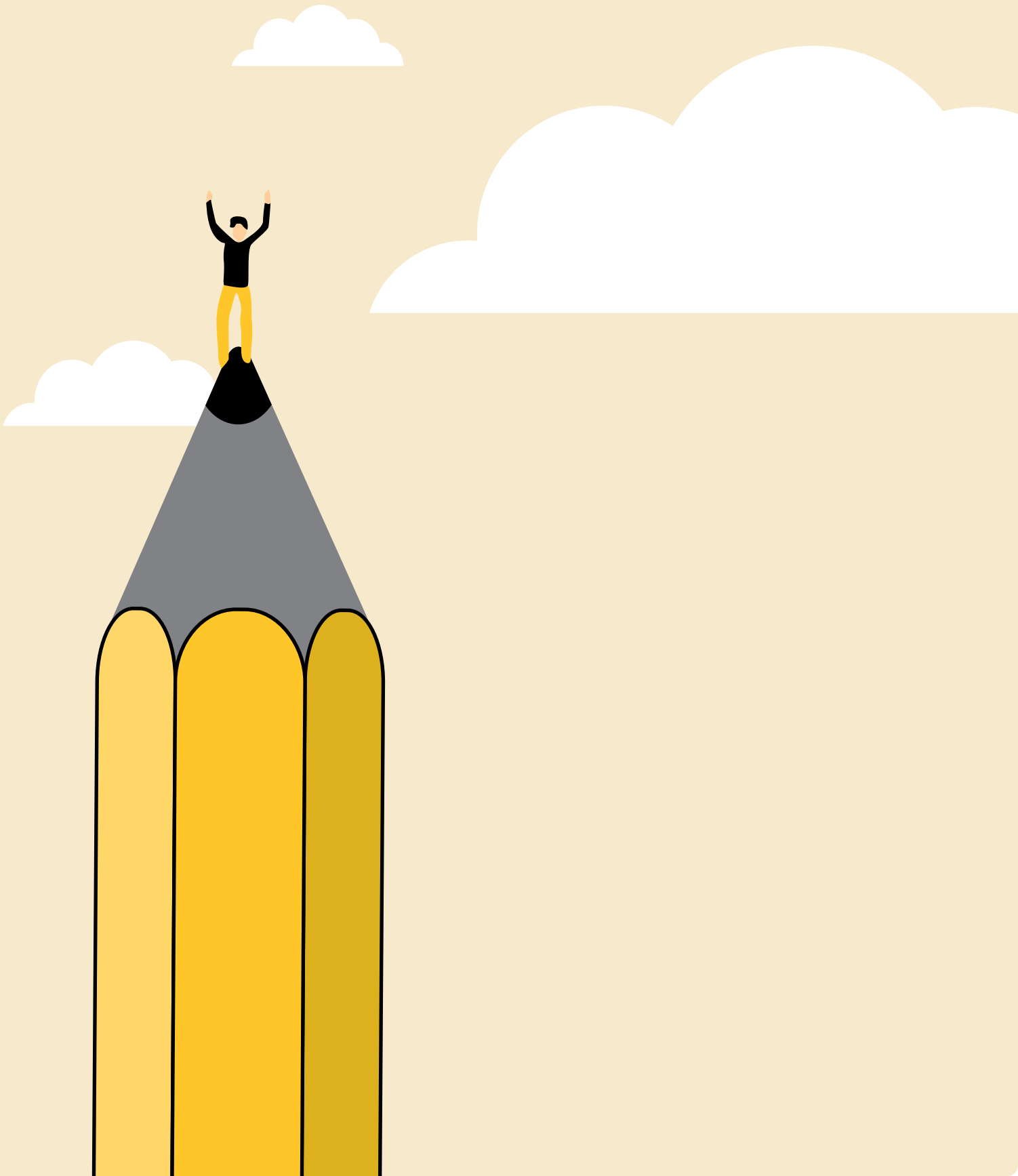




**JANUARY-MARCH 2024  
INTERIM  
ANNUAL REPORT**



## 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 forty other national markets. Adel likewise exports some of its output to various countries under the Faber-Castell brand.







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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

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 m<sup>2</sup> 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 Kalemcilik 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, Panfix, and Citizen. It also markets and sells a range of toys manufactured under licensing agreements with some of the world's leading toymakers such as Playgro and Sluban.

Readily responding to home market demand as a result of its high production capacity

and diverse offerings, Adel also exports goods to more than forty 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

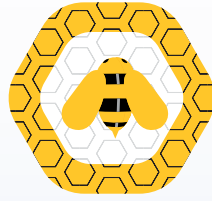
To be part of the life of everyone who wants to shape, colorful of their own dreams and leave a mark in future

## 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

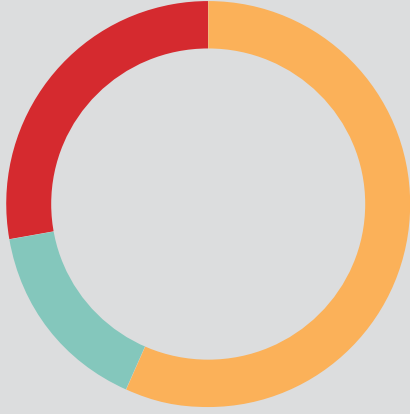
Sensitive, Thoughtful, Responsible, Fair, Promotes professional & personal development

### 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 TL 23,625,000 as of 31 December 2023. This capital was divided into 23,625,000 shares, each with a par value of TL 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 TL 391.8 billion in value in 2023, the Group booked a total turnover of TL 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.

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## 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 colour 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.

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## Direct or Indirect Subsidiaries & Shareholding Interests

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

## CEO's Message



**We move with the spirit of the times.**

Along with our investments, we continue to expand our business and refine our product offerings by fostering relationships with both domestic and international partners.

### **We are determined to maintain our performance momentum in 2024.**

Although high inflation continues to exert pressure on the Turkish economy, Adel Kalemçilik began the year on a high note, continuing to maintain the strong performance it achieved in 2023. We also had a successful trade fair season and achieved all our targets.

From mid-January onwards, we maximized our sectoral presence by participating in trade fairs attended by dealers and retailers in twenty cities across the country, successfully booking orders in line with our expectations.

Adel Kalemçilik regards these trade fairs as an important and reliable predictor of its overall performance for the entire year. Our first-quarter success therefore bodes well for the rest of 2024.

Our Q1 2024 financial results show strong growth, with net sales climbing to TL 663 million and gross profit surging by a factor of 1.4 to TL 381 million. Our gross profit margin increased by 8 points to 57% and our EBITDA margin increased by 7 points to 28%. We booked a net profit of TL 87 million. In addition to these strong results, our Net Debt/EBITDA ratio improved markedly, falling from 0.4 at 31 December 2023 to 0.2 at 31 March 2024.

### **We've begun expanding our presence in the global arena.**

Adel Kalemçilik is committed to expanding its global presence through new international partnerships. Our goal is to increase our company's export earnings by entering new foreign markets over the next three years.

Adel Kalemçilik's inclusion last year in the approved global suppliers list of UNICEF, one of the world's most prestigious NGOs, is a testament to our company's capabilities and marks an important milestone in its growth trajectory. This inclusion opens new avenues for us to expand our global reach and impact. Our first UNICEF-related shipment took place in late 2023, with the remainder being sent early this year.

Continuing to look for ways to enter other national markets, we connected with customers at the Ambiente fair in Messe Frankfurt this January.

Our focus on expanding exports is gaining momentum and we are planning to enter new markets such as Egypt, Azerbaijan, and the Turkic Republics in the months ahead.

**We are evolving beyond a traditional stationery manufacturer into a provider of education and office technology solutions.**

Our goal is to evolve Adel beyond its roots as a traditional stationery manufacturer into a comprehensive education and office technology company that addresses the needs of today's customers and markets. With this aim in mind, we are in discussions with leading European tech firms; we're also exploring the addition of cutting-edge technology products from the Far East to our lineup of offerings.

**Sustainability is a core element of our corporate identity.**

For Adel Kalemcilik, sustainability is not just an objective but rather a core element of its approach to how it does business as well as of its corporate identity.

Adel Kalemcilik's Goodness Tree initiative encompasses a variety of corporate social responsibility projects that align with United Nations Sustainable Development Goals (SDGs), specifically those focusing on Climate Action and Quality Education. We are also committed to further enhancing our company's ESG (Environmental, Social, Governance) performance score.

Our GRI-certified Sustainability Report, released early this year, provides stakeholders with a transparent overview of Adel Kalemcilik's sustainability

practices. The report emphasizes our dedication to environmental, social, economic, and governance factors, which are fundamental to our company's values and operations.

Recognizing our responsibility to contribute to a better world, we are committed to building global partnerships for a sustainable future. At Adel Kalemcilik, we place a strong emphasis on water conservation and biodiversity protection within the framework of our Environmental, Energy & Climate Policy. We are actively developing comprehensive strategies to address climate change while also increasing our efforts to promote economic circularity. Protecting biodiversity and the environment while combating climate change are among our most important strategic goals.

We are committed to integrating this philosophy into both our product development processes and our initiatives to create social value. We are currently developing innovative products to be added to our sustainable product portfolio, both through university collaborations and through work at our R&D Center.

By 2050, we target to reduce waste by 50% and achieve a 50% recycling rate, while increasing sales of sustainable products and services by 100%. We monitor and report our carbon emissions in line with United Nations Sustainable Development "Climate Action" Goal (SDG 13).

**We have everything we need to achieve sustainable and profitable growth.**

Moving forward, we will continue to resolutely implement our strategies, leveraging our experience and prudent financial management. We remain committed to a financial approach that prioritizes operational profitability and positive cash flow.

The strength of our sales and marketing efforts, coupled with our robust relationships with dealers and retailers, is driving growth within our ecosystem and the company as a whole while also confirming the validity of our successful business model. We will continue to complement our effective marketing and sales processes with our ability to cost-effectively manufacture goods and supply them to retailing outlets. Our commitment to commercial and financial sustainability positions us well to continue our strong financial performance and successfully deliver positive results for the remainder of 2024.

In closing, I extend my heartfelt thanks to our employees, who are the cornerstone of our success, as well as to our valued business partners, shareholders, investors, and other stakeholders for their invaluable contributions to our strong performance.

Very truly yours,

**Ahmet Oğuz Uçanlar**  
CEO

# Management and Organizational Structure

The current members of the Adel Kalemcilik 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 Haşimoğlu	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 Haşimoğlu Member	İbrahim Tamer Haşimoğlu Member	Demir Şarman Member
	Fatih Çakıcı Member		

## Senior Management

Name	Position
Demir Şarman	Agribusiness, Energy and Industry Group President
Ahmet 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-March 2024, the total value of all benefits provided to senior executives was TL 21,744 thousand.



## Activities



The “Faber-Castell” brand with 98% recognition, the “Adel” brand with 79% recognition are 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 (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.

A leader of its sector with strong production capacity and technological know-how, new products and solutions that Adel develops at its R&D center help keep the company ahead of its competitors.

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 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.

## Adel posted strong results for the first quarter of 2024.

Adel successfully showcased its new product portfolio at trade shows held in 21 locations across 20 provinces in January and February, reaching nearly 6,000 retail outlets. The company's new product portfolio was well-received and generated positive feedback and strong results consistent with Adel's targets.

Faber-Castell's new products were a major draw at the fairs, with the Dino and Unicorn series, the Black Edition series, the GenZ series, and the 2024 backpacks and school bags collection numbering among the most popular launches attracting visitors' attention.

The İstanbul Stationery Fair, a global event attracting over 6,000 visitors from 70 countries, provided Adel a platform on which to engage with customers from 28 February to 2 March this year.

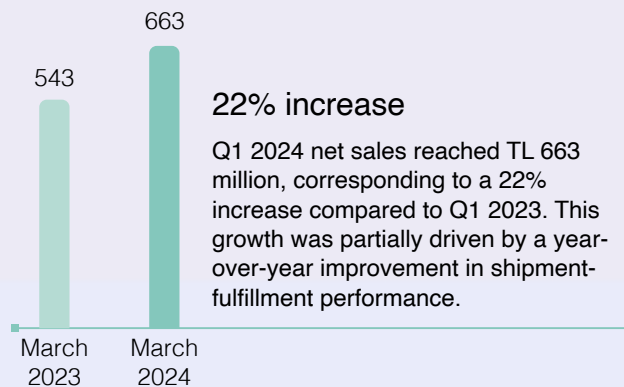
Continuing to look for ways to enter other national markets, Adel also connected with customers at the Ambiente fair in Messe Frankfurt during Q1 2024.

## Sales

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

Net Sales (TL million)	January-March 2023	January-March 2024	Change (%)
Domestic sales	517	626	21
International sales	26	37	42
<b>Total</b>	<b>543</b>	<b>663</b>	<b>22</b>

### Net Sales (TL million)



# Financial Performance

## Disclaimer

As required by the Capital Markets Board, our Q1 2024 financials have been adjusted to account for the effects of inflation pursuant to TMS 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 TMS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 31 March 2024.

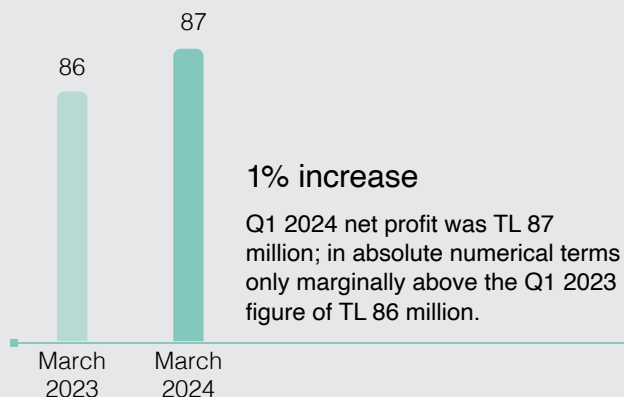
(TL million)	1Q23	1Q24	%
Net Sales	543	663	22%
Gross Profit	263	381	45%
EBITDA	113	185	64%
Net Profit/(Loss) before Tax	119	117	-2%
Net Profit/(Loss)	86	87	1%
Net Working Capital	586	647	11%
Net Financial Debt	419	137	-67%
Free Cash Flow	-149	-6	96%
Gross Profit Margin	49%	57%	
EBITDA Margin	21%	28%	
Net Profit Margin	16%	13%	

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

## A good beginning

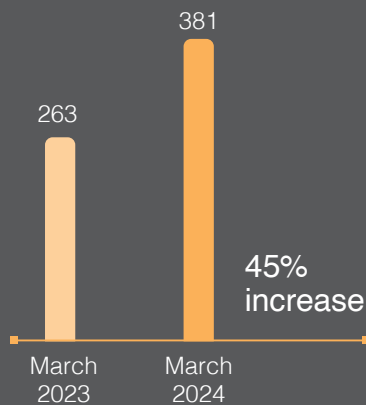
Adel started the year on a positive note, with a successful first quarter marked by the achievement of key objectives and sustained financial performance.

### Net Profit (million TL)





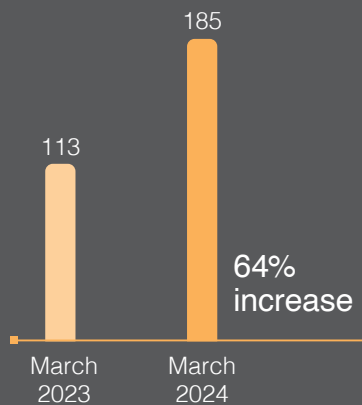
Gross Profit (TL million)



Gross Profit Margin, %



EBITDA (TL million)



EBITDA Margin, %

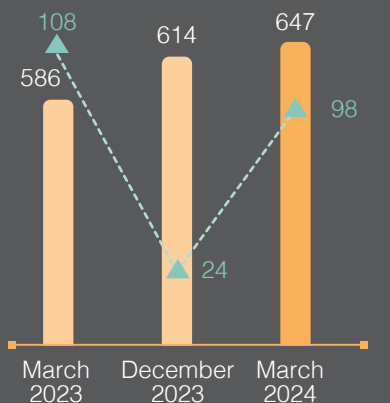


Q1 2024 gross profit was TL 381 million, 1.4-fold higher compared to that of Q1 2023; gross profit margin was 57%, 800 basis points above that of Q1 2023.

Similarly, EBITDA increased approximately 1.6-fold year-on-year (Q1 2024: TL 185 million) while at 28%, the Q1 2024 EBITDA margin was 700 basis points above that of Q1 2023.

Q1 2024 gross-profit and EBITDA growth was also driven by the same year-over-year improvement in shipment-fulfillment performance that boosted Q1 net sales.

Net Working Capital (TL million)

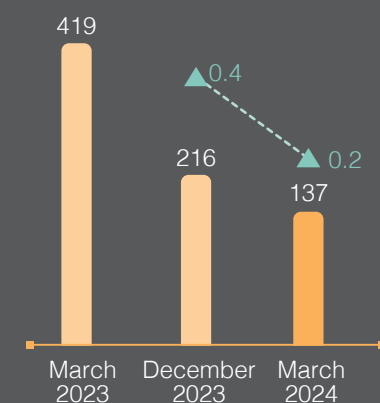


Net Working Capital (TL million)  
 Net Working Capital/Net Sales (%)

As of 31 March 2024 our net working capital requirement was TL 647 million; 11% higher than what it was on 31 March 2023.

As of 31 March 2024, our NWC/Net Sales ratio was down somewhat to around 98%. (31 March 2023: 108%)

Net Financial Debt (TL million)



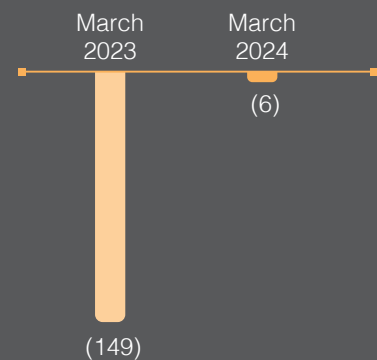
Net Financial Debt (TL million)  
 Net Financial Debt/EBITDA\*

The company's Q1 2024 net financial debt was down by 67% year-on-year and weighed in at TL 137 million as of end-March. When accrued interest is excluded from the analysis, the year-on-year decrease in net indebtedness was 87%; when the effects of IFRS 16 lease-accounting are excluded, it becomes 90%, or TL 35 million.

As a result of continued improvements in profit and profitability and thanks also to effective balance sheet management, our Q1 2024 net debt/EBITDA ratio was 0.2. (December 2023: 0.4) We owe much of this remarkable improvement in the ratio to the early collection of trade receivables made possible by promotional campaigns incentivizing payment by credit cards

\* Net debt/EBITDA ratio calculated retroactively over the previous twelve months.

Free Cash Flow (TL million)



Our free cash flow at the end of March 2023 was TL -6 million, an improvement of TL 143 million compared to the previous year. This improvement is attributable to more effective balance sheet management.



## 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 31 March 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. Remaining dealership credit risk is covered by means of bank letters of guarantee.

Owing to its diligent trade-receivable monitoring, assessment, and management, the company is not exposed to significant credit risk.

## Summary Balance Sheet

(TL million)	31 December 2023	31 March 2024
Cash and equivalents	914	725
Short-term financial investments	151	99
Trade receivables	136	207
Inventories	708	662
Other current assets	195	164
<b>Current Assets</b>	<b>2.104</b>	<b>1.855</b>
Financial investments	1	1
Other receivables	0,4	-
Tangible assets	641	637
Intangible assets	91	84
Other non-current assets	190	181
<b>Non-Current Assets</b>	<b>924</b>	<b>903</b>
<b>Total Assets</b>	<b>3.028</b>	<b>2.758</b>
Short term borrowings	897	831
Short term portion of long term borrowings	301	71
Trade payables	161	191
Other current liabilities	264	194
<b>Current Liabilities</b>	<b>1.623</b>	<b>1.287</b>
Long term borrowings	82	58
Long term provisions	44	33
<b>Non-Current Liabilities</b>	<b>126</b>	<b>91</b>
<b>Equity</b>	<b>1.278</b>	<b>1.380</b>
<b>Total Liabilities &amp; Equity</b>	<b>3.028</b>	<b>2.758</b>

## Financial Performance

### Summary Income Statement

(million TL)	1 January- 31 March 2023	1 January- 31 March 2024
Revenues	543	663
Cost of sales (-)	(279)	(282)
<b>Gross Profit</b>	<b>263</b>	<b>381</b>
Operating expenses (-)	(192)	(207)
Other Operating Income /Expense (net)	(3)	(34)
<b>Operating Income</b>	<b>68</b>	<b>141</b>
Income /(expense) from investment operations	4	(5)
Financial income/(expense)	(73)	(63)
Monetary gains / (losses)	119	44
<b>Income/(Loss) Before Tax from Continuing Operations</b>	<b>119</b>	<b>117</b>
Tax income/(expense)	(33)	(29)
<b>Net Income/(Loss)</b>	<b>86</b>	<b>87</b>
<b>EBITDA</b>	<b>113</b>	<b>185</b>
Profitability Ratios	1 January- 31 March 2023	1 January- 31 March 2024
Gross Profit Margin	49%	57%
Operating Profit Margin	13%	21%
Net Profit Margin	16%	13%
EBITDA Margin	21%	28%
Market Capitalization as of March 31st (TL thousand)	2.409.750	15.356.250

### 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 Kalemciik'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 31 March 2024, Adel had an average of 348 employees on its payroll. Of these, 175 were white-collar employees and 173 were blue-collar employees.

The provision set aside to cover employees' severance pay entitlements decreased by TL 9,793 thousand during the first three months of 2024. This brought the total amount in the provision to TL 23,449 thousand.

A total of TL 149,052 thousand was paid to employees as salaries, wages, bonuses, and other benefits during the first three months of 2024.

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### Charitable Donations & Assistance

None



## Information for Investors

Adel Kalemcilik 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 Kalemcilik 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
<b>E</b> yasemen.cayirezmez@adel.com.tr	pelin.islamoglu@adel.com.tr	fatih.cakici@adel.com.tr
<b>T</b> 0 850 677 70 00	0 850 677 70 00	0 850 677 70 00
<b>F</b> 0 850 202 72 10	0 850 202 72 10	0 850 202 72 10

## Dividend Policy

Adel Kalemcilik 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 Kalemcilik's general assembly of shareholders convened in ordinary session to discuss the company's 2023 results on Thursday 16 April 2024 at 09:30. 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](http://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 Kalemcilik 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 Kalemcilik 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 Kalemcilik corporate website.

## Information for Investors

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 Kalemcilik corporate website.

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

- A resolution approving the Adel Kalemcilik Board of Directors 2023 annual report and financial statements
- A resolution approving payment of a total of TL 150,002,212 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 Hürşit Zorlu, Burak Başarır, İbrahim Tamer Haşimoğlu, Stephan Leo Rosen, İzzet Karaca (independent), Tayfun Bayazıt (independent), Eyüp Mehmet Cemil Yükselen (independent), Uğur Bayar'ın (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 TL 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 Kalemcilik 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 TL 150,002,212 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 TL 6.3493 (634.93% dividend) and a net (after-tax) dividend of TL 5.71437 (571.44% dividend) for each share of stock with a par value of TL 1.00 that they hold and (3) effecting cash dividend payments on 26 September 2024.

# Contact

## Adel Kalemcilik

**Head Office**

Fatih Sultan Mehmet Mah. Balkan Cad. No: 58 Buyaka E Blok 34771  
Ümraniye/İstanbul

**Factory**

Şekerpınar Mah. Yanyol Sk. No: 7 41480 Çayırova/Kocaeli

**Web Site**

[www.adel.com.tr](http://www.adel.com.tr)

**Adel Hotline**

+90 850 224 23 35

[www.adel.com.tr](http://www.adel.com.tr)

