KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2024

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
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(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 March 2024 unless otherwise indicated.)

	Notes	**Unaudited Current Period 31.03.2024**	**Audited Prior Period 31.12.2023**
ASSETS			
Current Assets		**7.318.163.691**	**7.089.875.783**
Cash and Cash Equivalents	6	*935.422.364*	*775.442.056*
Financial Investments	7	979.552.492	783.495.740
Trade Receivables	10	*1.449.342.344*	*1.443.864.470*
Third Parties	*10*	1.438.459.451	1.433.652.426
Related Parties	*10-37*	10.882.893	10.212.044
Other Receivables	11	*305.232.964*	*260.093.184*
Third Parties	*11*	247.057.701	225.216.396
Related Parties	*11-37*	*58.175.263*	*34.876.788*
Derivative Instruments	12	89.671.886	128.800.091
Inventories	13	3.151.621.311	3.292.216.382
Prepaid Expenses	15	100.762.047	106.860.510
Third Parties		100.762.047	106.860.510
Current Income Tax Assets	25	-	1.243
Other Current Assets	26	306.558.283	299.102.107
Non-Current Assets		**7.122.220.527**	**6.952.086.801**
Other Receivables	11	4.043.181	2.452.515
Third Parties	*11*	4.043.181	2.452.515
Derivative Instruments	12	20.116.354	23.146.682
Financial Investments	7	3.228	3.714
Right of Use Assets	14	214.289.742	224.123.700
Investment Properties	17	329.278.649	329.278.649
Property, Plant and Equipment	18	6.323.693.588	6.146.280.964
Intangible Assets	19	2.786.853	7.964.571
Other Intangible Assets	*19*	2.786.853	7.964.571
Prepaid Expenses	15	59.801.195	53.499.404
Third Parties		59.801.195	53.499.404
Deferred Tax Assets	35	168.207.737	165.336.602
TOTAL ASSETS		**14.440.384.218**	**14.041.962.584**

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

KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 March 2024 unless otherwise indicated.)

	Notes	**Unaudited Current Period 31.03.2024**	**Audited Prior Period 31.12.2023**
LIABILITIES			
Current Liabilities		**5.816.030.763**	**4.935.090.124**
Short-Term Borrowings	8	2.059.347.937	2.273.538.136
Short-Term Portion of Long-Term Borrowings	8	701.608.207	325.139.114
Trade Payables	10	2.366.203.593	1.422.085.585
Third Parties	*10*	*2.366.203.593*	*1.422.085.585*
Employee Benefits	20	63.692.401	60.039.955
Other Payables	11	154.683.965	138.366.345
Third Parties	*11*	*130.683.965*	*108.182.742*
Related Parties	*11-37*	*24.000.000*	*30.183.603*
Deferred Income	15	386.499.020	646.212.354
Third Parties		386.499.020	646.212.354
Current Income Tax Liabilities	35	36.497.054	22.393.073
Short-Term Provisions	22	47.497.691	47.312.288
Other Short-Term Provisions	*22*	*34.719.316*	*38.477.421*
Short-Term Provisions for Employee Benefits	*22-24*	*12.778.375*	*8.834.867*
Other Current Liabilities	26	895	3.274
Non-Current Liabilities		**365.184.547**	**958.781.860**
Long-Term Borrowings	8	320.463.746	914.494.462
Long-Term Provisions	22	44.720.801	44.287.398
Long-Term Provisions for Employee Benefits	*22-24*	*44.720.801*	*44.287.398*
EQUITY		**8.259.168.908**	**8.148.090.600**
Equity Holders of the Parent	27	**8.235.679.987**	**8.126.352.882**
Paid-in Share Capital	27	657.570.000	657.570.000
Adjustment to Share Capital	27	1.234.631.550	1.234.631.550
Share Premium	27	252.148.015	252.148.015
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss	27	1.543.634.347	1.533.814.680
Other Comprehensive Income or Expenses to be reclassified to Profit or Loss	27	(132.436.127)	(136.344.801)
Restricted Reserves	27	256.504.720	256.504.720
Retained Earnings	27	4.328.028.718	2.962.559.418
Profit for the Period	27	95.598.764	1.365.469.300
Non-Controlling Interests	27	23.488.921	21.737.718
TOTAL LIABILITIES AND EQUITY		**14.440.384.218**	**14.041.962.584**

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

KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIODS ENDED 31 MARCH 2024 AND 2023
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 March 2024 unless otherwise indicated.)

	Notlar	**Unaudited Current Period 01.01.2024 31.03.2024**	**Unaudited Prior Period 01.01.2023 31.03.2023**
Revenue	28	3.865.230.024	4.368.608.487
Cost of Sales (-)	28	(3.163.013.477)	(3.816.539.939)
Gross profit from non-finance sector operations		**702.216.547**	**552.068.548**
GROSS PROFIT		**702.216.547**	**552.068.548**
Marketing, Sales and Distribution Expenses (-)	29-30	(205.937.196)	(189.053.889)
General Administrative Expenses (-)	29-30	(72.809.495)	(56.823.107)
Research and Development Expenses (-)	29-30	(2.548.294)	(1.600.279)
Other Operating Income	31	144.800.508	256.962.988
Other Operating Expenses (-)	31	(254.499.449)	(226.613.579)
OPERATING PROFIT		**311.222.621**	**334.940.682**
Gains from investment activities	32	145.647.906	39.938.339
Losses from investment activities (-)	32	(151.541)	(66.119.723)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		**456.718.986**	**308.759.298**
Financial Income	33	42.864.949	35.947.652
Financial Expense (-)	33	(331.042.781)	(177.771.499)
Net monetary position gains/(losses)		(31.515.765)	81.826.459
PROFIT BEFORE TAX		**137.025.389**	**248.761.910**
Tax income/(expense)	35	**(41.177.546)**	**(145.295.579)**
- Current period tax expense		(36.927.003)	(57.291.068)
- Deferred tax income/(expense)		(4.250.543)	(88.004.511)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**95.847.843**	**103.466.331**
PROFIT FOR THE PERIOD		**95.847.843**	**103.466.331**
Attributable to		95.847.843	103.466.331
Non-Controlling Interests		249.079	4.998.340
Equity Holders of the Parent		95.598.764	98.467.991
Earnings Per Share			
Earnings Per Share From Continuing Operations	36	0.1458	0.1573

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

KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 MARCH 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 March 2024 unless otherwise indicated.)

	Notes	Unaudited Current Period 01.01.2024 31.03.2024	Unaudited Prior Period 01.01.2023 31.03.2023
PROFIT FOR THE PERIOD	36	**95.847.843**	**103.466.331**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss		**10.417.817**	**3.824.992**
Gains/(losses) on remeasurements of defined benefit plans	24	3.211.980	(3.279.490)
Adjustments for inflation, net		7.944.593	6.326.419
Taxes relating to other comprehensive income not to be reclassified to profit or loss		(738.756)	778.063
- Deferred tax income/(expense) (Actuarial)	35	(738.756)	778.063
Items to be reclassified to profit or loss		**4.812.648**	**46.246.693**
Currency translation differences		4.859.671	(5.702.506)
Gains/(losses) on cash flow hedges		(47.023)	51.949.199
OTHER COMPREHENSIVE INCOME		**15.230.465**	**50.071.685**
TOTAL COMPREHENSIVE INCOME		**111.078.308**	**153.538.016**
Attributable to		**111.078.308**	**153.538.016**
Non-Controlling Interests		1.751.203	5.019.791
Equity Holders of the Parent		109.327.105	148.518.225

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

KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 MARCH 2024 AND 2023
(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 March 2024 unless otherwise indicated.)

					Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss			Retained earnings	
Unaudited Prior Period	**Notes**	**Paid-in share capital**	**Adjustment to share capital**	**Share premium**	**Gains/(losses) on remeasurements of defined benefit plans**	**Property, plant and equipment revaluation surplus**	**Currency translation differences**	**Gains/(losses) on hedge**	**Restricted reserves**	**Prior years’ income**	**Pr for the Per**
Balances at 1 January 2023 (Beginning of the period)	**27**	**657.570.000**	**1.200.087.051**	**252.147.403 -**	**21.744.603**	**1.146.669.113**	**61.337.082 -**	**362.008.266**	**219.176.677**	**2.439.551.420**	**1.246.581.**
Transfers	27	-	-	-	-	-	-	-	-	1.246.581.602 -	1.246.581.
Capital increases		-	-	-	-	-	-	-	-		
Other		-	-	-	-	-	-	-	-	-	
Total Comprehensive Income		**-**	**-**	**-**	**3.760.427**	**- -**	**5.659.392**	**51.949.199**	**-**	**-**	**98.467.**
-Profit for the Period	27	-	-	-	-	-	-	-	-	-	*98.467.*
-Other Comprehensive Income		-	-	-	*3.760.427*	-	*(5.659.392)*	*51.949.199*		-	
Balances at 31 March 2023 (End of the period)	**27**	**657.570.000**	**1.200.087.051**	**252.147.403 -**	**17.984.176**	**1.146.669.113**	**55.677.690 -**	**310.059.067**	**219.176.677**	**3.686.133.022**	**98.467.**
Unaudited Current Period											
Balances at 1 January 2024 (Beginning of the period)	**27**	**657.570.000**	**1.234.631.550**	**252.148.015**	**(22.370.638)**	**1.556.185.318**	**86.525.205**	**(222.870.006)**	**256.504.720**	**2.962.559.418**	**1.365.469.**
Transfers	27	-	-	-	-	-	-	-	-	1.365.469.300	(1.365.469.3
Other		-	-	-	-	-	-	-			
Total Comprehensive Income		**-**	**-**	**-**	**9.819.667**	**-**	**3.955.697**	**(47.023)**	**-**	**-**	**95.598.**
-Profit for the Period	27	-	-	-	-	-	-	-	-	-	*95.598.*
-Other Comprehensive Income		-	-	-	*9.819.667*	-	*3.955.697*	*(47.023)*	-		
Balances at 31 March 2024 (End of the period)	**27**	**657.570.000**	**1.234.631.550**	**252.148.015**	**(12.550.971)**	**1.556.185.318**	**90.480.902**	**(222.917.029)**	**256.504.720**	**4.328.028.718**	**95.598.**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 MARCH 2024 AND 2023
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 March 2024 unless otherwise indicated.)

	Notes	Unaudited Current Period 01.01.2024 31.03.2024	Unaudited Prior Period 01.01.2023 31.03.2023
A) CASH FLOWS FROM OPERATING ACTIVITIES		**1.029.567.070**	**231.263.758**
PROFIT FOR THE PERIOD		**95.847.843**	**103.466.331**
Profit for the Period from Continuing Operations		**95.847.843**	103.466.331
Adjustments to reconcile profit for the period to cash generated from operating activities		**130.854.266**	**339.424.313**
Depreciation and amortisation	17,18,19	67.910.084	53.864.378
Adjustments for tax income and expenses		34.055.868	157.683.100
Adjustments for Impairment Loss (Reversal of impairment loss)	10	**6.292.640**	**(34.852.106)**
Adjustments for Receivables Impairment (Reversal)	10	*6.292.640*	*(34.852.106)*
Adjustments for Provisions	22-24	**5.670.211**	**38.066.033**
Adjustments for Other Provisions (Reversal)		*(3.758.105)*	*(4.093.048)*
Adjustments for Provision for Employee Benefits (Reversal)	22-24	*9.428.316*	*42.159.081*
Adjustments for interest income and expenses		**148.777.106**	**76.059.480**
Adjustments for Interest Income	31	*(5.894.606)*	*(5.343.379)*
Adjustments for Interest Expenses	31	*154.671.712*	*81.402.859*
Adjustments for unrealized currency translation differences		12.142.599	7.017.814
Adjustments for gains/(losses) on fair value		**(142.049.507)**	**33.948.293**
Financial assets		*(142.049.507)*	*33.948.293*
Monetary gains/(losses)		1.502.123	15.404.230
Adjustments for losses/(gains) on disposal of non-current assets		**(3.446.858)**	**(7.766.909)**
Property, plant and equipment	18	*(3.446.858)*	*(7.766.909)*
Total adjustments		**130.854.266**	**339.424.313**
Changes in Working Capital		**830.739.388**	**(108.803.144)**
Adjustments for Gains/(Losses) on Trade Receivables	**10**	**(11.770.514)**	**(938.852.710)**
Third parties		*(11.099.665)*	*(229.701.237)*
Related parties		*(670.849)*	*(709.151.473)*
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	**10-37**	**(46.729.188)**	**79.582.633**
Third parties		*(23.430.713)*	*28.302.133*
Related parties		*(23.298.475)*	*51.280.500*
Changes in Derivative Assets		42.111.510	83.405.815
Changes in Inventories	13	140.595.071	299.477.715
Changes in Prepaid Expenses	15	(203.328)	(85.533.642)
Adjustments for Gains/(Losses) on Trade Payables	10	**944.118.008**	**(12.268.761)**
Third parties		*944.118.008*	*(12.268.761)*
Adjustments for gains/(losses) on payables due to employee benefits	20	13.472.113	34.103.419
Adjustments for Gains/(Losses) on Other Payables Related to Operations		**16.315.241**	**238.725.064**
Third parties		*10.131.638*	*342.655.285*
Related parties		*6.183.603*	*(103.930.221)*
Changes in Deferred Income	15	(259.713.334)	345.780.504
Adjustments for gains/(losses) on other changes in working capital		(7.456.191)	(153.223.181)
Cash Flows from Operating Activities		**1.057.441.497**	**334.087.500**
Adjustments for gains/(losses) on provisions for employee benefits	22-24	(5.051.405)	(56.908.811)
Income taxes refund/(paid)	35	(22.823.022)	(45.914.931)
Net Cash From Operating Activities		**1.029.567.070**	**231.263.758**
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(283.054.572)**	**111.547.508**
Cash inflows from sale of property, plant and equipment and intangible asset	18	**242.773.988**	**19.272.308**
Property, plant and equipment	18	*242.773.988*	*19.272.308*
Cash outflows from purchase of property, plant and equipment and intangible assets	18	**(471.821.801)**	**(167.747.330)**
Property, plant and equipment	18	*(471.821.801)*	*(167.747.330)*
Cash inflows/outflows from dividends and other financial instruments	7	**(54.006.759)**	**260.022.530**
C) CASH FLOWS FROM FINANCING ACTIVITES		**(590.487.887)**	**(45.292.167)**
Cash inflows/outflows from repayments of borrowings		(431.751.822)	23.125.451
Other cash inflows/outflows	14	(9.958.959)	7.641.862
Interest Paid/Received, net		(148.777.106)	(76.059.480)
D) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**156.024.611**	**297.519.099**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		3.955.697	(5.659.392)
Net Increase/(Decrease) in Cash and Cash Equivalents		**159.980.308**	**291.859.707**
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**775.442.056**	**884.548.606**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**935.422.364**	**1.176.408.313**

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

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi ("the Company" or "Kocaer Çelik") was established on 25 December 1984 in İzmir, Aliağa with the title of Kocaer Haddecilik Sanayi ve Ticaret Anonim Şirketi. The title of Kocaer Haddecilik Sanayi ve Ticaret Anonim Şirketi has been changed to Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi on 20 May 2021. In 2021, the Company was restructured as engage in business activities iron and steel, transportation. In accordance with the restructuring, by merging with all its subsidiaries operating in the business activities of iron and steel, transportation and automotive and excluded other subsidiaries, the Company has a structure that only have iron, steel and transportation.

Kocaer Çelik operates its business activities in its production facility in Aliağa, İzmir. Kocaer Çelik's business activties include supplying, shaping, manufacturing and trading all kinds of iron and steel products, semi-finished products and raw materials.

In its 3 steel profile factories with an annual production capacity of 800,000 tons, Galvanizing factory with a capacity of 100 thousand tons, Steel Service Center with a capacity of 120 thousand tons and Electricity production facilities with a capacity of 15 million kWh, using the latest technology and high engineering power; it produces special steel profiles for solar energy infrastructure, energy transmission line, structural steel, transportation, mining, tunneling, shipbuilding, agriculture, machinery manufacturing and defense industry sectors.

The registered address of the Kocaer Çelik is as follows:

Gümüşçay Mahallesi, Menderes Bulvarı, No: 45 Merkezefendi/Denizli

The Company has three steel profile production facilities, a galvanizing factory and a service center in Aliağa. In addition, the Company has branches in İzmir, İstanbul and Denizli. Besides, Kocaer Çelik has foreign operations in the foreign market with its subsidiary, Kocaer Steel UK LTD (Former title: Mymetal LTD), which was established in England.

The detailed information and registered address of the branches and offices is as follows:

- İstanbul Branch: Levazım Mahallesi Korlu Sokak Zorlu Center Teras Evler No:307 Beşiktaş / İstanbul,
- Aliağa Branch 3: Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevkii 19. Cadde No:1 Aliağa / İzmir,
- Aliağa Branch: Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevkii 19. Cadde No:2 Aliağa / İzmir,
- Aliağa Branch 2:Yeni Foça yolu üzeri 2. km Sanayi Caddesi Bozköy mevkii No:31 Aliağa / İzmir,
- İzmir Alsancak Branch: Akdeniz Mahallesi Şehit Fethibey Caddesi No:55/161 Konak/İzmir,
- Galvanization and Service Center Branch: Bozköy Mahallesi Sanayi Caddesi Dış Kapı No: 31/6 Aliağa/İzmir.

As of 31 March 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Kocaer Çelik are as follows:

	31.03.2024		31.12.2023	
Shareholders	**Amount**	**Share (%)**	**Amount**	**Share (%)**
Hakan KOCAER	487.884.989	74	500.384.989	76
Other	169.685.011	26	157.485.011	24
Total share capital	**657.570.000**	**100**	**657.570.000**	**100**

The functional breakdown of the subsidiaries ("Subsidiaries") and the associates ("Associates") their country of incorporation, effective interests, nature of business and their respective business segments are as follows:

Subsidiaries	**Country of incorporation**	**Nature of business**
Yağız Nakliyat San. ve Tic.A.Ş. (1)	Turkey	International Road Transport
Kocaer Steel UK LTD (Eski Unvanı: MYMETAL LTD) (2)	England	Wholesale Trade of Iron and Steel Products
Kocaer Steel Ireland Limited (**)	Ireland	Wholesale Trade of Iron and Steel Products
Kocaer Enerji A.Ş. (***)(4)	Turkey	Energy Production

Investments Accounted for Using the Equity Method (Associate)	**Country of incorporation**	**Nature of business**
Kocaer Metal San.ve Tic.A.Ş. (3) (*)	Turkey	Iron and Steel

(*) As of 20 May 2022, Kocaer Metal Sanayi ve Ticaret Anonim Şirketi has been in liquidation process. The relevant matter was published in Official Gazette on 26 May 2022 and numbered 10585. Accordingly, Kocaer Metal Sanayi ve Ticaret Anonim Şirketi entered into liquidation process and has not material influence on the consolidated financial statements and therefore, Kocaer Metal is not included in the scope of consolidation for the period ended 31 March 2024. The liquidation process Kocaer Metal Sanayi was completed as of 22 March 2023 and the relevant completion of the liquidation process was published in Official Gazette on 22 March 2023 and numbered 10795.

(**)Kocaer Steel Ireland Limited was established on 23 November 2022 by Kocaer Steel UK LTD and included in the scope of consolidation. The share capital of Kocaer Steel Ireland Limited is amounting to EUR 100. The reason of the establishment of Kocaer Steel Ireland Limited is increasing exports in the European market. As of 31 December 2023, Kocaer Steel Ireland Limited is inactive and has not been carrying on any business or operation.

(***) Kocaer Enerji Anonim Şirketi was established on 4 July 2023 and the registration of the establishment was published in Offical Gazette on 4 July 2023 and numbered 10863.

The registered address of the Kocaer Enerji is as follows:

Bozköy Mah. Sanayi Caddesi No:31/2 Aliağa/ İzmir

Kocaer Enerji's business activities include ensuring the development of projects for producing electricity, steam and heat, to establish facilities by preparing the relevant feasibility, to produce electricity and steam energy in these facilities, and to transport the produced electricity and steam to its customers.

Country of incorporation, nature of business and respective business segments of the subsidiaries ("Subsidiaries") and the associates ("Associates") are as follows:

1- Yağız Nakliyat San. ve Tic. A.Ş. ("Yağız Nakliyat") was established on 18 August 1995. The registered address of Yağız Nakliyat is Menderes Bulvarı No:53 Merkez/Denizli. Yağız Nakliyat's business activities include ensuring domestic and international transportation, cargo, contracting services and commodity trading. Kocaer Çelik acquired Yağız Nakliyat in 2018. Yağız Nakliyat has been consolidated in accordance with the full consolidation method. The abovementioned consolidation has been considered as "business combination under common control" and consolidated retrospectively for the periods presented with pooling of interest method in scope of TFRS 3. Another subsidary of the Kocaer Çelik is KCR Otomotiv and Yağız Nakliyat acquired KCR Otomotiv on 25 June 2021 through business combination. Voting rights and effective ownership interest of the Group have been disclosed in Note 2.03.

1- Kocaer Steel UK LTD (Former title: Mymetal LTD) was established on 14 January 2013. The registered address of My Metal is 204 Field End Road Eastcote Pinner Middlesex Ha5 1Rd London England. MY Metal's business activities include wholesale of iron and steel products. My Metal has been consolidated in accordance with the full consolidation method. Kocaer Çelik acquired My Metal in 2015. The abovementioned consolidation has been considered as "business combination under common control" in the accompanying consolidated financial statements. Voting rights and effective ownership interest of the Group have been disclosed in Note 2.03. The title of Mymetal Limited was changed and and registered as Kocaer Steel UK Limited on 29 September 2022.

2- Kocaer Metal Sanayi Anonim Şirketi was established on 14 February 2012. The business title of Kocaer Çelik Endüstrisi San.ve Tic.A.Ş has been changed to Kocaer Metal Sanayi Anonim Şirketi on 11 May 2021 and published in Official Gazette numbered 250. The registered address of Kocaer Metal is Yeni Foça Yolu 2.Km Sanayi Caddesi Bozköy Köyü Mevkii Aliağa/İzmir. Kocaer Metal has been accounted for using the equity method in the accompanying consolidated financial statements. Kocaer Metal's business activities include purchasing, selling, marketing, importing and exporting iron and steel raw materials and semi-finished products. As of 20 May 2022, Kocaer Metal Sanayi ve Ticaret A.Ş. has been in liquidation process. The relevant matter was published in Official Gazette on 26 May 2022 and numbered 10585. Kocaer Metal has not been included in the scope of consolidation since the Company is in liquidation process and immaterial to the consolidated financial statements for the year ended 31 December 2023. The relevant completion of the liquidation process was published in Official Gazette on 22 March 2023 and numbered 10795.

3- Kocaer Enerji Anonim Şirketi was established on 4 Juy 2023 and included in the scope of consolidation. The registration of the establishment was published in Offical Gazette on 4 July 2023 and numbered 10863. The registered address of the Kocaer Enerji is Bozköy Mah. Sanayi Caddesi No:31/2 Aliağa/ İzmir. Kocaer Enerji's business activities include ensuring the development of projects for producing electricity, steam and heat, to establish facilities by preparing the relevant feasibility, to produce electricity and steam energy in these facilities, and to transport the produced electricity and steam to its customers. Voting rights and effective ownership interest of the Group have been disclosed in Note 2.03. The current issued share capital of Kocaer Enerji comprise of 300.000 outstanding shares each with a nominal value of TL 1. Accordingly, current share capital of Kocaer Enerji is amounting to TL 300.000.000. The amount of TL 3.000.000 representing 3.000 outsanding shares was committed to paid-in cash by Hakan Kocaer and the remaining amount of TL 297.000.000 representing 297.000 outsanding shares was committed to paid-in cash by Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi. Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi has paid its capital commitment during the period.

For the purpose of the consolidated financial statements and notes to the consolidated financial statements, Kocaer Çelik and its consolidated subsidiaries and associates are hereinafter referred to as "the Group".

Total end of period and average number of personnel employed by Kocaer Çelik is 1.072 (31 December 2023: 943).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The Group and its subsidiaries and associates maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion except for property, plant and equipment including land, buildings, land improvements and plant, machinery and equipment at fair value and financial assets and liabilities at fair value with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS and presented in Turkish Lira.

Foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. Adjustments and restatements, required for the fair presentation of the consolidated financial statements in conformity with the TFRS, have been accounted for in the statutory financial statements, which are prepared in accordance with the historical cost principle.

In addition, the consolidated financial statements were published by POA in accordance with the "Announcement regarding to "TAS Taxonomy 2019", and revised "TAS Taxonomy 2022" which was published on 15 April 2019 and 4 October 2022, respectively. In addition, these consolidated financial statements were prepared in accordance with the "Financial Statements User Guide" published by the Capital Markets Board ("CMB").

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

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 complete set of consolidated financial statements in the interim periods. Accordingly, these complete set of consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2024. These complete set of consolidated financial statements are prepared in accordance with TFRS issued by POA.

Reporting currency

i) Functional and presentation currency

Items included in the consolidated financial statements of the subsidiaries and associates of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is Kocaer Çelik's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of other comprehensive income.

iii)Translation of financial statements of subsidiaries and associates operating in foreign countries

Assets and liabilities of subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction). Exchange differences arising from using average and balance sheet date rates are included in "currency translation differences" under equity.

.02 Adjustments of Financial Statements in Hyperinflationary Periods

Financial Reporting in Hyperinflationary Economies

In accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" which requires entities whose functional currency is that of a hyperinflationary economy to prepare their consolidated financial statements in terms of the measuring unit current at the end of the reporting period. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment. Money loses its purchasing power in such a proportion that comparing the amounts of transactions or other events that occurred at different times is misleading, even in the same accounting period. Hyperinflation is determined by a country's economic characteristics, including, but not limited to:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power.
- The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency.
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short.
- Interest rates, wages, and prices are linked to a "Price index"; and
- The cumulative inflation rate over three years approaches, or exceeds, 100%.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 March 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.03.2024	2.139,47	1.00000	308%
31.12.2023	1.859,38	1.15064	268%
31.12.2022	1.128,45	1.89594	156%
31.12.2021	686,95	3.11445	74%

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

In accordance with the CMB's resolution numbered 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority "(POA") on 23 November 2023, entities applying Turkish Financial Reporting Standards ("TFRSs") are required to present their financial statements by adjusting for the material influence of inflation for the comparative annual reporting period ending on or after 31 December 2022 and opening balances starting from 1 January 2022, in accordance with the accounting principles specified in TAS 29.

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

The main components of the Company’s restatement for financial reporting purposes in hyperinflationary economies are as follows:

• As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

• Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

• Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.

• All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and in the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.

• The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance. Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 March 2024. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.03 Basis of Consolidation and Group Accounting

After the restructuring realized by the Group management, the main and sole activities of the Group became iron, steel, transportation and motor vehicle operations and the Group ceased its operations in home textile. In order to present the consolidated financial position and the results of operations solely of the iron, steel, transportation, energy and motor vehicle, the Group prepared its consolidated financial statements comparatively with the prior period.

The consolidated financial statements include the accounts of the Group, and its subsidiaries from the date on which the control is transferred to the Group until the date that the control ceases. The consolidated financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Turkish Financial Reporting Standards by applying uniform accounting policies and presentation.

Subsidiaries

The Group has control over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity’s returns. On the other hand, the Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In order to be consistent with accounting policies accepted by the Group, accounting policies of the subsidiaries are modified where necessary.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Kocaer Çelik and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Kocaer Çelik and its subsidiaries are eliminated during the consolidation. The carrying value of the investment held by Kocaer Çelik and its subsidiaries is eliminated against the related equity and other equity items and non-controlling interest are reflected to the consolidated financial statements.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as "non-controlling interest" in the consolidated statements of comprehensive income and the consolidated statements of changes in equity.

Voting rights of the subsidiaries and their effective interests are as follows:

	Proportion of voting rights and effective ownership interests held by Kocaer Çelik (%)	
Subsidiaries	**31.03.2024**	**31.12.2023**
Yağız Nakliyat San. Ve Tic. A.Ş.	90.81	90.81
Kocaer Steel UK LTD	90	90
Kocaer Enerji A.Ş.	99	99

Kocaer Çelik has the joint control of its subsidiaries and associates within the scope of full consolidation method by using the shares it owns directly or indirectly, or by using the voting rights of Kocaer Family members and related parties on their behalf.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

Non-controlling shares in the net assets and operating results of subsidiaries are separately classified in the consolidated financial statements as "non-controlling interests".

Business combinations under common control

Legal mergers among the entities controlled by the Group are not evaluated within the scope of the "TFRS 3 (Revised) Business Combinations" standard. Acccordingly, in the absence of a specifically applicable IFRS Standard, the receiving company is required to develop its own accounting policy for business combinations under common control, applying the requirements on selecting accounting policies in TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in accordance with the paragraphs 10 and 12 presented under "USGAAP" which describes guidance regarding business combinations under common control.

The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period consolidated financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Business Combinations Under Common Control" included in retained earnings.

Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Kocaer Çelik and one or more other parties. The Group's interest in joint ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its shares of the assets, liabilities, income and expenses of each joint venture in the relevant components of the financial statements. The Group has no joint ventures at the end of the period.

Associates are entities over which the investor has significant influence. The power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Associates are accounted for using the equity method. Associates are companies in which the Group has voting power between 20% and 50% or the Group has power to participate in the financial and operating policy decisions but not control them. Unrealised gains or losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. In accordance with the equity method, profit for the period after tax is reflected to the consolidated statement of profit or loss acccordingly ownership interest in a subsidiary.

The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. After the Group's interest in the associates becomes nil, additional losses are provided for, and a liability recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses not recognized in the accompanying consolidated financial statements.

The carrying amounts of the investments accounted for using the equity method are reviewed whether there is any indication of impairment at each reporting date. If such an indicator exists, the recoverable amount of the asset is estimated.

The recoverable amount of the investments accounted for using the equity method refers to the higher of value-in-use or fair value less cost to sell. Value-in-use is the present value of future cash flows expected to be generated from an asset or cash generating unit.

If the carrying amount of the investments accounted for using the equity method exceeds the recoverable amount, the impairment is accounted for. Impairments are recognized in profit and loss accounts. Impairments are recognised in the statement of profit or loss and other comprehensive income.

In investments accounted for using the equity method, impairments allocated in previous periods are re-evaluated in each reporting period in the event that impairment decreases or there are indicators that impairment is not valid. Impairment is reversed in case of changes in the estimates used when determining recoverable amount. The increase in the carrying amount of the investments due to the reversal of the impairment loss is accounted in such a way that it does not exceed the carrying amount determined if the impairment loss has not been included in the consolidated financial statements in the previous years.

2.04 Comparatives and Adjustment of Prior Periods' Financial Statements

The current period financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance.

Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

The Group prepared its consolidated statement of financial position as at 31 March 2024 on a comparative basis with consolidated statement of financial position as at 31 December 2023; and consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the period 1 January - 31 March 2024 on a comparative basis with consolidated financial statements for the year 1 January - 31 March 2023.

2.05 Changes in Accounting Policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are restated. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in. There has been no changes incurred in the accounting policies during the period.

2.06 Changes in Accounting Estimates and Errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates and errors expected to have an impact on the results of operations in the current period.

2.07 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.08 Summary of Significant Accounting Policies

Accounting policies used in the preparation of the consolidated financial statements are summarised below:

2.08.01 Revenue Recognition

The Group mainly generates revenue by producing and selling iron and steel products considered as revenue arising from product sales. Revenue is recognized when the goods or services are transferred to the customer and the performance obligation is satisfied.

The Group is producing profile and bar steel produces with the hot rolling method, and can also provide processed product services through its service center.

Kocaer Çelik has been serving in many sectors such as; energy, transportation, mining and tunnel, ship building, agriculture and constructional sectors by supplying customer-oriented steel products (equal angles, U and C profiles, I and H beams, round and deformed bars, mining and tunnelling profiles and fittings, square bars, flat bars) with different sizes, grades and lengths, as well as carrying out operations for product development, sales & dispatch, import/export and custom clearances.

The Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is satisfied. In accordance with TFRS 15, a five-step model is followed in recognizing revenue for all contracts with customers.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied.

A contract with a customer recognized as a revenue will be within the scope of TFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

When assessing the collectability of a consideration, the Group considers only the customer's ability and intention to pay such consideration on time. The price that the Group will be entitled to collect may be lower than the price specified in the contract since it offers a price advantage to its customer on a customer and contract basis.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

2.08.02 Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of the inventory below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the statement of profit or loss in the year in which the impairment incurred. In cases where the conditions that previously caused the inventories to be reduced to net realizable value lose their validity or there is an increase in the net realizable value due to changing economic conditions, the provision for the impairment allocated is reversed. The reverseal is limited with the allocated impairment. The provision for impairment on inventories is disclosed in **Note 13**.

2.08.03 Property, Plant and Equipment and related depreciation

Land, buildings, land improvements and machinery and equipment have been revaluated by the appraisal firm Elit Gayrimenkul Değerleme Anonim Şirketi authorized by CMB. In accordance with the appraisal report prepared by the firm on 5-13-20 December 2023 and subsequently, property, plant and equipment carried at their fair value less accumulated depreciation in the accompanying consolidated financial statements.

Property, plant and equipment except land, land improvements, buildings and machinery and equipment are carried at cost less accumulated depreciation as of 31 December 2004 for the items purchased before 1 January 2005 and for the items purchased as of 1 January 2005, less the accumulated depreciation in the accompanying consolidated financial statements.

Gains arising from revaluation of land, buildings, land improvements and machinery and equipment have been classified under assets and changes in the fair value (revaluation surplus) has been recognized under equity. Revaluation surplus arising from revaluation of property, plant and equipment has been initially recognised under profit or loss less impairment, if there is a depreciation related to the property, plant and equipment that was previously presented under profit or loss. The decrease in the book value arising from the revaluation of the aforementioned land, buildings and land improvements has been presented under profit or loss, if the property, plant and equipment in question exceeds the balance in the revaluation fund related to the previous revaluation.

Property, plant and equipment except land and construction in progress are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. Useful life, residual value and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.
The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. In the disposal of the revalued property, plant and equipment, the revaluation fund related to the disposed property, plant and equipment is transferred to retained earnings.

Repairs and maintenance expenses are charged to the income statements during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset. All other expenses recognised in the profit or loss in the period which they incurred.

Land is not depreciated as it is deemed to have an indefinite useful life.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Economic useful lives (years)
- Land	Indefinite
- Buildings	10-50
- Plant, Machinery and Equipment	0-25
- Motor Vehicles	4-10
- Furniture and Fixtures	2-50
- Leasehold Improvements	5-10

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/(losses) from investing activities" in the current period.

Repairs and maintenance expenses are charged to the income statements during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

2.08.04 Intangible Assets and related amortisation

Intangible assets are carried at cost value less accumulated amortization and impairment losses. These intangible assets are amortized on a straight-line basis over their estimated useful lives.

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and recognised on prospective basis.

Rights and software recognized at their acquisition cost and these intangible assets are amortized on a straight-line basis over their estimated useful lives subsequently for the period between 3-10 years.

Research and development costs (R&D);

The Group started its operations regarding value-added production by establishing R&D center in its business segment in 2015 with the approval of Republic of Turkey Ministry of Industry and Technology.

Development costs recognized under consolidated statement of other comprehensive income in the period which they incurred.

Internally generated intangible assets resulting from development activities (or the development phase of an internal project) are recognized only when all of the following conditions are met:

- Charge all research cost to expense

- Development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. This means that the entity must intend and be able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits.

If an entity cannot distinguish the research phase of an internal project to create an intangible asset from the development phase, the entity treats the expenditure for that project as if it were incurred in the research phase only.

If an intangible item does not meet both the definition of and the criteria for recognition as an intangible asset, TAS 38 requires the expenditure on this item to be recognised as an expense when it is incurred. Development costs recognized as an expense in the prior period cannot be able to capitalized in subsequent period. Capitalized development cost is depreciated using the straight-line basis over an average of 5 years over the life of the project, with the start of commercial production of the product. Its useful life should be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite should be accounted for as a change in an accounting estimate. The research and development activities of the Group have been suspended and the existing research and development projects are still in progress.

Gains and losses arising from the disposal of intangible assets (the difference between net cash and the carrying value), recognized under consolidated statement of profit or loss in the period of disposal of intangible assets.

Intangible assets comprise of rights, computer software and capitalized development costs.

2.08.05 Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.08.06 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The financing costs of borrowings attributable to ongoing investments are capitalised until the completion of the investments. All other borrowing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred.

2.08.07 Financial Instruments

TFRS 9 "Financial Instruments"

TFRS 9 includes requirements for recognition and measurement of financial assets and liabilities. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.

The details of significant accounting policies and nature of changes in previous accounting policies are as follows:

i.) Classification of financial assets and liabilities under TFRS 9 largely preserves the existing requirements of TAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories for financial assets, loans and receivables to be held to maturity financial assets and financial assets available for sale have been removed.

The application of TFRS 9 did not have a significant impact on the Group's accounting policies for its financial liabilities and derivative financial instruments. The classification and measurement of the financial assets under TFRS 9 are as follows.

The classification of financial assets within the scope of TFRS 9 is generally based on the business model used by the enterprise for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. Within the scope of the standard, the obligation to separate embedded derivatives from financial assets has been eliminated, and the classification of a hybrid contract as a whole should be considered.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• it is its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument at FVOCI if both of the following conditions are met and the FV is not classified as measured by the difference in profit or loss:

- The retention of the financial asset based on a business model aimed at collecting contractual cash flows and selling financial assets;

- The contractual terms of the financial asset lead to cash flows that include interest payments on principal and principal balance on certain dates.

The Group may irrevocably make preference about presentation of subsequent changes in its fair value in other comprehensive income on initial recognition of non-trading equity investment. This is made separately for each investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In the first measurement of the financial assets other than the fair value changes that are reflected to the profit or loss (except for the trade receivables that are measured at the transaction cost and not having an important financing component at the time of the financial statements), the transaction costs directly attributable to the acquisition or issuance thereof are also added to the fair value.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

ii) Impairment of financial assets;

TFRS 9 replaces the 'incurred loss' model in TAS 39 with an "expected credit loss" ("ECL") model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under TFRS 9, credit losses are recognized earlier than under TAS 39.

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents.

Under TFRS 9, loss allowances are measured on either of the following bases: financial assets measured at amortized cost

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument and bank balances for which credit risk has not increased significantly since initial recognition;

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

- 360 days overdue
For determining whether a financial instrument has low credit risk, it may use other methodologies that comply with a globally accepted definition of low credit risk and take into account the type and risks of the financial instruments being evaluated.

The maximum time to be measured by the ECLs is the maximum contractual period that the Group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses (TFRS 9 requires the use of the lifetime expected loss provision for all trade receivables). The expected credit losses were calculated based on actual credit loss experience over the past years.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Trade receivables

The following analysis provides further detail about the calculation of ECLs related to trade receivables and contract assets on the adoption of TFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty. The Group performed the calculation of ECL for receivables at the reporting date and loss allowance performances in accordance with the past three year performances. Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, delinquency status, geographic region, age of relationship.

Impairment of financial assets

The Group management makes assumptions and judgments such as default risk and expected credit losses for the relevant assets when evaluating impairment on financial assets. While making these assumptions and judgments as of each balance sheet date, considering the past experiences and performances of the Group, and the current market conditions and future expectations for the market.

2.08.08 Foreign Currency Translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the consolidated balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group operating in the non-finance sectors, have been accounted for under "other operating income/(expenses)".

The consolidated financial statements are presented in TL, which is Kocaer Çelik's functional and presentation currency. Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Currency translation differences recognized as profit or loss in the period which they incurred.

2.08.09 Earnings Per Share

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

2.08.10 Events After the Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.08.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.08.12 Related Parties

For the purpose of these consolidated financial statements, shareholders, parents of Kocaer Çelik Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties".

2.08.13 Government Grants

The Group is entitled to have personel employment and turquality incentives and rights which are considered in the scope of government grants.

2.08.14 Taxes on Income

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

Current tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statuory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

Offsetting in tax assets and liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

2.08.15 Provision for Employment Termination Benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections. TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/(losses) and recognised under consolidated statement of other comprehensive income.

2.08.16 Statement of Cash Flow

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group's activities such as cash on hand, bank deposits and highly-liquid investments.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2.08.17 Investment Properties

Investment properties that are held in the production of supply of goods or services of for administrative purposes or for long term rental yields or for capital appreciation or both rather than for the sale in the ordinary course of business are classified as "investment property". Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Daily repair and maintenance is not included in the aforementioned costs. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise. Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss and other comprehensive income in the year of retirement or disposal.
Investment properties has been revaluated by the appraisal firm Elit Gayrimenkul Değerleme Anonim Şirketi authorized by CMB. In accordance with the appraisal report prepared by the firm, investment properties carried at their fair value on 5-13-20 December 2023 in the accompanying consolidated financial statements for the period ended 31 March 2024. The detailed information regarding investment properties is disclosed under **Note 17**.

2.08.18 Leases

Group - as a lessee

For lease contracts before 1 January 2019, whether the contract is, a or contains, a lease based on the substance of the relevant agreement;

(a) whether the performance of the contract depends on the use of a particular asset or assets; and
(b) making an assessment as to whether the contract transfers the right to use the relevant asset.

The Group has applied predecessor TFRS 16 "Leases" standard to contracts contain leases by applying TAS 17 "Leases" and TFRIC Interpretation 4 "Determining whether an Arrangement Contains a Lease". TFRS 16 "Leases" standard has not been applied to the contracts that were previously defined as not contains a lease by applying TAS 17 "Leases" and TFRIC Interpretation 4 "Determining whether an Arrangement Contains a Lease". Therefore, prior year consolidated financial statements are not restated and the consolidated financial statements are presented in accordance with TAS 17 "Leases" and TFRIC Interpretation 4 "Determining whether an Arrangement Contains a Lease". The Group as a lessee has classified the lease where the risks and benefits of ownership of the underlying asset previously subject to lease belong to the group as finance lease. Other leases classified as operating leases. As of 1 January 2019, which is the transition date to TFRS 16 "Leases" standard, the Group has measured the lease liability over the present value of the unpaid lease payments at that date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. Lease payments included in the measurement of the lease liability comprise the following:

- The Group has applied a single discount rate to a portfolio of leases with reasonably certain in nature.
- As an alternative to reviewing the impairment, the Group has made its assessment of whether the leases are economically disadvantaged or not by applying TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" just before the initial transition.
- The Group has applied previous performance, trends and experiences for determining the lease term for lease contracts tha include terminate and extension options.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors. At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) The amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Group, and
d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, the Group measures the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) Adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in TAS 16 "Property, Plant and Equipment" in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Group at the end of the lease term or if the cost of use rights indicates that the Group will use a purchase option, the Group depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Group depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Group applies TAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

c) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

d) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability,
b) Reducing the carrying amount to reflect the lease payments made, and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group's incremental borrowing interest rate.

After the effective date of the lease, the Group remeasures the lease liabilities to reflect changes in lease payments. The Group reflects the remeasurement amount of the lease liabilities to the consolidated financial statements as an adjustment to the right of use assets.

The Group remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

(a) A change in the lease term. The Group determines adjusted lease payments based on the adjusted lease term.

(b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group calculates the adjusted discount rate for the remainder of the lease term if the implicit interest rate in the lease can be easily determined; if it cannot be easily determined, the Group determines the alternative borrowing interest rate at the date of the revaluation.

The Group remeasures its lease liabilities by reducing the adjusted lease payments if either of the following conditions incurred:

(a) Changes in the amounts expected to be paid under a residual value commitment. The Group determines the adjusted lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.

(b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Group uses an unchanged discount rate.
The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

(a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and

(b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

Right of use assets of the Group is disclosed under **Note 14**.

Group - as a Lessor

The Group classifies each of the leases as operating leases or finance leases. A lease is classified as a finance lease when all risks and gains of ownership of the underlying asset are substantially transferred. A lease is classified as an operating lease if all risks and gains of ownership of the underlying asset are not substantially transferred. For a contract that includes one or more additional leasing components or not carrying a component, the Group distributes the contractual value by applying TFRS 15, "Revenue from Contracts with Customers".

2.09 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with TFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the statement of profit or loss and in the carrying value of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

a) Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates) **(Note 24)**.

b) The Group has been applied revaluation model on property, plant and equipment and investment properties in the accompanying consolidated financial statements. The fair value of property, plant and equipment and investment properties have been determined by appraisal firm authorized by CMB **(Note 17 and 18)**.

c) The Group depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates **(Note 2.08.03-2.08.04)**.

d) On the provision for lawsuits, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Group's legal counsel as of 31 March 2024 and 31 December 2023 **(Note 22)**.

e) In determining the impairment of trade receivables, creditworthiness of debtors, past payment performances and restructuring conditions, collaterals of mortgages and receivable insurance amounts taken into consideration. In accordance with the transition to TFRS 9 standard, "Expected Credit Loss" (ECL) has been superseeded TAS 39 "Incurred Loss" model **(Note 10)**.

f) The Group has calculated the deferred tax in accordance with TAS and TFRS and reflected to the consolidated financial statements **(Note 35)**.

g) The physical properties of the inventories and the past are examined in relation to the inventory impairment, the availability of the personnel is determined according to the opinions of the technical personnel and provision is made for the items that are estimated to be unavailable. Average sales prices are used to determine the net realizable value of inventories and provision for impairment is allocated in the accompanying consolidated financial statements when net realizable value is below the cost. The information about the inventory impairment that has been set as of the balance sheet date is given in **Note 13**.

2.10 Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity less retained earnings in the period in which they are approved and declared.

2.11 Going Concern

As of 31 March 2024, the Group has prepared its consolidated financial statements with the assumption on the Group's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

2.12 New and Revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 March 2024 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TFRS/TAS") and interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 31 March 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

On 15 January 2021, the POA issued amendments to TAS 1 "Presentation of Financial Statements". The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Early application is permitted.

The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the commencement of the effective date. Earlier application is permitted. The amendments did not have a significant material influence on the financial position or performance of the Group.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant material influence on the financial position or performance of the Group.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. This amendment introduces a temporary exception to the accounting for deferred tax assets and liabilities related to Pillar Two income taxes. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023. The amendments did not have a significant material influence on the financial position or performance of the Group.

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendment to TAS 1 – Non-current liabilities with covenants

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's ("International Accounting Standards Board") response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendment to TFRS 16 – Leases on sale and leaseback

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

TFRS S1, 'General requirements for disclosure of sustainability-related financial information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 3 – BUSINESS COMBINATIONS

Business combination transactions with non-controlling interests

Business combinations are accounted for by using the acquisition method in the scope of TFRS 3 "Business combinations". Any excess of the cost of acquisition over the acquirer's interest in the (i) net fair value of the acquiree's identifiable assets and contingent liabilities as of the acquisition date, (ii) amount of any non-controlling interest in the acquired entity and (iii) fair value of any equity interest previously held by acquirer is accounted for as goodwill. f those amounts are less than fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss. Goodwill recognised in business combinations is tested for impairment annually or more frequently if events or changes in circumstances indicate impairment, instead of amortisation. Identifiable assets, liabilities and contingent liabilities of the business acquired are measured initially at their fair values at the acquisition date and any difference exceeding the initial acquisition cost directly recognised under profit or loss in the scope of TFRS 3.

For share purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recognised in equity. Consolidation is based on the concept of 'control' and changes in ownership interests while control is maintained are accounted for as transactions between owners as owners in equity for the annual periods beginning on or after 1 July 2009 in accordance with the TAS 27 (Revised) standard. The Group has no business combination transactions with non-controlling interests and relevant acquisitions at the end of the reporting period in accordance with the TFRS 3.

Business combinations under common control

Legal mergers among the entities controlled by the Group are not evaluated within the scope of the "TFRS 3 (Revised) Business Combinations" standard. Acccordingly, in the absence of a specifically applicable IFRS Standard, the receiving company is required to develop its own accounting policy for business combinations under common control, applying the requirements on selecting accounting policies in TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in accordance with the paragraphs 10 and 12 presented under "POA" which describes applications and policies regarding business combinations under common control.

The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period consolidated financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Business Combinations Under Common Control" included in retained earnings.

NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

None.

NOTE 5 - SEGMENT REPORTING

The reportable segments of Kocaer Çelik have been organized by the Group management which are strategic businessess that present various products and services. Those segments include steel, transportation, energy, machinery industry and various other sectors.

Operating segments which have been prepared in accordance with the reportable segments of Kocaer Çelik for the periods ended 31 March 2024 and 2023 are as follows:

31.03.2024	**Steel**	**Transportation**	**Energy**	**Elimination/ Adjustments**	**Total**
Revenue	3.819.574.413	45.635.573	20.038	-	3.865.230.024
Cost of Sales (-)	(2.944.308.546)	(44.929.574)	-	(173.775.357)	(3.163.013.477)
Gross Profit from Non-Finance Sector Operations	**875.265.867**	**705.999**	**20.038**	**(173.775.357)**	**702.216.547**
GROSS PROFIT	**875.265.867**	**705.999**	**20.038**	**(173.775.357)**	**702.216.547**
Marketing, Sales and Distribution Expenses (-)	(205.936.436)	-	(760)		(205.937.196)
General Administrative Expenses (-)	(72.070.379)	(723.062)	(16.054)	-	(72.809.495)
Research and Development Expenses (-)	(2.548.294)	-	-	-	(2.548.294)
Other Operating Income	137.735.501	6.124.501	940.506	-	144.800.508
Other Operating Expenses (-)	(253.482.478)	(1.015.569)	(1.402)	-	(254.499.449)
OPERATING PROFIT	**478.963.781**	**5.091.869**	**942.328**	**(173.775.357)**	**311.222.621**
Gains from investment activities	145.647.906	-	-	-	145.647.906
Losses from investment activities (-)	-	(151.541)	-	-	(151.541)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)	**624.611.687**	**4.940.328**	**942.328**	**(173.775.357)**	**456.718.986**
Financial Income	42.349.521	-	515.430	(2)	42.864.949
Financial Expense (-)	(330.577.732)	(2.343)	(462.706)	-	(331.042.781)
Net Monetary Position Gains/(Losses)	282.238.173	(1.659.610)	(12.278.776)	(299.815.552)	(31.515.765)
PROFIT BEFORE TAX	**618.621.649**	**3.278.375**	**(11.283.724)**	**(473.590.911)**	**137.025.389**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

31.03.2023	**Steel**	**Transportation**	**Elimination/ Adjustments**	**Total**
Revenue	4.358.869.899	41.743.571	(32.004.983)	4.368.608.487
Cost of Sales (-)	(2.614.890.026)	(38.683.259)	(1.162.966.654)	(3.816.539.939)
Gross Profit from Non-Finance Sector Operations	**1.743.979.873**	**3.060.312**	**(1.194.971.637)**	**552.068.548**
GROSS PROFIT	**1.743.979.873**	**3.060.312**	**(1.194.971.637)**	**552.068.548**
Marketing, Sales and Distribution Expenses (-)	(189.054.929)	-	1.040	(189.053.889)
General Administrative Expenses (-)	(52.822.822)	(655.401)	(3.344.884)	(56.823.107)
Research and Development Expenses (-)	(1.600.288)	-	9	(1.600.279)
Other Operating Income	203.715.105	97.303	53.150.580	256.962.988
Other Operating Expenses (-)	(185.799.790)	(474.576)	(40.339.213)	(226.613.579)
OPERATING PROFIT	**1.518.417.149**	**2.027.638**	**(1.185.504.105)**	**334.940.682**
Gains from investment activities	37.532.539	-	2.405.800	39.938.339
Losses from investment activities (-)	(66.120.086)	-	363	(66.119.723)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)	**1.489.829.602**	**2.027.638**	**(1.183.097.942)**	**308.759.298**
Financial Income	26.261.341	3.807	9.682.504	35.947.652
Financial Expense (-)	(155.208.937)	(3.181)	(22.559.381)	(177.771.499)
Net Monetary Position Gains/(Losses)	(3.057.010.719)	(21.208.588)	3.160.045.766	81.826.459
PROFIT BEFORE TAX	**(1.696.128.713)**	**(19.180.324)**	**1.964.070.947**	**248.761.910**

NOTE 6 - CASH AND CASH EQUIVALENTS

As of 31 March 2024 and 31 December 2023, the functional breakdown of cash and cash equivalents is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Cash on hand	123.695	132.875
Banks	935.298.669	775.309.181
- Demand deposits	882.728.450	683.675.874
- Time deposits	52.570.219	91.633.307
Cash and cash equivalents, net	**935.422.364**	**775.442.056**

As of 31 March 2024 and 31 December 2023, the functional breakdown of cash on hand is as follows:

		31.03.2024		**31.12.2023**
Cash on hand	**Original currency amount**	**TL equivalent**	**Original currency amount**	**TL equivalent**
TL	49.386	49.386	54.438	54.438
USD	50	1.613	3	102
EUR	2.090	72.696	2.405	78.335
Total		**123.695**		**132.875**

As of 31 March 2024 and 31 December 2023, the functional breakdown of banks is as follows:

		31.03.2024		**31.12.2023**
Banks	**Original currency amount**	**TL equivalent**	**Original currency amount**	**TL equivalent**
TL	60.808.980	60.808.980	99.386.578	99.386.578
USD	22.589.668	729.316.455	16.950.810	499.001.325
EUR	689.343	23.990.724	719.059	23.422.559
GBP	2.979.910	121.182.510	4.099.673	153.498.719
Total		**935.298.669**		**775.309.181**

As of 31 March 2024 and 31 December 2023, the breakdown of time deposits including maturity analysis and annual effective interest rate is as follows:

		31.03.2024		**31.12.2023**
Banks	**Original currency amount**	**Annual effective interest rate (%)**	**Original currency amount**	**Annual effective interest rate (%)**
TL	52.570.219	5% - 44%	91.633.307	29% -38%
Total	**52.570.219**		**91.633.307**	

Maturity	**31.03.2024**	**31.12.2023**
1-30 days	52.570.219	91.633.307
Total	**52.570.219**	**91.633.307**

As of 31 March 2024 and 31 December 2023, the Group has no blocked deposits.

NOTE 7 - FINANCIAL INVESTMENTS

As of 31 March 2024 and 31 December 2023, the breakdown and details of short-term financial investments are as follows:

Account Name	**31.03.2024**	**31.12.2023**
Financial assets at fair value through profit or loss (*)	979.552.492	783.495.740
Short-term financial investments, net	**979.552.492**	**783.495.740**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

(*) Financial assets at fair value through profit or loss comprise of equity securities and fund accounts. These relevant accounts are carried at their fair value in the accompanying consolidated financial statements as of 31 March 2024.

As of 31 March 2024 and 31 December 2023, the breakdown and details of long-term financial investments are as follows:

Account Name	31.03.2024	31.12.2023
Kocaer Steel Ireland Limited (*)	3.228	3.714
Total	**3.228**	**3.714**

(*)Kocaer Steel Ireland Limited was established on 23 November 2022 by Kocaer Steel UK LTD and included in the scope of consolidation. The share capital of Kocaer Steel Ireland Limited is amounting to EUR 100. The reason of the establishment of Kocaer Steel Ireland Limited is increasing exports in the European market. As of 31 December 2023, Kocaer Steel Ireland Limited is inactive and has not been carrying on any business or operation.

NOTE 8 – BORROWINGS

As of 31 March 2024 and 31 December 2023, the detailed analysis of short-term borrowings is as follows:

Account Name	31.03.2024	31.12.2023
Bank borrowings	2.012.378.394	2.209.438.157
Finance lease liabilities	40.231.946	60.045.374
Lease liabilities	6.620.811	2.402.188
Other	116.786	1.652.417
Short-term borrowings, net	**2.059.347.937**	**2.273.538.136**

As of 31 March 2024 and 31 December 2023, the breakdown of short-term portion of long-term borrowings is as follows:

Account Name	31.03.2024	31.12.2023
Principal and interest installments of long-term borrowings	701.608.207	325.139.114
Short-term portion of long-term borrowings, net	**701.608.207**	**325.139.114**

As of 31 March 2024 and 31 December 2023, the detailed analysis of long-term borrowings is as follows:

Account Name	31.03.2024	31.12.2023
Bank borrowings	150.794.778	725.254.983
Finance lease liabilities	17.916.616	23.396.020
Lease liabilities	151.752.352	165.843.459
Long-term borrowings, net	**320.463.746**	**914.494.462**

Repayment schedule of borrowings is as follows:

Bank borrowings (Loans)	31.03.2024	31.12.2023
0-3 months	488.295.245	1.099.367.906
4-12 months	2.225.808.142	1.436.861.782
1 year and over	150.794.778	725.254.983
Total	**2.864.898.165**	**3.261.484.671**

Finance lease liabilities	31.03.2024	31.12.2023
0-3 months	20.538.601	23.232.993
4-12 months	19.693.345	36.812.381
1 year and over	17.916.616	23.396.020
Total	**58.148.562**	**83.441.394**

Lease liabilities	31.03.2024	31.12.2023
0-3 months	3.411.028	915.978
4-12 months	3.209.783	1.486.210
1 year and over	151.752.352	165.843.459
Total	**158.373.163**	**168.245.647**

Annual effective interest rates of borrowings in terms of currencies are as follows:

<u>31.03.2024</u>

Currency	Original currency amount	TL equivalent	Annual effective interest rate (%)
TL	116.519.257	116.519.256	6%-20%
EUR	3.333.662	785.608.907	3% - 6%
USD	57.628.477	1.866.707.392	4%-7%
GBP	2.362.205	96.062.610	7.50%
Total		**2.864.898.165**	

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

31.12.2023

Currency	Original currency amount	TL equivalent	Annual effective interest rate (%)
TL	1.224.945.289	1.224.945.289	4.09%-40.50%
EUR	4.334.337	162.991.202	2.17% - 4.76%
USD	44.626.042	1.516.603.894	4.86%-10.88%
GBP	8.285.246	356.944.286	7.50%
Total		**3.261.484.671**	

Annual effective interest rates of finance leases in terms of currencies are as follows:

31.03.2024

Currency	Original currency amount	TL equivalent	Annual effective interest rate (%)
TL	40.867	40.868	15%
EUR	60.795	2.122.809	1%-5%
USD	1.728.350	55.984.885	1%-%4
Total		**58.148.562**	

31.12.2023

Currency	Original currency amount	TL equivalent	Annual effective interest rate (%)
TL	92.689	92.689	13%
EUR	127.140	4.781.050	4%-9%
USD	2.311.852	78.567.655	5%-%7
Total		**83.441.394**	

NOTE 9 - OTHER FINANCIAL LIABILITIES

None.

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

As of 31 March 2024 and 31 December 2023, the breakdown of short-term trade receivables is as follows:

Account Name	31.03.2024	31.12.2023
Trade Receivables from Third Parties	1.438.459.451	1.433.652.426
-Customers	*1.180.646.076*	*1.251.927.835*
-Notes receivables	*257.813.375*	*181.724.591*
- Doubtful trade receivables	*14.863.766*	*17.166.748*
- Provision for doubtful trade receivables (-)	*(14.863.766)*	*(17.166.748)*
Trade Receivables from Related Parties (Note 37)	10.882.893	10.212.044
Short-term trade receivables, net	**1.449.342.344**	**1.443.864.470**

The movements of provision for doubtful receivables are as follows:

	01.01.2024 31.03.2024	**01.01.2023 31.03.2023**
Beginning of the period – 1 January	17.166.748	**34.347.567**
Increases during the period	3.747.931	-
Provisions no longer required	(3.115.511)	(2.884.911)
Inflation adjustments	(2.935.402)	(3.577.040)
End of the period – 31 March	**14.863.766**	**27.885.616**

The Group has been organized its sales mainly from according to custmers orders. A significant portion of domestic and foreign sales are made under the scope of receivables insurance, and foreign sales are made within the scope of confirmed letter of credit. Accordingly, the Group mitigates the risk arising from its sales with avoiding losses on cash flow.

As of 31 March 2024 and 31 December 2023, the Group has no long-term trade receivables.

As of 31 March 2024 and 31 December 2023, the breakdown of short-term trade payables is as follows:

Account Name	31.03.2024	31.12.2023
Trade Payables to Third Parties	2.366.203.593	1.422.085.585
- Suppliers	*2.334.203.593*	*1.422.085.585*
-Notes payable	*32.000.000*	-
Short-term trade payables, net	**2.366.203.593**	**1.422.085.585**

As of 31 March 2024 and 31 December 2023, the Group has no long-term trade payables.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

As of 31 March 2024 and 31 December 2023, the detailed analysis of short-term other receivables is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Other Receivables from Third Parties	247.057.701	225.216.396
- Deposits and guarantees given	*7.636.167*	*7.472.351*
- Receivables from tax office	*230.088.560*	*207.418.914*
- Due from employee	*794.874*	*1.081.702*
- Other	*8.538.100*	*9.243.429*
Other Receivables from Related Parties (Note 37)	58.175.263	34.876.788
Short-term other receivables, net	**305.232.964**	**260.093.184**

As of 31 March 2024 and 31 December 2023, the details of long-term other receivables are as follows:

Account Name	**31.03.2024**	**31.12.2023**
Other Receivables from Third Parties	4.043.181	2.452.515
- Deposits and guarantees given	*4.043.181*	*2.452.515*
Long-term other receivables, net	**4.043.181**	**2.452.515**

As of 31 March 2024 and 31 December 2023, the details of short-term other payables are as follows:

Account Name	**31.03.2024**	**31.12.2023**
Other Payables to Third Parties	130.683.965	108.182.742
- VAT payable	*40.849.987*	*31.782.909*
- Other liabilities	*298.674*	*222.489*
- Taxes payable	*89.212.301*	*76.006.405*
- Other payables	*323.003*	*170.939*
Other Payables to Related Parties (Note 37)	24.000.000	30.183.603
Short-term other payables, net	**154.683.965**	**138.366.345**

As of 31 March 2024 and 31 December 2023, the Group has no long-term other payables.

NOTE 12 - DERIVATIVE INSTRUMENTS

The breakdown of short-term derivative instruments as of 31 March 2024 and 31 December 2023 is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Derivative assets	89.671.886	128.800.091
Total	**89.671.886**	**128.800.091**

The breakdown of long-term derivative instruments as of 31 March 2024 and 31 December 2023 is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Derivative assets	20.116.354	23.146.682
Total	**20.116.354**	**23.146.682**

The Group uses hedge accounts on its consolidated statement of financial position by borrowing in the same currency against the foreign currency denominated risks arising from the foreign currency sales amounts to be realized in the subsequent periods within the scope of the agreements.

In this context, repayments of foreign currency denominated borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that are realized on closing dates and determined as hedged item within the scope of hedge accounting.

In accordance with the currency risk management strategy determined by the Group management, unrealized firm commitment applies hedge accounting to hedge the currency risk component of the fair value risk and hedge the cash flow risk of the highly probable forecast transaction currency risk component and is formed on the hedged item and the hedging instrument. The Group aims to present a precise statement of profit or loss by netting the foreign exchange rate fluctuations that have not yet been realized and by following the currency fluctuations of bank borrowings, which are defined as hedge instruments, under the consolidated statement of other comprehensive income.

NOTE 13 – INVENTORIES

As of 31 March 2024 and 31 December 2023, the breakdown of inventories is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Raw materials and supplies	1.188.387.721	885.885.680
Finished goods	1.051.501.696	1.656.568.206
Merchandise	893.001.374	740.108.356
Other inventories	18.730.520	9.654.140
Total	**3.151.621.311**	**3.292.216.382**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 14 – RIGHT OF USE ASSETS

As of 31 March 2024 and 2023, the movements for right of use assets, and related depreciation are as follows:

31.03.2024

Cost	**Opening balance – 1 January 2024**	**Additions**	**Currency translation differences and adjustments for inflation**	**Closing balance – 31 March 2024**
Motor vehicles	22.477.745	9.958.959	-	32.436.704
Buildings	281.353.045	-	(14.723.815)	266.629.230
Total	303.830.790	**9.958.959**	**(14.723.815)**	**299.065.934**

Accumulated depreciation (-)	**Opening balance – 1 January 2024**	**Current period depreciation**	**Currency translation differences and adjustments for inflation**	**Closing balance – 31 March 2024**
Motor vehicles	(17.453.447)	(3.741.269)	-	(21.194.716)
Buildings	(62.253.643)	(3.909.049)	2.581.216	(63.581.476)
Total	**(79.707.090)**	**(7.650.318)**	**2.581.216**	**(84.776.192)**
Net book value	**224.123.700**			**214.289.742**

31.03.2023

Cost	**Opening balance – 1 January 2023**	**Currency translation differences and adjustments for inflation**	**Closing balance – 31 March 2023**
Motor vehicles	12.897.884	-	12.897.884
Buildings	135.333.454	(8.066.344)	127.267.110
Total	**148.231.338**	**(8.066.344)**	**140.164.994**

Accumulated depreciation (-)	**Opening balance – 1 January 2023**	**Current period depreciation**	**Currency translation differences and adjustments for inflation**	**Closing balance – 31 March 2023**
Motor vehicles	(7.811.746)	(635.766)	-	(8.447.512)
Buildings	(20.154.533)	(3.503.236)	1.048.530	(22.609.239)
Total	**(27.966.279)**	**(4.139.002)**	**1.048.530**	**(31.056.751)**
Net book value	**120.265.059**			**109.108.243**

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

As of 31 March 2024 and 31 December 2023, the breakdown short-term prepaid expenses is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Prepaid Expenses to Third Parties	100.762.047	106.860.510
Short-term prepaid expenses	*16.497.788*	*22.096.552*
Advances given for purchases	*83.857.640*	*84.218.315*
Advances given to employee	*236.007*	*352.136*
Business cash advances	*170.612*	*193.507*
Short-term prepaid expenses, net	**100.762.047**	**106.860.510**

As of 31 March 2024 and 31 December 2023, the breakdown long-term prepaid expenses is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Advances given for non-current assets (*)	59.801.195	53.499.404
Long-term prepaid expenses, net	**59.801.195**	**53.499.404**

(*) Includes advances given for property, plant and equipment ordered for purchases

As of 31 March 2024 and 31 December 2023, the breakdown short-term deferred income is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Deferred Income from Third Parties	386.499.020	646.212.354
Advances received (*)	*386.499.020*	*646.212.354*
Short-term deferred income, net	**386.499.020**	**646.212.354**

(*) Includes advances received from domestic and foreign customers

As of 31 March 2024 and 31 December 2023, the Group has no long-term deferred income.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 20 May 2022, Kocaer Metal Sanayi ve Ticaret Anonim Şirketi has been in liquidation process. The relevant matter was published in Official Gazette on 26 May 2022 and numbered 10585. Accordingly, Kocaer Metal Sanayi ve Ticaret Anonim Şirketi entered into liquidation process and has no material influence on the consolidated financial statements and therefore, Kocaer Metal is not included in the scope of consolidation for the year ended 31 December 2023. The liquidation process of Kocaer Metal was completed as of 22 March 2023 and the relevant completion of the liquidation process was published in Official Gazette on 22 March 2023 and numbered 10795.

NOTE 17 - INVESTMENT PROPERTIES

As of 31 March 2024 and 2023, the functional breakdown and relevant financial information regarding investment properties are as follows:

31.03.2024

Cost	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance – 31 March 2024
Land	157.804.523	-	-	-	157.804.523
Buildings	171.474.126	-	-	-	171.474.126
Total	**329.278.649**	**-**	**-**	**-**	**329.278.649**

The fair value of the investment properties was determined as of 20 December 2023 and the changes in fair value were reflected to the consolidated financial statements for the period ended 31 March 2024. In the determination of the fair values of the investment properties as of 20 December 2023, the fair values determined as a result of the appraisal studies carried out by Elit Gayrimenkul Değerleme Anonim Şirketi, which is authorized by the Capital Markets Board for the valuation of investment properties and those values have been reflected to the accompanying consolidated financial statements. The detailed information of investment properties is as follows:

31.03.2023

Cost	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance – 31 March 2023
Land	134.460.024	-	-	-	134.460.024
Buildings	162.624.206	-	-	-	162.624.206
Total	**297.084.230**	**-**	**-**	**-**	**297.084.230**

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

As of 31 March 2024 and 2023, the movements for property, plant and equipment, and related depreciation are as follows:

31.03.2024

Cost	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance – 31 March 2024
Land	2.631.554.703	1.384.992	-	-	2.632.939.695
Land improvements	38.917.037	2401390	-	-	41.318.427
Buildings	1.391.980.514	88.408	-	-	1.392.068.922
Plant, machinery and equipment	2.379.399.140	258.775.362	-	4.134.811	2.642.309.313
Motor vehicles	235.799.652	26.665.365	(5.630.701)	-	256.834.316
Furniture and fixtures	139.059.365	2.673.609	-	-	141.732.974
Other property, plant and equipment	318.300	-	-	-	318.300
Leasehold improvements	6.635.985	-	-	-	6.635.985
Constructions in progress	939.897.413	183.279.534	(237.143.287)	(4.134.811)	881.898.849
Total	**7.763.562.109**	**475.268.660**	**(242.773.988)**	**-**	**7.996.056.781**

Accumulated depreciation (-)	Opening balance – 1 January 2024	Current period depreciation	Disposals	Transfers	Closing balance – 31 March 2024
Land improvements	(16.532.133)	(588.322)	-	-	(17.120.455)
Buildings	(186.704.471)	(8.477.879)	-	-	(195.182.350)
Plant, machinery and equipment	(1.225.911.418)	(40.757.376)	-	-	(1.266.668.794)
Motor vehicles	(95.669.308)	(7.160.231)	5.351.084	-	(97.478.455)
Furniture and fixtures	(86.979.114)	(3.266.417)	-	-	(90.245.531)
Other property, plant and equipment	(186.020)	(26.452)	-	-	(212.472)
Leasehold improvements	(5.298.681)	(156.455)	-	-	(5.455.136)
Constructions in progress	-	-	-	-	-
Total	**(1.617.281.145)**	**(60.433.132)**	**5.351.084**	**-**	**(1.672.363.193)**
Net book value	**6.146.280.964**			**-**	**6.323.693.588**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

31.03.2023

Cost	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance – 31 March 2023
Land	2.518.324.336	-	-	-	2.518.324.336
Land improvements	39.184.183	-	-	-	39.184.183
Buildings	1.278.774.395	12.473.907	-	-	1.291.248.302
Plant, machinery and equipment	1.894.077.252	119.991.038	(5.013.543)	10.771.433	2.019.826.180
Motor vehicles	166.034.778	23.195.839	(13.908.171)	-	175.322.446
Furniture and fixtures	122.295.723	1.692.974	(350.594)	-	123.638.103
Other property, plant and equipment	318.301	-	-	-	318.301
Leasehold improvements	6.635.967	-	-	-	6.635.967
Constructions in progress	873.740.671	2.626.663	-	(10.771.433)	865.595.901
Total	**6.899.385.606**	**159.980.421**	**(19.272.308)**	**-**	**7.040.093.719**

Accumulated depreciation (-)	Opening balance – 1 January 2023	Current period depreciation	Disposals	Closing balance – 31 March 2023
Land improvements	(14.173.075)	(581.864)	-	(14.754.939)
Buildings	(156.614.546)	(7.388.032)	-	(164.002.578)
Plant, machinery and equipment	(1.128.168.655)	(31.896.360)	4.823.723	(1.155.241.292)
Motor vehicles	(48.193.441)	(4.906.956)	1.089.790	(52.010.607)
Furniture and fixtures	(74.688.404)	(3.868.674)	334.735	(78.222.343)
Other property, plant and equipment	(79.921)	(26.162)	-	(106.083)
Leasehold improvements	(4.671.133)	(154.736)	-	(4.825.869)
Constructions in progress	**(1.426.589.175)**	**(48.822.784)**	**6.248.248**	**(1.469.163.711)**
Total	**5.472.796.431**			**5.570.930.008**

Total insurance coverage on property, plant and equipment has been presented under **Note 22**.

The functional breakdown of depreciation and amortisation charges on property, plant and equipment have been presented under **Note 30**.

NOTE 19 - INTANGIBLE ASSETS

As of 31 March 2024 and 2023, the movements for intangible assets, and related depreciation are as follows:

Other intangible assets

31.03.2024

Cost	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance – 31 March 2024
Rights	56.802.965	-	-	-	56.802.965
Development costs	347.873.285	-	-	-	347.873.285
Total	**404.676.250**	**-**	**-**	**-**	**404.676.250**

Accumulated depreciation (-)	Opening balance – 1 January 2024	Current period depreciation	Disposals	Closing balance – 31 March 2024
Rights	(55.173.847)	(146.040)	-	(55.319.887)
Development costs	(341.537.832)	(5.031.678)	-	(346.569.510)
Total	**(396.711.679)**	**(5.177.718)**	**-**	**(401.889.397)**
Net book value	**7.964.571**			**2.786.853**

31.03.2023

Cost	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance – 31 March 2023
Rights	56.666.409	-	-	-	56.666.409
Development costs	348.023.871	-	-	-	348.023.871
Total	**404.690.280**	**-**	**-**	**-**	**404.690.280**

Accumulated depreciation (-)	Opening balance – 1 January 2023	Current period depreciation	Disposals	Closing balance – 31 March 2023
Rights	(54.578.888)	(175.166)	-	(54.754.054)
Development costs	(322.359.391)	(6.975.674)	-	(329.335.065)
Total	**(376.938.279)**	**(7.150.840)**	**-**	**(384.089.119)**
Net book value	27.752.001			20.601.161

Total insurance coverage on intangible assets has been presented under **Note 22**.

The functional breakdown of depreciation and amortisation charges on intangible assets have been presented under **Note 30**.

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 20 - EMPLOYEE BENEFITS

As of 31 March 2024 and 31 December 2023, the breakdown of employee benefits is as follows:

Account Name	31.03.2024	31.12.2023
Due to employees	35.063.314	21.920.636
Taxes payable	7.526.375	9.126.040
Social security premiums payable	21.102.712	28.993.279
Employee benefits, net	**63.692.401**	**60.039.955**

NOTE 21 – GOVERNMENT GRANTS

None.

NOTE 22 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Other short-term provisions

Account Name	31.03.2024	31.12.2023
Provision for lawsuit	34.717.229	38.477.421
Provision for unused vacation	12.778.375	8.834.867
Provision for expense accruals	2.087	-
Total	**47.497.691**	**47.312.288**

As of 31 March 2024 and 2023, the movements of provision for lawsuits are as follows:

Provision for lawsuit	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Beginning of the period – 1 January	38.477.421	18.967.157
Increases during the period	2.028.320	56.257
Provisions no longer required	(592.012)	-
Payments during the period	(113.542)	(2.089.124)
Inflation adjustments	(5.082.958)	(2.060.227)
End of the period – 31 March	**34.717.229**	**14.874.063**

As of 31 March 2024 and 2023, the movements of provision for unused vacation are as follows:

Provision for unused vacation	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Beginning of the period – 1 January	8.834.867	8.212.373
Increases during the period	5.282.061	1.102.569
Inflation adjustments	(1.338.553)	(941.358)
End of the period – 31 March	**12.778.375**	**8.373.584**

ii) Contingent liabilities and contingent assets

None.

iii) Commitments, mortgages and guarantees not included in the liability

As of 31 March 2024 and 31 December 2023, the breakdown of collaterals/pledges/mortgages/bill of guarantees (“CPMB”) is as follows:

			31.03.2024
Type	**Currency**	**Original currency amount**	**TL equivalent**
Letter of Guarantee Given	TL	415.917.581	415.917.581
Letter of Guarantee Given	USD	670.542	21.684.590
Letter of Guarantee Given	EUR	1.873.923	64.928.981
Mortgages and Bill of Gurantees Given	TL	230.000.000	230.000.000
Pledges Given	TL	825.000.000	825.000.000
Pledges Given	USD	176.491.445	5.707.539.191
Pledges Given	EUR	8.100.000	280.654.470
Total CPMB’s given, net			**7.545.724.813**
Letter of Guarantee Received	TL	5.040.000	5.040.000
Letter of Guarantee Received	USD	332.800	10.762.386
Letter of Guarantee Received	EUR	46.615	1.615.149
Total CPMB’s received, net			**17.417.535**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

			31.12.2023
Type	**Currency**	**Original currency amount**	**TL equivalent**
Letter of Guarantee Given	TL	392.581.933	392.581.933
Letter of Guarantee Given	USD	108.324	3.188.850
Letter of Guarantee Given	EUR	2.520.247	82.094.267
Mortgages and Bill of Gurantees Given	TL	264.647.200	264.647.200
Pledges Given	TL	949.278.000	949.278.000
Pledges Given	USD	196.174.276	5.775.017.580
Pledges Given	EUR	9.320.184	303.594.742
Total CPMB's given, net			**7.770.402.572**
Letter of Guarantee Received	TL	22.483.506	22.483.506
Letter of Guarantee Received	USD	39.973	1.176.740
Letter of Guarantee Received	EUR	1.864.037	60.718.948
Total CPMB's received, net			**84.379.194**

The functional breakdown of letters of guarantee which has been provided to various institutions during the period given accordingly to Customs Office, Electricity and Natural Gas distributor companies and tribunals. On the other hand, the Group has obtained letters of guarantees from its shareholders considered as bill of guarantees for acquisition of raw materials and supplies which were considered as deposit.

iv) Ratio of guarantees and mortgages to equity

As of 31 March 2024 and 31 December 2023, the Group's collateral/pledge/mortgage/bill of guarantees ("C&P&M&B") position is as follows:

Collateral, Pledge, Mortgages, Bill of Guarantees Given by the Group	**31.03.2024**	**31.12.2023**
A. Total amount of CPMB's given in the name of its own legal personality	732.531.152	742.512.251
B. Total amount of CPMB's given on behalf of the fully consolidated subsidiaries	-	-
C. Total amount of CPMB's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other CPMB's given	6.813.193.661	7.027.890.321
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C	6.813.193.661	7.027.890.321
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C		
Total	**7.545.724.813**	**7.770.402.572**

The ratio of other CPMB's given by the Group to its equity is 95% as of 31 March 2024 (31 December 2023: 95%).

v) Total insurance coverage on assets

As of 31 March 2024, total insurance coverage on property, plant and equipment is amounting to TL 4.935.473.540 and USD 33.250.000 against wide variety of risks as collateral (31 December 2023 :TL 5.678.953.274 and USD 38.258.780).

NOTE 23 - COMMITMENTS

None.

NOTE 24 – PROVISIONS FOR EMPLOYEE BENEFITS

	31.03.2024	**31.12.2023**
Provision for employment termination benefits	44.720.801	44.287.398
Total	**44.720.801**	**44.287.398**

Under Turkish Labour Law, Kocaer Çelik and its subsidiaries and associates incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of 31 March 2024, the amount payable consists of one month's salary limited to a maximum of TL 35.058,00 (31 December 2023: TL 35.058,00) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service increases in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects.

As of 31 March 2024, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of 31 March 2024, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 22% and an interest rate of 25%, resulting in a discount rate of 2.46%.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

The movement of provision for employment termination benefits is as follows:

	01.01.2024 31.03.2024	**01.01.2023 31.03.2023**
Beginning of the Period – 1 January	44.287.398	46.696.549
Payments during the period (-)	(5.051.405)	(56.908.811)
Interest cost	4.907.171	4.354.719
Service cost	6.400.254	7.149.956
Loss on remeasurements of defined benefit plans	3.184.205	23.386.827
Actuarial gains/(losses)	(3.211.980)	5.292.401
Inflation adjustments	(5.794.842)	1.813.835
End of the Period – 31 March	**44.720.801**	**31.785.476**

NOTE 25 - TAX ASSETS AND LIABILITIES

As of 31 March 2024 and 31 December 2023, the breakdown of current income tax assets is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Prepaid taxes	-	1.243
Current income tax assets, net	**-**	**1.243**

NOTE 26 - OTHER ASSETS AND LIABILITIES

As of 31 March 2024 and 31 December 2023, the breakdown of other current assets is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Deferred VAT	306.558.283	299.102.107
Other current assets, net	**306.558.283**	**299.102.107**

As of 31 March 2024 and 31 December 2023, the breakdown of other current liabilities is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Other	895	129
Expense accruals	-	3.145
Other current liabilities, net	**895**	**3.274**

As of 31 March 2024 and 31 December 2023, the Group has no other non-current liabilities.

NOTE 27 – EQUITY

i) Non-controlling interests

From all equity account group items of subsidiaries within the scope of consolidation, including paid/issued share capital, the amounts corresponding to the shares other than the parent company and subsidiaries are deducted and disclosed in the equity of the consolidated statement of financial position as "Non-Controlling Interests".

As of 31 March 2024 and 31 December 2023, the movements of non-controlling interests are as follows:

	01.01.2024 31.03.2024	**01.01.2023 31.12.2023**
Beginning of the Period – 1 January	21.737.718	10.074.773
Adjustment to share capital	941.015	-
Capital increase, net	-	72.337
Gains/(losses) on remeasurements of defined benefit plans, net	(61.679)	(29.299)
Currency translation differences, net	903.974	2.279.403
Adjustments of inflation from TAS 29	-	2.925.618
Retained earnings, net	(281.186)	-
Profit for the period, net	249.079	6.414.886
End of the Period	**23.488.921**	**21.737.718**

ii) Share capital / Capital adjustments due to cross-ownership
As of 31 March 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Kocaer Çelik are as follows:

		31.03.2024		**31.12.2023**
Shareholders	**Amount**	**Share (%)**	**Amount**	**Share (%)**
Hakan KOCAER	487.884.989	74	500.384.989	76
Other	169.685.011	26	157.185.011	24
Total share capital	**657.570.000**	**100**	**657.570.000**	**100**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

Number of shares, class of shares and privileges

The initial public offering of the Group was approved with the official circular on 16 June 2022 and the bulletin numbered 2022/30 of the Capital Markets Board ("CMB"). The relevant stocks of initial public offering was paid from the share capital amounting to TL 657.570.000, the group's shares amounting to TL 21.500.000 and the remaining TL 34.600.000 was paid from disposal of the shares of the shareholders, with total amount of TL 56.100.000. The capital increase amounting to TL 424.070.000 was realized from the emission premium that arising from after the public initial public offering and was recognised in equity. The capital increase was published in Official Gazette on 30 November 2022 and numbered 10715.

Capital adjustments due to cross-ownership

None.

iii) Capital reserves

None.

iv)Restricted reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

The details of the restricted reserves are as follows:

Account Name	**31.03.2024**	**31.12.2023**
Legal reserves	60.320.936	60.320.936
Gain on disposal of a subsidiary and property, plant and equipment	196.183.784	196.183.784
Total	**256.504.720**	**256.504.720**

v) Retained earnings

As of 31 March 2024 and 31 December 2023, the breakdown of retained earnings is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Extraordinary reserves	13.855.985	13.855.985
Retained earnings	4.314.172.733	2.948.703.433
Total	**4.328.028.718**	**2.962.559.418**

vi) Share premium

None.

vii) Other comprehensive income or expenses to be reclassified to profit or loss

As of 31 March 2024 and 31 December 2023, the detailed table of other comprehensive income or expenses to be reclassified to the consolidated statement of profit or loss recognised under equity is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Currency translation differences	90.480.902	86.525.205
Gains/(losses) on hedges	(222.917.029)	(222.870.006)
Total	**(132.436.127)**	**(136.344.801)**

viii) Other comprehensive income or expenses not to be reclassified to profit or loss

As of 31 March 2024 and 31 December 2023, the detailed table of other comprehensive income or expenses not to be reclassified to the consolidated statement of profit or loss recognised under equity is as follows:

Account Name	**31.03.2024**	**31.12.2023**
Gains/(losses) on revaluation and remeasurement	1.556.185.318	1.556.185.318
Gains/(losses) on remeasurements of defined benefit plans	(12.550.971)	(22.370.638)
Total	**1.543.634.347**	**1.533.814.680**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

viii) Equity

Account Name	31.03.2024	31.12.2023
Paid-in share capital	657.570.000	657.570.000
Adjustment to share capital	1.234.631.550	1.234.631.550
Other comprehensive income or expenses not to be reclassified to profit or loss	1.543.634.347	1.533.814.680
Share premium	252.148.015	252.148.015
Other comprehensive income or expenses to be reclassified to profit or loss	(132.436.127)	(136.344.801)
Restricted reserves	256.504.720	256.504.720
Retained earnings	4.328.028.718	2.962.559.418
Profit for the period	95.598.764	1.365.469.300
Equity holders of the parent	**8.235.679.987**	**8.126.352.882**
Non-controlling interests	23.488.921	21.737.718
Total equity	**8.259.168.908**	**8.148.090.600**

viiii) Supplementary information regarding capital reserves and other equity items

As of 31 March 2024, the comparative information regarding the relevant equity items presented as inflation-adjusted in the consolidated financial statements with the inflation-adjusted amounts in the financial statements prepared in accordance with the Tax Procedure Law is as follows:

	31.03.2024	31.12.2023
Retained earnings from profit period	2.574.705.745	1.286.724.339
Transfer from profit for the period	1.186.704.182	657.500.749
Monetary gains/losses	566.618.791	630.480.657
Cırrent purchasing power, net	-	387.853.673
Retained earning, net	**4.328.028.718**	**2.962.559.418**

	Amounts adjusted for inflation in the financial statements prepared in accordance with the Tax Procedure Law	Amounts adjusted for inflation in the financial statements prepared in accordance with TAS/TFRS	Difference recognised in retained earnings	Profit for the period, net
Adjustment to share capital	1.211.163.052	1.234.631.550	(73.949.309)	50.480.811
Restricted reserves	1.481.107.309	256.504.720	1.224.407.337	195.252

NOTE 28 - REVENUE AND COST OF SALES

As of 31 March 2024 and 2023, the functional breakdown of revenue and cost of sales is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Domestic Sales	978.935.161	1.529.556.323
Foreign Sales	2.846.368.507	2.839.025.034
Other Revenue	41.181.058	67.727
Sales Returns (-)	(599.920)	-
Sales Discounts (-)	(654.782)	(40.597)
Net Sales	**3.865.230.024**	**4.368.608.487**
Cost of Sales (-)	**(3.163.013.477)**	**(3.816.539.939)**
Cost of Merchandise Sold (-)	(571.601.420)	(561.418.069)
Cost of Goods Sold (-)	(2.309.495.255)	(2.985.645.167)
Other Cost of Sales (-)	(67.593.711)	(77.300.497)
Personnel Expenses	(155.635.647)	(151.990.082)
Depreciation and Amortisation Charges(-)	(58.687.444)	(40.186.124)
Gross Profit	**702.216.547**	**552.068.548**

NOTE 29 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

As of 31 March 2024 and 2023, the functional breakdown of operating expenses is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Marketing, Sales and Distribution Expenses (-)	(205.937.196)	(189.053.889)
General Administrative Expenses (-)	(72.809.495)	(56.823.107)
Research and Development Expenses (-)	(2.548.294)	(1.600.279)
Total Operating Expenses (-)	**(281.294.985)**	**(247.477.275)**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 30 - EXPENSES BY NATURE

As of 31 March 2024 and 2023, the functional breakdown of marketing, sales and distribution expenses, research and development expenses and general administrative expenses recognized in expenses by nature is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Marketing, Sales and Distribution Expenses (-)	**(205.937.196)**	**(189.053.889)**
Personnel expenses	(10.844.821)	(8.572.100)
Freight costs	(118.022.249)	(93.807.119)
Export costs	(23.137.420)	(31.274.650)
Transportation costs	(16.222.543)	(21.890.629)
Customs duty and expenses	(1.345.356)	(1.401.144)
Consumable costs	(16.948.123)	(15.738.159)
Sales commission expenses	(5.442.044)	(3.083.214)
Depreciation and amortisation charges	(353.211)	(787.828)
Advertising expenses	(384.161)	(253.808)
Maintenance and repair expenses	(13.350)	(22.732)
Information systems expenses	(800.881)	(2.250.846)
Audit and consultancy expenses	(27.677)	(1.466.693)
Education costs	(16.971)	(33.118)
Utility expenses	(21.410)	(36.238)
Fair and promotion expenses	(4.593.111)	(4.290.191)
Litigation and notary costs, fees and charges	(2.280)	(84.561)
Stationery expenses	(85.445)	(272.577)
Travel expenses	(1.401.424)	(1.821.505)
Insurance expenses	(500.885)	(419.347)
Fuel expenditures	(118.789)	(83.711)
Representation and hospitality expenses	(60.988)	(33.680)
Taxes, duties and charges	(5.602)	(54.757)
Other	(5.588.455)	(1.375.282)
General Administrative Expenses (-)	**(72.809.495)**	**(56.823.107)**
Personnel expenses	(29.759.895)	(22.709.947)
Consumable costs	(911.378)	(999.123)
Depreciation and amortisation charges	(8.851.303)	(12.846.731)
Grants and donations	(3.707.126)	(2.383.813)
Maintenance and repair expenses	(1.855.910)	(276.853)
Information systems expenses	(9.891.012)	(1.549.325)
Audit and consultancy expenses	(4.225.460)	(4.544.658)
Education costs	(52.828)	(1.103.888)
Utility expenses	(456.605)	(519.889)
Communication expenses	(756.766)	(300.984)
Litigation and notary costs, fees and charges	(42.992)	(2.912.119)
Stationery expenses	(106.806)	(46.589)
Travel expenses	(1.495.417)	(1.367.209)
Insurance expenses	(1.096.744)	(707.275)
Motor vehicle expenditures	(527.945)	(381.129)
Representation and hospitality expenses	(917.896)	(85.776)
Taxes, duties and charges	(1.956.966)	(125.838)
Other	(6.196.446)	(3.961.961)
Research and Development Expenses (-)	**(2.548.294)**	**(1.600.279)**
Personnel expenses	(1.993.954)	(1.515.239)
Depreciation and amortisation charges	(18.126)	(43.695)
License fees	(125.468)	-
Rent expenses	(159.485)	-
Other	(251.261)	(41.345)
Total operating expenses, net (-)	**(281.294.985)**	**(247.477.275)**

The functional breakdown of depreciation and amortisation charges recognized under consolidated statement of profit or loss is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Cost of Sales (-)	(58.687.444)	(40.186.124)
Marketing, Sales and Distribution Expenses (-)	(353.211)	(787.828)
General Administrative Expenses (-)	(8.851.303)	(12.846.731)
Research and Development Expenses (-)	(18.126)	(43.695)
Depreciation and amortisation charges, net	**(67.910.084)**	**(53.864.378)**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

The functional breakdown of personnel expenses recognized under consolidated statement of profit or loss is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Cost of Sales (-)	(155.635.647)	(151.990.082)
Marketing, Sales and Distribution Expenses (-)	(10.844.821)	(8.572.100)
General Administrative Expenses (-)	(29.759.895)	(22.709.947)
Research and Development Expenses (-)	(1.993.954)	(1.515.239)
Personnel expenses, net	**(198.234.317)**	**(184.787.368)**

NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)

As of 31 March 2024 and 2023, the functional breakdown of other operating income and expenses is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Other Operating Income	**144.800.508**	**256.962.988**
Provisions No Longer Required (Employment termination benefits)	-	12.330.727
Provisions No Longer Required (Doubtful receivables)	3.115.511	2.884.911
Provisions No Longer Required (Lawsuits)	705.554	2.089.124
Rent Income	-	1.153.431
Foreign Exchange Gains	70.922.035	49.742.826
Income from Insurance Compensation and Claims	-	951.089
Interest Income	21.918.166	140.285.485
Discount Income	28.210.429	41.546.522
Income from Reversal of Discounts	9.294.869	2.676.964
Other	10.633.944	3.301.909
Other Operating Expenses (-)	**(254.499.449)**	**(226.613.579)**
Provisions for Doubtful Receivables	(3.747.931)	-
Provisions for Lawsuits	(2.028.320)	(56.257)
Foreign Exchange Losses	(172.914.952)	(31.260.476)
Expenses from Grants and Donations	(159.750)	(529.507)
Expenses from Penalties, Fees and Charges	-	(2.949.045)
Interest Expenses	(35.971.882)	(124.381.818)
Discount Expenses	(8.345.450)	(65.939.881)
Expenses from Reversal of Discounts	(17.461.903)	-
Expenses from Prior Period	(150.315)	(14.651)
Other	(13.718.946)	(1.481.944)
Other operating income/(expenses), (net)	**(109.698.941)**	**30.349.409**

NOTE 32 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 31 March 2024 and 2023, the functional breakdown of gains and losses from investment activities is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Gains from Investment Activities	**145.647.906**	**39.938.339**
Gain on Sale of Property, Plant and Equipment and Intangible Assets	3.598.399	7.766.909
Gain on Sale of Securities	142.049.507	32.171.430
Losses from Investment Activities (-)	**(151.541)**	**(66.119.723)**
Loss on Sale of Property, Plant and Equipment and Intangible Assets	(151.541)	-
Loss on Sale of Securities	-	(66.119.723)
Gains/(losses) from investment activities, (net)	**145.496.365**	**(26.181.384)**

NOTE 33 - FINANCIAL INCOME/(EXPENSES)

As of 31 March 2024 and 2023, the functional breakdown of financial income and expenses is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Financial Income	**42.864.949**	**35.947.652**
Interest Income	1.598.512	3.433.249
Foreign Exchange Gains	36.970.343	30.604.273
Interest Income arising from Group Companies and Shareholders	4.296.094	1.910.130
Financial Expenses (-)	**(331.042.781)**	**(177.771.499)**
Interest Expenses	(151.803.431)	(77.962.325)
Foreign Exhange Losses	(173.428.623)	(63.437.459)
Bank Comissions, Fees and Charges	(2.942.446)	(32.931.181)
Interest expense from TFRS 16	(2.868.281)	(3.440.534)
Financial income/(expenses), (net)	**(288.177.832)**	**(141.823.847)**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE

None.

NOTE 35 – INCOME TAXES

The Group's tax expense (or income) consists of current period corporate income tax expense and deferred tax expense or income and the functional breakdown of income taxes is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Current period tax expense	(36.927.003)	(57.291.068)
Deferred tax income/(expense)	(4.250.543)	(88.004.511)
Total tax income/(expense)	**(41.177.546)**	**(145.295.579)**

i) Corporate tax

The Group, its subsidiaries and associates operating in Turkey, are subject to the tax legislation and practices in force in Turkey. Provisions have been allocated in the accompanying consolidated financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

Account Name	31.03.2024	31.12.2023
Current period tax expense	37.719.808	232.019.341
Less: Prepaid income tax	(1.222.754)	(209.626.268)
Current income tax liabilities, net	**36.497.054**	**22.393.073**

The corporate tax to be accrued on the taxable income is calculated on the basis of the deduction of the expenses that cannot be deducted from the tax base expense in the determination of the earnings, and the amount of dividends received from domestic companies, taxable income and investment allowances.

Corporate tax rates

The Corporate Tax Law has been amended with the Law No. 5520 on 13 June 2006. The aforementioned new Corporate Tax Law No. 5520 was originally published in the Official Gazette as of 21 June 2006. However provisions of the amended corporate tax law is effective from 1 January 2006. As of 31 March 2024, corporate tax rate applied in Turkey is 25% (31 December 2023: 25%). The corporate tax rate is applied to the tax base that will be calculated as a result of including the expenses that are not considered as deductible in accordance with the tax laws to the operating profit of the entities and deducting the exemptions and allowances (subsidiary earnings, investment discount, etc.) and deductions (Exemptions from research and development, etc.) included in the tax laws. Additional tax is not paid if the profit is not distributed.

In the Official Gazette dated 17 November 2020, amendments were made regarding both tax regulations and other regulations. As per Article 35 of the Law No. 7256 on Restructuring of Some Receivables and Amending Some Laws ("Law No. 7256"), published in the Official Gazette dated 17 November 2020 effective from 1 January 2021. For the institutions at least 20% of whose shares are offered to the public to be traded in Borsa Istanbul Equity Market for the first time, the corporate tax rate will be applied at a 2 point discounted rate for 5 accounting periods starting from the fiscal period during which their shares are offered to the public for the first time. However, the above mentioned discount on corporate tax rate is not applicable for banks, leasing companies, factoring companies, financing companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In case the condition disclosed in the aforementioned paragraph regarding the share ratio is lost within 5 accounting periods starting from the accounting period benefiting from the discount, taxes that are not accrued on time due to the reduced tax rate application are collected together with delay interest without any tax loss penalty.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

According to corporate tax law article numbered 20, the corporate tax is imposed by the taxpayer's tax returns. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-30 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Dividend payments by resident corporations to resident joint-stock company in Turkey again in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated. Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayed is exempt from corporation tax.

The Group has been capitalised basic incentives and supports set forth under the Law No. 5746 pertaining the Support of Research and Development Activities for the R&D investment projects in its legal records. 100% of all eligible R&D and innovation expenditures made within technology centres, R&D centres (which should employ at least 15 (may increase to 30 for specific sectors) full-time equivalent R&D personnel), R&D and innovation projects supported by governmental institutions, foundations established by law, or international funds and design expenditures made within design centres (which should employ at least 10 full-time equivalent design personnel) and design projects supported by the above institutions can be deducted from the corporate income tax base in accordance with the necessary calculations which has been reflected in the accompanying consolidated financial statements.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

As of 31 March 2024 and 2023, provision for income tax has been calculated is as follows:

	31.03.2024	31.03.2023
Operating Profit	**180.446.049**	**332.273.820**
Tax Base Additions	**13.877.337**	**27.519.316**
Non-deductible expenses	*13.877.337*	*27.519.316*
Tax Allowances and Deductions (-)	**(3.650.000)**	**(23.338.566)**
Operating Profit, net (domestic)	**190.673.386**	**336.454.570**
Operating Profit, net (foreign)	-	
Provision for income tax	**(43.913.784)**	**(60.609.074)**
Tax deductions arising from production activities	6.986.781	3.034.964
Tax deductions arising from investment incentives and government grants	-	283.042
Current period tax expense, net	**(36.927.003)**	**(57.291.068)**

Income withholding tax

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income tax withholding. In accordance with the decision of Cabinet numbered 2009-14592 dated 12 January 2009, the rate has been applied as 15%. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

ii) Deferred tax

Kocaer Çelik, its subsidiaries and associate, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS and the Turkish tax legislations.These differences usually due to the recognition of revenue and expense items in different reporting periods for the TAS and tax purposes, the differences explained as below.

As of 31 March 2024 and 31 December 2023, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

		Cumulative temporary differences		Deferred tax assets /(liabilities)
Account Name	**31.03.2024**	**31.12.2023**	**31.03.2024**	**31.12.2023**
PP&E Revaluation Surplus (Land and Buildings)	1.684.590.721	1.684.590.721	(105.286.920)	(105.286.920)
PP&E Revaluation Surplus (Other)	1.764.499.786	305.292.419	319.140.211	355.260.407
Investment Properties Revaluation Surplus	-	308.981.627	-	(71.065.775)
Constructions in progress profit elimination	-	49.257.224	-	11.329.161
Employment Termination Benefits	44.720.801	44.287.398	8.280.063	10.254.992
Provisions for Doubtful Receivables	18.839.704	16.324.743	3.401.833	3.773.458
Provisions for Lawsuits	34.717.229	38.477.421	6.273.489	8.861.183
Provisions for Loan Interest	5.007.641	1.430.358	(901.375)	(328.983)
Provisions for Unused Vacation	12.778.375	8.834.867	2.339.145	2.040.926
Adjustments for TFRS 16 "Leases"	173.637	1.886.124	31.255	433.809
Discount on notes receivables	8.050.331	10.695.048	1.449.060	2.459.861
Adjustments for derivative instruments	109.788.240	151.946.772	(22.038.340)	(30.482.201)
Adjustments for inventories	14.880.130	29.027.699	2.678.423	6.676.371
Capitalised policy interest recognised as an expense	26.689.390	25.998.135	4.804.090	5.979.571
Adjustments for sale and leaseback arrangements	73.307.313	84.350.327	13.195.316	19.400.575
Adjustments for gain on sale of securities	443.146.344	334.914.404	(79.766.342)	(77.030.313)
Adjustments for currency translation differences	29.240.399	42.086.733	5.263.272	(9.679.949)
Interest and currency translation differences arising from sale and leaseback arrangements	79.143.256	162.442.054	14.245.786	37.361.672
Other	26.884.134	20.092.364	(4.901.229)	(4.621.243)
Deferred tax assets, net			**168.207.737**	**165.336.602**

Movements in deferred tax assets/(liabilities) are as follows:

	01.01.2024 31.03.2024	01.01.2023 31.12.2023
Beginning of the period - 1 January	165.336.602	118.305.496
Deferred tax income/(expense) during the period, net	(4.250.543)	27.800.022
PP&E Revaluation Surplus	-	62.852.030
Additions arising from Derivative Instruments	8.312.389	792.068
Actuarial Gains/(Losses) on Deferred Tax, net	(738.756)	2.093.403
Adjustments for inflation from TAS 29, net	(451.955)	(46.506.417)
End of the period	**168.207.737**	**165.336.602**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

Reconciling the effective current period tax expense and profit for the period is as follows:

	31.03.2024	31.03.2023
Profit Before Tax	292.826.641	367.225.808
Tax calculated at domestic tax rate (18%)	(55.122.462)	(66.100.646)
Non-deductible expenses	(2.663.188)	(4.940.592)
Gains on tax allowances and tax rate differences/changes	16.608.104	(74.254.341)
Tax income/(expense)	**(41.177.546)**	**(145.295.579)**

NOTE 36 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 March 2024 and 2023, which is as follows:

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Profit for the period	95.598.764	98.467.991
Weighted average number of shares	657.570.000	657.570.000
Earnings per share	**0.1458**	**0.1573**

NOTE 37 - RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

31.03.2024	Trade receivables	Other receivables	Trade payables	Other payables
Other	-	23.933.313	-	24.000.000
Kocaer Tekstil Sanayi ve Ticaret A.Ş.	9.998.206	-	-	-
Chakra Mağazacılık Ticaret ve A.Ş.	884.687	34.241.950	-	-
TOTAL	**10.882.893**	**58.175.263**	**-**	**24.000.000**

31.12.2023	Trade receivables	Other receivables	Trade payables	Other payables
Kocaer Tekstil Sanayi ve Ticaret Anonim Şirketi	9.439.775	-	-	-
Chakra Mağazacılık Ticaret ve Anonim Şirketi	772.269	34.782.747	-	-
Other	-	94.041	-	30.183.603
TOTAL	**10.212.044**	**34.876.788**	**-**	**30.183.603**

b) Related party transactions are as follows:

31.03.2024

Purchases	Goods and services	Interest	Rent	Other	Total
Kocaer Tekstil Sanayi ve Ticaret Anonim Şirketi	44.506.792	-	-	-	44.506.792
Hakan Kocaer	-	-	-	24.759.041	24.759.041
Chakra Mağazacılık Ticaret ve Anonim Şirketi	-	-	-	31.043	31.043
Kocaer Steel Uk Lımıted	99.267.853	-	-	-	99.267.853
Total	**143.774.645**	**-**	**-**	**24.790.084**	**168.564.729**

Sales	Goods and services	Interest	Rent	Other	Total
Kocaer Tekstil Sanayi ve Ticaret Anonim Şirketi	-	932.727	583.121	-	1.515.848
Yağız Nakliyet A.Ş.	-	-	38.875	121.191	160.066
Kocaer Steel Uk Lımıted	99.267.853	-	-	-	99.267.853
Hakan Kocaer	-	-	38.875	-	38.875
İbrahim Kocaer	-	-	38.875	-	38.875
Chakra Mağazacılık Ticaret ve Anonim Şirketi	-	3.344.088	107.035	11.669	3.462.792
Kocaer Enerji	-	-	-	6.860	6.860
Total	**99.267.853**	**4.276.815**	**806.781**	**139.720**	**104.491.169**

31.03.2023

Purchases	Goods and services	Rent	Interest	Other	Total
Yağız Nakliyat Sanayi ve Ticare A.Ş	57.703.155	-	-	-	57.703.155
Kocaer Tekstil Sanayi ve Ticaret A.Ş.	-	-	-	13.094	13.094
Chakra Mağazacılık Ticaret Ve A.Ş.	-	-	-	64.258	64.258
Total	**57.703.155**	**-**	**-**	**77.352**	**57.780.507**

Sales	Goods and services	Rent	Interest	Other	Total
Yağız Nakliyat Sanayi ve Ticare A.Ş	-	64.355	-	223.929	288.284
Kocaer Steel Uk Lımıted	111.629.695	-	-	-	111.629.695
Kocaer Tekstil Sanayi ve Ticaret A.Ş.	-	1.447.977	395.016	3.985.425	5.828.418
Chakra Mağazacılık Ticaret Ve A.Ş.	-	-	2.395.436	-	2.395.436
İbrahim Kocaer	-	64.355	-	-	64.355
Hakan Kocaer	-	64.355	-	-	64.355
Total	**111.629.695**	**1.641.042**	**2.790.452**	**4.209.354**	**120.270.543**

c) Key management compensation

Account Name	01.01.2024 31.03.2024	01.01.2023 31.03.2023
Key management compensation	10.880.092	7.008.994
Total	**10.880.092**	**7.008.994**

NOTE 38 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Capital risk management

The Group, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand. The capital structure of the Group consists of cash and cash equivalents explained in note 6, borrowings explained in note 8 and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years explained in note 27. Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Group monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings, finance leases and trade payables as disclosed in the consolidated statement of financial postion). Total capital is calculated as equity, as presented in the consolidated statement of financial postion, plus net debt.

General strategy based on the Group's equity does not differ from the prior period. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance.

Consolidated net financial debt/invested capital ratio as of 31 March 2024 and 31 December 2023 is as follows:

	31.03.2024	31.12.2023
Total borrowings	6.181.215.310	5.893.871.984
Less: Cash and cash equivalents	(935.422.364)	(775.442.056)
Net financial debt	5.245.792.946	5.118.429.928
Equity	8.259.168.908	8.148.090.600
Invested capital	13.504.961.854	13.266.520.528
Net financial debt/invested capital ratio	**0.3884**	**0,3858**

Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD, EURO and GBP.

Foreign exchange transactions result in foreign exchange risk arising from foreign exchange denominated assets and liabilities into Turkish Lira. The Group's exposure to foreign exchange risk arises from its borrowings, receivables and payables denominated in foreign currencies. In order to minimize this risk, the Group monitors its financial position and cash inflows/outflows with detailed cash flow statements as of 31 March 2024. Derivative financial instruments are also used as instruments for foreign exchange risk management for hedging purposes, when needed. Assets and liabilities denominated in foreign currency are as follows:

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

As of 31 March 2024 and 31 December 2023, foreign exchange position of the Group is as follows:

Foreign Exchange Position

	31.03.2024			31.12.2023			
	TL equivalent	**USD**	**EURO**	**TL equivalent**	**USD**	**EURO**	**GBP**
1. Trade Receivables	1.438.084.279	42.544.735	1.853.627	1.639.644.673	44.902.774	3.165.974	-
2a. Monetary Financial Assets	753.381.541	22.589.718	691.433	676.001.053	14.731.639	627.011	3.562.950
2b. Non-Monetary Financial Assets	-	-	-	121.532.621	2.675.312	824.752	-
3. Other	-	-	-	-	-	-	-
4. Total Current Assets (1+2+3)	**2.191.465.821**	**65.134.453**	**2.545.061**	**2.437.178.345**	**62.309.725**	**4.617.737**	**3.562.950**
5. Trade Receivables	-			-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-
8. Total Non-Current Assets(5+6+7)	-	-	-	-	-	-	-
9. Total Assets (4+8)	**2.191.465.821**	**65.134.453**	**2.545.061**	**2.437.178.345**	**62.309.725**	**4.617.737**	**3.562.950**
10. Trade Payables	1.814.014.934	55.043.747	888.740	1.075.265.772	31.226.197	373.677	-
11. Financial Liabilities	1.977.742.648	58.558.166	2.317.495	973.894.761	26.260.374	2.165.772	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-
13. Total Current Liabilities (10+11+12)	**3.791.757.582**	**113.601.913**	**3.206.235**	**2.049.160.532**	**57.486.571**	**2.539.449**	**-**
14. Trade Payables	-	-	-	-	-	-	-
15. Financial Liabilities	63.495.791	799.305	1.076.962	789.049.040	20.677.520	2.295.705	-
16a. Other Monetary Liabilities	-		-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	**63.495.791**	**799.305**	**1.076.962**	**789.049.040**	**20.677.520**	**2.295.705**	**-**
18. Total Liabilities (13+17)	**3.855.253.373**	**114.401.218**	**4.283.197**	**2.838.209.572**	**78.164.091**	**4.835.154**	**-**
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	-	-	-	-	-	-	-
19a. Total Asset Amount of Hedged	-	-	-	-	-	-	-
19b. Total Liabilities Amount of Hedged	-		-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**(1.663.787.552)**	**(49.266.766)**	**(1.738.136)**	**(401.031.227)**	**-15.854.366**	**-217.417**	**3.562.950**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	**(1.663.787.552)**	**(49.266.766)**	**(1.738.136)**	**(401.031.227)**	**-18.529.678**	**-1.042.169**	**3.562.950**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-	-	-	-
23. Export	**2.520.860.915**	**82.151.161**	**-**	**11.541.879.823**	**416.859.209**	**-**	**-**
24. Import	**1.037.659.434**	**33.506.080**	**-**	**3.951.280.284**	**152.155.893**	**-**	**-**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

The following table details the Group's foreign currency sensitivity as at 31 March 2024 and 31 December 2023 for the changes at the rate of 10%:

Exchange Rate Sensitivity Analysis

31.03.2024

	Profit / (Loss)	
	Appreciation of Foreign Currency	**Appreciation of Foreign Currency**
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(160.280.385)	160.280.385
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	**(160.280.385)**	**160.280.385**
Change in EUR against TL by 10%		
4- EUR Net Asset / Liability	(6.098.370)	6.098.370
5- Hedged portion of EUR Risk (-)	-	-
6- EUR Net Effect (4+5)	**(6.098.370)**	**6.098.370**
TOTAL	**(166.378.755)**	**166.378.755**

Exchange Rate Sensitivity Analysis

31.12.2023

	Profit / (Loss)	
	Appreciation of Foreign Currency	**Appreciation of Foreign Currency**
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(47.432.936)	47.432.936
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	**(47.432.936)**	**47.432.936**
Change in EUR against TL by 10%		
4- EUR Net Asset / Liability	(760.238)	760.238
5- Hedged portion of EUR Risk (-)	-	-
6- EUR Net Effect (4+5)	**(760.238)**	**760.238**
Change in GBP against TL by 10%		
7- GBP Net Asset / Liability	13.340.291	(13.340.291)
8- Hedged portion of GBP Risk (-)	-	-
9- GBP Net Effect (7+8)	**13.340.291**	**(13.340.291)**
TOTAL	**(34.852.884)**	**34.852.884**

Interest rate risk

The Group is exposed interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest such as time deposits (Note 6) and short-long term nature of borrowings (Note 8) as well as using derivative instruments for hedging purposes.

	31.03.2024	**31.12.2023**
Fixed-Interest Rate Financial Instruments		
Financial Assets	52.570.219	91.633.307
Financial Liabilities	2.923.046.727	3.344.926.065

Equity securities and other related risks related financial instruments

The Group has no any securities and similar financial assets sensitive to changes in fair value.

Credit risk management

Holding financial instruments also carries the risk of the other party not meeting the requirements of the agreement. The Group's collection risk mainly arises from its trade receivables. Trade receivables are evaluated by taking into consideration the Group's accounting policies and procedures and accordingly, trade receivables are allocated in the consolidated statement of financial position less provision for doubtful receivables in the consolidated statement of financial position **(Note 10)**.

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

As of 31 March 2024 and 31 December 2023, the exposure of consolidated financial asset to credit risk is as follows:

CREDIT RISK DETAILS IN RESPECT OF FINANCIAL INTRUMENT TYPES

31.03.2024	**Receivables**						
	Trade Receivables		**Other Receivables**				
	Related Party	**Other**	**Related Party**	**Other**	**Notes**	**Bank deposits**	**Notes**
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	**10.882.893**	**1.438.459.451**	**58.175.263**	**247.057.701**	**10-11**	**935.298.669**	**6**
- Maximum risk secured with guarantees and collaterals	-	*416.497.206*	-	-	**10-11**	-	
A. Net book value of neither past due nor impaired financial assets	10.882.893	1.438.459.451	58.175.263	247.057.701	**10-11**	935.298.669	**6**
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	-	-	-	-	**10-11**		**6**
C. Net book value of past due but not impaired financial assets	-	-	-	-	**10-11**		
- Secured with guarantees and collaterals	-	-	-	-	**10-11**		**6**
D. Net book value of impaired assets	-	-	-	-	**10-11**		
- Past due (gross book value)	-	*14.863.766*	-	-	**10-11**		**6**
- Impairment (-)	-	*(14.863.766)*	-	-	**10-11**		**6**
- Secured with guarantees and collaterals	-	-	-	-	**10-11**		**6**

31.12.2023	**Receivables**						
	Trade Receivables		**Other Receivables**				
	Related Party	**Other**	**Related Party**	**Other**	**Notes**	**Bank deposits**	**Notes**
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	**10.212.044**	**1.433.652.426**	**34.876.788**	**225.216.396**	**10-11**	**775.309.181**	**6**
- Maximum risk secured with guarantees and collaterals	-	*535.939.438*	-	-	**10-11**	-	
A. Net book value of neither past due nor impaired financial assets	10.212.044	1.433.652.426	34.876.788	225.216.396	**10-11**	775.309.181	**6**
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	-	-	-	-	**10-11**		**6**
C. Net book value of past due but not impaired financial assets	-	-	-	-	**10-11**		
- Secured with guarantees and collaterals	-	-	-	-	**10-11**		**6**
D. Net book value of impaired assets	-	-	-	-	**10-11**		
- Past due (gross book value)	-	*17.166.748*	-	-	**10-11**		**6**
- Impairment (-)	-	*(17.166.748)*	-	-	**10-11**		**6**
- Secured with guarantees and collaterals	-	-	-	-	**10-11**		**6**

Liqudity risk management

The Group tries to manage the liquidity risk by maintaining the continuation of sufficient funds and loan reserves by means of matching the financial instruments and terms of liabilities by following the cash flow regularly.

Liquidity risk statements

Liquidity risk is the risk that a Group will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Undiscounted contractual cash flows of the derivative and non-derivative consolidated financial liabilities in TL as of 31 March 2024 and 31 December 2023 are as follows:

31.03.2024

	Carrying Value	**Total Contractual Cash Outflows**	**Demand or up to 3 months**	**4-12 months**	**1-5 years**
Non-Derivative Financial Liabilities	**5.602.307.448**	**5.671.938.132**	**3.058.647.930**	**2.286.578.432**	**326.711.769**
Bank Borrowings	2.864.898.165	2.929.554.474	511.407.651	2.262.696.806	155.450.017
Finance Lease Liabilities	58.148.562	60.050.868	20.658.583	20.192.148	19.200.136
Lease Liabilities	158.373.163	161.445.232	5.694.138	3.689.478	152.061.616
Trade Payables	2.366.203.593	2.366.203.593	2.366.203.593	-	-
Other Payables	154.683.965	154.683.965	*154.683.965*	-	-

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as at 31 March 2024, unless otherwise indicated.)

31.12.2023

	Carrying Value	Total Contractual Cash Outflows	Demand or up to 3 months	4-12 months	1-5 years
Non-Derivative Financial Liabilities	**5.073.623.642**	**5.197.209.504**	**2.340.144.519**	**1.940.214.435**	**916.850.551**
Bank Borrowings	3.261.484.671	3.378.426.713	1.085.096.928	1.568.074.802	725.254.983
Finance Lease Liabilities	83.441.394	86.430.955	23.362.794	37.847.799	25.220.363
Lease Liabilities	168.245.647	171.899.905	1.381.175	4.143.525	166.375.205
Trade Payables	1.422.085.585	1.422.085.585	1.091.937.276	330.148.309	-
Other Payables	138.366.345	138.366.346	*138.366.346*	-	-

Fair value of financial assets and liabilities

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists. Foreign currency denominated receivables and payables are translated with the exchange rates prevailing as of the date of the consolidated financial statements.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial assets

The carrying values of cash and cash equivalents including cash on hand and demand deposits, accrued interests and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values.

Financial liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The fair values of the bank borrowings after discount are considered to be approximate to their corresponding carrying values. Bank borrowings are expressed with discounted cost and transaction costs are added to the initial cost of the loan. The fair values of the loans after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

NOTE 39 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

Fair value hedge of foreign currency risk

The Group uses hedge accounts on its balance sheet by borrowing in the same currency against the foreign currency denominated risks arising from the foreign currency sales amounts to be realized in the subsequent periods within the scope of the agreements.

In this context, repayments of foreign currency denominated borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that are realized on closing dates and determined as hedged item within the scope of hedge accounting.

In accordance with the currency risk management strategy determined by the Group management, unrealized firm commitment applies hedge accounting to hedge the currency risk component of the fair value risk and hedge the cash flow risk of the highly probable forecast transaction currency risk component and is formed on the hedged item and the hedging instrument. The Group aims to present a precise income statement by netting the foreign exchange rate fluctuations that have not yet been realized and by following the currency fluctuations of bank borrowings, which are defined as hedge instruments, under the consolidated statement of other comprehensive income.

In accordance with the hedge accounting strategy established by the Group management, the Group tries to maintain a 100% hedge ratio and a hedge effectiveness between 70% and 130%. As of 31 March 2024, hedge ratio and hedge effectiveness have been calculated as 114% and 86%, respectively.

TL	**31.03.2024**
The amount of the hedged item's risk component recognised in the assets under balance sheet (firm commitment)	110.191.701
USD	**31.03.2024**
The present value of the hedged item (current)	111.401.162
The present value of the hedged item (non-current)	14.537.259
The present value of the hedging instrument (current)	98.775.750
The present value of the hedging instrument (non-current)	12.650.473
EUR	**31.03.2024**
The present value of the hedged item (current)	3.201.679
The present value of the hedged item (non-current)	1.556.170
The present value of the hedging instrument (current)	2.708.487
The present value of the hedging instrument (non-current)	1.049.471
TL	**31.03.2024**
The cumulative exchange difference on hedged item (current)	358.575.226
The cumulative exchange difference on hedged item (non-current)	94.290.664
The cumulative exchange difference on hedging instrument (current)	(316.000.013)
The cumulative exchange difference on hedging instrument (non-current)	(72.865.958)

Hedge effectiveness ratio	**86%**
Exchange rate difference amount in inactive markets maintained within a band in the balance sheet	5.300.077
Exchange rate difference amount in inactive markets maintained within a band in the statement of profit or loss	-

Hedge ratio	**Türk Lirası**
The total amount of future expected cash flows of the hedged item (Cash flow hedge)	4.375.147.146
The total amount of future expected cash flows of the instrument used for hedging purposes (Cash flow hedge)	3.837.858.421
Hedge ratio, net	**114%**

Financial instruments and financial risk management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk at fair value, price risk) credit risk, cash flow interest rate risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative instruments and forward contracts to hedge risk exposures.

Fair value of financial instruments

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair value of each financial instrument for which it is practicable to estimate fair value.

Monetary assets

The carrying values of financial assets including cash and cash equivalents are carried at cost which is considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values.

Monetary liabilities

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists

Estimated fair values of financial instruments have been determined by the Group by using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

Financial assets

The fair values of financial assets carried at cost including cash and cash equivalents and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk.

Debt and equity securities are carried at fair value in accordance with the market prices, if one exists.

The classification of the Group's consolidated financial assets and liabilities at fair value is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices):

Level 3: Inputs for the asset or liability that are not based on observable market data.

NOTE 40 - EVENTS AFTER THE REPORTING PERIOD

KCR Dış Ticaret Anonim Şirketi was established on 3 May 2024 and the relevant establishment pubslihed in the Official Gazette numbered 11074. The registered address of KCR Dış Ticaret is as follows:

Gümşçay Mah. Menderes Bulvarı No: 47 Merkezefendi Denizli

KCR Dış Ticaret's business activities include ensuring the supply, shape, manufacture, store, trade, distribute, market, transport, import and export all products, semi-finished products and raw materials made of iron and steel.

NOTE 41 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.