



## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.**

For the Period 1 January – 30 June 2025  
Condensed Board of Directors' Activity Report



**Shape the future  
with confidence**

Güney Bağımsız Denetim ve SMMM A.Ş.  
Maslak Mah. Eski Büyükdere Cad.  
Orjin Maslak İş Merkezi No: 27  
Daire: 57 34485 Sarıyer  
İstanbul - Türkiye

Tel: +90 212 315 3000  
Fax: +90 212 230 8291  
ey.com  
Ticaret Sicil No : 479920  
Mersis No: 0-4350-3032-6000017

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

## **REVIEW REPORT ON COMPLIANCE OF INTERIM OPERATING REPORT**

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

### **Introduction**

We have been engaged to perform a review on the compliance of the financial information included in the accompanying interim operating report of Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi (the Company) and its subsidiaries (the Group) as of 30 June 2025, with the interim condensed consolidated financial statements, which we reviewed. Interim operating report is the responsibility of the Group management. Our responsibility as the auditors is to express a conclusion regarding if the financial information included in the accompanying interim operating report is consistent with the interim condensed consolidated financial statements and explanatory notes, which we reviewed as the subject of the review report dated 6 August 2025.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial information included in the accompanying interim operating report is not consistent, in all material respects, with the information disclosed in the interim condensed consolidated financial statements and explanatory notes, which we reviewed.

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

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1****A - GENERAL INFORMATION****1. Period of the Report**

1 January – 30 June 2025

**2. Information About the Association**

- **Title:** EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.
- **Trade Registry Number:** 863637
- **Address:** Barbaros Mah. Ardiç Sok. No: 6 Ataşehir/İSTANBUL
- **Website:** [www.erdemir.com.tr](http://www.erdemir.com.tr)

**3. Shareholding and Capital Structure**

Authorized Capital : TRY 7.000.000 thousand  
Paid-in Capital : TRY 7.000.000 thousand

Shareholders	Shares (Thousand TRY)	%
ATAER Holding A.Ş.	3.467.965	49,54
Publicly Held	3.253.911	46,49
Erdemir's Own Shares	278.124	3,97
<b>Total</b>	<b>7.000.000</b>	<b>100,00</b>

**4. Board of Directors, Executive Management and Number of Personnel**

According to the Turkish Commercial Code and related regulations, the election of the Member of Board of Directors is executed by the General Assembly within the framework of the Articles of Association. Should there be a vacant position in the Board of Directors Membership within the respective period; an election is held for the vacant positions according to the provisions of Turkish Commercial Code and Company's Articles of Association and submitted to the next general assembly to be approved. The Company's 2024 Ordinary General Assembly has been executed on March 26, 2025.

Within the framework of the provisions of the Turkish Commercial Code and the Capital Market Law, pursuant to Articles 10th and 11th of the Company's Articles of Association, at the Ordinary General Assembly Meeting held on March 26, 2025, elections were held for Independent Board Members due to the expiration of their terms of office and 3 Independent Board Members were elected to serve for 1 year.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

The active members of the Board of Directors as of reporting period:

Board of Directors	Title	Effective from
OYTAŞ İç ve Dış Ticaret A.Ş. (Represented by: Murat YALÇINTAŞ)	Chairman	27.05.2013 (*)
OMSAN Lojistik A.Ş. (Represented by: Ahmet TAŞKIN)	Deputy Chairman and Executive Director	11.09.2012 (*)
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Represented by: Mustafa Serdar BAŞOĞLU)	Board Member and Executive Director	13.09.2012 (*)
OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Represented by: İsmail DOĞAN)	Board Member and Executive Director	12.09.2012 (*)
Republic of Türkiye Ministry of Treasury and Finance Privatization Administration (Represented by: Bekir Emre HAYKIR)	Board Member	20.09.2012 (*)
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	Board Member	12.09.2012 (*)
Emre GÖLTEPE	Independent Board Member	17.03.2022
Kadri ÖZGÜNEŞ	Independent Board Member	31.03.2023
Sezai Afif ENSARİ	Independent Board Member	28.03.2024

(\*) Legal entity's duty starting dates were considered.

**Changes in the Executive Board within the Period**

With the decision of the Board of Directors dated July 18, 2025, and numbered 10027, it has been decided to appoint Murat YALÇINTAŞ as the real person representative of the Chairman OYTAŞ İç ve Dış Ticaret A.Ş. instead of Süleyman Savaş ERDEM and to appoint İsmail DOĞAN as the real person representative of the Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. instead of Can ÖRÜNG.

With the same decision, our Company's Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Representative: İsmail DOĞAN), has been authorized as "Executive Director" to exercise all duties and powers of the Board of Directors except for those that cannot be delegated within the framework of the Turkish Commercial Code, other applicable legislation, and the provisions of the Company's Articles of Association.

With the decision of the Board of Directors dated August 5, 2025 and numbered 10028, it has been decided to appoint Ahmet TAŞKIN as the real person representative of the Deputy Chairman and Executive Director OMSAN Lojistik A.Ş. instead of Gürtan DAMAR.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

**Powers and Duties of the Members of the Board of Directors'**

The Chairman and the members of the Board of Directors possess duties and authorities set out in the Turkish Commercial Code's relevant clauses and in the Articles of Association.

**Executive Management**

<b>Executive Management</b>	<b>Title</b>	<b>Effective from</b>	<b>Education</b>	<b>Experience</b>
Ahmet TAŞKIN	Deputy Chairman and Executive Director	05.08.2025	Middle East Technical University - Metallurgy Engineering	38 Years
Mustafa Serdar BAŞOĞLU	Board Member and Executive Director	03.06.2024	Bülent Ecevit University - Business Administration (Master's Degree) Karadeniz Technical University - Finance (Bachelor's Degree)	21 Years
İsmail DOĞAN	Board Member and Executive Director	18.07.2025	Boğaziçi University -Industrial Engineering	17 Years
Mustafa Serdar BAŞOĞLU	Financial Management and Financial Affairs Group Vice President	24.09.2020	Bülent Ecevit University - Business Administration (Master's Degree) Karadeniz Technical University - Finance (Bachelor's Degree)	21 Years
Vacant	Marketing and Sales Group Vice President	-	-	-
Vacant	Procurement Group Vice President	-	-	-
Vacant	Enterprise Architecture and Human Resources Group Vice President	-	-	-
Vacant	General Manager	-	-	-
Sinan BOZKURT	Deputy General Manager Operations	27.09.2021	Middle East Technical University - Metallurgy and Materials Engineering	28 Years

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

The duties of Marketing and Sales Group Vice President Sercan BÜYÜKBAYRAM, Procurement Group Vice President Şevket Selim YILMAZ, Enterprise Architecture and Human Resources Group Vice President Ercan KAYA and Erdemir General Manager Niyazi Aşkın PEKER have ended as of August 4, 2025.

**5. The Transactions of Board Members Made on Its Behalf or on Behalf of Other and the Activities as Part of Prohibition of Competition**

At the Ordinary General Assembly held on 26 March 2025, it is consented to give the authority for transactions for the year 2025 according to article 395 and 396 of Turkish Commercial Code to the Members of the Board.

No transaction had been realized in this context.

**6. Personnel and Worker Movements and Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers**

30th Period Collective Labor Agreement, which will be valid between September 1, 2024 and August 31, 2026, has been signed on February 12, 2025 between Turkish Employers' Association of Metal Industries (MESS) on behalf of our company and Turkish Metal Union as the collective bargaining agency.

29th Period Collective Labor Agreement, which will be valid between 1 January 2025 and 31 December 2026 has been signed on 17 July 2025 between Özçelik-İş Union and İskenderun Demir ve Çelik A.Ş.

Vacations are paid annual leaves, accompaniment leaves for medical purposes, accompaniment leaves excused absences, unpaid leaves, and other paid leaves consisting marital leaves, bereavement leaves, pregnancy leaves, maternity leaves, nursing leaves, adoption leaves, part-time work leaves, transport leaves, be with your child leaves and leaves in case of a natural catastrophe.

Complementary health insurance for our hourly paid staff; individual annuity insurance, private health insurance and life insurance are provided to our monthly paid personnel.

Bereavement allowance, transportation and meal allowance, derived from the social benefits, are given to all employees; the rest is given only to blue-collar workers. Paid annual leaves, leaves of absence with excuse, marital leaves, bereavement leaves, maternity leaves, and pregnancy leave, accompaniment leaves, adoption leaves, part-time work leaves, transport leaves, unpaid leaves and nursing leaves can be taken by all employees; the rest is taken only by blue-collar workers.

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

	<b>30 June 2025 Personnel</b>	<b>31 December 2024 Personnel</b>
Hourly paid	8.409	8.407
Monthly paid	3.936	3.959
	<b>12.345</b>	<b>12.366</b>

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

**7. Compliance with the Corporate Governance Principles**

The "Corporate Governance Principles" published by the Capital Markets Board (CMB) which were declared in our Annual Activity Report for the year ending 2024 were met during the period 1 January 2025 – 30 June 2025.

**8. Amendments in the Articles of Association**

None.

**B - Financial Rights Given to Board Members and Executive Management****1. Total Amount of Financial Rights Like Attendance Fee, Wages, Bonus, Premium and Dividend Payments**

The relevant section of the minutes of the General Assembly dated March 26, 2025 is as follows:

In the 9th article of the agenda related to the Rate Setting of the Board Members', the proposal was read by the representative of ATAER Holding A.Ş. Feyza DEMETGÜL AKKOYUNLU, it was submitted to the General Assembly's approval and in accordance with the proposal;

It was decided by the majority of votes that; no wages will be paid to the Board members representing Group B shares, the monthly net wage that will be paid to the members representing Group A shares will be net TRY 40.000 (monthly, in cash), the wages of independent Board members will be net TRY 55.000 (monthly, in cash) and the new wages valid from the date of April 1, 2025.

Wages of the Executive Management is determined by the Board. Performance based additional payment is given to paid monthly personnel including Executive Management.

No payables were given, no loans were issued directly or through a third party and no indemnity was given (like sureties) to Board Members or Executive Management during the period.

No payment of performance was made to Board Members.

**2. Allowances Given, Travel, Housing and Representation Expenses and Real and Cash Advances, Insurance and Other Pledges**

A total of TRY 122.699 thousand is recorded as expense related to Company Board Members and Executive Management for the period 1 January – 30 June 2025.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1****C - Research and Development Activities**

The research and development activities of OYAK Mining Metallurgy are conducted by the Erdemir R&D Center, certified by the Republic of Türkiye Ministry of Industry and Technology in 2014. These activities focus on five main areas: raw materials and iron making, steel making and casting technologies, hot and cold rolled products and processes, and energy and environmental solutions.

Erdemir R&D Center has state-of-the-art laboratory facilities and pilot scale simulation systems. Center's main specialization areas are material characterization, thermomechanical simulation, metal forming, welding technologies, corrosion, fatigue, enameling, rheology, spectral analyze, inclusion analyze and X-Ray applications. On the other hand, experimental studies with main production route processes' simulators such as coking, agglomeration, sintering, melting, rolling, heat treatment and coating are realized in R&D Center.

**D - Activities and Important Developments Regarding the Activities****1. Investment Activities**

Operating within the modern plants and by modern production technology, OYAK Mining Metallurgy produces competitive products globally and continues its investments aligned with the continuous development strategy. In this scope:

**In Erdemir Plants:**

The 4th Coke Oven Battery Project has been commissioned and coke production has commenced. Commissioning work continues in some units of the By-Products Facilities. The Steelshop Charging Hall New Charging Cranes Investment Project has been put into operation.

Site works are ongoing in the Various Fire Detection and Extinguishing Systems Project, the Project of Slitting Line Transfer to ERSEM and the modernization of stoves within the scope of the 2nd Blast Furnace Renovation Investment. The second phase studies continue in the Surface Inspection Systems Project. Equipment manufacturing and shipment studies continue in the No.1 Galvanizing Line Level-1 Automation System Modernization Project. Engineering studies are ongoing in the Erdemir Domestic Waste Water Treatment Plant Modernization and the No.2 Hot Strip Mill Investment Projects.



**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

The commissioning work for the “Tundish Refractory Spraying Robot” within the scope of Erdemir Robotic Applications and Automation Projects are ongoing. Procurement activities are ongoing for other sub-projects within the scope. Engineering studies continue in the Erdemir Biomass Gasification Facility Project. Procurement activities continue for the Continuous Annealing Line (CAL) Drives System and Level 2 Automation Modernization Project.

**In İsdemir Plants:**

The No.1 New Blast Furnace, the Boiler No.3 Retubing and Burner Modification and the No.1 Blast Furnace Top Recovery Turbine (TRT) Projects have been commissioned.

Equipment procurement and site activities continue for the Port-1 New Grab Ship Unloader Cranes Project. Construction and mechanical work continue within the scope of the Second Phase of the Seawater Pumping Station Sustainability Investment. Equipment supplies and site activities are ongoing in The Port Capacity Increase Investment and the Repair, Renovation and Strengthening Projects of Port Facility Damaged by the Earthquake. Engineering studies continue in the scope of İsdemir Robotic Applications and Automation Project and İsdemir Biomass Gasification Facility Project. Site activities continue within the scope of the South Harbor Sea Reclamation Project.

Procurement activities continue for the new 1. and 2. turbo generator and the electricity generation from the steam produced in coke dry quenching projects.

As of 30 June 2025, the Group's total investment expenditures amount to USD 521 million (30 June 2024: USD 421 million)

**2. Internal Control System and Internal Auditing Activities**

Group Internal Audit Directorate conducts audit activities in order to evaluate and improve the effectiveness of risk management, control and governance processes of Group companies and reports directly to the Deputy Chairman and Executive Director. In accordance with the relevant regulation of the Capital Markets Board, the effectiveness of internal control system is evaluated by the Board of Directors at least once in a year. In this context, the Internal Audit Department regularly provides information to Audit Committee, consisting of Independent Members, in line with their requests regarding internal audit activities.

Besides periodic audit activities, continuous audits are performed with the Integrated Audit System. Critical controls, master data and transaction data in the SAP system are continuously evaluated by the automatic controls and business rules installed in the system.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

### 3. Direct and Indirect Subsidiaries

#### The Information about Affiliates Subject to Consolidation

The main scope of business and the participation in their shareholding of the affiliates subject to consolidation are as follows:

Name of the Company	Country of Operation	Operation	2025 Effective Share %	2024 Effective Share %
İskenderun Demir ve Çelik A.Ş.	Türkiye	Integrated Iron and Steel Manufacturing	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

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

**E - Financial Position**

**1. Consolidated Summary of Financial Statements**

Financial statements are prepared in accordance with the CMB's Communiqué Serial:II, 14.1 and have been reviewed as of June 30, 2025.

**Summary of Consolidated Financial Position**

	(Reviewed)	(Audited)
	Current Period	Previous Period
(Thousand TRY)	30 June 2025	31 December 2024
Current Assets	212.417.591	182.856.284
Non-current Assets	279.946.971	242.302.690
<b>Total Assets</b>	<b>492.364.562</b>	<b>425.158.974</b>
Current Liabilities	90.223.993	76.288.847
Non-current Liabilities	127.071.902	104.445.716
Shareholders' Equity	275.068.667	244.424.411
<b>Total Liabilities</b>	<b>492.364.562</b>	<b>425.158.974</b>

**Summary of Consolidated Profit or Loss**

	(Reviewed)	(Reviewed)
	Current Period	Previous Period
(Thousand TRY)	1 January - 30 June 2025	1 January - 30 June 2024
Revenue	94.957.592	100.218.054
Gross Profit	7.667.588	13.266.020
Operating Profit	3.736.716	13.367.693
Operating Profit Before Finance Income (Expenses)	4.328.608	13.668.562
Profit Before Tax	394.122	9.584.012
Net Profit (Loss) for the Period	1.815.944	10.389.242
Shareholder's share in the Profit (Loss) for the Period	1.732.944	9.986.795
EBITDA	8.121.394	13.937.166
Earnings Per Share (Loss)	24,76%	148,57%

The Entity prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors. In the regular meetings of the Board of Directors is reviewing the current position of the Entity and activities are compared with the previous period and budget targets.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

**2. Key Ratios**

(%)	1 January - 30 June 2025	1 January - 30 June 2024
Gross Profit Margin	8,1%	13,2%
Operating Profit Before Finance Income (Expenses) Margin	4,6%	13,6%
EBITDA Margin	8,6%	13,9%
Profit (Loss) Margin	1,9%	10,4%
Shareholder's Share in the Profit (Loss) Margin	1,8%	10,0%

**3. The Availability of Financial Sources and the Policies the Group Applies in This Framework**

Group has full access to all national and international financial sources with its market making power based on high trading volume in money markets. New funding alternatives according to changing market conditions are continuously analyzed and offers are evaluated. The debt policy of Group is developed based on the capability of cash generation and the strong equity structure. Hedging methods and amounts used against financial risks are developed based on a frame of systematic models. Within the risk tolerances, forward, futures, swap and options reflecting market conditions are implemented, if necessary.

**4. Dividend Distribution Policy**

Group's Dividend Distribution Policy is as follows:

As a principle, Company implements the policy of distributing all of its distributable profit in cash within the provision of forecasted free cash flow generation by considering financial leverage ratios, investment/financing needs and anticipation of the market under the scope of effective regulations and clauses of Company's Articles of Association. The dividend distribution policy is reviewed annually by the Board of Directors every year considering to national and global economic conditions, the projects on the company's agenda and the state of its funds.

Dividend is paid by fixed or variable installments in accordance with the legislation by giving authority to the Board of Directors at the General Assembly Meeting, where dividend distribution is decided, until 15 December of the relevant calendar year.

General Assembly is authorized for the "distribution of dividend advance" in accordance with relevant legislations.

At Annual General Assembly dated 26 March 2025, dividend distribution gross dividend per share: TRY 0,25 amounting to 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. The Group approved TRY 37.169 thousand dividend to non-controlling shares on Isdemir, which is subsidiary of the Group. Dividend distribution started on 2 July 2025.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

**5. Information About the Sector**

Global crude steel production in June this year decreased by 5,8 percent year on year to 151,4 million tonnes. In the first half of this year, global crude steel production went down by 2,2 percent year on year to 934,3 million tonnes.

In June, crude steel output in Asia amounted to 112,9 million tonnes, down 6,2 percent, with China's output at 83,2 million tonnes, down 9,2 percent, with 6,7 million tonnes produced by Japan, decreasing by 4,4 percent, 13,6 million tonnes produced by India, up by 13,3 percent, and 5 million tonnes produced by South Korea, moving down by 1,8 percent- with all comparisons on year-on-year basis.

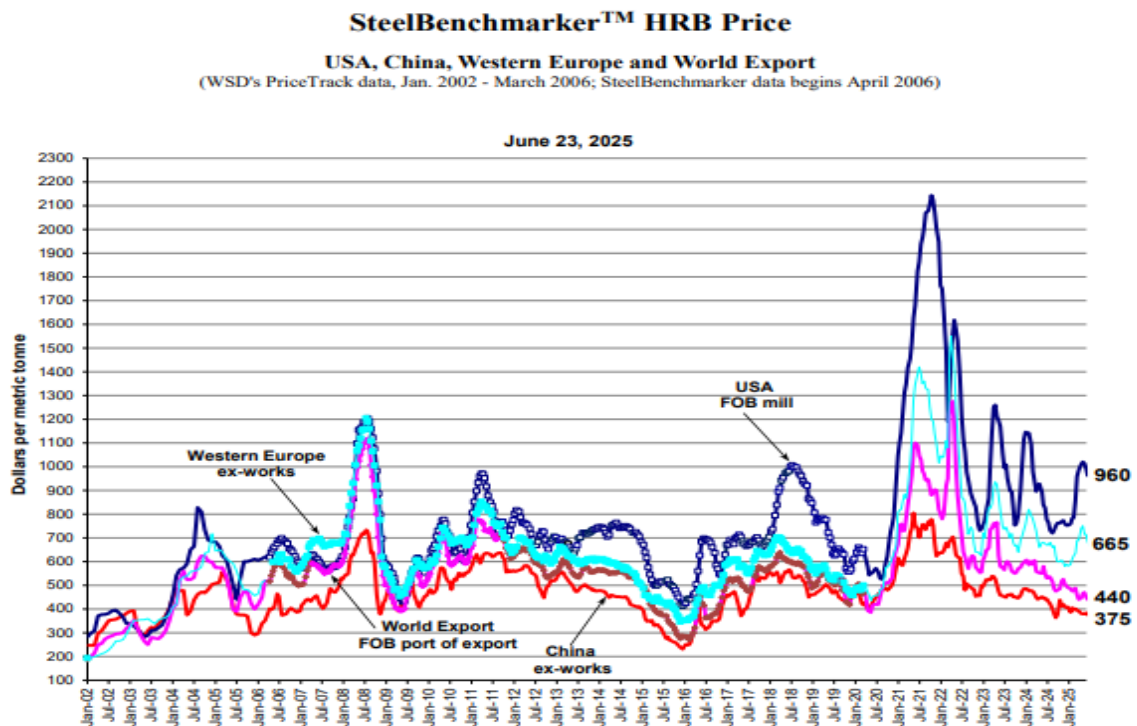
EU-27 countries produced 10,4 million tonnes of crude steel in June, down by 8,2 percent year on year. In the given period, Germany's output amounted to 2,7 million tonnes, down 15,9 percent year on year.

The CIS registered a crude steel output of 6,7 million tonnes, decreasing by 8,8 percent on year-on-year basis, with Russia's estimated output at 5,6 million tonnes, down 7,4 percent year on year.

In North America, in June, crude steel output totaled 8,7 million tonnes, up by 1,2 percent year on year, with the US producing 6,9 million tonnes, increasing by 4,6 percent, both year on year. Crude steel output in South America in June amounted to 3,5 million tonnes, up by 1,3 percent compared to the same month in the previous year, with Brazil's output totaling 2,8 million tonnes, decreasing by 0,5 percent year on year.

In the given month, Africa produced 1,7 million tonnes of crude steel, increasing by 3 percent year on year. In the Middle East, crude steel output totaled 4,3 million tonnes, moving down by 4,9 percent

Price changes of hot rolled products follows:



**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

Türkiye produced 2,9 million tonnes of crude steel in June, with a 3,5 percent decrease compared to the same month in the previous year. Türkiye's crude steel output by electric arc furnaces increased by 1,3% (2,1 million tonnes) and the production by integrated plants decreased by 14,7% (0,8 million tonnes) both year on year.

In the January-June period this year, Türkiye produced 18,3 million tonnes of crude steel, down by 1,7 percent year on year. Türkiye's crude steel output by electric arc furnaces increased by 3,3% (13,4 million tonnes) and the production by integrated plants decreased by 13% (4,9 million tonnes) both year on year.

## 6. The Position within the Sector

The Group produced 8,5 million tonnes of crude steel in 2024. In the first six months of 2025, the Group produced a total of 3,7 million tonnes of crude steel, with 1,0 million tonnes at the Ereğli Plant and 2,7 million tonnes at the İskenderun Plant.

## 7. Operational Developments

Türkiye's first and only integrated flat steel producer, Group, who carries out production, operation, maintenance and modernization activities within its all facilities. Manufacturing 20% of all crude steel production in Türkiye, Group again continued its operations in line with the principle of optimal costs, maximum productivity and quality of production in the first six months of 2025.

## 8. Production Plants and Productivity

The information about the capacities of main product groups by Group are stated below:

<b>Capacity used (%)</b>	<b>1 January - 30 June 2025</b>	<b>1 January - 30 June 2024</b>
Liquid Steel	78%	94%
Crude Steel	77%	93%

## 9. Products

The main products of the Group are as follows:

<b>Erdemir</b>	<b>İsdemir</b>	<b>Ermaden</b>	<b>Kümaş Manyezit</b>
Tinplate	Billet	Pellets	Refractor
Galvanized	Wire Rod	Iron Ore	Magnesite Ore
Cold Rolled	Slab		
Hot Rolled	Hot Rolled		
Plate			

## 10. Production (quantity)

<b>Final Products (000 Tonnes)</b>	<b>1 January - 30 June 2025</b>	<b>1 January - 30 June 2024</b>
Flat Products	3.270	3.583
Long Products	366	450
Pellet, Iron Ore and Magnesite	1.260	1.260

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

## 11. Developments Regarding Sales

The iron and steel industry are a delivering force in national economies and Türkiye is one of the leading countries in terms of both production and consumption of steel, ranking as the world's seven largest steel producer. As the world's seventh largest crude steel production of Türkiye in the first six months of 2025 is 18,3 million tonnes, which is lower 1,7% than the previous year.

Total flat product sales of the Group reached to the level of 3,3 million tonnes in the first six months of 2025. The domestic flat product sales reached 2,4 million tonnes. Total long product sales were 367 thousand tonnes and 344 thousand tonnes of long product sales were made domestically. The Group's total sales were 25% through exports.

## 12. Sales (quantity)

<b>Final Products (000 Tonnes)</b>	<b>1 January - 30 June 2025</b>	<b>1 January - 30 June 2024</b>
Flat Products	3.304	3.494
Long Products	367	441
Pellet,Iron and Magnesite Ore Products(*)	1.123	1.116

(\*) As of 30 June 2025, 993 thousand tonnes of pellet, iron and magnesite ore sales are made for Group Companies (30 June 2024: 1.035 thousand tonnes).

## F - Risks and Evaluation of the Board

### 1. Enterprise Risk Management

Enterprise Risk Management Procedure has been published with the purpose of ensuring systematic and comprehensive identification, evaluation, control and monitoring of risks and opportunities that may affect Company's assets, reputation, and profitability. The procedure includes guidance on support and positioning, risk identification, prioritization, improvement, reporting, monitoring/surveillance, and communication principles related to risks in order to manage company-wide risks to the highest standard.

In order to measure the risks incurred by the company and ensure conformity to the risk tolerance limits; risks are monitored and managed in accordance with regulations and guidelines developed for critical risks.

### 2. Committee of Early Risk Detection

The Early Detection of Risk Committee Regulation is included in the Corporate Governance Policies and Regulations tab under Corporate Governance section of Investor Relations title on the company's website.

The purpose of the Committee is to identify the risks that may threaten the existence, progress and continuation of the Company operations within the scope of the Early Detection of Risk Committee Regulation and legal legislation to implement the necessary measures related to the risks identified and to manage those risks.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: II, NO:14.1**

The meetings of the Committee are held bimonthly and in accordance with the regular meetings of the Board of Directors. After each meeting, a written report on the activities of the Committee is submitted to the Board of Directors with a summary of the minutes. Meeting minutes are kept by the secretariat.

**G - Other Information**

**1. Organizations Out of the Headquarters**

The Company has a branch in Kdz. Ereğli.

**2. Information for Shareholders**

None.