



EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.

For the Period 1 January - 31 March 2023
Condensed Board of Directors' Activity Report

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1****A - GENERAL INFORMATION****1. Period of the Report**

1 January - 31 March 2023

2. Information About the Association

- **Title:** EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.
- **Trade Registry Number:** 863637
- **Address:** Barbaros Mah. Ardiç Sok. No: 6 Ataşehir/İSTANBUL
- **Website:** www.erdemir.com.tr

3. Shareholding and Capital Structure

Authorized Capital : TRY 7.000.000 thousand
Paid-in Capital : TRY 3.500.000 thousand

Shareholders	Shares (Thousand TRY)	%
ATAER Holding A.Ş.	1.724.982	49,29
Publicly Held	1.667.181	47,63
Erdemir's Own Shares	107.837	3,08
Total	3.500.000	100,00

No change has occurred in shareholding and capital structure in the period.

4. Board of Directors, Executive Management and Number of Personnel

According to the Turkish Commercial Code and related regulations, the election of the Board of Directors is executed by the General Assembly within the framework of the Articles of Association. Should there be an opening in the Board of Directors Membership within the respective period; an election for the available positions is made according to the provisions of Turkish Commercial Code and Company's Articles of Association and the results are submitted to the next general assembly to be approved. The Company's 2022 Regular General Assembly has been executed on 31 March 2023.

At the Ordinary General Assembly Meeting held on March 31, 2023, the membership number of Board of Directors has determined as 9 and 6 Board Members were elected to serve for 3 years and 3 independent board members were elected to serve for 1 year period in accordance with the 10th and 11th articles of Articles of Association within the framework of Turkish Commercial Code and Capital Market Law.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

The active members of the Board of Directors as of reporting period:

Board of Directors	Title	Effective from
OYTAŞ İç ve Dış Ticaret A.Ş. (Represented by: Süleyman Savaş ERDEM)	Chairman	27.05.2013 (*)
OMSAN Lojistik A.Ş. (Represented by: Baran ÇELİK)	Deputy Chairman- Executive Director	11.09.2012 (*)
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Represented by: Gürtan DAMAR)	Board Member and Executive Director	13.09.2012 (*)
Republic of Türkiye Ministry of Treasury and Finance Privatization Administration (Represented by: Bekir Emre HAYKIR)	Board Member	20.09.2012 (*)
OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Represented by: Volkan ÜNLÜEL)	Board Member	12.09.2012 (*)
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	Board Member	12.09.2012 (*)
Ali FİDAN	Independent Board Member	31.03.2017
Emre GÖLTEPE	Independent Board Member	17.03.2022
Kadri ÖZGÜNEŞ	Independent Board Member	31.03.2023

(*) Inauguration date of the legal entity.

Changes in the Executive Board within the Period

- At the Ordinary General Assembly Meeting held on March 31, 2023, OYTAŞ İç ve Dış Ticaret A.Ş. (represented by Süleyman Savaş ERDEM), OMSAN Lojistik A.Ş. (represented by Baran ÇELİK), OYAK Pazarlama Hizmet ve Turizm A.Ş. (represented by Gürtan DAMAR), Republic of Türkiye Ministry of Treasury and Finance Privatization Administration (represented by Bekir Emre HAYKIR), OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (represented by Volkan ÜNLÜEL) and OYAK Denizcilik ve Liman İşletmeleri A.Ş. (represented by Güliz KAYA) have been elected as board members for serving 3 years period and Ali FİDAN, Emre GÖLTEPE and Kadri ÖZGÜNEŞ have been elected as independent board members for serving 1 year period.
- It has been resolved to elect Board Member OYTAŞ İç ve Dış Ticaret A.Ş. (represented by Süleyman Savaş ERDEM) as Chairman and to elect OMSAN Lojistik A.Ş. (represented by Baran ÇELİK) as Deputy Chairman at task distribution for serving 1 year period and to authorize Deputy Chairman OMSAN Lojistik A.Ş. (represented by Baran ÇELİK) and Board Member OYAK Pazarlama Hizmet ve Turizm A.Ş. (represented by Gürtan DAMAR) as "Executive Director" with the decision of Board of Directors numbered 9887.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

Powers and Duties of the Members of the Board of Directors'

The Chairman and the members of the Board of Directors possess duties and authorities set out in the Turkish Trade Act's relevant clauses and in the Articles of Association.

Executive Management

Executive Management	Title	Effective from	Education	Experience
Baran ÇELİK	Deputy Chairman and Executive Director	14.02.2023	Boğaziçi University – International Trade	19 Years
Gürtan DAMAR	Board Member and Executive Director	23.02.2021	Yıldız Technical University - Mechanical Engineering	28 Years
Niyazi Aşkın PEKER	General Manager	12.09.2022	Yıldız Technical University - Metallurgy Engineering	29 Years
İsmail Kürşad KORKMAZ	Procurement Group Vice President	21.02.2017	Middle East Technical University - Political Science and Public Administration	27 Years
Mustafa Serdar BAŞOĞLU	Financial Management and Financial Affairs Group Vice President	24.09.2020	Bülent Ecevit University - Management (Master's Degree) Karadeniz Technical University - Public Finance (Bachelor's Degree)	19 Years
Fatih ÇITAK	Marketing and Sales Group Vice President	18.01.2020	İstanbul Technical University - Industrial Engineering	24 Years
Ercan KAYA	Enterprise Architecture and Human Resources Group Vice President	21.07.2020	Selçuk University – Economics (Doctor's Degree) Hacettepe University -Economics (Master's Degree)	35 Years
Sinan BOZKURT	Operations Deputy General Manager	27.09.2021	Middle East Technical University - Metallurgy and Materials Engineering	26 Years

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

5. The Transactions of Board Members made on its behalf or on behalf of other and the activities as part of prohibition of competition

At the Ordinary General Assembly held on 31 March 2023, it is consented to give the authority for transactions for 2023 according to article 395 and 396 of Turkish Commercial Code to the Members of the Board.

No transaction had been realized in this context.

6. Personnel and Worker Movements and Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers

29th Period Collective Labor Agreement, which will be valid between September 1, 2022 and August 31, 2024 has been signed on January 06, 2023 between Turkish Employers' Association of Metal Industries (MESS) on behalf of our company and Turkish Metal Union as the collective bargaining agency.

27th Period Collective Labor Agreement, which will be valid between January 1, 2021 and December 31, 2022 has been signed on May 24, 2021 between Özçelik-İş Union and İskenderun Demir ve Çelik A.Ş.. 28th Period Collective Labor Agreement negotiations started on January 17, 2023.

In the scope of collective agreement applications, the rights and benefits of the employees are classified under bonuses, social benefits, and vacations. Bonuses and social benefits are; bonuses, holiday allowance, heating allowance, paid annual leave allowance, marriage allowance, birth allowance, bereavement allowance, military service allowance, children allowance, educational allowance meal allowance and transportation.

Vacations are; paid annual leaves, accompaniment leaves for medical purposes, accompaniment leaves excused absences, unpaid leaves, and other paid leaves consisting marital leaves, bereavement leaves, pregnancy leaves, maternity leaves, nursing leaves, adoption leaves, part-time work leaves, transport leaves and leaves in case of a natural catastrophe.

Bereavement allowance, transportation and meal allowance, derived from the social benefits, are given to all employees; the rest is given only to blue-collar workers. Paid annual leaves, leaves of absence with excuse, marital leaves, bereavement leaves, maternity leaves, and pregnancy leave, accompaniment leaves, adoption leaves, part-time work leaves, transport leaves, unpaid leaves and nursing leaves can be taken by all employees; the rest is taken only by blue-collar workers.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

The number of the personnel employed by the Group as of reporting date:

	31 March 2023 Personnel	31 December 2022 Personnel
Hourly paid	8.216	8.464
Monthly paid	4.152	4.195
	12.368	12.659

7. Compliance with The Corporate Governance Principles

The "Corporate Governance Principles" published by the Capital Markets Board (CMB) which were declared in our Annual Activity Report for the year ending 2022 were met during the period 1 January 2023 - 31 March 2023.

8. Amendments in The Articles of Association

None.

B - Financial Rights Given to Board Members and Executive Management

1. Total amount of financial rights like attendance fee, wages, bonus, premium and dividend payments

The relevant section of the minutes of the General Assembly dated 31 March 2023 is as follows:

In the 9th article of the agenda related to the Rate Setting of the Board Members', the proposal was read by the representative of ATAER Holding A.Ş. Baran ERDEM, it was submitted to the General Assembly's approval and in accordance with the proposal;

It was decided by the majority of votes that; no wages will be paid to the Board members representing Group B shares, the monthly net wage that will be paid to the members representing Group A shares will be net TRY 13.750 (monthly, in cash), the wages of independent Board members will be net TRY 23.000 (monthly, in cash) and the new wages valid from the date of 1 April 2023.

Wages of the Executive Management is determined by the Board. Performance based additional payment is given to paid monthly personnel including Executive Management.

No payables were given, no loans were issued directly or through a third party and no indemnity was given (like sureties) to Board Members or Executive Management during the period.

No payment of performance was made to Board Members.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1****2. Allowances given, travel, housing and representation expenses and real and cash advances, insurance and other pledges**

A total of TRY 48.868 thousand is recorded as expense related to Company Board Members and Executive Management for the period 1 January - 31 March 2023.

C - Research and Development Activities

OYAK Mining Metallurgy conducts its research and development activities at "Erdemir R&D Center" certified by the Republic of Turkey Ministry of Industry and Technology in 2014. Erdemir R&D Center performs activities in four main areas: raw materials and iron making, steel making and casting technologies, hot rolled products and process, and cold rolled products and process.

Erdemir R&D Center serving OYAK Mining Metallurgy has well-equipped laboratory facilities, such as material characterization, thermomechanical simulation, metal forming, welding, corrosion, fatigue, enameling, spectral analysis, and X-ray diffraction, etc., and also simulators for pilot scale trials on raw material and product development, such as agglomeration systems, coking, sintering, melting, rolling and coating processes.

The number of flat products has reached 565 with the addition of 1 new flat steel grade that was developed in the first quarter of 2023.

As in the scope of R&D activities, 9 projects have been completed and 51 projects have been going further during that period.

Erdemir's R&D team has contributed to the intellectual capital of our company by presenting 80 papers and posters at various national/international iron and steel conferences to date.

D - Activities and Important Developments Regarding the Activities**1. Investment Activities**

Operating within the modern plants and by modern production technology, OYAK Mining Metallurgy produces competitive products globally and continues its investments aligned for continuous development strategy. In this scope;

In Erdemir Plants:

The field studies continue in the 2. Blast Furnace Renovation Project. Converters have been prepared for installation in the Steel Shop BOF Converters Modernization Project. Site works are ongoing in the Steel Shop Secondary Dust Collection System Capacity Improvement Project, Various Fire Detection and Extinguishing Systems Project, Structural Improvement of Erdemir Port Docks Project, 60 MW Turbo Generator Project and the Project of Slitting Line Transfer to ERSEM. The second phase studies continue in the Surface Inspection Systems Project. Equipment manufacturing, procurement and engineering studies continue in the Steelshop Charging Hall New Charging Cranes Investment Project, the No.5 Coke Oven Battery Project and the Energy Distribution System Additional Investments Project. Equipment procurement, transportation and 1st Phase construction works are ongoing in the 4. Coke Oven Battery Project.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

Field activities for commissioning continue in the 1. Slab Furnace Modernization Project and the Plate Mill Housing System Renewal Investment Project. Equipment manufacturing, shipment and site works continue in the and No.6 Turbo Blower Project. Main contract has been signed in the 1. Galvanizing Line Level-1 Automation System Modernization Project.

Procurement activities continue for the New Sinter Plant Project, Erdemir Domestic Waste Water Treatment Plant Modernization and 2. Hot Strip Mill Investment Projects. Technical specification studies continue in the Continuous Annealing Line (CAL) Drives System and Level 2 Automation Modernization Project.

In Isdemir Plants:

Equipment procurement, manufacturing and site activities continue within the scope of the 1. New Blast Furnace Project and the Vacuum Degassing Plant Project. Equipment shipments have been completed and construction and assembly will begin within the scope of the the Boiler No.3 Retubing and Burner Modification and the 1. Blast Furnace Top Recovery Turbine (TRT) Project. Engineering and procurement works are in progress and field activities continue for the Port-1 New Grab Ship Unloader Cranes Project. Engineering studies are ongoing within the scope of the Upgrade of HSM Level 1 System Project and the Isdemir Port Capacity Increase Investment Project.

Procurement activities continue for the New Sinter Plant, the Modernization of Turbo Generator No.1 & No.2 and the Electricity Generation from The Steam Produced in Coke Dry Quenching Projects.

As of 31 March 2023, the Group's total investment expenditures amount to USD 161 million (31 March 2022: USD 85 million).

2. Internal Control System and Internal Auditing Activities

Group Internal Audit Department carries out audit activities in order to evaluate and improve the effectiveness of risk management, control and governance processes of Group companies and reports directly to the Deputy Chairman and Executive Director of the Board. In accordance with Capital Markets Board regulations, the effectiveness of internal control system is evaluated by the Board of Directors at least once in a year. In this context, the Internal Audit Department regularly reports to Audit Committee, which consists of Independent Members of the Board of Directors, and provides information on internal audit activities as requested.

Besides periodic audit activities, continuous audits are performed with the Integrated Audit System. Critical controls, master data and transaction data in the SAP system are continuously evaluated by the automatic controls and business rules installed in the system.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

3. Direct and Indirect Subsidiaries

The Information about Affiliates Subject to Consolidation

The main scope of business and the participation in their shareholding of the affiliates subject to consolidation are as follows:

Name of the Company	Country of Operation	Operation	2023 Effective Share %	2023 Effective Share %
İskenderun Demir ve Çelik A.Ş.	Turkey	Integrated Iron and Steel Manufacturing	94,87	94,87
Erdemir Madencilik San. ve Tic. A.Ş.	Turkey	Iron Ore and Pellet	90	90
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	Turkey	Steel Service Center	100	100
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	Turkey	Management and Consultancy	100	100
Erdemir Romania S.R.L.	Romania	Silica Steel Production	100	100
Erdemir Asia Pacific Private Limited	Singapore	Trading	100	100
Erdemir Enerji Üretim A.Ş.	Turkey	Renewable Energy Production	100	100
İsdemir Linde Gaz Ortaklığı A.Ş.	Turkey	Industrial Gas Production and Sales	47	47
Kümaş Manyezit Sanayi A.Ş.	Turkey	Magnesite Ore, Refractor	100	100
Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş.	Turkey	Recycling, Special Purpose Entity	100	100

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

E - Financial Position

1. Consolidated Summary of Financial Statements

Financial statements are prepared in accordance with the CMB's Communiqué Serial:II, 14.1 and have been unaudited as of 31 March 2023.

Summary of Consolidated Financial Position

	(Unaudited)	(Audited)
	Current Period	Previous Period
(Thousand TRY)	31 March 2023	31 December 2022
Current Assets	84.645.089	80.656.225
Non-current Assets	99.883.704	94.237.398
Total Assets	184.528.793	174.893.623
Current Liabilities	41.557.035	35.908.584
Non-current Liabilities	21.464.146	20.322.852
Shareholders' Equity	121.507.612	118.662.187
Total Liabilities	184.528.793	174.893.623

Summary of Consolidated Profit or Loss

	(Unaudited)	(Unaudited)
	Current Period	Previous Period
(Thousand TRY)	1 January - 31 March 2023	1 January - 31 March 2022
Sales Revenue	26.273.984	29.204.128
Gross Profit	1.125.583	9.448.711
Operating Profit	435.987	8.869.994
Operating Profit Before Finance Income(Expenses)	378.979	8.848.141
Profit Before Tax	(14.077)	8.761.964
Profit for the Period	65.919	5.828.625
Shareholder's share in the Profit for the Period	90.311	5.626.061
EBITDA	414.178	9.634.222
Earnings Per Share	2,58%	160,74%

The Entity prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors. In the regular meetings of the Board of Directors is reviewing the current position of the Entity and activities are compared with the previous period and budget targets.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

2. Key Ratios

(%)	1 January - 31 March 2023	1 January - 31 March 2022
Gross Profit Margin	4,3%	32,4%
Operating Profit Before Finance Income (Expenses) Margin	1,4%	30,3%
EBITDA Margin	1,6%	33,0%
Profit Margin	0,3%	20,0%
Shareholder's Share in the Profit Margin	0,3%	19,3%

3. The Availability of Financial Sources and The Policies The Group Applies in This Framework

Group has full access to all national and international financial sources with its market making power based on high trading volume in money markets. New funding alternatives according to changing market conditions are continuously analyzed and offers are evaluated. The debt policy of Group is developed based on the capability of cash generation and the strong equity structure. Hedging methods and amounts used against financial risks are developed based on a frame of systematic models. Within the risk tolerances, forward, futures, swap and options reflecting market conditions are implemented, if necessary.

4. Dividend Distribution Policy

Group's Dividend Distribution Policy is as follows:

As a principle, Company implements the policy of distributing all of its distributable profit in cash within the provision of forecasted free cash flow generation by considering financial leverage ratios, investment/financing needs and anticipation of the market under the scope of effective regulations and clauses of Company's Articles of Association. The dividend distribution policy is reviewed annually by the Board of Directors every year considering to national and global economic conditions, the projects on the company's agenda and the state of its funds.

Dividend is paid by fixed or variable installments in accordance with the legislation by giving authority to the Board of Directors at the General Assembly Meeting, where dividend distribution is decided, until 15 December of the relevant calendar year.

General Assembly is authorized for the "distribution of dividend advance" in accordance with relevant legislations.

At the Ordinary General Assembly Meeting held on 31 March 2023, since our Company is in the investment period, it has been decided not to distribute cash dividends in order to maintain a healthy cash flow.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

5. Information About the Sector

Global crude steel production in March this year increased by 1.7 percent year on year to 165.1 million tonnes. In January-March period this year, global crude steel production totaled 459.3 million tonnes, down by 0.1 percent year on year.

In March, crude steel output in Asia amounted to 124.8 million tonnes, up 4.1 percent, with China's estimated output at 95.7 million tonnes, up 6.9 percent, 7.5 million tonnes produced by Japan, decreasing by 5.9 percent, 11.4 million tonnes produced by India, rising by 2.7 percent, and 5.8 million tonnes produced by South Korea, moving up by 1.9 percent - with all comparisons on year-on-year basis.

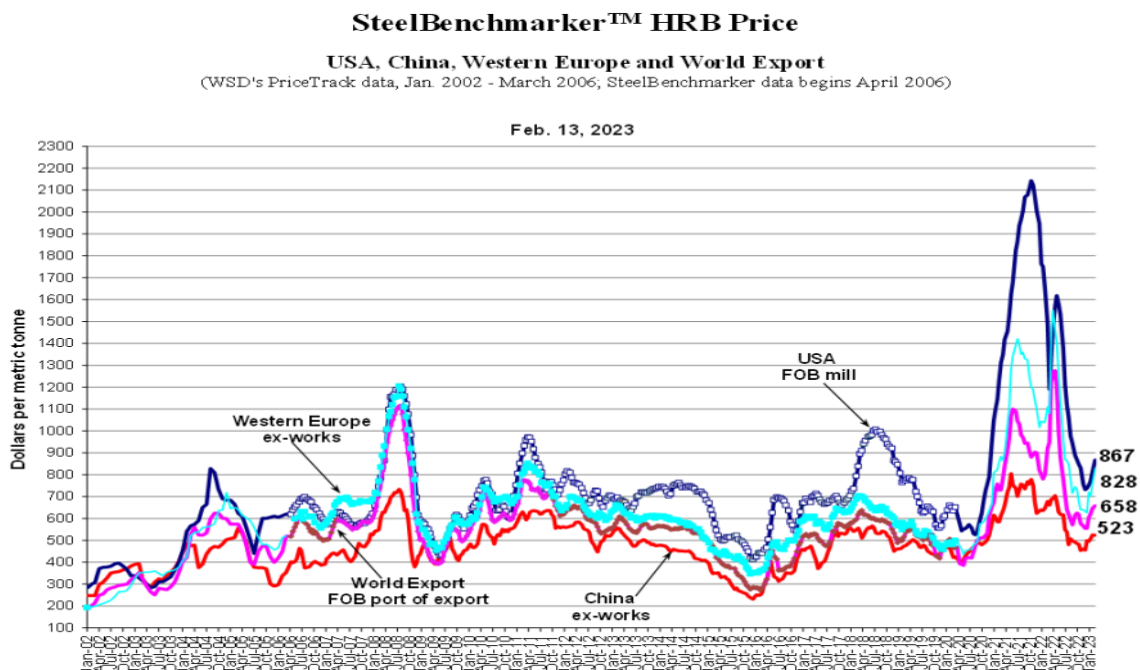
EU-27 countries produced 11.9 million tonnes of crude steel in March, down by 5.6 percent year on year. In the given period, Germany's output was 3.3 million tonnes, down 0.5 percent year on year.

The CIS registered a crude steel output of 7.6 million tonnes, advancing by 3 percent on year-on-year basis, with Russia's estimated output at 6.6 million tonnes, up 0.4 percent year on year.

In North America, in March, crude steel output totaled 9.3 million tonnes, falling by 2.6 percent, with the US producing 6.7 million tonnes, dropping by 2.1 percent, both year on year. Crude steel output in South America in March amounted to 3.5 million tonnes, decreasing by 7.6 percent compared to the same month in the previous year, with Brazil's output totaling 2.7 million tonnes, falling by 8.7 percent year on year.

In the given month, Africa produced 1.4 million tonnes of crude steel, growing by 8.4 percent year on year. In the Middle East, crude steel output totaled 3.1 million tonnes, moving down by 17.5 percent.

Price changes of hot rolled products follows:



**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

Turkey produced 2.7 million tonnes of crude steel in March, with a 18.6 percent decrease compared to the same month in the previous year. Turkey's crude steel output by electric arc furnaces decreased by 12.5% (2.2 million tonnes) and the production by integrated plants decreased by 36.9% (529 thousand tonnes) both year on year.

In the January-March period this year, Turkey produced 7.4 million tonnes of crude steel, down by 21.5 percent year on year. Turkey's crude steel output by electric arc furnaces decreased by 19% (5.6 million tonnes) and the production by integrated plants decreased by 28.5% (1.8 million tonnes) both year on year.

6. The Position of Group within the Sector

Group's crude steel production in 2022 had been 7,8 million tonnes. The total amount of crude steel production in the first three months of 2023 was 1,2 million tons, with the effect of suspending production until the due diligence studies at İsdemir Plant were completed due to the earthquake on 6 February 2023. The crude steel production was 423 thousand tonnes at İskenderun Plants and 771 thousand tonnes at Ereğli Plant.

7. Operational Developments

Production was suspended until the due diligence studies were completed at the subsidiary of the company, İskenderun Demir ve Çelik A.Ş. due to the earthquake on 6 February 2023. Damages caused by earthquakes are within the scope of insurance coverage, and it is considered that such damages are not at a level that will significantly affect the financial statements of the Company.

8. Production Plants and Productivity

The capacity utilization rate of the Group decreased compared to previous periods with the effect of suspending production at the Company's subsidiary İskenderun Demir ve Çelik A.Ş..

Capacity used (%)	1 January - 31 March 2023	1 January - 31 March 2022
Liquid Steel	51%	84%
Crude Steel	50%	83%

9. Products

The main products of the Group are as follows:

Erdemir	İsdemir	Erdemir Maden	Kümaş Manyezit
Tinplate	Billet	Pellets	Refractor
Galvanized	Wire Rod	Iron Ore	Magnesite Ore
Cold Rolled	Slab		
Hot Rolled	Hot Rolled		
Plate			

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

10. Production (quantity)

Final Products (000 Tonnes)	1 January - 31 March 2023	1 January - 31 March 2022
Flat Products	1.342	1.807
Long Products	60	275
Iron Ore and Magnesite	503	603

11. Development in Sales

Total flat product sales of the Group reached to the level of 1,5 million tonnes in the first three months of 2023. Long products sales were 76 thousand tonnes. The Group exported a total of 126 thousand tonnes of finished products to 27 countries.

Group has succeeded 21 new customers to flat product portfolio in the first three months of 2023.

12. Sales (quantity)

Final Products (000 Tonnes)	1 January - 31 March 2023	1 January - 31 March 2022
Flat Products	1.476	1.723
Long Products	76	258
Iron Ore and Magnesite (*)	403	552

(*) 343 thousand tonnes of sales are to Group Companies as of 31 March 2023 (31 March 2022: 516 thousand tonnes).

F - Risks and Evaluation of the Board**1. Enterprise Risk Management**

Enterprise Risk Management Procedure has been published with the purpose of ensuring systematic and comprehensive identification, evaluation, control and monitoring of risks and opportunities that may affect Company's assets, reputation, and profitability. The procedure includes guidance on support and positioning, risk identification, prioritization, improvement, reporting, monitoring/surveillance, and communication principles related to risks in order to manage company-wide risks to the highest standard.

In order to measure the risks incurred by the company and ensure conformity to the risk tolerance limits; risks are monitored and managed in accordance with regulations and guidelines developed for critical risks.

2. Committee of Early Risk Detection

The Early Detection of Risk Committee Regulation is included in the Corporate Governance Policies and Regulations tab under Corporate Governance section of Investor Relations title on the company's website.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUÉ SERIAL:II, NO:14.1**

The purpose of the Committee is to identify the risks that may threaten the existence, progress and continuation of the Company operations within the scope of the "Early Detection of Risk Committee Regulation" and legal legislation to implement the necessary measures related to the risks identified and to manage those risks.

The meetings of the Committee are held bimonthly and in accordance with the regular meetings of the Board of Directors. After each meeting, a written report on the activities of the Committee is submitted to the Board of Directors with a summary of the minutes. Meeting minutes are kept by the secretariat.

G - Other Information**1. Organizations Out of the Headquarters**

None.

2. Information for Shareholders

The production facilities of İsdemir, one of the subsidiaries of the Company, have started to be produced in a gradual and controlled manner, and the pre-earthquake production levels have been reached as of the reporting date. Insurance appraisal and damage assessment studies continue and İsdemir's damages due to earthquakes are within the scope of insurance coverage.

The share buy-back transactions of 7.500.000 shares were bought back from the price range TRY 32,94 – TRY 33,62 (average TRY 33,23) on 28 April 2023 based on the authorization given within the scope of the "Share Buy-Back Program", approved at the Ordinary General Assembly meeting of company dated 31 March 2023 and the Board of Directors dated 27 April 2023. The total amount of share buy-back is TRY 249.204.914.