



01 January- 31 December 2025

BOARD OF DIRECTORS
Annual Report

| Prepared in accordance with CMB II.14.1 Communique



INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi

1. Opinion

We have audited the annual report of Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi (“the Company” or “Kocaer Çelik”) and its subsidiaries (the “Group”) for the period of 1 January– 31 December 2025.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited complete set of consolidated financial statements and the information we obtained during the audit.

2. Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISA”) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (“Code of Ethics”) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Our Auditor’s Opinion on the Complete Set of Consolidated Financial Statements

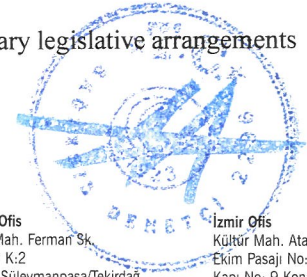
We have expressed an unqualified opinion in our auditor’s report dated 26 February 2026 on the complete set of consolidated financial statements of the Group for the period of 1 January - 31 December 2025.

4. The Responsibility of the Board of Directors on the Annual Report

The Group Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 (“TCC”) and “Communiqué on Principles of Financial Reporting in Capital Markets” with No.14.1 of the Capital Markets Board (“the Communiqué”):

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.



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5. Auditor's Responsibility for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with ISA. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The engagement partner who supervised and concluded this audit report is Dr. Hakkı DEDE.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL



Dr. Hakkı DEDE

Partner

İstanbul, 26 February 2026

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TABLE OF CONTENTS

03 INTRODUCTION

*Management, Mission and Our Values
Message from the Chairman of the Board
Message from the Vice Chairman of the Board
and General Manager*

09 GENERAL INFORMATION

*Corporate Profile
Shareholding Structure and Privilege Information
Subsidiaries
About Kocaer Çelik
Members of the Board of Directors
Biographies of the Members of the Board of Directors
Duties and Authorities of the Board Members
Duties of the Board Members and Executives Outside the Company

Changes in the Board of Directors
Number of Meetings of the Board of Directors During the Year and Attendance Status
Senior Executives
Committees Established within the Board of Directors
Organizational Chart*

18 FINANCIAL RIGHTS GRANTED TO SENIOR EXECUTIVES

18 INVESTMENTS

19 RESEARCH AND DEVELOPMENT ACTIVITIES

20 INTERNAL AUDIT AND INTERNAL CONTROL ACTIVITIES

20 INFORMATION ABOUT THE PRIVATE AUDIT AND PUBLIC AUDIT PERFORMED

20 LEGAL CASES

20 SUSTAINABILITY, SOCIAL RESPONSIBILITY PROJECTS AND DONATIONS

22 INFORMATION ON THE COMPANY'S OWN SHARES ACQUIRED

22 FINANCIAL POSITION

*Iron and Steel Industry – 2025 Overview
The Company's Position in the Sector
Kocaer Steel Sales, Revenue and Profitability
Financial Position and Indebtedness
Summary Consolidated Financial Statements

Nature and Amount of Issued Capital Market Instruments

Analysis and Assessment of the Governing Body Regarding Financial Position and Operating Results, the Degree of Realization of Planned Activities, and the Company's Position in Relation to Its Strategic Objectives

Determination and Assessment by the Governing Body Regarding Whether the Company's Capital Is Uncovered or Whether the Company Is Insolvent

Development of financial sources and the policies the company implements accordingly
Profit Distribution Policy*

27 RELATED PARTY TRANSACTIONS

27 CHANGES IN THE ARTICLES OF ASSOCIATION

27 PERSONNEL STRUCTURE AND OTHER RELATED ADMINISTRATIVE MATTERS

29 RISK MANAGEMENT

30 COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

30 OTHER MATTERS

A SUCCESSFUL TURKISH BRAND IN THE WORLD

With more than 60 years of experience, a qualified workforce, and a sustainable growth strategy, Kocaer Steel acts with the aim of being a successful Turkish brand in the global arena and a pioneering, exemplary company for society.



Our Mission

Providing sustainable solutions to our stakeholders by adding value to steel.

Our Vision

Being the leading and preferred steel profile company worldwide.

Our Values

Acting with honesty, transparency, ethics, and fairness

Respecting and valuing people

Being environmentally responsible

Acting with principles and dedication

Being customer-focused

Encouraging participation and sharing

Supporting teamwork

Message from the Chairman



Dear Stakeholders,

The year 2025 was a challenging period for the global iron and steel industry, marked by increasing protectionist measures, market imbalances driven by excess supply originating from China, and the pressure of tight monetary policies on demand. While global crude steel production recorded a limited decline, the fact that more than half of the production was realized by China indicates that structural competition within the sector continues to remain intense.

During this period, the iron and steel industry maintained its strategic importance for Türkiye's export performance, while European Union countries continued to be the primary market for Turkish steel producers. Following the fluctuations experienced in recent years, Türkiye's crude steel production re-entered an upward trend in 2025, reaching approximately 38 million tons. The production structure, largely based on electric arc furnaces, provides a structural advantage for our industry in the current global environment where carbon regulations are becoming increasingly significant.

Despite the weak trend in global demand, the increase recorded in Türkiye's steel exports in terms of volume demonstrates that the sector continues to maintain its capability for market diversification and its resilience in competition. However, increasing import pressure and price competition have made operational efficiency and a focus on value-added production even more critical for industry players.

In this challenging and highly competitive environment, Kocaer Steel has continued to strengthen its position within the industry through its technological production infrastructure, engineering-driven approach, and focus on value-added products. Operating with an integrated structure encompassing steel profile production, service center operations, and galvanizing processes, our Company differentiates itself in global markets through a business model that has evolved from standard product supply to project-based solution partnerships.

Through the strong integration of our operational capabilities with our production processes, we have further reinforced our position as a preferred solution partner, particularly in renewable energy and mining projects, with our product portfolio designed to deliver high strength and durability under challenging and variable climatic conditions. This approach continues to be one of the key elements supporting our value-added export capacity.

With the contribution of this strategic infrastructure, Kocaer Steel maintained its operational performance in 2025. The tangible outcomes of our investments in modernization, automation and capacity expansion became clearly visible throughout the year. Production carried out at our own facilities increased by 26% to reach 648,105 tons, while total sales volume rose by 17.6% to 682,873 tons, marking the highest sales volume in the Company's history. This performance, achieved during a period of increasing uncertainties and trade barriers in global trade, clearly confirms the resilience of our business model.

Looking ahead, we anticipate that sector dynamics will continue to be shaped by efficiency, scale, cost management and a focus on higher value-added production. As Kocaer Steel, our priority will be to further strengthen our integrated and agile production structure while elevating our level of operational excellence through digitalization and advanced manufacturing technologies. At the same time, we aim to continue our sustainable and balanced growth approach by increasing our effectiveness in global markets.

Although we do not expect uncertainties in global trade to disappear entirely in the short term, we believe that our strong balance sheet, disciplined financial approach and expanding international customer base will enable us to continue creating value for our stakeholders. We approach the upcoming period with cautious yet confident optimism and aim to further strengthen Kocaer Steel's position within the evolving global landscape.

On this occasion, I would like to thank all our employees whose dedicated efforts contributed to this success, as well as our business partners and all stakeholders who place their trust in us.

Sincerely,



Chairman of the Board



Message from the Vice Chairman and General Manager



Dear Stakeholders,

The year 2025 was a period in which fluctuations in demand, cost pressures and intense price competition were clearly felt in the iron and steel industry. In this environment, we focused on enhancing our operational agility, increasing our efficiency levels and strengthening our value-added production approach.

Throughout the year, we began to see the tangible results of the steps we have taken to make our production infrastructure more flexible and efficient.

With the renovation investments completed at our A1 and A2 plants, we enhanced our capability to produce high value-added products and increased the share of value-added products within our product portfolio. This transformation has become one of the key factors supporting our global competitiveness.

As a result of our focus on operational excellence, we achieved the highest production and sales volumes in our history in 2025. Our modernization, automation and process improvement initiatives contributed to higher capacity utilization, improved delivery performance and a stronger structure in cost management. Our engineering capabilities, which support project-based business models, have enabled us to pursue more selective and value-added growth across different geographies.

We continued to take steps that will support our long-term competitiveness in the energy field. While our existing solar energy investments continue to meet a significant portion of the energy needs of our production activities, we strengthened our organizational structure in renewable energy and made progress in our geothermal energy investments. We expect this approach to contribute positively to our cost structure and operational resilience in the coming period.

Within the scope of our R&D and digital transformation initiatives, we have consistently advanced projects that enhance product diversity, increase production efficiency and make our processes smarter. Through Industry 4.0 applications, robotic automation and data-driven production management projects, we are progressively improving efficiency and quality levels across our operations.

In the areas of sustainability and risk management, we have continued to strengthen our compliance with the requirements of the regulatory framework. Our efforts carried out in line with international reporting expectations, together with efficiency projects implemented in the field, continue to produce tangible results.

In line with our people-oriented and socially responsible approach, we continued to create value across a wide range of areas, from professional development programs that support youth employment to initiatives aimed at increasing occupational health and safety awareness. We will continue to implement programs that enhance the competencies of our employees with the same determination in the coming period.

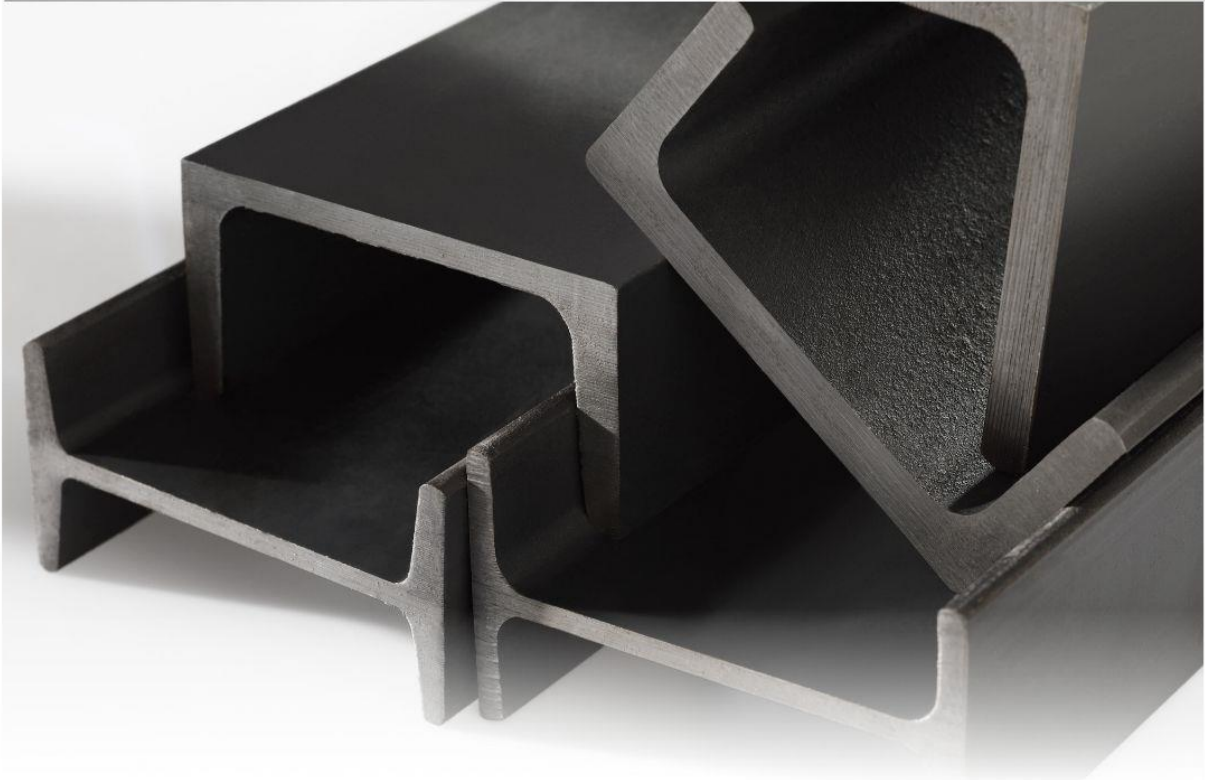
Looking ahead, our focus will be on further advancing our operational efficiency, deepening our value-added product focus and increasing our effectiveness in global markets. With our prudent financial management approach and agile organizational structure, we will continue our sustainable growth journey with determination.

We present our 2025 Annual Report to the attention of our valued stakeholders as a comprehensive reflection of the initiatives we implemented and the performance we achieved throughout the year.

Sincerely,

Mehmet Çakmur

Vice Chairman and General Manager



A. GENERAL INFORMATION

1. Corporate Profile

Trade Name	:	Kocaer Çelik Sanayi ve Ticaret A.Ş.
Head Office	:	Gümüşçay Mah. Menderes Bulvarı No:45, Merkezefendi,Denizli
Trade Registry Number	:	7519
Telephone	:	(232) 625 1860
Internet Address	:	www.kocaerçelik.com www.kocaersteel.com
Financial Year	:	1 January- 31 December
Registered Capital	:	4.500.000.000 TL
Ceiling	:	
Paid-in Capital	:	1.915.000.000 TL

2. Shareholding Structure and Privilege Information

The company's capital and shareholding structure for the reporting period is as follows:

Shareholders	Share Group	Nominal Value of Shares (TRY)	Share Percentage
Hakan Kocaer	A-B-C	1.420.836.864	74.20%
Publicly Traded	C	494.163.136	25.80%
		1.915.000.000	100.00%

According to the company's articles of association, the company's shares are divided into groups. Of the total 1,915,000,000 shares, 347,734,475 are registered as Group A shares, 347,734,475 are registered as Group B shares and 1,219,531,050 are bearer Group C shares. Group A registered shares hold the privilege of nominating candidates to the board of directors and voting in general assembly, while Group B registered shares hold the privilege of voting in general assembly. Group C shares hold no privileges.

3. Subsidiaries

The company's subsidiaries are Kocaer Steel UK Limited operating in the UK as a distribution channel in the iron & steel industry; Yağız Nakliyat Sanayi ve Ticaret A.Ş. engaged in the logistics sector, Kocaer Enerji A.Ş. established in 2023 to operate in the renewable energy sector and KCR Dış Ticaret A.Ş. established on May 2024, with the aim of developing overseas operations and accelerating globalization efforts of the Company.

The company's subsidiaries are as follows:

Trade Name	Field of Activity	Paid-in Capital (TRY)	Currency	Share in Capital
Kocaer Enerji A.Ş.	Energy	600,000,000	Turkish Lira	99.00%
Kocaer Steel UK Limited (*)	Wholesale of iron and steel products	4,000,000	British Pound	90.00%
Yağız Nakliyat Sanayii ve Tic. A.Ş.	Domestic and international transportation	14,200,000	Turkish Lira	90.81%
KCR Dış Ticaret A.Ş.	International Trade	2,000,000	Turkish Lira	99.00%

(*) Kocaer Steel UK Limited has under its roof a wholly owned subsidiary named Kocaer Steel Ireland Limited Company that has a capital of EUR 100.

4. About Kocaer Çelik

Operating in the steel profile segment of the iron and steel industry, Kocaer Çelik manufactures and markets high-strength steel profiles in special grades, various dimensions, and custom lengths and cross-sections. These products are supplied through export, international, and domestic distribution channels to customers operating in sectors such as power transmission lines, solar energy infrastructure, structural steel, transportation, mining, tunneling, shipbuilding, agriculture, machinery manufacturing, and defense industries.

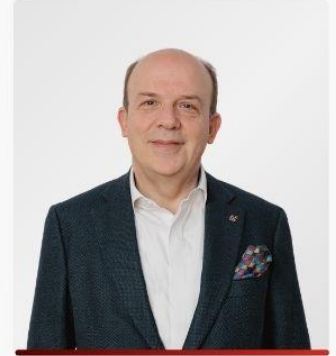
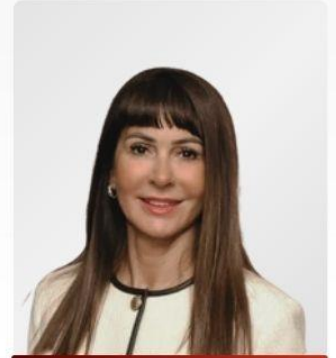
Located in Aliğa, İzmir, Kocaer Çelik continues its operations with three Steel Profile Plants with a total capacity of 800,000 tons/year over an area of 280,000 m², a Galvanizing Plant with a capacity of 100,000 tons/year, a Steel Service Center with a capacity of 180,000 tons/year, and a renewable energy generation facility (solar power plant) with a capacity of 15 million kWh/year. Through its rooftop solar panels, the company meets approximately 33% of its electricity consumption with self-generated renewable energy. In addition to its international distribution channels, Kocaer Steel UK and Kocaer Steel Ireland, the company also reaches 140 countries across six continents through its overseas sales representatives.

Kocaer Çelik has been the export champion in the iron and steel sector in the Aegean Region for seven consecutive years, according to the reports of the Aegean Ferrous and Non-Ferrous Metals Exporters' Association (EDDMİB 2018–2024).

Another strategic priority for Kocaer Çelik is renewable energy investments. The company has established a new corporate structure under the name Kocaer Enerji to operate in the field of renewable energy, particularly geothermal. Work has commenced on a 24 MW Geothermal Power Plant (GPP) investment in Kuyucak, Aydın. With this new structure, the company aims to meet 100% of its production energy needs from renewable sources and reach a position where it sells its surplus energy generated from renewables. Through all these investments, the company aims to become carbon-neutral and achieve energy independence, gaining a significant advantage in international competition.

The company has been proactively preparing for the Carbon Border Adjustment Mechanism (CBAM), which will come into effect as of January 2026 and will apply to companies exporting to European Union countries. Kocaer Çelik has been carrying out reporting and verification activities in compliance with EU standards (ISO 14064) and has started officially reporting to stakeholders regarding the CBAM. Following the completion of its renewable energy investments, the company plans to achieve full energy independence and transform from a buyer of carbon credits to a provider by neutralizing its Scope 1 and Scope 2 greenhouse gas emissions and contributing surplus carbon credits to the market.

BOARD OF DIRECTORS

**Hakan Kocaer***Chairman of the Board***Mehmet Çakmur***Deputy Chairman of the Board and General Manager***Ferda Besli***Board Member***Dr. Yılmaz Argüden***Board Member***M. Uğur Yılmaz***Board Member***Dr. F. Füsün Akkal Bozok***Independent Board Member***Tuğrul Fadilloğlu***Independent Board Member***Ayşe Selen Kocabaş***Independent Board Member*

5. Members of the Board of Directors

As of 31 December 2025, the Board of Directors consisted of eight members, excluding Honorary President İbrahim Kocaer.

Members of the Board of Directors	Position	Duties Valid Between	
Hakan Kocaer	Chairman of the Board	21.04.2025	21.04.2028
Mehmet Çakmur	Deputy Chairman of the Board and General Manager	21.04.2025	21.04.2028
Ferda Besli	Member of the Board	21.04.2025	21.04.2028
Dr. Yılmaz Argüden	Member of the Board	21.04.2025	21.04.2028
M. Uğur Yılmaz	Member of the Board	21.04.2025	21.04.2028
Dr. Fatma Füsün Akkal Bozok	Independent Member of the Board	21.04.2025	21.04.2028
Tuğrul Fadilloğlu	Independent Member of the Board	21.04.2025	21.04.2028
Ayşe Selen Kocabaş	Independent Member of the Board	21.04.2025	21.04.2028

6. Biographies of the Members of the Board of Directors

Hakan Kocaer- Chairman of the Board

Acting as the Chairman of the Board of Directors at Kocaer Çelik Sanayi ve Ticaret A.Ş., Hakan Kocaer was born in Denizli in 1972. Started his career in the iron and steel industry in 1990, he took part in all departments and processes of the Company. He continued to work in the factories established in Izmir as of 1996 and took an active role in the growth of the Company with the strategic decisions he gave in line with his vision. He has been serving as the Chairman of the Board of Directors since 2012.

Mehmet Çakmur- Deputy Chairman of the Board and General Manager

Mehmet Çakmur, a graduate of METU Industrial Engineering, started his career in 1990 and worked in various positions in the iron and steel trade until 2002. He worked as the authorized representative of MMK Magnitogorsk Russia in Turkey from 2002 and continued in this position until 2011. He served as the export and sales director at the MMK Metallurgy facility of the MMK Russia factory in Turkey from 2011. He left his position there in 2017 and established M Steel Ltd., a company that provides trade, consultancy and agency services in the field of iron and steel, and he still continues his activities in this company. Mehmet Çakmur, who served as a member of the board of directors of our company since September 1, 2023, has taken Deputy Chairman and General Manager roles as of September 25, 2024. Çakmur is also the vice chairman of the board of directors of the Steel Foreign Trade Association (ÇDTD), which he initiated, and a member of the board of directors of the Flat Steel Exporters and Industrialists Association (YİSAD).

Ferda Besli- Member of the Board

Besli, who has more than 30 years of experience in corporate finance, project finance, credit and banking relationship management, and strategic marketing, is the Founder and Chief Executive Officer of Besfin. A graduate of the Economics Department of Istanbul University, Besli began his professional career in 1987 at Akbank T.A.Ş. During his banking career, he served in the Inspection Board and as Branch Manager, followed by positions as Head of Corporate Banking, and later as Executive Vice President responsible for Commercial and SME Banking.

Between 2006 and 2011, Besli served as Executive Vice President at Akbank, responsible for Commercial Banking and SME Marketing, Credit Committee Membership, Project Finance, and Cash Management. He retired in 2011 and founded Besfin in the same year. He holds the Capital

Markets Activities Level 3 License as well as Credit Rating and Corporate Governance Rating Licenses issued by the Capital Markets Board of Türkiye.

Besli has also been a member of several professional and social organizations, including TÜSİAD (Turkish Industry and Business Association) in Türkiye, the World Future Society (WFS) in the United States, the British think tank Chatham House in the United Kingdom, and various other social institutions.

Dr. Yılmaz Argüden- Member of the Board

Dr. Yılmaz Argüden serves as the Chairman of the Board of ARGE Consulting, a management consulting firm. He provides management consulting services to numerous Turkish and international companies on strategy, business excellence, institutionalization, governance, and sustainability. In addition, Dr. Argüden serves as the Chairman of the Board of Rothschild & Co. Investment Banking in Türkiye. Throughout his career, he has served on the boards of more than 70 companies across various countries and was the Chairman of the Board of Erdemir between 1997 and 1999.

Internationally recognized for his work on boards of directors and governance, Dr. Argüden has authored books and articles published in multiple languages. He has held several international roles, including Chairmanship of the Governance Committee of Business at OECD (BIAC) and membership on the Advisory Board of the IFC Corporate Governance Group. He also serves as the Chairman of the Board of Trustees of the Argüden Governance Academy.

Dr. Argüden was elected World Chair of the Global Compact Local Networks and served on the Board of the UN Global Compact, the world's most widespread sustainability platform. During his tenure as Chairman of the Turkish Quality Association (KalDer), he launched the National Quality Movement. He has also founded and/or led numerous civil society organizations, including the Turkish Education Volunteers Foundation (TEGV), the Private Sector Volunteers Association, BÜMED, TESEV, and the Turkish-American and Turkish-Canadian Business Councils.

M. Uğur Yılmaz- Member of the Board

M. Uğur Yılmaz, a graduate of the Metallurgical Engineering Department of Middle East Technical University (METU), received his MSc degree in Precision Casting from the same department and later completed an MBA at the Business Administration Institute of AITIA.

Yılmaz began his professional career in 1980 at Erdemir as a Steel Plant Process Engineer. After serving in various positions within the company, he was appointed Deputy General Manager of Operations at İsdemir, which joined the Erdemir Group in 2002. Following 11 years in this role, he became the Chief Technology Officer (CTO) of the Erdemir Group, where he was responsible for Investments, Management Systems, Production Systems, and the establishment of the R&D organization. During the same period, he also served as General Manager of ERENCO.

M. Uğur Yılmaz later continued his career as General Manager of Kardemir, Iron and Steel Group President at Diler Holding, and as Managing Director (MD) and Chief Operating Officer (COO) at UK-based British Steel.

Dr. Fatma Füsün Akkal Bozok- Independent Member of the Board

Dr. Füsün Akkal Bozok completed her academic education with a bachelor's degree from the Faculty of Business Administration at Istanbul University, a master's degree from the Faculty of Administrative Sciences at Boğaziçi University, and a PhD from the Faculty of Business

Administration at Istanbul University. She began her professional career at the auditing firm Arthur Andersen.

In 1983, she joined the Koç Group, where she initially served as an Audit Specialist and later as Assistant Coordinator within the Audit and Financial Group. In 1992, she was appointed as Audit and Financial Group Coordinator, a position she held for 11 years. Between 2003 and 2006, Dr. Bozok served as Director of the Finance Group. From September 2004 until 2019, she also served as a Member of the Board of Directors of Yapı Kredi Bank.

Dr. Bozok currently serves as an Independent Member of the Board of Directors at Otokar Otomotiv ve Savunma Sanayi, Lila Kağıt, Şok Marketler, and Gözde Girişim Sermayesi. She is a member of several professional organizations, including the Corporate Governance Association of Türkiye (TKYD), the Turkish Institute of Internal Auditing (TİDE), the Turkish Association of Accounting Experts, and the Boğaziçi University Alumni Association. She is also a Board Member of the 30% Club and serves as a mentor at the Women on Board Association.

Dr. Bozok holds Capital Markets Board of Türkiye licenses for Advanced Level Capital Markets Activities, Credit Rating, Corporate Governance Rating, and Derivative Instruments.

Tuğrul Fadilloğlu- Independent Member of the Board

Tuğrul Fadilloğlu graduated from the Department of Mechanical Engineering at Boğaziçi University in 1982. Between 1982 and 2002, he held various positions and responsibilities at Arçelik A.Ş. He subsequently served as Executive Vice President responsible for Operations and Technology at Tanı Pazarlama Hizmetleri A.Ş. between 2002 and 2004, and later as General Manager of the same company from 2004 to 2009. In 2009, Fadilloğlu was appointed General Manager of Zer A.Ş., a position he held until his retirement in 2014. During this period, he also served as a Member of the Board of Directors of Tanı Pazarlama Hizmetleri A.Ş.

While based in İzmir between 1995 and 2000, Tuğrul Fadilloğlu served as the Founding Chairman of the İzmir Branch of the Turkish Quality Association (KalDer) and, in 2000, as a Member of the Assembly of the Aegean Region Chamber of Industry.

Between 2015 and 2019, he held several executive and advisory roles, including General Manager of Hidrotam, Member of the Board of Directors at ISM A.Ş., a subsidiary of İnci Holding, General Coordinator of KalDer, Member of the Advisory Board of Doğa OSGB, and Founding Vice Chairman of the Board of Directors of CCA Corporate Change Academy Consulting and Training Services Inc. Fadilloğlu currently serves as a Member of the Board of Directors of Arçelik and as a Member of the Advisory Board of Sistem Teknik A.Ş.

Ayşe Selen Kocabaş- Independent Member of the Board

Selen Kocabaş began her career at the end of 1992 as a Management Trainee (MT) at Koç Group and subsequently held various managerial roles at Arçelik, Marshall Boya, and DanoneSa, a joint venture between Group Danone and Sabancı Holding. She joined the Turkcell Group at the end of 2002 as Executive Vice President and held various EVP roles for 13 years. After overseeing functions including Human Resources, Construction & Real Estate, General Administrative Affairs, IT, Legal, Procurement, and Strategic Planning, she assumed responsibility for Corporate Business at the end of 2010. In this role, she managed marketing, product, sales, and service operations with full profit and loss responsibility for five years. She also played key roles in Turkcell's transformation from a GSM operator into a technology and infrastructure company. Kocabaş left the Turkcell Group in May 2015 and during her tenure also served on the boards of several Turkcell

subsidiaries, including İnteltek (known for the İddaa brand), Astelit (international operations), Global Bilgi Call Center, and Turkcell Technology.

Kocabaş became the first female president of PERYÖN (People Management Association of Türkiye), one of the country’s oldest civil society organizations. She was also the first corporate founding member representing her company in the Ethics and Reputation Society (TEİD) and is a member of the Corporate Governance Association of Türkiye (TKYD) and TÜSİAD. She is a founding board member of the Women on Board Association and YenidenBiz Association and has served as Co-Chair of YenidenBiz since 2024. She is also a founding member of the Women in Technology Association, a member of the Endeavor Advisory Board, and a mentor. In 2014, she was ranked 9th on Fortune Türkiye’s list of the “50 Most Powerful Businesswomen.”

Kocabaş provides strategic management consulting and mentoring services to boards of directors and executive management teams. She has been a founding business partner of the Mentoro Platform since 2015. Beginning in 2016, she served for three consecutive terms as an Independent Member of the Board of Directors of Akış GYO, a company under Akkök Holding, where she chaired the Risk Committee and served as a member of the Audit Committee. Most recently, she served as an Independent Board Member of Tekfen Holding, Chair of the Corporate Governance Committee, Chair of the Ethics Committee, and a member of the Audit Committee.

She currently serves as a Member of the Board of Directors of the MultinetUP Group and a member of its Corporate Governance and Finance Committees; Independent Board Member of Tat Gıda and Chair of its Audit Committee; Independent Board Member of Kocaer Steel and Chair of its Corporate Governance Committee; Strategic Advisor to Aydın Holding; and Member of the Board of Directors of Catalyst Capital Portfolio Management Company. With more than 35 years of experience, she is a leader in business management, people management, and strategy. Kocabaş holds a degree in Economics (English) from Istanbul University and completed her graduate studies in Human Management and Organizational Behavior at Marmara University. She completed the Corporate Strategy Program at Harvard University Executive Education and, in 2025, graduated from INSEAD’s Independent Board Directors Program, one of the world’s leading business schools. She is married, has a 28-year-old son, and speaks English and French.

7. Duties and Authorities of the Board Members

The Chairman and Members of the Board of Directors hold the duties and authorities specified in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association.

8. Duties of the Board Members and Executives Outside the Company

Personnel with Executive Authority				
Name-Surname	Position	Profession	Duties Undertaken in the Company in the Last 5 Years	Current Duties Undertaken Outside the Company
Hakan Kocaer	Chairman of the Board	Business Person	Chairman/ Member of the Board / Shareholder	Yağız Nakliyat Shareholder, Kocaer Enerji Shareholder, KCR Dış Ticaret Shareholder
Mehmet Çakmur	Deputy Chairman of the Board and General Manager	Senior Executive	Deputy Chairman of the Board and General Manager	M Steel Dış Ticaret Ltd Shareholder, YISAD Board Member, Çelik Dış Ticaret Derneği Deputy Chairman, Kocaer Dış Ticaret Chairman, Kocaer Enerji Chairman
Ferda Besli	Member of the Board	Business Person	Member of the Board	Besfin Finansal Hizmetler ve Danışmanlık Chair, Olgun Çelik, Taypa Tekstil, Tayeks Tekstil, Astay Gayrimenkul İnş., Sultanahmet Turizm, Atıkpaşa Turizm, Kutlugün Turizm, Halikarnas Turizm, Etiler Gayrimenkul Yatırım Board Member, Çelik Halat ve Tel San A.Ş. Independent Board Member
Dr. Recep Yılmaz Argüden	Member of the Board	Business Person	Member of the Board	ARGE Danışmanlık, Anadolu Grubu Holding and Group Companies Board Member, Akkök Holding, TAB Food Investments Board Member, Turkish Basketball Federation Vice President
Mesut Uğur Yılmaz	Member of the Board	Senior Executive	Member of the Board	
Dr. Fatma Füsün Akkal Bozok	Member of the Board	Business Person	Member of the Board	Otokar, Lila Kâğıt, Şok Marketler and Gözde Girişim Sermayesi Independent Board Member
Tuğrul Fadilloğlu	Member of the Board	Business Person	Member of the Board	Arçelik Global Independent Board member, Sistem Teknik A.Ş Board member
Ayşe Selen Kocabaş	Member of the Board	Senior Executive		Independent Board Member of Tat Gıda; Member of the Executive Board of Aydın Group; Advisory Board Member of MultinetUP Group, English Home and Eve; Founding Board Member of the Women on Board Association; Founding Member and Co-Chair of the YenidenBiz Association; Founding Member of the Women in Technology Association; Member of the Endeavor Advisory Board and Mentor
Nursel Metin, CFA*	Deputy General Manager	Senior Executive		Member of the TÜYİD High Advisory Council
Halil Bahadır Çağlan	Deputy General Manager	Senior Executive	Budget and Financial Control Manager/Accounting, Budget-Financial Control Manager	

9. Changes in the Board of Directors

At the General Assembly meeting held on April 21, 2025, Ayşe Selen Kocabaş, who is not a shareholder of the Company, was elected as an Independent Member of the Board of Directors.

At the General Assembly, it was resolved, in accordance with the relevant provisions of the Turkish Commercial Code, the Capital Markets legislation, and the Company's Articles of Association, that the Board of Directors shall consist of 8 (eight) members and serve for a term of 3 (three) years until April 21, 2028.

10. Number of Meetings of the Board of Directors During the Year and Attendance Status

The Board of Directors held a total of 12 meetings in 2025, with an attendance rate of 93%.

11. Senior Executives

Name-Surname	Position	Took Office on	Professional Experience
Hakan Kocaer	Chairman of the Board of Directors	25.04.2012	36 years
Mehmet Çakmur	Deputy Chairman of the Board of Directors and General Manager	25.09.2024	35 years
Halil Bahadır Çağlan	Deputy General Manager	19.09.2011	26 years
Emre Erarslan	Deputy General Manager	01.05.2013	27 years
Hakan Onur	Deputy General Manager	30.04.2024	36 years
Nursel Metin, CFA*	Deputy General Manager	09.02.2026	29 years
Mesut Yılmaz	Deputy General Manager	01.07.2025	34 years

* Appointed as of February 9, 2026.

12. Committees Established within the Board of Directors

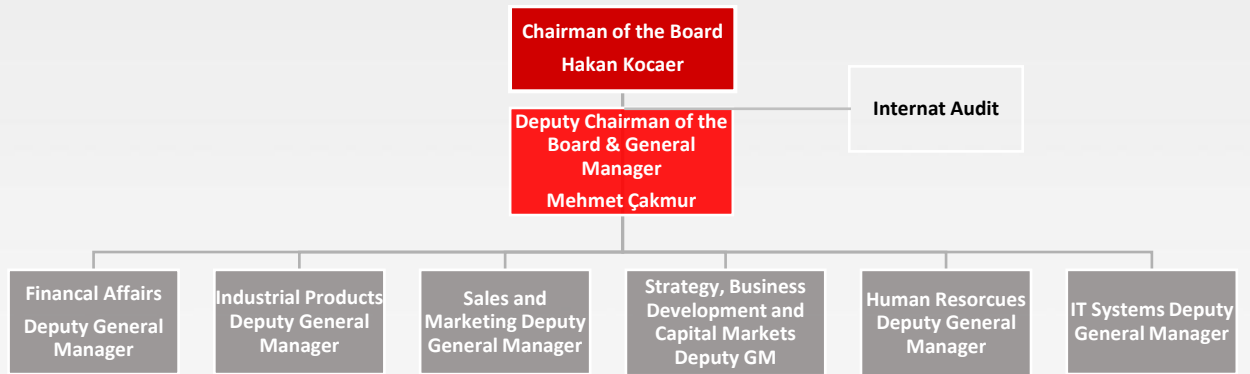
Names of Board Committees	Name-Surname of Committee Members	Number of Meetings Held by the Committee During the Year
Audit Committee	Dr. Fatma Füsün Akkal Bozok (Chair), Tuğrul Fadilloğlu (Member)	4
Corporate Governance Committee	Ayşe Selen Kocabaş (Chair), Dr. Yılmaz Argüden (Member) Dr. Fatma Füsün Akkal Bozok (Member) Nursel Metin, CFA (Member) *	4
Early Detection of Risk Committee	Tuğrul Fadilloğlu (Chairman), Ferda Besli (Member), Dr. Yılmaz Argüden (Member)	6

* Appointed as of February 9, 2026.

The Corporate Governance Committee convened on four occasions in 2025 and carried out its work within the framework of the Capital Markets Board's Corporate Governance Communiqué (II-17.1). The duties of the Nomination and Remuneration Committee are performed by the Corporate Governance Committee.

The Audit Committee and Early Detection of Risk Committee convened on four and six occasions during the year, respectively. They continued their work within the scope of their obligations within the framework of the CMB Legislation.

13. Organizational Chart



B. FINANCIAL RIGHTS GRANTED TO SENIOR EXECUTIVES

The total benefits provided to the members of the Board of Directors and senior executives for the period between January 1 and December 31, 2025 amounted to TRY 79,546,013 on a consolidated basis. The Company does not grant any loans, credits, or personal loans to any members of the Board of Directors or executives, nor does it provide guarantees or sureties in their favor.

C. INVESTMENTS

Investment in High-Value Added Products

In line with its strategy focused on the production of high value-added products, Kocaer Steel completed renovation investments at its A2 plant in the first half of 2023 and at its A1 plant in the first quarter of 2024.

The impact of these investments has become evident, with the share of value-added products in the total product portfolio increasing from approximately 39% in 2023 to 43% in 2025.

The Company aims to further increase the share of high value-added products in its portfolio and plans its investments accordingly. The growing share of these higher-margin products is expected to contribute positively to the Company's revenue and profitability, enhance its global competitive advantage, and further strengthen its export performance. In line with its objective of expanding its global presence, feasibility studies are also ongoing for the establishment of production facilities and/or service centers in different countries.

Energy Investments

Kocaer Steel aims to expand its activities in renewable energy, which it has identified as one of its strategic priorities. As a company that generates the majority of its sales from international markets, Kocaer Steel recognizes the need to adapt to rapidly evolving global green energy trends at the same pace. Accordingly, the Company is working toward becoming energy-independent and generating all of the electricity it consumes from its own renewable energy sources. Currently, with solar power plants totalling 9.2 MW of installed capacity, the Company meets 33% of its electricity consumption through renewable energy sources, providing a significant cost advantage while also reducing energy-related carbon emissions.

In order to consolidate its energy investments under a single structure, Kocaer Enerji, a 99% owned subsidiary, was established in 2023. In 2024, the capital of Kocaer Enerji was increased in cash from

TRY 300 million to TRY 600 million. The Company primarily aims to expand its activities in geothermal and solar energy. The first phase of the geothermal power plant investment with a capacity of 24 MW, located within the licensed field in Aydın, is currently ongoing. Through this investment, the Company aims to meet the entire electricity demand required for its production activities through rooftop solar power plants together with 20% of the electricity to be generated from the first phase of the geothermal plant, thereby reducing greenhouse gas emissions, while selling the remaining 80% of the clean energy production capacity. Following the first phase of the investment, it is planned to continue geothermal energy investments as second and third phases in line with the capacity of the geothermal resource within the licensed field.

D. RESEARCH AND DEVELOPMENT ACTIVITIES

Kocaer Steel established the first R&D center in its segment certified by the Ministry of Industry and Technology of the Republic of Türkiye in 2015. Through projects developed with an innovative perspective at the R&D center, the foundations were laid for the Company's transformation into an engineering company that designs new products, machinery, and processes in the steel industry. While R&D activities primarily focus on expanding product diversity and developing new high value-added products, studies are also carried out on environmentally friendly production technologies, energy efficiency, digital transformation, numerous improvement projects aimed at increasing production efficiency and reducing costs, as well as feasibility studies for future investments. The Industry 4.0 approach is adopted across all business processes, and automation and digital transformation projects such as robotic applications in production lines, smart predictive maintenance systems, robotic process automation (RPA), machine learning, deep learning, and artificial intelligence are also being implemented. In line with the five-year digitalization roadmap, the Company aims to increase efficiency and profitability across all business processes—particularly in production—while minimizing operational losses.

Within the scope of intellectual and industrial property rights, the R&D center holds 5 patents, 6 design registrations, 1 utility model, and 6 domestic and 10 international trademark registration certificates.

As part of its R&D activities, the Company conducted a total of 57 projects in 2025 under the categories of Innovation/R&D, Process Excellence, and Respect for People. These projects were carried out within the framework of the project management system and planned work schedules covering the period from 2023 through the end of 2025. Out of the total 57 projects, 29 were completed in 2025 across different reporting periods.

Among the 29 projects completed in 2025, initiatives were undertaken in the categories of Innovation/R&D, Respect for People, and Process Excellence, including the development of value-added new products and new production methods, applications to increase energy efficiency, improvements to production efficiency, reduction of production costs, prevention of labor and operational losses, plant and machinery design and implementation, predictive and preventive maintenance activities, and product development and improvement studies. During 2025, R&D center activities primarily focused on expanding product diversity and developing high value-added products with higher profitability, as well as integrating the necessary technologies for their production, designing machinery and equipment, and establishing new business and process models.

E. INTERNAL AUDIT AND INTERNAL CONTROL ACTIVITIES

The Internal Audit Unit operates in accordance with the provisions of the Internal Audit Regulation and reports directly to the Board of Directors. The activities of the unit are carried out within the framework of the Internal Audit Plan prepared annually, taking into account the risks identified under the corporate risk management approach and the Company's strategic objectives, and approved by the Audit Committee. Findings and evaluations related to the audit activities performed are reported to the Audit Committee at specified intervals. During 2025, the Audit Committee held four meetings, and the decisions taken were recorded in minutes and submitted to the Board of Directors for its information.

In addition, efforts continued throughout 2025 to develop the necessary systems and processes in order to establish an effective and sustainable internal control environment aligned with the Company's governance structure and to ensure the effective management of corporate risks. Internal control activities are implemented in accordance with the Internal Control Procedure in force.

Ensuring that the Company's operations are conducted in full compliance with applicable legislation, corporate governance principles, internal policies and procedures, and occupational health and safety requirements is considered a fundamental priority. In this context, necessary control mechanisms are established to ensure that information systems comply with relevant regulations, that Company assets are protected against loss and misuse, and that information generated within the Company is reliable, complete, traceable, and consistent.

F. INFORMATION ABOUT THE PRIVATE AUDIT AND PUBLIC AUDIT PERFORMED

The Company agreed with Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. (a member firm of Baker Tilly) for the independent audit of the company and its subsidiaries for 2025.

G. LEGAL CASES

There is no material lawsuit filed against the Company that can affect its financial position. There are no administrative or legal sanctions imposed on the Company or its executives due to acts against legislative provisions.

H. SUSTAINABILITY, SOCIAL RESPONSIBILITY PROJECTS AND DONATIONS

As Kocaer Steel, activities related to the Carbon Border Adjustment Mechanism (CBAM), an important component of the European Union Green Deal, continued throughout 2025.

In 2024, the Climate Change Mitigation and Adaptation Policy was prepared, and in line with this policy, risks have begun to be identified in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) in order to enhance the Company's resilience to the impacts of climate change. Root causes and underlying drivers have also started to be determined. In 2025, reporting continued within the scope of both TCFD and the Taskforce on Nature-related Financial Disclosures (TNFD).

Following the application of our Company to the Science Based Targets initiative (SBTi) with science-based targets aimed at reducing greenhouse gas emissions arising from its operations, the

validation process was completed and both near-term (2030) and net-zero (2050) emission reduction commitments were verified in 2025.

Kocaer Steel improved its CDP (Carbon Disclosure Project) disclosure results in 2025, where environmental performance is assessed globally, raising its Water Security score to the “Leadership” level and its Climate Change score to the “Management” level.

In line with the targets defined in the Company’s sustainability strategy, comprehensive efforts to reduce environmental impact continue. Accordingly, Kocaer Steel aims to reduce Scope 2 emissions by 100% by 2030 and Scope 1 and Scope 3 emissions by 100% by 2050. The Company also aims to reduce carbon emissions per unit of production by 35% by 2030 and eliminate energy consumption from non-renewable sources entirely, meeting all of its energy needs from currently installed and ongoing renewable energy investments. In addition, the Company aims to increase the use of alternative fuels by 20%, reduce energy consumption per unit of production by 35%, implement and expand rainwater harvesting systems across all plants and locations, and increase the ratio of recycled water used in production processes by 15% by 2030.

Sustainability efforts are also supported by projects implemented in the field that consider local environmental impacts. In this context, the Kocaer & Karaoklar Biodiversity Project established a nature-compatible and sustainable agricultural and ecosystem model in Manisa Demirci. The project aims to create an environment resilient to climate change; ten different native plant species were introduced to the soil, green belt areas were established, and biological corridors were formed through lavender planting. Through land observations, flora-fauna inventories, and soil analyses, the ecological diversity of the area has been supported, and as a result, 60 animal species have been recorded. A monitoring plan has been prepared to ensure the continuity of species requiring protection, particularly *Testudo graeca* (spur-thighed tortoise), which is classified as “Vulnerable” on the IUCN Red List. Within the scope of the project, workshops were organized to protect water resources, while educational and awareness activities were carried out for local communities and children. Biological control seminars promoted natural methods, and the release of beneficial species into nature contributed to supporting ecological balance.

Activities carried out during the Occupational Health and Safety Week between May 5–10 aimed to increase awareness of occupational health and safety and promote the early adoption of this culture among children and young people. In this context, painting, poetry, and essay competitions were organized in middle schools and high schools in Aliğa, encouraging students to creatively express their perspectives on occupational health and safety and showcase their talents.

In line with its social responsibility approach, the Company also assumed the main sponsorship of Ruya Uğurlu, an athlete of the Turkish IQFOiL National Team, supporting the sporting and personal development of young athletes, encouraging sports participation, and contributing to the promotion of a success-oriented sports culture.

Within the framework of its sustainable human resources strategy, the Company has launched the Apprenticeship–Journeyman–Master Development Program, which prioritizes the children of employees. Through this program, participants become insured from the first day of their training and adapt early to professional life through a state-supported wage model. At the end of the program, participants are expected to receive a Vocational High School Diploma and a mastery certificate approved by the Vocational Qualifications Authority (MYK), thereby securing both their academic and professional competencies. Candidates who internalize the corporate culture through on-the-job training are developed to form the future pool of skilled employees of the Company. The program strengthens youth employment while also providing a strategic contribution to long-term talent acquisition and the preservation of institutional knowledge.

To further strengthen the occupational health and safety culture and ensure sustainable regulatory compliance, the Company has launched a Class C Occupational Safety Specialist Certification Program. Within the scope of the program, candidates undergo a structured preparation process that combines regulatory knowledge and field applications, preparing them for certification examinations. Through this initiative, the Company aims to detect risks earlier in operational areas, reduce non-conformities, and expand the preventive occupational health and safety approach. The certification program contributes to expanding the internal pool of qualified OHS specialists while reducing reliance on external resources and improving audit performance, accident/near-miss ratios, and the speed of corrective action closures. The program is positioned as a strategic development initiative that supports operational continuity while prioritizing employee health and safety.

The total amount of donations made by the Company in 2025 amounted to TRY 412,631.

I. INFORMATION ON THE COMPANY'S OWN SHARES ACQUIRED

In the reporting period of 01.01.2025- 31.12.2025 the Company did not acquire any of its own shares.

J. FINANCIAL POSITION

1. Iron and Steel Industry – 2025 Overview:

The year 2025 was a challenging period for the global iron and steel industry, characterized by increasing protectionist measures, excess supply originating from China, and continued demand contraction driven by tight monetary policies. Global crude steel production declined by approximately 4% compared to the previous year, reaching around 1.8 billion tons. China accounted for 53% of global production with an annual output of 960.8 million tons.

The iron and steel sector remains among the strategically important sectors for Türkiye's export performance, with European Union countries continuing to represent the primary market for Turkish steel exports.

Türkiye's crude steel production reached its peak in the past decade at 40.4 million tons in 2021. Production declined in 2022 and 2023 due to global economic conditions and weakening demand but entered a recovery trend in 2024 and 2025. In 2025, Türkiye's crude steel production increased by 3.3% compared to the previous year, reaching 38.1 million tons, with Türkiye accounting for 2.1% of global steel production.

In Türkiye, 72% of crude steel production is carried out through Electric Arc Furnaces (EAF), while 28% is produced by integrated facilities. Considering the global dominance of the coal-based Basic Oxygen Furnace (BOF) method, Türkiye's EAF-based production structure provides a significant structural advantage in terms of transitioning to low-carbon production and achieving sustainability targets. In an environment where the iron and steel industry is considered one of the most carbon-intensive sectors, this production composition strengthens the competitiveness of the Turkish steel industry in the context of green transformation, carbon regulations, and carbon border adjustment mechanisms.

In 2025, steel exports increased by 12.5% in volume to reach 15.1 million tons, while export value rose by 4.3% to USD 10.2 billion. During the same period, imports increased by 8.6% in volume to 18.9 million tons, and the export-to-import coverage ratio stood at 78%.

2. The Company's Position in the Sector

Kocaer Steel operates in the steel industry across Türkiye, Europe, and global markets as one of the limited number of companies that carry out steel profile production, service center and fabrication operations, and galvanizing processes within an integrated structure. Through its engineering-driven production approach, the Company continues to strengthen its position in global markets.

By integrating its R&D, design, and engineering capabilities in profile products into its production processes, the Company has reinforced its transition from a standard product supplier to a solution-oriented business model that delivers customized products tailored to specific needs. This approach enables Kocaer Steel to be preferred as a solution partner capable of addressing project-based requirements across different geographies and application areas.

Focusing on the production of high value-added steel profiles, the Company participates in numerous large-scale projects worldwide with its product portfolio designed to deliver high strength and durability under challenging and variable climatic conditions. Particularly in renewable energy investments—primarily solar energy systems—and mining projects, Kocaer Steel has achieved a differentiated position in competitive markets with its long-lasting products that meet demanding technical requirements.

This integrated production structure and engineering-oriented approach have strengthened the Company's value-added export capacity. Despite ongoing price pressures and trade restrictions in global markets, Kocaer Steel demonstrated strong operational performance in 2025 by reaching historically high levels in both production and sales volumes.

Characteristics of the Company's Production Units

Kocaer Steel carries out its production activities on a total area of 300,000 m², including 85,000 m² of enclosed space. The Company operates three steel profile plants with a total annual capacity of 800,000 tons—one of the largest steel profile capacities in Türkiye—along with a Service Center with an annual capacity of 180,000 tons, a Galvanizing Plant with an annual capacity of 100,000 tons, and a solar power generation facility (SPP) with approximately 15 million kWh of electricity production capacity.

Aliğa-1 Plant commenced operations in 1996 and operates with an annual production capacity of 300,000 tons on a total area of 32,500 m², including 21,000 m² of enclosed space. Aliğa-2 Plant began operations in 2008 and produces with an annual capacity of 300,000 tons on a total area of 186,000 m², including 34,000 m² of enclosed space. Aliğa-3 Plant started operations in 2017 and has an annual production capacity of 200,000 tons on a total area of 41,000 m², including 18,000 m² of enclosed space.

Within the Aliğa-2 plant site, the Service Center, which started operations in 2015, and the Galvanizing Plant, commissioned in 2022, are also located.

3. Kocaer Steel Sales, Revenue and Profitability

Despite a challenging period in the global iron and steel industry characterized by increasing protectionist measures, supply pressure originating from China, and weakening global demand, Kocaer Steel achieved the highest production and sales volumes in its history as of the 2025 operating year. Based on production carried out at the Company's own facilities, total production reached 648,105 tons in 2025, representing an increase of approximately 26% compared to 2024.

During the same period, sales volume increased by 17.6% year-on-year to 682,873 tons, setting a new record. This sales performance was achieved despite frequently changing trade policies, tariffs, and protectionist practices in the global iron and steel industry, supported by the Company's export network with a broad geographic reach, deepening presence in existing markets, and its capability to access new markets.

	1 January - 31 December 2025	1 January - 31 December 2024
Structural Steel Products	175,252	182,736
Value Added Profiles	294,330	241,666
U and C Channels	107,839	78,665
I and H Channels	105,451	77,376
Total Sales Volume ¹	682,873	580,443
Value Added Products /Total Sales Volume	43%	42%

¹ Excluding other sales

In line with its strategy focused on the production of high value-added products, renovation investments were successfully completed at the A2 plant in 2023 and at the A1 plant in 2024. In 2024, the capacity of the Steel Service Center—which processes steel profiles into final products tailored to customers' specific requirements—was also increased by 50%, reaching an annual capacity of 180,000 tons. Parallel to the completion of investments in high value-added products and the addition of new products to the portfolio, the share of high value-added products within the total product portfolio reached 43% in 2025.

The Company generated 77% of its total sales from international markets in 2025 and recorded total net revenue of TRY 24,112 million for the period between January 1 and December 31, 2025.

Revenue (TRY'000)	1 January - 31 December 2025	1 January - 31 December 2024	Change
Domestic sales	5,265,507	5,894,608	-11%
International Sales	18,672,885	19,050,295	-2%
Other Revenue	197,662	268,853	-26%
Return and Discounts	-24,316	-36,341	-33%
Net Sales	24,111,738	25,177,415	-4%

In 2025, in parallel with the decline in USD-based prices observed in global steel markets, the decrease in product sales prices, limited exchange rate increases, and the effects of inflation accounting led to a decline in sales revenues in TRY terms compared to the same period of the previous year. Kocaer Steel closed 2025 with approximately TRY 3.1 billion in EBITDA and a net profit of TRY 473 million.

4. Financial Position and Indebtedness

As of the end of 2025, the Company's net financial debt amounted to TRY 2 billion. As a result of effective financing and working capital management, the ratio of net financial debt to EBITDA declined to 0.65x.

Financial Debt (TRY'000)	31 December 2025	31 December 2024	Change
Short Term Borrowings	4,875,643	2,032,226	140%
Short Term Portion of Long-Term Borrowings	193,342	2,094,898	-91%
Long Term Borrowings	2,123,514	1,993,575	7%
Total Financial Borrowings	7,192,498	6,120,699	18%
Cash and Cash Equivalents ²	5,177,751	4,023,713	29%
Net Financial Debt ³	2,014,747	2,096,986	-4%

² Financial investments are included.

³ Calculated by adding short-term financial liabilities, long-term financial liabilities, and the current portion of long-term financial liabilities, and deducting cash and cash equivalents and financial investments.

5. Summary Consolidated Financial Statements

Summary Consolidated Balance Sheet (TRY'000)	31 December 2025	31 December 2024	Change
Current Assets	13,091,824	13,427,908	-3%
Fixed Assets	13,106,465	12,480,548	5%
Total Assets	26,198,289	25,908,456	1%
Short Term Liabilities	10,399,986	10,598,818	-2%
Long Term Liabilities	3,466,305	2,880,724	20%
Equity	12,331,998	12,428,914	-1%
Total Liabilities and Equity	26,198,289	25,908,456	1%

Summary Consolidated P/L (Cumulative) (TRY'000)	2025	2024	Change
Net Sales	24,111,738	25,177,415	-4%
Gross Profit	4,543,643	3,999,583	14%
Operating Profit	2,302,113	1,545,531	49%
Financial Expenses (net)	(1,855,600)	(1,965,206)	-6%
Net Monetary Gain (Loss)	106,466	215,083	-51%
Net Income from Investment Activities	563,916	596,449	-5%
Profit Before Tax	1,116,895	391,857	185%
Net Profit	473,483	108,507	336%
Adjusted EBITDA	3,108,640	2,665,323	17%

Main Ratios (%)	2025	2024
Gross Profit Margin	18.8%	15.9%
Adjusted EBITDA Margin	12.9%	10.6%
Net Profit Margin	2.0%	0.4%
Net Financial Debt/A.EBITDA	0.65	0.79

6. Nature and Amount of Issued Capital Market Instruments

There exists no Issued Capital Market Instrument.

7. Analysis and Assessment of the Governing Body Regarding Financial Position and Operating Results, the Degree of Realization of Planned Activities, and the Company's Position in Relation to Its Strategic Objectives

The Company simultaneously publishes its consolidated year-end 2025 financial results on the Public Disclosure Platform (KAP).

8. Determination and Assessment by the Governing Body Regarding Whether the Company's Capital Is Uncovered or Whether the Company Is Insolvent:

According to the evaluations made pursuant to Article 376 of the Turkish Commercial Code, the Company is not in a state of insolvency.

9. Development of financial sources and the policies the company implements accordingly

The company enjoys full access to all national and international financial sources, enabled by its credibility resulting from the balanced composition of its balance sheet and the contribution lent by its position as a net exporter. New financing alternatives according to the market conditions are constantly explored and opportunities are seized. The company develops its borrowing policy relying on its high cash generation capability and solid equity structure. Hedging can also be utilized against potential financial risk exposure.

10. Profit Distribution Policy

The profit distribution principles of the Company are governed in Article 14 of the Articles of Association titled "Determination and Distribution of Profit."

As a principle, decision on profit distribution is made by considering a few factors including but not limited to market expectations (as long as regulations and financial means allow it), capital requirements, investment and financing policies, amendments in applicable laws, lending, profitability and cash status, and national and international economic conditions. For profit distribution, a balanced and consistent policy is pursued between the interests of the shareholders and the Company in accordance with the Corporate Governance Principles. In this respect, the Company intends to distribute at least 20% of its net distributable profit in the form of dividends.

The Board of Directors may distribute advance dividends only if authorized by the General Assembly and in compliance with the Capital Market Regulations.

In accordance with the Turkish Commercial Code, Capital Markets legislation, the Company's Articles of Association, and the dividend distribution policy, and pursuant to the resolution adopted at the Company's Ordinary General Assembly held on April 21, 2025, the Board of Directors resolved to distribute a total cash dividend of TRY 165,000,000 from the net distributable profit for the period amounting to TRY 81,256,825, calculated after the deduction of legal obligations from the 2024 net profit for the period. Accordingly, TRY 17,157,795 was distributed as first dividend to shareholders, TRY 57,174,030 as second dividend to shareholders, and TRY 90,668,175 was covered from retained earnings.

The cash dividend payment corresponded to a net dividend of TRY 0.0732 (gross TRY 0.0861) per share with a nominal value of TRY 1 and was paid on July 2, 2025.

K. RELATED PARTY TRANSACTIONS

The company's transactions with related parties are described in "Note 37 – Related Party Disclosures" of the consolidated independent audit report for the period 1 January – 31 December 2025.

L. CHANGES IN THE ARTICLES OF ASSOCIATION

No amendments were made to the Articles of Association during the relevant period.

M. PERSONNEL STRUCTURE AND OTHER RELATED ADMINISTRATIVE MATTERS

The average number of employees in 2025, including the Company and its subsidiaries, was 1,143 (December 31, 2024: 1,115). As of December 31, 2025, the Company's severance pay liability amounted to TRY 65,157,758, for which full provision has been made. Social benefits are regularly and periodically provided to the Company's employees in accordance with the applicable legislation.

Kocaer Çelik Human Resources Policy

Kocaer Çelik has established a Human Resources Policy aimed at providing, maintaining, and, when necessary, supplying the social, psychological, and physical environment required to ensure that operations are conducted as planned and product compliance is achieved. In line with this policy, the company upholds global human rights principles and manages its HR processes based on diversity and equal opportunity, offering its employees a productive, competent, and fulfilling work environment that meets physical well-being standards.

Kocaer Çelik fully respects legal leave regulations and, in line with its goal of being a mother-friendly, continuously learning, evolving, and developing organization, it supports the professional and personal growth of its employees by offering training and development opportunities. The company fosters a corporate culture where recognition is shared within the community and feedback is delivered face-to-face.

Employee ideas are valued through suggestion and reward systems, while a safe and healthy working environment is maintained. Employees are involved in decision-making processes, and the company implements a local employment policy. Within the framework of decent work principles, Kocaer Çelik is committed to a responsible compensation model, applying a remuneration and benefits strategy based on seniority and individual performance.

Additionally, the company follows a goal alignment process, linking strategic objectives to individual performance targets. Beyond these policy components, Kocaer Çelik places people at the center of its operations and actively enriches the social lives of its employees through various social activities.

Human Resources Related Activities in 2025

The human resource needs arising from the activities carried out in 2025 were met through collaborations with local public institutions.

Human Resources (HR) processes—particularly recruitment, onboarding, learning, and time management—have been digitalized. This transformation has enhanced standardization, traceability, and operational efficiency across HR processes.

A digital competency and regulatory compliance monitoring platform has been implemented to centrally manage records related to professional qualifications, certifications, training documents required to be monitored under applicable legislation, and employees' lifelong learning processes. Through this system, the validity periods of documents are regularly monitored, renewal requirements are proactively planned, and legal compliance, audit readiness, and operational continuity are ensured.

During 2025, comprehensive efforts were undertaken to strengthen the occupational health and safety (OHS) culture, reduce risks, and establish a sustainable OHS management system. In this context, significant improvements were implemented in the area of fire safety. Existing fire suppression systems were upgraded, fire water pumps were renewed, and the fire water storage infrastructure was strengthened to enhance emergency response capacity. These efforts were supported by fire safety consultancy services, and the fire safety infrastructure across the facility was improved in line with national regulations and best practices.

In order to ensure the effective and traceable use of personal protective equipment (PPE), a PPE vending system was installed, enabling controlled access for employees to the protective equipment they require. In addition, an identification label system was introduced on helmets indicating employees' roles and competencies, thereby supporting field communication and a safer working environment.

Within the scope of strengthening the organizational OHS structure, the Class C Occupational Safety Specialist implementation was introduced, enabling more effective field inspections and risk assessment activities. In addition, the Scheduled Safety Walks (HGT) practice was launched to enhance safety awareness through planned inspections.

To support a proactive safety approach, the Behavior-Based Safety Management Project was initiated with the aim of encouraging safe behaviors among employees and preventing risky actions. In the same context, a QR code-supported near-miss reporting system was implemented to enable quick and easy reporting of potential hazards.

In order to reinforce work discipline and safe working habits, the Work Permit System was implemented, ensuring controlled and planned working processes particularly for high-risk activities.

The 5S workplace organization and discipline system was introduced to ensure order, cleanliness, and standardization in working areas, resulting in significant improvements in both occupational safety and operational efficiency.

Within the scope of the Kocaer Steel Recognition and Appreciation System in 2025, 45 before-and-after Kaizen studies were conducted. A total of 644 suggestions were evaluated by the committee, and 446 employees were rewarded under the relevant categories.

As part of the Maintenance Management System initiatives, corrective maintenance and periodic maintenance modules were activated within the BEAM application. In addition, within the scope of the Idea Management System (IMS), a QR code-supported idea submission system was implemented, and machining processes were digitalized under the Workshop Management System initiatives.

Kocaer Development Center aims to enhance employees' knowledge, skills, and competencies while supporting the effective use of corporate resources to achieve sustainable and efficient business outcomes. Within the center, both professional and personal development training programs are delivered through internal and external trainers.

In 2025, training programs were organized on topics including the Class C Occupational Safety Specialist Certification Program, Departmental Training System, Problem-Solving Techniques, Time Management, Meeting Techniques, Management Skills, and Leadership. A total of 48,412 training hours were delivered to 1,182 employees, corresponding to an average of 41 training hours per employee.

In cooperation with TOBB ALOSBI Vocational and Technical Anatolian High School, a Training Unit was established and the “From Spark to Mastery” (Apprenticeship) Program was launched. Within the scope of the sustainable human resources strategy, the Apprenticeship–Journeyman–Master Development Program, which prioritizes the children of employees, aims for participants to obtain both a Vocational High School Diploma and a mastery certificate approved by the Vocational Qualifications Authority (MYK) upon completion of the training process. In this way, both academic and professional competencies are intended to be secured.

N. RISK MANAGEMENT

Kocaer Steel prioritizes enhancing the effectiveness of its risk management processes in order to effectively manage uncertainties arising from global developments and to ensure sustainable growth while maintaining its global competitiveness. In this context, the Company closely monitors global developments and proactively identifies factors that may affect its operations in line with its effective corporate risk management policy. These factors are managed in accordance with the Company’s risk appetite, and necessary measures are taken to integrate them into the corporate risk management process.

The Early Detection of Risk Committee is responsible for identifying potential threats that may affect the Company’s future at an early stage and ensuring that the necessary measures are taken to manage these risks. Within this scope, the Committee’s responsibilities include identifying potential risks, developing risk mitigation strategies, and periodically reviewing risk management systems. The Committee conducts its activities in accordance with the Early Detection of Risk Committee Working Principles document. The Committee consists of three members and convened six times during 2025, documenting its decisions in meeting minutes and submitting them to the Board of Directors.

Corporate risk management is addressed in accordance with the Risk Management Framework defined in the Corporate Risk and Opportunity Management Procedure and Handbook. This framework aims to integrate risk management into the Company’s strategic, managerial, and operational processes and to adopt a comprehensive approach covering all elements of risk management. All employees are required to comply with this risk framework within the scope of their respective functions.

The framework aims to incorporate risk management processes into the QRM (Quality, Risk, and Management) structure in order to ensure integrity, effectiveness, and efficiency within the Company in line with quality and management systems. At Kocaer Steel, corporate risks are categorized under six main disciplines: financial risks, strategic risks, operational risks, information security risks, compliance risks, and reputational risk.

O. COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The “Corporate Governance Principles Compliance Statement”, “Corporate Governance Compliance Report” and “Corporate Governance Information Form” prepared in accordance with the Corporate Governance Communiqué No. II-17.1 with the decision No. 2/49 dated 10.01.2019 of the Capital Markets Board are included in Annex-2, and the “Sustainability Compliance Statement” and “Sustainability Compliance Report” are included in Annex-3.

P. OTHER MATTERS

Forward Looking Assessments

Kocaer Steel’s 2030 vision and the targets defined within this scope were approved by the Board of Directors with Decision No. 26 dated November 21, 2024, and were announced to all stakeholders through a material disclosure made on the same date.

As stated in the material disclosure dated September 1, 2025, within the scope of the growth and investment areas determined in line with our 2030 vision, an Environmental Impact Assessment (EIA) application has been submitted for our green steel plant and new steel profile plant investments, for which feasibility studies are ongoing, and the related permitting processes are continuing. For the Kocaer JES 1 (geothermal) Power Plant, drilling activities and the EIA process related to the new project site are also ongoing.

Changes Following the End of Reporting Period

None.

Legislative Changes

There were no legislative changes that may have a material impact on the Company’s activities in 2025.

Conflicts of Interest Between the Company and Service Providers such as Investment Consulting or Rating, and Measures Taken to Prevent Such Conflicts of Interest

During the reporting period, the Company encountered no conflict of interest or dispute with service providers on investment consulting, rating or other matters. Utmost care is given to the Company's ethical values both in third party contract procedures and in the internal course of business.

Disclosures on Administrative or Judicial Sanctions Imposed on the Company or the Board Members for Acts Against Legislative Provisions

There are no administrative or legal sanctions imposed on the Company or its executives due to acts against legislative provisions.

Information to Stakeholders

None.

Production Facilities and Branches

Aliğa 1 Branch, Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevki 19. Cadde No:2 Aliğa / İzmir
Aliğa 2 Branch, Yeni Foça yolu üzeri 2. km Sanayi Caddesi Bozköy mevki No:31 Aliğa / İzmir
Aliğa 3 Branch, Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevki 19. Cadde No:1 Aliğa / İzmir
Galvanizing Factory and Steel Service Center, Yeni Foça yolu üzeri 2. km Sanayi Caddesi Bozköy mevki No:31/6 Aliğa / İzmir

İzmir Alsancak Branch, Akdeniz Mahallesi Şehit Fethibey Caddesi No:55/161 Konak/İzmir

İstanbul Branch, Levazım Mahallesi Kuru Sokak Zorlu Center Teras Evler No:307 Beşiktaş / İstanbul

Annex-1: Declarations of Independence of the Members of the Board of Directors

Since I am nominated to serve as an "Independent Board Member" at Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi (Board) as per the criteria under the Articles of Association and Article 4.3.6 of the Exhibit to the Corporate Governance Communiqué no. II-17.1 issued by the Capital Markets Board, I hereby declare the following:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, subsidiaries where the Company holds control or significant power over management or partners that hold significant power in the Company and the legal entities where such partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent Board Member,
- d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,
- e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,
- f) I am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interest between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will make sufficient time for keeping track of the Company's activities and for fully performing my duties on behalf of the Company,
- h) Over the last 10 years, I did not serve as a member of the Board of Directors of the Company for more than six years,
- i) I did not serve as an Independent Board Member in more than three of the companies where the Company or its ultimate controlling partners have managerial control nor in more than five companies traded on the stock exchange,
- j) I have not been registered and announced for the legal entity which has been elected as a member of the board of directors.

Fatma Füsün Akkal Bozok

Since I am nominated to serve as an "Independent Board Member" at Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi (Board) as per the criteria under the Articles of Association and Article 4.3.6 of the Exhibit to the Corporate Governance Communiqué no. II-17.1 issued by the Capital Markets Board, I hereby declare the following:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, subsidiaries where the Company holds control or significant power over management or partners that hold significant power in the Company and the legal entities where such partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent Board Member,
- d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,
- e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,
- f) I am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interest between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will make sufficient time for keeping track of the Company's activities and for fully performing my duties on behalf of the Company,
- h) Over the last 10 years, I did not serve as a member of the Board of Directors of the Company for more than six years,
- i) I did not serve as an Independent Board Member in more than three of the companies where the Company or its ultimate controlling partners have managerial control nor in more than five companies traded on the stock exchange,
- j) I have not been registered and announced for the legal entity which has been elected as a member of the board of directors.

Tuğrul Fadilloğlu

Since I am nominated to serve as an "Independent Board Member" at Kocaeli Çelik Sanayi ve Ticaret Anonim Şirketi (Board) as per the criteria under the Articles of Association and Article 4.3.6 of the Exhibit to the Corporate Governance Communiqué no. II-17.1 issued by the Capital Markets Board, I hereby declare the following:

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, subsidiaries where the Company holds control or significant power over management or partners that hold significant power in the Company and the legal entities where such partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the past five years, I was not a shareholder (5% and above) or an employee in executive positions to assume material duties and responsibilities, particularly including roles in Company audits (tax audit, legal audit and internal audit), ratings, and consultancy, nor did I serve as a board member, in the companies to and from which the Company extensively sold or purchased services or products as per the contracts signed,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent Board Member,
- d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,
- e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,
- f) I am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interest between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will make sufficient time for keeping track of the Company's activities and for fully performing my duties on behalf of the Company,
- h) Over the last 10 years, I did not serve as a member of the Board of Directors of the Company for more than six years,
- i) I did not serve as an Independent Board Member in more than three of the companies where the Company or its ultimate controlling partners have managerial control nor in more than five companies traded on the stock exchange,
- j) I have not been registered and announced for the legal entity which has been elected as a member of the board of directors.

Ayşe Selen Kocabaş

Annex-2 Corporate Governance Compliance Statement, Compliance Report and Information Form

Corporate Governance Compliance Statement

Kocaer Çelik had IPO on 30 June 2022 and since then is committed to achieve full compliance with the compulsory principles under the Corporate Governance Communiqué no. II-17.1 in force. In the period between 1 January 2025 and 31 December 2025, the company complied with the CMB's compulsory Corporate Governance Principles. The principles that the company has yet to achieve alignment with, have not led to any conflicts of interest among the stakeholders to date. Explanations about compliance with corporate governance principles covered in the appendix to the Corporate Governance Communiqué and about those with which compliance could not be achieved yet in the fiscal period ended on 31 December 2025 have been provided in the Corporate Governance Compliance Report and Corporate Governance Information Sheet templates that entered into force with the CMB decision no. 2/49 dated 10 January 2019. The company believes in the importance of achieving full alignment with the transparency, fairness, responsibility and accountability principles of the Corporate Governance Principles, and continues its work on necessary improvements in its practices at full speed.

Corporate Governance Compliance Report

11.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There has been no such transaction notification.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				General Assembly Meeting invitations and minutes are made available to all stakeholders, including media via Public Disclosure Platform and the corporate website. On the other hand, there was no request from media for attending the general assembly that took place for the 2024 fiscal year.
1.4. VOTING RIGHTS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.			X			Group A registered shares have the privilege of nominating candidates to the board of directors and voting in the general assembly. Group B registered shares have voting privileges in the general assembly. Group C shares do not have any privileges. The privileges enjoyed by privileged shares are stated in the relevant parts of the Articles of Association (Article 6 of the Articles of Association).

1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Kocaer Çelik does not have a mutual shareholding relationship at a subsidiary along with a control power.
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1.5. MINORITY RIGHTS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not granted to those who have a share of less than one-twentieth of the capital by the Articles of Association, and in parallel with general practices, rights are provided to the minority within the framework of the general provisions of the regulations.
1.6. DIVIDEND RIGHT	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution decision has been taken.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
1.7.1 - There are no restrictions preventing shares from being transferred.		X				The transfer of company shares is regulated in Article 17 of the Articles of Association. The transfer of shares is carried out in accordance with the Turkish Commercial Code, capital markets legislation and relevant legislation. Group A, B and C shares can be transferred freely without any restrictions.
2.1. CORPORATE WEBSITE	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					

2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

3.1. CORPORATION'S POLICY ON STAKEHOLDERS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					

3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Decisions that will have impact on the employees are disclosed to them through internal communication channels. There is no union activity in our company.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.		X				Our company supports memberships in associations and clubs, however there is no union activity in our company.
3.3.9 - A safe working environment for employees is maintained.	X					

3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					

4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					There is executive liability insurance for the board of directors. The amount is more than 25% of the company's paid in capital.

4.3. STRUCTURE OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				We believe that ensuring diversity in terms of knowledge, experience and point of view among our Board of Directors will positively contribute to the activities of the Company and the effective functioning of the Board of Directors. Although there is no policy for the minimum rate of female members on the board of directors, our rate of female board members is 25%.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					

4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there was an opportunity to express an opinion, no notification was made to this effect by our board members who could not attend the meeting.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Members of the Board of Directors are not restricted from taking on other duties outside the company due to the significant contribution of their work experience and sectoral experience to the company. The duties of the board members outside the company were presented to the shareholders at the general assembly meeting.
4.5. BOARD COMMITTEES	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
4.5.5 - Board members serve in only one of the Board's committees.			X			Considering issues such as the company's volume of operations and administrative needs, there are board members who serve as members of more than one committee. This does not lead to any conflict of interest within the company.
4.5.6 - Board members serve in only one of the Board's committees.	X					
4.5.7 - Board members serve in only one of the Board's committees.					X	There is no consultancy service received regarding this issue.
4.5.8 - Board members serve in only one of the Board's committees.	X					

4.6. FINANCIAL RIGHTS	Yes	Partial	No	Exempt	Not Applicable	EXPLANATION
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			There is no performance evaluation of the board in 2025.

4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Payments made to board members and upper management are disclosed to the public in total in our financial statement footnotes, in line with general practices. Total amount is disclosed in line with the principals of protection of personal data.

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	35 meetings were held with institutional investors and analysts.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/Bildirim/1411777
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction under Article 9.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	There is no such transaction under Article 10.
The name of the section on the corporate website that demonstrates the donation policy of the company	Kocaersteel.com/ About Us/ Policies and Regulations/ Donation and Aid Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://kap.org.tr/tr/Bildirim/1428005

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 11 General Assembly Meetings of the Articles of Association in clause c.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The General Assembly invitation was shared with the public on Public Disclosure Platform and our company's website, on the other hand, there was no participation other than shareholders in the General Assembly.

1. SHAREHOLDERS	
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Group A registered shares have the privilege of nominating candidates to the board of directors and voting in the general assembly. Group B registered shares have voting privileges in the general assembly. Group C bearer shares do not have any privileges. A %18,16 Hakan Kocaer, B %18,16 Hakan Kocaer, C %37,88 Hakan Kocaer ve %25,80 publicly traded
The percentage of ownership of the largest shareholder	%74,20
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Kocaersteel.com/ About Us/ Policies and Regulations/ Profit distribution policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Dividend is distributed.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Dividend is distributed.

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
21.04.2025	0	%80,2	%74,4	%5,8	https://www.kocaersteel.com/tr/genel-kurul	https://www.kocaersteel.com/tr/genel-kurul	-	0	https://www.kap.org.tr/tr/Bildirim/1411777

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations/ Corporate Governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations/ Corporate Governance/ partnership-structure-and-concession-information
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Annual Report / Section A-8 Duties Performed by Board Members and Managers Outside the Company
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report / Section A-12 Committees Established within the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report / Section A-10 Number of Meetings of the Board of Directors During the Year and Participation Status
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Annual Report / Section P - Other Matters / Legislative Changes
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report / Section G- Legal Cases
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Annual Report / Section P - Other Matters
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Annual Report / Corporate Governance Compliance Report Voting Rights Section
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report / Section H- Social Responsibility Projects

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	There is 1 final judicial decision due to breach of employee rights.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	İInternal Audit
The contact detail of the company alert mechanism	etik.kurul@kocaersteel.com Telefon: (232) 625 18 60 Şirket portalı- Ethics Line
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	-
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Within the scope of talent management works carried out within our company, succession plans are created for key positions. Backup plans created and appointments to key roles are submitted to the Board of Directors for approval when necessary.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Kocaersteel.com/ About Us/ Human Resources Policy
Whether the company provides an employee stock ownership programme	There is an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Kocaersteel.com/ About Us/ Human Resources and Human Rights Policies
The number of definitive convictions the company is subject to in relation to health and safety measures	There is 1 definitive conviction against our company.
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Kocaersteel.com/ About Us/ Ethical Principles
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Kocaersteel.com/ Sustainability

Any measures combating any kind of corruption including embezzlement and bribery	Kocaer Çelik board members, employees and all related parties are required to stay away from all kinds of behavior and actions within the scope of corruption. Regardless of public or private sector, it is prohibited to receive or give any kind of cash/non-cash benefit that may be within the scope of corruption.
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4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Hakan Kocaer (Chair), Mehmet Çakmur (Deputy Chair and CEO)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	8
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report/ Section E
Name of the Chairman	Hakan Kocaer
Name of the CEO	Mehmet Çakmur
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	CEO and Chair are not the same people.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	The number of female board members is 2 and the ratio is 25%.

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Hakan Kocaer	Executive	Not independent director	20.04.2022	-	Not applicable	Not applicable	Yes
Mehmet Çakmur	Executive	Not independent director	29.08.2023	-	Not applicable	Not applicable	Yes
Ferda Besli	Non-Executive	Not independent director	20.04.2022	-	Not applicable	Not applicable	Yes
Recep Yılmaz Argüden	Non-Executive	Not independent director	20.04.2022	-	Not applicable	Not applicable	Yes
Mesut Uğur Yılmaz	Executive	Not independent director	06.06.2024	-	Not applicable	Not applicable	No
Fatma Füsün Akkal Bozok	Non-Executive	Independent director	25.04.2023	https://kap.org.tr/tr/Bildirim/1411777	Considered	No	Yes
Tuğrul Fadilloğlu	Non-Executive	Independent director	25.04.2023	https://kap.org.tr/tr/Bildirim/1411777	Considered	No	No
Ayşe Selen Kocabaş	Non-Executive	Independent director	21.04.2025	https://kap.org.tr/tr/Bildirim/1411777	Considered	No	No

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period	12
Director average attendance rate at board meetings	93%
Whether the board uses an electronic portal to support its work or not	Hayır (No)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Members are informed within a reasonable period of time, at least two days in advance of the meeting.
The name of the section on the corporate website that demonstrates information about the board charter	https://ir.kocaersteel.com/en/board-directors-committees/ Corporate Governance Committee Working Principles
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report/ Section A12
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/1105434

Board Committees-I

Composition of Board Committees-I	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	Fatma Füsün Akkal Bozok	Yes	Board Member
Audit Committee	-	Tuğrul Fadıllıoğlu	No	Board Member
Corporate Governance Committee	-	Ayşe Selen Kocabaş	Yes	Board Member
Corporate Governance Committee	-	Fatma Füsün Akkal Bozok	Yes	Board Member
Corporate Governance Committee	-	Dr. Yılmaz Argüden	No	Board Member
Corporate Governance Committee	-	Nursel Metin, CFA*	No	Not Board Member
Committee of Early Detection of Risk	-	Tuğrul Fadıllıoğlu	Yes	Board Member

Committee of Early Detection of Risk	-	Ferda Besli	No	Board Member
Committee of Early Detection of Risk	-	Dr. Yılmaz Argüden	No	Board Member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report/ Section A12
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report/ Section A12
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Relevant duties are carried out by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report/ Section A12
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Relevant duties are carried out by the Corporate Governance Committee.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report/ Section J
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.kocaersteel.com/en/policies-and-regulations/ Pricing policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report/ Section B

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	%100	%100	4	4
Corporate Governance Committee	-	%75	%50	4	4
Committee of Early Detection of Risk	-	%100	%33	6	6

Annex-3 Statement of Compliance with Sustainability Principles and Compliance Report**Statement of Compliance with Sustainability Principles**

Kocaer Steel sustainability teams target to achieve compliance with the Sustainability Principles Compliance Framework prepared in line with the modification CMB made to the Corporate Governance Communiqué on 2 October 2020. Explanations have been provided for the principles with which compliance have and have not yet been achieved for the fiscal year ended 31 December 2024, in the Sustainability Report template that has come into effect pursuant to the CMB decision no. 34/977 dated 23 June 2022. The company also includes information about its compliance with the criteria set out in the principles and performance data in its detailed sustainability reports that are disclosed publicly. The company continues to work on its 2025 Sustainability Report. The company oversees the interest of all stakeholders and keeps working on necessary improvements required by the Sustainability Principles Compliance Framework.

Sustainability Compliance Report

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				The Board of Directors has identified priority environmental, social and governance (ESG) issues, risks, and opportunities.	https://www.kocaersteel.com/en/sustainability-reports
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				Environmental-Social Management policies have been established and made publicly available on the company website.	https://www.kocaersteel.com/en/sustainability-reports
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				The goals within the scope of ESG have been shared in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				Sustainability efforts are overseen by the Management Systems and Sustainability unit, reporting to the CEO. In addition, a Sustainability Working Group was established, including various departments and managers. The organizational structure is explained in detail in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				Activities carried out by the responsible unit have been reported to the board of directors.	-
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				Implementation and action plans have been created and disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				ESG performance indicators have been disclosed in the Sustainability Report over the years.	https://www.kocaersteel.com/en/sustainability-reports

A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Activities aimed at improving our sustainability performance have been disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				It has been included in the Sustainability section of the activity report.	https://www.kocaersteel.com/en/sustainability-reports

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
A. GENERAL PRINCIPLES						
A3. Reporting						
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				The alignment of our activities with the United Nations Sustainable Development Goals is disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.				X	No lawsuits have been filed that could affect the financial situation and activities of our company, including environmental, social and governance issues.	
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.		X			Some of the ESG performance measurements are conducted by an independent organization and published in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Environmental policies and practices are disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports

B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).			X		Environmental goals have not yet been included in the incentive and reward criteria.	
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				The Sustainability Report includes the integration of environmental goals with the company's strategy.	https://www.kocaersteel.com/en/sustainability-reports
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				The integration of environmental targets with the company strategy, including our suppliers and customers, is included in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
B. ENVIRONMENTAL PRINCIPLES						
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Our key stakeholders are described in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Our greenhouse gas emissions have been calculated in accordance with Scope 1, Scope 2, and Scope 3, and disclosed in our Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				Targets and performances over the years have been disclosed in the Sustainability	https://www.kocaersteel.com/en/sustainability-reports

					Report.	
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Action plans regarding the climate crisis have been disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				Procedures have been established to minimize our environmental impact, and they have been disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.		X			Efforts are being made to implement actions that reduce third-party greenhouse gas emissions, but these actions have not been publicly disclosed yet.	
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				It has been disclosed in the Environmental Performance Indicators section of the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
B. ENVIRONMENTAL PRINCIPLES						
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				It has been disclosed in the Environmental Performance Indicators section of the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Efforts to reduce our carbon footprint are included in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B19. The renewable energy production and usage data has been publicly disclosed.	X				Information regarding renewable energy has been provided in Public Disclosure Palatform and the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports

have been disclosed.						
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				Regulations regarding carbon pricing have not yet been established in our country. On the other hand, as an exporter we are subject to European carbon pricing system and our related works have been shared with the public.	https://www.kap.org.tr/tr/Bildirim/1221014
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X		There are no carbon credits accumulated or purchased as of the reporting period.	
B24. If carbon pricing is applied within the Company, the details have been disclosed.		X			Our work on carbon pricing continues, but its details have not been disclosed to the public as of the reporting period.	
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	https://www.kocaersteel.com/en/ethical-principles https://www.kocaersteel.com/en/sustainability-reports

	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
	Yes	Partial	No	Not applicable		
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						

C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	https://www.kocaersteel.com/en/ethical-principles https://www.kocaersteel.com/en/sustainability-reports
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	https://www.kocaersteel.com/en/ethical-principles https://www.kocaersteel.com/en/sustainability-reports
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	https://www.kocaersteel.com/en/ethical-principles https://www.kocaersteel.com/en/sustainability-reports
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				Policies regarding human rights have been specified in the Business Ethics Code Guide shared with all employees, and included in the Ethics Principles section of our website as well as in the sustainability report.	https://www.kocaersteel.com/en/ethical-principles https://www.kocaersteel.com/en/sustainability-reports
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				The Ethics Committee oversees the resolution of employee complaints and disputes.	https://www.kocaersteel.com/en/sustainability-reports
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				It has been disclosed in the sustainability report.	https://www.kocaersteel.com/en/sustainability-reports
C1.6. The occupational health and safety policies have been established and disclosed.	X				Our employee health and safety policies have been disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Measures and statistics regarding workplace accidents have been disclosed in the Sustainability Report.	https://www.kocaersteel.com/en/sustainability-reports
C1.7. The personal data protection and data security policies have been established and disclosed.	X				The information security policy has been published on our website.	https://www.kocaersteel.com/en/policies-and-regulations

111	COMPLIANCE STATUS				EXPLANATION	Report Information on Publicly Disclosed Information
				Not		

	Yes	Partial	No	applicable	
C. SOCIAL PRINCIPLES					
C1. Human Rights and Employee Rights					
C1.8. The ethics policy have been established and disclosed.	X				The ethical policy has been included on our website's Ethics Principles section and in the sustainability report. https://www.kocaersteel.com/en/ethical-principles https://www.kocaersteel.com/en/sustainability-reports
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				It has been disclosed in the sustainability report. https://www.kocaersteel.com/en/sustainability-reports
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Employees have been provided with training, and the details have been disclosed in the Sustainability Report. https://www.kocaersteel.com/en/sustainability-reports
C2. Stakeholders, International Standards and Initiatives					
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed. https://www.kocaersteel.com/en/sustainability-reports
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Information regarding stakeholder engagement has been provided in the Sustainability Report. https://www.kocaersteel.com/en/sustainability-reports
C2.3. The international reporting standards that adopted in reporting have been explained.	X				It has been disclosed in the sustainability report. https://www.kocaersteel.com/en/sustainability-reports
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				It has been disclosed in the sustainability report. https://www.kocaersteel.com/en/sustainability-reports
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X			Efforts are underway to be included in the sustainability index.
D. CORPORATE GOVERNANCE PRINCIPLES					
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				It has been included in the sustainability report. https://www.kocaersteel.com/en/sustainability-reports
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				It has been included in the sustainability report. https://www.kocaersteel.com/en/sustainability-reports