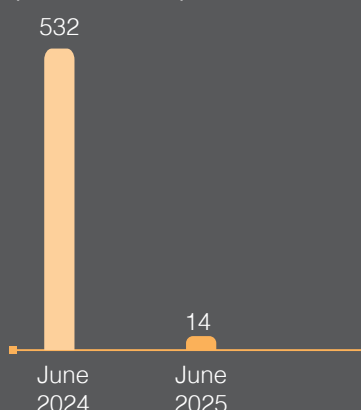
Gross Profit (TRL million)



Gross Profit Margin, %

56% → 43%

EBITDA (BNRI) (TRL million)



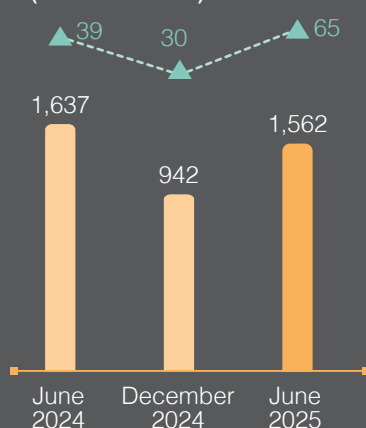
EBITDA (BNRI) Margin, %

31% → 1%

Our gross profit decreased by 57% compared to the same period last year, totaling TRL 413 million. Besides the decline in sales revenue, the reduction in gross profit and gross profit margin was due to our inability to pass on the rising unit costs-caused by the economic climate, sector downturns, and inflation-into our prices.

Our EBITDA (BNRI) for the first half of this year amounted to TRL 14 million. The reduction in gross profit, alongside the decrease in sales revenues, coupled with the strain on operating profitability at existing revenue levels due to fixed costs, has led to a downturn in EBITDA (BNRI). In particular, operating expenses remained relatively high compared to the decreased sales volume, which adversely affected operational profitability and led to a year-over-year decrease in EBITDA (BNRI).

Net Working Capital (TRL million)



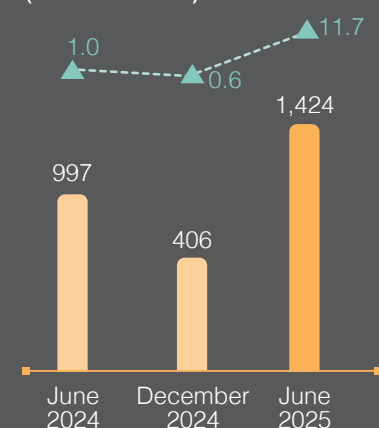
Net Working Capital (TRL million)
Net Working Capital/Net Sales (%)*

As of the first six months of 2025, our Company's net working capital requirement stood at TRL 1,562 million, marking a decrease compared to the level of TRL 1,637 million in the corresponding period in 2024.

This decrease is attributable to the decline in inventory and trade receivable levels, which corresponds with the contraction in sales volume during the period, as well as the efficiency in managing trade payables. Despite the declining operational volume, our Company has consistently managed its working capital in a controlled manner, implementing measures to optimize its cash cycle accordingly.

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

Net Financial Debt (TRL million)



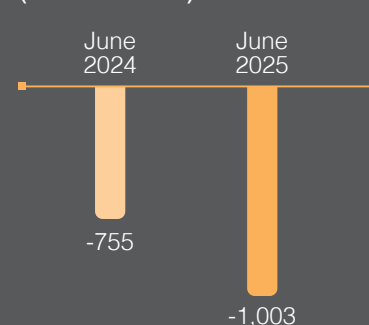
Net Financial Debt (TRL million)
Net Financial Debt/EBITDA (BNRI)**

As of the first six months of 2025, our Company's net financial debt amounted to TRL 1,424 million.

The substantial cash advances received in the first half of the previous year diminished the financial debt requirement during that period. In addition, the escalation in financing requirements alongside the contraction in sales volume led to an increase in net financial debt.

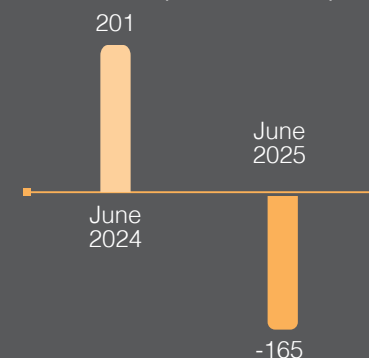
**The Net Debt/EBITDA (BNRI) ratio is calculated on the basis of the previous twelve months' EBITDA figure.

Free Cash Flow (TRL million)



As of June 2025, Adel showed a negative free cashflow of TRL 1,003 million. This is TRL 248 million less than what it was at as of June 2024.

Net Profit (TRL million)



The overall economic slowdown and the stagnation within the stationery sector have significantly contributed to the decline in sales revenue and gross profit. The rise in financing expenses attributable to elevated interest rates has exerted further pressure on profitability, resulting in a net loss of TRL 165 million.

Financial Performance

Risks

Financial Risks: In accordance with the dynamics of the industry in which our company operates and the financial instruments it employs, our company may be subject to a variety of financial risks, including mainly interest rate risk, liquidity risk, currency risk, and receivables risk. Our company meticulously defines, assesses, and manages risks in order to mitigate the impacts of these risks, which are related to uncertainties and market fluctuations.

Within the framework of our risk management strategy, potential risks are systematically mitigated and their impacts are reduced through the implementation of established procedures and policies. In this context, our company adopts a proactive approach to ensure financial sustainability and operational assurance.

Interest Rate Risk: Aligning with the requirements of the industry in which it operates, our company operates with high working capital during the first nine months of the year, which increases its sensitivity to changes in credit interest rates. Fluctuations in interest rates may occur due to geopolitical risks and macroeconomic indicators in our country.

Our company finances its net working capital needs that may arise in the course of its operations through equity and, when necessary, loans. Measures taken against liquidity risk and

interest rate risk include closely monitoring the maturity structure of loans, extending short-term liabilities to longer terms, bond issuances, evaluating receivables through discounting methods, and diversifying funding sources with alternative financing instruments. In this context, our company maintains a dynamic approach to financial planning.

By virtue of our disciplined and effective financing policies, our operations are supported by borrowing costs below market interest rates. In the upcoming period, we will continue to prioritize efficiency in financial management to ensure the sustainability of our robust balance sheet.

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

In line with our risk management policy, at least 50% of the currency risk is hedged, thus ensuring that the impact of exchange rate fluctuations on financial performance is effectively managed. Currency risk management contributes to our company's long-term financial sustainability and strong balance sheet goals. As of end-June 2025, 87% of our currency risk exposure was hedged against.

Receivables Risk: In the last quarter of the year, our company collects payments for orders received during the campaigns and trade fairs held at the beginning of the year. To minimize receivables risk and streamline collection processes, various payment systems, including credit cards, the Direct Debit System (DDS), Vinov, and checks, are effectively utilized upon the shipment of these orders.

The credit card and other campaigns organized in the first quarter of the year to reduce receivables risk and working capital requirements provide significant convenience in collection processes. The remaining dealer receivables are managed through other secured payment systems and open risks are mitigated by obtaining letters of guarantee. This systematic and disciplined approach of our company supports the effective management of financial risks and contributes to sustainable growth.

The diversification of payment systems not only accelerates collection processes but also plays a crucial role in maintaining the stability of our company's cash flow.

Summary Balance Sheet

(TRL million)	31.12.2024	30.06.2025
Cash and equivalents	769	152
Trade receivables	153	683
Inventories	921	1,094
Other current assets	248	245
Current Assets	2,091	2,174
Financial investments	2	1
Tangible assets	922	914
Right of use assets	179	193
Intangible assets	104	94
Other non-current assets	18	66
Non-Current Assets	1,225	1,268
Total Assets	3,316	3,442
Short term borrowings	455	878
Short term portion of long term borrowings	130	123
Trade payables	155	213
Other current liabilities	225	247
Current Liabilities	965	1,461
Long term borrowings	591	575
Long term provisions	41	39
Deferred tax liabilities	28	-
Non-Current Liabilities	660	614
Equity	1,691	1,367
Total Liabilities & Equity	3,316	3,442

Financial Performance

Summary Income Statement

(TRL million)	1 January - 30 June 2024	1 January - 30 June 2025
Revenues	1,730	959
Cost of sales (-)	-767	-546
Gross Profit	963	413
Operating expenses (-)	-591	-522
Other Operating Income /Expense (net)	-2	3
Operating Income	370	-106
Income /(expense) from investment operations	-63	-1
Financial income/(expense) (net)	-145	-219
Monetary gains / (losses)	88	96
Income/(Loss) Before Tax from Continuing Operations	250	-230
Tax income/(expense)	-49	65
Net Income/(Loss)	201	-165
EBITDA (BNRI) ⁽¹⁾	532	14
Profitability Ratios	1 January - 30 June 2024	1 January - 30 June 2025
Gross Profit Margin	56%	43%
Operating Profit Margin	21%	-11%
Net Profit Margin	12%	-17%
EBITDA (BNRI) ⁽¹⁾ Margin	31%	1%
Market Capitalization as of June 30 th (TRL thousand)	11,588	8,176

⁽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.

Additional Information

SUMMARY FINANCIAL INDICATORS NON-COMPLIANT WITH TAS 29

The financial information provided below does not include the effects of TAS 29 and is provided for analysis purposes only. These figures are not compliant with the financial report for the period 01.01.2025-30.06.2025 and have not been subject to independent audit.

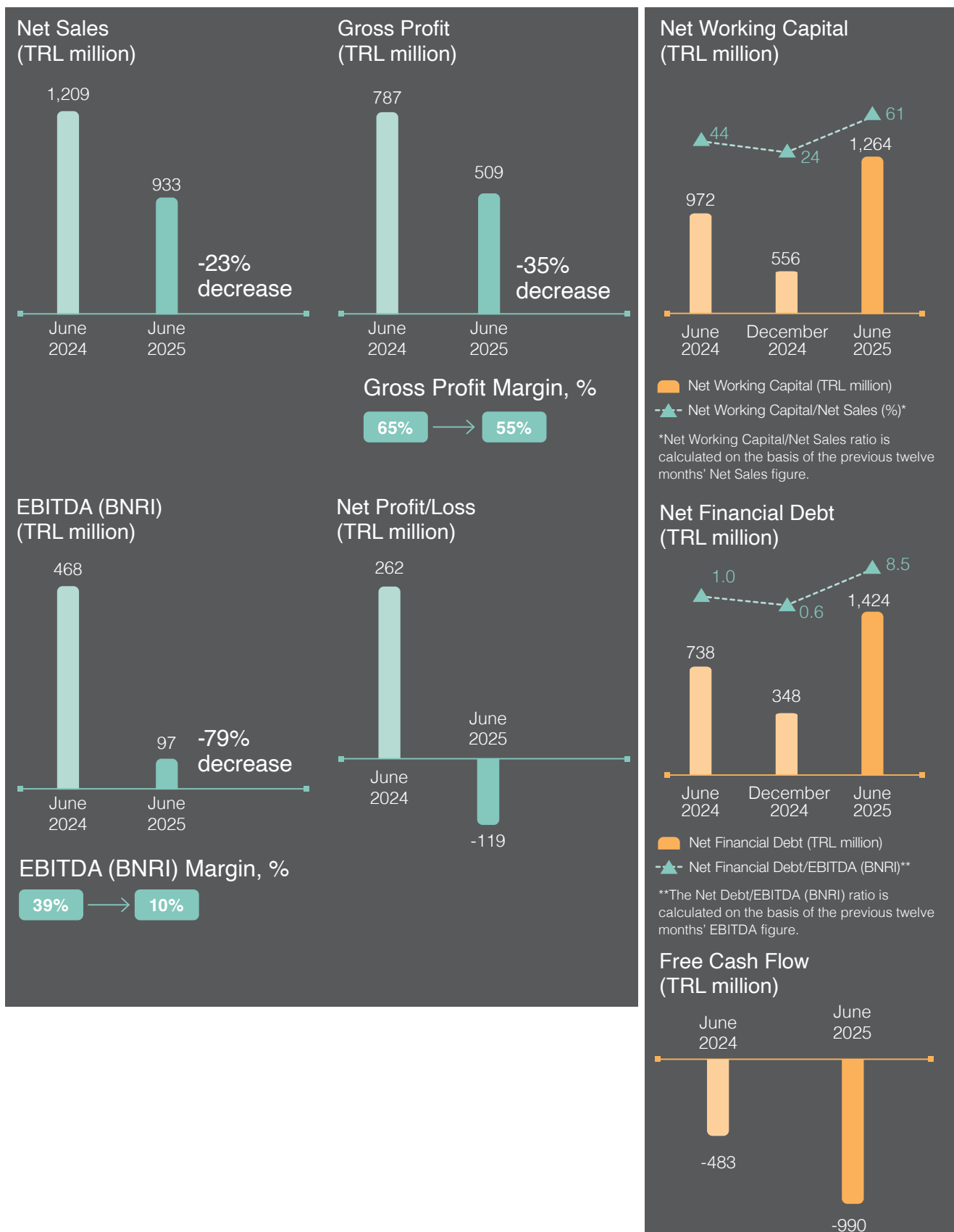
(TRL million)	1H2024	1H2025	%
Net Sales	1,209	933	-23%
Gross Profit	787	509	-35%
EBITDA (BNRI) ⁽¹⁾	468	97	-79%
Net Profit/(Loss) before Tax	299	-179	n.m.
Net Profit/(Loss)	262	-119	n.m.
Net Working Capital	972	1,264	30%
Net Financial Debt	738	1,424	93%
Net Financial Debt (excluding IFRS16 impact)	615	1,263	105%
Free Cash Flow	-483	-990	-105%
Gross Profit Margin	65%	55%	
EBITDA (BNRI) ⁽¹⁾ Margin	39%	10%	
Net Profit Margin	22%	-13%	

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

⁽¹⁾ BNRI: Before non-recurring items

Additional Information

SUMMARY FINANCIAL INDICATORS NON-COMPLIANT WITH TAS 29



Other Information

Employee Compensation and Benefits

As of June 2025, Adel had an average of 327 employees on its payroll. Of these, 164 were white-collar employees and 163 were blue-collar employees. As of 30 June 2025, the number of employees was 281.

The provision set aside to cover employees' severance pay entitlements decreased by TRL 1,524 thousand during January-June 2025. This brought the total amount in the provision to TRL 37,446 thousand.

A total of TRL 418,576 thousand was paid to employees as salaries, wages, bonuses, and other benefits during January-June 2025.

Charitable Donations & Assistance

Our company donated a total of TRL 62 thousand during the first half of 2025.

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-100, BIST STAR, BIST ALL, BIST INDUSTRIAL, BIST 500 and 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 A.Ş. The company’s short-term (National) credit rating and outlook remained unchanged at J1+ (tr) and “Stable” respectively.

JCR Eurasia Rating (23 August 2024)	Note	Outlook
Long-Term National Credit Rating	AA+(tr)	Stable
Short-Term National Credit Rating	J1+(tr)	Stable
Long-Term International Foreign Currency Credit Rating	BB	Stable
Long-Term International Local Currency Credit Rating	BB	Stable

Investor Relations Contact Information		
Evren Cankurtaran CFO	Fatih Çakıcı Accounting Manager	Ümit İbiloğlu Reporting and Investor Relations Supervisor
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Dividend Policy

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

General Assembly

The Ordinary General Assembly Meeting of our Company for 2024 was held on 16 April 2025, at 10:00, at the address "Fatih Sultan Mehmet Mahallesi, Balkan Caddesi No: 58 Buyaka E Blok 34771 Tepeüstü Ümraniye İstanbul", under the supervision of the Ministry representative Ms. Dilek Diren, who was assigned by the Istanbul Trade Directorate with the letter dated 8 April 2024 and numbered E-90726394-431.03-00108192028.

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

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

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

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

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

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

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

Information for Investors

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

- The 2024 Financial Statements and Annual Report, prepared in accordance with the Capital Markets Legislation, were approved by the General Assembly.
- The members of the Board of Directors were individually released from their liabilities for their activities in 2024.
- At the General Assembly meeting, the following individuals were elected as members of the Adel Board of Directors for a one-year term, to serve until the Ordinary General Assembly convened to discuss the 2025 fiscal year activities: Kamilhan Süleyman Yazıcı, Tuğban İzzet Aksoy, İbrahim İzzet Özilhan, Nazik Meltem Metin, Burak Başarır, Mehmet Hurşit Zorlu, İbrahim Tamer Haşimoğlu, Stephan Leo Rosen, İzzet Karaca (Independent), Tayfun Bayazıt (Independent), Eyüp Mehmet Cemil Yükselen (Independent), Uğur Bayar (Independent). It was resolved that each Independent Board Member will be paid a monthly gross remuneration of TRL 225 thousand.
- It was resolved to approve the appointment of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the audit of the accounts and transactions for the 2025 fiscal year, and assurance audit of 2024 and 2025 sustainability reports.
- Pursuant to the provisions of regulations stipulated by the CMB and in line with the proposal of the Board of Directors, it was resolved that a gross dividend of TRL 150,026 thousand shall be distributed to shareholders as of 26 September 2025.
- The shareholders have been informed that a donation of TRL 7,536 thousand, adjusted for the purchasing power of 2024, has been made to various foundations and associations.

Dividend Payments

Adel has been a consistent dividend payer since 2006.

At the Ordinary General Assembly held on 16 April 2025, it was resolved that a gross cash dividend of TRL 150,026 thousand shall be distributed to shareholders, based on the Company's unconsolidated financial statements prepared in accordance with capital markets regulations and taking into account the statutory records maintained under the Tax Procedure Law (VUK). The dividend distribution will be made entirely from prior years' profits (extraordinary reserves). Accordingly, for each share with a nominal value of TRL 1, a gross cash dividend of TRL 0.5773, corresponding to 57.73%, shall be paid to shareholders who are full taxpayer institutions, and a net cash dividend of TRL 0.490705, corresponding to 49.07%, shall be paid to other shareholders, for each share with a nominal value of TRL 1. In addition, a second legal reserve of TRL 13,703 thousand shall be set aside in accordance with applicable legislation. The dividend payment date has been determined as 26 September 2025.

Contact

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