

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

İSKENDERUN DEMİR VE ÇELİK A.Ş.

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY - 31 MARCH 2026**

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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 31 MARCH 2026

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

	Note	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		Current Period 31 March 2026 USD'000	Current Period 31 March 2026 TRY'000	Previous Period 31 December 2025 USD'000	Previous Period 31 December 2025 TRY'000
ASSETS					
Current Assets		2.341.786	103.966.217	2.383.179	102.108.960
Cash and Cash Equivalents		1.167.456	51.830.480	1.184.181	50.737.047
Trade Receivables		180.070	7.994.407	182.129	7.803.468
<i>Due From Related Parties</i>	3	128.721	5.714.717	127.894	5.479.725
<i>Other Trade Receivables</i>		51.349	2.279.690	54.235	2.323.743
Other Receivables		5.030	223.313	5.122	219.463
Financial Derivative Instruments		594	26.368	41	1.745
Inventories	4	899.031	39.913.463	912.959	39.116.364
Prepaid Expenses		10.449	463.900	13.065	559.786
Other Current Assets		79.156	3.514.286	85.682	3.671.087
Non Current Assets		3.154.863	140.063.582	3.153.992	135.134.996
Financial Investments		1.614	71.643	1.699	72.798
Other Receivables		105	4.659	109	4.659
Investments Accounted For Using Equity Method	5	35.774	1.588.214	34.337	1.471.206
Property, Plant and Equipment	6	3.021.526	134.143.971	2.972.440	127.356.257
Right of Use Assets		23.142	1.027.406	21.385	916.253
Intangible Assets	6	40.087	1.779.693	40.543	1.737.102
Prepaid Expenses		32.615	1.447.996	83.479	3.576.721
<i>Due From Related Parties</i>	3	1.306	57.983	1.306	55.958
<i>Other Prepaid Expenses</i>		31.309	1.390.013	82.173	3.520.763
TOTAL ASSETS		5.496.649	244.029.799	5.537.171	237.243.956

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 31 MARCH 2026

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

	Note	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		Current Period 31 March 2026 USD'000	Current Period 31 March 2026 TRY'000	Previous Period 31 December 2025 USD'000	Previous Period 31 December 2025 TRY'000
LIABILITIES					
Current Liabilities		1.291.588	57.445.399	1.058.751	45.445.629
Short Term Borrowings	7	64.992	2.890.577	122.404	5.253.933
Short Term Portion of Long Term Borrowings	7	90.241	4.013.547	90.684	3.892.436
Trade Payables		778.462	34.623.581	791.449	33.972.174
<i>Due to Related Parties</i>	3	139.063	6.184.979	146.368	6.282.560
<i>Other Trade Payables</i>		639.399	28.438.602	645.081	27.689.614
Payables for Employee Benefits	9	27.218	1.210.548	21.286	913.673
Other Payables		298.479	13.275.198	4.721	202.656
<i>Due to Related Parties</i>	3	278.364	12.380.535	-	-
<i>Other Trade Payables</i>		20.115	894.663	4.721	202.656
Derivative Financial Instruments		-	-	37	1.605
Deferred Revenue		13.178	586.095	9.645	414.012
Current Tax Liabilities	11	8.218	365.498	6.866	294.727
Short Term Provisions	8	9.374	416.915	9.063	388.998
Other Current Liabilities		1.426	63.440	2.596	111.415
Non Current Liabilities		1.016.893	45.227.486	1.030.255	44.221.501
Long Term Borrowings	7	691.718	30.764.934	712.898	30.599.656
Long Term Provisions		64.014	2.847.095	62.607	2.687.257
<i>Long Term Provisions for Employee Benefits</i>	9	64.014	2.847.095	62.607	2.687.257
Deferred Tax Liabilities	11	261.161	11.615.457	254.750	10.934.588
EQUITY		3.188.168	141.356.914	3.448.165	147.576.826
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)		(69.296)	77.634.205	(69.296)	75.212.219
<i>Actuarial (Loss)/ Gain Funds</i>		(69.296)	(998.177)	(69.296)	(998.177)
<i>Foreign Currency Translation Reserves</i>		-	78.632.382	-	76.210.396
Other Comprehensive Income/Expense to be Reclassified to Profit/ (Loss)		291	12.926	1	24
<i>Cash Flow Hedging Gain (Loss)</i>		291	12.926	1	24
Restricted Reserves Assorted from Profit		516.863	4.528.060	487.715	3.237.560
Retained Earnings		1.231.649	54.778.933	1.400.534	60.114.965
Net Profit for the Period		34.471	1.502.626	155.021	6.111.894
TOTAL LIABILITIES AND EQUITY		5.496.649	244.029.799	5.537.171	237.243.956

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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

		(Unaudited) Current Period 1 January - 31 March 2026 USD'000	(Unaudited) Current Period 1 January - 31 March 2026 TRY'000	(Unaudited) Previous Period 1 January - 31 March 2025 USD'000	(Unaudited) Previous Period 1 January - 31 March 2025 TRY'000
Revenue	13	726.477	31.667.568	743.815	26.906.457
Cost of Sales	13	(665.319)	(29.001.646)	(692.155)	(25.037.728)
GROSS PROFIT		61.158	2.665.922	51.660	1.868.729
Marketing, Sales and Distribution Expenses	14	(8.709)	(379.637)	(8.389)	(303.456)
General Administrative Expenses	14	(14.811)	(645.627)	(12.405)	(448.724)
Research and Development Expenses		(25)	(1.095)	(36)	(1.306)
Other Operating Income	14	9.284	404.715	5.619	203.246
Other Operating Expenses	14	(4.223)	(184.101)	(3.630)	(131.298)
OPERATING PROFIT		42.674	1.860.177	32.819	1.187.191
Income from Investing Activities		165	7.198	-	-
Expenses from Investing Activities		(121)	(5.252)	(99)	(3.591)
Share of Investments' Profit Accounted by Using The Equity Method	5	1.436	62.615	383	13.839
OPERATING PROFIT BEFORE FINANCE INCOME/ (EXPENSE)		44.154	1.924.738	33.103	1.197.439
Finance Income	15	17.577	766.176	31.192	1.128.326
Finance Expense	15	(19.348)	(843.405)	(36.188)	(1.309.023)
PROFIT BEFORE TAX		42.383	1.847.509	28.107	1.016.742
Tax (Expense)/ Income	11	(7.912)	(344.883)	284	10.279
Current Corporate Tax (Expense)/ Income		(1.591)	(69.362)	(1.352)	(48.900)
Deferred Tax (Expense)/ Income		(6.321)	(275.521)	1.636	59.179
NET PROFIT FOR THE PERIOD		34.471	1.502.626	28.391	1.027.021
Earnings per share (TRY 1 Nominal value per share)			0,5181		0,3541

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

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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 OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

	(Unaudited) Current Period 1 January - 31 March 2026	(Unaudited) Current Period 1 January - 31 March 2026	(Unaudited) Previous Period 1 January - 31 March 2025	(Unaudited) Previous Period 1 January - 31 March 2025
Note	USD'000	TRY'000	USD'000	TRY'000
PROFIT FOR THE PERIOD	34.471	1.502.626	28.391	1.027.021
OTHER COMPREHENSIVE INCOME				
Not to be reclassified subsequently to profit or loss				
Foreign Currency Translation Gain (Loss)	-	5.314.560	-	8.256.333
To be reclassified subsequently to profit or loss				
Gain (Loss) in Cash Flow Hedging Reserves	387	17.203	100	4.187
Tax Effect of Gain (Loss) in Cash Flow Hedging Reserves	11 (97)	(4.301)	(25)	(1.047)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	290	5.327.462	75	8.259.473
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	34.761	6.830.088	28.466	9.286.494

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

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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 CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

(Unaudited)	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	Retained Earnings		Total Shareholders' Equity	
				Foreign Currency Translation Reserves	Actuarial (Loss)/ Gain Funds	Cash Flow Hedging Gain (Loss)	Restricted Reserves Assorted from Profit	Retained Earnings		Net Profit for the Period
1 January 2026		2.900.000	164	76.210.396	(998.177)	24	3.237.560	60.114.965	6.111.894	147.576.826
Net profit for the period		-	-	-	-	-	-	-	1.502.626	1.502.626
Other comprehensive income/(loss)		-	-	5.314.560	-	12.902	-	-	-	5.327.462
Total comprehensive income/(loss)		-	-	5.314.560	-	12.902	-	-	1.502.626	6.830.088
Increase (decrease) due to other changes (**)	2.1	-	-	(2.892.574)	-	-	-	2.892.574	-	-
Dividends (*)		-	-	-	-	-	-	(13.050.000)	-	(13.050.000)
Transfers		-	-	-	-	-	1.290.500	4.821.394	(6.111.894)	-
31 March 2026		2.900.000	164	78.632.382	(998.177)	12.926	4.528.060	54.778.933	1.502.626	141.356.914
(Unaudited)										
1 January 2025		2.900.000	164	62.593.965	(1.196.793)	4.217	3.179.560	34.861.452	14.254.008	116.596.573
Net profit for the period		-	-	-	-	-	-	-	1.027.021	1.027.021
Other comprehensive income/(loss)		-	-	8.256.333	-	3.140	-	-	-	8.259.473
Total comprehensive income/(loss)		-	-	8.256.333	-	3.140	-	-	1.027.021	9.286.494
Increase (decrease) due to other changes (**)	2.1	-	-	(4.654.909)	-	-	-	4.654.909	-	-
Dividends (*)		-	-	-	-	-	-	(725.000)	-	(725.000)
Transfers		-	-	-	-	-	58.000	14.196.008	(14.254.008)	-
31 March 2025		2.900.000	164	66.195.389	(1.196.793)	7.357	3.237.560	52.987.369	1.027.021	125.158.067

(*) At the Ordinary General Assembly Meeting of the Company held on 26 March 2026, dividend per share: TRY 4,50 (2025: TRY 0,25) from the profits of 2025 and retained earnings. The decision to distribute a cash dividend of TRY 13.050.000 thousand (26 March 2025: TRY 725.000 thousand) was unanimously approved. Dividend distribution will start on 3 June 2026.

(**) 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 31 March 2026 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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

		(Unaudited) Current Period 1 January - 31 March 2026	(Unaudited) Current Period 1 January - 31 March 2026	(Unaudited) Previous Period 1 January - 31 March 2025	(Unaudited) Previous Period 1 January - 31 March 2025
	Note	USD'000	TRY'000	USD'000	TRY'000
CASH FLOWS FROM OPERATING ACTIVITIES		102.775	4.575.363	234.485	8.628.833
Profit (Loss) for The Period		34.471	1.502.626	28.391	1.027.021
Adjustments to Reconcile Profit (Loss)		45.325	2.051.704	23.509	855.655
Adjustments for Depreciation and Amortisation Expenses	13/14	34.250	1.512.643	28.930	1.057.156
Adjustments for Impairment Loss (Reversal of Impairment Loss)		-	-	(1.720)	(62.219)
Adjustments for Provision (Reversal of Provision) for Property, Plant and Equipment	4	-	-	(1.720)	(62.219)
Adjustments for Provisions		5.171	225.481	9.178	332.052
Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits	9	4.104	178.918	8.353	302.169
Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits	8	1.067	46.563	825	29.883
Adjustments for Interest (Income) and Expenses		1.785	77.772	(13.371)	(483.699)
Adjustments for Interest Income	15	(14.271)	(622.100)	(31.192)	(1.128.326)
Adjustments for Interest Expense	15	16.049	699.569	17.820	644.611
Unearned Financial Income from Credit Sales		7	303	1	16
Adjustments for Unrealised Foreign Exchange Differences		(762)	(35.700)	378	9.056
Adjustments for Fair Value (Gains) Losses		(159)	(6.919)	686	24.799
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		(159)	(6.919)	686	24.799
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	(1.436)	(62.615)	(383)	(13.839)
Adjustments for Tax (Income) Expenses	11	7.912	344.883	(284)	(10.279)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(88)	(3.841)	72	2.628
Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment		(88)	(3.841)	72	2.628
Other adjustments for Losses (Gains) Reconciliation		(1.348)	-	23	-
Changes in Working Capital		24.062	1.068.259	124.867	4.715.677
Adjustments for Decrease (Increase) in Trade Receivables		4.972	220.737	7.568	285.810
Decrease (Increase) in Trade Receivables from Related Parties		(827)	(36.716)	7.184	271.308
Decrease (Increase) in Trade Receivables from Third Parties		5.799	257.453	384	14.502
Adjustments for Decrease (Increase) in Other Receivables Related from Operations		96	4.262	(578)	(21.828)
Decrease (Increase) in Other Receivables from Operations from Third Parties		96	4.262	(578)	(21.828)
Decrease (Increase) in Derivative Financial Instruments		(553)	(24.551)	113	4.268
Adjustments for Decrease (Increase) in Inventories		15.576	691.514	62.951	2.377.382
Decrease (Increase) in Prepaid Expenses		2.628	116.673	6.588	248.799
Adjustments for Increase (Decrease) in Trade Payables		(12.987)	(576.573)	21.666	818.230
Increase (Decrease) in Trade Payable to Related Parties		(7.305)	(324.314)	7.428	280.523
Increase (Decrease) in Trade Payable to Third Parties		(5.682)	(252.259)	14.238	537.707
Adjustments for Increase (Decrease) in Other Payables Related from Operations		4.932	218.962	990	37.388
Increase (Decrease) in Other Payables to Third Parties Related from Operations		4.932	218.962	990	37.388
Increase (Decrease) in Derivative Liabilities		509	22.598	1.490	56.271
Adjustments for Other Increase (Decrease) in Working Capital		8.889	394.637	24.079	909.357
Decrease (Increase) in Other Assets Related from Operations		6.526	289.729	13.091	494.389
Increase (Decrease) in Other Payables Related from Operations		2.363	104.908	10.988	414.968
Cash Flows Provided by Operating Activities		103.858	4.622.589	176.767	6.598.353
Payments Related to Provisions for Employee Termination Benefits	9	(446)	(19.466)	(6.445)	(233.168)
Payments Related to Other Provisions	8	(637)	(27.760)	(37)	(1.347)
Other Cash Inflow (Outflow)		-	-	64.200	2.264.995
CASH FLOWS FROM INVESTING ACTIVITIES		(31.143)	(1.357.546)	(85.897)	(3.138.034)
Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets		169	7.374	2	15
Cash Inflow from Sales of Property, Plant and Equipment		169	7.374	2	15
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets		(30.116)	(1.312.782)	(75.042)	(2.714.528)
Cash Outflow from Purchase of Property, Plant and Equipment		(30.075)	(1.310.984)	(75.038)	(2.714.376)
Cash Outflow from Purchase of Intangible Assets		(41)	(1.798)	(4)	(152)
Cash Advances and Debts Given		(1.196)	(52.138)	(11.013)	(415.913)
Other Cash Advances and Debts Given		(1.196)	(52.138)	(11.013)	(415.913)
Other Cash Inflows (Outflows)		-	-	156	(7.608)
CASH FLOWS FROM FINANCING ACTIVITIES		(86.590)	(3.797.759)	24.613	864.596
Cash Inflow from Borrowings		-	-	237.044	8.574.722
Cash Inflow from Loans		-	-	237.044	8.574.722
Cash Outflow from Repayments of Borrowings		(69.876)	(3.066.228)	(202.832)	(7.356.310)
Cash Outflow from Loan Repayments		(69.876)	(3.066.228)	(202.832)	(7.356.310)
Cash Outflow from Debt Payments for Leasing Contracts		(931)	(40.604)	(563)	(20.361)
Interest Paid		(26.588)	(1.158.998)	(33.134)	(1.198.589)
Interest Received		10.805	468.071	24.098	865.134
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(14.958)	(579.942)	173.201	6.355.395
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(2.314)	1.646.585	(6.781)	1.251.299
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(17.272)	1.066.643	166.420	7.606.694
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1.182.555	50.667.362	531.826	18.763.006
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1.165.283	51.734.005	698.246	26.369.700

- As of 31 March 2026, the total accrual of interest on time deposits is TRY 96.475 thousand (USD 2.173 thousand) (31 March 2025: TRY 146.753 thousand (USD 3.886 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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 (%)	
			31 March 2026	31 December 2025
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 31 March 2026 are as follows:

	31 March 2026	31 December 2025
	Personnel	Personnel
Paid Hourly Personnel	3.597	3.560
Paid Monthly Personnel	1.362	1.369
	<u>4.959</u>	<u>4.929</u>

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

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

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 2025.

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.

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 31 March 2026 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying rate of exchange which is 44,3961 TRY = 1 US \$ and the liabilities selling rate of exchange which is 44,4761 TRY = 1 US \$ (31 December 2025 foreign exchange buying rate: 42,8457 TRY = 1 US \$, foreign exchange selling rate: 42,9229 TRY = 1 US \$).
- b) For the three months period ended 31 March 2026, condensed profit or loss statements are translated from the three months average 43,5906 TRY = 1 US \$ rates of 2026 January-March period (31 March 2025: 36,1736 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 31 March 2026 are presented by converting them into TRY using the foreign exchange selling rate effective as of 31 March 2026 announced by the Central Bank of the Republic of Türkiye, 44,4761 TRY = 1 US \$ (31 December 2025: 42,9229 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 31 March 2026 and 31 December 2025, condensed statement of income and other comprehensive income and statement of cash flows for the interim period ended 31 March 2026 and 2025 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 28 April 2026 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 31 March 2026 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 2026 summarized below.

a) Amendments that are mandatorily effective from 1 January 2026

Amendments to TFRS 9 and TFRS 7	: Classification and Measurement of Financial Instruments
Amendments to TFRS 9 and TFRS 7	: Contracts Referencing Nature-dependent Electricity
Annual Improvements to TFRSs	: Volume 11

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

Amendments to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognized on the settlement date.

It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The new requirements are applied retrospectively with an adjustment to opening retained earnings.

Amendments to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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)

a) Amendments that are mandatorily effective from 1 January 2026 (cont’d)

Annual Improvements to TFRSs – Volume 11

In September 2025, POA issued Annual Improvements to TFRSs – Volume 11, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.
- TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.
- TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price'.
- TAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of 'cost method'.

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

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

Amendments to TFRS 10 and TAS 28	:Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
TFRS 17	:The New Standard for Insurance Contracts
TFRS 18	:The New Standard for Presentation and Disclosure Financial Statements
TFRS 19	:Subsidiaries without Public Accountability:Disclosures
TFRS 21	:Translation to a Hyperinflationary Presentation

Amendments to TFRS 10 and TAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of these amendments to TFRS 10 and TAS 28 indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

TFRS 17 The New Standard for Insurance Contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2027 with the announcement made by the POA.

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 and not early adopted (cont’d)

TFRS 18 The new Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

TFRS 19 – The new Standard for Subsidiaries without Public Accountability: Disclosures

In August 2025, POA issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards. An entity that is a subsidiary does not have public accountability and has a parent (either ultimate or intermediate) which prepares financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. TFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under TFRS 19.

Amendments to TAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the POA in April 2026 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity’s functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with TAS 29, to the foreign operation’s comparative figures. The amendments also introduce certain additional disclosure requirements.

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 and not early adopted (cont’d)

Amendments to TAS 21 - Translation to a Hyperinflationary Presentation (cont’d)

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. If an entity’s functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity’s previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with TAS 29. Other entities will apply the amendments retrospectively.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

2.4 Summary of Significant Accounting Policies

The condensed interim financial statements for the three months period ended 31 March 2026 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 31 March 2026 are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2025. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025.

There has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope as of 31 March 2026, from the interests reported as of 31 December 2025.

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.

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

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:

<u>Due from related parties (short term)</u>	31 March 2026	31 December 2025
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ⁽¹⁾	5.656.754	5.435.982
OYAK Sentetik Karbon Ürünleri San. ve Tic. A.Ş. ⁽³⁾	14.713	2.924
Erdemir Romania SRL ⁽²⁾	43.250	28.772
İsdemir Linde Gaz Ortaklığı A.Ş. ⁽⁴⁾	-	12.047
	<u>5.714.717</u>	<u>5.479.725</u>

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

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

<u>Due to related parties (short term)</u>	31 March 2026	31 December 2025
Amsterdam Scrap Terminal B.V. ⁽³⁾	3.150.347	3.403.140
Erdemir Madencilik San. ve Tic. A.Ş. ⁽²⁾	798.335	456.711
OYAK Pazarlama Hizmet ve Turizm A.Ş. ⁽³⁾	311.773	426.216
Erdemir Asia Pacific PTE LTD ⁽²⁾	449.558	433.859
Omsan Lojistik A.Ş. ⁽³⁾	612.178	528.727
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽³⁾	126.749	97.272
OYAK Denizcilik ve Liman İşletmeleri A.Ş. ⁽³⁾	180.417	180.568
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. ⁽²⁾	17.858	16.385
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. ⁽²⁾	55.431	53.584
Kümaş Manyezit Sanayi A.Ş. ⁽²⁾	225.450	206.408
OYAK Çimento Fabrikaları A.Ş. ⁽⁵⁾	55.319	54.233
Other	201.564	425.457
	<u>6.184.979</u>	<u>6.282.560</u>

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

- (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

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

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

NOTE 3 –RELATED PARTY TRANSACTIONS (cont’d)

	31 March 2026	31 December 2025
<u>Other payables from related parties (short term)</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ⁽¹⁾	12.380.535	-
	12.380.535	-

As a result of the decision taken at the Company's Ordinary General Meeting held on 26 March 2026, to distribute a cash dividend of TRY 13.050.000 thousand from the profits of 2025 and retained earnings, the amount attributable to the main shareholder, TRY 12.380.535 thousand, has been accounted for in the other liabilities to related parties account.

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

	31 March 2026	31 December 2025
<u>Prepaid expenses (long term)</u>		
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽³⁾	57.983	55.958
	57.983	55.958

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

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

	1 January - 31 March 2026	1 January - 31 March 2025
<u>Major sales to related parties</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ⁽¹⁾	19.959.523	15.983.944
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. ⁽²⁾	1.617	1.577
İsdemir Linde Gaz Ortaklığı A.Ş. ⁽⁴⁾	116.093	104.088
Erdemir Romania S.R.L. ⁽²⁾	69.172	31.584
OYAK Çimento Fabrikaları A.Ş. ⁽⁵⁾	7.462	6.235
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. ⁽³⁾	37.337	39.866
OYAK Pazarlama Hizmet ve Turizm A.Ş. ⁽³⁾	28	7
OYAK Denizcilik ve Liman İşletmeleri A.Ş. ⁽³⁾	464	106
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽³⁾	8	8
Kümaş Manyezit Sanayi A.Ş. ⁽²⁾	57	70
Other	255	572
	20.192.016	16.168.057

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

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 - 31 March 2026</u>	<u>1 January - 31 March 2025</u>
Doco Petrol ve Danışmanlık A.Ş. ⁽³⁾	30.121	25.745
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. ⁽³⁾	36.702	33.215
Erdemir Madencilik San. ve Tic. A.Ş. ⁽²⁾	2.403.567	2.197.692
Erdemir Asia Pacific PTE LTD ⁽²⁾	700.837	12.557
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ⁽¹⁾	168.483	105.988
OYAK Pazarlama Hizmet ve Turizm A.Ş. ⁽³⁾	262.558	265.639
Amsterdam Scrap Terminal B.V. ⁽³⁾	1.945.011	464.081
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽³⁾	104.946	86.244
Omsan Lojistik A.Ş. ⁽³⁾	724.339	398.850
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. ⁽²⁾	53.125	35.123
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. ⁽²⁾	151.961	111.501
İsdemir Linde Gaz Ortaklığı A.Ş. ⁽⁴⁾	215.796	181.879
OYAK Denizcilik ve Liman İşletmeleri A.Ş. ⁽³⁾	151.343	136.841
Kümaş Manyezit Sanayi A.Ş. ⁽²⁾	166.079	95.248
AST Trade FZCO ⁽³⁾	144.167	-
OYAK Çimento Fabrikaları A.Ş. ⁽⁵⁾	63.669	85.841
Other	120.801	90.271
	<u>7.443.505</u>	<u>4.326.715</u>

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

The Company earned TRY 103.050 thousand finance income from related party transactions of the first three month period of 2026, amounting to all of which consisted interest income from forward sales (31 March 2025: TRY 99.208 thousand total finance income from related party receivables, TRY 84.658 thousand of interest income from forward sales and TRY 14.550 thousand of interest accrued).

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

As of 31 March 2026, the balances realized in the status of commercial goods are secured and their collections will be done in cash. Other receivables from related parties balances are un-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 three months period ended 31 March 2026, the Company provides no provision for the receivables from related parties (31 December 2025: 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

(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 THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 three months period ended 31 March 2026, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the executive management of the Company is TRY 4.185 thousand (31 March 2025: TRY 4.837 thousand).

NOTE 4 – INVENTORIES

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

	31 March 2026	31 December 2025
Raw materials	9.714.047	10.745.538
Work in progress	9.428.942	7.986.759
Finished goods	4.056.727	3.318.024
Spare parts	6.878.922	6.757.410
Goods in transit	6.658.040	6.889.567
Other inventories	4.108.555	4.318.297
Allowance for impairment on inventories (-)	(931.770)	(899.231)
	<u>39.913.463</u>	<u>39.116.364</u>

The movement of the allowance for impairment on inventories:

	1 January – 31 March 2026	1 January – 31 March 2025
Opening balance	899.231	1.113.085
Provision released (-)	-	(62.219)
Translation difference	32.539	75.672
Closing balance	<u>931.770</u>	<u>1.126.538</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:

<i>Joint Venture</i>	Right to vote ratio %	31 March 2026	Right to vote ratio %	31 December 2025	Business segment
İsdemir Linde Gaz Ortaklığı A.Ş	50	1.588.214	50	1.471.206	Industrial Gas Production and Sale

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

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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 - 31 March 2026	1 January - 31 March 2025
Opening balance	1.471.206	1.280.062
Net profit(loss) for the period	62.615	13.839
Currency translation difference	54.393	90.781
Closing balance	1.588.214	1.384.682

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

	31 March 2026	31 December 2025
Total assets	3.317.488	3.116.147
Total liabilities	141.060	173.736
Net assets	3.176.428	2.942.411
Company's share on net assets	1.588.214	1.471.206

	31 March 2026	31 December 2025
Share capital	140.000	140.000

İsdemir Linde Gaz Ortaklığı A.Ş has the right of to deduct TRY 54.718 thousand (31 December 2025: TRY 24.485 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 30.233 thousand of additional investment deduction (its effect in the profit or loss statement of Company is TRY 15.117 thousand) is included in the financial statements prepared as of reporting date.

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

	1 January – 31 March 2026	1 January – 31 March 2025
Revenue	215.002	196.241
Operating Profit	27.396	38.939
Net profit (loss) for the period	125.230	27.677
Company's share in net profit (loss)	62.615	13.839

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NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

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

	31 March 2026	31 March 2025
<u>Opening balance as of 1 January</u>		
Cost	266.400.892	210.619.833
Accumulated depreciation	<u>(139.044.635)</u>	<u>(110.567.844)</u>
Net book value	<u>127.356.257</u>	<u>100.051.989</u>
Net book value at the beginning of the period	127.356.257	100.051.989
Additions (*)	3.663.051	2.907.256
Disposals (-)	(3.533)	(2.643)
<i>Cost disposals</i>	<i>(18.669)</i>	<i>(6.277)</i>
<i>Accumulated depreciation disposals</i>	<i>15.136</i>	<i>3.634</i>
Transfers to intangible assets	(9.841)	(4.238)
Currency translation difference	4.648.010	7.130.690
<i>Cost currency translation difference</i>	<i>9.706.687</i>	<i>14.952.358</i>
<i>Accumulated depreciation currency translation difference</i>	<i>(5.058.677)</i>	<i>(7.821.668)</i>
Current period depreciation (-)	<u>(1.509.973)</u>	<u>(1.023.879)</u>
Net book value at the end of the period	<u>134.143.971</u>	<u>109.059.175</u>
<u>Closing balance end of period</u>		
Cost	279.742.120	228.468.932
Accumulated depreciation	<u>(145.598.149)</u>	<u>(119.409.757)</u>
Net book value	<u>134.143.971</u>	<u>109.059.175</u>

(*) The amount of capitalized borrowing cost is TRY 83.313 thousand for the current period (31 March 2025: TRY 192.880 thousand).

As of reporting period, the Company has no collaterals or pledges upon its tangible assets (31 March 2025: None).

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

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

	31 March 2026	31 March 2025
<u>Opening balance as of 1 January</u>		
Cost	3.906.366	3.136.368
Accumulated amortisation	(2.169.264)	(1.685.706)
Net book value	<u>1.737.102</u>	<u>1.450.662</u>
Net book value at the beginning of the period	1.737.102	1.450.662
Additions	1.798	152
Transfers from tangible assets	9.841	4.238
Currency translation difference	62.490	101.267
<i>Cost currency translation difference</i>	<i>141.569</i>	<i>221.133</i>
<i>Accumulated depreciation currency translation difference</i>	<i>(79.079)</i>	<i>(119.866)</i>
Current period amortisation (-)	<u>(31.538)</u>	<u>(25.391)</u>
Net book value at the end of the period	<u>1.779.693</u>	<u>1.530.928</u>
<u>Closing balance end of period</u>		
Cost	4.059.574	3.361.891
Accumulated amortisation	<u>(2.279.881)</u>	<u>(1.830.963)</u>
Net book value	<u>1.779.693</u>	<u>1.530.928</u>

As of reporting period, the Company has no collaterals or pledges upon its intangible assets (31 March 2025: None).

The breakdown of depreciation and amortisation expenses related to tangible, intangible and right of use assets amounting to TRY 23.278 thousand (31 March 2025: TRY 13.968 thousand) assets are as follows:

	31 March 2026	31 March 2025
Associated with cost of production	1.497.679	1.025.419
General administrative expenses	26.172	11.148
Marketing, sales and distribution expenses	40.938	26.671
	<u>1.564.789</u>	<u>1.063.238</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

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NOTE 7 – BORROWINGS

Breakdown of borrowings is as follows:

	31 March 2026	31 December 2025
Short term bank borrowings	2.890.577	5.253.933
Short term portion of long term bank borrowings	3.825.058	3.740.255
Long term bank borrowings	30.194.423	30.089.997
Total bank borrowings	<u>36.910.058</u>	<u>39.084.185</u>
Current portion of long term lease payables	203.529	163.305
Cost of current portion of long term lease payables (-)	(15.040)	(11.124)
Long term lease payables	3.162.182	2.697.021
Cost of long term lease payables (-)	<u>(2.591.671)</u>	<u>(2.187.362)</u>
Total leases borrowings	<u>759.000</u>	<u>661.840</u>
Total borrowings	<u><u>37.669.058</u></u>	<u><u>39.746.025</u></u>

As of 31 March 2026, 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 March 2026
Fixed	US Dollars	7,53	5.654.155	21.859.713	27.513.868
Floating	US Dollars	TERM SOFR+2,83	714.494	7.028.407	7.742.901
Floating	EURO	Euribor+0,5	346.986	1.306.303	1.653.289
			<u>6.715.635</u>	<u>30.194.423</u>	<u>36.910.058</u>

As of 31 December 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	31 December 2025
Fixed	US Dollars	7,49	6.627.106	21.639.711	28.266.817
Floating	US Dollars	TERM SOFR+2,81	647.843	7.048.276	7.696.119
Floating	EURO	Euribor+0,5	350.501	1.402.010	1.752.511
Fixed	TRY	42,00	1.368.738	-	1.368.738
			<u>8.994.188</u>	<u>30.089.997</u>	<u>39.084.185</u>

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NOTE 7 – BORROWINGS (cont’d)

The breakdown of loan repayment is as follows:

	31 March 2026			31 December 2025		
	Bank Loans	Lease liabilities	Total liabilities	Bank Loans	Lease liabilities	Total liabilities
Within 1 year	6.715.635	188.489	6.904.124	8.994.188	152.181	9.146.369
Between 1-2 years	25.182.316	15.683	25.197.999	18.643.239	15.136	18.658.375
Between 2-3 years	2.613.510	9.836	2.623.346	7.987.819	9.493	7.997.312
Between 3-4 years	648.567	8.405	656.972	1.443.441	8.111	1.451.552
Between 4-5 years	615.579	7.512	623.091	211.690	7.250	218.940
Five years or more	1.134.451	529.075	1.663.526	1.803.808	469.669	2.273.477
	<u>36.910.058</u>	<u>759.000</u>	<u>37.669.058</u>	<u>39.084.185</u>	<u>661.840</u>	<u>39.746.025</u>

NOTE 8 – PROVISIONS

The Company’s short term provisions are as follows:

	31 March 2026	31 December 2025
Provision for lawsuits	395.996	367.208
Penalty provision for employment shortage of disabled personnel	20.919	16.600
Provision for land occupation	-	5.190
	<u>416.915</u>	<u>388.998</u>

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

	31 March 2026	31 December 2025
Lawsuits filed by the Company	257.622	257.458

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

	31 March 2026	31 December 2025
Lawsuits filed against the Company	293.841	265.316
Provision for lawsuits filed against the Company	395.996	367.208

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NOTE 8 – PROVISIONS (cont’d)

The movement of the short term provisions is as follows:

	1 January 2026	Change for the period	Payments	Provision released	Translation Difference	31 March 2026
Provision for lawsuits	367.208	57.149	(27.760)	(9.671)	9.070	395.996
Penalty provision for employment shortage of disabled personnel	16.600	4.295	-	-	24	20.919
Provision for land occupation	5.190	-	-	(5.210)	20	-
	<u>388.998</u>	<u>61.444</u>	<u>(27.760)</u>	<u>(14.881)</u>	<u>9.114</u>	<u>416.915</u>
	1 January 2025	Change for the period	Payments	Provision released	Translation Difference	31 March 2025
Provision for lawsuits	170.725	59.268	(1.347)	(31.246)	2.902	200.302
Penalty provision for employment shortage of disabled personnel	5.960	1.781	-	-	24	7.765
Provision for land occupation	3.969	373	-	(293)	9	4.058
	<u>180.654</u>	<u>61.422</u>	<u>(1.347)</u>	<u>(31.539)</u>	<u>2.935</u>	<u>212.125</u>

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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:

	31 March 2026	31 December 2025
Due to personnel	739.729	531.565
Social security premiums payable	470.819	382.108
	<u>1.210.548</u>	<u>913.673</u>

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NOTE 9 – EMPLOYEE BENEFITS (cont’d)

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

	31 March 2026	31 December 2025
Provisions for employee termination benefits	2.203.207	2.102.435
Provisions for seniority incentive premium	284.222	255.165
Provision for unused vacations	359.666	329.657
	<u>2.847.095</u>	<u>2.687.257</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 31 March 2026, the employee termination benefit has been updated to a maximum of TRY 64.948,77 (31 December 2025: 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 31 March 2026 has been calculated by an independent actuary and projected unit credit method is used in the calculation. Actuarial assumptions, used in calculating the present value of liabilities are compared with used in the financial statement for the year ended 31 December 2025 period, is the same.

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 31 March 2026, 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.

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NOTE 9 – EMPLOYEE BENEFITS (cont’d)

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

	1 January – 31 March 2026	1 January – 31 March 2025
Opening balance	2.102.435	2.254.266
Service cost	24.690	23.438
Interest cost	92.717	92.615
Termination benefits paid	(17.313)	(216.696)
Translation difference	678	1.881
Closing balance	2.203.207	2.155.504

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 – 31 March 2026	1 January – 31 March 2025
Opening balance	255.165	125.065
Service cost	12.774	6.459
Interest cost	16.164	7.359
Translation difference	119	162
Closing balance	284.222	139.045

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

	1 January – 31 March 2026	1 January – 31 March 2025
Opening balance	329.657	276.308
Provision for the period	60.154	247.354
Vacation paid during the period (-)	(2.153)	(16.472)
Provisions released (-)	(27.581)	(75.056)
Translation difference	(411)	1.088
Closing balance	359.666	433.222

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NOTE 10 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

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

	31 March 2026	31 December 2025
Letters of guarantees received	7.013.088	7.720.861
	<u>7.013.088</u>	<u>7.720.861</u>

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

	31 March 2026	31 December 2025
A. Total CPM given for the Company's own legal entity	8.266.095	8.916.700
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	-	-
	<u>8.266.095</u>	<u>8.916.700</u>

As of reporting period, the ratio of the other CPM given by the Company to shareholders equity is 0% (31 December 2025: 0%).

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

	31 March 2026	31 December 2025
US Dollars	2.539.585	2.450.898
TRY	5.624.468	6.365.049
EURO	102.042	100.753
	<u>8.266.095</u>	<u>8.916.700</u>

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NOTE 11 – TAX ASSETS AND LIABILITIES

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

	31 March 2026	31 December 2025
<u>Corporate tax payable:</u>		
Previous period corporate tax provision	294.727	-
Current corporate tax provision	70.771	294.727
	<u>365.498</u>	<u>294.727</u>
	1 January - 31 March 2026	1 January - 31 March 2025
<u>Taxation:</u>		
Current corporate tax expense	69.362	48.900
Deferred tax expense/(income)	275.521	(59.179)
	<u>344.883</u>	<u>(10.279)</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.

A legal amendment, published in the Official Gazette dated 25 December 2025, and numbered 33118, added to the Tax Procedure Law No. 213, stipulates that for the accounting periods of 2025 (including provisional tax periods), legal financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment under Article 298 of the Tax Procedure Law are met, for the accounting periods of 2026 and 2027. Accordingly, financial statements prepared in accordance with the Tax Procedure Law as of 31 December 2025, have not been subjected 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.

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

Deferred tax (cont’d)

Article 32, paragraph seven of the Corporate Tax Law No. 5520 stipulates that the corporate tax rate shall be applied with a 5 point reduction to the profits derived exclusively from export activities of exporting companies; and paragraph eight of the same article stipulates that the corporate tax rate shall be applied with a 1 point reduction to the profits derived exclusively from production activities of companies holding an industrial registration certificate and actually engaged in production activities. In this context, the effective corporate tax rate that the Company will use for deferred tax accounting as of the reporting date has been determined taking into account the above regulations.

The tax rate used in the calculation of deferred tax assets and liabilities (excluding land and land) is based on 24% (31 December 2025: 24%). Deferred tax on temporary timing differences arising from land and land is calculated with 18,75% (31 December 2025: 18,75%).

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

	31 March 2026	31 December 2025
<u>Deferred tax assets:</u>		
Provisions for employee benefits	683.303	639.567
Leasing payables	182.160	157.518
Provision for lawsuits	95.039	88.631
Adjustment of receivable rediscount	4.557	4.542
Other	308.939	294.756
	<u>1.273.998</u>	<u>1.185.014</u>
<u>Deferred tax liabilities:</u>		
Tangible and intangible fixed assets (net)	(12.288.546)	(11.694.035)
Right of use assets	(247.022)	(218.461)
Amortized cost adjustment on loans	(4.037)	(2.168)
Fair values of the derivative financial instruments	(6.340)	(34)
Inventories	(343.510)	(204.904)
	<u>(12.889.455)</u>	<u>(12.119.602)</u>
<u>Deferred tax assets/(liabilities) net:</u>	<u>(11.615.457)</u>	<u>(10.934.588)</u>

The provisional differences and deferred tax assets and liabilities shown above are based on gross values, and the net deferred tax position is shown in the financial statement.

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

	1 January - 31 March 2026	1 January - 31 March 2025
Opening balance	(10.934.588)	(8.041.404)
Deferred tax (expense)/income	(275.521)	59.179
The amount in comprehensive income/(expense)	(4.301)	(1.047)
Translation difference	(401.047)	(563.685)
Closing balance	<u>(11.615.457)</u>	<u>(8.546.957)</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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:

<u>Reconciliation of tax provision</u>	1 January - 31 March 2026	1 January - 31 March 2025
Profit before tax	1.847.509	1.016.742
Statutory tax rate	25%	25%
Calculated tax acc. to effective tax rate	(461.877)	(254.186)
<u>Reconciliation between the tax provision and calculated tax:</u>		
- Non-deductible expenses	(2.576)	(4.084)
- Investment discount	636.940	459.262
- 1 point reduction from the statutory tax rate	18.475	-
- The impact of investments accounted for using the equity method	15.028	3.460
- Effect of currency translation (*)	(550.873)	(194.173)
Tax (expense)/income in the profit or loss statement	<u>(344.883)</u>	<u>10.279</u>

(*) 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 636.940 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:

<u>Shareholders</u>	(%)	31 March 2026	(%)	31 December 2025
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		<u>2.900.164</u>		<u>2.900.164</u>

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(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 566.035 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 - 31 March 2026	1 January - 31 March 2025
<u>Sales Revenue</u>		
Domestic sales	25.479.127	19.042.611
Export sales	5.558.018	6.846.545
Other revenues (*)	511.920	927.795
Interest income from sales with maturities	120.705	97.038
Sales returns (-)	(2.202)	(7.532)
	<u>31.667.568</u>	<u>26.906.457</u>
<u>Cost of sales (-)</u>	<u>(29.001.646)</u>	<u>(25.037.728)</u>
Gross profit	<u>2.665.922</u>	<u>1.868.729</u>

(*) The total amount of by product exports in other revenues is TRY 190.936 thousand (31 March 2025: TRY 340.527 thousand).

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

	1 January - 31 March 2026	1 January - 31 March 2025
Raw material usage	(21.713.129)	(18.732.893)
Personnel costs	(2.299.110)	(1.878.830)
Energy costs	(1.211.062)	(1.106.382)
Depreciation and amortization expenses	(1.425.890)	(1.008.700)
Factory overheads	(1.265.809)	(1.152.593)
Other cost of goods sold	(481.450)	(807.136)
Freight costs for sales delivered to customers	(369.375)	(255.893)
Reversal of inventory write-downs (Note 4)	-	62.219
Amortisation expenses of right of use	(19.643)	(10.637)
Other	(216.178)	(146.883)
	<u>(29.001.646)</u>	<u>(25.037.728)</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 - 31 March 2026	1 January - 31 March 2025
Personnel expenses (-)	(79.268)	(65.906)
Depreciation and amortization (-)	(40.938)	(26.671)
Tax, duty and charges (-)	(439)	(250)
Benefits and services from third parties (-)	(258.992)	(210.629)
	<u>(379.637)</u>	<u>(303.456)</u>

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

	1 January - 31 March 2026	1 January - 31 March 2025
Personnel expenses (-)	(175.031)	(129.015)
Depreciation and amortization expenses (-)	(22.537)	(7.817)
Amortization expense of right of use (-)	(3.635)	(3.331)
Tax, duty and charges (-)	(6.827)	(4.153)
Benefits and services from third parties (-)	(437.597)	(304.408)
	<u>(645.627)</u>	<u>(448.724)</u>

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

	1 January - 31 March 2026	1 January - 31 March 2025
<u>Other operating income</u>		
Foreign exchange gains from trade receivables and payables	300.699	91.418
Discount income	95	97
Provisions released	9.671	31.246
Service income	26.773	20.500
Maintenance repair and rent income	8.070	6.443
Lawsuit income	1.511	3.286
Indemnity and penalty detention income	6.891	10.397
Previous period insurance indemnity income	3.001	-
Warehouse income	1.550	5.453
Overdue interest income	563	13
Other income and gains	45.891	34.393
	<u>404.715</u>	<u>203.246</u>

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

(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 - 31 March 2026	1 January - 31 March 2025
<u>Other operating expenses (-)</u>		
Provision expenses	(61.444)	(61.049)
Donation expenses	(9.463)	(4.730)
Penalty expenses	(2.564)	(1.774)
Service expenses	(25.833)	(16.633)
Lawsuit compensation expenses	(34.955)	(4.645)
Other expenses and losses	(49.842)	(42.467)
	<u>(184.101)</u>	<u>(131.298)</u>

NOTE 15 – FINANCE INCOME AND EXPENSES

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

	1 January - 31 March 2026	1 January - 31 March 2025
<u>Finance income</u>		
Interest income on bank deposits	622.100	1.113.776
Foreign exchange gains	129.572	-
Interest income from related party receivables	-	14.550
Fair value differences of derivative financial instruments (net)	6.919	-
Other financial income	7.585	-
	<u>766.176</u>	<u>1.128.326</u>

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

	1 January - 31 March 2026	1 January - 31 March 2025
<u>Finance expenses (-)</u>		
Interest expenses on borrowings	(661.831)	(629.360)
Foreign exchange loss (net)	-	(531.183)
Interest cost of employee benefits	(108.881)	(99.974)
Interest expenses on leases	(37.738)	(15.251)
Other financial expenses	(34.955)	(8.456)
Fair value differences of derivative financial instruments (net)	-	(24.799)
	<u>(843.405)</u>	<u>(1.309.023)</u>

During the reporting period, the borrowing cost of TRY 83.313 thousand have been capitalized as part of the Company’s property, plant and equipment (31 March 2025: TRY 192.880) thousand).

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(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:

	31 March 2026			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	231.059	139.414	1.799	-
2a. Monetary financial assets	7.073.179	7.068.877	84	21
2b. Non- monetary financial assets	211.531	207.724	75	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	7.515.769	7.416.015	1.958	21
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	76.303	76.303	-	-
6b. Non- monetary financial assets	263.470	118	5.171	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	339.773	76.421	5.171	-
9. Total assets (4+8)	7.855.542	7.492.436	7.129	21
10. Trade payables	5.046.762	4.547.584	9.753	5.580
11. Financial liabilities	535.475	188.489	6.801	-
12a. Other monetary financial liabilities	15.272.278	15.267.712	89	-
12b. Other non-monetary financial liabilities	3.871	-	76	-
13. Current liabilities (10+11+12)	20.858.386	20.003.785	16.719	5.580
14. Trade payables	-	-	-	-
15. Financial liabilities	1.876.814	570.512	25.603	-
16a. Other monetary financial liabilities	2.847.095	2.847.095	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	4.723.909	3.417.607	25.603	-
18. Total liabilities (13+17)	25.582.295	23.421.392	42.322	5.580
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	(439.429)	-	(8.613)	-
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	439.429	-	8.613	-
20. Net foreign currency asset/liability position (9-18+19)	(18.166.182)	(15.928.956)	(43.806)	(5.559)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(18.197.883)	(16.136.798)	(40.363)	(5.559)
22. Fair value of derivative financial instruments used in foreign currency hedge	8.084	-	158	-
23. Hedged foreign currency assets	439.429	-	8.613	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	5.748.954			
26. Imports	14.579.435			

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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 2025			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	806.865	168.912	12.687	-
2a. Monetary financial assets	6.868.422	6.808.527	1.191	21
2b. Non- monetary financial assets	140.220	134.247	119	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	7.815.507	7.111.686	13.997	21
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	77.457	77.457	-	-
6b. Non- monetary financial assets	2.318.453	170	46.102	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	2.395.910	77.627	46.102	-
9. Total assets (4+8)	10.211.417	7.189.313	60.099	21
10. Trade payables	6.950.734	4.504.828	48.009	99.582
11. Financial liabilities	1.871.421	1.520.920	6.958	-
12a. Other monetary financial liabilities	1.839.860	1.822.822	338	-
12b. Other non-monetary financial liabilities	40.598	-	806	-
13. Current liabilities (10+11+12)	10.702.613	7.848.570	56.111	99.582
14. Trade payables	-	-	-	-
15. Financial liabilities	1.911.672	509.659	27.831	-
16a. Other monetary financial liabilities	2.687.257	2.687.257	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	4.598.929	3.196.916	27.831	-
18. Total liabilities (13+17)	15.301.542	11.045.486	83.942	99.582
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	(524.119)	-	(10.404)	-
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	524.119	-	10.404	-
20. Net foreign currency asset/liability position (9-18+19)	(5.614.244)	(3.856.173)	(34.247)	(99.561)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(7.508.200)	(3.990.590)	(69.258)	(99.561)
22. Fair value of derivative financial instruments used in foreign currency hedge	233	-	5	-
23. Hedged foreign currency assets	524.119	-	10.404	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	26.978.372	-	-	-
26. Imports	54.202.635	-	-	-

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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)

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 31 March 2026: 44,3961 TRY = US \$ 1, 50,9294 TRY = Euro 1; 0,2775 TRY = JPY 1 for liabilities: 44,4761 TRY = US \$ 1, 51,0212 TRY = Euro 1, 0,2793 TRY = JPY 1 converted at rates (31 December 2025: For assets; 42,8457 TRY = US \$ 1, 50,2859 TRY = Euro 1; 0,2729 TRY = JPY, 1 For Liabilities; 42,9229 TRY = US \$ 1, 50,3765 TRY = Euro 1, 0,2747 TRY = JPY 1).

	Profit/(loss) before tax after capitalization on tangible assets	
	Appreciation of foreign currency	Depreciation of foreign currency
31 March 2026		
1- TRY net asset/liability	(1.613.680)	1.613.680
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	(1.613.680)	1.613.680
5- Euro net asset/liability	(205.953)	205.953
6- Hedged portion from Euro risk (-)	(43.945)	43.945
7- Effect of capitalization (-)	-	-
8- Euro net effect (5+6+7)	(249.898)	249.898
9- Jap. Yen net asset/liability	(155)	155
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
12- Jap. Yen net effect (9+10+11)	(155)	155
TOTAL (4+8+12)	(1.863.733)	1.863.733

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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)

	Profit/(loss) before tax after capitalization on tangible assets	
	Appreciation of foreign currency	Depreciation of foreign currency
31 December 2025		
1- TRY net asset/liability	(399.059)	399.059
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	(399.059)	399.059
5- Euro net asset/liability	(349.026)	349.026
6- Hedged portion from Euro risk (-)	(52.412)	52.412
7- Effect of capitalization (-)	-	-
8- Euro net effect (5+6+7)	(401.438)	401.438
9- Jap. Yen net asset/liability	(2.735)	2.735
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
12- Jap. Yen net effect (9+10+11)	(2.735)	2.735
TOTAL (4+8+12)	(803.232)	803.232

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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
31 March 2026				
Financial Assets				
Cash and cash equivalents	51.830.480	-	-	51.830.480
Trade receivables	7.994.407	-	-	7.994.407
Financial investments	-	-	71.643	71.643
Other receivables	227.972	-	-	227.972
Derivative financial instruments	-	16.978	9.390	26.368
Financial Liabilities				
Financial liabilities	37.669.058	-	-	37.669.058
Trade payables	34.623.581	-	-	34.623.581
Other liabilities	14.385.705	-	-	14.385.705
31 December 2025				
Financial Assets				
Cash and cash equivalents	50.737.047	-	-	50.737.047
Trade receivables	7.803.468	-	-	7.803.468
Financial investments	-	-	72.798	72.798
Other receivables	224.122	-	-	224.122
Derivative financial instruments	-	-	1.745	1.745
Financial Liabilities				
Financial liabilities	39.746.025	-	-	39.746.025
Trade payables	33.972.174	-	-	33.972.174
Other liabilities	952.780	-	-	952.780
Derivative financial instruments	-	92	1.513	1.605

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

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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)

31 March 2026

Financial asset and liabilities at fair value	Book Value	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital investment fund	70.440	-	70.440	-
Derivative financial assets	9.390	-	9.390	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
Derivative financial assets	16.978	-	16.978	-
	96.808	-	96.808	-

31 December 2025

Financial asset and liabilities at fair value	Book Value	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital investment fund	71.637	-	71.637	-
Derivative financial assets	1.745	-	1.745	-
Derivative financial liabilities	(1.513)	-	(1.513)	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
Derivative financial liabilities	(92)	-	(92)	-
	71.777	-	71.777	-

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.

NOTE 17 – SUBSEQUENT EVENTS

None.

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

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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 31 March 2026, 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.