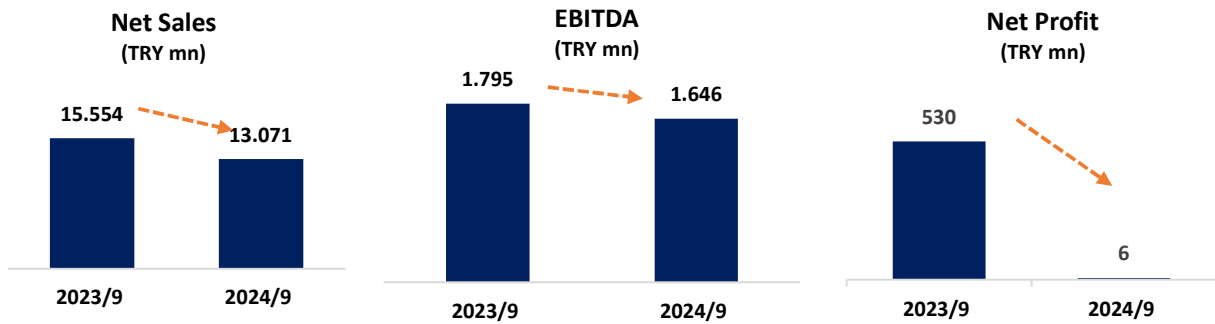


**The increase in share of value-added products continues...**

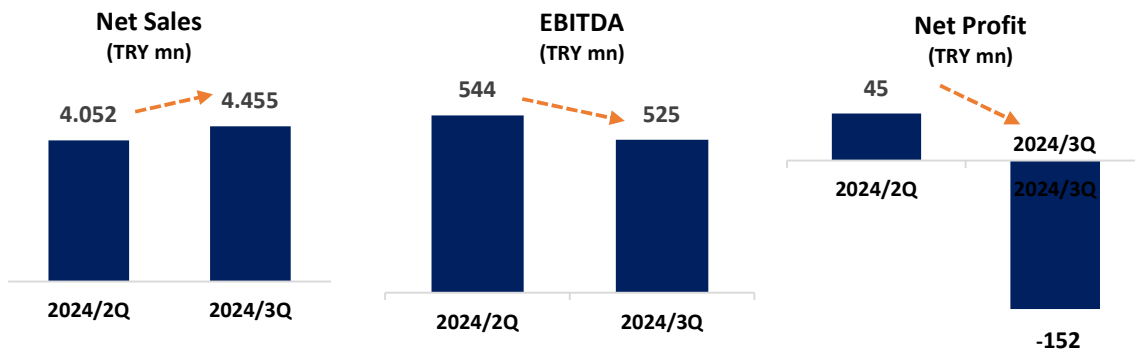
Following the modernization investments in Aliğa A1 Factory in the first quarter of 2024, the increasing trend in both sales volume and the share of value-added products in total sales continued in the third quarter. With the impact of new products, total sales volume which were 125 thousand tons in the first quarter, increased to 138 thousand tons in the second quarter and 146 thousand tons in the third quarter, while the share of value-added products in total sales increased from 39% in 2023 year end to 40.4% in 9M 2024. The company, which realized 74% of its total sales abroad, achieved a total net revenue of TRY 13.1 billion in the period between January 1 and September 30, 2024. Despite the challenging conditions in the sector, Kocaer Çelik outperforms the sector with its product diversity, flexible production ability and value-added product portfolio. In parallel with the completion of investments in high value-added products and the addition of new products to the portfolio, the share of value-added products in the total portfolio is expected to increase in the remainder of the year and in 2025.

**Despite the challenging global environment, profit margins are above last year...**

The Company's top line declined in 9M 2024 due to declining trend of global steel prices. On the other hand, TL based costs, especially labor costs fueled by high inflation rate, put additional pressure on margins. Despite all these challenging conditions and the 66-day production halt in A1 factory in Q1, the company increased both its gross profit margin and EBITDA margin in the first nine months of 2024, compared to the same period last year. On the other hand, with the impact of net monetary loss resulting from inflation accounting which significantly increased compared to last year, net profit declined y/y to TRY 6 million.

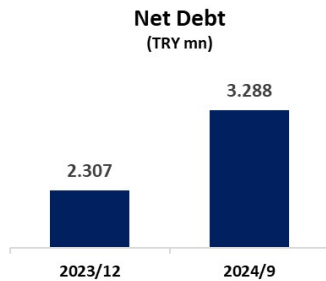


In terms of quarterly performance; sales revenue increased q/q, and the company achieved a net revenue of TRY 4.5 billion in 3Q 2024. However, high monetary loss as a result of inflation accounting impacted by high equity base of the Company, and the rising financing expenses led net profit to decline.



**Despite increasing investment expenditures, balanced dept structure has been maintained...**

Despite the increasing investment expenditures, the Company continued its sound debt structure in the first 9 months of 2024. In parallel with the increasing investment expenditures and net working capital, total net financial debt increased to TRY 3.3 billion as of September 30, 2024. On the other hand, as a result of effective financial management, the ratio of net financial debt to EBITDA remained low at 1.1x.



Kocaer Çelik continues with its energy investments as well. The investment for the 1st phase (24 MW) of the Geothermal Power Plant in the license area of the Company's subsidiary Kocaer Enerji in Aydın Kuyucak is continuing. When the planned capacity is reached, together with the electricity obtained from the existing rooftop solar power plants, the aim is to meet all the electricity demand of the Company, to become carbon neutral, and to reach a structure where the remaining portion of the generated energy is sold.

**Summary Consolidated Financial Tables**

**Summary Consolidated Balance**

Sheet (TRY'000)	30 September 2024	31 December 2023	Change
Current Assets	9,809,049	8,371,259	17%
Fixed Assets	8,728,831	8,223,917	6%
<b>Total Assets</b>	<b>18,537,880</b>	<b>16,595,176</b>	<b>12%</b>
Short Term Liabilities	8,625,139	5,827,030	48%
Long Term Liabilities	224,786	1,132,066	-80%
Equity	9,687,955	9,636,080	1%
<b>Total Liabilities and Equity</b>	<b>18,537,880</b>	<b>16,595,176</b>	<b>12%</b>

**Summary Consolidated P/L**

(Cumulative) (TRY'000)	9M 2024	9M 2023	Change
Net Sales	13,071,098	15,554,341	-16%
Gross Profit	2,339,647	2,506,515	-7%
Operating Profit	1,140,810	2,010,988	-43%
Financial Expenses (net)	(925,321)	(974,897)	-5%
Net Monetary Gain (Loss)	(466,236)	(42,190)	n.m.
Net Income from Investment Activities	385,452	511,524	-25%
Profit Before Tax	134,706	1,505,425	-91%
<b>Net Profit</b>	<b>6,153</b>	<b>530,357</b>	<b>-99%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1,645,778</b>	<b>1,794,560</b>	<b>-8%</b>

<sup>1</sup> Other operating revenues and expenses have been excluded from EBITDA calculation.

**INVESTOR SUMMARY NOTE**  
**01 JANUARY – 30 SEPTEMBER 2024**

Main Ratios (%)	9M 2024	9M 2023
Gross Profit Margin	17.9%	16.1%
Adjusted EBITDA Margin	12.6%	11.5%
Net Profit Margin	0.1%	3.4%
Net Financial Debt/A.EBITDA <sup>2</sup>	1.1	0.9

Financial Debt (TRY'000)	30 September 2024	31 December 2023	Change
Short Term Borrowings	4,895,493	2,684,444	82%
Short Term Portion of Long Term Borrowings	292,049	383,903	-24%
Long Term Borrowings	166,587	1,079,774	-85%
Total Financial Borrowings	5,354,129	4,148,121	29%
Cash and Cash Equivalents <sup>3</sup>	2,066,477	1,840,691	12%
<b>Net Financial Debt</b>	<b>3,287,652</b>	<b>2,307,430</b>	<b>42%</b>

**Summary Consolidated P/L (Quarterly)**

(TRY'000)	3Q 2024	2Q 2024	Change
Net Sales	4,454,967	4,052,296	10%
Gross Profit	782,706	727,804	8%
Operating Profit	438,005	335,332	31%
Financial Expenses (net)	-370,634	-214,423	73%
Net Monetary Gain (Loss)	-207,392	-221,632	-6%
<b>Net Profit</b>	<b>-152,036</b>	<b>45,017</b>	<b>n.m.</b>
<b>Adjusted EBITDA</b>	<b>525,062</b>	<b>543,533</b>	<b>-3%</b>

**Results Not Adjusted for Inflation Accounting (excluding TMS 29 effect)\***

(TRY'000)	30 September 2024	30 September 2023	Change
Net Sales	12,584,798	8,880,650	42%
Adjusted EBITDA	1,244,319	1,375,060	-10%
Net Profit	324,408	1,115,926	-71%

\*Our company's 9M 2024 financial statements were announced on the Public Disclosure Platform on 11.11.2024. In addition to these statements, certain financial information that has not been adjusted for inflation accounting is also included in the investor relations materials to be published in different platforms, especially our website. This information is the responsibility of our Board of Directors and executives responsible for financial reporting. It has been prepared solely to enable our investors to compare current financial information with previously disclosed financial information and to evaluate their expectations/assumptions and has not been subject to independent audit.

This report has been produced from the consolidated financial statements and interim activity report dated 30.09.2024 at [www.kocaersteel.com](http://www.kocaersteel.com). In this report, unless otherwise stated, financial data adjusted for the effect of inflation in accordance with the principles of Turkish Accounting Standard 29 "Financial Reporting in High Inflation Economies" (TMS 29) was used, in line with the decision of the Capital Markets Board dated 28 December 2023 and numbered 81/1820.

<sup>2</sup> Calculated using the Adjusted EBITDA of the last 4 quarters. For 4Q 2023 calculation, inflation correction was applied to the 31.12.2023 EBITDA amount with a coefficient of 1.3586.

<sup>3</sup> Financial investments are included.