



## **EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.**

For the Period 1 January – 30 September 2024  
Condensed Board of Directors' Activity Report

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

1 January – 30 September 2024

**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](http://www.erdemir.com.tr)

**3. Shareholding and Capital Structure**

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

<b>Shareholders</b>	<b>Shares (Thousand TRY)</b>	<b>%</b>
ATAER Holding A.Ş.	1.724.982	49,29
Publicly Held	1.635.956	46,74
Erdemir's Own Shares	139.062	3,97
<b>Total</b>	<b>3.500.000</b>	<b>100,00</b>

Share Buy-back, within the scope of the "Share Buyback Program", which was approved at Company's Ordinary General Assembly Meeting dated 31 March 2023, 14.820.000 shares were repurchased in exchange for TRY 674.518 thousand in current period. After the Company's share purchase, the shares held by the Company increased to 3,97%.

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

According to the Turkish Commercial Code and related regulations, the election of the Member of Board of Directors is executed by the General Assembly within the framework of the Articles of Association. Should there be a vacant position in the Board of Directors Membership within the respective period; an election is held for the vacant positions according to the provisions of Turkish Commercial Code and Company's Articles of Association and submitted to the next general assembly to be approved. The Company's 2023 Ordinary General Assembly has been executed on 28 March 2024.

Within the framework of the provisions of the Turkish Commercial Code and the Capital Market Law, pursuant to Articles 10th and 11th of the Company's Articles of Association, at the Ordinary General Assembly Meeting held on March 28, 2024, elections were held for Independent Board Members due to the expiration of their terms of office and 3 Independent Board Members were elected to serve for 1 year.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIA: 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: Gürtan DAMAR)	Deputy Chairman and Executive Director	11.09.2012 (*)
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Represented by: Mustafa Serdar BAŞOĞLU)	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: Baran ÇELİK)	Board Member	12.09.2012 (*)
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	Board Member	12.09.2012 (*)
Emre GÖLTEPE	Independent Board Member	17.03.2022
Kadri ÖZGÜNEŞ	Independent Board Member	31.03.2023
Sezai Afif ENSARİ	Independent Board Member	28.03.2024

(\*) Inauguration date of the legal entity.

**Changes in the Executive Board within the Period**

- At the Ordinary General Assembly Meeting held on March 28, 2024, Emre GÖLTEPE, Kadri ÖZGÜNEŞ and Sezai Afif ENSARİ have been elected as independent board members for serving 1 year period.
- With the decision of the Board of Directors numbered 9963 it has been decided
  - to be appointed Gürtan DAMAR as the real person representative of Deputy Chairman and Executive Director OMSAN Lojistik A.Ş., instead of Baran ÇELİK,
  - to be appointed Mustafa Serdar BAŞOĞLU as the real person representative of Board Member and Executive Director OYAK Pazarlama Hizmet ve Turizm A.Ş., instead of Gürtan DAMAR,
  - to be appointed Baran ÇELİK as the real person representative of Board Member OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş., instead of Eren Ziya DİK.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUE SERIA: 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 Commercial Code's relevant clauses and in the Articles of Association.

**Executive Management**

<b>Executive Management</b>	<b>Title</b>	<b>Effective from</b>	<b>Education</b>	<b>Experience</b>
Gürtan DAMAR	Deputy Chairman and Executive Director	03.06.2024	Yıldız Technical University - Mechanical Engineering	29 Years
Mustafa Serdar BAŞOĞLU	Board Member and Executive Director	03.06.2024	Bülent Ecevit University - Business Administration (Master's Degree) Karadeniz Technical University - Finance (Bachelor's Degree)	21 Years
Mustafa Serdar BAŞOĞLU	Financial Management and Financial Affairs Group Vice President	24.09.2020	Bülent Ecevit University - Business Administration (Master's Degree) Karadeniz Technical University - Finance (Bachelor's Degree)	21 Years
Sercan BÜYÜKBAYRAM	Marketing and Sales Group Vice President	19.06.2023	Middle East Technical University - Sociology (Master's Degree) Middle East Technical University- Political Science and Public Administration (Bachelor's Degree)	25 Years
Şevket Selim YILMAZ	Procurement Group Vice President	22.02.2024	Atatürk University - Business Administration	20 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)	37 Years
Niyazi Aşkın PEKER	General Manager	12.09.2022	Yıldız Technical University - Metallurgy Engineering	31 Years
Sinan BOZKURT	Operations Deputy General Manager	27.09.2021	Middle East Technical University - Metallurgy and Materials Engineering	28 Years

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIA: 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 28 March 2024, it is consented to give the authority for transactions for 2024 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 was valid between September 1, 2022, and August 31, 2024, was signed on January 6, 2023, between the Turkish Employers' Association of Metal Industries (MESS) on behalf of our company and the Turkish Metal Union as the collective bargaining agency. It expired on August 31, 2024. Negotiations for the 30th Period Collective Labor Agreement are in progress.

28th Period Collective Labor Agreement, which will be valid between January 1, 2023 and December 31, 2024 has been signed on June 6, 2023 between Özçelik-İş Union and İskenderun Demir ve Çelik A.Ş.

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, be with your child leaves and leaves in case of a natural catastrophe.

Complementary health insurance for our hourly paid staff; individual annuity insurance, private health insurance and life insurance are provided to our monthly paid personnel.

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.

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

	<b>30 September 2024 Personnel</b>	<b>31 December 2023 Personnel</b>
Hourly paid	8.213	8.460
Monthly paid	3.894	4.027
	<b>12.197</b>	<b>12.487</b>

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIA: II, NO:14.1****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 2023 were met during the period 1 January 2024 – 30 September 2024.

**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 28 March 2024 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 22.700 (monthly, in cash), the wages of independent Board members will be net TRY 38.000 (monthly, in cash) and the new wages valid from the date of 1 April 2024.

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.

**2. Allowances Given, Travel, Housing and Representation Expenses and Real and Cash Advances, Insurance and Other Pledges**

A total of TRY 158.060 thousand is recorded as expense related to Company Board Members and Executive Management for the period 1 January – 30 September 2024.

**C - Research and Development Activities**

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

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, rheology, spectral analysis, inclusion analysis and X-ray diffraction, etc., and simulators for pilot scale trials on raw material and product development, such as agglomeration systems, coking, sintering, melting, rolling and coating processes.

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

The number of flat products has reached 590 with the addition of 8 new flat steel grades that was developed in the first 9 months of 2024. Within the scope of R&D activities, 20 projects have been completed during this period, while 48 projects are still ongoing. Erdemir's R&D team has contributed to the intellectual capital of our company by presenting 102 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:**

Equipment manufacturing, procurement, construction and assembly works are ongoing in the 4. Coke Oven Battery Project. The No.6 Turbo Blower Project and Structural Improvement of Erdemir Port Docks Project has been commissioned. Site works are ongoing in the Various Fire Detection and Extinguishing Systems Project, Steelshop Charging Hall New Charging Cranes Investment 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 1. Galvanizing Line Level-1 Automation System Modernization Project and the No.5 Coke Oven Battery Project. Detailed engineering studies are ongoing in the Erdemir Domestic Waste Water Treatment Plant Modernization Project. The installation works of the Tundish Refractory Spraying Robot continues within the scope of Erdemir Robotic Applications and Automation Projects. Contracts have been signed for the 2. Hot Strip Mill Investment Project and engineering studies are ongoing.

Procurement activities continue for the Continuous Annealing Line (CAL) Drives System and Level 2 Automation Modernization Project.

**In İsdemir Plants:**

The first heat has been vacuumed in the Vacuum Degassing Plant Project and hot tests are ongoing. The Upgrade of HSM Level 1 System Project has been commissioned and tests are ongoing. Equipment procurement, manufacturing and site activities continue within the scope of the 1. New Blast Furnace, the Boiler No.3 Retubing and Burner Modification and the 1. Blast Furnace Top Recovery Turbine (TRT) Projects. Engineering, equipment procurement works and field activities continue for the Port-1 New Grab Ship Unloader Cranes Project. Equipment procurement and site activities continue in the Seawater Pumping Station Sustainability Investment, the Port Capacity Increase Investment and the Repair, Renovation and Strengthening Projects of Port Facility Damaged by the Earthquake. Procurement and engineering studies continue in the scope of İsdemir Robotic Applications and Automation Projects. Site activities continue within the scope of the South Harbor Sea Reclamation Project.

Procurement activities continue for the New 1. and 2. Turbo Generator and the Electricity Generation from The Steam Produced in Coke Dry Quenching Projects.

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

As of 30 September 2024, the Group's total investment expenditures amount to USD 680 million (30 September 2023: USD 663 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.

## 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	2024 Effective Share %	2023 Effective Share %
İskenderun Demir ve Çelik A.Ş.	Türkiye	Integrated Iron and Steel Manufacturing	94,87	94,87
Erdemir Madencilik San. ve Tic. A.Ş.	Türkiye	Iron Ore and Pellet	90	90
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	Türkiye	Steel Service Center	100	100
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	Türkiye	Management and Consultancy	100	100
Erdemir Romania S.R.L.	Romania	Electrical Steel Production	100	100
Erdemir Asia Pacific Private Limited	Singapore	Trading	100	100
Erdemir Enerji Üretim A.Ş.	Türkiye	Renewable Energy Production	100	100
İsdemir Linde Gaz Ortaklığı A.Ş.	Türkiye	Industrial Gas Production and Sales	47	47
Kümaş Manyezit Sanayi A.Ş.	Türkiye	Magnesite Ore, Refractor	100	100
Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş.	Türkiye	Recycling, Special Purpose Entity	100	100



**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE  
WITH THE COMMUNIQUÉ SERIA: 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 30 September 2024.

**Summary of Consolidated Financial Position**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Current Period</b>	<b>Previous Period</b>
<b>(Thousand TRY)</b>	<b>30 September 2024</b>	<b>31 December 2023</b>
Current Assets	179.786.255	134.518.116
Non-current Assets	225.434.877	175.515.133
<b>Total Assets</b>	<b>405.221.132</b>	<b>310.033.249</b>
Current Liabilities	83.013.028	89.291.663
Non-current Liabilities	89.231.717	29.212.704
Shareholders' Equity	232.976.387	191.528.882
<b>Total Liabilities</b>	<b>405.221.132</b>	<b>310.033.249</b>

**Summary of Consolidated Profit or Loss**

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>Current Period</b>	<b>Previous Period</b>
<b>(Thousand TRY)</b>	<b>1 January - 30 September 2024</b>	<b>1 January - 30 September 2023</b>
Sales Revenue	148.946.763	101.010.326
Gross Profit	17.594.843	9.573.799
Operating Profit	15.853.530	9.688.080
Operating Profit Before Finance Income (Expenses)	16.249.245	9.317.217
Profit Before Tax	9.953.521	6.171.893
Profit (Loss) for the Period	11.280.919	(3.826.973)
Shareholder's share in the Profit (Loss) for the Period	10.787.470	(3.867.429)
EBITDA	18.440.119	10.232.415
Earnings (Loss) Per Share	3,2097	(1,1050)

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 SERIA: II, NO:14.1**

**2. Key Ratios**

(%)	1 January - 30 September 2024	1 January - 30 September 2023
Gross Profit Margin	%11,8	%9,5
Operating Profit Before Finance Income (Expenses) Margin	%10,9	%9,2
EBITDA Margin	%12,4	%10,1
Profit (Loss) Margin	%7,6	(%3,8)
Shareholder's Share in the Profit (Loss) Margin	%7,2	(%3,8)

**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 Annual General Assembly dated 28 March 2024, dividend distribution gross dividend per share: TRY 0,50 amounting to TRY 1.750.000 thousand from 2023 net profit was approved by majority of votes. As of 28 March 2024, which is the dividend distribution decision date of the Company, dividend pertaining to the shares owned by the Company due to the ownership of 3,97% of its own shares with a nominal value of 1 TRY, is shown by netting off the amount of dividends to be distributed. Dividend distribution started on 16 April 2024. The Group approved TRY 74.337 thousand dividend to non-controlling shares on İsdemir, which is subsidiary of the Group.

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

**5. Information About the Sector**

Global crude steel production in August this year decreased by 6,5 percent year on year to 144,8 million tonnes. In the January-August period this year, global crude steel production decreased by 1,5 percent year on year to 1,25 billion tonnes.

In August, crude steel output in Asia amounted to 107,1 million tonnes, down 8 percent, with China's output at 77,9 million tonnes, down 10,4 percent, with 6,9 million tonnes produced by Japan, decreasing by 3,9 percent, 12,3 million tonnes produced by India, rising by 2,6 percent, and 5,5 million tonnes produced by South Korea, moving down by 2,2 percent- with all comparisons on year-on-year basis.

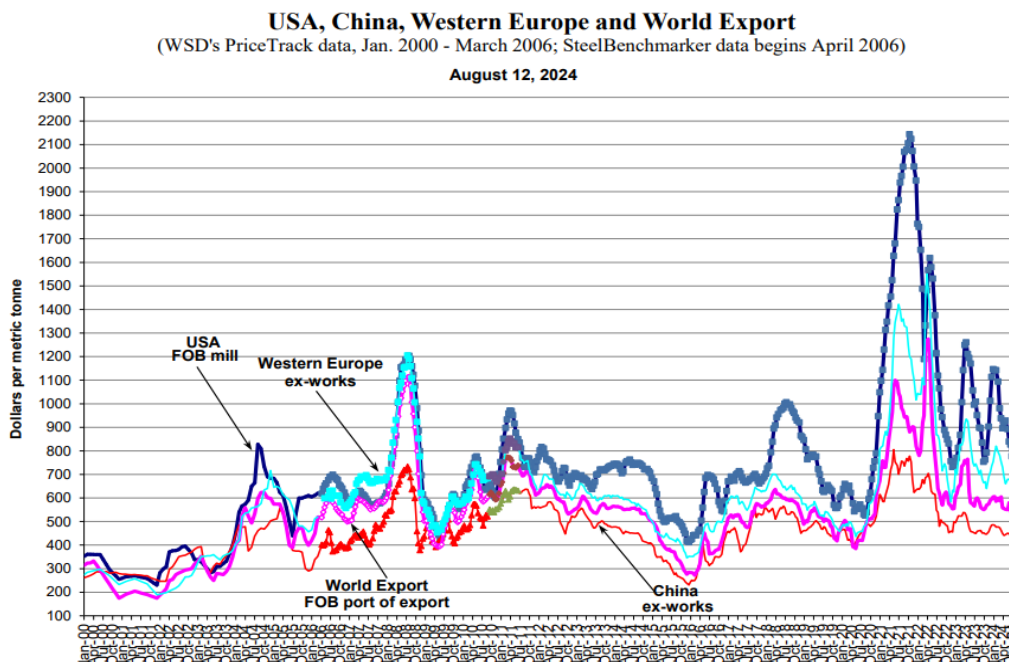
EU-27 countries produced 9,1 million tonnes of crude steel in August, up by 2,2 percent year on year. In the given period, Germany's output amounted to 2,9 million tonnes, up 0,5 percent year on year.

The CIS registered a crude steel output of 7 million tonnes, decreasing by 8,7 percent on year-on-year basis, with Russia's estimated output at 5,8 million tonnes, down 11,5 percent year on year.

In North America, in August, crude steel output totaled 9 million tonnes, down by 3,8 percent year on year, with the US producing 7 million tonnes, rising by 0,7 percent, both year on year. Crude steel output in South America in August amounted to 3,6 million tonnes, increasing by 0,8 percent compared to the same month in the previous year, with Brazil's output totaling 3 million tonnes, up by 7,3 percent year on year.

In the given month, Africa produced 1,9 million tonnes of crude steel, decreasing by 7,2 percent year on year. In the Middle East, crude steel output totaled 3,4 million tonnes, moving down by 3,2 percent.

Price changes of hot rolled products follows:



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

Türkiye produced 3,2 million mt of crude steel in August, with a 13,8 percent increase compared to the same month in the previous year. Türkiye's crude steel output by electric arc furnaces increased by 12,6% (2,2 million tonnes) and the production by integrated plants increased by 16,8% (959.000 tonnes) both year on year.

In the January-August period this year, Türkiye produced 24,8 million tonnes of crude steel, up by 14,8 percent year on year. Türkiye's crude steel output by electric arc furnaces increased by 10,5% (17,3 million tonnes) and the production by integrated plants increased by 26% (7,5 million tonnes) both year on year.

## 6. The Position of Group within the Sector

Group's crude steel production in 2023 had been 7,2 million tonnes. In the first nine months 2024, the crude steel production in Ereğli Plant has increased by 29% and risen up to 2,6 million tonnes while the crude steel production in İskenderun Plant has increased by 35% risen up to 4,0 million tonnes. The Group's crude steel production for the first 9 months of 2024 increased by 32% compared to the previous year, reaching a total of 6,6 million tonnes, as a result of the elimination of the earthquake effect experienced in the past period.

## 7. Operational Developments

Türkiye's first and only integrated flat steel producer, Group, who carries out production, operation, maintenance and modernization activities within its all facilities. Manufacturing 24% of all crude steel production in Türkiye, Group again continued its operations in line with the principle of optimal costs, maximum productivity and quality of production in the first eight months of 2024.

## 8. Production Plants and Productivity

The information about the capacities of main product groups by Group are stated below:

<b>Capacity used (%)</b>	<b>1 January - 30 September 2024</b>	<b>1 January - 30 September 2023</b>
Liquid Steel	93%	70%
Crude Steel	92%	69%

Due to the earthquake that occurred on 6 February 2023, the capacity utilization rates in the first nine months of 2023 and, accordingly, the production and sales amounts were low due to the effect of the interruption of production until the due diligence studies at the Group's İsdemir facilities were completed.

## 9. Products

The main products of the Group are as follows:

<b>Erdemir</b>	<b>İsdemir</b>	<b>Erdemir Maden</b>	<b>Kümaş Manyezit</b>
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 COMMUNIQUE SERIA: II, NO:14.1**

**10. Production (quantity)**

<b>Final Products (000 Tonnes)</b>	<b>1 January - 30 September 2024</b>	<b>1 January - 30 September 2023</b>
Flat Products	5.202	4.870
Long Products	727	420
Iron Ore and Magnesite	2.234	1.664

**11. Development in Sales**

The iron and steel industry are a delivering force in national economies and Türkiye is one of the leading countries in terms of both production and consumption of steel, ranking as the world's eighth largest steel producer. Turkish crude steel production of Türkiye in the first eight months of 2024 is 24,8 million tonnes, which is higher 14,8% than the previous year.

Total flat product sales of the Group reached to the level of 5,2 million tonnes in the first nine months of 2024.

The domestic flat product sales reached 4,0 million tonnes, 8% decreased than the same period of previous year. Total long product sales were 707 thousand tonnes and 693 thousand tonnes of long product sales were made domestically. Group exported a total of 1.196 thousand tonnes of finished products, including 1.182 thousand tonnes of flat products and 14 thousand tonnes of long products. This amount constitutes 20% of total sales. The Group exported to 31 countries in flat products, 7 countries to long products.

Group has added 30 new customers to flat product portfolio and 21 new customers to long product portfolio in the first nine months of 2024.

**12. Sales (quantity)**

<b>Final Products (000 Tonnes)</b>	<b>1 January - 30 September 2024</b>	<b>1 January - 30 September 2023</b>
Flat Products	5.152	4.803
Long Products	707	410
Iron Ore and Magnesite (*)	2.047	1.807

(\*) As of 30 September 2024, 1.622 thousand tonnes of pellet and ore sales are made for Group Companies (30 September 2023: 1.706 thousand tonnes).

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

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**

None.