

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

## **İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD  
BETWEEN 1 JANUARY - 30 SEPTEMBER 2024**

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2024**

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

	Note	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		Current Period 30 September 2024 USD'000	Current Period 30 September 2024 TRY'000	Previous Period 31 December 2023 USD'000	Previous Period 31 December 2023 TRY'000
<b>ASSETS</b>					
<b>Current Assets</b>		<b>1.800.276</b>	<b>61.427.216</b>	<b>1.953.090</b>	<b>57.495.472</b>
Cash and Cash Equivalents		300.437	10.251.225	392.968	11.568.280
Financial Investments		5.370	183.214	-	-
Trade Receivables		204.872	6.990.445	177.060	5.212.321
<i>Due From Related Parties</i>	3	<i>106.127</i>	<i>3.621.174</i>	<i>129.883</i>	<i>3.823.513</i>
<i>Other Trade Receivables</i>		<i>98.745</i>	<i>3.369.271</i>	<i>47.177</i>	<i>1.388.808</i>
Other Receivables		3.446	117.587	114.111	3.359.220
<i>Due From Related Parties</i>	3	<i>-</i>	<i>-</i>	<i>110.822</i>	<i>3.262.404</i>
<i>Other Receivables</i>		<i>3.446</i>	<i>117.587</i>	<i>3.289</i>	<i>96.816</i>
Inventories	4	1.087.129	37.093.937	1.075.932	31.673.490
Prepaid Expenses		18.746	639.625	10.255	301.892
Other Current Assets		180.276	6.151.183	182.764	5.380.269
<b>Non Current Assets</b>		<b>2.931.204</b>	<b>100.015.600</b>	<b>2.652.192</b>	<b>78.075.747</b>
Financial Investments		1.976	67.407	2.252	66.285
Other Receivables		157	5.355	182	5.355
Investments Accounted For Using Equity Method	5	34.996	1.194.100	30.039	884.293
Property, Plant and Equipment	6	2.683.220	91.554.142	2.398.380	70.604.004
Right of Use Assets		11.901	406.064	8.343	245.593
Intangible Assets	6	41.498	1.415.961	42.119	1.239.911
Prepaid Expenses		157.456	5.372.571	170.877	5.030.306
<i>Due From Related Parties</i>	3	<i>1.357</i>	<i>46.318</i>	<i>1.600</i>	<i>47.097</i>
<i>Other Prepaid Expenses</i>		<i>156.099</i>	<i>5.326.253</i>	<i>169.277</i>	<i>4.983.209</i>
<b>TOTAL ASSETS</b>		<b>4.731.480</b>	<b>161.442.816</b>	<b>4.605.282</b>	<b>135.571.219</b>

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

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

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2024**

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

	Note	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		Current Period 30 September 2024 USD'000	Current Period 30 September 2024 TRY'000	Previous Period 31 December 2023 USD'000	Previous Period 31 December 2023 TRY'000
<b>LIABILITIES</b>					
<b>Current Liabilities</b>		<b>841.323</b>	<b>28.758.908</b>	<b>1.278.371</b>	<b>37.701.321</b>
Short Term Borrowings	7	311.659	10.653.277	582.525	17.179.415
Short Term Portion of Long Term Borrowings	7	90.353	3.088.495	108.274	3.193.139
Trade Payables		265.742	9.084.113	408.165	12.037.825
<i>Due to Related Parties</i>	3	55.850	1.909.085	83.559	2.464.278
<i>Other Trade Payables</i>		209.892	7.175.028	324.606	9.573.547
Payables for Employee Benefits	9	69.323	2.369.638	36.659	1.081.118
Other Payables		5.793	198.034	33.468	987.014
Financial Derivative Instruments		806	27.543	1.181	34.818
Deferred Revenue		12.741	435.506	13.233	390.267
Current Tax Liabilities	11	73.458	2.510.981	84.616	2.495.441
Short Term Provisions	8	5.396	184.463	5.169	152.452
Other Current Liabilities		6.052	206.858	5.081	149.832
<b>Non Current Liabilities</b>		<b>763.326</b>	<b>26.092.398</b>	<b>402.395</b>	<b>11.867.180</b>
Long Term Borrowings	7	537.271	18.365.252	122.635	3.616.679
Long Term Provisions		80.713	2.758.960	70.741	2.086.239
<i>Long Term Provisions for Employee Benefits</i>	9	80.713	2.758.960	70.741	2.086.239
Deferred Tax Liabilities	11	145.342	4.968.186	209.019	6.164.262
<b>EQUITY</b>		<b>3.126.831</b>	<b>106.591.510</b>	<b>2.924.516</b>	<b>86.002.718</b>
Share Capital	12	1.474.105	2.900.000	1.474.105	2.900.000
Inflation Adjustment to Capital		85	164	85	164
Other Comprehensive Income/Expense Not to be Reclassified to Profit/ (Loss)		(72.028)	58.674.891	(66.409)	49.811.251
<i>Actuarial (Loss)/ Gain Funds</i>		(72.028)	(1.137.628)	(66.409)	(953.191)
<i>Foreign Currency Translation Reserves</i>		-	59.812.519	-	50.764.442
Other Comprehensive Income/Expense to be Reclassified to Profit/ (Loss)		(581)	(19.860)	(882)	(26.023)
<i>Cash Flow Hedging Gain (Loss)</i>		(581)	(19.860)	(882)	(26.023)
Restricted Reserves Assorted from Profit		486.185	3.179.560	482.127	3.049.060
Retained Earnings		986.353	33.716.000	870.315	25.666.719
Net Profit for the Period		252.712	8.140.755	165.175	4.601.547
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4.731.480</b>	<b>161.442.816</b>	<b>4.605.282</b>	<b>135.571.219</b>

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

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

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

		(Unaudited) Current Period 1 January - 30 September 2024	(Unaudited) Current Period 1 January - 30 September 2024	(Unaudited) Current Period 1 July - 30 September 2024	(Unaudited) Previous Period 1 January - 30 September 2023	(Unaudited) Previous Period 1 January - 30 September 2023	(Unaudited) Previous Period 1 July - 30 September 2023
	Note	USD'000	TRY'000	TRY'000	USD'000	TRY'000	TRY'000
Revenue	13	2.480.999	79.921.920	26.146.563	2.287.064	50.548.013	23.363.657
Cost of Sales	13	(2.261.842)	(72.862.097)	(24.463.730)	(2.157.831)	(47.691.737)	(20.899.914)
<b>GROSS PROFIT/(LOSS)</b>		<b>219.157</b>	<b>7.059.823</b>	<b>1.682.833</b>	<b>129.233</b>	<b>2.856.276</b>	<b>2.463.743</b>
Marketing, Sales and Distribution Expenses	14	(23.072)	(743.218)	(270.194)	(18.170)	(401.583)	(167.894)
General Administrative Expenses	14	(39.638)	(1.276.871)	(471.089)	(27.914)	(616.938)	(217.318)
Research and Development Expenses		(66)	(2.125)	(1.245)	(32)	(711)	(282)
Other Operating Income	14	121.833	3.924.677	215.970	115.008	2.541.867	2.180.971
Other Operating Expenses	14	(6.353)	(204.651)	(74.538)	(4.225)	(93.380)	(39.983)
<b>OPERATING PROFIT/(LOSS)</b>		<b>271.861</b>	<b>8.757.635</b>	<b>1.081.737</b>	<b>193.900</b>	<b>4.285.531</b>	<b>4.219.237</b>
Income from Investing Activities		968	31.186	2.067	32	698	36
Expenses from Investing Activities		(47)	(1.525)	(328)	(28.284)	(625.129)	(53.984)
Share of Investments' Profit Accounted by Using The Equity Method	5	4.957	159.686	50.949	1.688	37.297	20.972
<b>OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSES)</b>		<b>277.739</b>	<b>8.946.982</b>	<b>1.134.425</b>	<b>167.336</b>	<b>3.698.397</b>	<b>4.186.261</b>
Finance Income	15	61.789	1.990.434	410.610	24.829	548.762	125.827
Finance Expense	15	(75.262)	(2.424.456)	(785.656)	(62.920)	(1.390.639)	(533.350)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>264.266</b>	<b>8.512.960</b>	<b>759.379</b>	<b>129.245</b>	<b>2.856.520</b>	<b>3.778.738</b>
Tax (Expense)/ Income	11	(11.554)	(372.205)	268.674	(200.748)	(4.436.873)	(2.893.656)
Current Corporate Tax (Expense)/ Income		(73.458)	(2.366.349)	(241.611)	(40.443)	(893.865)	(893.865)
Deferred Tax (Expense)/ Income		61.904	1.994.144	510.285	(160.305)	(3.543.008)	(1.999.791)
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>252.712</b>	<b>8.140.755</b>	<b>1.028.053</b>	<b>(71.503)</b>	<b>(1.580.353)</b>	<b>885.082</b>
Earnings/(Loss) per share (TRY 1 Nominal value per share)			2,8072	0,3545		(0,5449)	0,3052

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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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

	(Unaudited) Current Period 1 January - 30 September 2024	(Unaudited) Current Period 1 January - 30 September 2024	(Unaudited) Current Period 1 July - 30 September 2024	(Unaudited) Previous Period 1 January - 30 September 2023	(Unaudited) Previous Period 1 January - 30 September 2023	(Unaudited) Previous Period 1 July - 30 September 2023
Note	USD'000	TRY'000	TRY'000	USD'000	TRY'000	TRY'000
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>252.712</b>	<b>8.140.755</b>	<b>1.028.053</b>	<b>(71.503)</b>	<b>(1.580.353)</b>	<b>885.082</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Not to be reclassified subsequently to profit or loss</b>						
Foreign Currency Translation Gain/(Loss)	-	14.076.311	3.930.512	-	23.636.856	4.581.211
Actuarial Gain/(Loss) of Defined Benefit Plans	9 (7.492)	(245.916)	-	(5.536)	(142.964)	-
Tax Effect of Actuarial Gain/(Loss) of Defined Benefit Plans	11 1.873	61.479	-	1.384	35.741	7.148
<b>To be reclassified subsequently to profit or loss</b>						
Gain/(Loss) in Cash Flow Hedging Reserves	401	8.217	(46.938)	1.624	40.483	32.535
Tax Effect of Gain/(Loss) in Cash Flow Hedging Reserves	11 (100)	(2.054)	11.735	(406)	(10.121)	(8.531)
<b>OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD</b>	<b>(5.318)</b>	<b>13.898.037</b>	<b>3.895.309</b>	<b>(2.934)</b>	<b>23.559.995</b>	<b>4.612.363</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD</b>	<b>247.394</b>	<b>22.038.792</b>	<b>4.923.362</b>	<b>(74.437)</b>	<b>21.979.642</b>	<b>5.497.445</b>

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

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

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

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

(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/(Loss) for the Period
<b>1 January 2024</b>		<b>2.900.000</b>	<b>164</b>	<b>50.764.442</b>	<b>(953.191)</b>	<b>(26.023)</b>	<b>3.049.060</b>	<b>25.666.719</b>	<b>4.601.547</b>	<b>86.002.718</b>
Net profit for the period		-	-	-	-	-	-	-	8.140.755	8.140.755
Other comprehensive income/(loss)		-	-	14.076.311	(184.437)	6.163	-	-	-	13.898.037
Total comprehensive income/(loss)		-	-	14.076.311	(184.437)	6.163	-	-	8.140.755	22.038.792
Increase (decrease) due to other changes <sup>(*)</sup>	2.1	-	-	(5.028.234)	-	-	-	5.028.234	-	-
Dividends <sup>(**)</sup>		-	-	-	-	-	-	(1.450.000)	-	(1.450.000)
Transfers		-	-	-	-	-	130.500	4.471.047	(4.601.547)	-
<b>30 September 2024</b>		<b>2.900.000</b>	<b>164</b>	<b>59.812.519</b>	<b>(1.137.628)</b>	<b>(19.860)</b>	<b>3.179.560</b>	<b>33.716.000</b>	<b>8.140.755</b>	<b>106.591.510</b>
(Unaudited)										
<b>1 January 2023</b>		<b>2.900.000</b>	<b>164</b>	<b>31.862.614</b>	<b>(595.956)</b>	<b>(6.538)</b>	<b>3.049.060</b>	<b>7.864.483</b>	<b>6.726.197</b>	<b>51.800.024</b>
Net profit for the period		-	-	-	-	-	-	-	(1.580.353)	(1.580.353)
Other comprehensive income/(loss)		-	-	23.636.856	(107.223)	30.362	-	-	-	23.559.995
Total comprehensive income/(loss)		-	-	23.636.856	(107.223)	30.362	-	-	(1.580.353)	21.979.642
Increase (decrease) due to other changes <sup>(**)</sup>	2.1	-	-	(9.278.577)	-	-	-	9.278.577	-	-
Transfers		-	-	-	-	-	-	6.726.197	(6.726.197)	-
<b>30 September 2023</b>		<b>2.900.000</b>	<b>164</b>	<b>46.220.893</b>	<b>(703.179)</b>	<b>23.824</b>	<b>3.049.060</b>	<b>23.869.257</b>	<b>(1.580.353)</b>	<b>73.779.666</b>

(\* ) At the Ordinary General Assembly Meeting of the Company held on 28 March 2024, dividend per share: TRY 0,50 from the profits of 2023. The decision to distribute a cash dividend of TRY 1.450.000 thousand was unanimously approved. Dividend distribution started on 16 April 2024.

(\*\*) Retained earnings; in the condensed financial statements, in accordance with TAS 21, the details of conversion of retained earnings to the presentation currency, Turkish Lira, in the condensed statement of financial position dated 30 September 2024 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

		(Unaudited) 1 January - 30 September 2024 USD'000	(Unaudited) 1 January - 30 September 2024 TRY'000	(Unaudited) 1 January - 30 September 2023 USD'000	(Unaudited) 1 January - 30 September 2023 TRY'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>129.286</b>	<b>3.577.877</b>	<b>258.000</b>	<b>6.309.187</b>
Profit (Loss) for The Period	Note	252.712	8.140.755	(71.503)	(1.580.353)
Adjustments to Reconcile Profit (Loss)		12.805	411.343	223.405	4.924.845
Adjustments for Depreciation and Amortisation Expenses	13/14	88.676	2.856.575	76.780	1.696.966
Adjustments for Impairment Loss (Reversal of Impairment Loss)		(11)	(338)	9.441	208.655
Adjustments for Provision (Reversal of Provision) for Receivables		(3)	(87)	(362)	(7.990)
Adjustments for Provision (Reversal of Provision) for Inventories	4	(8)	(251)	(17.026)	(376.316)
Adjustments for Provision (Reversal of Provision) for Property, Plant and Equipment	6	-	-	26.829	592.961
Adjustments for Provisions		16.742	539.268	21.270	470.129
Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits	9	15.846	510.431	20.372	450.289
Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits	8	896	28.837	898	19.840
Adjustments for Interest (Income) and Expenses		9.053	291.614	31.052	686.288
Adjustments for Interest Income	15	(57.223)	(1.843.370)	(24.829)	(548.762)
Adjustments for Interest Expense	15	66.234	2.133.631	55.793	1.233.110
Unearned Financial Income from Credit Sales		42	1.353	88	1.940
Adjustments for Unrealised Foreign Exchange Differences		(2.434)	(88.299)	(15.596)	(357.500)
Adjustments for Fair Value (Gains) Losses		417	13.425	19	412
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		417	13.425	19	412
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	(4.957)	(159.686)	(1.688)	(37.297)
Adjustments for Tax (Income) Expenses	11	11.554	372.205	200.748	4.436.873
Other Adjustments for Non-Cash Items	14	(105.000)	(3.382.428)	(100.000)	(2.210.170)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(962)	(30.993)	1.379	30.489
Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment		(962)	(30.993)	1.379	30.489
Other adjustments for Losses (Gains) Reconciliation		(273)	-	-	-
<b>Changes in Working Capital</b>		<b>(260.905)</b>	<b>(8.902.340)</b>	<b>117.488</b>	<b>3.216.435</b>
Adjustments for Decrease (Increase) in Trade Receivables		(24.481)	(835.317)	37.676	1.031.445
Decrease (Increase) in Trade Receivables from Related Parties		23.756	810.578	(9.762)	(267.251)
Decrease (Increase) in Trade Receivables from Third Parties		(48.237)	(1.645.895)	47.438	1.298.696
Adjustments for Decrease (Increase) in Other Receivables Related from Operations		(132)	(4.504)	(885)	(24.229)
Decrease (Increase) in Other Receivables from Operations from Third Parties		(132)	(4.504)	(885)	(24.229)
Decrease (Increase) in Derivative Assets		-	-	(1.098)	(30.060)
Adjustments for Decrease (Increase) in Inventories		(6.319)	(215.611)	79.349	2.172.322
Decrease (Increase) in Prepaid Expenses		4.668	159.277	(28.290)	(774.494)
Adjustments for Increase (Decrease) in Trade Payables		(142.423)	(4.859.615)	41.201	1.127.948
Increase (Decrease) in Trade Payable to Related Parties		(27.709)	(945.459)	27.225	745.331
Increase (Decrease) in Trade Payable to Third Parties		(114.714)	(3.914.156)	13.976	382.617
Adjustments for Increase (Decrease) in Other Payables Related from Operations		5.026	171.492	19.161	524.565
Increase (Decrease) in Other Payables to Third Parties Related from Operations		5.026	171.492	19.161	524.565
Increase (Decrease) in Derivative Liabilities		(391)	(13.341)	1.085	29.704
Adjustments for Other Increase (Decrease) in Working Capital		(96.853)	(3.304.721)	(30.711)	(840.766)
Decrease (Increase) in Other Assets Related from Operations		(97.332)	(3.321.065)	(69.306)	(1.897.370)
Increase (Decrease) in Other Payables Related from Operations		479	16.344	38.595	1.056.604
<b>Cash Flows Provided by Operating Activities</b>		<b>4.612</b>	<b>(350.242)</b>	<b>269.390</b>	<b>6.560.927</b>
Payments Related to Provisions for Employee Termination Benefits	9	(2.620)	(84.399)	(11.330)	(250.415)
Payments Related to Other Provisions	8	(61)	(1.965)	(60)	(1.325)
Income Taxes Refund (Paid)	11	(1.145)	(36.329)	-	-
Other Cash Inflow (Outflow)		128.500	4.050.812	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(374.673)</b>	<b>(12.079.414)</b>	<b>(353.762)</b>	<b>(8.398.045)</b>
Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets		1.029	33.168	83	1.821
Cash Inflow from Sales of Property, Plant and Equipment		1.029	33.168	83	1.821
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets		(370.506)	(11.935.305)	(249.720)	(5.519.219)
Cash Outflow from Purchase of Property, Plant and Equipment	6	(370.135)	(11.923.365)	(249.612)	(5.516.841)
Cash Outflow from Purchase of Intangible Assets	6	(371)	(11.940)	(108)	(2.378)
Cash Advances		174	5.937	(110.027)	(3.012.176)
Other Cash Advances to Related Parties		240	8.189	340	9.308
Other Cash Advances		(66)	(2.252)	(110.367)	(3.021.484)
Dividends Received		-	-	4.899	112.769
Other Cash Inflow (Outflow)		(5.370)	(183.214)	1.003	18.760
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>172.686</b>	<b>5.241.595</b>	<b>136.592</b>	<b>2.787.175</b>
Cash Inflow from Borrowings		693.674	22.345.737	597.948	13.215.664
Cash Inflow from Loans		693.674	22.345.737	597.948	13.215.664
Cash Outflow from Repayments of Borrowings		(564.593)	(18.203.879)	(384.644)	(8.525.301)
Cash Outflow from Loan Repayments		(564.593)	(18.203.879)	(384.644)	(8.525.301)
Increase (Decrease) in Other Payables to Related Parties		110.822	3.262.404	(41.501)	(1.122.852)
Cash Outflow from Debt Payments for Leasing Contracts		(998)	(32.144)	(746)	(16.490)
Dividends Paid		(45.117)	(1.449.719)	-	-
Interest Paid		(75.188)	(2.422.088)	(55.276)	(1.221.701)
Interest Received		54.086	1.741.284	20.811	457.855
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(72.701)</b>	<b>(3.259.942)</b>	<b>40.830</b>	<b>698.317</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(19.601)	1.949.232	(29.671)	2.617.056
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(92.302)</b>	<b>(1.310.710)</b>	<b>11.159</b>	<b>3.315.373</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		392.653	11.558.996	346.824	6.485.015
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>300.351</b>	<b>10.248.286</b>	<b>357.983</b>	<b>9.800.388</b>

- As of 30 September 2024, the total accrual of interest on time deposits is TRY 2.939 thousand (USD 86 thousand) (30 September 2023: TRY 5.618 thousand (USD 205 thousand)).
- As of 30 September 2024, insurance compensation income of TRY 3.382.428 thousand (USD 105.000 thousand) was reported in the summary cash flow statements under “Other Adjustments for Non-Cash Items”, and insurance compensations of TRY 4.050.812 thousand (USD 128.500 thousand) collected in cash were reported in the summary cash flow statements under “Other Cash Inflows (Outflows)”.
- In the statement of financial position, since the functional currency of the Company is USD, exchange differences between the accrued and payment dates of the dividend payables to the shareholders whose original currency is Turkish Lira are reported in Other Adjustments to reconcile Profit (Loss).

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.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

(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 March 26, 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	Country of Operation	Operation	Share of Capital and right to vote of Company (%)	
			30 September 2024	31 December 2023
Teknopark Hatay A.Ş.	Türkiye	R&D Centre	5%	5%
İsdemir Linde Gaz Ortaklığı A.Ş.	Türkiye	Industrial Gas Production and Sales	50%	50%

The number of the personnel employed by the Company as of reported period 30 September 2024 are as follows:

	30 September 2024	31 December 2023
	Personnel	Personnel
Paid Hourly Personnel	3.281	3.069
Paid Monthly Personnel	1.452	1.463
	<u>4.733</u>	<u>4.532</u>

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

##### 2.1 Basis of Presentation

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

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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#### **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 2023.

##### Functional and Reporting Currency

Although the currency of the country in which is the Company is domiciled is Turkish Lira (TRY), the Company 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

###### Presentation currency translation

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

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

- a) The assets on condensed financial position as of 30 September 2024 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying rate of exchange which is 34,1210 TRY = 1 US \$ and the liabilities selling rate of exchange which is 34,1825 TRY = 1 US \$ (31 December 2023 foreign exchange buying rate: 29,4382 TRY = 1 US \$, foreign exchange selling rate: 29,4913 TRY = 1 US \$).
- b) For the nine months period ended 30 September 2024, condensed profit or loss statements are translated from the 9 months average 32,2136 TRY = 1 US \$ rates of 2024 January-September period (30 September 2023: 22,1017 TRY = 1 US \$).
- c) Retained earnings; In the condensed interim financial statements, in accordance with TAS 21, they are converted to US Dollars at historical rates and followed in US Dollars. In order to show the Turkish Lira equivalent amounts as of the reporting dates Retained earnings in the statement of financial position dated 30 September 2024 are presented by converting them into TRY using the foreign exchange selling rate effective as of 30 September 2024 announced by the Central Bank of the Republic of Türkiye, 34,1825 TRY = 1 US \$ (31 December 2023: 29,4913 TRY= 1 US \$).
- d) Exchange differences are shown in other comprehensive income as of foreign currency translation reserve.
- e) Capital and other reserves are presented with their legal values in the accompanying financial statements, and other equity items are presented with their historical cost values. The translation differences between the historical values of these items translated into the presentation currency and their carrying values from legal records are accounted for as foreign currency translation differences in the other comprehensive income statement.

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

The figures in USD amounts presented in the accompanying condensed interim financial statements comprising the statements of financial position as of 30 September 2024 and 31 December 2023, condensed statement of income and other comprehensive income and statement of cash flows for the interim period ended 30 September 2024 and 2023 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 July 1, 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 22 October 2024 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

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

The accounting policies adopted in preparation of the interim condensed financial statements as at 30 September 2024 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 2024 summarized below

##### **The new standards, amendments and interpretations which are effective from 2024**

Amendments to TAS 1	: <i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	: <i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	: <i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS7	: <i>Supplier Finance Arrangements</i>
Amendments to TSRS 1	: <i>General Requirements for Disclosure of Sustainability Related Financial Information.</i>
Amendments to TSRS 2	: <i>Statements About Climate</i>

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

##### **Amendments to TAS 1 Classification of Liabilities as Current or Non-Current**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

##### **Amendments to TFRS 16 Lease Liability in a Sale and Leaseback**

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale. Amendments are effective from annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

##### **Amendments to TAS 1 Non-current Liabilities with Covenants**

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Amendments to TAS 1, Amendments are effective from annual reporting periods beginning on or after 1 January 2024 and earlier applications are permitted.

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

(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)**

###### **The new standards, amendments and interpretations which are effective from 2024 (cont’d)**

###### **Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements**

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024. The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

###### **TSRS 1 General Requirements for the Disclosure of Financial Information Related to Sustainability**

TSRS 1 sets out general requirements for sustainability-related financial disclosures, with the aim of requiring an entity to disclose information about sustainability-related risks and opportunities that will be useful to primary users of general purpose financial reports in making decisions about resourcing the entity. The implementation of this standard is mandatory for the enterprises that meet the relevant criteria in the POA's announcement dated 5 January 2024 and numbered 2024-5, and for banks, regardless of the criteria, in the annual reporting periods starting on or after 1 January 2024. Other businesses may report in accordance with TSRS standards on a voluntary basis.

###### **TSRS 2 Climate-Related Explanations**

TSRS 2 sets forth requirements for identifying, measuring and disclosing climate-related risks and opportunities that will be useful to primary users of general purpose financial reports in their decisions about providing resources to the business. The implementation of this standard is mandatory for the businesses that meet the relevant criteria in the POA's announcement dated 5 January 2024 and numbered 2024-5, and for banks, regardless of the criteria, in the annual reporting periods starting on or after 1 January 2024. Other businesses may report in accordance with TSRS standards on a voluntary basis.

The Company Management has evaluated that these changes and comments, effective from 2024, do not have a significant impact on the Company's condensed financial statements.

###### **Standards that have not yet entered into force and amendments to existing previous standards, and comments**

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

TFRS 17	: <i>Insurance Contracts</i>
Amendments to TFRS 17	: <i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
Amendments to TAS 21	: <i>Lack of Exchangeability</i>

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

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been postponed for 1 year for insurance, reinsurance and pension companies and will replace TFRS 4 Insurance Contracts as of 1 January 2025.

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

###### **Standards that have not yet entered into force and amendments to existing previous standards, and comments (cont’d)**

###### **Amendments to TFRS 17 Initial Application of TFRS 17 and TFRS 9 — Comparative Information**

Changes have been made to TFRS 17 in order to reduce implementation costs, facilitate the disclosure of results and transition. In addition, with the amendment regarding comparative information, companies that are the first to implement TFRS 7 and TFRS 9 at the same time are allowed to present comparative information regarding their financial assets as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset. The changes will be applied when TFRS 17 is first implemented.

###### **TAS 21 Lack of Exchangeability**

These amendments include guidance on determining when a currency is convertible and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

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

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

The condensed interim financial statements for the nine months period ended 30 September 2024 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim financial statements for the period ended 30 September 2024 are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2023. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

There has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope as of 30 September 2024, from the interests reported as of 31 December 2023.

##### **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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

(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:

	30 September 2024	31 December 2023
<u>Due from related parties (short term)</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	3.582.803	3.806.883
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	-	146
OYAK Sentetik Karbon Ürünleri San. Ve Tic. A.Ş. <sup>(3)</sup>	1.557	206
Erdemir Asia Pacific PTE LTD <sup>(2)</sup>	7.474	-
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	29.340	16.278
	<u>3.621.174</u>	<u>3.823.513</u>

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

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

	30 September 2024	31 December 2023
<u>Other receivables from related parties (short term)</u>		
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	-	3.262.404
	-	3.262.404

Erdemir’s personnel, data system infrastructure and marketing management system are used by The Company for selling flat products to third parties. Flat products which are produced in İsdemir, directly selling over Erdemir and Erdemir takes these inventories as a “Trade goods”. Erdemir sells such products through their buying price and date, without adding any profit. Accordingly, in the financial statements, balances of trade receivables and other receivables are arisen from centralized selling

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

	30 September 2024	31 December 2023
<u>Prepaid expenses (long term)</u>		
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	46.318	47.097
	<u>46.318</u>	<u>47.097</u>

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

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

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

<u>Due to related parties (short term)</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
Erdemir Madencilik San. ve Tic. A.Ş. <sup>(2)</sup>	1.131.121	1.234.266
OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(3)</sup>	107.274	61.728
Erdemir Asia Pacific PTE LTD <sup>(2)</sup>	-	706.905
Omsan Lojistik A.Ş. <sup>(3)</sup>	170.905	95.521
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	30.159	23.438
OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(3)</sup>	42.571	16.154
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. <sup>(2)</sup>	9.221	6.464
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. <sup>(2)</sup>	42.923	25.756
Kümaş Manyezit Sanayi A.Ş. <sup>(2)</sup>	169.397	91.452
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	68.475	-
Other	137.039	202.594
	<u>1.909.085</u>	<u>2.464.278</u>

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

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

<u>Major sales to related parties</u>	<u>1 January - 30 September 2024</u>	<u>1 January - 30 September 2023</u>
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	47.426.111	39.724.814
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. <sup>(2)</sup>	8.946	5.290
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	315.671	245.266
Erdemir Romania SRL <sup>(2)</sup>	-	8.609
Omsan Lojistik A.Ş. <sup>(3)</sup>	327	430
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	71.775	75.290
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(3)</sup>	110.575	118.454
OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(3)</sup>	7.709	3.258
OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(3)</sup>	1.004	452
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	21	135
Kümaş Manyezit Sanayi A.Ş. <sup>(2)</sup>	21.586	-
Other	1.756	2.165
	<u>47.965.481</u>	<u>40.184.163</u>

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

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



(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

<u>Major purchases from related parties</u>	<u>1 January - 30 September 2024</u>	<u>1 January - 30 September 2023</u>
Doco Petrol ve Danışmanlık A.Ş. <sup>(3)</sup>	66.521	34.849
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(3)</sup>	92.550	95.197
Erdemir Madencilik San. ve Tic. A.Ş. <sup>(2)</sup>	6.755.420	4.441.735
Erdemir Asia Pacific PTE LTD <sup>(2)</sup>	1.185.194	1.086.565
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. <sup>(1)</sup>	757.397	336.312
OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(3)</sup>	693.239	317.540
Omsan Denizcilik A.Ş. <sup>(3)</sup>	72.034	8.898
OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(3)</sup>	470.935	116.486
Omsan Lojistik A.Ş. <sup>(3)</sup>	976.133	531.647
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. <sup>(2)</sup>	85.080	29.710
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. <sup>(2)</sup>	305.611	172.423
İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(4)</sup>	529.951	388.654
OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(3)</sup>	403.919	169.764
Kümaş Manyezit Sanayi A.Ş. <sup>(2)</sup>	442.764	124.862
OYAK Yenilenebilir Enerji A.Ş. <sup>(3)</sup>	1.231.822	744.072
OYAK Çimento Fabrikaları A.Ş. <sup>(5)</sup>	318.643	-
Other	78.008	280.549
	<u>14.465.221</u>	<u>8.879.263</u>

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

The Company earned TRY 819.894 thousand finance income from related party transactions of the first nine month period of 2024, amounting to TRY 600.207 thousand of interest income and TRY 219.687 thousand of interest accrued on term (30 September 2023: TRY 160.009 thousand finance income from related party receivables, TRY (55.717) thousand finance expense from related party liabilities.)

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

As of 30 September 2024, the balances realized in the status of commercial goods are secured and their payments are cash-based. Other receivables from related parties balances are non-secured, interest -bearing and their collections will be done in cash. Certain maturity differences are applied for transactions made with related parties, depending on market conditions and product types, and delay interest is applied for overdue sales, again depending on market conditions and product types.

For the nine months period ended 30 September 2024, the Company provides no provision for the receivables from related parties (31 December 2023: 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

(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 nine months period ended 30 September 2024, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the executive management of the Company is TRY 22.076 thousand (30 September 2023: TRY 15.274 thousand).

#### NOTE 4 – INVENTORIES

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

	30 September 2024	31 December 2023
Raw materials	10.388.425	6.118.941
Work in progress	10.205.094	6.930.033
Finished goods	3.044.893	2.734.611
Spare parts	5.165.437	3.919.673
Goods in transit	5.979.260	10.452.725
Other inventories	3.354.146	2.417.868
Allowance for impairment on inventories (-)	(1.043.318)	(900.361)
	<u>37.093.937</u>	<u>31.673.490</u>

The movement of the allowance for impairment on inventories:

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	900.361	890.550
Provision for the period	-	82.318
Provision released (-)	(251)	(458.634)
Translation difference	143.208	323.514
Closing balance	<u>1.043.318</u>	<u>837.748</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).

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### 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 30 September		Right to 31 December		Business segment
	vote ratio %	2024	vote ratio %	2023	
İsdemir Linde Gaz Ortaklığı A.Ş.	50	1.194.100	50	884.293	Industrial Gas Production and Sale

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

	30 September 2024	31 December 2023
Total assets	2.599.304	1.913.261
Total liabilities	211.104	144.675
Net assets	2.388.200	1.768.586
Company's share on net assets	1.194.100	884.293
	30 September 2024	31 December 2023
Share capital	140.000	140.000

İsdemir Linde Gaz Ortaklığı A.Ş has the right of to deduct TRY 222.760 thousand (31 December 2023: TRY 228.207 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 (5.447) thousand of additional investment deduction (its effect in the profit or loss statement of Company is TRY (2.724) thousand) is included in the financial statements prepared as of reporting date.

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

	1 January - 30 September 2024	1 January - 30 September 2023
Revenue	611.374	422.331
Operating Profit	182.149	125.465
Net profit (loss) for the period	319.372	74.593
Company's share on net profit	159.686	37.297

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

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

	30 September 2024	30 September 2023
<u>Opening balance as of 1 January</u>		
Cost	160.359.967	96.839.451
Accumulated depreciation	(89.755.963)	(56.148.959)
Net book value	<u>70.604.004</u>	<u>40.690.492</u>
Opening net book value	70.604.004	40.690.492
Additions (*)	12.131.248	5.846.574
Disposals (-)	(2.175)	(32.310)
<i>Cost disposals</i>	(333.742)	(56.338)
<i>Accumulated depreciation disposals</i>	331.567	24.028
Transfers to intangible assets	(31.454)	-
Currency translation difference	11.774.562	19.725.763
<i>Cost currency translation difference</i>	26.179.596	46.233.863
<i>Accumulated depreciation currency translation difference</i>	(14.405.034)	(26.508.100)
Current period depreciation (-)	(2.922.043)	(1.701.064)
Impairment (-)	-	(592.961)
Net book value at the end of the period	<u>91.554.142</u>	<u>63.936.494</u>
<u>Closing balance as of</u>		
Cost	198.305.615	148.863.550
Accumulated depreciation	(106.751.473)	(84.927.056)
Net book value	<u>91.554.142</u>	<u>63.936.494</u>

(\*) The amount of capitalized borrowing cost is TRY 207.883 thousand for the current period (30 September 2023: TRY 329.733 thousand).

Due to the earthquake that occurred on 6 February 2023; the Company's production activities were suspended until the due diligence studies were completed. As a result of the due diligence studies carried out by the Company in the previous period, an impairment of TRY (592.961) thousand was calculated for the assets that would be out of use. The calculated impairment provision was recorded in the "Expenses from Investment Activities" account of the summary profit or loss statement.

As of reporting period, the Company has no collaterals or pledges upon its tangible assets (30 September 2023: None).

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

	30 September 2024	30 September 2023
<u>Opening balance as of 1 January</u>		
Cost	2.568.081	1.567.846
Accumulated amortisation	(1.328.170)	(789.919)
Net book value	<u>1.239.911</u>	<u>777.927</u>
Net book value at the begin.of the period	1.239.911	777.927
Additions	11.940	2.378
Transfers from tangible assets	31.454	-
Currency translation difference	196.052	350.167
<i>Cost currency translation difference</i>	411.081	728.250
<i>Accumulated depreciation currency translation difference</i>	(215.029)	(378.083)
Current period amortisation (-)	(63.396)	(48.010)
Net book value at the end of the period	<u>1.415.961</u>	<u>1.082.462</u>
<u>Closing balance as of</u>		
Cost	3.022.556	2.298.474
Accumulated amortisation	(1.606.595)	(1.216.012)
Net book value	<u>1.415.961</u>	<u>1.082.462</u>

As of reporting period, the Company has no collaterals or pledges upon its intangible assets (30 September 2023: None).

The breakdown of depreciation and amortisation expenses related to tangible, intangible and right of use assets amounting to TRY 28.040 thousand (30 September 2023: TRY 13.710 thousand) assets are as follows:

	30 September 2024	30 September 2023
Associated with cost of production	2.870.085	1.684.528
General administrative expenses	35.599	17.424
Marketing, sales and distribution expenses	91.769	52.069
Other operating expenses	16.026	8.763
	<u>3.013.479</u>	<u>1.762.784</u>

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

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### NOTE 7 – BORROWINGS

Breakdown of borrowings is as follows:

	30 September 2024	31 December 2023
Short term bank borrowings	10.653.277	17.179.415
Short term portion of long term bank borrowings	3.033.411	3.168.187
Long term bank borrowings	18.165.306	3.517.686
Total bank borrowings	<u>31.851.994</u>	<u>23.865.288</u>
Current portion of long term lease payables	59.188	26.886
Cost of current portion of long term lease payables (-)	(4.104)	(1.934)
Long term lease payables	915.822	370.068
Cost of long term lease payables (-)	(715.876)	(271.075)
Total leases borrowings	<u>255.030</u>	<u>123.945</u>
Total borrowings	<u><u>32.107.024</u></u>	<u><u>23.989.233</u></u>

As of 30 September 2024, the breakdown of the Company’s loans with their original currency and their weighted average interest rates is presented as follows:

Interest Type	Type of Currency	Weight Average Rate of Interest (%)	Short Term Portion	Long Term Portion	30 September 2024
Fixed	US Dollars	7,86	11.039.176	10.897.954	21.937.130
Floating	US Dollars	TERM SOFR+3,02	1.096.735	5.910.220	7.006.955
Floating	EURO	Euribor+0,5	264.000	1.357.132	1.621.132
Fixed	TRY	49,00	1.286.777	-	1.286.777
			<u>13.686.688</u>	<u>18.165.306</u>	<u>31.851.994</u>

As of 31 December 2023, 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 2023
Fixed	US Dollars	10,26	16.424.320	-	16.424.320
Floating	US Dollars	TERM SOFR+3,43	3.691.413	2.213.447	5.904.860
Floating	EURO	Euribor+0,5	231.869	1.304.239	1.536.108
			<u>20.347.602</u>	<u>3.517.686</u>	<u>23.865.288</u>

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

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### NOTE 7 – BORROWINGS (cont’d)

The breakdown of loan repayment is as follows:

	30 September 2024			31 December 2023		
	Bank loans	Lease liabilities	Total liabilities	Bank loans	Lease liabilities	Total liabilities
Within 1 year	13.686.688	55.084	13.741.772	20.347.602	24.952	20.372.554
Between 1-2 years	2.022.372	12.054	2.034.426	782.079	10.399	792.478
Between 2-3 years	12.769.471	7.560	12.777.031	438.018	6.522	444.540
Between 3-4 years	1.366.247	6.459	1.372.706	438.018	5.573	443.591
Between 4-5 years	320.861	5.774	326.635	401.771	4.981	406.752
Five years or more	1.686.355	168.099	1.854.454	1.457.800	71.518	1.529.318
	31.851.994	255.030	32.107.024	23.865.288	123.945	23.989.233

#### NOTE 8 – PROVISIONS

The Company’s short term provisions are as follows:

	30 September 2024	31 December 2023
Provision for lawsuits	175.589	142.840
Penalty provision for employment shortage of disabled personnel	5.214	6.624
Provision for land occupation	3.660	2.988
	184.463	152.452

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

	30 September 2024	31 December 2023
Lawsuits filed by the Company	147.229	149.206

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

	30 September 2024	31 December 2023
Lawsuits filed against the Company	124.288	98.867
Provision for lawsuits filed against the Company	175.589	142.840

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

**NOTE 8 – PROVISIONS (cont’d)**

The movement of the short term provisions is as follows:

	1 January 2024	Change for the period	Payments	Provision released	Translation difference	30 September 2024
Provision for lawsuits	142.840	32.458	(1.965)	(2.886)	5.142	175.589
Penalty provision for employment shortage of disabled personnel	6.624	79	-	(1.462)	(27)	5.214
Provision for land occupation	2.988	921	-	(273)	24	3.660
	<u>152.452</u>	<u>33.458</u>	<u>(1.965)</u>	<u>(4.621)</u>	<u>5.139</u>	<u>184.463</u>

  

	1 January 2023	Change for the period	Payments	Provision released	Translation difference	30 September 2023
Provision for lawsuits	111.276	24.762	(1.325)	(4.342)	7.438	137.809
Penalty provision for employment shortage of disabled personnel	8.443	-	-	(1.378)	7	7.072
Provision for land occupation	1.885	880	-	(82)	12	2.695
	<u>121.604</u>	<u>25.642</u>	<u>(1.325)</u>	<u>(5.802)</u>	<u>7.457</u>	<u>147.576</u>



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

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### NOTE 8 – PROVISIONS (cont’d)

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

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

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

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

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

#### NOTE 9 – EMPLOYEE BENEFITS

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

	30 September 2024	31 December 2023
Due to personnel	494.234	256.594
Social security premiums payable	1.875.404	824.524
	<u>2.369.638</u>	<u>1.081.118</u>

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

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

	30 September 2024	31 December 2023
Provisions for employee termination benefits	2.261.851	1.773.470
Provisions for seniority incentive premium	169.822	123.634
Provision for unused vacation	327.287	189.135
	<u>2.758.960</u>	<u>2.086.239</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 died.

As of 30 September 2024, the employee termination benefit has been updated to a maximum of TRY 41.828,42 (31 December 2023: TRY 23.489,83).

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

The employee termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the Company’s obligation under defined benefit plans. The obligation as of 30 September 2024 has been calculated by an independent actuary and projected unit credit method is used in the calculation.

The actuarial assumptions used in the calculation of the present value of the future probable obligation are as follows:

	30 September 2024	31 December 2023
Interest rate	24,24%	24,27%
Inflation rate	20,94%	21,02%

Discount rates are determined considering the expected duration of the retirement obligations and the currency in which the obligations will be paid. In calculations as of 30 September 2024, 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.

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	1.773.470	1.171.313
Service cost	74.828	151.140
Interest cost	240.266	132.765
Actuarial loss / (gain)	245.916	142.964
Termination benefits paid	(74.385)	(227.120)
Translation difference	1.756	25.638
Closing balance	2.261.851	1.396.700

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

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	123.634	85.832
Service cost	15.546	8.781
Interest cost	22.942	10.615
Actuarial loss/(gain)	7.352	18.483
Translation difference	348	358
Closing balance	169.822	124.069

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	189.135	100.110
Provision for the period	212.377	163.132
Vacation paid during the period (-)	(10.014)	(23.295)
Provisions released (-)	(62.880)	(34.627)
Translation difference	(1.331)	2.462
Closing balance	327.287	207.782

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### NOTE 10 – COMMITMENTS

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

	30 September 2024	31 December 2023
Letters of guarantees received	6.000.250	5.158.987
	<u>6.000.250</u>	<u>5.158.987</u>

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

	30 September 2024	31 December 2023
A. Total CPM given for the Company's own legal entity	7.401.983	2.445.685
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>7.401.983</u>	<u>2.445.685</u>

As of reporting period, the ratio of the other CPM given by the Company to shareholders equity is 0% (31 December 2023: 0%).

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

	30 September 2024	31 December 2023
ABD Dollars	5.330.519	2.197.032
TRY	1.995.121	183.505
EURO	76.343	65.148
	<u>7.401.983</u>	<u>2.445.685</u>

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

## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

#### NOTE 11 – TAX ASSETS AND LIABILITIES

The period income tax liabilities by the Company are as follows:

	30 September 2024	31 December 2023
<u>Corporate tax payable:</u>		
Previous period provision of corporation tax	-	54.494
Current corporate tax provision	2.510.981	2.459.112
Prepaid taxes and funds (-)	-	(18.165)
	<u>2.510.981</u>	<u>2.495.441</u>
	1 January - 30 September 2024	1 January - 30 September 2023
<u>Taxation:</u>		
Current corporate tax expense	2.366.349	893.865
Deferred tax expense/(income)	(1.994.144)	3.543.008
	<u>372.205</u>	<u>4.436.873</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 July 15, 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.

The corporate tax payments made by the company in the nine-month interim period of 2024 are TRY 36.329 thousand after offsetting.

By the Republic of Türkiye Ministry of Treasury and Finance; taxpayers in the provinces affected by the earthquake, it has been accepted as force majeure which was between 6 February 2023 and 30 April 2024 for taxpayers in the provinces affected by the earthquake, extended to 30 November 2024. In this context, the deadlines for submitting tax returns and notifications during force majeure have been extended until 31 January 2025.

Pursuant to subparagraph (A) of Article 298 and temporary article 33 of Tax Procedure Law No. 213, it has been stipulated that the balance sheets will be subject to inflation adjustment at the end of the 2023 accounting period and in the following accounting periods, depending on the fulfillment of the adjustment conditions (including temporary tax periods). In this context; the financial statements dated 30 September 2024, prepared in accordance with the Tax Procedure Law, have been subject to inflation adjustment.

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

##### 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 statutory in different reporting periods in the financial statements prepared according to TFRS.

The tax rate used in the calculation of deferred tax assets and liabilities (excluding land and land) is based on 25% (31 December 2023: 25%). Deferred tax on temporary timing differences arising from land and land is calculated with 18,75% (31 December 2023: 18,75%).

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

	30 September 2024	31 December 2023
<u>Deferred tax assets:</u>		
Provisions for employee benefits	689.740	521.560
Leasing payables	63.757	30.986
Provision for lawsuits	44.812	36.457
Adjustment of receivable rediscount	4.962	5.032
Inventories	71.155	-
Fair values of the derivative financial instruments	6.884	8.704
Other	251.289	169.467
	<u>1.132.599</u>	<u>772.206</u>
<u>Deferred tax liabilities:</u>		
Tangible and intangible fixed assets (net)	(5.931.073)	(6.365.987)
Right of use assets	(101.699)	(61.509)
Amortized cost adjustment on loans	(25.285)	(17.093)
Inventories	-	(281.753)
Other	(42.728)	(210.126)
	<u>(6.100.785)</u>	<u>(6.936.468)</u>
Deferred tax assets/(liabilities) net:	<u>(4.968.186)</u>	<u>(6.164.262)</u>

The partially or fully recoverable amount of the deferred tax assets of the Company that can be deducted from the future profits is estimated under the current conditions. During the evaluation, future profit projections, financial losses in current periods, expiry dates of unused financial losses carried and other tax assets are taken into consideration.

Company management has been evaluated that tax losses subject to deferred tax will be subject to deduction within 1 year, according to future profit projections.

The temporary differences disclosed above besides the deferred tax asset and liabilities, have been prepared on the basis of the gross values and show the net deferred tax position.

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

##### Deferred tax (cont’d)

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	(6.164.262)	(4.935.507)
Deferred tax income/(expense)	1.994.144	(3.543.008)
The amount in comprehensive income/(expense)	59.425	25.620
Translation difference	(857.493)	(3.139.819)
Closing balance	<u>(4.968.186)</u>	<u>(11.592.714)</u>

Reconciliation of tax provision is as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
<u>Reconciliation of tax provision:</u>		
Profit / (loss) before tax	8.512.960	2.856.520
Statutory tax rate	25%	25%
Calculated tax acc. to effective tax rate	(2.128.240)	(714.130)
<u>Reconciliation between the tax provision and calculated tax:</u>		
- Non-deductible expenses	(4.711)	(2.123)
- Tangible and intangible assets revaluation tax effect	-	(864.903)
- Non-taxable income	20	28.212
- The impact of investments accounted for using the equity method	39.922	9.324
- Effect of currency translation (*)	<u>1.720.805</u>	<u>(2.893.253)</u>
Tax (expense)/income in the profit or loss statement	<u>(372.205)</u>	<u>(4.436.873)</u>

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

#### NOTE 12 – EQUITY

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

	(%)	30 September 2024	(%)	31 December 2023
<u>Shareholders</u>				
Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	94,87	2.751.326	94,87	2.751.326
Quoted in Stock Exchange	5,13	148.674	5,13	148.674
Historical capital		2.900.000		2.900.000
Inflation adjustment to capital		164		164
Restated capital		<u>2.900.164</u>		<u>2.900.164</u>

As of the reporting period, the amount of resources that can be subject to cash profit distribution in the Company's legal records is TRY 19.603.171 thousand (31 December 2023: TRY 12.408.917 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

(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 419.884 thousand. The Company planning to recognize related revenue amount as a revenue in a year.

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
<u>Sales Revenue</u>				
Domestic sales	60.421.973	18.456.790	44.289.382	20.323.539
Export sales	17.099.847	6.937.881	3.903.014	2.402.664
Other revenues (*)	2.153.204	676.268	2.190.051	555.922
Interest income from sales with maturities	256.388	79.276	177.835	93.052
Sales returns (-)	(9.492)	(3.652)	(12.269)	(11.520)
	<u>79.921.920</u>	<u>26.146.563</u>	<u>50.548.013</u>	<u>23.363.657</u>
<u>Cost of sales (-)</u>	<u>(72.862.097)</u>	<u>(24.463.730)</u>	<u>(47.691.737)</u>	<u>(20.899.914)</u>
Gross profit	<u>7.059.823</u>	<u>1.682.833</u>	<u>2.856.276</u>	<u>2.463.743</u>

(\*) The total amount of by product exports in other revenues is TRY 1.202.548 thousand (30 September 2023: TRY 717.969 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Raw material usage	(58.092.194)	(18.903.965)	(35.129.496)	(16.835.877)
Personnel costs	(3.799.256)	(1.447.291)	(1.943.151)	(910.011)
Energy costs	(2.685.599)	(1.024.660)	(2.623.032)	(934.113)
Depreciation and amortization expenses	(2.713.181)	(955.541)	(1.618.710)	(710.637)
Manufacturing overheads	(2.217.475)	(1.025.972)	(987.745)	(593.112)
Other cost of goods sold	(1.981.174)	(576.422)	(3.853.078)	(552.823)
Non-operating costs (*)	(170.560)	(128.243)	(1.374.255)	(114.825)
Freight costs for sales delivered to customers	(649.103)	(238.235)	(215.233)	(114.232)
Inventory write-downs within the period (Note 4)	-	-	(82.318)	(6.878)
Reversal of inventory write-downs (Note 4)	251	251	458.634	38.321
Other	(553.806)	(163.652)	(323.353)	(165.727)
	<u>(72.862.097)</u>	<u>(24.463.730)</u>	<u>(47.691.737)</u>	<u>(20.899.914)</u>

(\*) Due to the earthquake on 6 February 2023; until due diligence studies are completed, the company's production activities were suspended. TRY (1.374.255) thousand non-working part expense due to unexpected stoppage at the Company's production facilities, is not associated with the product cost and is directly included in the cost of sales.

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**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Personnel expenses (-)	(130.753)	(46.694)	(89.980)	(32.451)
Depreciation and amortization(-)	(91.769)	(30.902)	(52.069)	(22.962)
Tax, duty and charges (-)	(583)	(202)	(451)	(176)
Service expenses (-)	(520.113)	(192.396)	(259.083)	(112.305)
	<u>(743.218)</u>	<u>(270.194)</u>	<u>(401.583)</u>	<u>(167.894)</u>

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Personnel expenses (-)	(283.490)	(115.948)	(139.286)	(20.914)
Depreciation and amortization expenses(-)	(23.585)	(8.219)	(12.477)	(4.940)
Amortization expense of right of use (-)	(12.014)	(1.282)	(4.947)	(3.012)
Provision for doubtful receivables net	87	78	7.990	7.988
Tax, duty and charges (-)	(22.771)	(7.813)	(14.782)	(8.599)
Service expenses (-)	(935.098)	(337.905)	(453.436)	(187.841)
	<u>(1.276.871)</u>	<u>(471.089)</u>	<u>(616.938)</u>	<u>(217.318)</u>

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

**(cont’d)**

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
<u>Other operating income</u>				
Foreign exchange gains from trade receivables and payables	249.725	92.941	84.906	(84.769)
Discount income	280	89	238	77
Provisions released	4.348	2.359	5.720	4.641
Service income	50.967	12.742	19.721	9.794
Maintenance repair and rent income	23.142	7.523	8.825	2.743
Lawsuit income	2.412	494	62	30
Indemnity and penalty detention income	27.176	10.610	14.448	7.073
Previous period insurance indemnity income	74.480	3.389	148.456	12.545
Warehouse income	20.347	2.914	10.749	2.539
Customers delay interest income	1.363	251	1.949	173
Current period insurance indemnity income	3.382.428	65.184	2.210.170	2.210.170
Other income and gains	88.009	17.474	36.623	15.955
	<u>3.924.677</u>	<u>215.970</u>	<u>2.541.867</u>	<u>2.180.971</u>

Due to the earthquake on 6 February 2023, an agreement has been reached to collect the second advance amount of TRY 3.382.428 thousand (USD 105.000 thousand) for damage compensation to be collected under the Company's insurance (30 September 2023:TRY 2.210.170 thousand (USD 100.000 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
<u>Other operating expenses (-)</u>				
Provision expenses	(32.537)	(7.781)	(24.762)	(10.334)
Donation expenses	(15.194)	(6.033)	(5.662)	(1.622)
Amortisation expenses of right of use assets	(16.026)	(10.474)	(8.763)	(1.964)
Penalty expenses	(5.551)	(846)	(2.913)	(998)
Service expenses	(45.936)	(16.939)	(14.112)	(6.393)
Lawsuit compensation expenses	(5.536)	(2.162)	(1.820)	(776)
Stock exchange registration expenses	(4.554)	(1.576)	(3.671)	(1.428)
Other expenses and losses	(79.317)	(28.727)	(31.677)	(16.468)
	<u>(204.651)</u>	<u>(74.538)</u>	<u>(93.380)</u>	<u>(39.983)</u>

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

**NOTE 15 – FINANCE INCOME AND EXPENSES**

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
<b>Finance income</b>				
Interest income on bank deposits	1.243.163	464.288	547.326	124.391
Interest income from financial investments	20.216	20.216	-	-
Foreign exchange gains	126.848	(90.299)	-	-
Interest income on related party	600.207	17.912	1.436	1.436
Fair value differences of derivative financial instruments (net)	-	(1.507)	-	-
	<u>1.990.434</u>	<u>410.610</u>	<u>548.762</u>	<u>125.827</u>

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
<b>Finance expenses (-)</b>				
Interest expenses on borrowings	(2.108.724)	(659.747)	(1.169.889)	(452.630)
Foreign exchange loss (net)	-	-	(5.102)	8.885
Interest cost of employee benefits	(263.208)	(97.724)	(143.380)	(45.551)
Related party interest expense	-	-	(55.717)	(40.257)
Interest expenses on leases	(24.907)	(9.526)	(7.504)	(2.761)
Other financial expenses	(14.192)	(5.234)	(8.635)	(3.154)
Fair value differences of derivative financial instruments (net)	(13.425)	(13.425)	(412)	2.118
	<u>(2.424.456)</u>	<u>(785.656)</u>	<u>(1.390.639)</u>	<u>(533.350)</u>

During the reporting period, the interest expenses of TRY 207.883 thousand have been capitalized as part of the Company’s property, plant and equipment (30 September 2023: TRY 329.733 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

##### Additional information about financial instruments

##### Foreign currency risk management

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

	30 September 2024			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	835.781	74.580	19.942	-
2a. Monetary financial assets	8.322.142	8.286.780	926	21
2b. Non- monetary financial assets	513.153	501.320	310	-
3. Other	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>9.671.076</b>	<b>8.862.680</b>	<b>21.178</b>	<b>21</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	72.762	72.762	-	-
6b. Non- monetary financial assets	2.048.154	229.702	47.639	-
7. Other	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>2.120.916</b>	<b>302.464</b>	<b>47.639</b>	-
<b>9. Total assets (4+8)</b>	<b>11.791.992</b>	<b>9.165.144</b>	<b>68.817</b>	<b>21</b>
10. Trade payables	4.003.987	3.432.993	14.932	-
11. Financial liabilities	1.605.861	1.341.861	6.904	-
12a. Other monetary financial liabilities	5.423.024	5.415.314	202	-
12b. Other non-monetary financial liabilities	22.409	-	586	-
<b>13. Current liabilities (10+11+12)</b>	<b>11.055.281</b>	<b>10.190.168</b>	<b>22.624</b>	-
14. Trade payables	-	-	-	-
15. Financial liabilities	1.557.077	199.944	35.490	-
16a. Other monetary financial liabilities	2.758.960	2.758.960	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>4.316.037</b>	<b>2.958.904</b>	<b>35.490</b>	-
<b>18. Total liabilities (13+17)</b>	<b>15.371.318</b>	<b>13.149.072</b>	<b>58.114</b>	-
<b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>	<b>(50.133)</b>	-	<b>(1.311)</b>	-
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	50.133	-	1.311	-
<b>20. Net foreign currency asset/liability position (9-18+19)</b>	<b>(3.629.459)</b>	<b>(3.983.928)</b>	<b>9.392</b>	<b>21</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(6.118.224)</b>	<b>(4.714.950)</b>	<b>(36.660)</b>	<b>21</b>
22. Fair value of derivative financial instruments used in foreign currency hedge	(1.106)	-	(29)	-
23. Hedged foreign currency assets	50.133	-	1.311	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	18.302.395	-	-	-
26. Imports	48.335.473	-	-	-

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## İSKENDERUN DEMİR VE ÇELİK A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

	31 December 2023			Jap.Yen (Original currency)
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	
1. Trade Receivables	455.071	93.317	11.106	-
2a. Monetary financial assets	9.932.169	9.931.051	34	21
2b. Non- monetary financial assets	74.263	70.279	122	-
3. Other	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>10.461.503</b>	<b>10.094.647</b>	<b>11.262</b>	<b>21</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	71.640	71.640	-	-
6b. Non- monetary financial assets	3.058.278	2.494.163	17.318	-
7. Other	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>3.129.918</b>	<b>2.565.803</b>	<b>17.318</b>	-
<b>9. Total assets (4+8)</b>	<b>13.591.421</b>	<b>12.660.450</b>	<b>28.580</b>	<b>21</b>
10. Trade payables	3.770.112	3.447.097	9.899	-
11. Financial liabilities	256.820	24.951	7.105	-
12a. Other monetary financial liabilities	4.817.152	4.809.907	222	-
12b. Other non-monetary financial liabilities	47.079	-	1.443	-
<b>13. Current liabilities (10+11+12)</b>	<b>8.891.163</b>	<b>8.281.955</b>	<b>18.669</b>	-
14. Trade payables	-	-	-	-
15. Financial liabilities	1.403.229	98.989	39.967	-
16a. Other monetary financial liabilities	2.086.239	2.086.239	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>3.489.468</b>	<b>2.185.228</b>	<b>39.967</b>	-
<b>18. Total liabilities (13+17)</b>	<b>12.380.631</b>	<b>10.467.183</b>	<b>58.636</b>	-
<b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>	<b>(9.953)</b>	<b>-</b>	<b>(305)</b>	-
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	9.953	-	305	-
<b>20. Net foreign currency asset/liability position (9-18+19)</b>	<b>1.200.837</b>	<b>2.193.267</b>	<b>(30.361)</b>	<b>21</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.874.672)</b>	<b>(371.175)</b>	<b>(46.053)</b>	<b>21</b>
22. Fair value of derivative financial instruments used in foreign currency hedge	(58)	-	(2)	-
23. Hedged foreign currency assets	9.953	-	305	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	9.606.500	-	-	-
26. Imports	45.262.368	-	-	-

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

For assets with foreign currency balances in the summary statement of financial position as of 30 September 2024: 34,1210 TRY = US \$ 1, 38,1714 TRY = Euro 1; 0,2390 TRY = JPY 1 for liabilities: 34,1825 TRY = US \$ 1, 38,2402 TRY = Euro 1, 0,2405 TRY = JPY 1 converted at rates (31 December 2023: For assets; 29,4382 TRY = US \$ 1, 32,5739 TRY = Euro 1; 0,2075 TRY = JPY, 1 For Liabilities; 29,4913 TRY = US \$ 1, 32,6326 TRY = Euro 1, 0,2088 TRY = JPY 1).

	Profit/(loss) before tax after capitalization on tangible assets	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>30 September 2024</b>		
1- TRY net asset/liability	(471.495)	471.495
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
<b>4- TRY net effect (1+2+3)</b>	<b>(471.495)</b>	<b>471.495</b>
5- Euro net asset/liability	(140.332)	140.332
6- Hedged portion from Euro risk (-)	(5.013)	5.013
7- Effect of capitalization (-)	-	-
<b>8- Euro net effect (5+6+7)</b>	<b>(145.345)</b>	<b>145.345</b>
9- Jap. Yen net asset/liability	1	(1)
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
<b>12- Jap. Yen net effect (9+10+11)</b>	<b>1</b>	<b>(1)</b>
<b>TOTAL (4+8+12)</b>	<b>(616.839)</b>	<b>616.839</b>



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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

Foreign currency risk management (cont’d)

	Profit/(loss) before tax after capitalization on tangible assets	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>31 December 2023</b>		
1- TRY net asset/liability	(37.118)	37.118
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
<b>4- TRY net effect (1+2+3)</b>	<b>(37.118)</b>	<b>37.118</b>
5- Euro net asset/liability	(98.249)	98.249
6- Hedged portion from Euro risk (-)	(995)	995
7- Effect of capitalization (-)	-	-
<b>8- Euro net effect (5+6+7)</b>	<b>(99.244)</b>	<b>99.244</b>
9- Jap. Yen net asset/liability	-	-
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
<b>12- Jap. Yen net effect (9+10+11)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (4+8+12)</b>	<b>(136.362)</b>	<b>136.362</b>

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

Categories of the financial instruments and their fair values

	Financial assets/ liabilities at amortized cost	Derivative financial instruments through other comprehensive income	Derivative financial instruments through profit/loss	Carrying value
<b>30 September 2024</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	10.251.225	-	-	10.251.225
Trade receivables	6.990.445	-	-	6.990.445
Financial investments	-	-	250.621	250.621
Other receivables	122.942	-	-	122.942
Derivative financial instruments	-	-	-	-
<b>Financial Liabilities</b>				
Financial liabilities	32.107.024	-	-	32.107.024
Trade payables	9.084.113	-	-	9.084.113
Other liabilities	959.352	-	-	959.352
Derivative financial instruments	-	26.437	1.106	27.543
<b>31 December 2023</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	11.568.280	-	-	11.568.280
Trade receivables	5.212.321	-	-	5.212.321
Financial investments	-	-	66.285	66.285
Other receivables	3.364.575	-	-	3.364.575
<b>Financial Liabilities</b>				
Financial liabilities	23.989.233	-	-	23.989.233
Trade payables	12.037.825	-	-	12.037.825
Other liabilities	666.530	-	-	666.530
Derivative financial instruments	-	34.635	183	34.818

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

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

**30 September 2024**

<b>Financial asset and liabilities at fair value</b>	<b>Book Value</b>	<b>Fair value level as of reporting date</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets and liabilities at fair value through profit/loss</b>				
Venture capital investment fund	66.482	-	66.482	-
Financial investments fund	183.214	-	183.214	-
Derivative financial liabilities	(1.106)	-	(1.106)	-
<b>Financial assets and liabilities at fair value through other comprehensive income/expense</b>				
Derivative financial liabilities	(26.437)	-	(26.437)	-
<b>Total</b>	<b>222.153</b>	<b>-</b>	<b>222.153</b>	<b>-</b>

**31 December 2023**

<b>Financial asset and liabilities at fair value</b>	<b>Book Value</b>	<b>Fair value level as of reporting date</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets and liabilities at fair value through profit/loss</b>				
Venture capital investment fund	65.487	-	65.487	-
Derivative financial liabilities	(183)	-	(183)	-
<b>Financial assets and liabilities at fair value through other comprehensive income/expense</b>				
Derivative financial liabilities	(34.635)	-	(34.635)	-
<b>Total</b>	<b>30.669</b>	<b>-</b>	<b>30.669</b>	<b>-</b>

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

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

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

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

**İSKENDERUN DEMİR VE ÇELİK A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

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

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**NOTE 17 – SUBSEQUENT EVENTS**

None.

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

**Convenience translation to English:**

As of 30 September 2024, 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.