

**(CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 18)**

## **İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD  
BETWEEN 1 JANUARY - 30 JUNE 2025 AND INDEPENDENT  
AUDIT REVIEW REPORT**

**(Convenience translation into English of a review report originally issued in Turkish)**

**Report on Review of Interim Condensed Financial Statements**

**To the Board of Directors of İskenderun Demir ve Çelik Anonim Şirketi;**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of İskenderun Demir ve Çelik Anonim Şirketi (the Company) as of 30 June 2025 and the interim condensed statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the six-month period then ended, and explanatory notes. The Company management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Mehmet Başol Çengel, SMMM  
Partner

6 August 2025  
İstanbul, Türkiye

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(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

		(Reviewed) Current Period 30 June 2025 USD'000	(Reviewed) Current Period 30 June 2025 TRY'000	(Audited) Previous Period 31 December 2024 USD'000	(Audited) Previous Period 31 December 2024 TRY'000
ASSETS	Note				
<b>Current Assets</b>		<b>2.190.794</b>	<b>87.063.925</b>	<b>1.959.667</b>	<b>69.137.658</b>
Cash and Cash Equivalents		872.369	34.668.657	532.238	18.777.531
Financial Investments		-	-	5.428	191.503
Trade Receivables		207.703	8.254.269	209.932	7.406.470
<i>Due From Related Parties</i>	3	<i>121.845</i>	<i>4.842.221</i>	<i>120.693</i>	<i>4.258.096</i>
<i>Other Trade Receivables</i>		<i>85.858</i>	<i>3.412.048</i>	<i>89.239</i>	<i>3.148.374</i>
Other Receivables		9.720	386.272	4.340	153.109
<i>Due From Related Parties</i>	3	<i>4.537</i>	<i>180.298</i>	-	-
<i>Other Receivables</i>		<i>5.183</i>	<i>205.974</i>	<i>4.340</i>	<i>153.109</i>
Financial Derivative Instruments		-	-	816	28.785
Inventories	4	963.580	38.293.437	989.092	34.895.478
Prepaid Expenses		30.065	1.194.821	33.352	1.176.677
Other Current Assets		107.357	4.266.469	184.469	6.508.105
<b>Non Current Assets</b>		<b>3.161.262</b>	<b>125.631.052</b>	<b>3.063.739</b>	<b>108.089.603</b>
Financial Investments		1.770	70.328	1.979	69.831
Other Receivables		123	4.903	139	4.903
Investments Accounted For Using Equity Method	5	32.666	1.298.154	36.283	1.280.062
Property, Plant and Equipment	6	2.921.826	116.115.697	2.835.917	100.051.989
Right of Use Assets		21.908	870.647	13.105	462.360
Intangible Assets	6	40.299	1.601.517	41.118	1.450.662
Prepaid Expenses		142.670	5.669.806	135.198	4.769.796
<i>Due From Related Parties</i>	3	<i>1.306</i>	<i>51.903</i>	<i>1.357</i>	<i>47.892</i>
<i>Other Prepaid Expenses</i>		<i>141.364</i>	<i>5.617.903</i>	<i>133.841</i>	<i>4.721.904</i>
<b>TOTAL ASSETS</b>		<b>5.352.056</b>	<b>212.694.977</b>	<b>5.023.406</b>	<b>177.227.261</b>

The details of presentation currency translation to TRY explained in Note 2.1.

The accompanying notes form an integral part of these condensed interim financial statements.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

		(Reviewed) Current Period 30 June 2025 USD'000	(Reviewed) Current Period 30 June 2025 TRY'000	(Audited) Previous Period 31 December 2024 USD'000	(Audited) Previous Period 31 December 2024 TRY'000
LIABILITIES	Note				
<b>Current Liabilities</b>		<b>965.263</b>	<b>38.430.160</b>	<b>847.874</b>	<b>29.967.974</b>
Short Term Borrowings	7	86.730	3.452.938	278.156	9.831.094
Short Term Portion of Long Term Borrowings	7	91.309	3.635.229	91.650	3.239.261
Trade Payables		677.021	26.954.560	348.798	12.328.734
<i>Due to Related Parties</i>	3	<i>151.665</i>	<i>6.038.141</i>	<i>62.503</i>	<i>2.209.079</i>
<i>Other Trade Payables</i>		<i>525.356</i>	<i>20.916.419</i>	<i>286.295</i>	<i>10.119.655</i>
Payables for Employee Benefits	9	53.251	2.120.034	81.822	2.891.890
Other Payables		22.563	898.271	20.954	740.577
<i>Due to Related Parties</i>	3	<i>17.276</i>	<i>687.808</i>	-	-
<i>Other Trade Payables</i>		<i>5.287</i>	<i>210.463</i>	<i>20.954</i>	<i>740.577</i>
Derivative Financial Instruments		3.831	152.532	-	-
Deferred Revenue		16.576	659.917	10.908	385.542
Current Tax Liabilities	11	3.533	140.669	5.809	205.298
Short Term Provisions	8	6.767	269.402	5.111	180.654
Other Current Liabilities		3.682	146.608	4.666	164.924
<b>Non Current Liabilities</b>		<b>1.020.832</b>	<b>40.641.792</b>	<b>867.556</b>	<b>30.662.714</b>
Long Term Borrowings	7	733.389	29.197.979	564.899	19.965.671
Long Term Provisions		70.940	2.824.295	75.137	2.655.639
<i>Long Term Provisions for Employee Benefits</i>	9	<i>70.940</i>	<i>2.824.295</i>	<i>75.137</i>	<i>2.655.639</i>
Deferred Tax Liabilities	11	216.503	8.619.518	227.520	8.041.404
<b>EQUITY</b>		<b>3.365.961</b>	<b>133.623.025</b>	<b>3.307.976</b>	<b>116.596.573</b>
Share Capital	12	1.474.105	2.900.000	1.474.105	2.900.000
Inflation Adjustment to Capital		85	164	85	164
Other Comprehensive Income/Expense Not to be Reclassified to Profit/ (Loss)		(76.765)	68.723.994	(73.707)	61.397.172
<i>Actuarial (Loss)/ Gain Funds</i>		<i>(76.765)</i>	<i>(1.318.334)</i>	<i>(73.707)</i>	<i>(1.196.793)</i>
<i>Foreign Currency Translation Reserves</i>		-	<i>70.042.328</i>	-	<i>62.593.965</i>
Other Comprehensive Income/Expense to be Reclassified to Profit/ (Loss)		(958)	(38.123)	119	4.217
<i>Cash Flow Hedging Gain (Loss)</i>		<i>(958)</i>	<i>(38.123)</i>	<i>119</i>	<i>4.217</i>
Restricted Reserves Assorted from Profit		487.715	3.237.560	486.185	3.179.560
Retained Earnings		1.400.534	55.758.605	986.353	34.861.452
Net Profit for the Period		81.245	3.040.825	434.836	14.254.008
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5.352.056</b>	<b>212.694.977</b>	<b>5.023.406</b>	<b>177.227.261</b>

The details of presentation currency translation to TRY explained in Note 2.1.

The accompanying notes form an integral part of these condensed interim financial statements.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as of Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

		(Reviewed) Current Period 1 January - 30 June 2025	(Reviewed) Current Period 1 January - 30 June 2025	(Not Reviewed) Current Period 1 April - 30 June 2025	(Reviewed) Previous Period 1 January - 30 June 2024	(Reviewed) Previous Period 1 January - 30 June 2024	(Not Reviewed) Previous Period 1 April - 30 June 2024
	Note	USD'000	TRY'000	TRY'000	USD'000	TRY'000	TRY'000
Revenue	13	1.486.932	55.652.605	28.746.148	1.702.140	53.775.357	28.093.850
Cost of Sales	13	(1.364.098)	(51.055.197)	(26.017.469)	(1.531.943)	(48.398.367)	(25.727.825)
<b>GROSS PROFIT/(LOSS)</b>		<b>122.834</b>	<b>4.597.408</b>	<b>2.728.679</b>	<b>170.197</b>	<b>5.376.990</b>	<b>2.366.025</b>
Marketing, Sales and Distribution Expenses	14	(17.224)	(644.668)	(341.212)	(14.973)	(473.024)	(257.808)
General Administrative Expenses	14	(26.714)	(999.832)	(551.108)	(25.505)	(805.782)	(465.598)
Research and Development Expenses		(42)	(1.587)	(281)	(28)	(880)	(64)
Other Operating Income	14	15.687	587.141	383.895	117.391	3.708.707	320.673
Other Operating Expenses	14	(7.704)	(288.355)	(157.057)	(4.118)	(130.113)	(50.309)
<b>OPERATING PROFIT/(LOSS)</b>		<b>86.837</b>	<b>3.250.107</b>	<b>2.062.916</b>	<b>242.964</b>	<b>7.675.898</b>	<b>1.912.919</b>
Income from Investing Activities		-	-	-	922	29.119	29.119
Expenses from Investing Activities		(203)	(7.580)	(3.989)	(38)	(1.197)	(146)
Share of Investments' Profit Accounted by Using The Equity Method	5	1.043	39.021	25.182	3.442	108.737	65.645
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCE INCOME/ (EXPENSE)</b>		<b>87.677</b>	<b>3.281.548</b>	<b>2.084.109</b>	<b>247.290</b>	<b>7.812.557</b>	<b>2.007.537</b>
Finance Income	15	46.894	1.755.131	626.805	50.006	1.579.824	954.041
Finance Expense	15	(59.431)	(2.224.333)	(915.310)	(51.873)	(1.638.800)	(615.819)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>75.140</b>	<b>2.812.346</b>	<b>1.795.604</b>	<b>245.423</b>	<b>7.753.581</b>	<b>2.345.759</b>
Tax (Expense)/ Income	11	6.105	228.479	218.200	(20.286)	(640.879)	442.885
Current Corporate Tax (Expense)/ Income		(3.533)	(132.244)	(83.344)	(67.254)	(2.124.738)	(1.186.941)
Deferred Tax (Expense)/ Income		9.638	360.723	301.544	46.968	1.483.859	1.629.826
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>81.245</b>	<b>3.040.825</b>	<b>2.013.804</b>	<b>225.137</b>	<b>7.112.702</b>	<b>2.788.644</b>
Earnings/(Loss) per share			1,0486	0,6944		2,4527	0,9616
(TRY 1 Nominal value per share)							

The details of presentation currency translation to TRY explained in Note 2.1.

The accompanying notes form an integral part of these condensed interim financial statements.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as of Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

		(Reviewed) Current Period 1 January - 30 June 2025 USD'000	(Reviewed) Current Period 1 January - 30 June 2025 TRY'000	(Not Reviewed) Current Period 1 April - 30 June 2025 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2024 USD'000	(Reviewed) Previous Period 1 January - 30 June 2024 TRY'000	(Not Reviewed) Previous Period 1 April - 30 June 2024 TRY'000
Note							
	<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>81.245</b>	<b>3.040.825</b>	<b>2.013.804</b>	<b>225.137</b>	<b>7.112.702</b>	<b>2.788.644</b>
	<b>OTHER COMPREHENSIVE INCOME</b>						
	<b>Not to be reclassified subsequently to profit or loss</b>						
	Foreign Currency Translation Gain (Loss)	-	14.874.508	6.618.175	-	10.145.799	1.634.141
9	Actuarial Gain/(Loss) of Defined Benefit Plans	(4.077)	(162.055)	(162.055)	(7.492)	(245.916)	(245.916)
11	Tax Effect of Actuarial Gain/(Loss) of Defined Benefit Plans	1.019	40.514	40.514	1.873	61.479	61.479
	<b>To be reclassified subsequently to profit or loss</b>						
	Gain (Loss) in Cash Flow Hedging Reserves	(1.436)	(56.453)	(60.640)	1.799	55.155	21.566
11	Tax Effect of Gain (Loss) in Cash Flow Hedging Reserves	359	14.113	15.160	(450)	(13.789)	(5.392)
	<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(4.135)</b>	<b>14.710.627</b>	<b>6.451.154</b>	<b>(4.270)</b>	<b>10.002.728</b>	<b>1.465.878</b>
	<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>77.110</b>	<b>17.751.452</b>	<b>8.464.958</b>	<b>220.867</b>	<b>17.115.430</b>	<b>4.254.522</b>

The details of presentation currency translation to TRY explained in Note 2.1.

The accompanying notes form an integral part of these condensed interim financial statements.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as of Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

	Note	Share Capital	Inflation Adjustment to Capital	Other Comprehensive Income (Expense) Not to be Reclassified to Profit/ (Loss)		Other comprehensive income (expense) to be reclassified subsequently to profit or loss	Restricted Reserves Assorted from Profit	Retained Earnings		Total Shareholders' Equity
				Foreign Currency Translation Reserves	Actuarial (Loss)/ Gain Funds	Cash Flow Hedging Gain (Loss)		Retained Earnings	Net Profit for the Period	
(Reviewed)										
<b>1 January 2025</b>		<b>2.900.000</b>	<b>164</b>	<b>62.593.965</b>	<b>(1.196.793)</b>	<b>4.217</b>	<b>3.179.560</b>	<b>34.861.452</b>	<b>14.254.008</b>	<b>116.596.573</b>
Net profit for the period		-	-	-	-	-	-	-	3.040.825	3.040.825
Other comprehensive income/(loss)		-	-	14.874.508	(121.541)	(42.340)	-	-	-	14.710.627
Total comprehensive income/(loss)		-	-	14.874.508	(121.541)	(42.340)	-	-	3.040.825	17.751.452
Increase (decrease) due to other changes (**)	2.1	-	-	(7.426.145)	-	-	-	7.426.145	-	-
Dividends (*)		-	-	-	-	-	-	(725.000)	-	(725.000)
Transfers		-	-	-	-	-	58.000	14.196.008	(14.254.008)	-
<b>30 June 2025</b>		<b>2.900.000</b>	<b>164</b>	<b>70.042.328</b>	<b>(1.318.334)</b>	<b>(38.123)</b>	<b>3.237.560</b>	<b>55.758.605</b>	<b>3.040.825</b>	<b>133.623.025</b>
(Reviewed)										
<b>1 January 2024</b>		<b>2.900.000</b>	<b>164</b>	<b>50.764.442</b>	<b>(953.191)</b>	<b>(26.023)</b>	<b>3.049.060</b>	<b>25.666.719</b>	<b>4.601.547</b>	<b>86.002.718</b>
Net profit for the period		-	-	-	-	-	-	-	7.112.702	7.112.702
Other comprehensive income/(loss)		-	-	10.145.799	(184.437)	41.366	-	-	-	10.002.728
Total comprehensive income/(loss)		-	-	10.145.799	(184.437)	41.366	-	-	7.112.702	17.115.430
Increase (decrease) due to other changes (**)	2.1	-	-	(3.748.738)	-	-	-	3.748.738	-	-
Dividends		-	-	-	-	-	-	(1.450.000)	-	(1.450.000)
Transfers		-	-	-	-	-	130.500	4.471.047	(4.601.547)	-
<b>30 June 2024</b>		<b>2.900.000</b>	<b>164</b>	<b>57.161.503</b>	<b>(1.137.628)</b>	<b>15.343</b>	<b>3.179.560</b>	<b>32.436.504</b>	<b>7.112.702</b>	<b>101.668.148</b>

(\*) At the Ordinary General Assembly Meeting of the Company held on 26 March 2025, dividend per share: TRY 0,25 (2024: TRY 0,50) from the profits of 2024. The decision to distribute a cash dividend of TRY 725.000 thousand (28 March 2024: TRY 1.450.000 thousand) was unanimously approved. The dividend payment was started at 2 July 2025.

(\*\*) Retained earnings; in the condensed financial statements, in accordance with TAS 21, the details of conversion of retained earnings to the presentation currency, Turkish Lira, in the condensed statement of financial position dated 30 June 2025 by converting to US Dollars at historical rates, are explained in Note 2.1

The accompanying notes form an integral part of these condensed interim financial statements.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

		(Reviewed) Current Period 1 January - 30 June 2025 USD'000	(Reviewed) Current Period 1 January - 30 June 2025 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2024 USD'000	(Reviewed) Previous Period 1 January - 30 June 2024 TRY'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>523.583</b>	<b>20.284.423</b>	<b>64.745</b>	<b>1.648.344</b>
Profit (Loss) for The Period		81.245	3.040.825	225.137	7.112.702
Adjustments to Reconcile Profit (Loss)		54.668	2.100.156	(18.677)	(589.038)
Adjustments for Depreciation and Amortisation Expenses	13/14	59.745	2.263.123	58.563	1.850.157
Adjustments for Impairment Loss (Reversal of Impairment Loss)		(3.590)	(134.356)	(0)	(9)
Adjustments for Provision (Reversal of Provision) for Receivables		-	-	(0)	(9)
Adjustments for Provision (Reversal of Provision) for Inventories	4	(3.590)	(134.356)	-	-
Adjustments for Provisions		12.241	458.120	11.345	358.425
Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits	9	9.985	373.678	10.614	335.311
Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits	8	2.256	84.442	731	23.114
Adjustments for Interest (Income) and Expenses		(12.326)	(461.341)	3.301	104.291
Adjustments for Interest Income	15	(46.894)	(1.755.131)	(43.085)	(1.361.170)
Adjustments for Interest Expense	15	34.567	1.293.767	46.351	1.464.358
Unearned Financial Income from Credit Sales		1	23	35	1.103
Adjustments for Unrealised Foreign Exchange Differences		465	9.245	(2.501)	(86.284)
Adjustments for Fair Value (Gains) Losses		6.067	227.063	(48)	(1.507)
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		6.067	227.063	(48)	(1.507)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	(1.043)	(39.021)	(3.442)	(108.737)
Adjustments for Tax (Income) Expenses	11	(6.105)	(228.479)	20.286	640.879
Other Adjustments for Non-Cash Items	14	-	-	(105.000)	(3.317.244)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		154	5.802	(918)	(29.009)
Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment		154	5.802	(918)	(29.009)
Other adjustments for Losses (Gains) Reconciliation		(940)	-	(263)	-
<b>Changes in Working Capital</b>		<b>333.615</b>	<b>13.258.129</b>	<b>(255.910)</b>	<b>(8.400.542)</b>
Adjustments for Decrease (Increase) in Trade Receivables		5.852	232.564	(20.296)	(666.231)
Decrease (Increase) in Trade Receivables from Related Parties		(1.152)	(45.781)	15.830	519.639
Decrease (Increase) in Trade Receivables from Third Parties		7.004	278.345	(36.126)	(1.185.870)
Adjustments for Decrease (Increase) in Other Receivables Related from Operations		(827)	(32.865)	(3)	(98)
Decrease (Increase) in Other Receivables from Operations from Third Parties		(827)	(32.865)	(3)	(98)
Decrease (Increase) in Derivative Financial Instruments		816	32.428	(1.268)	(41.624)
Adjustments for Decrease (Increase) in Inventories		32.878	1.306.598	(17.326)	(568.732)
Decrease (Increase) in Prepaid Expenses		3.372	134.007	6.139	201.507
Adjustments for Increase (Decrease) in Trade Payables		328.223	13.043.844	(157.224)	(5.161.067)
Increase (Decrease) in Trade Payable to Related Parties		89.162	3.543.369	(30.829)	(1.011.999)
Increase (Decrease) in Trade Payable to Third Parties		239.061	9.500.475	(126.395)	(4.149.068)
Adjustments for Increase (Decrease) in Other Payables Related from Operations		(45.138)	(1.793.820)	(9.246)	(303.511)
Increase (Decrease) in Other Payables to Third Parties Related from Operations		(45.138)	(1.793.820)	(9.246)	(303.511)
Increase (Decrease) in Derivative Liabilities		(3.672)	(145.928)	666	21.862
Adjustments for Other Increase (Decrease) in Working Capital		12.111	481.301	(57.352)	(1.882.648)
Decrease (Increase) in Other Assets Related from Operations		7.427	295.155	(57.340)	(1.882.254)
Increase (Decrease) in Other Payables Related from Operations		4.684	186.146	(12)	(394)
<b>Cash Flows Provided by Operating Activities</b>		<b>469.528</b>	<b>18.399.110</b>	<b>(49.450)</b>	<b>(1.876.878)</b>
Payments Related to Provisions for Employee Termination Benefits	9	(10.064)	(376.660)	(1.102)	(34.811)
Payments Related to Other Provisions	8	(81)	(3.022)	(58)	(1.826)
Income Taxes Refund (Paid)		-	-	(1.145)	(36.329)
Other Cash Inflow (Outflow)		64.200	2.264.995	116.500	3.598.188
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(139.511)</b>	<b>(5.233.255)</b>	<b>(274.056)</b>	<b>(8.680.709)</b>
Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets		2	52	979	30.951
Cash Inflow from Sales of Property, Plant and Equipment		2	52	979	30.951
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets		(94.284)	(3.528.817)	(256.761)	(8.111.794)
Cash Outflow from Purchase of Property, Plant and Equipment		(94.280)	(3.528.660)	(256.714)	(8.110.296)
Cash Outflow from Purchase of Intangible Assets		(4)	(157)	(47)	(1.498)
Cash Advances and Debts Given		(50.657)	(1.895.993)	(18.274)	(599.866)
Cash Advance and Debts Given to Related Parties		-	-	240	7.878
Other Cash Advances and Debts Given		(50.657)	(1.895.993)	(18.514)	(607.744)
Other Cash Inflows (Outflows)		5.428	191.503	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(36.158)</b>	<b>(1.286.458)</b>	<b>309.427</b>	<b>9.450.633</b>
Cash Inflow from Borrowings		249.744	9.347.356	558.414	17.641.859
Cash Inflow from Loans		249.744	9.347.356	558.414	17.641.859
Cash Outflow from Repayments of Borrowings		(274.686)	(10.211.052)	(297.407)	(9.432.950)
Cash Outflow from Loan Repayments		(274.686)	(10.211.052)	(297.407)	(9.432.950)
Increase (Decrease) in Other Payables to Related Parties		-	-	94.983	2.742.476
Cash Outflow from Debt Payments for Leasing Contracts		(3.112)	(116.459)	(870)	(27.491)
Dividends Paid		-	-	(45.080)	(1.449.539)
Interest Paid		(50.886)	(1.904.558)	(37.665)	(1.189.954)
Interest Received		42.782	1.598.255	37.052	1.166.232
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>347.914</b>	<b>13.764.710</b>	<b>100.116</b>	<b>2.418.268</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(8.274)	2.105.052	(15.223)	1.698.779
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>339.640</b>	<b>15.869.762</b>	<b>84.893</b>	<b>4.117.047</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		531.826	18.763.006	392.653	11.558.996
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>871.466</b>	<b>34.632.768</b>	<b>477.546</b>	<b>15.676.043</b>

- As of 30 June 2025, the total accrual of interest on time deposits is TRY 35.889 thousand (USD 903 thousand) (30 June 2024: TRY 98.105 thousand (USD 2.989 thousand)).

The accompanying notes form an integral part of these condensed interim financial statements.

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 1 – COMPANY’S ORGANIZATION AND NATURE OF OPERATIONS

İskenderun Demir ve Çelik A.Ş. (“the Company”) registered in 12 November 1968 and published at 19 November 1968 in the trade registry gazette. The Company established in 3 October 1970 in the southern of Türkiye on the Mediterranean coast in the distance of 17 km from İskenderun in Payas region. The principal activities of the Company are production and sale of iron products, flat and long steel products and their by-products. The Company’s main products are billet, slab, coil, plate, wire rod and by-products are coke, benzol, ammonium sulphate and slag.

The Company had become an affiliated company of the Turkish Iron and Steel Administration with the decision no 93/T-85 dated 10 September 1993 of Supreme Planning Committee. Then with the decision no 98/20 of Privatization Committee dated 2 March 1998, the Company was transferred to Turkish Privatization Administration. Ultimately, shares of the Company were transferred to Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (“Erdemir”) in 31 January 2002 by the Turkish Privatization Administration with the decision no 2001/08 which dated 8 February 2001. The immediate parent of Ereğli Demir ve Çelik Fabrikaları T.A.Ş is Ataer Holding A.Ş. The ultimate controlling party is Ordu Yardımlaşma Kurumu (OYAK). İskenderun Demir ve Çelik A.Ş. stocks continue to be traded on Borsa İstanbul since 26 March 2016.

The registered address of the Company is Karayılan Beldesi, 31319 İskenderun/HATAY.

The main operations of the subsidiaries of the Company and the share percentages of İsdemir for these companies are as follows:

Shares in Subsidiaries and Joint Ventures	Business Area	Valid Currency	Share of Capital and right to vote of Company (%)	
			30 June 2025	31 December 2024
Teknopark Hatay A.Ş.	R&D Centre	TRY	5%	5%
İsdemir Linde Gaz Ortaklığı A.Ş.	Industrial Gas Production and Sales	US Dollars	50%	50%

The number of the personnel employed by the Company as of reported period 30 June 2025 are as follows:

	30 June 2025	31 December 2024
	Personnel	Personnel
Paid Hourly Personnel	3.422	3.711
Paid Monthly Personnel	1.368	1.437
	4.790	5.148

#### NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

The Company and all its subsidiaries in Türkiye maintain their legal books of account and prepare their statutory financial statements (“Statutory Financial Statements”) in accordance with accounting principles issued by the Turkish Commercial Code (“TCC”) and tax legislation.

## **İSKENDERUN DEMİR VE ÇELİK A.Ş.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### **NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)**

##### **2.1 Basis of Presentation (cont’d)**

The accompanying condensed financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

In addition, interim condensed financial statements are prepared in accordance with TFRS Taxonomy Announcement published by the POA on 3 July 2024 and Financial Statement Examples formats specified in the User's Guide published by CMB.

Financial statements are prepared on the basis of historical cost, except for derivative financial instruments and financial investments carried at fair value. In determining historical cost, the fair value of the amount paid for the assets is generally taken as basis.

In accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting”, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Company has preferred to prepare condensed financial statements in the interim period. Accordingly, these condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

##### Functional and Reporting Currency

Although the currency of the country in which is the Company is domiciled is Turkish Lira (TRY), the Company’s functional currency is determined as US Dollar. US Dollar is used to a significant extent in, and has a significant impact on the operations of the Company and reflects the economic substance of the underlying events and circumstances relevant to the Company. Therefore, the Company uses the US Dollar in measuring items in its financial statements and as the functional currency.

The accompanying financial statements are prepared in Turkish Lira (TRY) in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on 13 June 2013.

##### Functional currency of the joint venture

The functional currency of the Company’s joint venture İsdemir Linde Gaz Ortaklığı A.Ş. is US Dollars.

##### Inflation accounting

The Public Oversight, Accounting and Auditing Standards Authority (“POA”) 23 November 2023, in accordance with the announcement “Adjustment of the Financial Statements of Companies Subject to Independent Audit in Accordance with Inflation”; It has been decided that the financial statements of the enterprises applying the Turkish Financial Reporting Standards for the annual reporting period ended on or after 31 December 2023, in accordance with the relevant accounting principles contained in the Turkish Accounting Standard 29 “Financial Reporting in High-Inflation Economies” (TAS 29) will be presented adjusted for the effect of inflation.

In line with the above explanations, the Company does not need to make any adjustments in accordance with TAS 29 in its financial statements to be prepared in accordance with TFRS due to the fact that the functional currency of the Company is US dollars as of the reporting date.

## **İSKENDERUN DEMİR VE ÇELİK A.Ş.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### **NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)**

##### **2.1 Basis of Presentation (cont’d)**

###### Presentation currency translation

Company; Pursuant to the Public Oversight, Accounting and Auditing Standards Authority's "POA" announcement dated 15 March 2021, "On the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards", the assets and liabilities in the summary financial statements are used by using the buying and selling rates valid as of the end of the reporting period. It has been valued and translated into the presentation currency at the same exchange rates.

According to TAS 21 (“The Effects of Changes in Foreign Exchange Rates”) financial statements that are prepared in US Dollars for the Company have been translated in TRY as the following method:

- a) The assets on condensed financial position as of 30 June 2025 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying rate of exchange which is 39,7408 TRY = 1 US \$ and the liabilities selling rate of exchange which is 39,8124 TRY = 1 US \$ (31 December 2024 foreign exchange buying rate: 35,2803 TRY = 1 US \$, foreign exchange selling rate: 35,3438 TRY = 1 US \$).
- b) For the six months period ended 30 June 2025, condensed profit or loss statements are translated from the six months average 37,4278 TRY = 1 US \$ rates of 2025 January-June period (30 June 2024: 31,5928 TRY = 1 US \$).
- c) Retained earnings; In the condensed interim financial statements, in accordance with TAS 21, they are converted to US Dollars at historical rates and followed in US Dollars. In order to show the Turkish Lira equivalent amounts as of the reporting dates Retained earnings in the statement of financial position dated 30 June 2025 are presented by converting them into TRY using the foreign exchange selling rate effective as of 30 June 2025 announced by the Central Bank of the Republic of Türkiye, 39,8124 TRY = 1 US \$ (31 December 2024: 35,3438 TRY= 1 US \$).
- d) Exchange differences are shown in other comprehensive income as of foreign currency translation reserve.
- e) Capital and other reserves are presented with their legal values in the accompanying financial statements, and other equity items are presented with their historical cost values. The translation differences between the historical values of these items translated into the presentation currency and their carrying values from legal records are accounted for as foreign currency translation differences in the other comprehensive income statement.

###### USD amounts presented in the condensed interim financial statements

The figures in USD amounts presented in the accompanying condensed interim financial statements comprising the statements of financial position as of 30 June 2025 and 31 December 2024, condensed statement of income and other comprehensive income and statement of cash flows for the six month interim period ended 30 June 2025 and 2024 represent the financial statements prepared according to USD reporting currency within the frame of functional currency change that the Company has made, which is effective as of 1 July 2013, prepared in accordance with the TAS 21- Effects of Changes in Foreign Exchange Rates.

###### Going concern

The Company prepared its condensed interim financial statements in accordance with the going concern assumption.

###### Approval of the financial statements

The condensed interim financial statements have been approved on 6 August 2025 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)**

**2.2 Comparative Information and Restatement of Financial Statements with Prior Periods**

The Company’s financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends in accordance with a new illustrative financial statements. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period financial statements.

**2.3 Adoption of New and Revised Financial Reporting Standards**

The accounting policies adopted in preparation of the interim condensed financial statements as at 30 June 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2025 summarized below.

**a) The new standards, amendments and interpretations which are effective from 2025**

Amendments to TAS 21 : *Lack of Exchangeability*

The effects of these standards and comments on the financial statements and performance of the company are explained in the relevant paragraphs.

**Amendments to TAS 21 Lack of Exchangeability**

In May 2024, the POA published amendments to TAS 21. The amendments determine how to assess whether a currency is fungible and how to determine the applicable exchange rate in cases where the currency is not fungible. According to the amendment, when an estimate of the applicable exchange rate is made because a currency is not fungible, information is disclosed that enables financial statement users to understand how the inability to fungible currency with another currency affects or is expected to affect the performance, financial position and cash flow of the enterprise. When changes are implemented, comparative information is not restated.

**b) New and revised TFRSs in issue but not yet effective**

The company, with the following standards that have not yet entered into force, has not yet implemented the following changes and comments:

Amendments to TFRS 10 and TAS 28	: <i>Sales or Contributions of Assets by the Investor to its Associate or Joint Venture</i>
TFRS 17	: <i>Insurance Contracts</i>
TFRS 18	: <i>New Standard for Presentation and Disclosure in Financial Statements</i>

**Amendments to TFRS 10 and TAS 28 Sales or Contributions of Assets by the Investor to its Associate or Joint Venture**

The POA postponed the effective date of the amendments made to TFRS 10 and TAS 28 indefinitely in December 2017, to be changed depending on the ongoing research project outputs regarding the equity method. However, it still allows early application.

## **İSKENDERUN DEMİR VE ÇELİK A.Ş.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### **NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)**

##### **2.3 Adoption of New and Revised Financial Reporting Standards (cont’d)**

###### **b) New and revised TFRSs in issue but not yet effective (cont’d)**

###### **TFRS 17 Insurance Contracts**

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that allows both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profit throughout the period in which the services are provided. With the announcement made by the POA, the mandatory effective date of the Standard has been postponed to accounting periods starting on or after 1 January 2026.

###### **New Standard for Presentation and Disclosure in Financial Statements**

In May 2025, the Public Oversight Authority (POA) published TFRS 18, which replaces TAS 1. TFRS 18 introduces new requirements for the presentation of the profit or loss statement, including the disclosure of certain totals and subtotals. TFRS 18 requires entities to present all income and expenses included in the profit or loss statement within one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations. The standard also requires the disclosure of performance measures determined by management and introduces new requirements for aggregating or disaggregating financial information in accordance with the functions defined for the primary financial statements and footnotes. The publication of TFRS 18 also brought certain amendments to other financial reporting standards, such as TAS 7, TAS 8, and TAS 34. TFRS 18 and the related amendments will become effective for reporting periods beginning on or after 1 January 2027. However, early adoption is permitted. TFRS 18 will be applied retroactively.

The potential impacts of these standards, amendments and improvements on the Company's financial position and performance are being assessed.

###### **c) Changes published by the International Accounting Standards Board (IASB) but not published by the POA**

TFRS 9 and TFRS 7 (Amendments)	: <i>Classification and Measurement of Financial Instruments</i>
TFRS 9 and TFRS 7 (Amendments)	: <i>Contracts for Electricity Produced from Natural Resources</i>
TFRS 19	: <i>New Non-Publicly Accountable Subsidiaries: Disclosures Standard</i>

###### **Annual Improvements to TFRS Accounting Standards – 11th Amendment**

The possible effects of these standards, changes and improvements on the Company's financial position and performance are being evaluated.

##### **2.4 Summary of Significant Accounting Policies**

The condensed interim financial statements for the six months period ended 30 June 2025 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim financial statements for the period ended 30 June 2025 are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2024.

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)

##### 2.4 Summary of Significant Accounting Policies (cont’d)

Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024. There has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope as of 30 June 2025, from the interests reported as of 31 December 2024.

##### 2.5 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standards is made either retrospectively or prospectively in accordance with the transition requirements of the standards. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

##### 2.6 Segment Reporting

The segments with similar economic characteristics have been combined into a single operating segment considering the nature of the products and the production processes, methods to allocate the products and the type of customers or to provide services.

#### NOTE 3 –RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling parent of the Company are Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and Ordu Yardımlaşma Kurumu respectively (Note 1).

The details of trade receivables between the Company and related parties are disclosed below:

	30 June 2025	31 December 2024
<u>Due from related parties (short term)</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	4.768.393	4.226.819
OYAK Sentetik Karbon Ürünleri San. Ve Tic. A.Ş. <sup>(3)</sup>	2.184	1.047
Erdemir Asia Pacific PTE LTD <sup>(2)</sup>	-	23
Erdemir Romania SRL <sup>(2)</sup>	71.644	-
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	-	30.207
	<u>4.842.221</u>	<u>4.258.096</u>

The trade receivables from related parties mainly arise from sales of iron, steel and by-products.

- <sup>(1)</sup> Immediate parent company
- <sup>(2)</sup> Subsidiaries of the immediate parent company
- <sup>(3)</sup> Subsidiaries of the ultimate company
- <sup>(4)</sup> Joint venture
- <sup>(5)</sup> Participations of the ultimate company

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 3 –RELATED PARTY TRANSACTIONS (cont’d)**

The details of prepaid expenses between the Company and related parties are disclosed below:

	30 June 2025	31 December 2024
<u>Other receivables from related parties (short term)</u>		
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	180.298	-
	180.298	-

At the Ordinary General Assembly Meeting of İsdemir Linde Gaz Ortaklığı A.Ş. held on 15 May 2025, the decision to distribute cash dividend TRY 360.596 thousand (the impact on the Company's cash flow statement is TRY 180.298 thousand) from the 2024 net profit was unanimously approved. The dividend amount that had not been distributed as of the reporting date was recorded in the "other receivables from related parties" in the financial statement.

	30 June 2025	31 December 2024
<u>Other payables from related parties (short term)</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	687.808	-
	687.808	-

At the Company's Ordinary General Assembly Meeting held on 26 March 2025, the decision to distribute cash dividends of TRY 725.000 thousand from 2024 profits was approved by majority vote. The dividend amount due to related parties for which no cash distribution had been made as of the reporting date was recorded under "other payables to related parties" in the financial statement. The dividend payment was started at 2 July 2025.

The details of prepaid expenses between the Company and related parties are disclosed below:

	30 June 2025	31 December 2024
<u>Prepaid expenses (long term)</u>		
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	51.903	47.892
	51.903	47.892

Prepaid expenses to related parties arise from advances given for tangible assets.

- (1) Immediate parent company
- (2) Subsidiaries of the immediate parent company
- (3) Subsidiaries of the ultimate company
- (4) Joint venture
- (5) Participations of the ultimate company

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 3 –RELATED PARTY TRANSACTIONS (cont’d)**

The details of trade payables between the Company and related parties are disclosed below:

	30 June 2025	31 December 2024
<u>Due to related parties (short term)</u>		
Amsterdam Scrap Terminal B.V. <sup>(3)</sup>	2.578.091	-
Erdemir Madencilik San. ve Tic. A.Ş. <sup>(2)</sup>	940.467	1.174.850
OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(3)</sup>	579.090	110.738
Omsan Lojistik A.Ş. <sup>(3)</sup>	655.123	183.494
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	194.690	25.697
OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(3)</sup>	254.441	47.146
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. <sup>(2)</sup>	11.194	27.753
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. <sup>(2)</sup>	44.757	42.081
Kümaş Manyezit Sanayi A.Ş. <sup>(2)</sup>	197.494	173.615
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	4.723	-
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	52.138	78.084
Other	525.933	345.621
	<u>6.038.141</u>	<u>2.209.079</u>

The trade payables from related parties are generally due to the purchase of raw material and service transactions.

The details of sales between the Company and related parties are disclosed below:

	1 January - 30 June 2025	1 January - 30 June 2024
<u>Major sales to related parties</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	32.244.497	34.186.639
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. <sup>(2)</sup>	3.568	6.815
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	213.555	203.575
Erdemir Romania S.R.L. <sup>(2)</sup>	86.752	-
Omsan Lojistik A.Ş. <sup>(3)</sup>	10	71
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	11.786	63.960
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(3)</sup>	70.446	69.743
OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(3)</sup>	19	6.774
OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(3)</sup>	220	541
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	16	10
Kümaş Manyezit Sanayi A.Ş. <sup>(2)</sup>	143	20.893
Other	2.527	1.557
	<u>32.633.539</u>	<u>34.560.578</u>

The major sales to related parties are generally due to the sales transactions of iron, steel, service, energy and by-products.

- (1) Immediate parent company
- (2) Subsidiaries of the immediate parent company
- (3) Subsidiaries of the ultimate company
- (4) Joint venture
- (5) Participations of the ultimate company

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 3 –RELATED PARTY TRANSACTIONS (cont’d)

The details of purchases between the Company and related parties are disclosed below:

<u>Major purchases from related parties</u>	<u>1 January - 30 June 2025</u>	<u>1 January - 30 June 2024</u>
Doco Petrol ve Danışmanlık A.Ş. <sup>(3)</sup>	50.342	42.480
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(3)</sup>	69.975	50.284
Erdemir Madencilik San. ve Tic. A.Ş. <sup>(2)</sup>	4.249.433	4.383.016
Erdemir Asia Pacific PTE LTD <sup>(2)</sup>	12.992	1.127.717
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	283.477	629.624
OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(3)</sup>	713.865	449.754
Amsterdam Scrap Terminal B.V. <sup>(3)</sup>	2.511.808	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	221.241	403.901
Omsan Lojistik A.Ş. <sup>(3)</sup>	808.182	591.590
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. <sup>(2)</sup>	88.133	52.448
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. <sup>(2)</sup>	295.254	211.225
İsdeir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	373.446	346.825
OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(3)</sup>	324.153	267.820
Kümaş Manyezit Sanayi A.Ş. <sup>(2)</sup>	201.088	275.633
OYAK Yenilenebilir Enerji A.Ş. <sup>(3)</sup>	97.598	1.204.459
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	142.316	200.441
Other	258.548	73.198
	<u>10.701.851</u>	<u>10.310.415</u>

The major purchases from related parties are generally due to the purchased service transactions, energy and raw material.

The Company earned TRY 201.308 thousand finance income from related party transactions of the first six month period of 2025, amounting to TRY 15.639 thousand of interest income and TRY 185.669 thousand of interest accrued on term (30 June 2024: TRY 739.643 thousand total finance income from related party receivables, TRY 582.295 thousand of interest income and TRY 157.348 thousand of interest accrued).

#### The terms and policies applied to the transactions with related parties performed:

As of 30 June 2025, the balances realized in the status of commercial goods are secured and their payments are cash-based. Other receivables from related parties balances are non-secured, interest -bearing and their collections will be done in cash. Certain maturity differences are applied for transactions made with related parties, depending on market conditions and product types, and delay interest is applied for overdue sales, again depending on market conditions and product types.

For the six months period ended 30 June 2025, the Company provides no provision for the receivables from related parties (31 December 2024: None).

- (1) Immediate parent company
- (2) Subsidiaries of the immediate parent company
- (3) Subsidiaries of the ultimate company
- (4) Joint venture
- (5) Participations of the ultimate company

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 3 –RELATED PARTY TRANSACTIONS (cont’d)

##### Benefits provided to executive managers:

The company's executive management team consists of the Board of Directors, General Manager and Assistant General Managers. For the six months period ended 30 June 2025, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the executive management of the Company is TRY 20.837 thousand (30 June 2024: TRY 17.234 thousand).

#### NOTE 4 – INVENTORIES

The details of the Company’s inventories for the reporting period are as follows:

	30 June 2025	31 December 2024
Raw materials	10.184.307	10.636.629
Work in progress	8.439.699	6.265.485
Finished goods	4.466.048	3.898.281
Spare parts	6.058.703	5.390.597
Goods in transit	6.365.403	6.268.327
Other inventories	3.890.431	3.549.244
Allowance for impairment on inventories (-)	(1.111.154)	(1.113.085)
	<u>38.293.437</u>	<u>34.895.478</u>

The movement of the allowance for impairment on inventories:

	1 January – 30 June 2025	1 January – 30 June 2024
Opening balance	1.113.085	900.361
Provision released (-)	(134.356)	-
Translation difference	132.425	103.621
Closing balance	<u>1.111.154</u>	<u>1.003.982</u>

The Company has provided an allowance for the impairment on the inventories of finished goods, work in progress and raw materials within the scope of aging reports in the cases when their net realizable values are lower than their costs or for slow moving inventories. The provision released has been recognized under cost of sales (Note 13).

#### NOTE 5 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The detail of the investments accounted for using equity method is follows:

	Right to vote ratio %	30 June 2025	Right to vote ratio %	31 December 2024	Business segment
<i>Joint Venture</i>					
İsdemir Linde Gaz Ortaklığı A.Ş.	50	1.298.154	50	1.280.062	Industrial Gas Production and Sale

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 5 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (cont’d)

The movement of the Company's investments accounted for using equity method is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Opening balance	1.280.062	884.293
Net profit(loss) for the period	39.021	108.737
Dividend	(180.298)	-
Currency translation difference	159.369	106.017
Closing balance	1.298.154	1.099.047

Company’s share on net assets of investments accounted for using equity method is as follows:

	30 June 2025	31 December 2024
Total assets	3.106.559	2.869.854
Total liabilities	510.252	309.731
Net assets	2.596.307	2.560.123
Company's share on net assets	1.298.154	1.280.062

  

	30 June 2025	31 December 2024
Share capital	140.000	140.000

İsdemir Linde Gaz Ortaklığı A.Ş. has the right of to deduct TRY 128.797 thousand (31 December 2024: TRY 221.977 thousand) from corporate tax of the investment deduction where profit will occur in the upcoming years pursuant to the Resolution No 2012/3305 on Government Aids in Investments and the Cabinet Decision issued in the Official Gazette on 22 February 2017. The deferred tax asset of TRY (93.180) thousand of additional investment deduction (its effect in the profit or loss statement of Company is TRY (46.590) thousand) is included in the financial statements prepared as of reporting date.

At the Ordinary General Assembly Meeting of İsdemir Linde Gaz Ortaklığı A.Ş. held on 15 May 2025, the decision to distribute cash dividend TRY 360.596 thousand (the impact on the Company's cash flow statement is TRY 180.298 thousand) from the 2024 net profit was unanimously approved. The dividend amount that had not been distributed as of the reporting date was recorded in the "other receivables from related parties" in the financial statement.

Company’s share in profit of investments accounted for using equity method is as follows:

	1 January – 30 June 2025	1 January – 30 June 2024
Revenue	411.510	399.355
Operating Profit	101.361	125.575
Net profit (loss) for the period	78.041	217.473
Company's share in net profit (loss)	39.021	108.737

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

The movement of tangible assets for the reporting period is as follows:

	30 June 2025	30 June 2024
<u>Opening balance as of 1 January</u>		
Cost	210.619.833	160.359.967
Accumulated depreciation	(110.567.844)	(89.755.963)
Net book value	100.051.989	70.604.004
Net book value	100.051.989	70.604.004
Additions (*)	5.534.057	8.141.739
Disposals (-)	(5.854)	(1.942)
<i>Cost disposals</i>	(15.493)	(318.850)
<i>Accumulated depreciation disposals</i>	9.639	316.908
Transfers to intangible assets	(22.417)	(3.296)
Currency translation difference	12.848.314	8.368.591
<i>Cost currency translation difference</i>	26.885.355	18.742.427
<i>Accumulated depreciation currency translation difference</i>	(14.037.041)	(10.373.836)
Current period depreciation (-)	(2.290.392)	(1.918.581)
Net book value at the end of the period	116.115.697	85.190.515
<u>Closing balance as of</u>		
Cost	243.001.335	186.921.987
Accumulated depreciation	(126.885.638)	(101.731.472)
Net book value	116.115.697	85.190.515

(\*) The amount of capitalized borrowing cost is TRY 389.173 thousand for the current period (30 June 2024: TRY 31.443 thousand).

As of reporting period, the Company has no collaterals or pledges upon its tangible assets (30 June 2024: None).

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS (cont’d)**

The movement of intangible assets for the reporting period is as follows:

	30 June 2025	30 June 2024 2024
<u>Opening balance as of 1 January</u>		
Cost	3.136.368	2.568.081
Accumulated amortisation	(1.685.706)	(1.328.170)
Net book value	1.450.662	1.239.911
Net book value at the begin of the period	1.450.662	1.239.911
Additions	157	1.498
Transfers from tangible assets	22.417	3.296
Currency translation difference	181.513	141.295
<i>Cost currency translation difference</i>	<i>397.928</i>	<i>295.744</i>
<i>Accumulated depreciation currency translation difference</i>	<i>(216.415)</i>	<i>(154.449)</i>
Current period amortisation (-)	(53.232)	(40.780)
Net book value at the end of the period	1.601.517	1.345.220
<u>Closing balance as of</u>		
Cost	3.556.870	2.868.619
Accumulated amortisation	(1.955.353)	(1.523.399)
Net book value	1.601.517	1.345.220

As of reporting period, the Company has no collaterals or pledges upon its intangible assets (30 June 2024: None).

The breakdown of depreciation and amortisation expenses related to tangible, intangible and right of use assets amounting to TRY 33.832 thousand (30 June 2024: TRY 16.284 thousand) assets are as follows:

	30 June 2025	30 June 2024
Associated with cost of production	2.296.542	1.883.128
General administrative expenses	23.167	26.098
Marketing, sales and distribution expenses	57.747	60.867
Other operating expenses	-	5.552
	2.377.456	1.975.645

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 7 – BORROWINGS

Breakdown of borrowings is as follows:

	30 June 2025	31 December 2024
Short term bank borrowings	3.452.938	9.831.094
Short term portion of long term bank borrowings	3.496.323	3.164.273
Long term bank borrowings	28.727.181	19.732.100
Total bank borrowings	35.676.442	32.727.467
Current portion of long term lease payables	158.589	80.101
Cost of current portion of long term lease payables (-)	(19.683)	(5.113)
Long term lease payables	2.661.821	999.412
Cost of long term lease payables (-)	(2.191.023)	(765.841)
Total leases borrowings	609.704	308.559
Total borrowings	36.286.146	33.036.026

As of 30 June 2025, the breakdown of the Company’s loans with their original currency and their weighted average interest rates is presented as follows:

Interest Type	Type of Currency	Weight Average Rate of Interest (%)	Short Term Portion	Long Term Portion	30 June 2025
Fixed	US Dollars	7,53	4.903.689	20.484.704	25.388.393
Floating	US Dollars	TERM SOFR+2,79	582.514	6.788.284	7.370.798
Floating	EURO	Euribor+0,5	326.982	1.454.193	1.781.175
Fixed	TRY	42,00	1.136.076	-	1.136.076
			6.949.261	28.727.181	35.676.442

As of 31 December 2024, the breakdown of the Company’s loans with their original currency and their weighted average interest rates is presented as follows:

Interest Type	Type of Currency	Weight Average Rate of Interest (%)	Short Term Portion	Long Term Portion	31 December 2024
Fixed	US Dollars	7,75	10.248.346	12.251.798	22.500.144
Floating	US Dollars	TERM SOFR+2,94	1.039.869	6.215.818	7.255.687
Floating	EURO	Euribor+0,5	261.880	1.264.484	1.526.364
Fixed	TRY	51,45	1.445.272	-	1.445.272
			12.995.367	19.732.100	32.727.467

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 7 – BORROWINGS (cont’d)

The breakdown of loan repayment is as follows:

	30 June 2025			31 December 2024		
	Bank Loans	Lease liabilities	Total liabilities	Bank Loans	Lease liabilities	Total liabilities
Within 1 year	6.949.261	138.906	7.088.167	12.995.367	74.988	13.070.355
Between 1-2 years	11.724.785	14.039	11.738.824	2.126.113	12.463	2.138.576
Between 2-3 years	12.628.256	8.805	12.637.061	14.139.559	7.817	14.147.376
Between 3-4 years	2.214.045	7.523	2.221.568	1.365.114	6.679	1.371.793
Between 4-5 years	390.242	6.725	396.967	497.359	5.970	503.329
Five years or more	1.769.853	433.706	2.203.559	1.603.955	200.642	1.804.597
	35.676.442	609.704	36.286.146	32.727.467	308.559	33.036.026

#### NOTE 8 – PROVISIONS

The Company’s short term provisions are as follows:

	30 June 2025	31 December 2024
Provision for lawsuits	254.751	170.725
Penalty provision for employment shortage of disabled personnel	10.216	5.960
Provision for land occupation	4.435	3.969
	269.402	180.654

As of reporting period, lawsuits filed by and against the Company are as follows:

	30 June 2025	31 December 2024
Lawsuits filed by the Company	173.364	112.491

The provisions for the lawsuits filed by the Company represents the doubtful trade receivables.

	30 June 2025	31 December 2024
Lawsuits filed against the Company	206.346	149.062
Provision for lawsuits filed against the Company	254.751	170.725

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 8 – PROVISIONS (cont’d)**

The movement of the short term provisions is as follows:

	1 January 2025	Change for the period	Payments	Provision released	Translation Difference	30 June 2025
Provision for lawsuits	170.725	131.011	(3.022)	(51.201)	7.238	254.751
Penalty provision for employment shortage of disabled personnel	5.960	4.188	-	-	68	10.216
Provision for land occupation	3.969	747	-	(303)	22	4.435
	<u>180.654</u>	<u>135.946</u>	<u>(3.022)</u>	<u>(51.504)</u>	<u>7.328</u>	<u>269.402</u>
	1 January 2024	Change for the period	Payments	Provision released	Translation Difference	30 June 2024
Provision for lawsuits	142.840	24.679	(1.826)	(1.079)	3.858	168.472
Penalty provision for employment shortage of disabled personnel	6.624	77	-	(910)	(20)	5.771
Provision for land occupation	2.988	614	-	(267)	15	3.350
	<u>152.452</u>	<u>25.370</u>	<u>(1.826)</u>	<u>(2.256)</u>	<u>3.853</u>	<u>177.593</u>

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 8 – PROVISIONS (cont’d)**

**The Decision of the Constitutional Court for Electricity and Air Gas Consumption Tax**

The claims filed every month since May 2012 for refunding of taxes paid and deduction thereof from Electric and Coal Gas Tax collected by the Municipality on the Electric and Coal Gas consumption quantity produced by the Company in the facilities and used for industrial production of the Company were concluded in the court of first instance and the Council of State against the company. Thereafter, the Company used its right on 15 January 2015 to apply the Constitutional Court individually. As a result of the General Assembly Resolution of the Supreme Court the Company, which was issued on 25 October 2018 and published in the Official Gazette on 25 December 2018, was notified and stated that the property rights of the Company were violated, and retrial was decided 22 trials for the applicable claims to eliminate the consequences of the violation of the property rights.

Similarly, it was decided by the Supreme Court that it was combined within the scope of our individual application and that the Company's right to property was violated in 34 cases that were concluded, and that the trials in the relevant lawsuits were taken to eliminate the consequences of the violation of the right to property.

56 lawsuits, which were decided to be retrial by the Constitutional Court, were heard again at the Hatay Tax Court, and the Local Court decided to accept the cases in favor of the Company. In addition, in 9 cases, based on the decision of the Constitutional Court, in favor of the Hatay 1st Tax Court, and in favor of the Adana Regional Court of Justice after the Council of State reversed 12 cases, the cases were decided to be accepted in a total of 77 cases. All of these 77 files have been finalized in favor of the Company. The total number of lawsuits filed by the company in this regard is 80, and the Constitutional Court's review for 3 files is still ongoing.

Litigation provision amounts is provided by taking legal opinion of Company’s lawyers. It is evaluated by the Company Management that it will not cause a more significant loss than the provision amount reserved for lawsuits.

**NOTE 9 – EMPLOYEE BENEFITS**

Short term payables of the employee termination benefits of the Company is as follows:

	30 June 2025	31 December 2024
Due to personnel	1.046.634	575.663
Social security premiums payable	1.073.400	2.316.227
	<u>2.120.034</u>	<u>2.891.890</u>

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 9 – EMPLOYEE BENEFITS (cont’d)**

Long term provision of the employee termination benefits of the Company is as follows:

	30 June 2025	31 December 2024
Provisions for employee termination benefits	2.297.729	2.254.266
Provisions for seniority incentive premium	186.655	125.065
Provision for unused vacations	339.911	276.308
	<u>2.824.295</u>	<u>2.655.639</u>

According to the Turkish Labor Law, the company is obliged to pay severance pay to every employee who has completed at least one year of service and retired after 25 years of working life, who has been dismissed, called for military service or deceased.

As of 30 June 2025, the employee termination benefit has been updated to a maximum of TRY 46.655,43 (31 December 2024: TRY 41.828,42). As of 1 July 2025, the employee termination benefit has been updated to a maximum of TRY 53.919,68.

The employee termination benefit legally is not subject to any funding requirement.

The employee termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the Company’s obligation under defined benefit plans. The obligation as of 30 June 2025 has been calculated by an independent actuary and projected unit credit method is used in the calculation. The actuarial assumptions used in the calculation of the present value of the future probable obligation are as follows.

	30 June 2025	31 December 2024
Interest rate	31,14%	25,88%
Inflation rate	27,32%	21,81%

Discount rates are determined considering the expected duration of the retirement obligations and the currency in which the obligations will be paid. In calculations as of 30 June 2025, a fixed discount rate is used. Long term inflation estimates are made using an approach consistent with discount rate estimates and long term inflation rate fixed over years is used.

The anticipated rate of resignation which do not result in the payment of employee benefits is also considered in the calculation. The anticipated rate of resignation is assumed to be related with the past experience, therefore past experiences of employees are analyzed and considered in the calculation. In the actuarial calculation as of reporting period, the anticipated rate of resignation is considered to be inversely proportional to the past experience. The anticipated rate of resignation is between 2%-0% for the employees with past experience between 0-15 years or over.

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 9 – EMPLOYEE BENEFITS (cont’d)**

The movement of the provision for employee termination benefits is as follows:

	1 January – 30 June 2025	1 January – 30 June 2024
Opening balance	2.254.266	1.773.470
Service cost	39.384	47.724
Interest cost	185.636	151.397
Actuarial loss/(gain)	162.055	245.916
Termination benefits paid	(347.578)	(29.945)
Translation difference	3.966	1.658
Closing balance	2.297.729	2.190.220

According to the current labor agreement, employees completing their 10th, 15th and 20th service years receive seniority incentive premium payments.

The movement of the provision for seniority incentive premium is as follows:

	1 January – 30 June 2025	1 January – 30 June 2024
Opening balance	125.065	123.634
Service cost	12.946	9.858
Interest cost	14.751	14.087
Actuarial loss/(gain)	33.603	7.352
Translation difference	290	180
Closing balance	186.655	155.111

The movement of the provision for unused vacation is as follows:

	1 January – 30 June 2025	1 January – 30 June 2024
Opening balance	276.308	189.135
Provision for the period	180.421	130.763
Vacation paid during the period (-)	(29.082)	(4.866)
Provisions released (-)	(93.063)	(25.870)
Translation difference	5.327	(472)
Closing balance	339.911	288.690

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 10 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The guarantees received reporting period by the Company are as follows:

	30 June 2025	31 December 2024
Letters of guarantees received	7.307.207	7.324.019
	7.307.207	7.324.019

The Collaterals, Pledges and Mortgages (CPM) given by the Company are as follows:

	30 June 2025	31 December 2024
A. Total CPM given for the Company's own legal entity	9.521.820	9.694.733
B. Total CPM given in favour of subsidiaries consolidated on line-by-line basis	-	-
C. Total CPM given in favour of other 3rd parties for ordinary trading operations	-	-
D. Other CPM given	-	-
i. Total CPM given in favour of parent entity	-	-
ii. Total CPM given in favour of other Group companies out of the scope of clause B and C	-	-
iii. Total CPM given in favour of other 3rd parties out of the scope of clause C	-	-
	9.521.820	9.694.733

As of reporting period, the ratio of the other CPM given by the Company to shareholders equity is 0% (31 December 2024: 0%).

The breakdown of the collateral given by the Company in TRY equivalent to original currency is as follows:

	30 June 2025	31 December 2024
US Dollars	2.273.288	4.249.477
TRY	7.155.149	5.371.784
EURO	93.383	73.472
	9.521.820	9.694.733

#### NOTE 11 – TAX ASSETS AND LIABILITIES

The details of the Company's tax expenses as of the reporting period are as follows:

	30 June 2025	31 December 2024
<u>Corporate tax payable:</u>		
Current corporate tax provision	140.669	205.298
	140.669	205.298

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 11 – TAX ASSETS AND LIABILITIES (cont’d)**

	1 January - 30 June 2025	1 January - 30 June 2024
<u>Taxation:</u>		
Current corporate tax expense	132.244	2.124.738
Deferred tax expense/(income)	(360.723)	(1.483.859)
	<u>(228.479)</u>	<u>640.879</u>

Corporate Tax

The Company is subject to corporation tax applicable in Türkiye. The necessary provisions are allocated in the financial statements for the estimated liabilities based on the Company’s results for the current period. Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other deductions (retained losses if any, used investment allowance if required).

With the Law No. 7456 published in the Official Gazette dated 15 July 2023, the first paragraph of Article 32 of the Corporate Tax Law was amended, and the corporate tax rate was increased to 25% for the corporate earnings of 2023 and the following taxation periods. The valid corporate tax rate is 25% as of reporting date. The exemption rate applied to the gains arising from the sale of immovable properties in the assets of institutions before 15 July 2023 is 25% and will be applied to the deferred tax to be calculated on the temporary differences arising in case of revaluation of the relevant immovable properties. The tax rate should be taken into account as 18,75% if the book value of the relevant real estate is recovered through sale.

Pursuant to subparagraph (A) of Article 298 and temporary article 33 of Tax Procedure Law No. 213, it has been stipulated that the balance sheets will be subject to inflation adjustment at the end of the 2023 accounting period and in the following accounting periods, depending on the fulfillment of the adjustment conditions (including temporary tax periods). On the other hand, the Tax Procedure Law General Communiqué numbered 582, published in the Official Gazette dated 15 February 2025 and numbered 32814, stipulated that no inflation adjustment will be made in the first, second and third provisional tax periods of the 2025 accounting period.

Although no inflation adjustment will be made in the first, second and third provisional tax periods of the 2025 accounting period, inflation adjustment must be made in the financial statements to be prepared in accordance with the Tax Procedure Law at the end of the 2025 accounting period.

In line with the above explanations; the financial statements dated 30 June 2025 prepared in accordance with the Tax Procedure Law have not been subject to inflation adjustment.

Deferred tax

The Company recognizes deferred tax assets and liabilities based upon the temporary differences arising between its statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences usually result in the recognition of some income and expenses tax bases in different reporting periods in the financial statements prepared according to TFRS.

# İSKENDERUN DEMİR VE ÇELİK A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

### NOTE 11 – TAX ASSETS AND LIABILITIES (cont’d)

#### Deferred tax (cont’d)

Although it was regulated by the Tax Procedure Law General Communiqué numbered 582 that no inflation adjustment will be made in the first, second and third temporary tax periods of the 2025 accounting period, since inflation adjustment will be made in the financial statements to be prepared in accordance with the Tax Procedure Law at the end of the 2025 accounting period, the effects of inflation adjustments in the financial statements prepared in accordance with the Tax Procedure Law have been recorded in the financial statements prepared in accordance with TFRS as of the reporting period.

The tax rate used in the calculation of deferred tax assets and liabilities (excluding land and land) is based on 25% (31 December 2024: 25%). Deferred tax on temporary timing differences arising from land and land is calculated with 18,75% (31 December 2024: 18,75%).

Deferred tax assets and liabilities by the Company are as follows:

	30 June 2025	31 December 2024
<u>Deferred tax assets:</u>		
Provisions for employee benefits	706.074	663.910
Leasing payables	152.426	77.140
Provision for lawsuits	64.797	43.674
Adjustment of receivable rediscount	4.882	4.930
Inventories	70.578	135.038
Fair values of the derivative financial instruments	38.133	-
Unused tax losses	355.631	-
Other	742.194	185.064
	<u>2.134.715</u>	<u>1.109.756</u>
<u>Deferred tax liabilities:</u>		
Tangible and intangible fixed assets (net)	(10.529.375)	(9.014.431)
Right of use assets	(218.054)	(115.798)
Amortized cost adjustment on loans	(6.804)	(13.722)
Fair values of the derivative financial instruments	-	(7.209)
	<u>(10.754.233)</u>	<u>(9.151.160)</u>
<u>Deferred tax assets/(liabilities) net:</u>	<u>(8.619.518)</u>	<u>(8.041.404)</u>

The breakdown of deferred tax asset (liability) is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Opening balance	(8.041.404)	(6.164.262)
Deferred tax (expense)/income	360.723	1.483.859
The amount in comprehensive income/(expense)	54.627	47.690
Translation difference	(993.464)	(649.577)
Closing balance	<u>(8.619.518)</u>	<u>(5.282.290)</u>

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 11 – TAX ASSETS AND LIABILITIES (cont’d)**

Deferred tax (cont’d)

Reconciliation of tax provision is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
<u>Reconciliation of tax provision</u>		
Profit before tax	2.812.346	7.753.581
Statutory tax rate	25%	25%
Calculated tax acc. to effective tax rate	(703.087)	(1.938.395)
<u>Reconciliation between the tax provision and calculated tax:</u>		
- Non-deductible expenses	(5.767)	(3.338)
- Investment discount	1.266.025	-
- Non-taxable income	13	20
- The impact of investments accounted for using the equity method	9.755	27.184
- Effect of currency translation (*)	(338.460)	1.273.650
Tax (expense)/income in the profit or loss statement	228.479	(640.879)

(\*) The difference between the Company’s functional currency and the currency in basis of tax base cause to translation difference.

The Company has a strategic investment incentive certificate based on the Council of Ministers Decision No. 2012/3305 published in the Official Gazette dated 19 June 2012. As of the reporting date, TRY 1.266.025 thousand in reduced corporate tax was used within the scope of the strategic investment incentive certificate as a result of meeting the valid conditions in the current period.

**NOTE 12 – EQUITY**

The capital structure reporting period by the Company is as follows:

		30 June 2025		31 December 2024
<u>Shareholders</u>	<u>(%)</u>		<u>(%)</u>	
Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	94,87	2.751.326	94,87	2.751.326
Quoted in Stock Exchange	5,13	148.674	5,13	148.674
Historical capital		2.900.000		2.900.000
Inflation adjustment to capital		164		164
Restated capital		2.900.164		2.900.164

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 13 – SALES AND COST OF SALES**

The Company derives its revenue from the transfer of goods at a point in time in the following major product lines. As of reporting date, the amount of performance obligations in the ongoing contracts of the Company will be eligible for recognition in the future is TRY 610.112 thousand. The Company planning to recognize related revenue amount as a revenue in a year.

The breakdown of sales revenue for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
<u>Sales Revenue</u>				
Domestic sales	39.289.061	20.246.450	41.965.183	21.006.347
Export sales	14.573.818	7.727.273	10.161.966	6.103.247
Other revenues (*)	1.581.580	653.785	1.476.936	883.256
Interest income from sales with maturities	217.507	120.469	177.112	104.085
Sales returns (-)	(9.361)	(1.829)	(5.840)	(3.085)
	<u>55.652.605</u>	<u>28.746.148</u>	<u>53.775.357</u>	<u>28.093.850</u>
<u>Cost of sales (-)</u>	<u>(51.055.197)</u>	<u>(26.017.469)</u>	<u>(48.398.367)</u>	<u>(25.727.825)</u>
Gross profit	<u>4.597.408</u>	<u>2.728.679</u>	<u>5.376.990</u>	<u>2.366.025</u>

(\*) The total amount of by product exports in other revenues is TRY 667.958 thousand (30 June 2024: TRY 867.508 thousand).

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 13 – SALES AND COST OF SALES (cont’d)**

The breakdown of cost of goods sales for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Raw material usage	(38.257.855)	(19.524.962)	(39.188.229)	(20.495.717)
Personnel costs	(3.628.984)	(1.750.154)	(2.351.965)	(1.333.567)
Energy costs	(2.281.447)	(1.175.065)	(1.660.939)	(853.351)
Depreciation and amortization expenses	(2.155.218)	(1.146.518)	(1.757.640)	(924.754)
Factory overheads	(2.466.024)	(1.313.431)	(1.191.503)	(773.921)
Other cost of goods sold	(1.272.296)	(465.160)	(1.404.752)	(792.357)
Non-operating costs (*)	(86.183)	(86.183)	(42.317)	(42.317)
Freight costs for sales delivered to customers	(609.106)	(353.213)	(410.868)	(256.642)
Reversal of inventory write-downs (Note 4)	134.356	72.137	-	-
Amortisation expenses of right of use	(26.991)	(16.354)	-	-
Other	(405.449)	(258.566)	(390.154)	(255.199)
	<u>(51.055.197)</u>	<u>(26.017.469)</u>	<u>(48.398.367)</u>	<u>(25.727.825)</u>

(\*) (86.183) thousand TRY non-working part expense, due to planned and/or unexpected stoppages at the Company's production facilities, is not associated with the product cost and is directly included in the cost of sales. (30 June 2024: TRY (42.317) thousand).

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 14 – OPERATING EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES)**

The breakdown of marketing expenses according to their nature for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Personnel expenses (-)	(137.684)	(71.778)	(84.059)	(46.074)
Depreciation and amortization (-)	(57.747)	(31.076)	(60.867)	(33.314)
Tax, duty and charges (-)	(515)	(265)	(381)	(206)
Benefits and services from third parties (-)	(448.722)	(238.093)	(327.717)	(178.214)
	<u>(644.668)</u>	<u>(341.212)</u>	<u>(473.024)</u>	<u>(257.808)</u>

The breakdown of general administrative expenses according to their nature for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Personnel expenses (-)	(230.442)	(144.220)	(167.542)	(114.152)
Depreciation and amortization expenses (-)	(16.326)	(8.509)	(15.366)	(7.904)
Amortization expense of right of use (-)	(6.841)	(3.510)	(10.732)	(5.471)
Provision for doubtful receivables (-) net	-	-	9	9
Tax, duty and charges (-)	(24.847)	(20.694)	(14.958)	(5.405)
Benefits and services from third parties (-)	(721.376)	(374.175)	(597.193)	(332.675)
	<u>(999.832)</u>	<u>(551.108)</u>	<u>(805.782)</u>	<u>(465.598)</u>

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 14 – OPERATING EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES) (cont’d)**

The breakdown of other operating income for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
<u>Other operating income</u>				
Foreign exchange gains from trade receivables and payables	335.286	243.868	156.784	156.784
Discount income	191	94	191	93
Provisions released	51.201	19.955	1.989	977
Service income	42.848	22.348	38.225	22.399
Maintenance repair and rent income	11.417	4.974	15.619	7.345
Lawsuit income	3.602	316	1.918	476
Indemnity and penalty detention income	16.577	6.180	16.566	8.117
Previous period insurance indemnity income	28.617	28.617	71.091	1.610
Warehouse income	7.604	2.151	17.433	11.845
Overdue interest income	36	23	1.112	1.075
Insurance indemnity income due to earthquake	-	-	3.317.244	75.085
Other income and gains	89.762	55.369	70.535	34.867
	<u>587.141</u>	<u>383.895</u>	<u>3.708.707</u>	<u>320.673</u>

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 14 – OPERATING EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES) (cont’d)**

The breakdown of other operating expenses for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
<u>Other operating expenses (-)</u>				
Provision expenses	(135.199)	(74.150)	(24.756)	(9.421)
Donation expenses	(12.415)	(7.685)	(9.161)	(3.882)
Amortisation expenses of right of use	-	-	(5.552)	(3.060)
Foreign exchange expenses from trade receivables and payables	-	-	-	15.860
Penalty expenses	(5.950)	(4.176)	(4.705)	(2.594)
Service expenses	(35.848)	(19.215)	(28.997)	(15.020)
Lawsuit compensation expenses	(9.783)	(5.138)	(3.374)	(2.525)
Other expenses and losses	(89.160)	(46.693)	(53.568)	(29.667)
	<u>(288.355)</u>	<u>(157.057)</u>	<u>(130.113)</u>	<u>(50.309)</u>

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 15 – FINANCE INCOME AND EXPENSES

The breakdown of financial income for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
<u>Finance income</u>				
Interest income on bank deposits	1.739.492	625.716	778.875	494.722
Foreign exchange gains	-	-	217.147	217.147
Interest income on related party	15.639	1.089	582.295	243.455
Fair value differences of derivative financial instruments (net)	-	-	1.507	(1.283)
	<u>1.755.131</u>	<u>626.805</u>	<u>1.579.824</u>	<u>954.041</u>

The breakdown of financial expenses for the reporting period is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
<u>Finance expenses (-)</u>				
Interest expenses on borrowings	(1.251.833)	(622.473)	(1.448.977)	(782.799)
Foreign exchange loss (net)	(470.512)	60.671	-	263.177
Interest cost of employee benefits	(200.387)	(100.413)	(165.484)	(83.023)
Interest expenses on leases	(41.934)	(26.683)	(15.381)	(8.363)
Other financial expenses	(32.604)	(24.148)	(8.958)	(4.811)
Fair value differences of derivative financial instruments (net)	(227.063)	(202.264)	-	-
	<u>(2.224.333)</u>	<u>(915.310)</u>	<u>(1.638.800)</u>	<u>(615.819)</u>

During the reporting period, the interest expenses of TRY 389.173 thousand have been capitalized as part of the Company’s property, plant and equipment (30 June 2024: TRY 31.443 thousand).

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**

**Additional information about financial instruments**

Foreign currency risk management

As of reporting period, the foreign currency position of the Company in terms of original currency is calculated as it as follows:

	30 June 2025			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	1.574.359	120.527	31.193	-
2a. Monetary financial assets	10.348.410	7.690.250	57.033	21
2b. Non- monetary financial assets	541.440	523.189	392	-
3. Other	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>12.464.209</b>	<b>8.333.966</b>	<b>88.618</b>	<b>21</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	75.231	75.231	-	-
6b. Non- monetary financial assets	2.410.562	240.213	46.567	-
7. Other	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>2.485.793</b>	<b>315.444</b>	<b>46.567</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>14.950.002</b>	<b>8.649.410</b>	<b>135.185</b>	<b>21</b>
10. Trade payables	5.832.308	5.295.242	11.432	11.858
11. Financial liabilities	1.601.966	1.274.984	7.003	-
12a. Other monetary financial liabilities	3.506.775	3.499.097	164	-
12b. Other non-monetary financial liabilities	29.688	-	636	-
<b>13. Current liabilities (10+11+12)</b>	<b>10.970.737</b>	<b>10.069.323</b>	<b>19.235</b>	<b>11.858</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	1.924.997	470.803	31.145	-
16a. Other monetary financial liabilities	2.824.295	2.824.295	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>4.749.292</b>	<b>3.295.098</b>	<b>31.145</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>15.720.029</b>	<b>13.364.421</b>	<b>50.380</b>	<b>11.858</b>
<b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>	<b>(2.903.595)</b>	<b>-</b>	<b>(62.187)</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	2.903.595	-	62.187	-
<b>20. Net foreign currency asset/liability position (9-18+19)</b>	<b>(3.673.622)</b>	<b>(4.715.011)</b>	<b>22.618</b>	<b>(11.837)</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(3.692.341)</b>	<b>(5.478.413)</b>	<b>38.482</b>	<b>(11.837)</b>
22. Fair value of derivative financial instruments used in foreign currency hedge	(97.601)	-	(2.090)	-
23. Hedged foreign currency assets	2.903.595	-	62.187	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	15.241.776			
26. Imports	25.872.967			

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

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**NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)**

**Additional information about financial instruments (cont’d)**

**Foreign currency risk management (cont’d)**

	31 December 2024			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	598.104	102.547	13.490	-
2a. Monetary financial assets	13.531.173	13.213.061	8.659	21
2b. Non- monetary financial assets	205.392	191.465	379	-
3. Other	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>14.334.669</b>	<b>13.507.073</b>	<b>22.528</b>	<b>21</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	74.734	74.734	-	-
6b. Non- monetary financial assets	1.723.655	9.918	46.650	-
7. Other	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>1.798.389</b>	<b>84.652</b>	<b>46.650</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>16.133.058</b>	<b>13.591.725</b>	<b>69.178</b>	<b>21</b>
10. Trade payables	4.338.807	3.933.883	11.003	-
11. Financial liabilities	1.782.140	1.520.259	7.116	-
12a. Other monetary financial liabilities	4.135.422	4.128.853	178	-
12b. Other non-monetary financial liabilities	11.444	-	311	-
<b>13. Current liabilities (10+11+12)</b>	<b>10.267.813</b>	<b>9.582.995</b>	<b>18.608</b>	<b>-</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	1.498.050	233.567	34.359	-
16a. Other monetary financial liabilities	2.655.639	2.655.639	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>4.153.689</b>	<b>2.889.206</b>	<b>34.359</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>14.421.502</b>	<b>12.472.201</b>	<b>52.967</b>	<b>-</b>
<b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>	<b>(268.506)</b>	<b>-</b>	<b>(7.296)</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	268.506	-	7.296	-
<b>20. Net foreign currency asset/liability position (9-18+19)</b>	<b>1.443.050</b>	<b>1.119.524</b>	<b>8.915</b>	<b>21</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(206.047)</b>	<b>918.141</b>	<b>(30.507)</b>	<b>21</b>
22. Fair value of derivative financial instruments used in foreign currency hedge	12.661	-	344	-
23. Hedged foreign currency assets	268.506	-	7.296	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	23.383.535			
26. Imports	61.523.360			

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

**NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)**

**Additional information about financial instruments (cont’d)**

Foreign currency risk management (cont’d)

The following table shows the Company’s sensitivity to a 10% (+/-) change in the TRY, EURO and JPY 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates.

For assets with foreign currency balances in the summary statement of financial position as of 30 June 2025: 39,7408 TRY = US \$ 1, 46,6074 TRY = Euro 1; 0,2750 TRY = JPY 1 for liabilities: 39,8124 TRY = US \$ 1, 46,6913 TRY = Euro 1, 0,2768 TRY = JPY 1 converted at rates (31 December 2024: For assets; 35,2803 TRY = US \$ 1, 36,7362 TRY = Euro 1; 0,2249 TRY = JPY, 1 For Liabilities; 35,3438 TRY = US \$ 1, 36,8024 TRY = Euro 1, 0,2264 TRY = JPY 1).

	Profit/(loss) before tax after capitalization on tangible assets	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>30 June 2025</b>		
1- TRY net asset/liability	(547.841)	547.841
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
<b>4- TRY net effect (1+2+3)</b>	<b>(547.841)</b>	<b>547.841</b>
5- Euro net asset/liability	178.934	(178.934)
6- Hedged portion from Euro risk (-)	(290.359)	290.359
7- Effect of capitalization (-)	-	-
<b>8- Euro net effect (5+6+7)</b>	<b>(111.425)</b>	<b>111.425</b>
9- Jap. Yen net asset/liability	(327)	327
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
<b>12- Jap. Yen net effect (9+10+11)</b>	<b>(327)</b>	<b>327</b>
<b>TOTAL (4+8+12)</b>	<b>(659.593)</b>	<b>659.593</b>

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

##### Additional information about financial instruments (cont’d)

##### Foreign currency risk management (cont’d)

	Profit/(loss) before tax after capitalization on tangible assets	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>31 December 2024</b>		
1- TRY net asset/liability	91.814	(91.814)
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
<b>4- TRY net effect (1+2+3)</b>	<b>91.814</b>	<b>(91.814)</b>
5- Euro net asset/liability	(112.420)	112.420
6- Hedged portion from Euro risk (-)	(26.851)	26.851
7- Effect of capitalization (-)	-	-
<b>8- Euro net effect (5+6+7)</b>	<b>(139.271)</b>	<b>139.271</b>
9- Jap. Yen net asset/liability	-	-
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
<b>12- Jap. Yen net effect (9+10+11)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (4+8+12)</b>	<b>(47.457)</b>	<b>47.457</b>

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

##### Additional information about financial instruments (cont’d)

##### Categories of the financial instruments and their fair values

	Financial assets/ liabilities at amortized cost	Fair value through other comprehensive income	Fair value through profit/loss	Carrying value
<b>30 June 2025</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	34.668.657	-	-	34.668.657
Trade receivables	8.254.269	-	-	8.254.269
Financial investments	-	-	70.328	70.328
Other receivables	391.175	-	-	391.175
<b>Financial Liabilities</b>				
Financial liabilities	36.286.146	-	-	36.286.146
Trade payables	26.954.560	-	-	26.954.560
Other liabilities	2.413.558	-	-	2.413.558
Derivative financial instruments	-	50.739	101.793	152.532
<b>31 December 2024</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	18.777.531	-	-	18.777.531
Trade receivables	7.406.470	-	-	7.406.470
Financial investments	191.503	-	69.831	261.334
Other receivables	158.012	-	-	158.012
Derivative financial instruments	-	5.644	23.141	28.785
<b>Financial Liabilities</b>				
Financial liabilities	33.036.026	-	-	33.036.026
Trade payables	12.328.734	-	-	12.328.734
Other liabilities	943.589	-	-	943.589

Company management, considers that the fair values of financial assets and liabilities approximate book values.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

#### NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

##### Additional information about financial instruments (cont’d)

##### Categories of the financial instruments and their fair values (con’t)

###### 30 June 2025

Financial asset and liabilities at fair value	Book Value	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
<b>Financial assets and liabilities at fair value through profit/loss</b>				
Venture capital investment fund	69.251	-	69.251	-
Derivative financial liabilities	(101.793)	-	(101.793)	-
<b>Financial assets and liabilities at fair value through other comprehensive income/expense</b>				
Derivative financial liabilities	(50.739)	-	(50.739)	-
<b>Total</b>	<b>(83.281)</b>	<b>-</b>	<b>(83.281)</b>	<b>-</b>

###### 31 December 2024

Financial asset and liabilities at fair value	Book Value	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
<b>Financial assets and liabilities at fair value through profit/loss</b>				
Venture capital investment fund	68.875	-	68.875	-
Derivative financial assets	23.141	-	23.141	-
<b>Financial assets and liabilities at fair value through other comprehensive income/expense</b>				
Derivative financial assets	5.644	-	5.644	-
<b>Total</b>	<b>97.660</b>	<b>-</b>	<b>97.660</b>	<b>-</b>

*First Level:* Quoted (non-adjusted) prices in active markets for identical assets or liabilities.

*Second Level:* Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

*Third Level:* Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

(Convenience Translation into English of Condensed Interim Financial Statements Originally Issued in Turkish – See Note 18)

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed as Turkish Lira (“TRY Thousand”) unless otherwise indicated.)

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**NOTE 17 – SUBSEQUENT EVENTS**

None.

**NOTE 18 – OTHER ISSUES AFFECTING THE CONDENSED INTERIM FINANCIAL STATEMENTS MATERIALLY OR THOSE REQUIRED TO BE DISCLOSED FOR A CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION**

**Convenience translation to English:**

As of 30 June 2025, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting, certain reclassifications and also for certain disclosures requirement of the POA/CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.