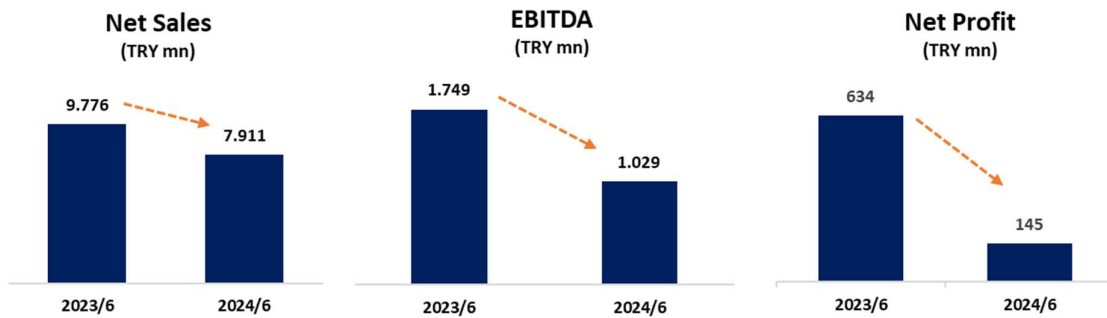


**The share of value-added products is increasing thanks to the modernization investments...**

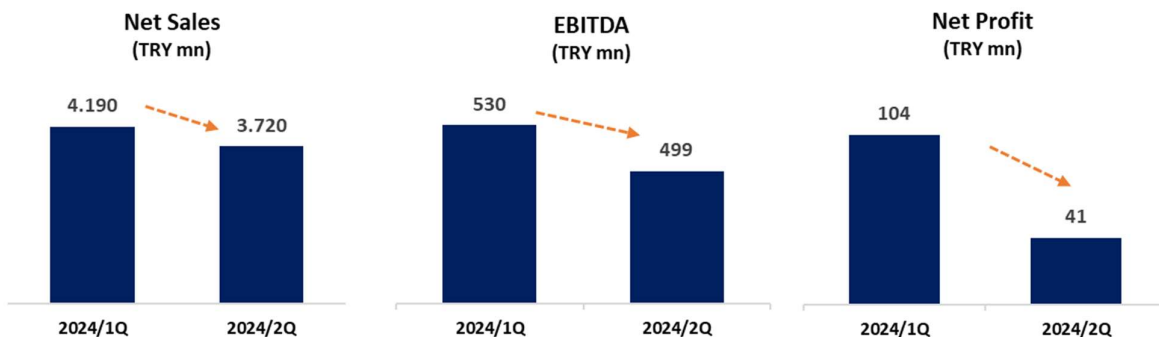
Following the modernization investments in Aliğa A1 Factory in the first quarter of 2024, the increasing trend in both sales volume and the share of value-added products in total sales continued in the second quarter. With the impact of new products, total sales volume increased from 125 thousand tons in the first quarter, to 138 thousand tons in the second quarter, while the share of value-added products in total sales increased from 36% in 1Q to 39% in 2Q. The company, which realized 73% of its total sales abroad in 1H 2024, continues with its strong export performance in 2024. In parallel with the completion of investments in high value-added products and the addition of new products to the portfolio, the share of value-added products in the total portfolio is expected to rise in the remainder of the year.

**EBITDA margin increased q/q...**

The Company's topline declined in 1H 2024 due to declining trend of global steel prices. On the other hand, TL based costs, especially labor costs fueled by high inflation rate, put additional pressure on margins. With the increase in finance expenses compared to last year, together with the impact of net monetary loss resulting from inflation accounting, net profit declined y/y to TRY 145 million.

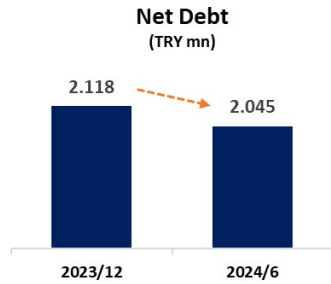


In terms of quarterly performance; despite the increase in sales volume, sales revenue declined q/q due to the decline in global steel prices. On the other hand, the improvement in sales, distribution and general expenses thanks to the effective cost management enabled Kocaer Çelik's 2Q EBITDA margin to be above 1Q. All in all, the bottom line was down q/q to TRY 41 million, mainly from the net monetary loss recorded as a result of inflation accounting especially arising from the strong equity base of the Company and the negative impact of deferred tax expense.



**Despite the investment expenditures, net debt/ EBITDA has improved compared to year end 2024**

Despite increasing investment expenditures, the Company continued with a balanced debt structure in the first 6 months of 2024. As of June 30, 2024, total net financial debt amounted to TRY 2,045 million, down by 3% compared to 2023 year end. Thanks to the effective financial management, the ratio of net financial debt to EBITDA was kept at 0.99x.



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

**Summary Consolidated Financial Tables**

**Summary Consolidated Balance Sheet (TRY'000)**

	30 June 2024	31 December 2023	Change
Current Assets	8,148,355	7,685,747	6%
Fixed Assets	7,729,732	7,546,966	2%
<b>Total Assets</b>	<b>15,878,087</b>	<b>15,232,712</b>	<b>4%</b>
Short Term Liabilities	6,580,117	5,349,861	23%
Long Term Liabilities	254,864	1,039,363	-75%
Equity	9,043,106	8,843,488	2%
<b>Total Liabilities and Equity</b>	<b>15,878,087</b>	<b>15,232,712</b>	<b>4%</b>

**Summary Consolidated P/L (Cumulative) (TRY'000)**

	6M 2024	6M 2023	Change
Net Sales	7,910,547	9,775,999	-19%
Gross Profit	1,429,441	2,125,161	-33%
Operating Profit	645,252	1,880,757	-66%
Financial Expenses (net)	(509,263)	(271,849)	87%
Net Monetary Gain (Loss)	(237,647)	(187,991)	26%
Net Income from Investment Activities	372,083	106,131	251%
Profit Before Tax	270,424	1,527,047	-82%
<b>Net Profit</b>	<b>145,234</b>	<b>634,112</b>	<b>-77%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1,028,940</b>	<b>1,749,403</b>	<b>-41%</b>

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

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

<b>Financial Debt (TRY'000)</b>	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>Change</b>
Short Term Borrowings	3,358,066	2,464,618	36%
Short Term Portion of Long Term Borrowings	541,429	352,466	54%
Long Term Borrowings	189,981	991,353	-81%
Total Financial Borrowings	4,089,476	3,808,437	7%
Cash and Cash Equivalents <sup>2</sup>	2,044,316	1,689,959	21%
<b>Net Financial Debt</b>	<b>2,045,160</b>	<b>2,118,478</b>	<b>-3%</b>

**Summary Consolidated P/L (Quarterly)**  
**(TRY'000)**

	<b>2Q 2024</b>	<b>1Q 2024</b>	<b>Change</b>
Net Sales	3,720,444	4,190,103	-11%
Gross Profit	668,203	761,238	-12%
Operating Profit	307,871	337,381	-9%
Financial Expenses (net)	-196,864	-312,399	-37%
Net Monetary Gain (Loss)	-203,483	-34,165	n.m.
<b>Net Profit</b>	<b>41,330</b>	<b>103,904</b>	<b>-60%</b>
<b>Adjusted EBITDA</b>	<b>499,022</b>	<b>529,918</b>	<b>-5,8%</b>

**Main Ratios (%)**

	<b>2Q 2024</b>	<b>1Q 2024</b>
Gross Profit Margin	18.0%	18.2%
Adjusted EBITDA Margin	13.4%	12.6%
Net Profit Margin	1.1%	2.5%
Net Financial Debt/A.EBITDA <sup>3</sup>	0.99	0.49

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

<b>(TRY'000)</b>	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>Change</b>
Net Sales	7,552,083	5,244,298	44%
Adjusted EBITDA	1,059,539	738,515	43%
Net Profit	562,741	769,446	-27%

\*Our company's 6M 2024 financial statements were announced on the Public Disclosure Platform on 16.09.2024. In addition to these statements, certain financial information that has not been adjusted for inflation accounting is also included in the investor relations materials to be published in different platforms, especially our website. This information is the responsibility of our Board of Directors and executives responsible for financial reporting. It has been prepared solely to enable our investors to compare current financial information with previously disclosed financial information and to evaluate their expectations/assumptions and has not been subject to independent audit.

This report has been produced from the consolidated financial statements and interim activity report dated 30.06.2024 at [www.kocaersteel.com](http://www.kocaersteel.com). In this report, unless otherwise stated, financial data adjusted for the effect of inflation in accordance with the principles of Turkish Accounting Standard 29 "Financial Reporting in High Inflation Economies" (TMS 29) was used, in line with the decision of the Capital Markets Board dated 28 December 2023 and numbered 81/1820.

<sup>2</sup> Financial investments are included.

<sup>3</sup> Calculated using the Adjusted EBITDA of the last 4 quarters. For 2Q 2024 calculation, inflation correction was applied to the 31.12.2023 EBITDA amount with a coefficient of 1.2473.