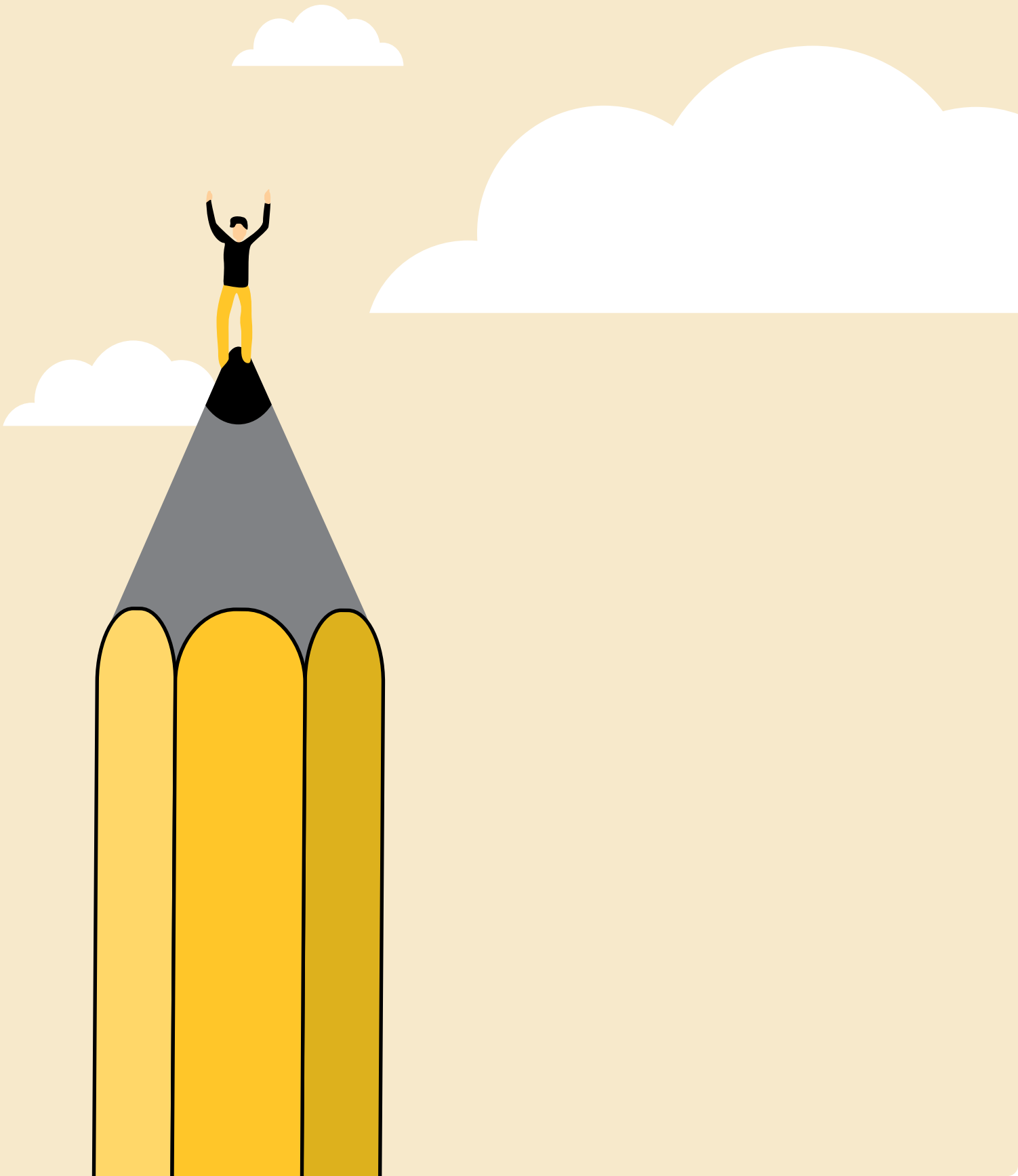




January-September 2024
Interim
Annual Report



More than a half-century of experience

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

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







Contents

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

Adel in Brief

THE BIGGEST

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



Turkey's premier stationery manufacturer

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

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

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

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

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

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

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

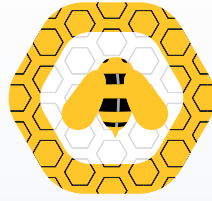
Vision

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

Mission

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





LEAVE A MARK



With Your Quality
LEAVE A MARK



With Your Innovation
LEAVE A MARK



With Your Goodness
LEAVE A MARK



Your Passion To Succeed
LEAVE A MARK

Values

Quality

Effectiveness, Reliability, Performance

Innovation

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

Goodness

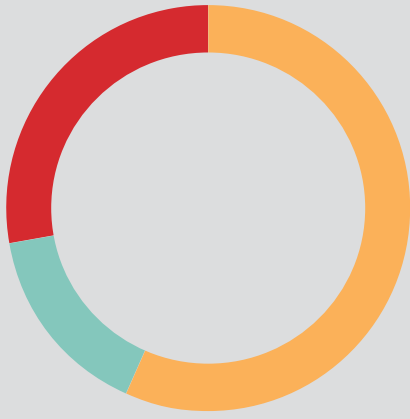
Sensitive, Thoughtful, Responsible, Fair, Promotes professional & personal development

Success

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



Shareholder Structure



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

The company had a total capital of TRL 259,875 thousand as of 30 September 2024. This capital was divided into 259,875,000 shares, each with a par value of TRL 1.00. Of these shares, 40,017,351 were registered in the name of their owners while the remaining 219,857,649 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.	147,831,323	56.89
Faber-Castell Aktiengesellschaft	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 more than 100 countries. With assets worth TRL 391.8 billion in value in 2023, the Group booked a total turnover of TRL 375.6 billion on its operations.

Anadolu Group manages its environmental, social and corporate governance activities in the strategic areas “future” of Nature, Business and People, with the sustainability strategy “From Anadolu to the Future”. Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center Hospital 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% (historical cost: TRL 3,833.36) in Ülkü Kirtasiye Ticaret ve Sanayi A.Ş. in Turkey. This company is currently non-operational.

CEO's Message



Our focus is sustainability

Committed to handing a more livable world on to future generations, we adhere to the highest management systems standards in all our operations and we place sustainability at the core of our business strategies.

We registered healthy results during the first three quarters of the year.

Making use of both our established and newer sales channels, we successfully completed production and shipment of all orders received in the first half of the year. After a strong first six months, the third quarter saw us significantly increase our marketing and sales activities. This is typical for our industry and business model, with the third quarter usually delivering our best financial results.

We organized and conducted a variety of campaigns to drive continued, healthy growth and bolstered these efforts with increased marketing and communication to further strengthen our brand. Driven by our commitment to innovation and offering products across all price points, we at Adel Kalemcilik have maintained the strong performance we established at the beginning of the year, achieving our goals and

making a successful start to the new academic year in the fall.

Turning now to our Q3 2024 financial results, we booked net sales worth TL 2,341 million. Gross profit rose by 300 basis points year-on-year to TL 1,203 million, with a margin of 51%. EBITDA reached TL 620 million, on a 26% margin. We registered a net profit of TL 201 million. The upshot is that our debt-to-EBITDA ratio, which was 0.4 in December 2023, jumped to 2.9 as of end-September 2024.

We are exploring international opportunities and assessing the potential of export markets.

We are looking to diversify and expand our presence in the international market by leveraging different sales channels and penetrating new markets to increase the relative weight of our export earnings. We are actively forging partnerships on a global scale while simultaneously pursuing growth initiatives in our existing markets, both within Turkey and abroad.

As one of the designated suppliers of the School Kits distributed by UNICEF worldwide, we are continuing our shipment processes in line with orders. We believe that this collaboration with UNICEF will not only drive sales growth in the foreseeable future but also give rise to a variety of other international opportunities.

We are working towards fulfilling our first shipments in the first quarter of 2025 as part of our new supplier's agreement with a leading global retailer.

In line with our efforts to pursue growth in international markets, we took part in the Efficient Collaborative Retail Marketing (ECRM) event held in New Orleans in July this year through our Montreal-based representative, HRS Global with the aim of expanding our presence in the North American market, which accounts for 21% of the world's stationery imports.

We make sustainability central to all our business strategies.

Committed to handing a more livable world on to future generations, we adhere to the highest management systems standards in all our operations and we place sustainability at the core of our business strategies.

We embrace both the Climate Action and the Quality Education principles of the United Nations 2030 Sustainable Development Goals.

Driven by our commitment to addressing the climate crisis and promoting environmental sustainability, we are actively developing policies, systems, and processes to reduce our carbon footprint. We are committed to sustainability and product safety in the conduct of all of our production processes. We regard these priorities as key differentiators for our company and we are excited about the new products which our R&D center is developing and which we'll be introducing to our customers in the near future.

Adel Kalemcilik is committed to fulfilling its responsibilities regarding product safety and it actively promotes awareness among stakeholders, emphasizing their importance at every opportunity.

Through our Goodness Tree corporate social responsibility program, we collaborate with numerous NGOs such as ÖRAV (Teacher Academy Foundation) and the Turkish Education Association as well as individual schools to create positive social impact and generate value.

We are likewise looking to continuously expand the reach of our Goodness Tree initiative.

As part of our commitment to a sustainable future, we will also be sharing our 2023 sustainability report with stakeholders in the last quarter of this year.

Proactive steps to support future growth

Maximizing market opportunities and actively exploring new product categories and business lines capable of driving future growth are always among our top agenda priorities.

To counteract the severe seasonality inherent in our sector, we are diversifying our product portfolio to create alternative revenue streams. We are looking to transform ourselves from a traditional stationery company into a comprehensive "Education & Office Technologies Company" with a diverse product portfolio that meets the evolving needs of today's world.

We are actively engaged in efforts and discussions with the aim of adding innovative STEM (Science, Technology, Engineering, Mathematics) products to our catalogue. These efforts are progressing rapidly and bearing fruit. The addition of these products will provide students with valuable tools to enhance their creativity, analytical thinking, and problem-solving skills and lead to a more effective and engaging learning experience for them. As Adel Kalemcilik, we are committed to improving education by providing students and educators with useful, high-quality STEM-focused tools and resources.

In line with this objective, we are working to introduce new products from the Far East to our customers through our current sales channels, while also seeking new collaborations to strengthen our existing partnerships. We are likewise continuing to expand our business through domestic and international partnerships so as to make both our planned investments and our product lineup richer and more productive.

We are confident that our strategic focus on competitive pricing, production efficiency, growth-oriented product development, and exploration of alternative sales channels will even further solidify our market position in the future. As always, effective cost management, operational profitability, and positive cash flow remain the cornerstones of our approach to ensuring our overall, long-term economic sustainability.

What sets Adel apart and is its primary environmental sustainability goal is to use all resources efficiently, to reduce the amount of petrochemical plastics, and reduce its carbon footprint, all while maintaining its responsible production approach and diversifying its product portfolio.

In closing, let me express my gratitude to our employees, first and foremost, as well as to our business partners, shareholders, investors, and all our other stakeholders for their contributions to our successful performance results.

Very truly yours,

Oğuz Uçanlar
CEO

Management and Organizational Structure

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

Board of Directors

Name	Position
Kamil 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
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-September 2024, the total value of all benefits provided to senior executives was TRL 71,203 thousand.

Activities



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



Sectoral Outlook and Adel’s Position in the Sector

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

The stationery sector has been dramatically reshaped in recent years both by the growing role of technology in our lives and by a rising awareness of sustainability. These shifts have significantly impacted consumer expectations. This transformation is being driven by two major forces: rapid digitalization on the one hand and on the other, by a growing demand for products made from recycled and environmentally friendly materials.

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.

Product safety and quality

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

Activities

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

Adel’s Business Cycle

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

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

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

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

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

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

Adel is a leading manufacturer of a wide range of stationery and art supplies including wood-cased pencils, paint and copy pens, ballpoint pens, rollerball pens, felt-tip markers and pens, crayons, watercolors, erasers, pencil sharpeners, finger paints, playdough, and gouache paints. Adel’s products are known for their high quality, durability, and affordability.

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

R&D and innovation are at the core of Adel’s production capabilities, allowing the company to constantly pursue new ventures and partnerships.

The Adel R&D Center is actively involved in developing products to make them better aligned with the company’s sustainability goals. In conjunction with efforts to reduce petrochemical-based plastics, Adel is actively exploring a wide range of alternative raw material sources. The company is likewise exploring alternative packaging materials with the aim of reducing overall packaging requirements.

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 operate on the principle of never bringing to market any product that we would not allow our own kids to use.” promise.

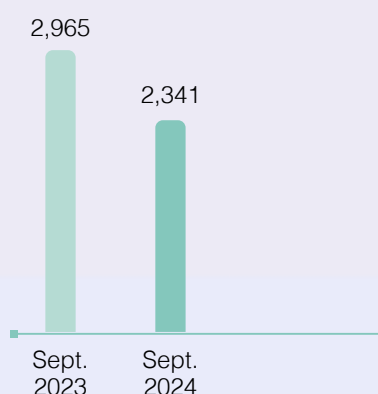
Adel is committed to producing high-quality products that touch people’s lives, shape their dreams, and have a positive impact on the future. Heedful of complying with all management system standards in the conduct all of its operations, Adel therefore sets compliance targets and devotes resources to 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 nine months of 2024 and 2023 respectively is shown below.

Net Sales (TRL million)	January-September 2023	January-September 2024	Change (%)
Domestic sales	2,798	2,246	-20
International sales	167	95	-43
Total	2,965	2,341	-21

Net Sales (TRL million)



-21% decrease

Weighing in at TRL 2,341 million, net sales were down 21% year-on-year. The decline in sales can be attributed primarily to a decrease in consumer purchasing power, which has had a more significant impact on consumer behavior in the 2024 season. However if the effects of the mandatory application of TAS 29 are excluded, net sales 30% increase and would have amounted to TRL 2,117 million in value.



Financial Performance

Disclaimer

As required by the Capital Markets Board, our 9M 2024 financials have been adjusted to account for the effects of inflation pursuant to TAS 29 ("Financial Reporting in Hyperinflationary Economies"). For this reason, all financial statements presented herein, including comparative data from earlier reporting periods, have been restated in accordance with TAS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 30 September 2024.

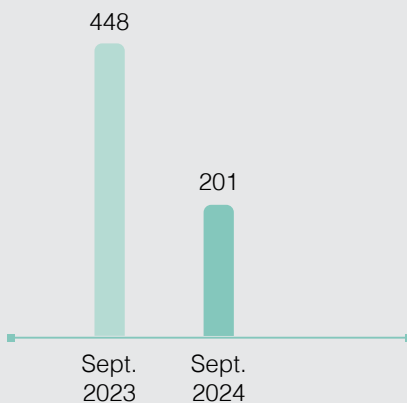
(TRL million)	9M23	9M24	%
Net Sales	2,965	2,341	-21%
Gross Profit	1,433	1,203	-16%
EBITDA (BNRI) ⁽¹⁾	901	620	-31%
Net Profit/(Loss) before Tax	763	303	-60%
Net Profit/(Loss)	448	201	-55%
Net Working Capital	1,371	1,719	25%
Net Financial Debt	826	1,174	42%
Free Cash Flow	-467	-928	99%
Gross Profit Margin	48%	51%	
EBITDA (BNRI) Margin ⁽¹⁾	30%	26%	
Net Profit Margin	15%	9%	

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

⁽¹⁾ BNRI: Before non-recurring items

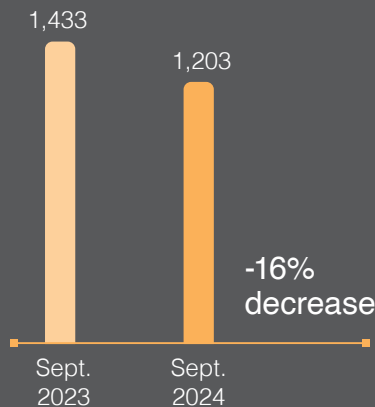
Net Profit (TRL million)

-55% decrease



Net profit decreased to TRL 201 million in the first nine months of 2024, compared to TRL 448 million in the same period last year. This decline was driven by factors impacting both gross profit and EBITDA margin, as well as by a substantial increase in financing costs due to increasingly higher interest rates. Excluding the effects of TAS 29, net profit weighed in at TRL 337 million.

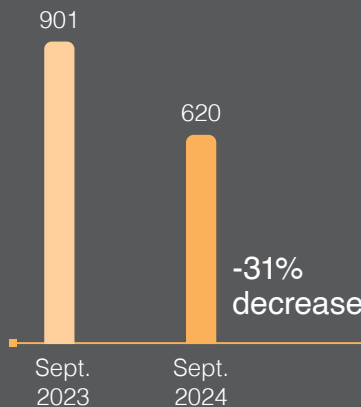
Gross Profit (TRL million)



Gross Profit Margin, %



EBITDA (BNRI) (TRL million)



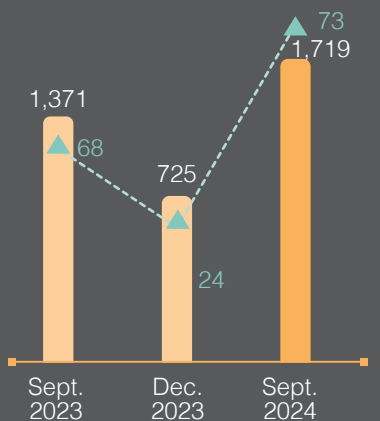
EBITDA (BNRI) Margin, %



9M 2024 gross profit was down by 16% compared to 9M 2023 and amounted to TRL 1,203 million. The company's gross profit margin also improved significantly in 2024 9M, reaching 51%, or 300 basis points above its 2024 9M figure. When we exclude the effects of TMS 29, our gross profit shows a remarkable 1.3-fold increase, reaching TRL 1,261 million. Similarly, our gross profit margin shows a substantial improvement, rising by 300 basis points to 60%.

Turkey's inflationary environment and the associated rise in costs and operating expenses impacted BNRI EBITDA, which declined by 31% year-on-year to TRL 620 million. The BNRI EBITDA margin also decreased, falling by 400 basis points to 26%. Excluding the effects of TMS 29, BNRI EBITDA increased by 12% to TRL 691 million while the BNRI EBITDA margin decreased by 500 basis points to 33%.

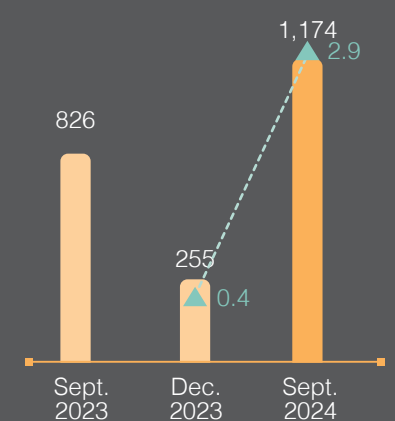
Net Working Capital (TRL million)



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

As of end-September 2024, Adel's net working capital requirement was TRL 1,719 million. Through effective balance sheet management, the company managed to keep the year-on-year increase in NWC to 25%, well below every posted rate of inflation. That said, Adel's net working capital/net sales ratio, which was 46% at end-September 2023, weighed in at 73% as of end-September 2024.

Net Financial Debt (TRL million)

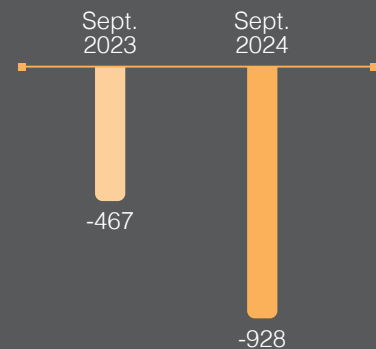


Net Financial Debt (TRL million)
 Net Financial Debt/EBITDA (BNRI)*

The company's as of end-September 2024 net financial debt was up by 42% year-on-year and weighed in at TL 1,174 million as of end-September.

Adel's Net Debt/EBITDA (BNRI) ratio, which was 0.4% at end-2023, increased to 2.9 as of end-September 2024.

Free Cash Flow (TRL million)



As of end-September 2024, Adel showed a negative free cashflow of TRL 928 million. This is TRL 461 million less than what it was at end-September 2023.

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



Financial Performance

Risks

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

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

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

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

Currency risk: The company's commercial operations expose it to currency risk because its FX-denominated liabilities exceed its FX-denominated assets. To reduce the impact of exchange rate movements on its costs, the

company hedges its currency risk exposure through the use of derivative contracts. The company's risk management policy mandates hedging at least 50% of FX exposure. As of 30 September 2024, the company held no unhedged FX risk.

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

Summary Balance Sheet

(TRL million)	31 December 2023	30 September 2024
Cash and equivalents	1,079	330
Short-term financial investments	178	40
Trade receivables	161	1,317
Inventories	836	714
Other current assets	230	67
Current Assets	2,484	2,468
Financial investments	1	1
Other receivables	1	-
Tangible assets	757	743
Right of use assets	183	136
Intangible assets	107	81
Other non-current assets	42	81
Non-Current Assets	1,091	1,042
Total Assets	3,575	3,510
Short term borrowings	1,060	985
Short term portion of long term borrowings	355	138
Trade payables	190	202
Other current liabilities	312	177
Current Liabilities	1,917	1,502
Long term borrowings	97	421
Long term provisions	52	38
Non-Current Liabilities	149	459
Equity	1,509	1,549
Total Liabilities & Equity	3,575	3,510

Financial Performance

Summary Income Statement

(TRL million)	1 January- 30 September 2023	1 January- 30 September 2024
Revenues	2,965	2,341
Cost of sales (-)	-1,532	-1,138
Gross Profit	1,433	1,203
Operating expenses (-)	-677	-735
Other operating income /expense (net)	21	-8
Operating Income	777	460
Income /(expense) from investment operations	6	-18
Profit/loss shares from investments accounted through equity method	-1	-
Financial income/(expense)	-131	-251
Monetary gains / (losses)	112	112
Income/(Loss) Before Tax from Continuing Operations	763	303
Tax income/(expense)	-315	-102
Net Income/(Loss)	448	201
EBITDA (BNRI) ⁽¹⁾	901	620
Profitability Ratios	1 January- 30 September 2023	1 January- 30 September 2024
Gross Profit Margin	48%	51%
Operating Profit Margin	26%	20%
Net Profit Margin	15%	9%
EBITDA (BNRI) Margin ⁽¹⁾	30%	26%
Market Capitalization as of September 30th	12,294	9,849

⁽¹⁾ BNRI: Before non-recurring items

Forward-Looking Statements Disclaimer

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

Other Information

Employee Compensation and Benefits

As of 30 September 2024, Adel had an average of 338 employees on its payroll. Of these, 155 were white-collar employees and 183 were blue-collar employees.

The provision set aside to cover employees' severance pay entitlements decreased by TRL 10,100 thousand during the first half of 2024. This brought the total amount in the provision to TRL 29,150 thousand.

A total of TRL 510,426 thousand was paid to employees as salaries, wages, bonuses, and other benefits during the first nine months of 2024.

Charitable Donations & Assistance

Our company donated a total of TRL 7,797 thousand during the first nine months of 2024.

Information for Investors

Adel has been listed under the ticker symbol “ADEL” on the İstanbul stock exchange since 1996. 27.71% of the company’s shares are included in the BIST ALL SHARES, BIST 100, BIST INDUSTRIAL, BIST ISTANBUL, BIST STARS, BIST 500, BIST 100-30 indexes.

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

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

Credit Rating

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

JCR Eurasia Rating (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

Yasemen Güven Çayirezmez CFO	Pelin İslamoğlu Kayol Reporting and Investor Relations Manager	Fatih Çakıcı Accounting Manager
Investor Relations Unit Manager	Investor Relations Unit Officer	Investor Relations Unit Officer
E yasemen.cayirezmez@adel.com.tr	pelin.islamoglu@adel.com.tr	fatih.cakici@adel.com.tr
T 0850 677 70 00	0850 677 70 00	0850 677 70 00
F 0850 202 72 10	0850 202 72 10	0850 202 72 10

Dividend Policy

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

General Assembly of Shareholders

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

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

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

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

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

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

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

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

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

- A resolution approving the Adel Board of Directors 2023 annual report and financial statements
- A resolution approving payment of a total of TRL 150,002 thousand in dividends beginning on 26 September 2024 in line with CMB regulations and the Board of Directors' recommendation

Information for Investors

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

Dividend Payments

Adel has been a consistent dividend payer since 2006.

At the company's annual general meeting held on 16 April 2024, shareholders passed a resolution (1) approving the payment of a cash dividend totaling TRL 150,002 thousand out of the company's unconsolidated net profit as determined in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards and as prescribed by CMB Communiqué II:41.1 concerning principles with which joint stock companies subject to the Capital Markets Law must comply, (2) stipulating that shareholders who are resident taxpayers will receive a gross dividend of TRL 6.3493 (634.93% dividend) and a net (after-tax) dividend of TRL 5.71437 (571.44% dividend) for each share of stock with a par value of TRL 1.00 that they hold and (3) effecting cash dividend payments on 26 September 2024. The company's paid-in capital was increased by 1,000% from TRL 23,625,000 to TRL 259,875,000. The TRL 236,250,000 increase was fully funded by capitalizing internal resources, with bonus shares being issued to represent it. As a result of this bonus share issue, our previously-announced cash dividend per share and ratio coefficients were also adjusted to reflect the new paid-in capital. From our 2023 net profit, a gross dividend of TRL 150,002,000 was paid to tax-resident corporations. This translates to a gross dividend of TRL 0.5772 per share with a nominal value of TRL 1.00 and corresponds to a gross dividend payout ratio of 57.72%. After taxes, the net dividend per share is TRL 0.5195 and corresponds to a net dividend payout ratio of 51.95%.

Share Capital Increase, Bonus Share Issue & CMB Application

At meetings of the Adel Board of Directors held on 1 July 2024 and 19 July 2024, the company's directors voted (1) in view of the TRL 1,450,000 thousand registered capital ceiling specified in article 10 ("Capital") of Adel's articles of association, to increase the company's paid-in capital from TRL 23,625 thousand TRL to TRL 259,875 thousand through a 1,000% bonus share issue, with the TRL 236,250 thousand increase being funded entirely from internal resources and (2) to amend both article 10 ("Capital") and article 12 ("Shares") of the articles of association accordingly as permitted by article 18 of the Capital Markets Law (Statute 6362). The Capital Markets Board of Turkey (SPK) has approved this share capital increase. This approval, along with the authorization to issue the bonus shares, was announced in SPK Bulletin 2024/43 dated 28 August 2024. Shareholders could begin exercising their right to receive bonus shares on 4 September 2024. The changes in our company's articles of association were registered by the İstanbul Trade Registry on 20 September 2024.

Contact

Adel

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

Adel Hotline

0850 224 23 35

www.adel.com.tr

