

**(CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH - SEE NOTE 19)**

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.  
AND ITS SUBSIDIARIES**

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

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

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

**To the Board of Directors of Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi;**

**Introduction**

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

**Scope of Review**

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

**Conclusion**

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

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



Mehmet Başol Çengel, SMMM  
Partner

6 August 2025  
İstanbul, Türkiye

| <b>TABLE OF CONTENTS</b>   | <b>PAGE</b> |
|--|-------------|
| <b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>   | <b>1-2</b>  |
| <b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS .....</b>  | <b>3</b>    |
| <b>CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME .....</b>  | <b>4</b>    |
| <b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>   | <b>5</b>    |
| <b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>  | <b>6</b>    |
| <b>NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS .....</b>  | <b>7-49</b> |
| NOTE 1      GROUP'S ORGANIZATION AND NATURE OF OPERATIONS .....  | 7-8         |
| NOTE 2      BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS .....   | 8-15        |
| NOTE 3      RELATED PARTY TRANSACTIONS .....   | 15-19       |
| NOTE 4      INVENTORIES .....  | 19          |
| NOTE 5      INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD .....  | 20-21       |
| NOTE 6      TANGIBLE AND INTANGIBLE ASSETS .....   | 21-22       |
| NOTE 7      BORROWINGS.....  | 23-24       |
| NOTE 8      PROVISIONS.....  | 24-29       |
| NOTE 9      EMPLOYEE BENEFITS.....   | 30-31       |
| NOTE 10     COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES .....   | 32          |
| NOTE 11     TAX ASSETS AND LIABILITIES .....   | 33-36       |
| NOTE 12     EQUITY .....   | 36          |
| NOTE 13     SALES AND COST OF SALES .....  | 37-38       |
| NOTE 14     EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING<br>INCOME/EXPENSES .....  | 39-41       |
| NOTE 15     FINANCE INCOME AND EXPENSES .....  | 41-42       |
| NOTE 16     EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES) .....  | 43          |
| NOTE 17     NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS .....   | 44-49       |
| NOTE 18     SUBSEQUENT EVENTS .....  | 49          |
| NOTE 19     OTHER ISSUES AFFECTING THE CONDENSED INTERIM CONSOLIDATED FINANCIAL<br>STATEMENTS MATERIALLY OR THOSE REQUIRED TO BE DISCLOSED FOR A CLEAR<br>UNDERSTANDABLE AND INTERPRETABLE PRESENTATION..... | 49          |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2025

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

|   |      | (Reviewed)<br>Current Period<br>30 June<br>2025<br>USD'000 | (Reviewed)<br>Current Period<br>30 June<br>2025<br>TRY'000 | (Audited)<br>Previous Period<br>31 December<br>2024<br>USD'000 | (Audited)<br>Previous Period<br>31 December<br>2024<br>TRY'000 |
|---|------|--|--|--|--|
| ASSETS  | Note |  |  |  |  |
| <b>CURRENT ASSETS</b>                             |      | <b>5.345.076</b>   | <b>212.417.591</b>   | <b>5.182.957</b>   | <b>182.856.284</b>   |
| Cash and Cash Equivalents                         |      | 2.111.099  | 83.896.762   | 1.566.313  | 55.259.993   |
| Financial Investments                             |      | -  | -  | 44.960   | 1.586.209  |
| Trade Receivables                                 |      | 657.041  | 26.111.297   | 750.105  | 26.463.914   |
| <i>Due From Related Parties</i>                   | 3    | 17.876   | 710.387  | 17.116   | 603.847  |
| <i>Other Trade Receivables from Third Parties</i> |      | 639.165  | 25.400.910   | 732.989  | 25.860.067   |
| Other Receivables                                 |      | 10.952   | 435.250  | 5.546  | 195.675  |
| <i>Due From Related Parties</i>                   | 3    | 5.149  | 204.619  | 532  | 18.767   |
| <i>Other Receivables from Third Parties</i>       |      | 5.803  | 230.631  | 5.014  | 176.908  |
| Financial Derivative Instruments                  |      | -  | -  | 7.061  | 249.118  |
| Inventories                                       | 4    | 2.125.189  | 84.456.730   | 2.232.475  | 78.762.398   |
| Prepaid Expenses                                  |      | 85.082   | 3.381.212  | 88.128   | 3.109.169  |
| <i>Prepaid Expenses to Related Parties</i>        | 3    | 388  | 15.422   | 706  | 24.900   |
| <i>Other Prepaid Expenses to Third Parties</i>    |      | 84.694   | 3.365.790  | 87.422   | 3.084.269  |
| Other Current Assets                              |      | 355.713  | 14.136.340   | 488.369  | 17.229.808   |
| <b>NON CURRENT ASSETS</b>                         |      | <b>7.044.321</b>   | <b>279.946.971</b>   | <b>6.867.932</b>   | <b>242.302.690</b>   |
| Financial Investments                             |      | 4.508  | 179.144  | 5.048  | 178.085  |
| Other Receivables                                 |      | 4.215  | 167.507  | 3.748  | 132.211  |
| <i>Due From Related Parties</i>                   | 3    | 3.926  | 156.008  | 3.430  | 121.006  |
| <i>Other Receivables from Third Parties</i>       |      | 289  | 11.499   | 318  | 11.205   |
| Investments Accounted for Using Equity Method     | 5    | 32.666   | 1.298.154  | 36.283   | 1.280.062  |
| Investment Properties                             |      | 32.606   | 1.295.787  | 166.318  | 5.867.749  |
| Property, Plant and Equipment                     | 6    | 6.299.877  | 250.362.169  | 5.864.827  | 206.912.853  |
| Right of Use Assets                               |      | 35.847   | 1.424.602  | 27.302   | 963.217  |
| Intangible Assets                                 |      | 258.690  | 10.280.560   | 264.823  | 9.343.042  |
| <i>Goodwill</i>                                   |      | 18.781   | 746.382  | 18.781   | 662.608  |
| <i>Other Intangible Assets</i>                    | 6    | 239.909  | 9.534.178  | 246.042  | 8.680.434  |
| Prepaid Expenses                                  |      | 321.793  | 12.788.329   | 456.080  | 16.090.669   |
| <i>Prepaid Expenses to Related Parties</i>        | 3    | 1.306  | 51.903   | 5.015  | 176.923  |
| <i>Other Prepaid Expenses to Third Parties</i>    |      | 320.487  | 12.736.426   | 451.065  | 15.913.746   |
| Deferred Tax Assets                               | 11   | 7.326  | 291.130  | 7.248  | 255.704  |
| Other Non Current Assets                          |      | 46.793   | 1.859.589  | 36.255   | 1.279.098  |
| <b>TOTAL ASSETS</b>                               |      | <b>12.389.397</b>  | <b>492.364.562</b>   | <b>12.050.889</b>  | <b>425.158.974</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 consolidated financial statements.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2025

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

|  |      | (Reviewed)<br>Current Period<br>30 June<br>2025<br>USD'000 | (Reviewed)<br>Current Period<br>30 June<br>2025<br>TRY'000 | (Audited)<br>Previous Period<br>31 December<br>2024<br>USD'000 | (Audited)<br>Previous Period<br>31 December<br>2024<br>TRY'000 |
|--|------|--|--|--|--|
| LIABILITIES  | Note |  |  |  |  |
| <b>CURRENT LIABILITIES</b>   |      | <b>2.266.228</b>   | <b>90.223.993</b>  | <b>2.158.479</b>   | <b>76.288.847</b>  |
| Short Term Borrowings  | 7    | 380.528  | 15.149.733   | 743.215  | 26.268.031   |
| Short Term Portion of Long Term Borrowings                                       | 7    | 339.852  | 13.530.324   | 295.470  | 10.443.033   |
| Trade Payables   |      | 1.270.499  | 50.581.632   | 849.469  | 30.023.470   |
| <i>Due to Related Parties</i>  | 3    | 195.838  | 7.796.791  | 51.989   | 1.837.483  |
| <i>Other Trade Payables to Third Parties</i>                                     |      | 1.074.661  | 42.784.841   | 797.480  | 28.185.987   |
| Payables for Employee Benefits   | 9    | 85.888   | 3.419.409  | 139.388  | 4.926.492  |
| Other Payables   |      | 56.295   | 2.241.248  | 27.964   | 988.348  |
| Financial Derivative Instruments   |      | 29.765   | 1.185.022  | -  | -  |
| Deferred Revenue   |      | 39.662   | 1.579.043  | 32.855   | 1.161.228  |
| Current Tax Liabilities  | 11   | 6.599  | 262.716  | 8.987  | 317.625  |
| Short Term Provisions  | 8    | 36.786   | 1.464.546  | 30.770   | 1.087.544  |
| Other Current Liabilities  |      | 20.354   | 810.320  | 30.361   | 1.073.076  |
| <b>NON CURRENT LIABILITIES</b>   |      | <b>3.191.767</b>   | <b>127.071.902</b>   | <b>2.955.135</b>   | <b>104.445.716</b>   |
| Long Term Borrowings   | 7    | 2.678.038  | 106.619.118  | 2.392.984  | 84.577.132   |
| Long Term Provisions   |      | 178.647  | 7.112.349  | 174.610  | 6.171.382  |
| <i>Long term provisions for employee benefits</i>                                | 9    | 178.647  | 7.112.349  | 174.610  | 6.171.382  |
| Deferred Tax Liabilities   | 11   | 334.501  | 13.317.298   | 386.901  | 13.674.548   |
| Other Non Current Liabilities  |      | 581  | 23.137   | 640  | 22.654   |
| <b>EQUITY</b>  |      | <b>6.931.402</b>   | <b>275.068.667</b>   | <b>6.937.275</b>   | <b>244.424.411</b>   |
| <b>Equity Attributable to Equity Holders of the Parent</b>                       |      | <b>6.711.048</b>   | <b>266.482.251</b>   | <b>6.721.145</b>   | <b>236.947.401</b>   |
| Share Capital  | 12   | 1.918.505  | 7.000.000  | 1.918.505  | 7.000.000  |
| Treasury Shares (-)  |      | (108.569)  | (1.315.022)  | (108.569)  | (1.315.022)  |
| Share Issue Premium (Discounts)  |      | 55.303   | 106.447  | 55.303   | 106.447  |
| Other Comprehensive Income (Expenses) Not to be<br>Reclassified to Profit (Loss) |      | (208.743)  | 108.295.730  | (199.521)  | 95.552.077   |
| <i>Actuarial (Loss) Gain funds</i>   |      | (193.058)  | (3.327.733)  | (183.836)  | (2.961.205)  |
| <i>Foreign Currency Translation Reserves</i>                                     |      | (15.685)   | 111.623.463  | (15.685)   | 98.513.282   |
| Other Comprehensive Income (Expense) to be<br>Reclassified to Profit (Loss)      |      | (307.653)  | (12.248.436)   | (275.142)  | (9.724.549)  |
| <i>Foreign Currency Translation Reserves</i>                                     |      | (297.366)  | (11.838.902)   | (276.487)  | (9.772.072)  |
| <i>Cash Flow Hedging Gain (Loss)</i>   |      | (10.287)   | (409.534)  | 1.345  | 47.523   |
| Restricted Reserves Assorted from Profit   |      | 1.514.419  | 11.564.326   | 1.499.365  | 10.973.470   |
| Retained Earnings  |      | 3.801.485  | 151.346.262  | 3.419.939  | 120.873.630  |
| Net Profit (Loss) for the Period   |      | 46.301   | 1.732.944  | 411.265  | 13.481.348   |
| <b>Non-Controlling Interests</b>   |      | <b>220.354</b>   | <b>8.586.416</b>   | <b>216.130</b>   | <b>7.477.010</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |      | <b>12.389.397</b>  | <b>492.364.562</b>   | <b>12.050.889</b>  | <b>425.158.974</b>   |

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

(Convenience Translation into English of Condensed Interim Consolidated Financial Statements Originally Issued in Turkish – See Note 19)

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

|  |      | (Reviewed)     | (Reviewed)       | (Unaudited)      | (Reviewed)      | (Reviewed)        | (Unaudited)      |
|--|------|----------------|------------------|------------------|-----------------|-------------------|------------------|
|  |      | Current Period | Current Period   | Current Period   | Previous Period | Previous Period   | Previous Period  |
|  |      | 1 January -    | 1 January -      | 1 April-         | 1 January -     | 1 January -       | 1 April-         |
|  |      | 30 June 2025   | 30 June 2025     | 30 June 2025     | 30 June 2024    | 30 June 2024      | 30 June 2024     |
|  | Note | USD'000        | TRY'000          | TRY'000          | USD'000         | TRY'000           | TRY'000          |
| Revenue  | 13   | 2.537.087      | 94.957.592       | 41.412.965       | 3.172.180       | 100.218.054       | 50.470.421       |
| Cost of Sales  | 13   | (2.332.224)    | (87.290.004)     | (37.546.635)     | (2.752.274)     | (86.952.034)      | (44.233.694)     |
| <b>GROSS PROFIT</b>  |      | <b>204.863</b> | <b>7.667.588</b> | <b>3.866.330</b> | <b>419.906</b>  | <b>13.266.020</b> | <b>6.236.727</b> |
| Marketing Expenses   | 14   | (32.357)       | (1.211.057)      | (651.791)        | (29.698)        | (938.249)         | (506.993)        |
| General Administrative Expenses  | 14   | (80.385)       | (3.008.648)      | (1.609.536)      | (75.720)        | (2.392.212)       | (1.387.159)      |
| Research and Development Expenses  |      | (4.502)        | (168.515)        | (84.762)         | (4.485)         | (141.708)         | (77.078)         |
| Other Operating Income   | 14   | 34.530         | 1.292.343        | 773.219          | 126.304         | 3.990.294         | 454.325          |
| Other Operating Expenses   | 14   | (22.309)       | (834.995)        | (454.146)        | (13.182)        | (416.452)         | (162.962)        |
| <b>OPERATING PROFIT</b>  |      | <b>99.840</b>  | <b>3.736.716</b> | <b>1.839.314</b> | <b>423.125</b>  | <b>13.367.693</b> | <b>4.556.860</b> |
| Income from Investing Activities   |      | 17.257         | 645.886          | 35.375           | 7.460           | 235.670           | 125.844          |
| Expenses from Investing Activities                                       |      | (2.485)        | (93.015)         | (10.532)         | (1.378)         | (43.538)          | (13.227)         |
| Share of Investments' Profit (Loss) Accounted by Using The Equity Method | 5    | 1.043          | 39.021           | 25.182           | 3.442           | 108.737           | 65.645           |
| <b>OPERATING PROFIT BEFORE FINANCE INCOME (EXPENSES)</b>                 |      | <b>115.655</b> | <b>4.328.608</b> | <b>1.889.339</b> | <b>432.649</b>  | <b>13.668.562</b> | <b>4.735.122</b> |
| Finance Income   | 15   | 93.500         | 3.499.501        | 1.442.771        | 53.455          | 1.688.802         | 1.055.958        |
| Finance Expense  | 15   | (210.256)      | (7.869.319)      | (3.533.153)      | (175.768)       | (5.553.018)       | (2.410.376)      |
| Monetary Gain/(Loss)   | 16   | 11.631         | 435.332          | 173.452          | (6.974)         | (220.334)         | (159.360)        |
| <b>PROFIT BEFORE TAX</b>   |      | <b>10.530</b>  | <b>394.122</b>   | <b>(27.591)</b>  | <b>303.362</b>  | <b>9.584.012</b>  | <b>3.221.344</b> |
| Tax (Expense) Income   | 11   | 37.989         | 1.421.822        | 1.395.631        | 25.487          | 805.230           | 1.320.960        |
| Current Corporate Tax (Expense) Income                                   |      | (7.713)        | (288.692)        | (166.785)        | (76.560)        | (2.418.733)       | (1.331.582)      |
| Deferred Tax (Expense) Income  |      | 45.702         | 1.710.514        | 1.562.416        | 102.047         | 3.223.963         | 2.652.542        |
| <b>NET PROFIT (LOSS) FOR THE PERIOD</b>                                  |      | <b>48.519</b>  | <b>1.815.944</b> | <b>1.368.040</b> | <b>328.849</b>  | <b>10.389.242</b> | <b>4.542.304</b> |
| Non-Controlling Interests  |      | 2.218          | 83.000           | 61.485           | 12.739          | 402.447           | 156.432          |
| Equity Holders of the Parent   |      | 46.301         | 1.732.944        | 1.306.555        | 316.110         | 9.986.795         | 4.385.872        |
| <b>EARNINGS PER SHARE (LOSS)</b>   |      |                | 0,2476           | 0,1867           |                 | 1,4857            | 0,6266           |
| (TRY 1 Nominal value per share)  |      |                |                  |                  |                 |                   |                  |

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

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

(Convenience Translation into English of Condensed Interim Consolidated Financial Statements Originally Issued in Turkish – See Note 19)

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

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

|      |  | (Reviewed)<br>Current Period<br>1 January -<br>30 June 2025<br>USD'000 | (Reviewed)<br>Current Period<br>1 January -<br>30 June 2025<br>TRY'000 | (Unaudited)<br>Current Period<br>1 April-<br>30 June 2025<br>TRY'000 | (Reviewed)<br>Previous Period<br>1 January -<br>30 June 2024<br>USD'000 | (Reviewed)<br>Previous Period<br>1 January -<br>30 June 2024<br>TRY'000 | (Unaudited)<br>Previous Period<br>1 April-<br>30 June 2024<br>TRY'000 |
|------|--|--|--|--|---|---|---|
| Note |  |  |  |  |   |   |   |
|      | <b>PROFIT (LOSS) FOR THE PERIOD</b>                          | <b>48.519</b>  | <b>1.815.944</b>   | <b>1.368.040</b>   | <b>328.849</b>  | <b>10.389.242</b>   | <b>4.542.304</b>  |
|      | <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                     |  |  |  |   |   |   |
|      | <b>Not to be reclassified subsequently to profit or loss</b> |  |  |  |   |   |   |
|      | Actuarial Gain (Loss) of Defined Benefit Plans               | (12.573)   | (499.778)  | (499.778)  | (19.476)  | (639.419)   | (639.419)   |
|      | Tax Effect of Actuarial Gain (Loss) of Defined Benefit Plans | 3.143  | 124.944  | 124.944  | 4.868   | 159.854   | 159.854   |
|      | Foreign Currency Translation Gain (Loss)                     | -  | 32.156.416   | 14.199.485   | -   | 23.456.319  | 3.850.941   |
|      | <b>To be reclassified subsequently to profit or loss</b>     |  |  |  |   |   |   |
|      | Gain (Loss) in Cash Flow Hedging Reserves                    | (15.513)   | (612.305)  | (477.778)  | 6.133   | 191.188   | 108.858   |
|      | Tax Effect of Gain (Loss) in Cash Flow Hedging Reserves      | 3.878  | 153.076  | 119.444  | (1.533)   | (47.797)  | (27.214)  |
|      | Foreign Currency Translation Gain (Loss)                     | (20.940)   | (2.066.830)  | (865.988)  | (545)   | (1.075.074)   | 185.618   |
|      | <b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>                  | <b>(42.005)</b>  | <b>29.255.523</b>  | <b>12.600.329</b>  | <b>(10.553)</b>   | <b>22.045.071</b>   | <b>3.638.638</b>  |
|      | <b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>                  | <b>6.514</b>   | <b>31.071.467</b>  | <b>13.968.369</b>  | <b>318.296</b>  | <b>32.434.313</b>   | <b>8.180.942</b>  |
|      | <b>Distribution of Total Comprehensive Income</b>            |  |  |  |   |   |   |
|      | Non-controlling Interests                                    | 1.946  | 1.016.836  | 461.600  | 15.178  | 1.109.699   | 308.858   |
|      | Equity Holders of the Parent                                 | 4.568  | 30.054.631   | 13.506.769   | 303.118   | 31.324.614  | 7.872.084   |

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

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

(Convenience Translation into English of Condensed Interim Consolidated Financial Statements Originally Issued in Turkish – See Note 19)

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

|  |      |               |                                       |                        | Other comprehensive income<br>(expense) not to be reclassified<br>subsequently to profit or loss | Other comprehensive income<br>(expense) to be reclassified<br>subsequently to profit or loss |                                |                                     | Retained Earnings                              |   |                      |                              |   |                                  |                                  |
|--|------|---------------|---------------------------------------|------------------------|--|--|--------------------------------|-------------------------------------|--|---|----------------------|------------------------------|---|----------------------------------|----------------------------------|
| (Reviewed)   | Note | Share Capital | Inflation<br>Adjustment<br>to Capital | Treasury<br>Shares (-) | Share<br>Issue<br>Premium<br>(Discounts)   | Foreign<br>Currency<br>Translation<br>Reserves   | Actuarial Gain<br>(Loss) Funds | Cash Flow<br>Hedging<br>Gain (Loss) | Foreign<br>Currency<br>Translation<br>Reserves | Restricted<br>Reserves<br>Assorted<br>from Profit | Retained<br>Earnings | Net Profit For<br>The Period | Equity<br>Attributable to<br>the Parent | Non-<br>controlling<br>Interests | Total<br>Shareholders'<br>Equity |
| 1 January 2025   |      | 7.000.000     | -                                     | (1.315.022)            | 106.447  | 98.513.282   | (2.961.205)                    | 47.523                              | (9.772.072)                                    | 10.973.470  | 120.873.630          | 13.481.348                   | 236.947.401                             | 7.477.010                        | 244.424.411                      |
| Inflation effect (**)  | 2.1  | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | 351.588   | 809.100              | -                            | 1.160.688                               | 129.739                          | 1.290.427                        |
| Net profit for the period  |      | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | -   | -                    | 1.732.944                    | 1.732.944                               | 83.000                           | 1.815.944                        |
| Other comprehensive income (loss)                                |      | -             | -                                     | -                      | -  | 31.212.102   | (366.528)                      | (457.057)                           | (2.066.830)                                    | -   | -                    | -                            | 28.321.687                              | 933.836                          | 29.255.523                       |
| Total comprehensive income (loss)                                |      | -             | -                                     | -                      | -  | 31.212.102   | (366.528)                      | (457.057)                           | (2.066.830)                                    | -   | -                    | 1.732.944                    | 30.054.631                              | 1.016.836                        | 31.071.467                       |
| Dividends (*)  |      | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | -   | (1.680.469)          | -                            | (1.680.469)                             | (37.169)                         | (1.717.638)                      |
| Transfers  |      | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | 239.268   | 13.242.080           | (13.481.348)                 | -                                       | -                                | -                                |
| Increase (decrease) due to other<br>changes (****)               | 2.1  | -             | -                                     | -                      | -  | (18.101.921)   | -                              | -                                   | -  | -   | 18.101.921           | -                            | -                                       | -                                | -                                |
| 30 June 2025   |      | 7.000.000     | -                                     | (1.315.022)            | 106.447  | 111.623.463  | (3.327.733)                    | (409.534)                           | (11.838.902)                                   | 11.564.326  | 151.346.262          | 1.732.944                    | 266.482.251                             | 8.586.416                        | 275.068.667                      |
| (Reviewed)   |      |               |                                       |                        |  |  |                                |                                     |  |   |                      |                              |   |                                  |                                  |
| 1 January 2024   |      | 3.500.000     | 156.613                               | (640.504)              | 106.447  | 82.963.998   | (2.455.521)                    | (67.036)                            | (8.416.227)                                    | 9.302.588   | 97.708.043           | 4.033.089                    | 186.191.490                             | 5.337.392                        | 191.528.882                      |
| Inflation effect (**)  | 2.1  | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | 360.173   | 786.140              | -                            | 1.146.313                               | 135.957                          | 1.282.270                        |
| Net profit for the period  |      | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | -   | -                    | 9.986.795                    | 9.986.795                               | 402.447                          | 10.389.242                       |
| Other comprehensive income (loss)                                |      | -             | -                                     | -                      | -  | 22.739.965   | (468.341)                      | 141.269                             | (1.075.074)                                    | -   | -                    | -                            | 21.337.819                              | 707.252                          | 22.045.071                       |
| Total comprehensive income (loss)                                |      | -             | -                                     | -                      | -  | 22.739.965   | (468.341)                      | 141.269                             | (1.075.074)                                    | -   | -                    | 9.986.795                    | 31.324.614                              | 1.109.699                        | 32.434.313                       |
| Dividends (*)  |      | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | -   | (1.680.469)          | -                            | (1.680.469)                             | (74.337)                         | (1.754.806)                      |
| Increase (Decrease) through Treasury<br>Share Transactions (***) |      | -             | -                                     | (674.518)              | -  | -  | -                              | -                                   | -  | 674.518   | (674.518)            | -                            | (674.518)                               | -                                | (674.518)                        |
| Transfers  |      | -             | -                                     | -                      | -  | -  | -                              | -                                   | -  | 349.541   | 3.683.548            | (4.033.089)                  | -                                       | -                                | -                                |
| Increase (decrease) due to other<br>changes (****)               | 2.1  | -             | -                                     | -                      | -  | (12.752.543)   | -                              | -                                   | -  | -   | 12.752.543           | -                            | -                                       | -                                | -                                |
| 30 June 2024   |      | 3.500.000     | 156.613                               | (1.315.022)            | 106.447  | 92.951.420   | (2.923.862)                    | 74.233                              | (9.491.301)                                    | 10.686.820  | 112.575.287          | 9.986.795                    | 216.307.430                             | 6.508.711                        | 222.816.141                      |

(\*) At Annual General Assembly dated 26 March 2025, dividend distribution (gross dividend per share: TRY 0,25 (2024: TRY 0,50)) amounting to TRY 1.750.000 thousand (28 March 2024: TRY 1.750.000 thousand) from 2024 net profit was approved by majority of votes. As of 26 March 2025, which is the dividend distribution decision date of the Company, dividend pertaining to the shares owned by the Company due to the ownership of 3,97% of its own shares with a nominal value of 1 TRY, is shown by netting off the amount of dividends to be distributed. Group approved TRY 37.169 thousand (2024: TRY 74.337 thousand) dividend to non-controlling shares on Isdemir, which is subsidiary of the Group. Dividend payments began on 2 July 2025.

(\*\*) Inflation adjustments were made in accordance with TAS 29 in the financial statements of subsidiaries that were subject to consolidation and whose functional currency was Turkish Lira.

(\*\*\*) Within the scope of the "Share Buy-back Program", which was approved at the Company's Ordinary General Assembly Meeting on 31 March 2023, 14.820.000 shares were repurchased in exchange for TRY 674.518 thousand. As of the previous period, the repurchased shares have been classified under equity as restricted reserves, with a reserve set aside equal to the repurchase price, in accordance with the Repurchased Shares Communiqué (II-22.1).

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

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

(Convenience Translation into English of Condensed Interim Consolidated Financial Statements Originally Issued in Turkish – See Note 19)

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

|  |         | (Reviewed)<br>Current Period<br>1 January -<br>30 June 2025 | (Reviewed)<br>Current Period<br>1 January -<br>30 June 2025 | (Reviewed)<br>Previous Period<br>1 January -<br>30 June 2024 | (Reviewed)<br>Previous Period<br>1 January -<br>30 June 2024 |
|--|---------|---|---|--|--|
|  | Note    | USD'000   | TRY'000   | USD'000  | TRY'000  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |         |   |   |  |  |
| Profit (Loss) for The Period   |         | 877.563   | 34.035.787  | 257.857  | 7.814.557  |
| Adjustments to Reconcile Profit (Loss)   |         | 48.519  | 1.815.944   | 328.849  | 10.389.242   |
| Adjustments for Depreciation and Amortisation Expenses   | 6/13/14 | 149.530   | 5.432.192   | 73.323   | 2.290.015  |
| Adjustments for Impairment Loss (Reversal of Impairment Loss)                                      |         | 133.110   | 4.982.030   | 130.117  | 4.110.744  |
| Adjustments for Provision (Reversal of Provision) for Receivables                                  |         | (12.101)  | (452.926)   | (1.260)  | (39.805)   |
| Adjustments for Provision (Reversal of Provision) for Inventories                                  | 4       | (49)  | (1.842)   | (55)   | (1.743)  |
| Adjustments for Provision (Reversal of Provision) for Property, Plant and Equipment                | 6       | (9.728)   | (364.111)   | (1.205)  | (38.062)   |
| Adjustments for Provisions   |         | (2.324)   | (86.973)  | -  | -  |
| Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits                |         | 40.682  | 1.522.608   | 35.571   | 1.123.823  |
| Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits               | 9       | 25.681  | 961.165   | 26.986   | 852.589  |
| Adjustments for Interest (Income) and Expenses   | 8       | 15.001  | 561.443   | 8.585  | 271.234  |
| Adjustments for Interest Income  |         | 20.991  | 785.653   | 79.616   | 2.515.310  |
| Adjustments for Interest Expense   | 15      | (93.172)  | (3.487.233)   | (53.198)   | (1.680.660)  |
| Unearned Financial Income from Credit Sales  | 15      | 126.974   | 4.752.386   | 149.662  | 4.728.238  |
| Adjustments for Unrealised Foreign Exchange Differences  |         | (12.811)  | (479.500)   | (16.848)   | (532.268)  |
| Adjustments for Fair Value (Gains) Losses  |         | 4.107   | 155.289   | (23.115)   | (733.777)  |
| Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments                      | 15      | 23.129  | 865.671   | 1.122  | 35.449   |
| Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method             | 5       | (1.043)   | (39.021)  | (3.442)  | (108.737)  |
| Adjustments for Tax (Income) Expenses  | 11      | (37.989)  | (1.421.822)   | (25.487)   | (805.230)  |
| Other Adjustments from Non-Cash Items  | 14      | -   | -   | (105.000)  | (3.317.244)  |
| Adjustments for Losses (Gains) on Disposal of Non-Current Assets                                   |         | (11.138)  | (416.845)   | 16   | 527  |
| Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment                        |         | 1.115   | 41.775  | 16   | 527  |
| Adjustments for Losses (Gains) on Disposal of Investment Properties                                |         | (12.253)  | (458.620)   | -  | -  |
| Other Adjustments for Reconciliation of Profit (Loss)  |         | (10.218)  | (548.445)   | (14.815)   | (491.045)  |
| <b>Changes in Working Capital</b>  |         | <b>636.781</b>  | <b>25.330.405</b>   | <b>(224.988)</b>   | <b>(7.309.510)</b>   |
| Adjustments for Decrease (Increase) in Trade Receivables   |         | 109.420   | 4.348.438   | (39.277)   | (1.289.315)  |
| Decrease (Increase) in Trade Receivables from Related Parties                                      |         | (760)   | (30.203)  | (1.163)  | (38.177)   |
| Decrease (Increase) in Trade Receivables from Third Parties  |         | 110.180   | 4.378.641   | (38.114)   | (1.251.138)  |
| Adjustments for Decrease (Increase) in Other Receivables Related from Operations                   |         | 3.900   | 154.989   | (53)   | (1.740)  |
| Adjustments for Decrease (Increase) in Other Receivables Related with Operations                   |         | 4.660   | 185.192   | -  | -  |
| Decrease (Increase) in Other Receivables from Operations from Third Parties                        |         | (760)   | (30.203)  | (53)   | (1.740)  |
| Decrease (Increase) in Derivative Financial Instruments  |         | 7.061   | 280.610   | (4.882)  | (160.258)  |
| Adjustments for Decrease (Increase) in Inventories   |         | 123.826   | 4.920.944   | (221.104)  | (7.258.004)  |
| Decrease (Increase) in Prepaid Expenses  |         | 7.083   | 281.484   | 11.735   | 385.216  |
| Adjustments for Increase (Decrease) in Trade Payables  |         | 421.030   | 16.762.215  | (107.114)  | (3.522.476)  |
| Increase (Decrease) in Trade Payable to Related Parties  |         | 143.849   | 5.726.974   | 21.069   | 692.860  |
| Increase (Decrease) in Trade Payable to Third Parties  |         | 277.181   | 11.035.241  | (128.183)  | (4.215.336)  |
| Adjustments for Increase (Decrease) in Other Payables Related from Operations                      |         | (70.478)  | (2.805.898)   | (393)  | (12.924)   |
| Increase (Decrease) in Other Payables to Third Parties Related from Operations                     |         | (70.478)  | (2.805.898)   | (393)  | (12.924)   |
| Increase (Decrease) in Derivative Liabilities  |         | (8.929)   | (355.485)   | 923  | 30.353   |
| Adjustments for Other Increase (Decrease) in Working Capital                                       |         | 43.868  | 1.743.108   | 135.177  | 4.519.638  |
| Decrease (Increase) in Other Assets Related from Operations  |         | 47.127  | 1.872.857   | 137.096  | 4.582.745  |
| Increase (Decrease) in Other Payables Related from Operations                                      |         | (3.259)   | (129.749)   | (1.919)  | (63.107)   |
| <b>Cash Flows Provided by Operating Activities</b>   |         | <b>834.830</b>  | <b>32.578.541</b>   | <b>177.184</b>   | <b>5.369.747</b>   |
| Payments Related to Provisions for Employee Termination Benefits                                   | 9       | (13.521)  | (506.053)   | (9.697)  | (306.346)  |
| Payments Related to Other Provisions   | 8       | (6.077)   | (227.427)   | (3.171)  | (100.176)  |
| Income Taxes Refund (Paid)   |         | (1.869)   | (74.269)  | (22.959)   | (746.856)  |
| Other Cash Inflows (Outflows)  |         | 64.200  | 2.264.995   | 116.500  | 3.598.188  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |         | <b>(197.011)</b>  | <b>(7.234.055)</b>  | <b>(522.315)</b>   | <b>(16.501.440)</b>  |
| Cash Inflows Arising From Purchase of Third Parties' Debt Instruments or Funds                     |         | 87.572  | 3.345.320   | -  | -  |
| Cash Outflows Arising From Purchase of Third Parties' Debt Instruments or Funds                    |         | (42.280)  | (1.582.447)   | (2.303)  | (72.787)   |
| Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets                         |         | 107   | 3.986   | 1.119  | 35.339   |
| Cash Inflow from Sales of Property, Plant and Equipment  |         | 107   | 3.986   | 1.119  | 35.339   |
| Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets                     |         | (206.142)   | (7.688.384)   | (420.589)  | (13.287.597)   |
| Cash Outflow from Purchase of Property, Plant and Equipment  |         | (206.106)   | (7.687.025)   | (420.372)  | (13.280.753)   |
| Cash Outflow from Purchase of Intangible Assets  |         | (36)  | (1.359)   | (217)  | (6.844)  |
| Cash Inflow from Sales of Investment Property  |         | 147.913   | 5.600.000   | -  | -  |
| Cash Advances  |         | (184.181)   | (6.912.530)   | (125.008)  | (3.949.353)  |
| Other Cash Advances to Related Parties   |         | -   | -   | (32.910)   | (1.101.376)  |
| Other Cash Advances  |         | (184.181)   | (6.912.530)   | (92.098)   | (2.847.977)  |
| Other Cash Inflow (Outflows)   |         | -   | -   | 24.466   | 772.958  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |         | <b>(119.512)</b>  | <b>(4.482.271)</b>  | <b>313.343</b>   | <b>9.849.966</b>   |
| Cash Outflows Related to Acquisition of Own Shares and Other Equity Instruments of the Entity      |         | -   | -   | (21.388)   | (674.518)  |
| Cash Outflows from Acquisition of Own Shares of the Entity   |         | -   | -   | (21.388)   | (674.518)  |
| Cash Inflow from Borrowings  |         | 671.151   | 25.119.689  | 1.361.824  | 43.023.832   |
| Cash Inflow from Loans   |         | 671.151   | 25.119.689  | 1.361.824  | 43.023.832   |
| Cash Outflow from Repayments of Borrowings   |         | (676.709)   | (25.327.709)  | (888.809)  | (28.079.963)   |
| Cash Outflow from Loan Repayments  |         | (676.709)   | (25.327.709)  | (888.809)  | (28.079.963)   |
| Cash Outflow from Debt Payments for Leasing Contracts  |         | (7.489)   | (280.313)   | (2.985)  | (94.296)   |
| Dividends Paid   |         | -   | -   | (54.154)   | (1.754.339)  |
| Interest Paid  |         | (189.783)   | (7.103.177)   | (127.773)  | (4.036.718)  |
| Interest Received  |         | 83.318  | 3.109.239   | 46.628   | 1.465.968  |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b> |         | <b>561.040</b>  | <b>22.319.461</b>   | <b>48.885</b>  | <b>1.163.083</b>   |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents                                       |         | (16.402)  | 6.302.567   | (4.150)  | 3.073.341  |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  |         | <b>544.638</b>  | <b>28.622.028</b>   | <b>44.735</b>  | <b>4.236.424</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                                    |         | <b>1.564.322</b>  | <b>55.189.748</b>   | <b>816.975</b>   | <b>24.050.259</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  |         | <b>2.108.960</b>  | <b>83.811.776</b>   | <b>861.710</b>   | <b>28.286.683</b>  |

- As of reporting date, the Group's total amount of time deposit interest accrual is TRY 84.986 thousand (USD 2.139 thousand) (30 June 2024: TRY 145.318 thousand (USD 4.427 thousand)).
- Due to the earthquake that occurred on 6 February 2023, the insurance income accrual of TRY 2.264.995 thousand (USD 64.200 thousand) related to the damage compensation to be collected under the insurance coverage of İsdemir, one of the Company's subsidiaries, was collected in cash as of the reporting date and reported under "Other Cash Inflows (Outflows)" in the consolidated cash flow statement. The total amount of receivables agreed upon under the earthquake-related insurance coverage was collected as of the reporting date.

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

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

Erdemir Group (“Group”), is composed of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (“Erdemir” or “the Company”), and its subsidiaries which it owns the majority of their shares or has a significant influence on their management structure.

The main parent and ultimate controlling party of the Group are ATAER Holding A.Ş. and Ordu Yardımlaşma Kurumu, respectively.

Ordu Yardımlaşma Kurumu (“OYAK”) was incorporated on 1 March 1961 under the Act No. 205 as a private entity under its own law subject to Turkish civil and commercial codes and autonomous in financial and administrative matters. OYAK, being an “aid and retirement fund” for Turkish Armed Forces members, provides various services and benefits within the framework of social security concept anticipated by Turkish Constitution. OYAK has direct and indirect subsidiaries in industry, finance and service sectors. The detailed information about OYAK can be found on its official website ([www.oyak.com.tr](http://www.oyak.com.tr)).

Ereğli Demir ve Çelik Fabrikaları T.A.Ş. was incorporated in Türkiye as a joint stock company in 1960. The principal activities of the Company are production of iron and steel rolled products, alloyed and non-alloyed iron, cast and pressed steel, coke and their by-products.

The Company’s shares have been traded in Istanbul Stock Exchange since the establishment of the Istanbul Stock Exchange (year 1986).

The main operations of the companies included in the consolidation and the share percentage of the Group for these companies are as follows:

| Name of the Company                            | Country of Operation | Operation                           | 2025                   | 2024                   |
|--|----------------------|-------------------------------------|------------------------|------------------------|
|  |                      |                                     | Effective Share Rate % | Effective Share Rate % |
| İskenderun Demir ve Çelik A.Ş.                 | Türkiye              | Integrated Steel Production         | 94,87                  | 94,87                  |
| Erdemir Madencilik San. ve Tic. A.Ş.           | Türkiye              | Iron Ore and Pellet                 | 90                     | 90                     |
| Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. | Türkiye              | Steel Service Center                | 100                    | 100                    |
| Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.     | Türkiye              | Management and Consultancy          | 100                    | 100                    |
| Erdemir Romania S.R.L.                         | Romania              | Electrical Steel Production         | 100                    | 100                    |
| Erdemir Asia Pacific Private Limited           | Singapore            | Trading                             | 100                    | 100                    |
| Erdemir Enerji Üretim A.Ş.                     | Türkiye              | Renewable Energy Production         | 100                    | 100                    |
| İsdemir Linde Gaz Ortaklığı A.Ş.               | Türkiye              | Industrial Gas Production and Sales | 47                     | 47                     |
| Kümaş Manyezit Sanayi A.Ş.                     | Türkiye              | Magnesite Ore, Refractor            | 100                    | 100                    |
| Yenilikçi Yapı Malz. ve Üretim San. Tic. A.Ş.  | Türkiye              | Recycling, Special Purpose Entity   | 100                    | 100                    |

The registered address of the Company is Barbaros Mahallesi Ardıç Sokak No:6 Ataşehir / İstanbul.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 1 – GROUP’S ORGANIZATION AND NATURE OF OPERATIONS (cont’d)

The number of the personnel employed by the Group as of reporting date as follows:

|   | Paid Hourly<br>Personnel | Paid Monthly<br>Personnel | 30 June 2025<br>Personnel     |
|---|--------------------------|---------------------------|-------------------------------|
| Ereğli Demir ve Çelik Fab. T.A.Ş.                   | 3.829                    | 1.816                     | 5.645                         |
| İskenderun Demir ve Çelik A.Ş.                      | 3.422                    | 1.368                     | 4.790                         |
| Erdemir Madencilik San. ve Tic. A.Ş.                | 180                      | 170                       | 350                           |
| Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.      | 226                      | 80                        | 306                           |
| Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.          | -                        | 317                       | 317                           |
| Erdemir Romania S.R.L.                              | 188                      | 40                        | 228                           |
| Erdemir Asia Pacific Private Limited                | -                        | 1                         | 1                             |
| Kümaş Manyezit Sanayi A.Ş.                          | 551                      | 136                       | 687                           |
| Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş. | 13                       | 3                         | 16                            |
| Erdemir Enerji Üretim A.Ş.                          | -                        | 5                         | 5                             |
|   | 8.409                    | 3.936                     | 12.345                        |
|   | Paid Hourly<br>Personnel | Paid Monthly<br>Personnel | 31 December 2024<br>Personnel |
| Ereğli Demir ve Çelik Fab. T.A.Ş.                   | 3.516                    | 1.758                     | 5.274                         |
| İskenderun Demir ve Çelik A.Ş.                      | 3.711                    | 1.437                     | 5.148                         |
| Erdemir Madencilik San. ve Tic. A.Ş.                | 178                      | 169                       | 347                           |
| Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.      | 240                      | 74                        | 314                           |
| Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.          | -                        | 325                       | 325                           |
| Erdemir Romania S.R.L.                              | 194                      | 41                        | 235                           |
| Erdemir Asia Pacific Private Limited                | -                        | 1                         | 1                             |
| Kümaş Manyezit Sanayi A.Ş.                          | 553                      | 146                       | 699                           |
| Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş. | 15                       | 3                         | 18                            |
| Erdemir Enerji Üretim A.Ş.                          | -                        | 5                         | 5                             |
|   | 8.407                    | 3.959                     | 12.366                        |

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

##### 2.1 Basis of Presentation

The Group’s subsidiaries incorporated in Türkiye maintain their legal books of account and prepare their statutory financial statements in accordance with accounting principles issued by the Turkish Commercial Code (“TCC”) and tax legislation.

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 condensed 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.

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

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

In addition, the condensed interim consolidated financial statements are presented in accordance with “Announcement regarding with TFRS Taxonomy” which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

The financial statements are prepared on the basis of historical cost, with the exception of derivative financial instruments carried at fair value. In determining the historical cost, generally the fair value of the amount paid for the assets is 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 Group has preferred to prepare condensed interim consolidated financial statements in the interim period. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as at 31 December 2024.

##### Functional and reporting presentation currency

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

The financial statements of each entity of the Group are presented in the currency (functional currency) valid in the basic economic environment in which they operate. The functional currency of the Company and its subsidiaries’ İskenderun Demir ve Çelik A.Ş. “İsdemir”, Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. “Ersem” and Kümaş Manyezit Sanayi A.Ş. “Kümaş” are US Dollars while the functional currency of Erdemir Madencilik San. ve Tic. A.Ş. “Ermaden”, Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş., and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş. are Turkish Lira.

The accompanying condensed consolidated 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 for the subsidiaries abroad*

The functional currency of the foreign subsidiaries Erdemir Asia Pacific Private Limited “EAPPL” and Erdemir Romania S.R.L is US Dollars and EUR respectively.

##### *Functional currency of the joint venture*

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

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

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

###### Adjustment of financial statements during periods of high inflation

The Public Oversight, Accounting and Auditing Standards Authority (“POA”) made a statement regarding the scope and application of TAS 29 on 23 November 2023. It has been stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented by adjusting for the effect of inflation in accordance with the relevant accounting principles in TAS 29.

In accordance with CMB’s decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards, starting from the annual financial reports for the accounting period ending as of 31 December 2023, has been decided to apply inflation accounting by applying articles of TAS 29.

TAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, including consolidated financial statements. If hyperinflation exists in an economy, TAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be expressed in the measurement unit valid at the end of the reporting period.

The company and its subsidiaries, İskenderun Demir ve Çelik A.Ş., Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. and Kumaş Manyezit Sanayi A.Ş., operating in Türkiye and whose functional currency is the US Dollar, do not need to make any adjustments within the scope of TAS 29 since their functional currencies are US Dollars, a non-inflationary currency, in their financial statements to be prepared in accordance with TFRS.

Accordingly, inflation adjustments were made in accordance with TAS 29 in the financial statements of Erdemir Madencilik San. ve Tic. A.Ş., Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş. and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş., which were subject to consolidation and whose functional currency is Turkish Lira.

All non-monetary assets and liabilities and profit or loss statements of subsidiaries whose functional currency of the Group is Turkish Lira have been adjusted using the Consumer Price Index. As a result of the correction made according to the inflation effect; The effect of TAS 29 indexation until 1 January 2023 is accounted under equity, and the effect of TAS 29 indexation after 1 January 2023 is accounted for in the consolidated statement of profit or loss.

Since the Company's functional currency is a non-inflationary currency; no adjustments made within the scope of inflation accounting for the amounts for the comparative periods presented in the attached condensed consolidated financial statements in accordance with TAS 29.

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

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

###### Presentation currency translation

In accordance with the Public Oversight, Accounting and Auditing Standards Authority's (“POA”) announcement "On the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards" dated 15 March 2021, the Group carried out a valuation for the assets and liabilities in the condensed consolidated financial statements based on the current buying and selling rates effective as of the end of the reporting period, and translated them into the presentation currency at the same exchange rates.

Presentation currency of the condensed consolidated financial statements is Turkish Lira. According to TAS 21 (“The Effects of Changes in Foreign Exchange Rates”) financial statements, that are prepared in US Dollars for the Company, İsdemir, Ersem, Kümaş, EAPPL; in EUR for Erdemir Romania, have been translated in TRY as the following method:

- a) The assets on condensed consolidated statement of financial position as of 30 June 2025 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying exchange rates which is TRY 39,7408 = US \$ 1 and TRY 46,6074 = EUR 1 and the liabilities has been translated from into TRY using the Central Bank of Türkiye's exchange selling rate which is TRY 39,8124 = US \$ 1 and TRY 46,6913 = EUR 1 on the balance sheet date (Rates for assets and liabilities as of 31 December 2024: TRY 35,2803 = US \$ 1, TRY 36,7362 = EUR 1; TRY 35,3438 = US \$ 1, TRY 36,8024 = EUR 1 respectively).
- b) For the six months period ended 30 June 2025, condensed consolidated statements of profit or loss are translated from average TRY 37,4278 = US \$ 1 and TRY 40,9554 = EUR 1 rates of 2025 January – March period (30 June 2024: TRY 31,5928 = US \$ 1 and 34,1671 = EUR 1).
- c) In order to display Turkish Lira equivalent amounts as of reporting dates, earnings of previous years are carried in US Dollar in the condensed consolidated financial statements after being translated into US Dollar at the historical currency rates as per TAS 21, and retained earnings in the statement of condensed consolidated financial position as of 30 June 2025 are presented by being translated at the TRY 39,8124 = US \$ 1 rate, which is the effective foreign currency selling rate as of 30 June 2025 as announced by the Central Bank of the Republic of Türkiye (31 December 2024: TRY 35,3438 = US \$ 1).
- d) Exchange differences arising from translation to TRY presentation currency are shown in other comprehensive income as of foreign currency translation reserve.
- e) Share capital and restricted legal reserves are presented in the accompanying financial statements at their values in the statutory records and other equity items at their historical cost values. The differences between the values arising from translation of the historical values of these items into the presentation currency and their carrying values from statutory records are recognized as foreign currency translation differences in the statement of other comprehensive income.

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

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

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

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

###### Going concern

The Group prepared condensed interim consolidated financial statements in accordance with the going concern assumption.

###### Approval of the consolidated financial statements

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

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

The Group’s condensed consolidated 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 condensed consolidated financial statements.

As of the reporting period, the reclassifications made in the comparative prior period consolidated statements of other comprehensive income are as follows:

|  | (Previously<br>Reported)<br>30 June 2024 | (Restated)<br>30 June 2024 | (Change)<br>30 June 2024 |
|--|--|----------------------------|--------------------------|
| <b>Other Comprehensive Income (Expenses) Not to be Reclassified to Profit (Loss)</b> |  |                            |                          |
| Increase (Decrease) in Revaluation Reserve of Tangible Assets                        | 47.224                                   | -                          | (47.224)                 |
| Foreign Currency Translation Reserves  | 14.769.768                               | 23.456.319                 | 8.686.551                |
| <b>Other Comprehensive Income (Expenses) to be Reclassified to Profit (Loss)</b>     |  |                            |                          |
| Foreign Currency Translation Reserves  | 7.564.253                                | (1.075.074)                | (8.639.327)              |
|  |  |                            | <u>-</u>                 |

The mentioned changes do not have any impact on the consolidated financial position statements prepared according to the Group's functional currency, US Dollar. However, they include reclassifications among the equity items of the consolidated financial position statement prepared in accordance with the provisions of TAS 21, which arise during the conversion of the presentation currency to Turkish Lira.

The classifications carried out within the scope of the conversion of the presentation currency to Turkish Lira (TAS 21) have no impact on the Group's total equity.

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

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

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

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

**a) Amendments that are mandatorily effective from 1 January 2025**

Amendments to TFRS 21 : Lack of exchangeability

The effects of these standards and interpretations on the Group's consolidated financial statements and performance are explained in the relevant paragraphs.

**Amendments to TAS 21 Lack of Exchangeability**

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

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

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

|                                  |  |
|----------------------------------|--|
| Amendments to TFRS 10 and TAS 28 | :Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| TFRS 17                          | :The New Standard for Insurance Contracts  |
| TFRS 18                          | :The New Standard for Presentation and Disclosure Financial Statements                 |

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

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

**TFRS 17 The New Standard for Insurance Contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2026 with the announcement made by the POA.

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

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

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

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

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

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

##### **c) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments  
Amendments to TFRS 9 and TFRS 7 – Contracts Referencing Nature-dependent Electricity  
TFRS 19 – Subsidiaries without Public Accountability: Disclosures  
Annual Improvements to TFRS Accounting Standards – Volume 11

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

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

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

As explained in Note 1 there has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope of consolidation as of 30 June 2025, from the interests reported as of 31 December 2024.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

##### 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 consolidated 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 operations of the Group in İskenderun and Ereğli have been defined as geographical segments. However, the segments with similar economic characteristics have been combined into a single operating segment considering the nature of the products and the production processes, methods to allocate the products and the type of customers or to provide services.

#### NOTE 3 – RELATED PARTY DISCLOSURES

The main parent and ultimate controlling parties of the Group are ATAER Holding A.Ş. and Ordu Yardımlaşma Kurumu, respectively (Note 1).

The transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated in the consolidation and therefore are not disclosed in this note.

The details of transactions between the Group and other related parties are disclosed below:

|  | 30 June<br>2025 | 31 December<br>2024 |
|--|-----------------|---------------------|
| Due from related parties (short term)                      |                 |                     |
| OYAK Renault Otomobil Fab. A.Ş. <sup>(2)</sup>             | 569.166         | 401.046             |
| Likitgaz Dağıtım ve Endüstri A.Ş. <sup>(1)</sup>           | 295             | 1.570               |
| Miilux Poland Sp. Z.o.o. <sup>(1)</sup>                    | -               | 19.092              |
| İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(3)</sup>            | -               | 30.207              |
| Miilux Yüksek Mukavemetli Çelik Üretim A.Ş. <sup>(1)</sup> | 138.427         | 147.976             |
| Other  | 2.499           | 3.956               |
|  | <u>710.387</u>  | <u>603.847</u>      |

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

- <sup>(1)</sup> Subsidiaries of the parent company
- <sup>(2)</sup> Joint venture of the parent company
- <sup>(3)</sup> Joint venture of the subsidiary
- <sup>(4)</sup> Ultimate partner

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

|  | 30 June<br>2025 | 31 December<br>2024 |
|--|-----------------|---------------------|
| <u>Other receivables from related parties (short term)</u> |                 |                     |
| İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(3)</sup>            | 180.298         | -                   |
| OYAK NYK RO-RO Liman İşletmeleri A.Ş. <sup>(1)</sup>       | 24.321          | 18.767              |
|  | <u>204.619</u>  | <u>18.767</u>       |

|   | 30 June<br>2025 | 31 December<br>2024 |
|---|-----------------|---------------------|
| <u>Other receivables from related parties (long term)</u> |                 |                     |
| OYAK NYK RO-RO Liman İşletmeleri A.Ş. <sup>(1)</sup>      | 156.008         | 121.006             |
|   | <u>156.008</u>  | <u>121.006</u>      |

Short term and long term other receivables from related parties, consists of monetary receivables within the scope of sub-leases in accordance with TFRS 16 and dividends from the joint venture of İsdemir of the Company’s subsidiary (Note 5).

|   | 30 June<br>2025 | 31 December<br>2024 |
|---|-----------------|---------------------|
| <u>Prepaid expenses to related parties(short term)</u>      |                 |                     |
| OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(1)</sup> | 14.029          | 23.661              |
| OYAK Çimento Fabrikaları A.Ş. <sup>(2)</sup>                | 220             | 1.207               |
| Other   | 1.173           | 32                  |
|   | <u>15.422</u>   | <u>24.900</u>       |

|   | 30 June<br>2025 | 31 December<br>2024 |
|---|-----------------|---------------------|
| <u>Prepaid expenses to related parties (long term)</u>  |                 |                     |
| OYAK İnşaat A.Ş. <sup>(1)</sup>                         | -               | 129.031             |
| OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(1)</sup> | 51.903          | 47.892              |
|   | <u>51.903</u>   | <u>176.923</u>      |

Prepaid expenses generally related with services and advance transactions of fixed assets.

- <sup>(1)</sup> Subsidiaries of the parent company
- <sup>(2)</sup> Joint venture of the parent company
- <sup>(3)</sup> Joint venture of the subsidiary
- <sup>(4)</sup> Ultimate partner

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

|   | 30 June<br>2025  | 31 December<br>2024 |
|---|------------------|---------------------|
| <u>Due to related parties (short term)</u>                  |                  |                     |
| Amsterdam Scrap Terminal B.V. <sup>(1)</sup>                | 2.578.091        | -                   |
| OYAK Yenilenebilir Enerji A.Ş. <sup>(1)</sup>               | 157.069          | 179.674             |
| Omsan Lojistik A.Ş. <sup>(1)</sup>                          | 1.797.481        | 483.109             |
| Ordu Yardımlaşma Kurumu <sup>(4)</sup>                      | 798.384          | 518.028             |
| OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(1)</sup>         | 990.816          | 245.338             |
| OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(1)</sup>     | 422.043          | 80.644              |
| Omsan Logistica SRL <sup>(1)</sup>                          | 23.767           | 9.927               |
| OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(1)</sup>    | 412.238          | 85.697              |
| OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(1)</sup> | 12.370           | 22.099              |
| OYAK İnşaat A.Ş. <sup>(1)</sup>                             | 239.444          | 57.129              |
| Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. <sup>(1)</sup>    | 33.281           | 4.091               |
| Doco Petrol ve Danışmanlık A.Ş. <sup>(1)</sup>              | 74.053           | 20.686              |
| OYAK Çimento Fabrikaları A.Ş. <sup>(2)</sup>                | 52.198           | 13.767              |
| Other   | 205.556          | 117.294             |
|   | <u>7.796.791</u> | <u>1.837.483</u>    |

Trade payables to related parties mainly arise from purchase of services, fixed assets, energy and scrap.

|  | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|--|-----------------------------|-----------------------------|
| <u>Major sales to related parties</u>                        |                             |                             |
| Ordu Yardımlaşma Kurumu <sup>(4)</sup>                       | 5.536.072                   | -                           |
| OYAK Renault Otomobil Fab. A.Ş. <sup>(2)</sup>               | 1.273.184                   | 1.024.044                   |
| OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. <sup>(1)</sup> | 2.464                       | 6.049                       |
| OYAK Çimento Fabrikaları A.Ş. <sup>(2)</sup>                 | 12.172                      | 186.651                     |
| Likitgaz Dağıtım ve Endüstri A.Ş. <sup>(1)</sup>             | 17.251                      | 21.266                      |
| OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(1)</sup>     | 8.879                       | 5.864                       |
| İskenderun Enerji Üretim ve Ticaret A.Ş. <sup>(1)</sup>      | 2.470.450                   | 2.801.045                   |
| Miilux Yüksek Mukavemetli Çelik Üretim A.Ş. <sup>(1)</sup>   | 240.960                     | 201.302                     |
| İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(3)</sup>              | 213.555                     | 203.575                     |
| Other  | 53.958                      | 69.732                      |
|  | <u>9.828.945</u>            | <u>4.519.528</u>            |

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

- <sup>(1)</sup> Subsidiaries of the parent company
- <sup>(2)</sup> Joint venture of the parent company
- <sup>(3)</sup> Joint venture of the subsidiary
- <sup>(4)</sup> Ultimate partner

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

The Group has carried out a fixed asset sale amounting to TRY 5.600.000 thousand from the "Investment Properties" item in the summary consolidated financial position statement to its ultimate parent, the Ordu Yardımlaşma Kurumu, as of the sale date.

The amount related to the sale of investment property was collected in cash as of the reporting date and reported under “Cash Inflow from Sales of Investment Property” in the consolidated statement of cash flow.

The fair value related to the sale was determined based on valuations conducted by independent appraisal companies authorized by the CMB, primarily referencing comparable property values.

As of the reporting date, the income of TRY 458.620 thousand obtained from the sale of the investment property has been recorded under the "Income from Investment Activities" item in the Group's summary consolidated statement of profit or loss.

|  | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|--|-----------------------------|-----------------------------|
| <u>Major purchases from related parties</u>                  |                             |                             |
| Amsterdam Scrap Terminal B.V. <sup>(1)</sup>                 | 2.511.808                   | -                           |
| Omsan Denizcilik A.Ş. <sup>(1)</sup>                         | 372.239                     | 325.801                     |
| OYAK Pazarlama Hizmet ve Turizm A.Ş. <sup>(1)</sup>          | 1.195.870                   | 805.537                     |
| Omsan Lojistik A.Ş. <sup>(1)</sup>                           | 2.339.824                   | 1.996.549                   |
| OYAK Savunma ve Güvenlik Sistemleri A.Ş. <sup>(1)</sup>      | 482.100                     | 640.472                     |
| Omsan Logistica SRL <sup>(1)</sup>                           | 91.625                      | 110.945                     |
| OYAK Denizcilik ve Liman İşletmeleri A.Ş. <sup>(1)</sup>     | 520.100                     | 501.200                     |
| Doco Petrol ve Danışmanlık A.Ş. <sup>(1)</sup>               | 102.150                     | 106.280                     |
| İsdemir Linde Gaz Ortaklığı A.Ş. <sup>(3)</sup>              | 373.446                     | 346.825                     |
| OYAK Çimento Fabrikaları A.Ş. <sup>(2)</sup>                 | 142.434                     | 200.967                     |
| OYAK İnşaat A.Ş. <sup>(1)</sup>                              | 548.800                     | 268.449                     |
| OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. <sup>(1)</sup>  | 242.082                     | 293.072                     |
| Güzel Enerji Akaryakıt A.Ş. <sup>(1)</sup>                   | 10.809                      | 16.065                      |
| OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. <sup>(1)</sup> | 7.281                       | 9.225                       |
| Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. <sup>(1)</sup>     | 33.315                      | 12.118                      |
| OYAK Yenilenebilir Enerji A.Ş. <sup>(1)</sup>                | 151.757                     | 2.009.665                   |
| Other  | 374.625                     | 159.666                     |
|  | <u>9.500.265</u>            | <u>7.802.836</u>            |

Purchases from related parties are generally related to services, fixed assets, energy and scrap purchases.

- <sup>(1)</sup> Subsidiaries of the parent company
- <sup>(2)</sup> Joint venture of the parent company
- <sup>(3)</sup> Joint venture of the subsidiary
- <sup>(4)</sup> Ultimate partner

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

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

The period end balances are un-secured and their collections will be in cash. For the six months period ended 30 June 2025, the Group did not set any provision for the receivables from related parties (31 December 2024: None).

##### Salaries, bonuses and other benefits of the key management:

The key management of the Group consists of the Board of Directors, the Group President and Vice Presidents, General Manager and Assistant General Managers. For the six months period ended 30 June 2025, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the key management of the Group is TRY 122.699 thousand (30 June 2024: TRY 91.798 thousand).

#### NOTE 4 – INVENTORIES

As of the reporting date, the detail of the Group’s inventories is as follows:

|   | 30 June<br>2025   | 31 December<br>2024 |
|---|-------------------|---------------------|
| Raw materials                               | 21.833.846        | 20.511.938          |
| Work in progress                            | 17.028.531        | 15.716.887          |
| Finished goods                              | 13.546.626        | 13.830.828          |
| Spare parts                                 | 15.805.715        | 13.719.314          |
| Goods in transit                            | 11.587.063        | 11.025.208          |
| Other inventories                           | 7.530.603         | 6.853.416           |
| Allowance for impairment on inventories (-) | (2.875.654)       | (2.895.193)         |
|   | <u>84.456.730</u> | <u>78.762.398</u>   |

The movement of the allowance for impairment on inventories is as follows:

|                          | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|--------------------------|-----------------------------|-----------------------------|
| Opening balance          | 2.895.193                   | 2.234.866                   |
| Provision for the period | 211.612                     | 710                         |
| Provision released (-)   | (575.723)                   | (38.772)                    |
| Translation difference   | 344.572                     | 255.040                     |
| Closing balance          | <u>2.875.654</u>            | <u>2.451.844</u>            |

The Group has provided the provision for the impairment on the inventories of finished goods and work in progress 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 for the period and provision released has been recognized under cost of sales (Note 13). There is no provision released in the consolidated financial statements of subsidiaries whose functional currency is the Turkish Lira as of the reporting date.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

Group’s detail of the investments accounted for using equity method of the as follows:

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

Group’s investments accounted for using equity method movement is as follows:

|                        | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|------------------------|-----------------------------|-----------------------------|
| Opening balance        | 1.280.062                   | 884.293                     |
| Net profit (loss)      | 39.021                      | 108.737                     |
| Dividend               | (180.298)                   | -                           |
| Translation difference | 159.369                     | 106.017                     |
| Closing balance        | 1.298.154                   | 1.099.047                   |

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

|                             | 30 June<br>2025 | 31 December<br>2024 |
|-----------------------------|-----------------|---------------------|
| Total assets                | 3.106.559       | 2.869.854           |
| Total liabilities           | 510.252         | 309.731             |
| Net assets                  | 2.596.307       | 2.560.123           |
| Group's share on net assets | 1.298.154       | 1.280.062           |

  

|               | 30 June<br>2025 | 31 December<br>2024 |
|---------------|-----------------|---------------------|
| Share capital | 140.000         | 140.000             |

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

At the Ordinary General Assembly Meeting of İsdemir Linde Gaz Ortaklığı A.Ş. held on 15 May 2025, the resolution regarding the distribution of a cash dividend of TRY 360.596 thousand (with an impact of TRY 180.298 thousand on the Group's cash flow statement) from the net profit for the year 2024 was unanimously approved.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

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

|                                    | 1 January –<br>30 June 2025 | 1 January –<br>30 June 2024 |
|------------------------------------|-----------------------------|-----------------------------|
| Revenue                            | 411.510                     | 399.355                     |
| Operating profit                   | 101.361                     | 125.575                     |
| Net profit (loss) for the period   | 78.041                      | 217.473                     |
| Group's share on net profit (loss) | 39.021                      | 108.737                     |

#### NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

As of reporting the date, the details of Group’s the movement of tangible assets is as follows:

|   | 30 June<br>2025 | 30 June<br>2024 |
|---|-----------------|-----------------|
| <u>Opening balance as of 1 January</u>                          |                 |                 |
| Cost  | 439.111.528     | 333.912.434     |
| Accumulated depreciation  | (232.198.675)   | (186.497.297)   |
| Net book value  | 206.912.853     | 147.415.137     |
| Net book value at the beginning of the period                   | 206.912.853     | 147.415.137     |
| Inflation Effect  | 1.824.973       | 1.761.964       |
| Additions (*)   | 20.487.744      | 13.430.494      |
| Disposals (-)   | (45.186)        | (35.866)        |
| <i>Cost of disposals</i>  | (226.406)       | (506.413)       |
| <i>Accumulated depreciation of disposals</i>                    | 181.220         | 470.547         |
| Transfers to intangible assets                                  | (26.474)        | (35.325)        |
| Currency translation difference                                 | 25.899.226      | 16.647.721      |
| <i>Cost currency translation difference</i>                     | 54.702.763      | 37.543.501      |
| <i>Accumulated depreciation currency translation difference</i> | (28.803.537)    | (20.895.780)    |
| Current period depreciation (-)                                 | (4.777.940)     | (3.957.168)     |
| Impairment (-)  | 86.973          | -               |
| Net book value at the end of the period                         | 250.362.169     | 175.226.957     |
| <u>Closing balance end of period</u>                            |                 |                 |
| Cost  | 517.287.186     | 387.593.842     |
| Accumulated depreciation  | (266.925.017)   | (212.366.885)   |
| Net book value  | 250.362.169     | 175.226.957     |

(\*) The amount of capitalized borrowing cost is TRY 996.124 thousand for the current period (30 June 2024: TRY 149.741 thousand).

As of 30 June 2025, the Group has no collaterals or pledges on upon its tangible assets (30 June 2024: None).

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

As of the reporting date, the details of Group’s the movement of intangible assets is as follows:

|   | 30 June<br>2025 | 30 June<br>2024 |
|---|-----------------|-----------------|
| <u>Opening balance as of 1 January</u>                          |                 |                 |
| Cost  | 14.133.803      | 11.684.250      |
| Accumulated amortisation  | (5.453.369)     | (4.130.964)     |
| Net book value  | 8.680.434       | 7.553.286       |
| Net book value at the beginning of the period                   | 8.680.434       | 7.553.286       |
| Inflation Effect  | 2.384           | 3.976           |
| Additions   | 1.359           | 6.844           |
| Disposals (-)   | (575)           | -               |
| <i>Cost disposals</i>   | (841)           | -               |
| <i>Accumulated depreciation disposals</i>                       | 266             | -               |
| Transfers from tangible assets                                  | 26.474          | 35.325          |
| Currency translation difference                                 | 1.081.402       | 860.678         |
| <i>Cost currency translation difference</i>                     | 1.787.770       | 1.341.854       |
| <i>Accumulated depreciation currency translation difference</i> | (706.368)       | (481.176)       |
| Current period amortisation (-)                                 | (257.300)       | (212.005)       |
| Net book value at the end of the period                         | 9.534.178       | 8.248.104       |
| <u>Closing balance end of period</u>                            |                 |                 |
| Cost  | 15.961.301      | 13.083.272      |
| Accumulated amortisation  | (6.427.123)     | (4.835.168)     |
| Net book value  | 9.534.178       | 8.248.104       |

As of 30 June 2025, the Group has no collaterals or pledges on upon its intangible assets (30 June 2024: None).

The distribution of total depreciation and amortization expenses related to tangible, intangible assets, right of use assets amounting to TRY 165.642 thousand (30 June 2024: TRY 88.548 thousand) and investment properties amounting to TRY 36.991 thousand (30 June 2024: TRY 76.954 thousand) are as follows:

|                                    | 1 January –<br>30 June 2025 | 1 January –<br>30 June 2024 |
|------------------------------------|-----------------------------|-----------------------------|
| Associated with cost of production | 4.769.100                   | 3.891.416                   |
| General administrative expenses    | 258.706                     | 269.867                     |
| Marketing expenses                 | 173.447                     | 136.898                     |
| Research and development expenses  | 36.620                      | 30.094                      |
| Other operating expenses           | -                           | 6.400                       |
|                                    | 5.237.873                   | 4.334.675                   |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 7 – BORROWINGS

The Group’s detail of the borrowings as of reporting date is as follows:

|  | 30 June<br>2025 | 31 December<br>2024 |
|--|-----------------|---------------------|
| Short term bank borrowings                                 | 15.149.733      | 26.268.031          |
| Short term portion of long term bank borrowings            | 9.957.081       | 7.333.542           |
| Long term bank borrowings                                  | 69.702.537      | 51.957.630          |
| Total bank borrowings                                      | 94.809.351      | 85.559.203          |
| Short term portion of short term corporate bonds issued    | 3.128.551       | 2.779.280           |
| Long term corporate bonds issued                           | 36.064.401      | 32.036.796          |
| Total corporate bonds issued                               | 39.192.952      | 34.816.076          |
| Short term portion of long term lease payables             | 496.436         | 360.781             |
| Cost of short term portion of long term lease payables (-) | (51.744)        | (30.570)            |
| Long term lease payables                                   | 3.732.065       | 1.945.026           |
| Cost of long term lease payables (-)                       | (2.879.885)     | (1.362.320)         |
| Total lease payables                                       | 1.296.872       | 912.917             |
| Total borrowings   | 135.299.175     | 121.288.196         |

The bond issued abroad, with a nominal value of USD 750 million, a maturity of 5 years, a redemption date of 23 July 2029, priced over a resale yield of 8,625%, and a coupon rate of 8,375% with payment per 6 months, was completed as of 23 July 2024. In addition to aforementioned bond, another bond issued abroad, with a nominal value of USD 200 million, a maturity of 5 years, a redemption date of 23 July 2029, an annual yield rate of 8,125%, and an annual coupon rate of 8,375% with payment per 6 months, was completed as of 30 July 2024. As of the reporting date, the Group has fulfilled its financial ratio obligations related to the bond.

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

| Interest<br>Type | Type of<br>Currency | Weighted Average Rate of<br>Effective Interest (%) | Short Term Portion | Long Term Portion | 30 June 2025 |
|------------------|---------------------|--|--------------------|-------------------|--------------|
| Fixed            | TRY                 | 47,74  | 5.180.137          | -                 | 5.180.137    |
| Fixed            | US Dollars          | 7,81   | 17.640.541         | 81.963.272        | 99.603.813   |
| Floating         | US Dollars          | TERM SOFR+2,94                                     | 4.808.922          | 21.120.879        | 25.929.801   |
| Floating         | EURO                | Euribor+0,47                                       | 605.765            | 2.682.787         | 3.288.552    |
|                  |                     |  | 28.235.365         | 105.766.938       | 134.002.303  |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 7– BORROWINGS (cont’d)

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

| Interest Type | Type of Currency | Weighted Average Rate of Interest (%) | Short Term Portion | Long Term Portion | 31 December 2024 |
|---------------|------------------|---------------------------------------|--------------------|-------------------|------------------|
| Fixed         | TRY              | 49,13                                 | 7.977.158          | -                 | 7.977.158        |
| Fixed         | US Dollars       | 7,92                                  | 22.856.911         | 62.580.718        | 85.437.629       |
| Floating      | US Dollars       | TERM SOFR+2,79                        | 5.060.543          | 19.076.389        | 24.136.932       |
| Floating      | EURO             | Euribor+0,47                          | 486.241            | 2.337.319         | 2.823.560        |
|               |                  |                                       | 36.380.853         | 83.994.426        | 120.375.279      |

Breakdown of loan repayments according to their maturities are as follows:

|                    | 30 June 2025     |                        |                |                  |
|--------------------|------------------|------------------------|----------------|------------------|
|                    | Bank Borrowings  | Corporate Bonds Issued | Lease Payables | Total Borrowings |
| Within 1 year      | 25.106.814       | 3.128.551              | 444.692        | 28.680.057       |
| Between 1-2 years  | 28.258.837       | 2.878.576              | 165.770        | 31.303.183       |
| Between 2-3 years  | 27.141.748       | 2.648.574              | 86.422         | 29.876.744       |
| Between 3-4 years  | 8.807.808        | 2.443.210              | 32.707         | 11.283.725       |
| Between 4-5 years  | 1.674.485        | 28.094.041             | 21.785         | 29.790.311       |
| Five years or more | 3.819.659        | -                      | 545.496        | 4.365.155        |
|                    | 94.809.351       | 39.192.952             | 1.296.872      | 135.299.175      |
|                    | 31 December 2024 |                        |                |                  |
|                    | Bank Borrowings  | Corporate Bonds Issued | Lease Payables | Total Borrowings |
| Within 1 year      | 33.601.573       | 2.779.280              | 330.211        | 36.711.064       |
| Between 1-2 years  | 6.808.039        | 2.557.212              | 158.593        | 9.523.844        |
| Between 2-3 years  | 34.525.580       | 2.352.887              | 90.503         | 36.968.970       |
| Between 3-4 years  | 5.115.597        | 2.170.455              | 31.971         | 7.318.023        |
| Between 4-5 years  | 2.133.901        | 24.956.242             | 18.115         | 27.108.258       |
| Five years or more | 3.374.513        | -                      | 283.524        | 3.658.037        |
|                    | 85.559.203       | 34.816.076             | 912.917        | 121.288.196      |

#### NOTE 8 - PROVISIONS

As of reporting date the Group’s short term provisions are as follows:

|   | 30 June 2025 | 31 December 2024 |
|---|--------------|------------------|
| Provision for lawsuits  | 1.332.313    | 880.160          |
| Penalty provision for employment shortage of disabled personnel | 22.184       | 9.505            |
| Provision for state right on mining activities                  | 102.372      | 149.949          |
| Provision for land occupation                                   | 7.677        | 47.930           |
|   | 1.464.546    | 1.087.544        |

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

**NOTE 8 – PROVISIONS (cont’d)**

The movement of the provisions is as follows:

|   | 1 January<br>2025 | Change<br>for the period | Payments         | Provision<br>released | Translation<br>difference | 30 June<br>2025  |
|---|-------------------|--------------------------|------------------|-----------------------|---------------------------|------------------|
| Provision for lawsuits  | 880.160           | 512.935                  | (37.090)         | (58.225)              | 34.533                    | 1.332.313        |
| Penalty provision for employment shortage of disabled personnel | 9.505             | 12.540                   | -                | -                     | 139                       | 22.184           |
| Provision for state right on mining activities                  | 149.949           | 100.925                  | (152.613)        | (3.402)               | 7.513                     | 102.372          |
| Provision for land occupation                                   | 47.930            | 2.912                    | (37.724)         | (6.242)               | 801                       | 7.677            |
|   | <u>1.087.544</u>  | <u>629.312</u>           | <u>(227.427)</u> | <u>(67.869)</u>       | <u>42.986</u>             | <u>1.464.546</u> |

|   | 1 January<br>2024 | Change<br>for the period | Payments         | Provision<br>released | Translation<br>difference | 30 June<br>2024 |
|---|-------------------|--------------------------|------------------|-----------------------|---------------------------|-----------------|
| Provision for lawsuits  | 534.502           | 172.763                  | (23.318)         | (5.545)               | 20.945                    | 699.347         |
| Penalty provision for employment shortage of disabled personnel | 6.637             | 272                      | -                | (910)                 | (27)                      | 5.972           |
| Provision for state right on mining activities                  | 129.992           | 86.421                   | (76.858)         | (61.130)              | 5.273                     | 83.698          |
| Provision for land occupation                                   | 27.474            | 79.630                   | -                | (267)                 | 610                       | 107.447         |
|   | <u>698.605</u>    | <u>339.086</u>           | <u>(100.176)</u> | <u>(67.852)</u>       | <u>26.801</u>             | <u>896.464</u>  |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 8 – PROVISIONS (cont’d)

##### Provision for lawsuits

As of reporting date, lawsuits filed by and against the Group are as follows:

|                             | 30 June<br>2025 | 31 December<br>2024 |
|-----------------------------|-----------------|---------------------|
| Lawsuits filed by the Group | 1.699.009       | 1.469.097           |

The provision for the lawsuits filed by the Group represents the doubtful trade receivables and other receivables.

|  | 30 June<br>2025 | 31 December<br>2024 |
|--|-----------------|---------------------|
| Lawsuits filed against the Group               | 777.992         | 587.296             |
| Provision for lawsuits filed against the Group | 1.332.313       | 880.160             |

As reported in detail in the Company’s footnotes to the consolidated financial statements as of December 31, 2024; at the Ordinary General Assembly Meeting held on March 30, 2006, for the fiscal year 2005, the decision regarding the profit distribution and the approval of the 2005 balance sheet and profit-loss accounts based on the consolidated financial statements dated December 31, 2005 and prepared in accordance with IFRS, were requested to be annulled by Privatization Administration. As a result of the lawsuit filed by the Privatization Administration, the court annulled the profit distribution decision and the approval of the 2005 balance sheet and profit-loss statement.

Accordingly at the Ordinary General Assembly Meeting held on March 26, 2025, the fourteenth item on the agenda regarding “The Discussion, Submission to Voting and Resolving the Proposal of Board of Directors regarding the General Assembly Resolution dated March 30, 2006, which was annulled by the Court Decision” was voted on by the General Assembly, and the following decisions were taken:

- Approval of the Company’s 2005 balance sheet and profit-loss statement, which was prepared and publicly disclosed by the Capital Markets Board on August 15, 2006.
- Since it was understood that, in accordance with the Board of Directors' decision dated March 14, 2006, numbered 8810, TRY 91.854.806 had been distributed as the first dividend from the net profit of TRY 345.722.321 as stated in the Company’s 2005 financial statements, which were prepared and publicly disclosed by the Capital Markets Board on August 15, 2006, and considering the Company's regulations and financial status, it was decided that no additional profit distribution would be made, and no further action would be taken regarding the profits distributed in previous periods.

If the Company had started preparing the consolidated financial statements subject to the lawsuit according to IFRS after December 31, 2005, it would have also prepared comparative consolidated financial statements in accordance with IFRS, as required by IFRS 1 'First-time Adoption of International Financial Reporting Standards,' and according to IFRS 3 'Business Combinations,' negative goodwill would have been directly transferred to retained earnings of previous years and would not have been associated with the consolidated profit or loss statement. Therefore, the net profit for the years ending on June 30, 2025, and December 31, 2024, as presented in the consolidated financial statements, has not been affected by the matters explained in the above paragraphs.

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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#### **NOTE 8 – PROVISIONS (cont’d)**

##### **Provision for lawsuits (cont’d)**

Corus International Trading Ltd. Co. (new trading title: Tata Steel International (North America) Ltd.), located at Illinois state of United States of America and the Company executed a contract in 2008. The company fulfilled all its performances arisen from this contract in January and February in 2009. Corus International Trading Ltd. Co. sold to third parties the products supplied from Company but thereafter alleged that they directed claim to some compensation and that these claims must be covered by Company. Parties could not reach an exact agreement about this matter and then Corus International Trading Ltd. Co filed an action for compensation at amount of USD 4.800 thousand together with accessory against the Company in Illinois State District Court of USA. It is learnt through a notification made to the Company on 21 July 2010. After the subject case is dismissed by the court from jurisdiction aspect; this time a lawsuit is re-filed by Tata Steel International (North America) Ltd.) in Texas State District Court. This case is also dismissed by the court from jurisdiction aspect.

It is learnt through a notification made to the Company on 31 October 2012 that Corus International Trading Ltd. Co. (new trading title: Tata Steel International (North America) Ltd.) filed an action for compensation at amount of USD 4.800 thousand together with accessory against the Company before Ankara 14. Commercial Court of First Instance. As a result of adjudication made; the court adjudged to dismiss the case on procedural grounds because of non-competence and to send the file to commissioned and competent Karadeniz Ereğli Commercial Court of First Instance in Duty when the judgement becomes definite and in case of request. The case continued on file no. 2013/63 in Karadeniz Ereğli 2nd Civil Court of First Instance. At the hearing of the ongoing case dated 28 November 2017, Kdz. Ereğli 2. Civil Court of First Instance has decided to partially accept the case against Company. Company has applied for the appeal against the decision. With the decision of the 22nd Civil Chamber of the Ankara Regional Court of Justice, the decision of the Karadeniz. Ereğli 2nd Civil Court of First Instance has been annulled. The file was sent to the Karadeniz. Ereğli 2nd Civil Court of First Instance to be send back to the Regional Court of Justice after the reasoned decision was written.

At the hearing dated February 22, 2022, it was decided that the case was partially accepted and partially rejected, subject to appeal. Our company has appealed against this decision on April 13, 2022. 22nd Civil Chamber of the Ankara Regional Court of Justice has decided to revoke the court's decision without consideration of merits and to send the file back to the court in order to be written appropriate grounds in the judgment part. On 27 March 2023 Kdz. Ereğli 2nd Civil Court of First Instance has partially accepted the case subject to appeal. Our company has applied for the appeal against the decision on 27 April 2023. 22. Civil Chamber of the Ankara Regional Court of Justice has sent the file back to the Kdz Ereğli 2. Civil Court of First Instance and requested from the court to send the file back to itself for re-examination after the court’s evaluation of the Company’s petition of correction. Therefore, Kdz. Ereğli 2. Civil Court of First Instance decided to make the hearing on 11 July 2023. At the hearing dated 11 July 2023, Kdz. Ereğli 2. Civil Court of First Instance has decided to correct the decision. The file was sent to Regional Court of Justice fort he appeal. On 14 June 2024 22. Civil Chamber of the Ankara Regional Court of Justice has partially accepted the case subject to appeal. The Company appealed against the decision on 5 September 2024. A provision amounting to TRY 412.376 thousand recognized on consolidated financial statements for the related lawsuit.

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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#### **NOTE 8 – PROVISIONS (cont’d)**

##### **Provision for lawsuits (cont’d)**

##### **Resolution of Constitutional Court on Electricity and Coal Gas Consumption Tax**

The claims filed every month for refunding of taxes paid and deduction thereof from Electric and Coal Gas Consumption 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 to individual application at the Constitutional Court on 16 March 2015. In the General Assembly Resolution of Constitutional Court notified to the Company on 27 December 2018, it is decided that the property rights of the Company were violated, and retrial should be held in order to eliminate the consequences of the violation of the property rights for 15 cases which were brought together within the scope of Company’s individual application.

Similarly, the Constitutional Court that the Company’s property right was violated, and retrial should be held in order to eliminate the consequences of the violation of the property rights for 21 cases which were brought together within the scope of the Company’s individual application.

There are 3 applications for which the decisions are awaited from the Constitutional Court.

The cases which the Constitutional Court has sent to Zonguldak Tax Court to be retrialed, have been retrialed by Zonguldak Tax Court and the Court has resolved in favor of the Company. 69 cases have been finalized in favor of the Company.

##### **Lawsuit against The Municipality of Kdz. Ereğli’s Tax Penalty Notifications**

A real estate tax review was carried out by the Municipality of Kdz Ereğli under the name of "Real Estate Tax Determination Field Study" at Company’s Ereğli facilities in August 2019. As a result of this tax inspection, 1.924 tax penalty notifications were notified to the company on 23 December 2019.

With the 1.924 tax penalty notices, the building tax and related cultural assets contribution share has been levied for 2014 to 2019, as well as the tax loss penalty for the same periods. The amount of tax and related cultural assets contribution assessment is TRY 25.586 thousand and TRY 23.888 thousand tax loss penalty has been imposed.

6 lawsuits were filed against the notifications for penalty in the Zonguldak Tax Court by the Company on 20 January 2020. Zonguldak Tax Court has accepted the lawsuits and decided to cancel such notifications. Karadeniz Ereğli Municipality appealed against the decisions. Ankara Regional Administrative Court rejected the appeal of Kdz. Ereğli Municipality subject to appeal. Kdz. Ereğli Municipality appealed to the Council of State. The Council of State rejected the appeal of Kdz. Ereğli Municipality. The cases have been finalized in favor of the Company.

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

#### **NOTE 8 – PROVISIONS (cont’d)**

##### **Provision for lawsuits (cont’d)**

##### **Lawsuits against Cease and Desist Orders and Zoning Administrative Fines of the Municipality of Kdz. Ereğli**

The Municipality of Kdz. Ereğli has sealed 15 buildings in Company factory site with cease and desist orders. Subsequently, with Municipal Committee’s decisions, administrative fines amounting to TRY 258.683 thousand have been notified to Company. 15 lawsuits with suspension of execution request have filed against aforementioned cease and desist orders and administrative fines at the Zonguldak Administrative Court.

In all cases, the court decided to cancel the proceedings that were the subject of the lawsuit. The Municipality has appealed against these decisions. In one of this case, the Regional Administrative Court has definitely decided to annul the decision and partially accepted the case. In 14 of the cases, the Regional Administrative Court decided to reject the appeal of Karadeniz Ereğli Municipality.

In 11 cases the Municipality has appealed to the Council of State against these decisions. 3 cases were finalized in favor of the Company without appeal. Council of State has decided to approve definitely the 7 cases out of 11 cases in favor of the Company. In 4 cases The Council of State accepted the appeal request and reversed the judgement and decided to send the cases to the Regional Administrative Court to be redecided. Regional Administrative Court has decided to accept the appeals in 4 cases and has sent them back to the local court for a new decision to be given after a merits review. In three of these cases the local court has partially accepted the cases. The Company has appealed to the Regional Administrative Court against these decisions. The Regional Administrative Court accepted the appeal request and decided to cancel the proceedings that were the subject of the lawsuit. The Municipality has appealed to the Council of State against these decisions. In one of these 4 cases the local court has accepted the case. The Municipality of Kdz. Ereğli has appealed to the Regional Administrative Court against the decision. The Regional Administrative Court accepted the appeal request and decided to send the case to the Zonguldak Administrative Court.

No provision has been made in the consolidated financial statements due to the fact that no significant cash outflow is expected in line with the Group Management's assessments.

##### **Provision for state right on mining activities**

According to “Mining Law” numbered 3213 and regulation on “Mining Law Enforcement” published in the Official Gazette, numbered 25716 on 3 February 2005, the Group is calculated state right on mining activities based on the sales and recognized provision on financial statements.

##### **Land occupation**

The Group have land property within the Erdemir factory area being within the provision and possession of the state. General Communique of National Estate with the series number 336 lays down the methods and principles of designation, estimation and collection of land occupation to be undertaken by the administration in respect of the land properties within the private possession of the treasury. In accordance with the communique, the land occupation is going to be designated and estimated by the relevant value designation commission with the condition of not being less than 3% of the minimum value which is the basis for the property tax of the land property.

In current period, land occupation provision recognized on balance sheet, considering property fair values presented land occupation notifications and yearly probable increases.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 9 – EMPLOYEE BENEFITS

The Group’s short term payables of the employee termination benefits are as follows:

|                                  | 30 June<br>2025  | 31 December<br>2024 |
|----------------------------------|------------------|---------------------|
| Due to personnel                 | 1.959.456        | 2.256.354           |
| Social security premiums payable | 1.459.953        | 2.670.138           |
|                                  | <u>3.419.409</u> | <u>4.926.492</u>    |

The Group’s long term provisions of the employee termination benefits as of the reporting date are as follows:

|  | 30 June<br>2025  | 31 December<br>2024 |
|--|------------------|---------------------|
| Provisions for employee termination benefits | 5.816.826        | 5.121.104           |
| Provisions for seniority incentive premium   | 508.719          | 361.262             |
| Provision for unpaid vacations               | 786.804          | 689.016             |
|  | <u>7.112.349</u> | <u>6.171.382</u>    |

According to the articles of Turkish Labor Law in force, the Group have obligation to pay the legal employee termination benefits to each employee whose are 25 years of working life by completing at least one year of service, leaving for military services and deceased.

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

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

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

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

Discount rates are determined considering the expected duration of the retirement obligations and the currency in which the obligations will be paid. In calculations as of 30 June 2025 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.

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

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. 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.

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

|                           | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|---------------------------|-----------------------------|-----------------------------|
| Opening balance           | 5.121.104                   | 4.761.820                   |
| Service cost              | 232.778                     | 202.959                     |
| Interest cost             | 411.018                     | 362.697                     |
| Actuarial loss/(gain)     | 499.778                     | 639.419                     |
| Termination benefits paid | (426.190)                   | (277.468)                   |
| Translation difference    | (21.662)                    | (24.132)                    |
| Closing balance           | 5.816.826                   | 5.665.295                   |

According to the current labor agreement, employees completing their 5th, 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 -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|---------------------------|-----------------------------|-----------------------------|
| Opening balance           | 361.262                     | 296.149                     |
| Service cost              | 38.555                      | 24.328                      |
| Interest cost             | 43.152                      | 31.780                      |
| Actuarial loss/(gain)     | 92.748                      | (24.505)                    |
| Termination benefits paid | (26.004)                    | (599)                       |
| Translation difference    | (994)                       | (62)                        |
| Closing balance           | 508.719                     | 327.091                     |

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

|                                     | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|-------------------------------------|-----------------------------|-----------------------------|
| Opening balance                     | 689.016                     | 524.506                     |
| Provision for the period            | 497.224                     | 399.639                     |
| Vacation paid during the period (-) | (53.859)                    | (28.279)                    |
| Provisions released (-)             | (354.310)                   | (144.309)                   |
| Translation difference              | 8.733                       | 954                         |
| Closing balance                     | 786.804                     | 752.511                     |

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

The guarantees received by the Group are as follows:

|                                | 30 June<br>2025 | 31 December<br>2024 |
|--------------------------------|-----------------|---------------------|
| Letters of guarantees received | 21.481.036      | 23.234.769          |
|                                | 21.481.036      | 23.234.769          |

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

|   | 30 June<br>2025 | 31 December<br>2024 |
|---|-----------------|---------------------|
| A. Total CPM given for the Company's own legal entity                                     | 30.510.048      | 29.342.141          |
| B. Total CPM given in favour of subsidiaries consolidated on line-by-line basis           | 5.006.036       | 3.999.371           |
| 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          | -               | -                   |
|   | 35.516.084      | 33.341.512          |

The CPMs provided by the Group on behalf of its own legal entity consist of issued guarantee letters. Total CPM given by the Group in favor of subsidiaries consolidated on line-by-line basis amounting to TRY 5.006.036 thousand has been given as collateral for financial liabilities explained in Note 7, for tax receivables and raw material procurements. As of 30 June 2025, the ratio of the other CPM given by the Group to shareholders equity is 0% (31 December 2024: 0%).

The breakdown of the Group’s collaterals according to their original currency is as follows:

|              | 30 June<br>2025 | 31 December<br>2024 |
|--------------|-----------------|---------------------|
| US Dollars   | 8.419.311       | 11.575.520          |
| Turkish Lira | 25.018.489      | 19.990.720          |
| EURO         | 2.078.284       | 1.775.272           |
|              | 35.516.084      | 33.341.512          |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 11 – TAX ASSETS AND LIABILITIES

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

|   | 30 June<br>2025             | 31 December<br>2024         |
|---|-----------------------------|-----------------------------|
| <u>Corporate tax payable:</u>                       |                             |                             |
| Corporation tax for the prior period                | 17.196                      | 1.031                       |
| Current corporate tax provision                     | 309.046                     | 596.140                     |
| Prepaid taxes and funds (-)                         | (63.526)                    | (279.546)                   |
|   | <u>262.716</u>              | <u>317.625</u>              |
|   |                             |                             |
|   | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
| <u>Taxation:</u>                                    |                             |                             |
| Current corporate tax expense                       | 288.692                     | 2.418.733                   |
| Deferred tax (income) / expense                     | (1.710.514)                 | (3.223.963)                 |
| Tax (income) expense reported in the profit or loss | <u>(1.421.822)</u>          | <u>(805.230)</u>            |

#### Corporate tax

The Group, except its subsidiaries in Romania and Singapore, is subject to Turkish corporate taxes in force. The necessary provisions are allocated in the consolidated financial statements for the estimated liabilities based on the Group's results for current period. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

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, non-taxable income.

Institutions with the Law No. 7456 published in the Official Gazette dated 15 July 2023 by making changes in the first paragraph of Article 32 of the Tax Law, the year 2023 and the following the corporate tax rate for corporate earnings of taxation periods has been increased to 25%. As of reporting date, the current corporate tax rate for the corporate earnings has been determined as 25% (31 December 2024: 25%).

With the Law No. 7456 published in the 32249 numbered Official Gazette dated 15 July 2023, the exemption rate to be applied to the gains arising from the sale of immovables which in companies' assets before 15 July 2023 has been determined as 25%, and the deferred tax rate to be applied based on the temporary differences arising on the revaluation of the related assets are 18,75%.

The current corporate tax rate in Türkiye is 25%, 16% in Romania and 17% in Singapore as of 30 June 2025 (31 December 2024: in Türkiye 25%, in Romania 16%, in Singapore 17%).

## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

##### Corporate tax (cont’d)

The corporate tax payments made by the Group during the six month interim period of 2025 amounted to a net total of TRY 74.269 thousand after offsetting (30 June 2024: TRY 746.856 thousand).

Pursuant to Article 298 (A) and Provisional Article 33 of the Tax Procedure Law No. 213, it is stipulated that at the end of the 2023 fiscal period and depending on the realization of correction conditions (including interim tax periods), the balance sheets of subsequent fiscal periods shall be subject to inflation adjustment. However, with the General Communiqué on Tax Procedure Law No. 582 published in the Official Gazette dated 15 February 2025 and numbered 32814, it is regulated that inflation adjustment will not be made in the first, second, and third provisional tax periods of the 2025 fiscal period.

Although inflation adjustment will not be made in the first, second, and third provisional tax periods of the 2025 fiscal year, inflation adjustment must be made in the financial statements to be prepared at the end of the 2025 fiscal year according to the Tax Procedure Law.

Therefore, the financial statements dated 30 June 2025, prepared in accordance with the Tax Procedure Law, have not been subjected to inflation adjustment.

##### Deferred tax

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

The tax rate used in calculation of deferred tax assets and liabilities (excluding land) is 25% for the corporate earnings to be obtained in the taxation periods of 2025. The effective corporate tax rate is 16% in Romania and 17% in Singapore (31 December 2024: in Türkiye 25%, in Romania 16%, in Singapore 17%). The deferred tax on the temporary timing differences arising from land is calculated with the 18,75% tax rate (31 December 2024: 18,75%).

Although it is regulated by the General Communiqué on Tax Procedure Law No. 582 that inflation adjustment will not be made in the first, second, and third provisional tax periods of the 2025 fiscal period, due to the requirement for inflation adjustment in the financial statements to be prepared according to the Tax Procedure Law at the end of the 2025 fiscal period, the effects of the inflation adjustments in the financial statements prepared according to the Tax Procedure Law have been recorded in the financial statements prepared according to TFRS.

As the companies in Türkiye cannot give a consolidated corporate tax declaration, subsidiaries that have deferred tax assets are not netted off with subsidiaries that have deferred tax liabilities and disclosed separately.

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

Deferred tax (cont’d)

|   | 30 June<br>2025     | 31 December<br>2024 |
|---|---------------------|---------------------|
| <u>Deferred tax assets:</u>                         |                     |                     |
| Provisions for employee benefits                    | 2.065.942           | 1.971.280           |
| Investment incentive                                | 61.943              | 190.675             |
| Provision for lawsuits                              | 290.043             | 185.960             |
| Fair values of the derivative financial instruments | 296.256             | -                   |
| Inventories   | 662.562             | 490.017             |
| Unused tax losses                                   | 4.946.401           | 2.149.085           |
| Tangible and intangible assets                      | 1.055.903           | 661.313             |
| Financial lease payables                            | 324.218             | 228.229             |
| Other   | 1.033.697           | 576.925             |
|   | <u>10.736.965</u>   | <u>6.453.484</u>    |
| <u>Deferred tax liabilities:</u>                    |                     |                     |
| Tangible and intangible assets                      | (22.966.513)        | (19.357.384)        |
| Fair values of the derivative financial instruments | -                   | (54.865)            |
| Amortized cost adjustment on loans                  | (107.572)           | (96.017)            |
| Right of use assets                                 | (356.753)           | (241.205)           |
| Inventories   | (10.182)            | (27.680)            |
| Other   | (322.113)           | (95.177)            |
|   | <u>(23.763.133)</u> | <u>(19.872.328)</u> |
|   | <u>(13.026.168)</u> | <u>(13.418.844)</u> |

Group Management evaluates that unused tax losses, which are subject to deferred tax, will be deductible based on future profit projections, taking into account their usable lifetimes.

In the financial statements which are prepared according to the TFRS, of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and its subsidiaries that are separate taxpayer entities, the net deferred tax assets and liabilities of the related companies are classified separately within the accounts of deferred tax assets and liabilities of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and its subsidiaries’ condensed consolidated financial statements.

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.

|   |                     |                     |
|---|---------------------|---------------------|
| <u>Presentation of deferred tax assets/(liabilities):</u> | 30 June<br>2025     | 31 December<br>2024 |
| Deferred tax assets                                       | 291.130             | 255.704             |
| Deferred tax (liabilities)                                | (13.317.298)        | (13.674.548)        |
|   | <u>(13.026.168)</u> | <u>(13.418.844)</u> |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

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

##### Deferred tax (cont’d)

Movements of deferred tax asset/(liability) is as follows:

|                                    | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|------------------------------------|-----------------------------|-----------------------------|
| Opening balance                    | (13.418.844)                | (12.378.359)                |
| Deferred tax income/(expense)      | 1.710.514                   | 3.223.963                   |
| The amount in comprehensive income | 278.020                     | 112.057                     |
| Translation difference             | (1.595.858)                 | (1.326.854)                 |
| Closing balance                    | (13.026.168)                | (10.369.193)                |

Reconciliation of tax provision is as follows:

|   | 1 January -<br>30 June 2025 | 1 January -<br>30 June 2024 |
|---|-----------------------------|-----------------------------|
| Profit (Loss) before tax  | 394.122                     | 9.584.012                   |
| Statutory tax rate  | 25%                         | 25%                         |
| Calculated tax expense according to effective tax rate              | (98.531)                    | (2.396.003)                 |
| <u>Reconciliation between the tax provision and calculated tax:</u> |                             |                             |
| - Non-deductible expenses   | (69.227)                    | (46.631)                    |
| - Effect of currency translation (*)                                | 131.231                     | 3.079.419                   |
| - The effect of investments valued using the equity method          | 9.755                       | 27.184                      |
| - Investment incentive  | 1.458.411                   | 140.182                     |
| - Effect of the different tax rates due to foreign subsidiaries     | (9.817)                     | 1.079                       |
| Total tax expense reported in the statement of income (loss)        | 1.421.822                   | 805.230                     |

(\*) The effect of exchange rate differences arises from the discrepancy between the company's functional currency and the currency used for determining the tax base.

#### NOTE 12 – EQUITY

As of the reporting date the detail of the capital is as follows:

|                          |        | 30 June     |        | 31 December |
|--------------------------|--------|-------------|--------|-------------|
| <u>Shareholders</u>      | (%)    | 2025        | (%)    | 2024        |
| ATAER Holding A.Ş.       | 49,54  | 3.467.965   | 49,29  | 3.449.965   |
| Quoted in Stock Exchange | 46,49  | 3.253.911   | 46,74  | 3.271.911   |
| Erdemir's own shares     | 3,97   | 278.124     | 3,97   | 278.124     |
| Historical capital       | 100,00 | 7.000.000   | 100,00 | 7.000.000   |
| Restated capital         |        | 7.000.000   |        | 7.000.000   |
| Treasury shares (-)      |        | (1.315.022) |        | (1.315.022) |
|                          |        | 5.684.978   |        | 5.684.978   |

On 17 June 2025, the Company’s main parent, ATAER Holding A.Ş., purchased a total nominal amount of TRY 18.000.000 of the Company’s publicly traded shares. Following this transaction, ATAER Holding A.Ş.’s shareholding increased from 49,29% to 49,54%.

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

**NOTE 13 – SALES AND COST OF SALES**

The Group derives its revenue from the transfer of goods at a point in time in the following major product lines. The amount of performance obligations in the ongoing contracts of the Group will be eligible for recognition in the future is TRY 1.449.410 thousand. Group plans to recognize related revenue amount as a revenue in a year.

As of the reporting date the detail of the sales revenue is as follows:

|  | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Domestic sales                             | 67.628.161                  | 30.866.709               | 77.618.410                  | 37.481.832               |
| Export sales                               | 22.028.149                  | 7.871.737                | 17.269.236                  | 10.295.168               |
| Other revenues                             | 4.543.134                   | 2.270.756                | 4.509.324                   | 2.290.194                |
| Interest income from sales with maturities | 896.595                     | 457.419                  | 926.893                     | 468.888                  |
| Sales returns (-)                          | (46.957)                    | (20.077)                 | (32.294)                    | (19.318)                 |
| Sales discounts (-)                        | (91.490)                    | (33.579)                 | (73.515)                    | (46.343)                 |
|  | 94.957.592                  | 41.412.965               | 100.218.054                 | 50.470.421               |
| <u>Cost of sales (-)</u>                   | <u>(87.290.004)</u>         | <u>(37.546.635)</u>      | <u>(86.952.034)</u>         | <u>(44.233.694)</u>      |
| Gross profit                               | 7.667.588                   | 3.866.330                | 13.266.020                  | 6.236.727                |

All kinds of iron and steel by product sales are included in other revenues, and the total amount of by product exports in other revenues is TRY 1.981.388 thousand (30 June 2024: TRY 2.044.973 thousand). Total interest income from export sales with maturities is TRY 6.777 thousand (30 June 2024: TRY 17.610 thousand).

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

As of the reporting date the detail of the cost of sales is as follows:

|   | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|---|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Raw material usage  | (59.217.056)                | (22.439.496)             | (64.416.365)                | (32.419.413)             |
| Personnel costs   | (8.340.505)                 | (4.415.785)              | (6.519.131)                 | (3.595.751)              |
| Energy costs  | (6.571.534)                 | (3.376.970)              | (5.551.404)                 | (2.716.760)              |
| Depreciation and amortization expenses                    | (4.442.978)                 | (2.345.401)              | (3.649.824)                 | (1.880.587)              |
| Manufacturing overheads                                   | (4.560.469)                 | (2.361.776)              | (2.915.470)                 | (1.619.452)              |
| Other cost of goods sold                                  | (1.422.200)                 | (658.949)                | (1.962.096)                 | (929.456)                |
| Non-operating costs (*)                                   | (1.214.991)                 | (703.930)                | (127.352)                   | (91.496)                 |
| Freight costs for sales delivered to customers            | (1.140.135)                 | (656.642)                | (1.029.724)                 | (537.481)                |
| Allowance expenses for impairment on inventories (Note 4) | (211.612)                   | (211.612)                | (710)                       | (710)                    |
| Inventory provision released (Note 4)                     | 575.723                     | 19.596                   | 38.772                      | 17.603                   |
| Amortization of right of use assets                       | (70.279)                    | (38.482)                 | (17.661)                    | (10.589)                 |
| Other   | (673.968)                   | (357.188)                | (801.069)                   | (449.602)                |
|   | <u>(87.290.004)</u>         | <u>(37.546.635)</u>      | <u>(86.952.034)</u>         | <u>(44.233.694)</u>      |

(\*) Non-operating part costs amounting to TRY (1.214.991) thousand incurred due to planned and/or unplanned halt production in the Group's production facilities is not associated with the product cost and is directly recognized in the cost of sales.

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

The Group’s detail of marketing expenses according to their nature as of the reporting date are as follows:

|  | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Personnel expenses (-)                       | (483.066)                   | (262.627)                | (359.594)                   | (200.239)                |
| Depreciation and amortization (-)            | (164.738)                   | (87.635)                 | (134.614)                   | (70.123)                 |
| Benefits and services from third parties (-) | (554.544)                   | (297.070)                | (441.757)                   | (235.606)                |
| Amortization of right of use assets (-)      | (8.709)                     | (4.459)                  | (2.284)                     | (1.025)                  |
|  | <u>(1.211.057)</u>          | <u>(651.791)</u>         | <u>(938.249)</u>            | <u>(506.993)</u>         |

The Group’s detail of the general administrative expenses according to their nature as of the reporting date are as follows:

|  | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Personnel expenses (-)                                       | (1.364.844)                 | (774.264)                | (1.045.476)                 | (627.895)                |
| Depreciation and amortization (-)                            | (172.052)                   | (72.954)                 | (207.664)                   | (107.816)                |
| Benefits and services from third parties (-)                 | (1.313.577)                 | (680.920)                | (1.051.099)                 | (605.436)                |
| Tax, duty and charges (-)                                    | (73.363)                    | (35.966)                 | (27.513)                    | (12.747)                 |
| Provision/ Provision released for doubtful receivables (net) | 1.842                       | 348                      | 1.743                       | (26)                     |
| Amortization of right of use assets (-)                      | (86.654)                    | (45.780)                 | (62.203)                    | (33.239)                 |
|  | <u>(3.008.648)</u>          | <u>(1.609.536)</u>       | <u>(2.392.212)</u>          | <u>(1.387.159)</u>       |

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

The Group’s detail of the other operating income as of the reporting date is as follows:

|   | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|---|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Foreign exchange gain from trade receivables and payables (net) | 545.602                     | 346.994                  | 192.527                     | 133.407                  |
| Forfeit advances from customers                                 | 1.329                       | 193                      | 1.641                       | 291                      |
| Discount income   | 191                         | 94                       | 191                         | 93                       |
| Provisions released   | 58.225                      | 24.582                   | 6.455                       | 2.492                    |
| Service income  | 178.239                     | 84.883                   | 112.698                     | 74.922                   |
| Maintenance repair and rent income                              | 24.093                      | 11.822                   | 24.081                      | 12.379                   |
| Warehouse income  | 57.202                      | 21.985                   | 56.277                      | 33.636                   |
| Indemnity and penalty detention income                          | 16.627                      | 6.230                    | 16.566                      | 8.117                    |
| Prior period insurance indemnity income                         | 30.432                      | 28.810                   | 76.028                      | 3.032                    |
| Lawsuit income  | 41.016                      | 1.727                    | 2.426                       | 657                      |
| Overdue interest income   | 67.408                      | 15.936                   | 21.198                      | 18.309                   |
| Insurance indemnity income due to earthquake                    | -                           | -                        | 3.317.244                   | 75.085                   |
| Other income and gains  | 271.979                     | 229.963                  | 162.962                     | 91.905                   |
|   | <u>1.292.343</u>            | <u>773.219</u>           | <u>3.990.294</u>            | <u>454.325</u>           |

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

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

The Group’s detail of the other operating expenses as of the reporting date are as follows:

|                                  | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|----------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Provision expenses               | (525.475)                   | (294.914)                | (173.035)                   | (75.757)                 |
| Lawsuit compensation expenses    | (26.048)                    | (14.824)                 | (8.457)                     | (3.887)                  |
| Right of use assets amortization | -                           | -                        | (6.400)                     | (3.494)                  |
| Donation expenses                | (31.294)                    | (16.315)                 | (23.192)                    | (6.292)                  |
| Service expenses                 | (75.203)                    | (42.262)                 | (79.831)                    | (32.666)                 |
| Penalty expenses                 | (16.098)                    | (8.683)                  | (28.679)                    | (20.907)                 |
| Other expenses and losses        | (160.877)                   | (77.148)                 | (96.858)                    | (19.959)                 |
|                                  | <u>(834.995)</u>            | <u>(454.146)</u>         | <u>(416.452)</u>            | <u>(162.962)</u>         |

**NOTE 15 – FINANCE INCOME AND EXPENSES**

The Group’s detail of the financial income as of the reporting date is as follows:

|  | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Interest income on bank deposits                                 | 3.487.233                   | 1.437.188                | 1.669.710                   | 1.069.349                |
| Interest income from financial investments                       | -                           | -                        | 10.950                      | 10.950                   |
| Fair value differences of derivative financial instruments (net) | -                           | -                        | -                           | (27.876)                 |
| Other financial income   | 12.268                      | 5.583                    | 8.142                       | 3.535                    |
|  | <u>3.499.501</u>            | <u>1.442.771</u>         | <u>1.688.802</u>            | <u>1.055.958</u>         |

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

**NOTE 15 – FINANCE INCOME AND EXPENSES (cont’d)**

The Group’s detail of the financial expenses as of the reporting date are as follows:

|  | 1 January -<br>30 June 2025 | 1 April-<br>30 June 2025 | 1 January -<br>30 June 2024 | 1 April-<br>30 June 2024 |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Interest expenses on borrowings                                  | (4.639.262)                 | (2.357.819)              | (4.691.531)                 | (2.447.188)              |
| Foreign exchange loss (net)                                      | (1.745.159)                 | (300.626)                | (365.510)                   | 309.209                  |
| Interest cost of employee benefits                               | (454.170)                   | (228.199)                | (394.477)                   | (197.757)                |
| Interest expenses on leasings                                    | (113.124)                   | (62.934)                 | (36.707)                    | (20.466)                 |
| Fair value differences of derivative financial instruments (net) | (865.671)                   | (544.902)                | (35.449)                    | (35.449)                 |
| Other financial expenses   | (51.933)                    | (38.673)                 | (29.344)                    | (18.725)                 |
|  | <u>(7.869.319)</u>          | <u>(3.533.153)</u>       | <u>(5.553.018)</u>          | <u>(2.410.376)</u>       |

During the period, the borrowing costs of TRY 996.124 thousand have been capitalized as part of tangibles (30 June 2024: TRY 149.741 thousand).

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 16 – EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES)

Inflation adjustments have been made in accordance with TAS 29 for all non-monetary assets, liabilities, and profit or loss statements of the Group's subsidiaries whose functional currency is the Turkish Lira.

In this context, the inflation adjustments made in the financial statements of Erdemir Madencilik San. ve Tic. A.Ş., Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş., and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş., which are subject to consolidation and have the Turkish Lira as their functional currency, as of the reporting date are as follows:

|   | 30 June<br>2025 | 30 June<br>2024  |
|---|-----------------|------------------|
| <b>Statement of Financial Position Items</b>  | <b>458.237</b>  | <b>(82.689)</b>  |
| Inventories                                   | 47.632          | 32.296           |
| Prepaid Expenses                              | 185.254         | 354.154          |
| Property, Plant and Equipment                 | 2.127.940       | 1.531.640        |
| Right of Use Assets                           | 6.357           | 2.161            |
| Intangible Assets                             | 2.646           | 3.987            |
| Inflation Adjustment to Capital               | (731.216)       | (704.819)        |
| Revaluation Reserve of Tangible Assets        | (9.963)         | (10.236)         |
| Actuarial (Loss) Gain funds                   | 14.697          | 22.236           |
| Restricted Reserves Assorted from Profit      | (389.807)       | (399.442)        |
| Retained Earnings                             | (795.303)       | (914.666)        |
| <b>Profit or Loss Items</b>                   | <b>(22.905)</b> | <b>(137.645)</b> |
| Revenue                                       | (239.691)       | (357.284)        |
| Cost of Sales                                 | 164.450         | 206.946          |
| Marketing Expenses                            | 477             | 521              |
| General Administrative Expenses               | 15.076          | 15.169           |
| Other Operating Income (Expenses)             | (2.068)         | (865)            |
| Income (Expenses) from Investing Activities   | 5               | 127              |
| Finance Income (Expenses)                     | 38.846          | (2.259)          |
| <b>Net Monetary Position Gains / (Losses)</b> | <b>435.332</b>  | <b>(220.334)</b> |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

##### Additional information about financial instruments

##### Foreign currency risk management

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates its functional currency. Foreign currency position table represents foreign currencies other than each entity’s functional currency.

As of 30 June 2025, the foreign currency position of the Group in terms of original currency is calculated as it as follows:

|  | 30 June 2025                   |                               |                                |                                    |                               |
|--|--------------------------------|-------------------------------|--------------------------------|------------------------------------|-------------------------------|
|  | TRY<br>(Reporting<br>currency) | TRY<br>(Original<br>currency) | EURO<br>(Original<br>currency) | Jap. Yen<br>(Original<br>currency) | RON<br>(Original<br>currency) |
| 1. Trade Receivables   | 4.625.377                      | 345.385                       | 90.920                         | -                                  | 4.653                         |
| 2a. Monetary financial assets  | 33.365.625                     | 22.111.582                    | 240.426                        | 21                                 | 5.305                         |
| 2b. Non- monetary financial assets   | -                              | -                             | -                              | -                                  | -                             |
| 3. Other   | 748.151                        | 694.334                       | 889                            | -                                  | 1.356                         |
| <b>4. CURRENT ASSETS (1+2+3)</b>   | <b>38.739.153</b>              | <b>23.151.301</b>             | <b>332.235</b>                 | <b>21</b>                          | <b>11.314</b>                 |
| 5. Trade receivables   | -                              | -                             | -                              | -                                  | -                             |
| 6a. Monetary financial assets  | 1.368.807                      | 1.368.622                     | 4                              | -                                  | -                             |
| 6b. Non- monetary financial assets   | -                              | -                             | -                              | -                                  | -                             |
| 7. Other   | 4.835.521                      | 817.756                       | 85.403                         | 59.518                             | 2.298                         |
| <b>8. NON-CURRENT ASSETS (5+6+7)</b>   | <b>6.204.328</b>               | <b>2.186.378</b>              | <b>85.407</b>                  | <b>59.518</b>                      | <b>2.298</b>                  |
| <b>9. TOTAL ASSETS (4+8)</b>   | <b>44.943.481</b>              | <b>25.337.679</b>             | <b>417.642</b>                 | <b>59.539</b>                      | <b>13.612</b>                 |
| 10. Trade payables   | 11.579.581                     | 8.368.539                     | 65.109                         | 174.602                            | 13.269                        |
| 11. Financial liabilities  | 2.709.394                      | 2.066.859                     | 13.761                         | -                                  | -                             |
| 12a. Other monetary financial liabilities  | 8.372.756                      | 8.241.324                     | 1.860                          | -                                  | 4.822                         |
| 12b. Other non-monetary financial liabilities  | -                              | -                             | -                              | -                                  | -                             |
| <b>13. CURRENT LIABILITIES (10+11+12)</b>  | <b>22.661.731</b>              | <b>18.676.722</b>             | <b>80.730</b>                  | <b>174.602</b>                     | <b>18.091</b>                 |
| 14. Trade payables   | -                              | -                             | -                              | -                                  | -                             |
| 15. Financial liabilities  | 3.502.413                      | 797.028                       | 57.942                         | -                                  | -                             |
| 16a. Other monetary financial liabilities  | 6.811.169                      | 6.807.298                     | -                              | -                                  | 419                           |
| 16b. Other non-monetary financial liabilities  | -                              | -                             | -                              | -                                  | -                             |
| <b>17. NON-CURRENT LIABILITIES (14+15+16)</b>  | <b>10.313.582</b>              | <b>7.604.326</b>              | <b>57.942</b>                  | <b>-</b>                           | <b>419</b>                    |
| <b>18. TOTAL LIABILITIES (13+17)</b>   | <b>32.975.313</b>              | <b>26.281.048</b>             | <b>138.672</b>                 | <b>174.602</b>                     | <b>18.510</b>                 |
| <b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>      | <b>(13.676.546)</b>            | <b>-</b>                      | <b>(293.442)</b>               | <b>-</b>                           | <b>-</b>                      |
| 19a. Off-balance sheet foreign currency derivative financial assets  | -                              | -                             | -                              | -                                  | -                             |
| 19b. Off-balance sheet foreign currency derivative financial liabilities                                     | 13.676.546                     | -                             | 293.442                        | -                                  | -                             |
| <b>20. Net foreign currency asset/liability position (9-18+19)</b>   | <b>(1.708.378)</b>             | <b>(943.369)</b>              | <b>(14.472)</b>                | <b>(115.063)</b>                   | <b>(4.898)</b>                |
| <b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b> | <b>6.384.496</b>               | <b>(2.455.459)</b>            | <b>192.678</b>                 | <b>(174.581)</b>                   | <b>(8.552)</b>                |
| 22. Fair value of derivative financial instruments used in foreign currency hedge                            | 36.447                         | -                             | 782                            | -                                  | -                             |
| 23. Hedged foreign currency assets   | 13.676.546                     | -                             | 293.442                        | -                                  | -                             |
| 24. Hedged foreign currency liabilities  | -                              | -                             | -                              | -                                  | -                             |
| 25. Exports  | 24.016.314                     |                               |                                |                                    |                               |
| 26. Imports  | 41.192.325                     |                               |                                |                                    |                               |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 17 – 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 individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates its functional currency.

As of 31 December 2024, the foreign currency position of the Group in terms of original currency is calculated as it as follows:

|  | 31 December 2024               |                               |                                |                                    |                               |
|--|--------------------------------|-------------------------------|--------------------------------|------------------------------------|-------------------------------|
|  | TRY<br>(Reporting<br>currency) | TRY<br>(Original<br>currency) | EURO<br>(Original<br>currency) | Jap. Yen<br>(Original<br>currency) | RON<br>(Original<br>currency) |
| 1. Trade Receivables   | 2.998.691                      | 245.477                       | 73.151                         | -                                  | 8.978                         |
| 2a. Monetary financial assets  | 29.678.847                     | 28.858.432                    | 21.742                         | 21                                 | 2.957                         |
| 2b. Non- monetary financial assets   | -                              | -                             | -                              | -                                  | -                             |
| 3. Other   | 407.843                        | 381.905                       | 666                            | -                                  | 200                           |
| <b>4. CURRENT ASSETS (1+2+3)</b>   | <b>33.085.381</b>              | <b>29.485.814</b>             | <b>95.559</b>                  | <b>21</b>                          | <b>12.135</b>                 |
| 5. Trade receivables   | -                              | -                             | -                              | -                                  | -                             |
| 6a. Monetary financial assets  | 1.300.283                      | 1.300.138                     | 4                              | -                                  | -                             |
| 6b. Non- monetary financial assets   | -                              | -                             | -                              | -                                  | -                             |
| 7. Other   | 4.128.717                      | 749.422                       | 91.640                         | 56.889                             | -                             |
| <b>8. NON-CURRENT ASSETS (5+6+7)</b>   | <b>5.429.000</b>               | <b>2.049.560</b>              | <b>91.644</b>                  | <b>56.889</b>                      | <b>-</b>                      |
| <b>9. TOTAL ASSETS (4+8)</b>   | <b>38.514.381</b>              | <b>31.535.374</b>             | <b>187.203</b>                 | <b>56.910</b>                      | <b>12.135</b>                 |
| 10. Trade payables   | 8.119.774                      | 5.588.474                     | 65.536                         | 107.910                            | 12.770                        |
| 11. Financial liabilities  | 8.758.685                      | 8.246.778                     | 13.910                         | -                                  | -                             |
| 12a. Other monetary financial liabilities  | 7.766.641                      | 7.698.883                     | 1.052                          | -                                  | 3.906                         |
| 12b. Other non-monetary financial liabilities  | -                              | -                             | -                              | -                                  | -                             |
| <b>13. CURRENT LIABILITIES (10+11+12)</b>  | <b>24.645.100</b>              | <b>21.534.135</b>             | <b>80.498</b>                  | <b>107.910</b>                     | <b>16.676</b>                 |
| 14. Trade payables   | -                              | -                             | -                              | -                                  | -                             |
| 15. Financial liabilities  | 2.889.586                      | 529.752                       | 64.122                         | -                                  | -                             |
| 16a. Other monetary financial liabilities  | 5.927.570                      | 5.922.437                     | -                              | -                                  | 690                           |
| 16b. Other non-monetary financial liabilities  | -                              | -                             | -                              | -                                  | -                             |
| <b>17. Non-current liabilities (14+15+16)</b>  | <b>8.817.156</b>               | <b>6.452.189</b>              | <b>64.122</b>                  | <b>-</b>                           | <b>690</b>                    |
| <b>18. TOTAL LIABILITIES (13+17)</b>   | <b>33.462.256</b>              | <b>27.986.324</b>             | <b>144.620</b>                 | <b>107.910</b>                     | <b>17.366</b>                 |
| <b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>      | <b>(2.038.460)</b>             | <b>-</b>                      | <b>(55.489)</b>                | <b>-</b>                           | <b>-</b>                      |
| 19a. Off-balance sheet foreign currency derivative financial assets  | -                              | -                             | -                              | -                                  | -                             |
| 19b. Off-balance sheet foreign currency derivative financial liabilities                                     | 2.038.460                      | -                             | 55.489                         | -                                  | -                             |
| <b>20. Net foreign currency asset/liability position (9-18+19)</b>   | <b>3.013.665</b>               | <b>3.549.050</b>              | <b>(12.906)</b>                | <b>(51.000)</b>                    | <b>(5.231)</b>                |
| <b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b> | <b>515.565</b>                 | <b>2.417.723</b>              | <b>(49.723)</b>                | <b>(107.889)</b>                   | <b>(5.431)</b>                |
| 22. Fair value of derivative financial instruments used in foreign currency hedge                            | 118.878                        | -                             | 3.236                          | -                                  | -                             |
| 23. Hedged foreign currency assets   | 2.038.460                      | -                             | 55.489                         | -                                  | -                             |
| 24. Hedged foreign currency liabilities  | -                              | -                             | -                              | -                                  | -                             |
| 25. Exports  | 40.517.204                     |                               |                                |                                    |                               |
| 26. Imports  | 107.849.486                    |                               |                                |                                    |                               |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 17 – 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 Group’s sensitivity to a 10% (+/-) change in the TRY, RON, EUR and Japanese Yen. 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.

As of 30 June 2025 on condensed consolidated statement of financial position are translated by using the following exchange rates for assets TRY 39,7408 = US \$ 1, TRY 46,6074 = EUR 1, TRY 0,2750 = JPY 1 and TRY 9,1273 = RON 1; for liabilities TRY 39,8124 = US \$ 1, TRY 46,6913 = EUR 1, TRY 0,2769 = JPY 1 and TRY 9,2467 = RON 1 (Rates for assets as of 31 December 2024: TRY 35,2803 = US \$ 1, TRY 36,7362 = EUR 1, TRY 0,2249 = JPY 1, TRY 7,3429 = RON 1 and for liabilities ; TRY 35,3438 = US \$ 1, TRY 36,8024 = EUR 1, TRY 0,2264 = JPY 1 and TRY 7,4389 = RON 1 respectively).

|   | Profit/(loss) after capitalization on tangible<br>assets and before tax and non-controlling interest |                                     |
|---|--|-------------------------------------|
|   | Appreciation of<br>foreign currency  | Depreciation of<br>foreign currency |
| 30 June 2025                              |  |                                     |
| 1- TRY net asset/liability                | (245.546)  | 245.546                             |
| 2- Hedged portion from TRY risk (-)       | -  | -                                   |
| 3- Effect of capitalization (-)           | -  | -                                   |
| 4- TRY net effect (1+2+3)                 | (245.546)  | 245.546                             |
| 5- RON net asset/liability                | (8.027)  | 8.027                               |
| 6- Hedged portion from RON risk (-)       | -  | -                                   |
| 7- Effect of capitalization (-)           | -  | -                                   |
| 8- RON net effect (5+6+7)                 | (8.027)  | 8.027                               |
| 9- Euro net asset/liability               | 896.859  | (896.859)                           |
| 10- Hedged portion from Euro risk (-)     | (1.367.657)  | 1.367.657                           |
| 11- Effect of capitalization (-)          | -  | -                                   |
| 12- Euro net effect (9+10+11)             | (470.798)  | 470.798                             |
| 13- Jap. Yen net asset/liability          | (4.833)  | 4.833                               |
| 14- Hedged portion from Jap. Yen risk (-) | -  | -                                   |
| 15- Effect of capitalization (-)          | -  | -                                   |
| 16- Jap. Yen net effect (13+14+15)        | (4.833)  | 4.833                               |
| <b>TOTAL (4+8+12+16)</b>                  | <b>(729.204)</b>   | <b>729.204</b>                      |

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES**

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

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

**NOTE 17 – 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) after capitalization on tangible<br>assets and before tax and non-controlling interest |                                     |
|---|--|-------------------------------------|
|   | Appreciation of<br>foreign currency  | Depreciation of<br>foreign currency |
| 31 December 2024                          |  |                                     |
| 1- TRY net asset/liability                | 241.772  | (241.772)                           |
| 2- Hedged portion from TRY risk (-)       | -  | -                                   |
| 3- Effect of capitalization (-)           | -  | -                                   |
| 4- TRY net effect (1+2+3)                 | 241.772  | (241.772)                           |
| 5- RON net asset/liability                | (4.155)  | 4.155                               |
| 6- Hedged portion from RON risk (-)       | -  | -                                   |
| 7- Effect of capitalization (-)           | -  | -                                   |
| 8- RON Dollars net effect (5+6+7)         | (4.155)  | 4.155                               |
| 9- Euro net asset/liability               | (183.621)  | 183.621                             |
| 10- Hedged portion from Euro risk (-)     | (203.846)  | 203.846                             |
| 11- Effect of capitalization (-)          | -  | -                                   |
| 12- Euro net effect (9+10+11)             | (387.467)  | 387.467                             |
| 13- Jap. Yen net asset/liability          | (2.442)  | 2.442                               |
| 14- Hedged portion from Jap. Yen risk (-) | -  | -                                   |
| 15- Effect of capitalization (-)          | -  | -                                   |
| 16- Jap. Yen net effect (13+14+15)        | (2.442)  | 2.442                               |
| <b>TOTAL (4+8+12+16)</b>                  | <b>(152.292)</b>   | <b>152.292</b>                      |

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 17 – 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/<br>liabilities at<br>amortized cost | Fair value<br>through other<br>comprehensive<br>income | Fair value<br>through<br>profit/loss | Carrying<br>value |
|-------------------------------------|---|--|--------------------------------------|-------------------|
| <b>30 June 2025</b>                 |   |  |                                      |                   |
| <b><u>Financial Assets</u></b>      |   |  |                                      |                   |
| Cash and cash equivalents           | 83.896.762  | -  | -                                    | 83.896.762        |
| Trade receivables                   | 26.111.297  | -  | -                                    | 26.111.297        |
| Financial investments               | -   | -  | 179.144                              | 179.144           |
| Other financial assets              | 602.757   | -  | -                                    | 602.757           |
| <b><u>Financial Liabilities</u></b> |   |  |                                      |                   |
| Borrowings                          | 135.299.175   | -  | -                                    | 135.299.175       |
| Trade payables                      | 50.581.632  | -  | -                                    | 50.581.632        |
| Other liabilities                   | 5.253.063   | -  | -                                    | 5.253.063         |
| Derivative financial instruments    | -   | 547.665  | 637.357                              | 1.185.022         |
| <b>31 December 2024</b>             |   |  |                                      |                   |
| <b><u>Financial Assets</u></b>      |   |  |                                      |                   |
| Cash and cash equivalents           | 55.259.993  | -  | -                                    | 55.259.993        |
| Trade receivables                   | 26.463.914  | -  | -                                    | 26.463.914        |
| Financial investments               | 1.586.209   | -  | 178.085                              | 1.764.294         |
| Other financial assets              | 327.886   | -  | -                                    | 327.886           |
| Derivative financial instruments    | -   | 93.664   | 155.454                              | 249.118           |
| <b><u>Financial Liabilities</u></b> |   |  |                                      |                   |
| Borrowings                          | 121.288.196   | -  | -                                    | 121.288.196       |
| Trade payables                      | 30.023.470  | -  | -                                    | 30.023.470        |
| Other liabilities                   | 3.380.029   | -  | -                                    | 3.380.029         |

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

## EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

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

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

#### NOTE 17 – 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 (cont’d)

| Financial asset and liabilities at fair value  | 30 June 2025     | Fair value level as of reporting date |             |         |
|--|------------------|---------------------------------------|-------------|---------|
|  |                  | Level 1                               | Level 2     | Level 3 |
| <b>Financial assets and liabilities at fair value through profit/loss</b>                        |                  |                                       |             |         |
| Venture capital and financial investment fund  | 177.675          | -                                     | 177.675     | -       |
| Derivative financial liabilities   | (637.357)        | -                                     | (637.357)   | -       |
| <b>Financial assets and liabilities at fair value through other comprehensive income/expense</b> |                  |                                       |             |         |
| Derivative financial liabilities   | (547.665)        | -                                     | (547.665)   | -       |
| Total  | (1.007.347)      | -                                     | (1.007.347) | -       |
| Financial asset and liabilities at fair value  | 31 December 2024 | Fair value level as of reporting date |             |         |
|  |                  | Level 1                               | Level 2     | Level 3 |
| <b>Financial assets and liabilities at fair value through profit/loss</b>                        |                  |                                       |             |         |
| Venture capital and financial investment fund  | 176.781          | -                                     | 176.781     | -       |
| Derivative financial assets  | 155.454          | -                                     | 155.454     | -       |
| <b>Financial assets and liabilities at fair value through other comprehensive income/expense</b> |                  |                                       |             |         |
| Derivative financial assets  | 93.664           | -                                     | 93.664      | -       |
| Total  | 425.899          | -                                     | 425.899     | -       |

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

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

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

#### NOTE 18 – SUBSEQUENT EVENTS

None.

#### NOTE 19 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS MATERIALLY OR THOSE REQUIRED TO BE DISCLOSED FOR A CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

##### Convenience translation to English:

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