



Corporate Governance Compliance Rating Report



İskenderun Demir ve Çelik A.Ş.

22 August 2025

Validity Period 22.08.2025-22.08.2026

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for İskenderun Demir ve Çelik Anonim Şirketi;

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to the general public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD, including generally accepted ethical customs, which are shared with the public through its Internet website (www.kobirate.com.tr).

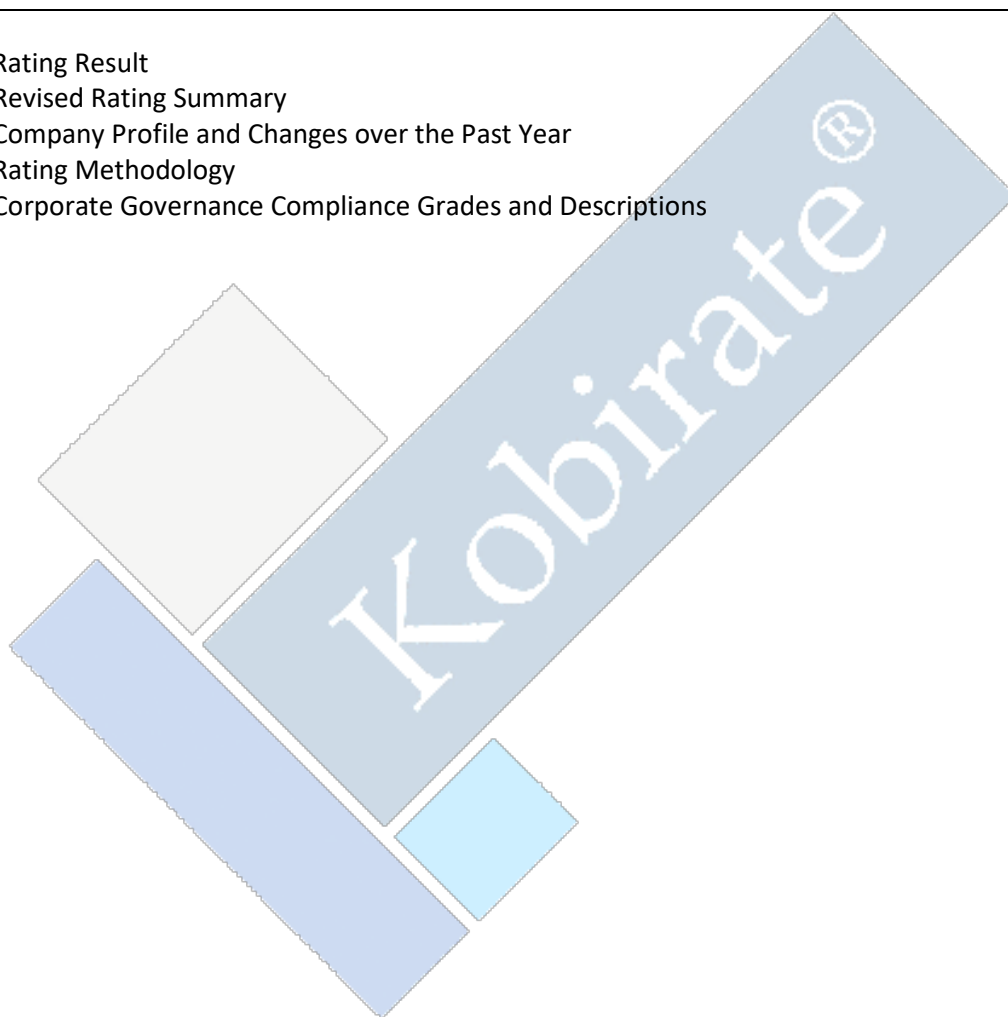
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBİRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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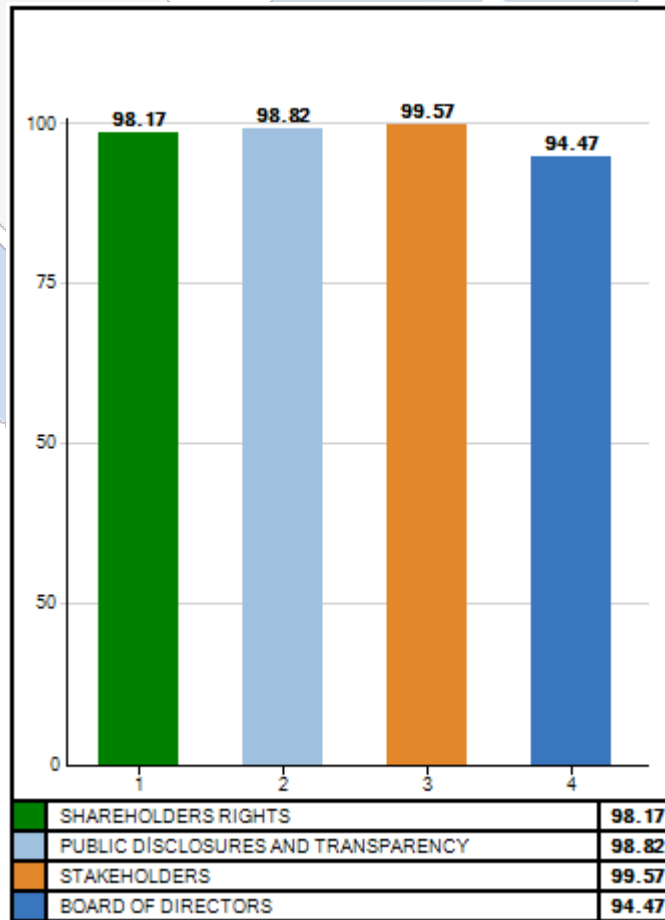
İSKENDERUN DEMİR VE ÇELİK A.Ş. (İSDEMİR)

1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.72





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2. REVISED RATING SUMMARY

This report of the rating of compliance of İskenderun Demir ve Çelik A.Ş. (İSDEMİR) with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to the public, interviews held with executives and persons involved, and other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Capital Markets Board dated 16.01.2025 and numbered 3/76, İSDEMİR is in the Bist 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies".

At the end of the examination of the criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of İsdemir has been revised as **9.72**.

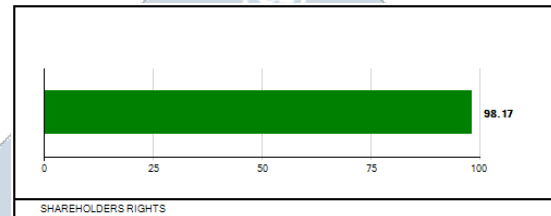
This result shows that the Company has achieved very high compliance with the Corporate Governance Principles issued by the Capital Market Board. Potential risks that the Company may be exposed to are identified and can be managed. The level of public disclosure and transparency is high. The rights of the shareholders and stakeholders are

treated fairly. Composition and operational conditions of the Board highly comply with the Corporate Governance Principles.

When the activities of İsdemir for the last one year are examined, it is seen that it has been maintaining its compliance with Corporate Governance Principles.

In conclusion, this rating indicates that the Company highly deserves to be included in the BIST Corporate Governance Index.

- In the Shareholders section, the rating of İsdemir has been revised to **98.17**.



İsdemir's crisis management performance following the devastation caused by the Kahramanmaraş earthquakes of February 6, 2023, coupled with its effective damage management and risk strategy, resulted in the successful collection of the entire USD 360 million compensation under comprehensive insurance policies that safeguarded its assets.

This swift cash recovery was not merely a compensation for material loss; it also served as a concrete demonstration of İsdemir's capability and responsibility to its stakeholders in ensuring operational continuity, preserving financial stability, protecting corporate assets, and safeguarding investor value even under the most challenging circumstances. This constitutes the basis for the rating increase under this main section.

The company has been observed to continue its activities with the same diligence and effectiveness in informing shareholders and enabling the exercise of basic shareholder rights during the review period. It is understood that the harmonious cooperation

of the Investor Relations Directorate with the Corporate Governance Committee is effective in the correct and effective exercise of the rights of the shareholders.

Activities related to shareholder relations are carried out by the ERDEMİR Investor Relations Directorate, which operates under the Vice Presidency of Financial Management and Fiscal Affairs. The department includes Ms. İdil ÖNAY ERGİN (Director) and Mr. Ali Seydi BÖLER (Corporate Governance Manager). Ms. ERGİN and Mr. BÖLER have Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses.

In accordance with the CMB Corporate Governance Communiqué numbered II.17-1, Investor Relations Director Ms. İdil ÖNAY ERGİN was appointed as a Member of the Corporate Governance Committee, and it was disclosed to the public with a Material Disclosure dated 03.04.2019.

It has been determined that the Investor Relations Directorate reports and makes presentations to the Board of Directors at least once a year regarding its activities. A presentation regarding the 2024 activities was made to the Board of Directors on February 12, 2025.

Shareholders' right to obtain information and to examine is not canceled or restricted by the Articles of Association or any department of the Company. The company carries out its disclosures to the shareholders and the public in accordance with the "Disclosure Policy". The said policy is published on the corporate website of the company.

The General Assembly meeting to discuss the operations of 2024 took place on 26.03.2025. The invitation to the general assembly meeting was published on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 03.03.2025, and in the Turkish Trade Registry Gazette (TTRG) dated 04.03.2025 and numbered 11284. The meeting invitation was made at least 3

(three) weeks before the meeting date as stipulated by the principles.

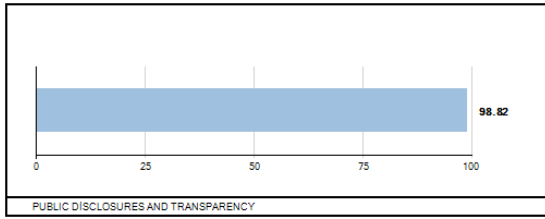
The general assembly information document provides detailed information on the distribution of company shares, the voting rights granted by the shares and the privileges regarding voting. In addition, whether the shareholders have a request to add an item to the agenda, the information that is required to be announced to the shareholders and the public, and the corporate governance principles are also included.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended the meeting. Attending executives were; Mr. Görtan DAMAR (Deputy Chairman of the Board of Directors – Executive Member), Mr. Mustafa Serdar BAŞOĞLU (Member of the Board of Directors – Executive Member), Ms. Güliz KAYA (Member of the Board of Directors), Salih Cem ORAL (İsdemir General Manager), Mr. Kemal Haluk ERUYGUR (Legal Counsel of OYAK), Mr. Ulaş YİRMİBEŞ (Director of Financial Control and Reporting), Mr. Buğrahan ELDELEKLİ (Legal Director), Ms. İdil ÖNAY ERGİN (Director of Investor Relations), and a representative of the Independent Audit Firm.

Net distributable profit for the period was 8,903,916,326 TL according to the legal records prepared in accordance with the TPL, and 14,254,007,836 TL according to the financial statements prepared within the framework of the CMB legislation from its year 2024 activities. The way the profit is used is explained in the "ii. Dividend Distribution" section of our report.

The profit distribution proposal of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

▪ In the Public Disclosure and Transparency section, the company's rating was confirmed as **98.82**.



It has been determined that İsdemir's works on public disclosure and transparency are in compliance with legal regulations and corporate governance principles. Annual reports are very rich in content and contain sufficient information about the activities. On the other hand, the integrated annual report prepared for OYAK Mining Metallurgy Companies (Group) contains very detailed information about İsdemir's activities.

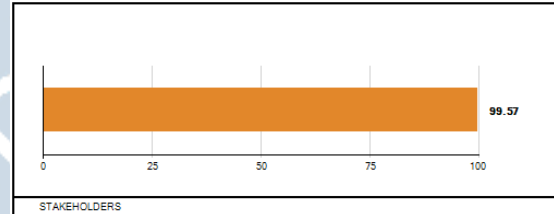
The corporate website (www.isdemir.com.tr) is updated regularly, and the website is being used as an active and effective platform for disclosure to the public. All information and documents that the public, investors and other interested parties want to access are published on the corporate website of the company for the last five (5) years. It has been observed that this information is consistent with the disclosures made in accordance with the provisions of the relevant legislation and does not contain contradictory and incomplete information. The corporate website is designed as a convenient, easily accessible structure.

The officials in the Company who are charged with disclosures and have the authority for signature are: Mr. Mustafa Serdar BAŞOĞLU (Finance Management and Financial Affairs Group Vice President), Mr. Ulaş YİRMİBEŞ (Financial Control and Reporting Director), Ms. İdil ÖNAY ERGİN (Investor Relations Director). The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

The independent external audit for 2024 was conducted by Güney Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst & Young Global Limited). There are no cases where the independent audit avoided expressing an opinion, expressed an opinion with conditions or avoided signature in the reports. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence, and there was no legal conflict with it. Within the framework of the Capital Markets legislation, the Turkish Commercial Code, and other relevant regulations, the same audit firm has been reappointed for the independent external audit of the Company's accounts and transactions for the 2025 fiscal year, based on the recommendation of the Audit Committee and the approval of the Board of Directors and the General Assembly.

▪ In the Stakeholders section, the company's rating has been revised to **99.57**.



The reason for the increase in the grade of the company in this section:

The scope of implementation entered into force as of 01.01.2024, pursuant to the Türkiye Sustainability Reporting Standards (TSRS) published in the Official Gazette dated 29.12.2023 and numbered 32414. The publication of İsdemir's first TSRS report within the integrated annual report disclosing the 2024 activities of OYAK Mining Metallurgy Companies.

It is concluded that İsdemir protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and the company's reputation. It has been

observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

Recruitment, wage, health, leave rights, promotions, appointments, discipline, dismissal, death, resignation, and retirement procedures have been determined, and it is thought that these procedures are adhered to in practice. Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

It has been determined that the Company runs training programs to increase the knowledge, talents and experience of its employees and that it has prepared training policies.

Ethical Rules and Working Principles have been determined and are updated when necessary. On the other hand, the policies concerning the shareholders and all stakeholders are disclosed to the public on the corporate website of the company.

As of 31.12.2024, a total of 5148 people were employed at İsdemir, with 1437 paid monthly wages and 3711 paid hourly wages. Hourly paid workers are organized under the umbrella of Özçelik-İş Union. The 29th Term Collective Bargaining Agreement has been concluded for 2 years, covering the period 01.01.2025-31.12.2026.

Similar to Erdemir and its subsidiaries, İsdemir carries out social responsibility activities in different areas in order to create sustainable and lasting value for society. It supports social development with education and culture-art-oriented projects developed through various collaborations. As OYAK Mining and Metallurgy Companies, the support provided for social projects in 2024 reached 100 million 143 thousand TL. Information about the company's contribution to the social development and welfare of society can be found in the

integrated reports and on the corporate website.

Sustainability;

Oyak Mining and Metallurgy Companies have structured their activities around the goals of developing in a way that benefits society and the environment, managing risks correctly, reducing their carbon footprint, and integrating risks and opportunities arising from climate change into all business processes. In this context, the company has shaped its "Value Creation Approach" around three fundamental concepts:

- o Sustainable Growth
- o Responsible Production
- o Human-Centered Approach

Sustainable Growth

Priorities

- Sustainable Financial Performance
- Product Quality
- Responsible Purchasing and Supply Chain Management

Focus Areas:

- Contributing to industry and economic growth in Turkey as a sector leader
- Competitive cost management
- Maintaining and increasing market share
- Enhancing the quality of high value-added product groups
- Being a reliable solution partner to customers and ensuring zero defects
- Increasing company value
- Enhancing resource and investment efficiency

Responsible Production

Priorities

- Climate Change
- Occupational Health and Safety
- Energy Management
- Waste Management
- Low Emission Production Technologies

- Water Management
- R&D and Innovation
- Cyclical Economy
- Air Emissions
- Operational Efficiency
- Biodiversity

Focus Areas:

- Transparent and accountable management
- R&D focus on production processes
- Reducing environmental impacts
- Developing pioneering OHS practices
- Developing products and services in line with current trends and technologies
- Enhancing operational efficiency
- End-to-end integrated solutions

Human-Centered Approach

Priorities

- Employee and Human Rights
- Employee Satisfaction and Talent Management
- Corporate Governance
- Ethics and Transparency
- Digitalization
- Equality of Opportunity and Diversity
- Contribution to Local Development
- Social Investment Programs

Focus Areas

- Providing social contributions to operational regions
- Increasing employee satisfaction
- Employees who embrace the institution's priorities and values and act in unison.

Erdemir and İsdemir, part of Oyak Mining and Metallurgy Companies, have announced their "Net Zero Roadmap" to contribute to Turkey's 2053 net-zero emission target. Shaping their green transformation steps, Erdemir and İsdemir aim to reduce carbon emissions per ton by 25% by 2030 and by 40% by 2040, compared to the baseline year of 2022, and to achieve net zero emissions by 2050.

To achieve the short-term goal of reducing carbon emissions per ton of crude steel by at

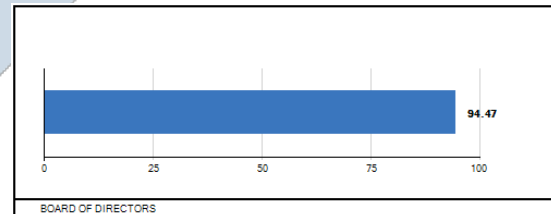
least 25%, Erdemir and İsdemir plan to invest 3.2 billion USD in transformation by the end of 2030.

The practices and documented management systems of İsdemir that contribute to its priorities of energy efficiency, occupational health and safety, sustainability, and digitalization are listed below:

ISO 9001:2015 Quality Management System
 ISO 14001:2015 Environmental Management System
 ISO 45001:2018 Occupational Health and Safety Management System
 IATF 16949: 2016 Quality Management System for the Automotive Industry
 ISO 50001:2018 Energy Management System
 ISO 17025: 2017 Laboratory Accreditation Certificate
 ISO 27001:2017 Information Security Management System

İsdemir has been included in the BIST Sustainability Index from November 2019 to October 2020.

■ In the Board of Directors section, İsdemir's rating was confirmed as **94.47**.



In the meetings with the company officials and the examinations made on the Board of Directors' Decision Book, it has been determined that the Board continues its activities actively, effectively and regularly. It has been observed that the Board of Directors internalizes the corporate governance principles, adopts an open approach to improvement and development, and displays a proactive attitude in compliance with the principles.

The Board of Directors has described the corporate strategic objectives and

determined the necessary human and financial resources. The duties of the chairman of the board of directors and general manager are carried out by different persons, and the authorities of each are defined. The board of directors, consisting of 9 (nine) members, consists of 3 (three) executive and 6 (six) non-executive members. 3 (three) of the non-executive members have the status of independent members.

Only 2 (two) female members were appointed to the Board of Directors. This structure does not comply with the "not less than 25%" criterion determined by the CMB as the rate of female members on the board of directors. For the target of "Women Board Member Ratio should not be less than 25%", determining a target rate and time and a policy to achieve these targets, and annually evaluating the progress achieved in achieving these targets by the board of directors will be appropriate to strengthen compliance with the principles.

The Audit, the Corporate Governance and the Early Detection of Risk Committees, which are stated in the Principles, have been established. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by the Corporate Governance Committee as well. The duties, working principles and the members of the committees have been determined by the Board of Directors, approved as written documents, announced to the public and published on the corporate website of the company.

All members of all three committees are independent board members. In addition, only in the Corporate Governance Committee, as per Communiqué No. II.17.1, the Investor Relations Director acts as a committee member. The company's general manager has not been appointed within the committee structures.

Independent members of the board of directors are elected to serve for 1 (one) year.

When the method followed before the general assembly regarding the independent members of the board of directors is examined, it is understood that:

- The Nomination Committee prepares an evaluation report on the independence of the candidate for the election of independent members and submits it to the board of directors,
- The board of directors elects independent members within the framework of the nomination committee's report,
- The report prepared regarding the determined candidate is sent to the Capital Markets Board together with the candidate's resume, declarations of independence and the resolutions of the board of directors. In addition, it would be appropriate for the company to pay attention to the time constraints specified in the principles during these processes.

The Board of Directors convened 6 (six) times in 2024 and 3 (three) times as of the end of June 2025. The secretarial function of the Board is carried out by the Board of Directors' assistant, Ms. Suzan MERT.

The Audit Committee held 4 (four) meetings in 2024. As of the end of June 2025, it held 2 (two) meetings. In the same period, in parallel with the number of meetings, the Committee submitted reports on its activities to the Board of Directors 4 (four) times in 2024 and 2 (two) times as of the end of June 2025. The secretarial function of the Committee is carried out by the Financial Control and Reporting Director, Mr. Ulaş YİRMİBEŞ.

The Corporate Governance Committee convened 4 (four) times in 2024 and 2 (two) times as of the end of June 2025. The Committee has submitted 2 (two) reports in 2024 and 1 (one) report as of the end of June 2025 to the Board of Directors on its activities. The secretariat of the Committee is carried out by Investor Relations Director Ms. İdil ÖNAY ERGİN.

The Early Detection of Risk Committee held 6 (six) meetings in 2024 and 3 (three) meetings as of the end of June 2025. They submitted reports to the board of directors about their work 6 (six) and 3 (three) times in the aforementioned periods. The secretariat of the Committee is carried out by the Corporate Risk Management Director, Mr. Erdem PREKA.

In the examinations made on the documents, it was observed that the meeting records of both the Board and the Committees were kept regularly.

Remuneration Principles for the Members of the Board of Directors and Senior Executives have been determined and disclosed to the public on the Company's corporate website.

Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.

The damages that may be caused to the company by the faults of the members of the board of directors during their duties were insured, but no PDP statement was made on the subject.

The Board of Directors does not yet have the practice of making performance evaluations on both board and member basis and rewarding or dismissing the Members based on these evaluations.

3. COMPANY PROFILE AND CHANGES OVER THE PAST YEAR

A. Company Profile:



Company Name	: İSKENDERUN DEMİR VE ÇELİK A.Ş
Company Address	: Karşı Mahalle Şehit Yüzbaşı Ali Oğuz Bulvarı No: 1 Payas / HATAY
Company Phone	: (0326) 758 4040
Company Fax Number	: (0326) 758 3838
Company's Web Address	: www.isdemir.com.tr
E-Mail Address	: info@isdemir.com.tr investorrelations@erdemir.com.tr
Date of Incorporation	: 12/11/1968
Registered Number	: 1599
Paid-in Capital	: 2,900,000,000 - TL
Line of Business	: Iron and steel roll products of all types, sizes and qualities, alloyed or pure iron, steel and iron casts, cast and pressed products and businesses stated in the Articles of Association.
Company's Sector	: Manufacturing Industry / Base Metal Industry

Company's Representative in Charge of Rating:

İdil ÖNAY ERGİN

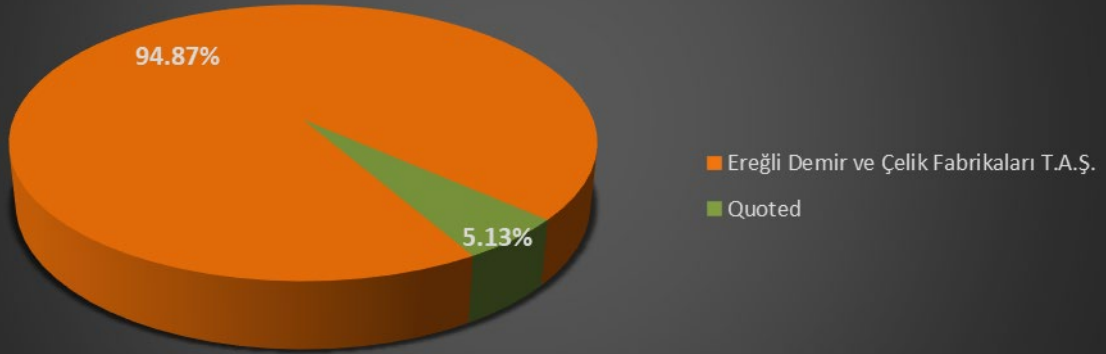
Investor Relations Director

ionay@erdemir.com.tr

(0216) 578 8061

Shareholder Structure (as of date of this report)

İskenderun Demir ve Çelik A.Ş. Shareholder Structure



Source: İskenderun Demir ve Çelik A.Ş.

Shareholder Name	Share (Thousand TL)	%
Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	2,751,326	94.87
Quoted in Stock Exchange	148,674	5.13
Total	2,900,000	100.00

Source: www.kap.org.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
ATAER Holding A.Ş. (Representative: Murat YALÇINTAŞ)	Chairman	Non - Executive
ERDEMİR Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. (Representative: Ahmet TAŞKIN)	Deputy Chairman of the Board of Directors and Executive Director	Executive
ERDEMİR Madencilik Sanayi ve Ticaret A.Ş. (Representative: Mustafa Serdar BAŞOĞLU)	Member of the Board of Directors and Executive Director	Executive
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: İsmail DOĞAN)	Member of the Board of Directors and Executive Director	Executive
T.C Hazine ve Maliye Bakanlığı ÖİB (Representative: Hilal YÜCEL)	Member of Board of Directors	Non - Executive
ERDEMİR Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş. (Representative: Güliz KAYA)	Member of Board of Directors	Non - Executive
Emre GÖLTEPE	Independent Member of Board of Directors	Non - Executive
Kadri ÖZGÜNEŞ	Independent Member of Board of Directors	Non - Executive
Sezai Afif ENSARİ	Independent Member of Board of Directors	Non - Executive

Source: www.kap.org.tr

Committees Formed Within Board of Directors

Audit Committee

Name Surname	Title	Duty
Emre GÖLTEPE	Independent Member of Board of Directors	Chairman Of The Committee
Sezai Afif ENSARİ	Independent Member of Board of Directors	Committee Member

Corporate Governance Committee

Name Surname	Title	Duty
Kadri ÖZGÜNEŞ	Independent Member of Board of Directors	Chairman Of The Committee
Emre GÖLTEPE	Independent Member of Board of Directors	Committee Member
İdil ÖNAY ERGİN	Erdemir Investor Relations Director	Committee Member

Early Detection of Risk Committee

Name Surname	Title	Duty
Sezai Afif ENSARİ	Independent Member of Board of Directors	Chairman Of The Committee
Kadri ÖZGÜNEŞ	Independent Member of Board of Directors	Committee Member

Senior Management of the Company

Name/ Surname	Title
Mustafa Serdar BAŞOĞLU	Finance Management and Financial Affairs Group Vice President
Buğra ŞENER	Executive Vice President/ Operations

Source www.kap.org.tr

Investor Relations

Name / Surname	Title	Contact
İdil ÖNAY ERGİN	Investor Relations Director	ionay@erdemir.com.tr (0216) 578 8061
Ali Seydi BÖLER	Corporate Governance Manager	aboler@erdemir.com.tr (0216) 578 8061

Source: www.kap.org.tr

Balance-Sheet Comparison of the Company's Certain Selected Items for the year-ends of the last two years

	2023/12 (Thousand USD)	2024/12 (Thousand USD)	Change% (USD)	2023/12 (Thousand TL)	2024/12 (Thousand TL)	Change % (TL)
Current Assets	1,953,090	1,959,667	0.34	57,495,472	69,137,658	20.25
Trade Receivables	177,060	209,932	18.57	5,212,321	7,406,470	42.10
Inventories	1,075,932	989,092	- 8.07	31,673,490	34,895,478	10.17
Fixed Assets	2,652,192	3,063,739	15.52	78,075,747	108,089,603	38.44
Total Assets	4,605,282	5,023,406	9.08	135,571,219	177,227,261	30.73
Short-Term Liabilities	1,278,371	847,874	- 33.68	37,701,321	29,967,974	- 20.51
Long-Term Liabilities	402,395	867,556	115.60	11,867,180	30,662,714	158.38
Paid Capital	1,474,105	1,474,105	-	2,900,000	2,900,000	-
Equity	2,924,516	3,307,976	13.11	86,002,718	116,596,573	35.57

Source: İsdemir Financial Statements and Independent Auditor's Report for the Period 01.01.2024-31.12.2024

(*) The Company's functional currency is the U.S. Dollar.

(**) Pursuant to the announcement of the Public Oversight, Accounting and Auditing Standards Authority ("POA") dated November 23, 2023, titled "Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation"; it has been decided that the financial statements of entities applying Turkish Financial Reporting Standards for the annual reporting periods ending on or after December 31, 2023, shall be presented in accordance with the relevant accounting principles set forth in Turkish Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (TAS 29), duly adjusted for the effects of inflation.

In line with the above explanations, since the Company's functional currency is the U.S. Dollar as of the reporting date, there is no need to make any adjustments in the financial statements to be prepared in accordance with TFRS within the scope of TAS 29.

Income Comparison of the Company's Certain Selected Items for the year-ends of the last two years

	2023/12 (Thousand USD)	2024/12 (Thousand USD)	Change %(USD)	2023/12 (Thousand TL)	2024/12 (Thousand TL)	Change % (TL)
Revenue	3,180,762	3,369,001	5.92	88,611,904	110,436,515	24.63
Cost of Sales	(2,957,271)	(3,078,687)	4.11	(82,385,737)	(100,919,980)	22.50
Operational Profit / Loss	267,688	475,276	77.55	7,457,446	15,579,657	108.91
Profit/Loss Before Tax	198,520	461,244	132.34	5,530,507	15,119,660	173.39
Profit/Loss for the Period	165,175	434,836	163.26	4,601,547	14,254,008	209.77
Earnings Per Share	-	-	-	1.5867	4.9152	-

Source: İsdemir Financial Statements and Independent Auditor's Report for the Period 01.01.2024-31.12.2024

See: Explanatory Notes (*) and (**) on page 15

Subsidiaries, Financial Fixed Assets and Financial Investments

Trade name	Line of Business	Paid-in/ Issued Capital	Share in the Capital	Currency	Share(%)	The Nature of the Relation
İsdemir Linde Gaz Ortaklığı A.Ş.	Industrial Gas Production and Sale	140,000,000	70,000,000	TRY	50	JOINT VENTURE PARTNERSHIP
Teknopark Hatay A.Ş.	R&D Center	1,213,000	60,650	TRY	5	FINANCIAL ASSET AT FAIR VALUE

Source: www.kap.org.tr

The Market where the Capital Market Instrument is Traded and the Indexes in which the Company is Included

BIST Code : ISDMR
Market where the Capital Market Instrument is Traded : BIST STAR

Indices in Which the Company Is Included

:
BIST SUSTAINABILITY PARTICIPATION / BIST 500 / BIST INDUSTRIALS / BIST PARTICIPATION ALL
SHARES / BIST BASIC METAL / BIST SUSTAINABILITY / BIST CORPORATE GOVERNANCE / BIST
PARTICIPATION 100 / BIST STARS / BIST ALL SHARES-100 / BIST ALL SHARES

Source: www.kap.org.tr

**The Peak and Bottom Closing Values of the Company Stock
in the BIST in the Last One Year Period (15.08.2024-15.08.2025)**

Bottom (TL)	Peak (TL)
33.38 (07.05.2025)	42.14 (09.12.2024)

Source: İskenderun Demir ve Çelik A.Ş.

B. Changes in the Company in the Last Year:

i. Changes in Capital and Articles of Association

There were no changes in the company's capital and articles of association during the review period.

ii. Profit Distribution:

Net distributable profit for the period was 8,903,916,326 TL according to the legal records prepared in accordance with the TPL, and 14,254,007,836 TL according to the financial statements prepared within the framework of the CMB legislation from its year 2024 activities.

The decision of the Board of Directors of the Company, dated 03.03.2025, regarding the distribution of the net period profit obtained as a result of 2024 activities is as follows:

“• In accordance with Article 519 of the TCC and the CMB provisions, since the limit for setting aside the general legal reserve has been reached, no 5% general legal reserve will be set aside from the net period profit in the 2024 financial statements prepared in accordance with TPL provisions.

- A cash dividend of 725,000,000 TL, corresponding to 5.08628% of the net distributable profit calculated under CMB regulations, shall be distributed to shareholders;

- Since the distributed cash dividend exceeds 5% of the Company's paid-in capital, 10% of the exceeding amount, which is 58,000,000 TL, shall be allocated as general legal reserves in accordance with Article 519, Paragraph 2(c) of the Turkish Commercial Code (TCC);

- The remaining amount of 13,471,007,836 TL, after deducting the first dividend to shareholders and the general legal reserves from the net profit, shall be allocated as extraordinary reserves;

- The dividend distribution date will be determined by the Board of Directors after the Ordinary General Assembly, taking into account the Company's cash projections, and will be done in one installment.

These matters were decided to be submitted for approval at the Company's Ordinary General Assembly Meeting to be held in March 2025."

The Board of Directors' proposal regarding the dividend distribution was discussed and approved as item 7 of the agenda at the ordinary general assembly meeting held on 26.03.2025.

The dividend distribution commenced on 02.07.2025, and the dividend was reflected in the accounts of public shareholders with a T+2 value date.

iii. Policies:

No changes were made in company policies (Disclosure Policy, Dividend Distribution Policy, Remuneration Policy, Compensation Policy, Human Resources Policy, Donations and Aid Policy, Erdemir Group Ethical Rules and Working Principles, Erdemir Group Anti-Corruption Policy) during the reviewing period. The aforementioned policies were disclosed to the public on the corporate website of the company.

iv. Management and Organization:

Changes in the Company's senior management during the review period;

- At the ordinary general assembly meeting held on March 26, 2025, Mr. Emre GÖLTEPE, Mr. Kadri ÖZGÜNEŞ, and Mr. Sezai Afif ENSARİ were elected as Independent Board Members to serve for a period of 1 year.

- The Material Disclosure dated 27.06.2025 is as follows:

"Pursuant to the resolution of our Board of Directors, in accordance with the Board of Directors' decision No. 2025/19 of our company's legal entity Board Member, OYAK Pazarlama Hizmet ve Turizm A.Ş., it has been decided to register and announce in the trade registry that Can ÖRÜNG will replace Baran ÇELİK as the natural person representative acting on behalf of OYAK Pazarlama Hizmet ve Turizm A.Ş.

- The Company's Material Disclosure dated 18.07.2025 is as follows:

"Pursuant to the resolution of our Board of Directors:

○ In accordance with the resolution no. 13 of the Board of Directors of our corporate Chairman of the Board, ATAER Holding A.Ş., Murat YALÇINTAŞ has been appointed and registered with the trade registry as the real person representative acting on behalf of ATAER Holding A.Ş., replacing Süleyman Savaş ERDEM,

○ In accordance with the decision of the Board of Directors of OYAK Pazarlama Hizmet ve Turizm A.Ş. (Corporate Board Member) numbered 2025/23, to appoint İsmail DOĞAN in place of Can ÖRÜNG as the natural person representative acting on behalf of OYAK Pazarlama Hizmet ve Turizm A.Ş.,

○ It has also been resolved that our corporate Board Member OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: İsmail DOĞAN) shall be authorized as "Executive Director", and that this authorization be registered and announced in the trade registry."

- The Company's Material Disclosure dated 05.08.2025 is as follows:

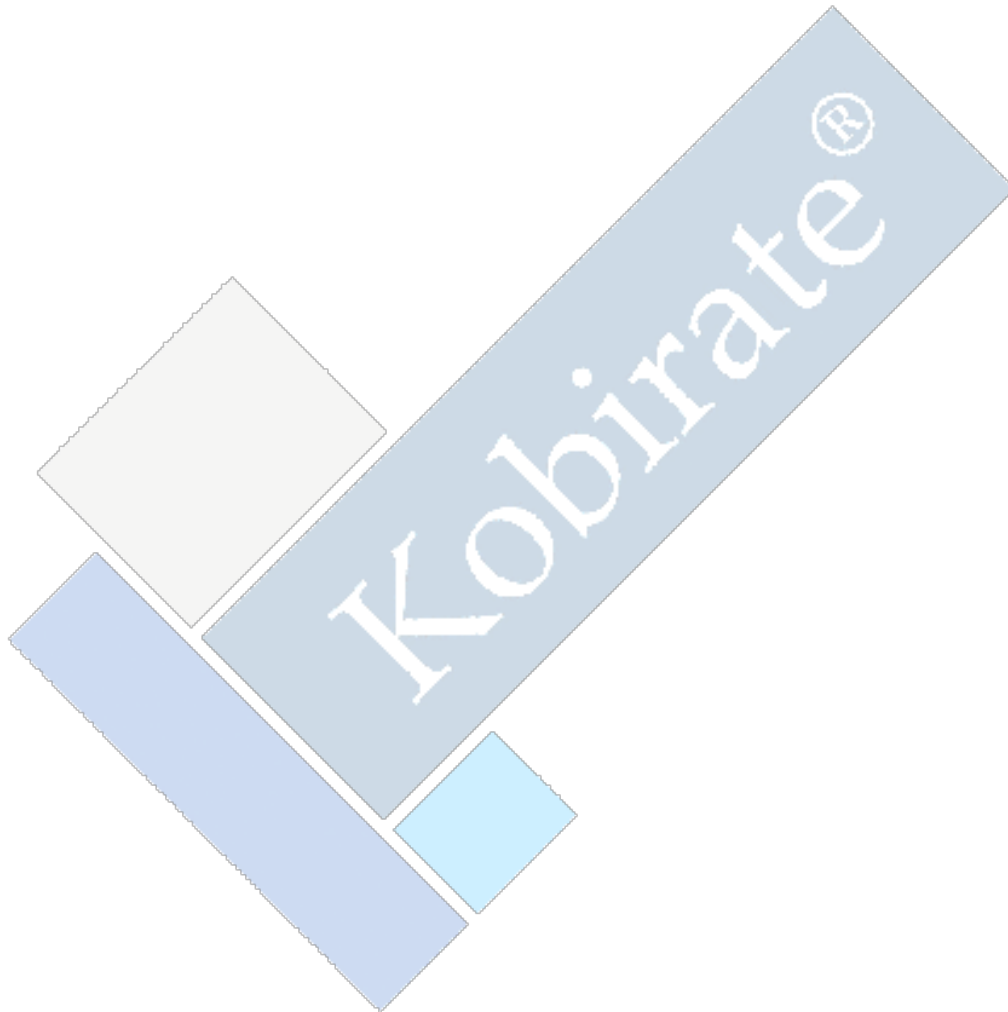
"By resolution of our Board of Directors, pursuant to the Board of Directors' resolution No. 441 of our Company's legal entity, Deputy Chairman of the Board of Directors and Executive Director, Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş., it was resolved to register and announce in the trade registry that Ahmet TAŞKIN has been appointed in place of Gürtan DAMAR as the natural person representative acting on behalf of Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş."

No other changes were made in the board of directors and senior management during the review period.

v. Other Matters

In the company's material disclosure dated 18.11.2024, it was stated that:

“In relation to the insurance compensation receivable of İskenderun Demir ve Çelik A.Ş. arising from the earthquake on February 6, 2023, and as previously disclosed to the public in the material disclosures dated October 25, 2023 and March 11, 2024, in addition to the two advance payments totaling USD 205 million collected from insurance companies, an agreement has been reached for the collection of an additional USD 155 million, bringing the total to USD 360 million. The full collection is planned to be completed by year-end.” As of the reporting date, the collection of the agreed compensation amount has been completed.”



4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non-binding principles.

The fact that principles are open to change over time was also accepted in this work. Although at first these principles were focused on the companies whose shares were quoted on the stock exchange, it was emphasized by OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision-makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles have kept the concept of corporate governance on the agenda and have become guidelines for the laws and regulations in OECD members, as well as other countries.

In OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group established

within TUSIAD in 2001 prepared the guide titled "Corporate Governance: The best implementation code". Then, CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non-quoted companies.

It has been prepared by taking into account the criteria specified in the Corporate Governance Communiqué of the CMB, numbered II-17.1, published in the Official Gazette dated 03 January 2014 and numbered 28871, as well as the decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of workflow and analysis technique with KOBİRATE A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s software.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as follows:

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions/methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by the CMB Communiqué of Corporate Governance published on 03.01.2014, is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 based on the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm

ranges between 0 and 10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles, while grade "0" means that there is no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ
A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

GRADE	DEFINITIONS
9–10	The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
7–8.9	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place and operational, although some improvements are required. Potential risks to which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles, even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
6–6.9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated; however, improvement is required. Potential risks that the Company may be exposed to are identified and can be managed. The interests of the shareholders are taken care of, although improvement is needed. Although public disclosure and transparency are taken care of, there is a need for improvement. The benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

GRADE	DEFINITIONS
4–5.9	The Company has minimal compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not fully efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.
< 4	The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.