

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.**  
**Financial Report**  
**Consolidated**  
**2019 - 2. 3 Monthly Notification**

General Information About Financial Statements

## Independet Audit Comment

Independent Audit Company	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Audit Type	Limited
Audit Result	Positive

### ARA DÖNEM ÖZET KONSOLİDE FİNANSAL BİLGİLERE İLİŞKİN

#### SINIRLI DENETİM RAPORU

Ereğli Demir ve Çelik Fabrikaları T.A.Ş.

Genel Kurulu'na

İstanbul

#### Giriş

Ereğli Demir ve Çelik Fabrikaları T.A.Ş.'nin ("Şirket") ve bağlı ortaklıklarının (hep birlikte "Grup" olarak anılacaktır) 30 Haziran 2019 tarihli ilişikteki özet konsolide finansal durum tablosunun ve aynı tarihte sona eren altı aylık dönemine ait ilgili özet konsolide kar veya zarar tablosunun, özet konsolide diğer kapsamlı gelir tablosunun, özet konsolide özkaynaklar değişim tablosunun ve özet konsolide nakit akış tablosunun sınırlı denetimini yürütmüş bulunuyoruz. Grup Yönetimi, söz konusu ara dönem özet konsolide finansal bilgilerin Türkiye Muhasebe Standardı 34 "Ara Dönem Finansal Raporlama" Standardı'na ("TMS 34") uygun olarak hazırlanmasından ve sunumundan sorumludur. Sorumluluğumuz, yaptığımız sınırlı denetime dayanarak söz konusu ara dönem özet konsolide finansal bilgilere ilişkin bir sonuç bildirmektir.

#### Sınırlı Denetimin Kapsamı

Yaptığımız sınırlı denetim, Sınırlı Bağımsız Denetim Standardı ("SBDS") 2410 "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi"ne uygun olarak yürütülmüştür. Ara dönem konsolide finansal bilgilere ilişkin sınırlı denetim, başta finans ve muhasebe konularından sorumlu kişiler olmak üzere ilgili kişilerin sorgulanması ve analitik prosedürler ile diğer sınırlı denetim prosedürlerinin uygulanmasından oluşur. Ara dönem konsolide finansal bilgilerin sınırlı denetiminin kapsamı; Bağımsız Denetim Standartları'na uygun olarak yapılan ve amacı konsolide finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem konsolide finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vakıf olabileceğine ilişkin bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

#### Sonuç

Sınırlı denetimimize göre ilişikteki ara dönem konsolide finansal bilgilerin, tüm önemli yönleriyle TMS 34 "Ara Dönem Finansal Raporlama" Standardı'na uygun olarak hazırlanmadığı kanaatine varmamıza sebep olacak herhangi bir husus dikkatimizi çekmemiştir.

#### Dikkat Çekilen Husus

İlişikteki konsolide finansal tabloların 9 numaralı bölümünde detaylı olarak açıklanan hususa dikkatinizi çekeriz. Türkiye Cumhuriyeti Özelleştirme İdaresi Başkanlığı (ÖİB) tarafından 30 Mart 2006 tarihli Şirket Genel Kurulu'nun kar dağıtımına ilişkin aldığı kararın iptali istemiyle ve T.C. Başbakanlık Sermaye Piyasası Kurulu'nun (SPK), Şirket'in 31 Aralık 2005 tarihli konsolide finansal tablolarını SPK'nın izni olmadan Seri XI, No:25 sayılı "Sermaye Piyasasında Muhasebe Standartları Hakkında Tebliği" yerine Uluslararası Finansal Raporlama Standartları'na göre hazırladığı iddiası sebebiyle geçmiş yıllarda açılmış olan davalardan, SPK ile ilgili olan davaların Danıştay'da Şirket aleyhine sonuçlandığı Temmuz 2012'de yapılan tebligatlarda bildirilmiştir. Bunun üzerine Şirket, 1 Ağustos 2012 tarihinde bu davaya ilişkin İdare Mahkemesi'ne başvurarak hüküm uyumsuzluğunun giderilmesi için talepte bulunmuş, İdare Mahkemesi tarafından 17 Şubat 2014 tarihinde yapılan tebliğ ile başvurunun reddine karar verilmiştir. ÖİB tarafından açılan davada ise yerel mahkeme kararı, Yargıtay 11. Hukuk Dairesi'nin 24 Mayıs 2017 tarih ve E. 2015/15771 ve K. 2017/3040 sayılı kararı ile bozulmuştur. Bozma kararı 2 Ağustos 2017 tarihinde Şirket'e tebliğ edilmiştir. Şirket, bozma kararına ilişkin karar düzeltme başvurusunda bulunmuştur, sınırlı denetim raporumuz tarihi itibarıyla hukuki süreç devam etmekte olup, bu husus, sonuç bölümümüzün dayanağı değildir.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Volkan Becerik, SMMM

Sorumlu Denetçi

İstanbul, 8 Ağustos 2019

# Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 30.06.2019	Previous Period 31.12.2018
<b>Statement of Financial Position (Balance Sheet)</b>			
<b>Assets [abstract]</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7.302.400	8.659.336
Financial Investments		342.858	61.000
Trade Receivables		3.882.571	4.401.474
Trade Receivables Due From Related Parties	3	77.017	68.586
Trade Receivables Due From Unrelated Parties		3.805.554	4.332.888
Other Receivables		5.489	1.800
Other Receivables Due From Related Parties	3	3.548	0
Other Receivables Due From Unrelated Parties		1.941	1.800
Derivative Financial Assets		26.541	52.945
Inventories	4	9.916.797	8.890.150
Prepayments		150.621	90.005
Prepayments to Related Parties		0	0
Prepayments to Unrelated Parties		150.621	90.005
Other current assets		461.016	355.439
<b>SUB-TOTAL</b>		<b>22.088.293</b>	<b>22.512.149</b>
<b>Total current assets</b>		<b>22.088.293</b>	<b>22.512.149</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments		156	8.095
Other Receivables		32.806	9.397
Other Receivables Due From Related Parties	3	23.368	0
Other Receivables Due From Unrelated Parties		9.438	9.397
Derivative Financial Assets		2.556	6.448
Investments accounted for using equity method	5	159.039	145.284
Investment property		262.464	241.962
Property, plant and equipment	6	19.637.039	18.060.211
Right of Use Assets	7	237.213	0
Intangible assets and goodwill	6	312.251	283.516
Prepayments		375.969	331.275
Prepayments to Related Parties	3	34.321	68.266
Prepayments to Unrelated Parties		341.648	263.009
Deferred Tax Asset	12	58.233	67.552
Other Non-current Assets		170.677	116.221
<b>Total non-current assets</b>		<b>21.248.403</b>	<b>19.269.961</b>
<b>Total assets</b>		<b>43.336.696</b>	<b>41.782.110</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Borrowings		3.060.503	3.654.083
Current Borrowings From Unrelated Parties		3.060.503	3.654.083
Bank Loans	8	3.060.503	3.654.083
Current Portion of Non-current Borrowings		1.326.136	1.066.402
Current Portion of Non-current Borrowings from Unrelated Parties	8	1.326.136	1.066.402
Bank Loans	8	1.276.286	1.066.402
Lease Liabilities	8	38.640	0
Issued Debt Instruments	8	11.210	
Trade Payables		2.677.611	1.935.922
Trade Payables to Related Parties	3	77.575	147.772
Trade Payables to Unrelated Parties		2.600.036	1.788.150
Employee Benefit Obligations	10	162.873	189.476
Other Payables		58.160	42.786
Derivative Financial Liabilities		18.863	2.144
Deferred Income Other Than Contract Liabilities		156.410	276.841
Current tax liabilities, current	12	532.799	504.716
Current provisions	9	226.443	200.777
Other Current Liabilities		16.520	14.340
<b>SUB-TOTAL</b>		<b>8.236.318</b>	<b>7.887.487</b>
<b>Total current liabilities</b>		<b>8.236.318</b>	<b>7.887.487</b>
<b>NON-CURRENT LIABILITIES</b>			

Long Term Borrowings		2,216.141	1,400.475
Long Term Borrowings From Unrelated Parties		2,216.141	1,400.475
Bank Loans	8	1,479.841	1,400.475
Lease Liabilities	8	186.300	0
Issued Debt Instruments	8	550.000	
Derivative Financial Liabilities		38.347	2.382
Non-current provisions		729.443	669.391
Non-current provisions for employee benefits	10	729.443	669.391
Deferred Tax Liabilities	12	2,859.579	2,566.196
Other non-current liabilities		1.674	1.554
Total non-current liabilities		5,845.184	4,639.998
Total liabilities		14,081.502	12,527.485
EQUITY			
Equity attributable to owners of parent		28,401.296	28,366.761
Issued capital	13	3,500.000	3,500.000
Inflation Adjustments on Capital		156.613	156.613
Capital Adjustments due to Cross-Ownership (-)		-116.232	-116.232
Share Premium (Discount)		106.447	106.447
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		11,745.064	10,132.859
Gains (Losses) on Revaluation and Remeasurement		-23.874	-20.866
Increases (Decreases) on Revaluation of Property, Plant and Equipment		57.046	51.239
Gains (Losses) on Remeasurements of Defined Benefit Plans		-80.920	-72.105
Exchange Differences on Translation		11,768.938	10,153.725
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		5,161.115	4,362.222
Exchange Differences on Translation		5,151.649	4,349.119
Gains (Losses) on Hedge		9.466	13.103
Gains (Losses) on Cash Flow Hedges		9.466	13.103
Restricted Reserves Appropriated From Profits		3,485.761	2,287.528
Prior Years' Profits or Losses		2,057.906	2,339.334
Current Period Net Profit Or Loss		2,304.622	5,597.990
Non-controlling interests		853.898	887.864
Total equity		29,255.194	29,254.625
Total Liabilities and Equity		43,336.696	41,782.110

# Profit or loss [abstract]

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018	Current Period 3 Months 01.04.2019 - 30.06.2019	Previous Period 3 Months 01.04.2018 - 30.06.2018
Profit or loss [abstract]					
PROFIT (LOSS)					
Revenue	14	14.594.816	11.629.361	7.450.677	6.210.559
Cost of sales	14	-11.346.836	-7.857.444	-5.834.263	-4.125.125
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		3.247.980	3.771.917	1.616.414	2.085.434
GROSS PROFIT (LOSS)		3.247.980	3.771.917	1.616.414	2.085.434
General Administrative Expenses	15	-210.296	-207.269	-108.703	-96.243
Marketing Expenses	15	-119.494	-91.892	-62.580	-49.899
Research and development expense		-11.884	-7.899	-6.512	-3.956
Other Income from Operating Activities	15	94.003	89.795	55.150	57.684
Other Expenses from Operating Activities	15	-86.789	-68.511	-39.792	-44.210
PROFIT (LOSS) FROM OPERATING ACTIVITIES		2.913.520	3.486.141	1.453.977	1.948.810
Investment Activity Income		13.145	404	1.224	272
Investment Activity Expenses		-11.112	-23.584	-3.098	-12.668
Share of Profit (Loss) from Investments Accounted for Using Equity Method	5	3.486	2.322	1.581	951
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		2.919.039	3.465.283	1.453.684	1.937.365
Finance income	16	853.884	719.423	535.312	612.683
Finance costs	16	-226.288	-101.118	-144.927	-50.060
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		3.546.635	4.083.588	1.844.069	2.499.988
Tax (Expense) Income, Continuing Operations	12	-1.133.525	-1.395.726	-469.688	-920.712
Current Period Tax (Expense) Income		-1.068.150	-1.088.314	-555.749	-700.708
Deferred Tax (Expense) Income		-65.375	-307.412	86.061	-220.004
PROFIT (LOSS) FROM CONTINUING OPERATIONS		2.413.110	2.687.862	1.374.381	1.579.276
PROFIT (LOSS)		2.413.110	2.687.862	1.374.381	1.579.276
Profit (loss), attributable to [abstract]					
Non-controlling Interests		108.488	111.359	66.409	66.020
Owners of Parent		2.304.622	2.576.503	1.307.972	1.513.256
Earnings per share [abstract]					
Earnings per share [line items]					
Basic earnings per share					
Basic Earnings (Loss) Per Share from Continuing Operations					
Pay Başına Kazanç		0,65846342	0,73614371	0,37370628	0,43235885
Diluted Earnings Per Share					
Diluted Earnings (Loss) per Share from Continuing Operations					
Pay Başına Kazanç		0,65846342	0,73614371	0,37370628	0,43235885

# Statement of Other Comprehensive Income

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018	Current Period 3 Months 01.04.2019 - 30.06.2019	Previous Period 3 Months 01.04.2018 - 30.06.2018
<b>Statement of Other Comprehensive Income</b>					
PROFIT (LOSS)		2.413.110	2.687.862	1.374.381	1.579.276
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		<b>1.611.959</b>	<b>2.653.810</b>	<b>234.299</b>	<b>1.923.882</b>
Gains (Losses) on Revaluation of Property, Plant and Equipment		5.807	9.155	1.764	6.613
Gains (Losses) on Remeasurements of Defined Benefit Plans	10	-11.617	9.493	-11.617	9.493
Exchange Differences on Translation		1.615.213	2.637.251	241.596	1.909.865
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		2.556	-2.089	2.556	-2.089
Taxes Relating to Remeasurements of Defined Benefit Plans	12	2.556	-2.089	2.556	-2.089
<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>		<b>865.803</b>	<b>1.262.275</b>	<b>321.984</b>	<b>1.034.949</b>
Exchange Differences on Translation		869.440	1.206.298	330.909	967.230
Gains (Losses) on Exchange Differences on Translation		869.440	1.206.298	330.909	967.230
Other Comprehensive Income (Loss) Related with Cash Flow Hedges		-4.663	71.762	-11.443	86.816
Gains (Losses) on Cash Flow Hedges		-4.663	71.762	-11.443	86.816
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		1.026	-15.785	2.518	-19.097
Taxes Relating to Cash Flow Hedges	12	1.026	-15.785	2.518	-19.097
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>2.477.762</b>	<b>3.916.085</b>	<b>556.283</b>	<b>2.958.831</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>4.890.872</b>	<b>6.603.947</b>	<b>1.930.664</b>	<b>4.538.107</b>
<b>Total Comprehensive Income Attributable to</b>					
Non-controlling Interests		175.152	237.062	81.996	165.758
Owners of Parent		4.715.720	6.366.885	1.848.668	4.372.349

# Statement of cash flows (Indirect Method)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018
<b>Statement of cash flows (Indirect Method)</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>4.106.142</b>	<b>1.077.448</b>
Profit (Loss)		2.413.110	2.687.862
Profit (Loss) from Continuing Operations		2.413.110	2.687.862
Profit (Loss) from Discontinued Operations		0	0
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>1.640.021</b>	<b>1.765.002</b>
Adjustments for depreciation and amortisation expense	6/7/14/15	572.476	381.783
Adjustments for Impairment Loss (Reversal of Impairment Loss)		18.266	49.282
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	15	3.140	29.704
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	4/14	15.126	8.129
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	6		11.449
Adjustments for provisions		77.051	97.735
Adjustments for (Reversal of) Provisions Related with Employee Benefits	10	84.858	78.006
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	9	45.429	34.359
Adjustments for (Reversal of) Free Provisions for Probable Risks		0	0
Adjustments for (Reversal of) Other Provisions	16	-53.236	-14.630
Adjustments for Interest (Income) Expenses		-132.094	-137.194
Adjustments for Interest Income	16	-269.256	-173.235
Adjustments for interest expense	16	175.971	69.215
Deferred Financial Expense from Credit Purchases	15	9.561	311
Unearned Financial Income from Credit Sales		-48.370	-33.485
Adjustments for unrealised foreign exchange losses ( gains)		757	-26.471
Adjustments for fair value losses (gains)		-24.228	-4.758
Adjustments for Fair Value Losses (Gains) of Financial Assets		-5.785	0
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	16	-18.443	-4.758
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	-3.486	-2.322
Adjustments for Tax (Income) Expenses	12	1.133.525	1.395.726
Adjustments for losses (gains) on disposal of non-current assets		-2.246	11.221
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets		-2.246	11.221
<b>Changes in Working Capital</b>		<b>1.157.009</b>	<b>-2.356.728</b>
Adjustments for decrease (increase) in trade accounts receivable		1.008.427	-1.068.669
Decrease (Increase) in Trade Accounts Receivables from Related Parties		-1.985	-9.677
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties		1.010.412	-1.058.992
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		2.894	-797
Decrease (Increase) in Other Unrelated Party Receivables Related with Operations		2.894	-797
Decrease (Increase) in Derivative Financial Assets		35.878	-86.103
Adjustments for decrease (increase) in inventories		-206.901	-1.899.592
Decrease (Increase) in Prepaid Expenses		-22.344	-46.665
Adjustments for increase (decrease) in trade accounts payable		559.828	816.779
Increase (Decrease) in Trade Accounts Payables to Related Parties		-84.082	2.378
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties		643.910	814.401
Adjustments for increase (decrease) in other operating payables		-33.046	-30.707
Increase (Decrease) in Other Operating Payables to Unrelated Parties		-33.046	-30.707
Increase (Decrease) in Derivative Financial Liabilities		64.923	48.970

Other Adjustments for Other Increase (Decrease) in Working Capital		-252.650	-89.944
Decrease (Increase) in Other Assets Related with Operations		-107.028	-180.556
Increase (Decrease) in Other Payables Related with Operations		-145.622	90.612
Cash Flows from (used in) Operations		5.210.140	2.096.136
Payments Related with Provisions for Employee Benefits	10	-40.841	-36.454
Payments Related with Other Provisions	9	-23.090	-9.986
Income taxes refund (paid)	12	-1.040.067	-972.248
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		-565.858	-627.562
Cash Inflows from Sale of Shares of Subsidiaries that doesn't Cause Loss of Control			42.391
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		0	-87.333
Cash Payments to Acquire Equity or Debt Instruments of Other Entities		-40.827	0
Proceeds from sales of property, plant, equipment and intangible assets		16.919	345
Proceeds from sales of property, plant and equipment		16.919	345
Purchase of Property, Plant, Equipment and Intangible Assets		-465.068	-443.087
Purchase of property, plant and equipment	6	-454.734	-440.551
Purchase of intangible assets	6	-10.334	-2.536
Cash Outflows from Acquisition of Investment Property			-62.197
Cash advances and loans made to other parties		-80.087	-77.681
Cash Advances and Loans Made to Related Parties		-33.945	-25.256
Other Cash Advances and Loans Made to Other Parties		-46.142	-52.425
Dividends received	5	3.205	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		-4.833.729	-2.197.293
Proceeds from borrowings		3.114.929	2.003.115
Proceeds from Loans		2.564.929	2.003.115
Proceeds From Issue of Debt Instruments		550.000	0
Repayments of borrowings		-2.923.179	-1.331.867
Loan Repayments		-2.923.179	-1.331.867
Payments of Lease Liabilities		-32.173	0
Dividends Paid		-4.888.724	-2.976.747
Interest paid		-126.872	-63.104
Interest Received		252.494	171.310
Other inflows (outflows) of cash		-230.204	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-1.293.445	-1.747.407
Effect of exchange rate changes on cash and cash equivalents		-101.027	1.497.042
Net increase (decrease) in cash and cash equivalents		-1.394.472	-250.365
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		8.682.881	7.016.703
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7.288.409	6.766.338

[illegible]

[illegible]