

İSKENDERUN DEMİR VE ÇELİK A.Ş.
Financial Report
Unconsolidated
2018 - 1. 3 Monthly Notification

General Information About Financial Statements

Statement of Financial Position (Balance Sheet)

| | |
|--------------------------------|----------------|
| Presentation Currency | 1.000 TL |
| Nature of Financial Statements | Unconsolidated |

| | Footnote Reference | Current Period 31.03.2018 | Previous Period 31.12.2017 |
|--------------------------------------------------------|--------------------|------------------------------|-------------------------------|
| Statement of Financial Position (Balance Sheet) | | | |
| Assets [abstract] | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 9.258 | 11.895 |
| Trade Receivables | | 613.320 | 731.318 |
| Trade Receivables Due From Related Parties | | 390.342 | 549.336 |
| Trade Receivables Due From Unrelated Parties | | 222.978 | 181.982 |
| Other Receivables | | 4.445.392 | 3.326.945 |
| Other Receivables Due From Related Parties | | 4.443.516 | 3.325.120 |
| Other Receivables Due From Unrelated Parties | | 1.876 | 1.825 |
| Derivative Financial Assets | | 0 | 0 |
| Inventories | | 2.432.334 | 2.108.689 |
| Prepayments | | 33.737 | 20.987 |
| Prepayments to Unrelated Parties | | 33.737 | 20.987 |
| Other current assets | | 7.482 | 8.578 |
| Other Current Assets Due From Unrelated Parties | | 7.482 | 8.578 |
| SUB-TOTAL | | 7.541.523 | 6.208.412 |
| Total current assets | | 7.541.523 | 6.208.412 |
| NON-CURRENT ASSETS | | | |
| Financial Investments | | 107 | 13.437 |
| Other Receivables | | 12.591 | 12.591 |
| Other Receivables Due From Unrelated Parties | | 12.591 | 12.591 |
| Investments accounted for using equity method | | 105.925 | |
| Property, plant and equipment | | 7.696.196 | 7.425.726 |
| Intangible assets and goodwill | | 176.566 | 170.223 |
| Prepayments | | 9.759 | 12.026 |
| Prepayments to Unrelated Parties | | 9.759 | 12.026 |
| Total non-current assets | | 8.001.144 | 7.634.003 |
| Total assets | | 15.542.667 | 13.842.415 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Current Borrowings | | 877.709 | 904.459 |
| Current Portion of Non-current Borrowings | | 124.847 | 131.708 |
| Trade Payables | | 524.987 | 439.446 |
| Trade Payables to Related Parties | | 68.399 | 48.513 |
| Trade Payables to Unrelated Parties | | 456.588 | 390.933 |
| Employee Benefit Obligations | | 42.648 | 85.884 |
| Other Payables | | 2.070.148 | 17.326 |
| Other Payables to Unrelated Parties | | 2.070.148 | 17.326 |
| Deferred Income | | 50.762 | 29.667 |
| Current tax liabilities, current | | 895.382 | 664.873 |
| Current provisions | | 29.787 | 28.133 |
| Other Current Liabilities | | 90.293 | 70.329 |
| Other Current Liabilities to Unrelated Parties | | 90.293 | 70.329 |
| SUB-TOTAL | | 4.706.563 | 2.371.825 |
| Total current liabilities | | 4.706.563 | 2.371.825 |
| NON-CURRENT LIABILITIES | | | |
| Long Term Borrowings | | 288.114 | 303.070 |
| Derivative Financial Liabilities | | 222 | 158 |
| Non-current provisions | | 257.987 | 254.496 |
| Non-current provisions for employee benefits | | 257.987 | 254.496 |
| Deferred Tax Liabilities | | 1.045.089 | 944.081 |
| Other non-current liabilities | | 0 | 0 |
| Total non-current liabilities | | 1.591.412 | 1.501.805 |
| Total liabilities | | 6.297.975 | 3.873.630 |
| EQUITY | | | |
| Equity attributable to owners of parent | | 9.244.692 | 9.968.785 |
| Issued capital | | 2.900.000 | 2.900.000 |
| Inflation Adjustments on Capital | | 164 | 164 |
| | | | |

| | | | |
|--------------------------------------------------------------------------------------------------|--|-------------------|-------------------|
| Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss | | 4.708.935 | 4.190.063 |
| Gains (Losses) on Revaluation and Remeasurement | | -52.860 | -52.860 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | -52.860 | -52.860 |
| Exchange Differences on Translation | | 4.761.795 | 4.242.923 |
| Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss | | 0 | 0 |
| Gains (Losses) on Hedge | | 0 | 0 |
| Restricted Reserves Appropriated From Profits | | 771.641 | 447.790 |
| Prior Years' Profits or Losses | | 76.917 | 48.457 |
| Current Period Net Profit Or Loss | | 787.035 | 2.382.311 |
| Non-controlling interests | | 0 | 0 |
| Total equity | | 9.244.692 | 9.968.785 |
| Total Liabilities and Equity | | 15.542.667 | 13.842.415 |

Profit or loss [abstract]

| | |
|--------------------------------|----------------|
| Presentation Currency | 1.000 TL |
| Nature of Financial Statements | Unconsolidated |

| | Footnote Reference | Current Period 01.01.2018 - 31.03.2018 | Previous Period 01.01.2017 - 31.03.2017 |
|---------------------------------------------------------------------------|--------------------|----------------------------------------------|-----------------------------------------------|
| Profit or loss [abstract] | | | |
| PROFIT (LOSS) | | | |
| Revenue | | 2.970.691 | 2.273.876 |
| Cost of sales | | -1.950.389 | -1.637.496 |
| GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS | | 1.020.302 | 636.380 |
| GROSS PROFIT (LOSS) | | 1.020.302 | 636.380 |
| General Administrative Expenses | | -27.932 | -29.985 |
| Marketing Expenses | | -19.167 | -17.803 |
| Research and development expense | | -76 | -25 |
| Other Income from Operating Activities | | 28.337 | 32.743 |
| Other Expenses from Operating Activities | | -10.373 | -13.170 |
| PROFIT (LOSS) FROM OPERATING ACTIVITIES | | 991.091 | 608.140 |
| Share of Profit (Loss) from Investments Accounted for Using Equity Method | | 1.371 | 0 |
| PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE) | | 992.462 | 608.140 |
| Finance income | | 93.815 | 37.730 |
| Finance costs | | -14.016 | -16.008 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX | | 1.072.261 | 629.862 |
| Tax (Expense) Income, Continuing Operations | | -285.226 | -141.807 |
| Current Period Tax (Expense) Income | | -230.509 | -144.147 |
| Deferred Tax (Expense) Income | | -54.717 | 2.340 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS | | 787.035 | 488.055 |
| PROFIT (LOSS) | | 787.035 | 488.055 |
| Profit (loss), attributable to [abstract] | | | |
| Non-controlling Interests | | 0 | 0 |
| Owners of Parent | | 787.035 | 488.055 |
| Earnings per share [abstract] | | | |
| Earnings per share [line items] | | | |
| Basic earnings per share | | | |
| Basic Earnings (Loss) Per Share from Continuing Operations | | | |
| Pay Başına Kazanç | | 0,27139137 | 0,16829482 |
| Diluted Earnings Per Share | | | |

Statement of Other Comprehensive Income

| | |
|--------------------------------|----------------|
| Presentation Currency | 1.000 TL |
| Nature of Financial Statements | Unconsolidated |

| | Footnote Reference | Current Period 01.01.2018 - 31.03.2018 | Previous Period 01.01.2017 - 31.03.2017 |
|------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------|-----------------------------------------------|
| Statement of Other Comprehensive Income | | | |
| PROFIT (LOSS) | | 787.035 | 488.055 |
| OTHER COMPREHENSIVE INCOME | | | |
| Other Comprehensive Income that will not be Reclassified to Profit or Loss | | 518.872 | 281.873 |
| Exchange Differences on Translation | | 518.872 | 281.873 |
| Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss | | 0 | 0 |
| Taxes Relating to Remeasurements of Defined Benefit Plans | | 0 | 0 |
| Other Comprehensive Income That Will Be Reclassified to Profit or Loss | | 0 | -614 |
| Other Comprehensive Income (Loss) Related with Cash Flow Hedges | | 0 | -768 |
| Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss | | 0 | 154 |
| Taxes Relating to Cash Flow Hedges | | 0 | 154 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | 518.872 | 281.259 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | | 1.305.907 | 769.314 |
| Total Comprehensive Income Attributable to | | | |
| Non-controlling Interests | | 0 | 0 |
| Owners of Parent | | 1.305.907 | 769.314 |

Statement of cash flows (Indirect Method)

| | |
|--------------------------------|----------------|
| Presentation Currency | 1.000 TL |
| Nature of Financial Statements | Unconsolidated |

| | Footnote Reference | Current Period 01.01.2018 - 31.03.2018 | Previous Period 01.01.2017 - 31.03.2017 |
|-------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|--------------------------------------------|
| Statement of cash flows (Indirect Method) | | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | 1.036.058 | 395.073 |
| Profit (Loss) | | 787.035 | 488.055 |
| Adjustments to Reconcile Profit (Loss) | | 363.632 | 244.833 |
| Adjustments for depreciation and amortisation expense | | 99.787 | 95.439 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) | | 4.272 | 4.700 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables | | 588 | 1.311 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories | | 3.684 | 3.389 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment | | 0 | 0 |
| Adjustments for provisions | | 10.754 | 6.851 |
| Adjustments for (Reversal of) Provisions Related with Employee Benefits | | 8.838 | 8.226 |
| Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions | | 1.916 | -1.375 |
| Adjustments for (Reversal of) Free Provisions for Probable Risks | | 0 | |
| Adjustments for Interest (Income) Expenses | | -31.462 | -9.938 |
| Adjustments for Interest Income | | -33.763 | -15.954 |
| Adjustments for interest expense | | 7.133 | 9.827 |
| Unearned Financial Income from Credit Sales | | -4.832 | -3.811 |
| Adjustments for unrealised foreign exchange losses (gains) | | -3.856 | 7.995 |
| Adjustments for fair value losses (gains) | | 0 | -2.021 |
| Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments | | 0 | -2.021 |
| Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method | | -1.371 | |
| Adjustments for Tax (Income) Expenses | | 285.226 | 141.807 |
| Adjustments for losses (gains) on disposal of non-current assets | | 282 | 0 |
| Adjustments for Losses (Gains) Arised From Sale of Tangible Assets | | 282 | 0 |
| Changes in Working Capital | | -108.772 | -328.641 |
| Adjustments for decrease (increase) in trade accounts receivable | | 117.902 | 30.596 |
| Decrease (Increase) in Trade Accounts Receivables from Related Parties | | 158.994 | -617 |
| Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties | | -41.092 | 31.213 |
| Adjustments for Decrease (Increase) in Other Receivables Related with Operations | | -646 | 14.102 |
| Decrease (Increase) in Other Unrelated Party Receivables Related with Operations | | -646 | 14.102 |
| Decrease (Increase) in Derivative Financial Assets | | 0 | -3.593 |
| Adjustments for decrease (increase) in inventories | | -322.891 | -340.509 |
| Decrease (Increase) in Prepaid Expenses | | -10.483 | -6.512 |
| Adjustments for increase (decrease) in trade accounts payable | | 85.541 | -21.862 |
| Increase (Decrease) in Trade Accounts Payables to Related Parties | | 19.886 | -28.568 |
| Increase (Decrease) in Trade Accounts Payables to Unrelated Parties | | 65.655 | 6.706 |
| Adjustments for increase (decrease) in other operating payables | | -20.414 | 17.689 |
| Increase (Decrease) in Other Operating Payables to Unrelated Parties | | -20.414 | 17.689 |
| Increase (Decrease) in Derivative Financial Liabilities | | 64 | 3.714 |
| Other Adjustments for Other Increase (Decrease) in Working Capital | | 42.155 | -22.266 |
| Decrease (Increase) in Other Assets Related with Operations | | 1.096 | 2.362 |
| Increase (Decrease) in Other Payables Related with Operations | | 41.059 | -24.628 |
| Cash Flows from (used in) Operations | | 1.041.895 | 404.247 |
| Payments Related with Provisions for Employee Benefits | | -5.373 | -8.919 |
| Payments Related with Other Provisions | | -464 | -255 |
| Income taxes refund (paid) | | 0 | 0 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | -123.368 | -55.921 |
| Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures | | -91.224 | -12.840 |
| | | | |

| | | | |
|---------------------------------------------------------------------------------------------|--|------------|----------|
| Proceeds from sales of property, plant, equipment and intangible assets | | 7 | 145 |
| Proceeds from sales of property, plant and equipment | | 7 | 145 |
| Purchase of Property, Plant, Equipment and Intangible Assets | | -32.151 | -43.226 |
| Purchase of property, plant and equipment | | -32.125 | -42.840 |
| Purchase of intangible assets | | -26 | -386 |
| Cash advances and loans made to other parties | | 0 | 0 |
| Other Cash Advances and Loans Made to Other Parties | | 0 | 0 |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | -1.131.645 | -388.477 |
| Proceeds from borrowings | | 605.362 | 94.125 |
| Proceeds from Loans | | 605.362 | 94.125 |
| Repayments of borrowings | | -644.555 | -556.119 |
| Loan Repayments | | -644.555 | -556.119 |
| Decrease in Other Payables to Related Parties | | -1.084.695 | 76.976 |
| Dividends Paid | | 0 | 0 |
| Interest paid | | -12.651 | -7.456 |
| Interest Received | | 4.894 | 3.997 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | -218.955 | -49.325 |
| Effect of exchange rate changes on cash and cash equivalents | | 216.318 | 66.847 |
| Net increase (decrease) in cash and cash equivalents | | -2.637 | 17.522 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 11.895 | 14.069 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 9.258 | 31.591 |

[illegible]

[illegible]