

**İZMİR DEMİR ÇELİK SANAYİ A.Ş.**  
**Financial Report**  
**Consolidated**  
**2020 - 3. 3 Monthly Notification**

**General Information About Financial Statements**

# Statement of Financial Position (Balance Sheet)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 30.09.2020	Previous Period 31.12.2019
<b>Statement of Financial Position (Balance Sheet)</b>			
<b>Assets [abstract]</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	303.249.355	341.578.706
Trade Receivables		118.401.863	121.670.586
Trade Receivables Due From Related Parties	4	4.225.981	4.435.290
Trade Receivables Due From Unrelated Parties	6	114.175.882	117.235.296
Other Receivables		44.232.508	105.687.159
Other Receivables Due From Related Parties	4	36.436.423	101.013.021
Other Receivables Due From Unrelated Parties	7	7.796.085	4.674.138
Derivative Financial Assets		136.377	4.034.785
Inventories	8	825.167.524	797.689.792
Prepayments	9	110.681.998	31.808.717
Other current assets	16	12.270.983	13.565.152
<b>SUB-TOTAL</b>		<b>1.414.140.608</b>	<b>1.416.034.897</b>
<b>Total current assets</b>		<b>1.414.140.608</b>	<b>1.416.034.897</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments		937.679	930.073
Other Receivables	7	2.525.206	2.699.564
Investment property	10	76.625.000	95.860.000
Property, plant and equipment	11	2.319.388.524	2.364.876.830
Right of Use Assets		17.032.095	11.714.644
Intangible assets and goodwill	12	393.176	489.812
Deferred Tax Asset	23	184.760.622	49.185.497
<b>Total non-current assets</b>		<b>2.601.662.302</b>	<b>2.525.756.420</b>
<b>Total assets</b>		<b>4.015.802.910</b>	<b>3.941.791.317</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Borrowings	25	2.578.210.225	2.589.289.993
Current Portion of Non-current Borrowings	25	280.477.157	209.137.945
Trade Payables		97.263.787	83.215.698
Trade Payables to Related Parties	4	2.760.919	1.466.394
Trade Payables to Unrelated Parties	6	94.502.868	81.749.304
Employee Benefit Obligations	15	30.919.827	13.720.664
Other Payables		1.779.463	730.336
Other Payables to Unrelated Parties	7	1.779.463	730.336
Derivative Financial Liabilities		20.602.592	311.490
Current tax liabilities, current	23	0	350.552
Current provisions	13	0	4.500.785
Other Current Liabilities	16	375.807.213	103.382.599
<b>SUB-TOTAL</b>		<b>3.385.060.264</b>	<b>3.004.640.062</b>
<b>Total current liabilities</b>		<b>3.385.060.264</b>	<b>3.004.640.062</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	25	892.235.451	536.384.251
Non-current provisions		44.032.268	31.926.342
Non-current provisions for employee benefits	15	44.032.268	31.926.342
Deferred Tax Liabilities	23	38.233.208	41.752.058
<b>Total non-current liabilities</b>		<b>974.500.927</b>	<b>610.062.651</b>
<b>Total liabilities</b>		<b>4.359.561.191</b>	<b>3.614.702.713</b>
<b>EQUITY</b>			
Equity attributable to owners of parent		-358.993.294	303.176.309
Issued capital	17	375.000.000	375.000.000
Inflation Adjustments on Capital	17	22.763.962	22.763.962
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		1.057.150.231	1.114.126.685
Gains (Losses) on Revaluation and Remeasurement	17	1.057.150.231	1.114.126.685
Restricted Reserves Appropriated From Profits	17	25.832.374	25.832.374
Prior Years' Profits or Losses		-1.182.493.958	-711.282.563
Current Period Net Profit Or Loss		-657.245.903	-523.264.149
Non-controlling interests	17	15.235.013	23.912.295

Total equity		-343.758.281	327.088.604
Total Liabilities and Equity		4.015.802.910	3.941.791.317

# Profit or loss [abstract]

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2020 - 30.09.2020	Previous Period 01.01.2019 - 30.09.2019	Current Period 3 Months 01.07.2020 - 30.09.2020	Previous Period 3 Months 01.07.2019 - 30.09.2019
Profit or loss [abstract]					
PROFIT (LOSS)					
Revenue	18	3.498.341.815	3.112.065.094	1.383.089.695	968.116.484
Cost of sales	18	-3.283.129.654	-3.123.876.452	-1.257.048.866	-911.786.792
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		215.212.161	-11.811.358	126.040.829	56.329.692
GROSS PROFIT (LOSS)		215.212.161	-11.811.358	126.040.829	56.329.692
General Administrative Expenses	19	-39.096.270	-28.373.299	-13.782.304	-12.716.566
Marketing Expenses	19	-49.455.549	-32.208.728	-15.672.857	-14.874.943
Other Income from Operating Activities	20	91.686.275	44.975.814	21.596.820	-11.247.161
Other Expenses from Operating Activities	20	-26.168.600	-86.851.257	-1.950.228	-28.052.527
PROFIT (LOSS) FROM OPERATING ACTIVITIES		192.178.017	-114.268.828	116.232.260	-10.561.505
Investment Activity Income	21	3.473.788	40.936.582	760.026	-20.992.087
Investment Activity Expenses	21	-65.469.547	-41.246.768	-32.808.044	-23.264.109
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		130.182.258	-114.579.014	84.184.242	-54.817.701
Finance income	22	30.230.904	16.765.496	11.221.985	917.313
Finance costs	22	-961.377.953	-360.108.777	-438.961.634	14.435.863
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		-800.964.791	-457.922.295	-343.555.407	-39.464.525
Tax (Expense) Income, Continuing Operations		135.060.531	81.146.961	136.503.591	9.624.291
Current Period Tax (Expense) Income	23	-2.797.788	-3.737.260	-524.055	-2.053.092
Deferred Tax (Expense) Income	23	137.858.319	84.884.221	137.027.646	11.677.383
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-665.904.260	-376.775.334	-207.051.816	-29.840.234
PROFIT (LOSS)		-665.904.260	-376.775.334	-207.051.816	-29.840.234
Profit (loss), attributable to [abstract]					
Non-controlling Interests	17	-8.658.357	-4.781.501	-3.726.683	2.061.099
Owners of Parent		-657.245.903	-371.993.833	-203.325.133	-31.901.333
Earnings per share [abstract]					
Earnings per share [line items]					
Basic earnings per share					
Diluted Earnings Per Share					
Diluted Earnings (Loss) per Share from Continuing Operations					
Sürdürülen Faaliyetlerden Pay Başına Kazanç (Zarar)	24	-1,75270000	-0,99200000	-0,54220000	-0,08510000

# Statement of Other Comprehensive Income

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2020 - 30.09.2020	Previous Period 01.01.2019 - 30.09.2019	Current Period 3 Months 01.07.2020 - 30.09.2020	Previous Period 3 Months 01.07.2019 - 30.09.2019
<b>Statement of Other Comprehensive Income</b>					
PROFIT (LOSS)		-665.904.260	-376.775.334	-207.051.816	-29.840.234
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		<b>-4.942.625</b>	<b>538.692.306</b>	<b>-219.146</b>	<b>830.159</b>
Gains (Losses) on Revaluation of Property, Plant and Equipment		0	673.634.412	0	833.972
Gains (Losses) on Remeasurements of Defined Benefit Plans		-6.178.281	-269.028	-273.932	203.728
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		1.235.656	-134.673.078	54.786	-207.541
<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>		<b>0</b>	<b>0</b>		
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>-4.942.625</b>	<b>538.692.306</b>	<b>-219.146</b>	<b>830.159</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>-670.846.885</b>	<b>161.916.972</b>	<b>-207.270.962</b>	<b>-29.010.075</b>
<b>Total Comprehensive Income Attributable to</b>					
Non-controlling Interests		-8.677.282	13.908.207	-3.727.943	2.060.412
Owners of Parent		-662.169.603	148.008.765	-203.543.019	-31.070.487

## Statement of cash flows (Indirect Method)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2020 - 30.09.2020	Previous Period 01.01.2019 - 30.09.2019
<b>Statement of cash flows (Indirect Method)</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>234.848.377</b>	<b>-110.840.162</b>
Profit (Loss)		-665.904.260	-376.775.336
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>716.882.601</b>	<b>180.010.728</b>
Adjustments for depreciation and amortisation expense		117.676.567	89.643.834
Adjustments for Impairment Loss (Reversal of Impairment Loss)		-757.758	-7.040.531
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	6	-1.824.126	19.357.138
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	8	1.066.368	-23.584.090
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	21	0	-2.813.579
Adjustments for provisions	15	11.436.083	9.088.456
Adjustments for Interest (Income) Expenses	20,22	135.633.325	166.909.040
Adjustments for fair value losses (gains)		65.469.547	-27.326.666
Adjustments for Fair Value Losses (Gains) of Investment Property		0	0
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	21	65.469.547	-27.326.666
Adjustments for Tax (Income) Expenses	23	-135.060.531	-81.146.961
Other adjustments for non-cash items		525.959.156	40.679.892
Adjustments for losses (gains) on disposal of non-current assets	21	-3.473.788	-10.796.336
<b>Changes in Working Capital</b>		<b>196.239.322</b>	<b>95.778.053</b>
Adjustments for decrease (increase) in trade accounts receivable		8.378.942	14.111.207
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-2.637.422	-13.039.466
Adjustments for decrease (increase) in inventories		-26.694.215	95.340.268
Adjustments for increase (decrease) in trade accounts payable		9.670.971	29.577.956
Adjustments for increase (decrease) in other operating payables		1.049.127	-507.043
Other Adjustments for Other Increase (Decrease) in Working Capital		206.471.919	-29.704.869
<b>Cash Flows from (used in) Operations</b>		<b>247.217.663</b>	<b>-100.986.555</b>
Payments Related with Provisions for Employee Benefits	15	-5.508.438	-7.186.620
Income taxes refund (paid)		-6.860.848	-2.666.987
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>-90.704.361</b>	<b>16.214.978</b>
Proceeds from sales of property, plant, equipment and intangible assets		1.594.765	713.409
Purchase of Property, Plant, Equipment and Intangible Assets		-73.079.089	-69.974.470
Cash Inflows from Sale of Investment Property		22.060.000	71.770.177
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts		4.394.568	14.536.314
Cash payments for futures contracts, forward contracts, option contracts and swap contracts		-45.674.605	-830.452
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>-182.473.367</b>	<b>65.509.761</b>
Proceeds from borrowings		2.392.967.606	2.521.636.796
Repayments of borrowings		-2.476.172.363	-2.315.305.535
Increase in Other Payables to Related Parties		75.271.584	-3.961.618
Payments of Lease Liabilities		-2.545.596	0
Interest paid		-182.065.682	-144.483.497
Interest Received		10.071.084	7.623.615
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-38.329.351	-29.115.423
Net increase (decrease) in cash and cash equivalents		-38.329.351	-29.115.423
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>341.578.706</b>	<b>116.080.037</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<b>303.249.355</b>	<b>86.964.614</b>

Previous Period 01.01.2019 - 30.09.2019	Statement of changes in equity (abstract)															
	Statement of changes in equity (line items)															
	Equity at beginning of period		375,000,000	22,763,962	650,364,914	-4,687,486				25,832,374	-426,252,265	-341,759,225	301,262,274	15,414,670	316,676,944	
	Adjustments Related to Accounting Policy Changes														0	
	Adjustments Related to Required Changes in Accounting Policies														0	
	Adjustments Related to Voluntary Changes in Accounting Policies														0	
	Adjustments Related to Errors														0	
	Other Restatements														0	
	Restated Balances														0	
	Transfers					-52,250,320						-289,508,905	341,759,225			
	Total Comprehensive Income (Loss)															
	Profit (loss)												-371,993,833	-371,993,833	-4,781,501	-376,775,334
	Other Comprehensive Income (Loss)					520,212,826		-208,301						520,004,525	18,687,781	538,692,306
	Issue of equity															
	Capital Decrease															
	Capital Advance															
	Effect of Merger or Liquidation or Division															
	Effects of Business Combinations Under Common Control															
	Advance Dividend Payments															
	Dividends Paid															
	Decrease through Other Distributions to Owners															
	Increase (Decrease) through Treasury Share Transactions															
	Increase (Decrease) through Share-Based Payment Transactions															
	Acquisition or Disposal of a Subsidiary															
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity					17,428,990		-1,926					-12,783,088	4,643,976	-4,643,976	0
	Transactions with noncontrolling shareholders															
	Increase through Other Contributions by Owners															
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied															
	Increase (decrease) through other changes, equity															
	Equity at end of period		375,000,000	22,763,962	1,135,756,410	-4,897,713				25,832,374	-728,544,258	-371,993,833	453,916,942		24,676,974	478,593,916
	Statement of changes in equity (abstract)															
	Statement of changes in equity (line items)															
	Equity at beginning of period		375,000,000	22,763,962	1,118,494,716	-4,368,031				25,832,374	-711,262,563	-523,264,149	303,176,309	23,912,295	327,086,604	
	Adjustments Related to Accounting Policy Changes															
	Adjustments Related to Required Changes in Accounting Policies															
	Adjustments Related to Voluntary Changes in Accounting Policies															
	Adjustments Related to Errors															
	Other Restatements															
	Restated Balances															
	Transfers					-52,052,754						-471,211,395	523,264,149			
	Total Comprehensive Income (Loss)															
	Profit (loss)												-657,245,903	-657,245,903	-8,658,357	-665,904,260
	Other Comprehensive Income (Loss)							-4,923,700						-4,923,700	-18,925	-4,942,625
	Issue of equity															
	Capital Decrease															
	Capital Advance															
	Effect of Merger or Liquidation or Division															
	Effects of Business Combinations Under Common Control															
	Advance Dividend Payments															
	Dividends Paid															

Current Period 01.01.2020 - 30.09.2020															
	Decrease through Other Distributions to Owners														
	Increase (Decrease) through Treasury Share Transactions														
	Increase (Decrease) through Share-Based Payment Transactions														
	Acquisition or Disposal of a Subsidiary														
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity														0
	Transactions with noncontrolling shareholders														
	Increase through Other Contributions by Owners														
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied														
	Increase (decrease) through other changes, equity														
	Equity at end of period		375.000.000	22.763.962		1.066.441.962	-9.291.731			25.832.374	-1.182.493.958	-657.245.903	-358.993.294	15.235.013	-343.758.281