

**(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 SEPTEMBER 2025**

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2025

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

		(Unaudited) Current Period 30 September 2025 USD'000	(Unaudited) Current Period 30 September 2025 TRY'000	(Audited) Previous Period 31 December 2024 USD'000	(Audited) Previous Period 31 December 2024 TRY'000
ASSETS	Note				
CURRENT ASSETS		5.537.547	229.845.844	5.182.957	182.856.284
Cash and Cash Equivalents		2.353.977	97.706.053	1.566.313	55.259.993
Financial Investments		-	-	44.960	1.586.209
Trade Receivables		640.404	26.581.146	750.105	26.463.914
<i>Due From Related Parties</i>	3	16.687	692.643	17.116	603.847
<i>Other Trade Receivables from Third Parties</i>		623.717	25.888.503	732.989	25.860.067
Other Receivables		6.448	267.627	5.546	195.675
<i>Due From Related Parties</i>	3	616	25.566	532	18.767
<i>Other Receivables from Third Parties</i>		5.832	242.061	5.014	176.908
Financial Derivative Instruments		981	40.713	7.061	249.118
Inventories	4	2.111.753	87.652.119	2.232.475	78.762.398
Prepaid Expenses		59.626	2.474.911	88.128	3.109.169
<i>Prepaid Expenses to Related Parties</i>	3	376	15.626	706	24.900
<i>Other Prepaid Expenses to Third Parties</i>		59.250	2.459.285	87.422	3.084.269
Other Current Assets		364.358	15.123.275	488.369	17.229.808
NON CURRENT ASSETS		7.078.372	293.800.584	6.867.932	242.302.690
Financial Investments		4.332	179.802	5.048	178.085
Other Receivables		4.226	175.409	3.748	132.211
<i>Due From Related Parties</i>	3	3.949	163.918	3.430	121.006
<i>Other Receivables from Third Parties</i>		277	11.491	318	11.205
Investments Accounted for Using Equity Method	5	33.703	1.398.891	36.283	1.280.062
Investment Properties		32.577	1.352.181	166.318	5.867.749
Property, Plant and Equipment	6	6.349.036	263.528.176	5.864.827	206.912.853
Right of Use Assets		34.160	1.417.857	27.302	963.217
Intangible Assets		257.664	10.694.809	264.823	9.343.042
<i>Goodwill</i>		18.781	779.550	18.781	662.608
<i>Other Intangible Assets</i>	6	238.883	9.915.259	246.042	8.680.434
Prepaid Expenses		307.703	12.771.786	456.080	16.090.669
<i>Prepaid Expenses to Related Parties</i>	3	1.306	54.210	5.015	176.923
<i>Other Prepaid Expenses to Third Parties</i>		306.397	12.717.576	451.065	15.913.746
Deferred Tax Assets	11	8.490	352.410	7.248	255.704
Other Non Current Assets		46.481	1.929.263	36.255	1.279.098
TOTAL ASSETS		12.615.919	523.646.428	12.050.889	425.158.974

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 SEPTEMBER 2025

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

		(Unaudited) Current Period 30 September 2025 USD'000	(Unaudited) Current Period 30 September 2025 TRY'000	(Audited) Previous Period 31 December 2024 USD'000	(Audited) Previous Period 31 December 2024 TRY'000
LIABILITIES	Note				
CURRENT LIABILITIES		2.464.654	102.484.256	2.158.479	76.288.847
Short Term Borrowings	7	502.633	20.900.273	743.215	26.268.031
Short Term Portion of Long Term Borrowings	7	338.702	14.083.772	295.470	10.443.033
Trade Payables		1.439.655	59.863.121	849.469	30.023.470
<i>Due to Related Parties</i>	3	179.165	7.449.950	51.989	1.837.483
<i>Other Trade Payables to Third Parties</i>		1.260.490	52.413.171	797.480	28.185.987
Payables for Employee Benefits	9	55.798	2.320.157	139.388	4.926.492
Other Payables		10.430	433.694	27.964	988.348
Financial Derivative Instruments		11.164	464.213	-	-
Deferred Revenue		40.639	1.689.846	32.855	1.161.228
Current Tax Liabilities	11	11.035	458.836	8.987	317.625
Short Term Provisions	8	31.107	1.293.496	30.770	1.087.544
Other Current Liabilities		23.491	976.848	30.361	1.073.076
NON CURRENT LIABILITIES		3.181.630	132.297.270	2.955.135	104.445.716
Long Term Borrowings	7	2.689.066	111.815.683	2.392.984	84.577.132
Long Term Provisions		176.494	7.338.888	174.610	6.171.382
<i>Long term provisions for employee benefits</i>	9	176.494	7.338.888	174.610	6.171.382
Deferred Tax Liabilities	11	315.508	13.119.319	386.901	13.674.548
Other Non Current Liabilities		562	23.380	640	22.654
EQUITY		6.969.635	288.864.902	6.937.275	244.424.411
Equity Attributable to Equity Holders of the Parent		6.745.953	279.759.808	6.721.145	236.947.401
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 Reclassified to Profit (Loss)		(208.985)	113.912.514	(199.521)	95.552.077
<i>Actuarial (Loss) Gain funds</i>		(193.300)	(3.338.722)	(183.836)	(2.961.205)
<i>Foreign Currency Translation Reserves</i>		(15.685)	117.251.236	(15.685)	98.513.282
Other Comprehensive Income (Expense) to be Reclassified to Profit (Loss)		(301.725)	(12.546.174)	(275.142)	(9.724.549)
<i>Foreign Currency Translation Reserves</i>		(296.853)	(12.343.602)	(276.487)	(9.772.072)
<i>Cash Flow Hedging Gain (Loss)</i>		(4.872)	(202.572)	1.345	47.523
Restricted Reserves Assorted from Profit		1.518.492	11.749.291	1.499.365	10.973.470
Retained Earnings		3.811.029	158.468.651	3.419.939	120.873.630
Net Profit (Loss) for the Period		61.903	2.384.101	411.265	13.481.348
Non-Controlling Interests		223.682	9.105.094	216.130	7.477.010
TOTAL LIABILITIES AND EQUITY		12.615.919	523.646.428	12.050.889	425.158.974

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025

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

		(Unaudited) Current Period 1 January - 30 September 2025	(Unaudited) Current Period 1 January - 30 September 2025	(Unaudited) Current Period 1 July- 30 September 2025	(Unaudited) Previous Period 1 January - 30 September 2024	(Unaudited) Previous Period 1 January - 30 September 2024	(Unaudited) Previous Period 1 July- 30 September 2024
	Note	USD'000	TRY'000	TRY'000	USD'000	TRY'000	TRY'000
Revenue	13	3.840.617	147.915.207	52.957.615	4.623.723	148.946.763	48.728.709
Cost of Sales	13	(3.533.237)	(136.076.956)	(48.786.952)	(4.077.530)	(131.351.920)	(44.399.886)
GROSS PROFIT		307.380	11.838.251	4.170.663	546.193	17.594.843	4.328.823
Marketing Expenses	14	(49.173)	(1.893.830)	(682.773)	(45.539)	(1.466.965)	(528.716)
General Administrative Expenses	14	(120.360)	(4.635.488)	(1.626.840)	(117.142)	(3.773.580)	(1.381.368)
Research and Development Expenses		(6.809)	(262.226)	(93.711)	(6.808)	(219.326)	(77.618)
Other Operating Income	14	55.051	2.120.167	827.824	136.649	4.401.971	411.677
Other Operating Expenses	14	(32.256)	(1.242.287)	(407.292)	(21.215)	(683.413)	(266.961)
OPERATING PROFIT		153.833	5.924.587	2.187.871	492.138	15.853.530	2.485.837
Income from Investing Activities		17.805	685.741	39.855	9.572	308.345	72.675
Expenses from Investing Activities		(2.918)	(112.366)	(19.351)	(2.245)	(72.316)	(28.778)
Share of Investments' Profit (Loss) Accounted by Using The Equity Method	5	2.080	80.098	41.077	4.957	159.686	50.949
OPERATING PROFIT BEFORE FINANCE INCOME (EXPENSES)		170.800	6.578.060	2.249.452	504.422	16.249.245	2.580.683
Finance Income	15	122.011	4.699.056	1.199.555	102.724	3.309.099	1.620.297
Finance Expense	15	(298.705)	(11.504.122)	(3.634.803)	(286.162)	(9.218.307)	(3.665.289)
Monetary Gain/(Loss)	16	17.878	688.535	253.203	(11.999)	(386.516)	(166.182)
PROFIT BEFORE TAX		11.984	461.529	67.407	308.985	9.953.521	369.509
Tax (Expense) Income	11	53.351	2.054.762	632.940	41.207	1.327.398	522.168
Current Corporate Tax (Expense) Income		(14.319)	(551.455)	(262.763)	(87.842)	(2.829.720)	(410.987)
Deferred Tax (Expense) Income		67.670	2.606.217	895.703	129.049	4.157.118	933.155
NET PROFIT (LOSS) FOR THE PERIOD		65.335	2.516.291	700.347	350.192	11.280.919	891.677
Non-Controlling Interests		3.432	132.190	49.190	15.319	493.449	91.002
Equity Holders of the Parent		61.903	2.384.101	651.157	334.873	10.787.470	800.675
EARNINGS PER SHARE (LOSS)			0.3406	0.0930		1.6048	0.1144
(TRY 1 Nominal value per share)							

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

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(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025

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

		(Unaudited) Current Period 1 January - 30 September 2025 USD'000	(Unaudited) Current Period 1 January - 30 September 2025 TRY'000	(Unaudited) Current Period 1 July- 30 September 2025 TRY'000	(Unaudited) Previous Period 1 January - 30 September 2024 USD'000	(Unaudited) Previous Period 1 January - 30 September 2024 TRY'000	(Unaudited) Previous Period 1 July- 30 September 2024 TRY'000
	Note						
PROFIT (LOSS) FOR THE PERIOD		65.335	2.516.291	700.347	350.192	11.280.919	891.677
OTHER COMPREHENSIVE INCOME (LOSS)							
Not to be reclassified subsequently to profit or loss							
Actuarial Gain (Loss) of Defined Benefit Plans	9	(12.915)	(515.280)	(15.502)	(19.902)	(655.094)	(15.675)
Tax Effect of Actuarial Gain (Loss) of Defined Benefit Plans	11	3.229	128.820	3.876	4.976	163.773	3.919
Foreign Currency Translation Gain (Loss)		-	44.884.021	12.727.605	-	32.415.833	8.959.514
To be reclassified subsequently to profit or loss							
Gain (Loss) in Cash Flow Hedging Reserves		(8.231)	(333.871)	278.434	1.385	32.844	(158.344)
Tax Effect of Gain (Loss) in Cash Flow Hedging Reserves	11	2.058	83.468	(69.608)	(349)	(8.211)	39.586
Foreign Currency Translation Gain (Loss)		(19.845)	(2.571.530)	(504.700)	2.118	(1.402.008)	(326.934)
OTHER COMPREHENSIVE INCOME (EXPENSE)		(35.704)	41.675.628	12.420.105	(11.772)	30.547.137	8.502.066
TOTAL COMPREHENSIVE INCOME (EXPENSE)		29.631	44.191.919	13.120.452	338.420	41.828.056	9.393.743
Distribution of Total Comprehensive Income							
Non-controlling Interests		3.774	1.467.368	450.532	18.964	1.488.052	378.353
Equity Holders of the Parent		25.857	42.724.551	12.669.920	319.456	40.340.004	9.015.390

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

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(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025

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

(Unaudited)	Note	Share Capital	Inflation Adjustment to Capital	Treasury Shares (-)	Share Issue Premium (Discounts)	Other comprehensive income (expense) not to be reclassified subsequently to profit or loss		Other comprehensive income (expense) to be reclassified subsequently to profit or loss		Restricted Reserves Assorted from Profit	Retained Earnings		Equity Attributable to the Parent	Non-controlling Interests	Total Shareholders' Equity
						Foreign Currency Translation Reserves	Actuarial Gain (Loss) Funds	Cash Flow Hedging Gain (Loss)	Foreign Currency Translation Reserves		Retained Earnings	Net Profit For The Period			
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	-	-	-	-	-	-	-	-	536.553	1.231.772	-	1.768.325	197.885	1.966.210
Net profit for the period		-	-	-	-	-	-	-	-	-	-	2.384.101	2.384.101	132.190	2.516.291
Other comprehensive income (loss)		-	-	-	-	43.539.592	(377.517)	(250.095)	(2.571.530)	-	-	-	40.340.450	1.335.178	41.675.628
Total comprehensive income (loss)		-	-	-	-	43.539.592	(377.517)	(250.095)	(2.571.530)	-	-	2.384.101	42.724.551	1.467.368	44.191.919
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 changes (****)	2.1	-	-	-	-	(24.801.638)	-	-	-	-	24.801.638	-	-	-	-
30 September 2025		7.000.000	-	(1.315.022)	106.447	117.251.236	(3.338.722)	(202.572)	(12.343.602)	11.749.291	158.468.651	2.384.101	279.759.808	9.105.094	288.864.902
(Unaudited)															
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	-	-	-	-	-	-	-	-	522.452	1.329.445	-	1.851.897	196.876	2.048.773
Net profit for the period		-	-	-	-	-	-	-	-	-	-	10.787.470	10.787.470	493.449	11.280.919
Other comprehensive income (loss)		-	-	-	-	31.409.567	(479.342)	24.317	(1.402.008)	-	-	-	29.552.534	994.603	30.547.137
Total comprehensive income (loss)		-	-	-	-	31.409.567	(479.342)	24.317	(1.402.008)	-	-	10.787.470	40.340.004	1.488.052	41.828.056
Dividends (*)		-	-	-	-	-	-	-	-	-	(1.680.469)	-	(1.680.469)	(74.337)	(1.754.806)
Increase (Decrease) through Treasury 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 changes (****)	2.1	-	-	-	-	(17.179.389)	-	-	-	-	17.179.389	-	-	-	-
30 September 2024		3.500.000	156.613	(1.315.022)	106.447	97.194.176	(2.934.863)	(42.719)	(9.818.235)	10.849.099	117.545.438	10.787.470	226.028.404	6.947.983	232.976.387

(*) 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 September 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025

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

		(Unaudited) Current Period 1 January - 30 September 2025	(Unaudited) Current Period 1 January - 30 September 2025	(Unaudited) Previous Period 1 January - 30 September 2024	(Unaudited) Previous Period 1 January - 30 September 2024
	Note	USD'000	TRY'000	USD'000	TRY'000
CASH FLOWS FROM OPERATING ACTIVITIES		1.170.461	47.211.505	412.142	12.741.710
Profit (Loss) for The Period		65.335	2.516.291	350.192	11.280.919
Adjustments to Reconcile Profit (Loss)		242.385	9.141.124	193.916	6.225.967
Adjustments for Depreciation and Amortisation Expenses	6/13/14	206.455	7.951.219	196.063	6.315.906
Adjustments for Impairment Loss (Reversal of Impairment Loss)		(11.181)	(430.629)	(1.970)	(63.465)
Adjustments for Provision (Reversal of Provision) for Receivables		882	33.953	(71)	(2.277)
Adjustments for Provision (Reversal of Provision) for Inventories	4	(9.739)	(375.086)	(1.899)	(61.188)
Adjustments for Provision (Reversal of Provision) for Property, Plant and Equipment	6	(2.324)	(89.496)	-	-
Adjustments for Provisions		50.464	1.943.558	53.334	1.718.082
Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits	9	35.353	1.361.559	40.147	1.293.295
Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits	8	15.111	581.999	13.187	424.787
Adjustments for Interest (Income) and Expenses		71.734	2.762.753	119.179	3.839.220
Adjustments for Interest Income	15	(121.526)	(4.680.378)	(102.338)	(3.296.651)
Adjustments for Interest Expense	15	204.659	7.882.131	237.377	7.646.787
Unearned Financial Income from Credit Sales		(11.399)	(439.000)	(15.860)	(510.916)
Adjustments for Unrealised Foreign Exchange Differences		(6.883)	(260.432)	(25.493)	(824.501)
Adjustments for Fair Value (Gains) Losses		13.385	515.513	4.272	137.615
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	15	13.385	515.513	4.272	137.615
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	(2.080)	(80.098)	(4.957)	(159.686)
Adjustments for Tax (Income) Expenses	11	(53.351)	(2.054.762)	(41.207)	(1.327.398)
Other Adjustments from Non-Cash Items	14	-	-	(105.000)	(3.382.428)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(10.747)	(413.887)	(20)	(636)
Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment		1.506	58.035	(20)	(636)
Adjustments for Losses (Gains) on Disposal of Investment Properties		(12.253)	(471.922)	-	-
Other Adjustments for Reconciliation of Profit (Loss)		(15.411)	(792.111)	(285)	(26.742)
Changes in Working Capital		834.786	34.684.996	(203.973)	(6.964.961)
Adjustments for Decrease (Increase) in Trade Receivables		125.627	5.214.374	17.489	596.742
Decrease (Increase) in Trade Receivables from Related Parties		429	17.806	6.074	207.251
Decrease (Increase) in Trade Receivables from Third Parties		125.198	5.196.568	11.415	389.491
Adjustments for Decrease (Increase) in Other Receivables Related from Operations		(777)	(32.251)	(211)	(7.199)
Decrease (Increase) in Other Receivables from Operations from Third Parties		(777)	(32.251)	(211)	(7.199)
Decrease (Increase) in Derivative Financial Instruments		6.080	252.361	(226)	(7.711)
Adjustments for Decrease (Increase) in Inventories		142.382	5.909.821	(235.561)	(8.037.577)
Decrease (Increase) in Prepaid Expenses		37.556	1.558.830	19.730	673.207
Adjustments for Increase (Decrease) in Trade Payables		590.186	24.540.879	(98.065)	(3.352.107)
Increase (Decrease) in Trade Payable to Related Parties		127.176	5.288.182	5.596	191.285
Increase (Decrease) in Trade Payable to Third Parties		463.010	19.252.697	(103.661)	(3.543.392)
Adjustments for Increase (Decrease) in Other Payables Related from Operations		(103.248)	(4.293.217)	20.764	709.765
Increase (Decrease) in Other Payables to Third Parties Related from Operations		(103.248)	(4.293.217)	20.764	709.765
Increase (Decrease) in Derivative Liabilities		(10.504)	(436.773)	(2.929)	(100.120)
Adjustments for Other Increase (Decrease) in Working Capital		47.484	1.970.972	75.036	2.560.039
Decrease (Increase) in Other Assets Related from Operations		46.648	1.936.209	79.315	2.706.306
Increase (Decrease) in Other Payables Related from Operations		836	34.763	(4.279)	(146.267)
Cash Flows Provided by Operating Activities		1.142.506	46.342.411	340.135	10.541.925
Payments Related to Provisions for Employee Termination Benefits	9	(17.669)	(680.495)	(27.055)	(871.555)
Payments Related to Other Provisions	8	(6.714)	(258.567)	(5.752)	(185.294)
Income Taxes Refund (Paid)	11	(11.862)	(456.839)	(23.686)	(794.178)
Other Cash Inflows (Outflows)		64.200	2.264.995	128.500	4.050.812
CASH FLOWS FROM INVESTING ACTIVITIES		(286.796)	(11.030.850)	(842.940)	(27.154.146)
Cash Inflows Arising From Purchase of Third Parties' Debt Instruments or Funds		87.572	3.474.617	5.380	173.307
Cash Outflows Arising From Purchase of Third Parties' Debt Instruments or Funds		(42.280)	(1.628.345)	(103.949)	(3.348.566)
Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets		130	5.001	1.370	44.110
Cash Inflow from Sales of Property, Plant and Equipment		130	5.001	1.370	44.110
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets		(286.053)	(10.977.582)	(680.384)	(21.917.621)
Cash Outflow from Purchase of Property, Plant and Equipment		(283.353)	(10.873.586)	(679.819)	(21.899.417)
Cash Outflow from Purchase of Intangible Assets		(2.700)	(103.996)	(565)	(18.204)
Cash Inflow from Sales of Investment Property		147.913	5.600.000	-	-
Cash Advances	3	(198.496)	(7.684.839)	(89.823)	(2.893.522)
Other Cash Advances to Related Parties		-	-	(1.767)	(89.390)
Other Cash Advances		(198.496)	(7.684.839)	(88.056)	(2.804.132)
Dividends Received	5	4.418	180.298	-	-
Other Cash Inflow (Outflows)		-	-	24.466	788.146
CASH FLOWS FROM FINANCING ACTIVITIES		(76.475)	(3.015.912)	1.010.579	32.544.830
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		932.983	35.932.333	2,654.283	85,504.008
Cash Inflow from Loans		932.983	35.932.333	1,704.283	54,180.293
Cash Inflow from Issued Debt Instruments		-	-	950.000	31,323.715
Cash Outflow from Repayments of Borrowings		(798.918)	(30,769.058)	(1,457.671)	(46,956.838)
Cash Outflow from Loan Repayments		(798.918)	(30,769.058)	(1,457.671)	(46,956.838)
Cash Outflow from Debt Payments for Leasing Contracts		(9.702)	(373.670)	(4.505)	(145.127)
Dividends Paid		(43.185)	(1,717.466)	(54.159)	(1,754.519)
Interest Paid		(266.303)	(10,256.222)	(197.145)	(6,350.736)
Interest Received		108.650	4,168.171	91.164	2,922.560
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		807.190	33.164.743	579.781	18.132.394
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(20.833)	9,214.677	(1,072)	5,439.493
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		786.357	42,379.420	578.709	23,571.887
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,564.322	55,189.748	816.975	24,050.259
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,350.679	97,569.168	1,395.684	47,622.146

- As of reporting date, the Group's total amount of time deposit interest accrual is TRY 136.885 thousand (USD 3.298 thousand) (30 September 2024: TRY 215.523 thousand (USD 6.317 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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).

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 Personnel	Paid Monthly Personnel	30 September 2025 Personnel
Ereğli Demir ve Çelik Fab. T.A.Ş.	3.927	1.786	5.713
İskenderun Demir ve Çelik A.Ş.	3.404	1.361	4.765
Erdemir Madencilik San. ve Tic. A.Ş.	167	166	333
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	229	80	309
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	-	310	310
Erdemir Romania S.R.L.	186	40	226
Erdemir Asia Pacific Private Limited	-	1	1
Kümaş Manyezit Sanayi A.Ş.	555	135	690
Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş.	14	3	17
Erdemir Enerji Üretim A.Ş.	-	5	5
	8.482	3.887	12.369
	Paid Hourly Personnel	Paid Monthly Personnel	31 December 2024 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 September 2025 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying exchange rates which is TRY 41,5068 = US \$ 1 and TRY 48,7512 = EUR 1 and the liabilities has been translated from into TRY using the Central Bank of Türkiye's exchange selling rate which is TRY 41,5816 = US \$ 1 and TRY 48,8390 = 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 nine months period ended 30 September 2025, condensed consolidated statements of profit or loss are translated from average TRY 38,5134 = US \$ 1 and TRY 43,1478 = EUR 1 rates of 2025 January – September period (30 September 2024: TRY 32,2136 = US \$ 1 and 35,0223 = 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 September 2025 are presented by being translated at the TRY 41,5816 = US \$ 1 rate, which is the effective foreign currency selling rate as of 30 September 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 September 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 September 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 20 October 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 Reported) 30 September 2024	(Restated) 30 September 2024	(Change) 30 September 2024
Other Comprehensive Income (Expenses) Not to be Reclassified to Profit (Loss)			
Increase (Decrease) in Revaluation Reserve of Tangible Assets	71.778	-	(71.778)
Foreign Currency Translation Reserves	18.996.278	32.415.833	13.419.555
Other Comprehensive Income (Expenses) to be Reclassified to Profit (Loss)			
Foreign Currency Translation Reserves	11.945.769	(1.402.008)	(13.347.777)
			-

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 September 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.

2.3 Adoption of New and Revised Turkish Financial Reporting Standards

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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 (cont’d)

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
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 18	:The New Standard for Presentation and Disclosure Financial Statements
TFRS 19	:Subsidiaries without Public Accountability:Disclosures
Annual Improvements to TFRS Accounting Standards – Volume 11	

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.

Amendments to TFRS 9 and TFRS 7 :Classification and measurement of financial instruments

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

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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)

Amendments to TFRS 9 and TFRS 7 :Classification and measurement of financial inst’s (cont’d)

It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

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

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

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.

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

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

Annual Improvements to TFRSs – Volume 11

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

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.
- TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.
- TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price'.
- TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between TFRS 10 paragraphs.
- TAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of 'cost method'.

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 nine months period ended 30 September 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 nine months period ended 30 September 2025, are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2024.

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

2.4 Summary of Significant Accounting Policies (cont’d)

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 September 2025, from the interests reported as of 31 December 2024.

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 September 2025	31 December 2024
<u>Due from related parties (short term)</u>		
OYAK Renault Otomobil Fab. A.Ş. ⁽²⁾	559.521	401.046
Likitgaz Dağıtım ve Endüstri A.Ş. ⁽¹⁾	-	1.570
Miilux Poland Sp. Z.o.o. ⁽¹⁾	-	19.092
İsdemir Linde Gaz Ortaklığı A.Ş. ⁽³⁾	45.773	30.207
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş. ⁽¹⁾	74.446	147.976
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. ⁽¹⁾	9.261	-
Other	3.642	3.956
	<u>692.643</u>	<u>603.847</u>

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

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

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NOTE 3 – RELATED PARTY DISCLOSURES (cont’d)

	30 September 2025	31 December 2024
<u>Other receivables from related parties (short term)</u>		
OYAK NYK RO-RO Liman İşletmeleri A.Ş. ⁽¹⁾	25.566	18.767
	<u>25.566</u>	<u>18.767</u>
<u>Other receivables from related parties (long term)</u>		
OYAK NYK RO-RO Liman İşletmeleri A.Ş. ⁽¹⁾	163.918	121.006
	<u>163.918</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.

	30 September 2025	31 December 2024
<u>Prepaid expenses to related parties(short term)</u>		
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. ⁽¹⁾	15.406	23.661
OYAK Çimento Fabrikaları A.Ş. ⁽²⁾	220	1.207
Other	-	32
	<u>15.626</u>	<u>24.900</u>
<u>Prepaid expenses to related parties (long term)</u>		
OYAK İnşaat A.Ş. ⁽¹⁾	-	129.031
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽¹⁾	54.210	47.892
	<u>54.210</u>	<u>176.923</u>

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

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

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NOTE 3 – RELATED PARTY DISCLOSURES (cont’d)

	30 September 2025	31 December 2024
<u>Due to related parties (short term)</u>		
Amsterdam Scrap Terminal B.V. ⁽¹⁾	3.100.909	-
OYAK Yenilenebilir Enerji A.Ş. ⁽¹⁾	5.873	179.674
Omsan Lojistik A.Ş. ⁽¹⁾	1.576.362	483.109
Ordu Yardımlaşma Kurumu ⁽⁴⁾	414.842	518.028
OYAK Pazarlama Hizmet ve Turizm A.Ş. ⁽¹⁾	975.170	245.338
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽¹⁾	327.552	80.644
Omsan Logistica SRL ⁽¹⁾	28.404	9.927
OYAK Denizcilik ve Liman İşletmeleri A.Ş. ⁽¹⁾	459.423	85.697
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. ⁽¹⁾	25.361	22.099
OYAK İnşaat A.Ş. ⁽¹⁾	298.695	57.129
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. ⁽¹⁾	372	4.091
Doco Petrol ve Danışmanlık A.Ş. ⁽¹⁾	95.810	20.686
OYAK Çimento Fabrikaları A.Ş. ⁽²⁾	19.009	13.767
Other	122.168	117.294
	<u>7.449.950</u>	<u>1.837.483</u>

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

	1 January - 30 September 2025	1 January - 30 September 2024
<u>Major sales to related parties</u>		
Ordu Yardımlaşma Kurumu ⁽⁴⁾	5.690.670	-
OYAK Renault Otomobil Fab. A.Ş. ⁽²⁾	2.036.632	1.537.717
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽¹⁾	232	178
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. ⁽¹⁾	2.535	9.775
OYAK Çimento Fabrikaları A.Ş. ⁽²⁾	18.567	215.556
Likitzgaz Dağıtım ve Endüstri A.Ş. ⁽¹⁾	18.609	42.527
OYAK Denizcilik ve Liman İşletmeleri A.Ş. ⁽¹⁾	12.693	9.335
İskenderun Enerji Üretim ve Ticaret A.Ş. ⁽¹⁾	3.817.791	4.164.267
Milux Yüksek Mukavemetli Çelik Üretim A.Ş. ⁽¹⁾	316.489	335.873
İsdemir Linde Gaz Ortaklığı A.Ş. ⁽³⁾	336.418	315.671
Other	56.794	114.615
	<u>12.307.430</u>	<u>6.745.514</u>

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

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

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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 471.922 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.

Major purchases from related parties	1 January - 30 September 2025	1 January - 30 September 2024
Amsterdam Scrap Terminal B.V. ⁽¹⁾	4.026.499	-
Omsan Denizcilik A.Ş. ⁽¹⁾	558.778	529.236
OYAK Pazarlama Hizmet ve Turizm A.Ş. ⁽¹⁾	1.817.403	1.218.663
Omsan Lojistik A.Ş. ⁽¹⁾	3.521.781	3.134.053
OYAK Savunma ve Güvenlik Sistemleri A.Ş. ⁽¹⁾	708.932	811.641
Omsan Logistica SRL ⁽¹⁾	144.934	160.354
OYAK Denizcilik ve Liman İşletmeleri A.Ş. ⁽¹⁾	830.288	751.750
Doco Petrol ve Danışmanlık A.Ş. ⁽¹⁾	170.822	164.138
İsdemir Linde Gaz Ortaklığı A.Ş. ⁽³⁾	585.979	529.951
OYAK Çimento Fabrikaları A.Ş. ⁽²⁾	197.984	324.994
OYAK İnşaat A.Ş. ⁽¹⁾	764.845	569.473
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. ⁽¹⁾	444.595	510.571
Güzel Enerji Akaryakıt A.Ş. ⁽¹⁾	17.036	23.597
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. ⁽¹⁾	8.627	10.280
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. ⁽¹⁾	34.974	12.920
OYAK Yenilenebilir Enerji A.Ş. ⁽¹⁾	159.555	2.096.013
Other	532.380	291.500
	<u>14.525.412</u>	<u>11.139.134</u>

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

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

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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 nine months period ended 30 September 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 nine months period ended 30 September 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 212.555 thousand (30 September 2024: TRY 158.060 thousand).

NOTE 4 – INVENTORIES

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

	30 September 2025	31 December 2024
Raw materials	23.048.181	20.511.938
Work in progress	17.801.719	15.716.887
Finished goods	14.339.151	13.830.828
Spare parts	17.098.652	13.719.314
Goods in transit	10.418.364	11.025.208
Other inventories	7.949.044	6.853.416
Allowance for impairment on inventories (-)	(3.002.992)	(2.895.193)
	<u>87.652.119</u>	<u>78.762.398</u>

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

	1 January - 30 September 2025	1 January - 30 September 2024
Opening balance	2.895.193	2.234.866
Provision for the period	217.749	728
Provision released (-)	(592.835)	(61.916)
Translation difference	482.885	351.689
Closing balance	<u>3.002.992</u>	<u>2.525.367</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.

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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 vote ratio	30 September 2025	Right to vote ratio	31 December 2024	Business segment
	%		%		
<i>Joint Venture</i>					Industrial Gas
İsdemir Linde Gaz Ortaklığı A.Ş.	50	1.398.891	50	1.280.062	Production and Sale

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

	1 January - 30 September 2025	1 January - 30 September 2024
Opening balance	1.280.062	884.293
Net profit (loss)	80.098	159.686
Dividend	(180.298)	-
Translation difference	219.029	150.121
Closing balance	1.398.891	1.194.100

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

	30 September 2025	31 December 2024
Total assets	2.998.957	2.869.854
Total liabilities	201.176	309.731
Net assets	2.797.781	2.560.123
Group's share on net assets	1.398.891	1.280.062

	30 September 2025	31 December 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 80.101 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 (141.876) thousand of additional investment deduction (its effect in the profit or loss statement of Group is TRY (70.938) 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. The dividend payment was completed on 19 August 2025.

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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 – 30 September 2025	1 January – 30 September 2024
Revenue	650.736	611.374
Operating profit	159.178	182.149
Net profit (loss) for the period	160.195	319.372
Group's share on net profit (loss)	80.098	159.686

NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

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

	30 September 2025	30 September 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	2.737.435	2.059.261
Additions (*)	25.371.663	22.524.459
Disposals (-)	(61.699)	(43.474)
Cost of disposals	(284.514)	(544.795)
Accumulated depreciation of disposals	222.815	501.321
Transfers to intangible assets	(29.459)	(64.116)
Currency translation difference	36.211.276	23.420.733
Cost currency translation difference	76.603.107	52.487.686
Accumulated depreciation currency translation difference	(40.391.831)	(29.066.953)
Current period depreciation (-)	(7.703.389)	(6.051.721)
Impairment (-)	89.496	-
Net book value at the end of the period	263.528.176	189.260.279
<u>Closing balance end of period</u>		
Cost	545.632.885	412.528.602
Accumulated depreciation	(282.104.709)	(223.268.323)
Net book value	263.528.176	189.260.279

(*) The amount of capitalized borrowing cost is TRY 1.157.340 thousand for the current period (30 September 2024: TRY 625.042 thousand).

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

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

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

	30 September 2025	30 September 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	3.583	5.765
Additions	103.996	18.204
Disposals (-)	(1.337)	-
<i>Cost disposals</i>	(1.860)	(75)
<i>Accumulated depreciation disposals</i>	523	75
Transfers from tangible assets	29.459	64.116
Currency translation difference	1.507.917	1.184.136
<i>Cost currency translation difference</i>	2.502.255	1.859.073
<i>Accumulated depreciation currency translation difference</i>	(994.338)	(674.937)
Current period amortisation (-)	(408.793)	(329.829)
Net book value at the end of the period	9.915.259	8.495.678
<u>Closing balance end of period</u>		
Cost	16.786.791	13.647.309
Accumulated amortisation	(6.871.532)	(5.151.631)
Net book value	9.915.259	8.495.678

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

The distribution of total depreciation and amortization expenses related to tangible, intangible assets, right of use assets amounting to TRY 260.018 thousand (30 September 2024: TRY 147.264 thousand) and investment properties amounting to TRY 39.166 thousand (30 September 2024: TRY 117.700 thousand) are as follows:

	1 January – 30 September 2025	1 January – 30 September 2024
Associated with cost of production	7.693.398	5.963.153
General administrative expenses	385.174	410.792
Marketing expenses	275.768	208.939
Research and development expenses	57.026	46.308
Other operating expenses	-	17.322
	8.411.366	6.646.514

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

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(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 September 2025	31 December 2024
Short term bank borrowings	20.900.273	26.268.031
Short term portion of long term bank borrowings	10.477.624	7.333.542
Long term bank borrowings	74.018.676	51.957.630
Total bank borrowings	105.396.573	85.559.203
Short term portion of short term corporate bonds issued	3.159.542	2.779.280
Long term corporate bonds issued	36.943.292	32.036.796
Total corporate bonds issued	40.102.834	34.816.076
Short term portion of long term lease payables	494.149	360.781
Cost of short term portion of long term lease payables (-)	(47.543)	(30.570)
Long term lease payables	3.700.029	1.945.026
Cost of long term lease payables (-)	(2.846.314)	(1.362.320)
Total lease payables	1.300.321	912.917
Total borrowings	146.799.728	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 September 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 Type	Type of Currency	Weighted Average Rate of Effective Interest (%)	Short Term Portion	Long Term Portion	30 September 2025
Fixed	TRY	47,22	6.783.912	-	6.783.912
Fixed	US Dollars	7,81	20.106.462	84.458.403	104.564.865
Fixed	EURO	5,10	1.860.887	-	1.860.887
Floating	US Dollars	TERM SOFR+3,05	5.174.941	23.951.197	29.126.138
Floating	EURO	Euribor+0,47	611.237	2.552.368	3.163.605
			34.537.439	110.961.968	145.499.407

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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 September 2025			
	Bank Borrowings	Corporate Bonds Issued	Lease Payables	Total Borrowings
Within 1 year	31.377.897	3.159.542	446.606	34.984.045
Between 1-2 years	39.387.746	2.910.497	162.308	42.460.551
Between 2-3 years	21.405.150	2.680.786	77.024	24.162.960
Between 3-4 years	8.378.326	31.352.009	26.170	39.756.505
Between 4-5 years	948.680	-	22.793	971.473
Five years or more	3.898.774	-	565.420	4.464.194
	105.396.573	40.102.834	1.300.321	146.799.728

	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 September 2025	31 December 2024
Provision for lawsuits	1.121.961	880.160
Penalty provision for employment shortage of disabled personnel	17.189	9.505
Provision for state right on mining activities	148.049	149.949
Provision for land occupation	6.297	47.930
	1.293.496	1.087.544

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NOTE 8 – PROVISIONS (cont’d)

The movement of the provisions is as follows:

	1 January 2025	Change for the period	Payments	Provision released	Translation difference	30 September 2025
Provision for lawsuits	880.160	696.588	(52.115)	(276.565)	(126.107)	1.121.961
Penalty provision for employment shortage of disabled personnel	9.505	19.463	(7.307)	(4.079)	(393)	17.189
Provision for state right on mining activities	149.949	152.181	(157.809)	(3.352)	7.080	148.049
Provision for land occupation	47.930	4.186	(41.336)	(6.423)	1.940	6.297
	<u>1.087.544</u>	<u>872.418</u>	<u>(258.567)</u>	<u>(290.419)</u>	<u>(117.480)</u>	<u>1.293.496</u>

	1 January 2024	Change for the period	Payments	Provision released	Translation difference	30 September 2024
Provision for lawsuits	534.502	259.672	(29.702)	(12.266)	29.000	781.206
Penalty provision for employment shortage of disabled personnel	6.637	653	-	(1.462)	(16)	5.812
Provision for state right on mining activities	129.992	119.046	(76.465)	(60.621)	1.095	113.047
Provision for land occupation	27.474	120.038	(79.127)	(273)	(1.187)	66.925
	<u>698.605</u>	<u>499.409</u>	<u>(185.294)</u>	<u>(74.622)</u>	<u>28.892</u>	<u>966.990</u>

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

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NOTE 8 – PROVISIONS (cont’d)

Provision for lawsuits

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

	30 September 2025	31 December 2024
Lawsuits filed by the Group	1.898.111	1.469.097

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

	30 September 2025	31 December 2024
Lawsuits filed against the Group	682.263	587.296
Provision for lawsuits filed against the Group	1.121.961	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 September 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.

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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. The 11th Civil Chamber of the Court of Cassation, by its decision dated July 9, 2025, has definitively approved the decision of the 22nd Civil Chamber of the Ankara Regional Court of Justice dated June 14, 2024, numbered 2023/1365 E. and 2024/847 K.

In line with developments regarding the aforementioned lawsuit, the provision amount recognized in the condensed consolidated financial statements has been revised to TRY 74.369 thousand.

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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.

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 desistorders. 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.

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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 (cont’d)

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.

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NOTE 9 – EMPLOYEE BENEFITS

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

	30 September 2025	31 December 2024
Due to personnel	1.789.899	2.256.354
Social security premiums payable	530.258	2.670.138
	<u>2.320.157</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 September 2025	31 December 2024
Provisions for employee termination benefits	6.082.000	5.121.104
Provisions for seniority incentive premium	565.667	361.262
Provision for unpaid vacations	691.221	689.016
	<u>7.338.888</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 September 2025, the employee termination benefit has been updated to a maximum of TRY 53.919,68 (31 December 2024: TRY 41.828,42).

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 September 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 September 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 September 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.

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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 - 30 September 2025	1 January - 30 September 2024
Opening balance	5.121.104	4.761.820
Service cost	343.344	305.658
Interest cost	691.874	574.899
Actuarial loss/(gain)	515.280	655.094
Termination benefits paid	(559.635)	(744.900)
Translation difference	(29.967)	(53.608)
Closing balance	6.082.000	5.498.963

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 - 30 September 2025	1 January - 30 September 2024
Opening balance	361.262	296.149
Service cost	65.664	37.640
Interest cost	79.975	50.304
Actuarial loss/(gain)	92.748	(24.505)
Termination benefits paid	(34.475)	(50.422)
Translation difference	493	(998)
Closing balance	565.667	308.168

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

	1 January - 30 September 2025	1 January - 30 September 2024
Opening balance	689.016	524.506
Provision for the period	743.052	625.896
Vacation paid during the period (-)	(86.385)	(76.233)
Provisions released (-)	(655.098)	(276.597)
Translation difference	636	(982)
Closing balance	691.221	796.590

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NOTE 10 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The guarantees received by the Group are as follows:

	30 September 2025	31 December 2024
Letters of guarantees received	20.924.927	23.234.769
	20.924.927	23.234.769

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

	30 September 2025	31 December 2024
A. Total CPM given for the Company's own legal entity	33.277.325	29.342.141
B. Total CPM given in favour of subsidiaries consolidated on line-by-line basis	6.378.462	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	-	-
	39.655.787	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 6.378.462 thousand has been given as collateral for financial liabilities explained in Note 7, for tax receivables and raw material procurements. As of 30 September 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 September 2025	31 December 2024
US Dollars	9.658.409	11.575.520
Turkish Lira	27.914.834	19.990.720
EURO	2.082.544	1.775.272
	39.655.787	33.341.512

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NOTE 11 – TAX ASSETS AND LIABILITIES

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

	30 September 2025	31 December 2024
<u>Corporate tax payable:</u>		
Corporation tax for the prior period	1.287	1.031
Current corporate tax provision	598.050	596.140
Prepaid taxes and funds (-)	(140.501)	(279.546)
	<u>458.836</u>	<u>317.625</u>
	1 January - 30 September 2025	1 January - 30 September 2024
<u>Taxation:</u>		
Current corporate tax expense	551.455	2.829.720
Deferred tax (income) / expense	(2.606.217)	(4.157.118)
Tax (income) expense reported in the profit or loss	<u>(2.054.762)</u>	<u>(1.327.398)</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 September 2025 (31 December 2024: in Türkiye 25%, in Romania 16%, in Singapore 17%).

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

Corporate tax (cont’d)

The total corporate tax payments made by the Group during the nine-month interim period of 2025 amounted to TRY 456.839 thousand. (30 September 2024: TRY 794.178 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 September 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.

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

Deferred tax (cont’d)

	30 September 2025	31 December 2024
<u>Deferred tax assets:</u>		
Provisions for employee benefits	2.065.973	1.971.280
Investment incentive	61.958	190.675
Provision for lawsuits	231.664	185.960
Fair values of the derivative financial instruments	111.523	-
Inventories	736.860	490.017
Unused tax losses	5.528.578	2.149.085
Tangible and intangible assets	1.117.655	661.313
Financial lease payables	325.080	228.229
Other	1.270.344	576.925
	<u>11.449.635</u>	<u>6.453.484</u>
<u>Deferred tax liabilities:</u>		
Tangible and intangible assets	(23.506.116)	(19.357.384)
Fair values of the derivative financial instruments	-	(54.865)
Amortized cost adjustment on loans	(113.159)	(96.017)
Right of use assets	(355.065)	(241.205)
Inventories	(6.557)	(27.680)
Other	(235.647)	(95.177)
	<u>(24.216.544)</u>	<u>(19.872.328)</u>
	<u>(12.766.909)</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 September 2025	31 December 2024
Deferred tax assets	352.410	255.704
Deferred tax (liabilities)	(13.119.319)	(13.674.548)
	<u>(12.766.909)</u>	<u>(13.418.844)</u>

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

Deferred tax (cont’d)

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

	1 January - 30 September 2025	1 January - 30 September 2024
Opening balance	(13.418.844)	(12.378.359)
Deferred tax income/(expense)	2.606.217	4.157.118
The amount in comprehensive income	212.288	155.562
Translation difference	(2.166.570)	(1.761.949)
Closing balance	(12.766.909)	(9.827.628)

Reconciliation of tax provision is as follows:

	1 January - 30 September 2025	1 January - 30 September 2024
Profit (Loss) before tax	461.529	9.953.521
Statutory tax rate	25%	25%
Calculated tax expense according to effective tax rate	(115.382)	(2.488.380)
<u>Reconciliation between the tax provision and calculated tax:</u>		
- Non-deductible expenses	(115.823)	(165.612)
- Non-deductible income	59.634	27.516
- Effect of currency translation (*)	138.334	3.675.043
- The effect of investments valued using the equity method	20.025	39.922
- Investment incentive	2.081.802	238.671
- Effect of the different tax rates due to foreign subsidiaries	(13.828)	238
Total tax expense reported in the statement of income (loss)	2.054.762	1.327.398

(*) 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 September 2025		31 December 2024
<u>Shareholders</u>	(%)		(%)	
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%.

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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 1.584.674 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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Domestic sales	107.400.847	39.772.686	113.011.359	35.392.949
Export sales	31.922.880	9.894.731	27.837.788	10.568.552
Other revenues	7.420.541	2.877.407	6.878.465	2.369.141
Interest income from sales with maturities	1.383.503	486.908	1.382.133	455.240
Sales returns (-)	(83.449)	(36.492)	(62.619)	(30.325)
Sales discounts (-)	(129.115)	(37.625)	(100.363)	(26.848)
	<u>147.915.207</u>	<u>52.957.615</u>	<u>148.946.763</u>	<u>48.728.709</u>
<u>Cost of sales (-)</u>	<u>(136.076.956)</u>	<u>(48.786.952)</u>	<u>(131.351.920)</u>	<u>(44.399.886)</u>
Gross profit	<u>11.838.251</u>	<u>4.170.663</u>	<u>17.594.843</u>	<u>4.328.823</u>

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 3.512.563 thousand (30 September 2024: TRY 2.959.444 thousand). Total interest income from export sales with maturities is TRY 7.985 thousand (30 September 2024: TRY 24.189 thousand).

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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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Raw material usage	(90.553.041)	(31.335.985)	(96.263.793)	(31.847.428)
Personnel costs	(13.429.187)	(5.088.682)	(10.195.446)	(3.676.315)
Energy costs	(10.541.115)	(3.969.581)	(8.544.301)	(2.992.897)
Depreciation and amortization expenses	(7.121.272)	(2.678.294)	(5.603.410)	(1.953.586)
Manufacturing overheads	(7.349.516)	(2.789.047)	(4.917.241)	(2.001.771)
Other cost of goods sold	(3.139.210)	(1.717.010)	(2.805.400)	(843.304)
Non-operating costs (*)	(1.513.611)	(298.620)	(293.860)	(166.508)
Freight costs for sales delivered to customers	(1.788.438)	(648.303)	(1.588.093)	(558.369)
Allowance expenses for impairment on inventories (Note 4)	(217.749)	(6.137)	(728)	(18)
Inventory provision released (Note 4)	592.835	17.112	61.916	23.144
Amortization of right of use assets	(111.979)	(41.700)	(29.135)	(11.474)
Other	(904.673)	(230.705)	(1.172.429)	(371.360)
	<u>(136.076.956)</u>	<u>(48.786.952)</u>	<u>(131.351.920)</u>	<u>(44.399.886)</u>

(*) Non-operating part costs amounting to TRY (1.513.611) 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.

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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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Personnel expenses (-)	(742.666)	(259.600)	(564.240)	(204.646)
Depreciation and amortization (-)	(262.222)	(97.484)	(205.245)	(70.631)
Benefits and services from third parties (-)	(875.396)	(320.852)	(693.786)	(252.029)
Amortization of right of use assets (-)	(13.546)	(4.837)	(3.694)	(1.410)
	<u>(1.893.830)</u>	<u>(682.773)</u>	<u>(1.466.965)</u>	<u>(528.716)</u>

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

	1 January - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Personnel expenses (-)	(2.133.973)	(769.129)	(1.633.118)	(587.642)
Depreciation and amortization (-)	(250.681)	(78.629)	(313.679)	(106.015)
Benefits and services from third parties (-)	(1.988.716)	(675.139)	(1.686.764)	(635.665)
Tax, duty and charges (-)	(93.672)	(20.309)	(45.183)	(17.670)
Provision/ Provision released for doubtful receivables (net)	(33.953)	(35.795)	2.277	534
Amortization of right of use assets (-)	(134.493)	(47.839)	(97.113)	(34.910)
	<u>(4.635.488)</u>	<u>(1.626.840)</u>	<u>(3.773.580)</u>	<u>(1.381.368)</u>

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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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Foreign exchange gain from trade receivables and payables (net)	747.641	202.039	310.981	118.454
Forfeit advances from customers	45.062	43.733	1.943	302
Discount income	280	89	280	89
Provisions released	280.644	222.419	13.728	7.273
Service income	251.229	72.990	168.987	56.289
Maintenance repair and rent income	81.096	57.003	56.043	31.962
Warehouse income	78.293	21.091	102.086	45.809
Indemnity and penalty detention income	22.769	6.142	27.183	10.617
Prior period insurance indemnity income	38.657	8.225	79.426	3.398
Lawsuit income	42.518	1.502	3.001	575
Overdue interest income	108.213	40.805	58.731	37.533
Insurance indemnity income due to earthquake	-	-	3.382.428	65.184
Other income and gains	423.765	151.786	197.154	34.192
	<u>2.120.167</u>	<u>827.824</u>	<u>4.401.971</u>	<u>411.677</u>

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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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Provision expenses	(716.051)	(190.576)	(260.325)	(87.290)
Lawsuit compensation expenses	(39.171)	(13.123)	(12.206)	(3.749)
Right of use assets amortization	-	-	(17.322)	(10.922)
Donation expenses	(49.252)	(17.958)	(85.835)	(62.643)
Service expenses	(128.691)	(53.488)	(119.320)	(39.489)
Penalty expenses	(31.200)	(15.102)	(39.240)	(10.561)
Other expenses and losses	(277.922)	(117.045)	(149.165)	(52.307)
	<u>(1.242.287)</u>	<u>(407.292)</u>	<u>(683.413)</u>	<u>(266.961)</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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Interest income on bank deposits	4.680.378	1.193.145	3.139.753	1.470.043
Interest income from financial investments	-	-	156.898	145.948
Other financial income	18.678	6.410	12.448	4.306
	<u>4.699.056</u>	<u>1.199.555</u>	<u>3.309.099</u>	<u>1.620.297</u>

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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 - 30 September 2025	1 July- 30 September 2025	1 January - 30 September 2024	1 July- 30 September 2024
Interest expenses on borrowings	(7.700.296)	(3.061.034)	(7.575.452)	(2.883.921)
Foreign exchange loss (net)	(2.231.127)	(485.968)	(735.587)	(370.077)
Interest cost of employee benefits	(771.849)	(317.679)	(625.203)	(230.726)
Interest expenses on leasings	(181.835)	(68.711)	(71.335)	(34.628)
Fair value differences of derivative financial instruments (net)	(515.513)	350.158	(137.615)	(102.166)
Other financial expenses	(103.502)	(51.569)	(73.115)	(43.771)
	<u>(11.504.122)</u>	<u>(3.634.803)</u>	<u>(9.218.307)</u>	<u>(3.665.289)</u>

As of reporting period, the borrowing costs of TRY 1.157.340 thousand have been capitalized as part of tangibles (30 September 2024: TRY 625.042 thousand).

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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 September 2025	30 September 2024
Statement of Financial Position Items	761.141	(49.668)
Inventories	51.404	31.226
Prepaid Expenses	72.789	491.356
Property, Plant and Equipment	3.446.034	2.316.604
Right of Use Assets	7.750	3.667
Intangible Assets	3.950	5.782
Inflation Adjustment to Capital	(1.045.388)	(981.329)
Revaluation Reserve of Tangible Assets	(15.194)	(14.840)
Actuarial (Loss) Gain funds	21.073	33.992
Restricted Reserves Assorted from Profit	(594.841)	(579.383)
Retained Earnings	(1.186.436)	(1.356.743)
Profit or Loss Items	(72.606)	(336.848)
Revenue	(690.310)	(876.599)
Cost of Sales	452.368	499.320
Marketing Expenses	1.451	1.387
General Administrative Expenses	43.986	41.117
Other Operating Income (Expenses)	(4.987)	(1.620)
Income (Expenses) from Investing Activities	16	233
Finance Income (Expenses)	124.870	(686)
Net Monetary Position Gains / (Losses)	688.535	(386.516)

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

	30 September 2025				
	TRY (Reporting currency)	TRY (Original currency)	EURO (Original currency)	Jap. Yen (Original currency)	RON (Original currency)
1. Trade Receivables	4.645.320	572.349	82.219	-	6.778
2a. Monetary financial assets	20.826.435	19.080.545	35.249	21	2.879
2b. Non- monetary financial assets	-	-	-	-	-
3. Other	634.786	600.297	389	-	1.627
4. CURRENT ASSETS (1+2+3)	26.106.541	20.253.191	117.857	21	11.284
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	1.317.554	1.317.361	4	-	-
6b. Non- monetary financial assets	-	-	-	-	-
7. Other	4.439.084	405.291	82.292	-	2.299
8. NON-CURRENT ASSETS (5+6+7)	5.756.638	1.722.652	82.296	-	2.299
9. TOTAL ASSETS (4+8)	31.863.179	21.975.843	200.153	21	13.583
10. Trade payables	12.219.710	9.339.606	56.224	17.640	13.369
11. Financial liabilities	4.742.631	2.240.592	51.230	-	-
12a. Other monetary financial liabilities	5.008.502	4.866.087	1.880	-	5.235
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	21.970.843	16.446.285	109.334	17.640	18.604
14. Trade payables	-	-	-	-	-
15. Financial liabilities	3.376.321	803.491	52.680	-	-
16a. Other monetary financial liabilities	7.052.718	7.049.518	-	-	331
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	10.429.039	7.853.009	52.680	-	331
18. TOTAL LIABILITIES (13+17)	32.399.882	24.299.294	162.014	17.640	18.935
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	(3.584.719)	-	(73.531)	-	-
19a. Off-balance sheet foreign currency derivative financial assets	1.852.546	-	38.000	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	5.437.265	-	111.531	-	-
20. Net foreign currency asset/liability position (9-18+19)	(4.121.422)	(2.323.451)	(35.392)	(17.619)	(5.352)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(5.610.573)	(3.329.039)	(44.542)	(17.619)	(9.278)
22. Fair value of derivative financial instruments used in foreign currency hedge	(167.217)	-	(3.430)	-	-
23. Hedged foreign currency assets	5.437.265	-	111.531	-	-
24. Hedged foreign currency liabilities	1.852.546	-	38.000	-	-
25. Exports	35.443.428				
26. Imports	67.293.004				

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

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(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 (Reporting currency)	TRY (Original currency)	EURO (Original currency)	Jap. Yen (Original currency)	RON (Original 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
4. CURRENT ASSETS (1+2+3)	33.085.381	29.485.814	95.559	21	12.135
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	-
8. NON-CURRENT ASSETS (5+6+7)	5.429.000	2.049.560	91.644	56.889	-
9. TOTAL ASSETS (4+8)	38.514.381	31.535.374	187.203	56.910	12.135
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	-	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	24.645.100	21.534.135	80.498	107.910	16.676
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	-	-	-	-	-
17. Non-current liabilities (14+15+16)	8.817.156	6.452.189	64.122	-	690
18. TOTAL LIABILITIES (13+17)	33.462.256	27.986.324	144.620	107.910	17.366
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	(2.038.460)	-	(55.489)	-	-
19a. OffBalance sheet foreign currency derivative financial assets	-	-	-	-	-
19b. OffBalance sheet foreign currency derivative financial liabilities	2.038.460	-	55.489	-	-
20. Net foreign currency asset/liability position (9-18+19)	3.013.665	3.549.050	(12.906)	(51.000)	(5.231)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	515.565	2.417.723	(49.723)	(107.889)	(5.431)
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				

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(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 September 2025 on condensed consolidated statement of financial position are translated by using the following exchange rates for assets TRY 41,5068 = US \$ 1, TRY 48,7512 = EUR 1, TRY 0,2798 = JPY 1 and TRY 9,5410 = RON 1; for liabilities TRY 41,5816 = US \$ 1, TRY 48,8390 = EUR 1, TRY 0,2816 = JPY 1 and TRY 9,6658 = 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 assets and before tax and non-controlling interest	
	Appreciation of foreign currency	Depreciation of foreign currency
30 September 2025		
1- TRY net asset/liability	(332.904)	332.904
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	(332.904)	332.904
5- RON net asset/liability	(9.088)	9.088
6- Hedged portion from RON risk (-)	-	-
7- Effect of capitalization (-)	-	-
8- RON net effect (5+6+7)	(9.088)	9.088
9- Euro net asset/liability	(218.570)	218.570
10- Hedged portion from Euro risk (-)	(358.472)	358.472
11- Effect of capitalization (-)	-	-
12- Euro net effect (9+10+11)	(577.042)	577.042
13- Jap. Yen net asset/liability	(496)	496
14- Hedged portion from Jap. Yen risk (-)	-	-
15- Effect of capitalization (-)	-	-
16- Jap. Yen net effect (13+14+15)	(496)	496
TOTAL (4+8+12+16)	(919.530)	919.530

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(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)

31 December 2024	Profit/(loss) after capitalization on tangible assets and before tax and non-controlling interest	
	Appreciation of foreign currency	Depreciation of foreign currency
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
TOTAL (4+8+12+16)	(152.292)	152.292

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

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(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/ liabilities at amortized cost	Fair value through other comprehensive income	Fair value through profit/loss	Carrying value
30 September 2025				
<u>Financial Assets</u>				
Cash and cash equivalents	97.706.053	-	-	97.706.053
Trade receivables	26.581.146	-	-	26.581.146
Financial investments	-	-	179.802	179.802
Other financial assets	443.036	-	-	443.036
Derivative financial instruments	-	39.842	871	40.713
<u>Financial Liabilities</u>				
Borrowings	146.799.728	-	-	146.799.728
Trade payables	59.863.121	-	-	59.863.121
Other liabilities	3.434.445	-	-	3.434.445
Derivative financial instruments	-	286.953	177.260	464.213
31 December 2024				
<u>Financial Assets</u>				
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
<u>Financial Liabilities</u>				
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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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		Fair value level as of reporting date		
	30 September 2025	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital and financial investment fund	178.267	-	178.267	-
Derivative financial assets	871	-	871	-
Derivative financial liabilities	(177.260)	-	(177.260)	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
Derivative financial assets	39.842	-	39.842	-
Derivative financial liabilities	(286.953)	-	(286.953)	-
Total	(245.233)	-	(245.233)	-
Financial asset and liabilities at fair value		Fair value level as of reporting date		
	31 December 2024	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital and financial investment fund	176.781	-	176.781	-
Derivative financial assets	155.454	-	155.454	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
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 September 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.