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ÇOLAKOĞLU METALURJİ A.Ş.

RESPONSE TO EXPORTER QUESTIONNAIRE DEFICIENCY LIST

- 1- Please provide translated versions of the consolidated group financial statements for financial years 2022 and 2023. (Questions A-4.1 to A-4.3).

RESPONSE:

The translated versions of the consolidated group financial statements for the financial years 2022 and 2023 had been provided in Attachment COL-A-4.1. The 2023 translated financial statements start on PDF page 66, while the 2022 translated financial statements begin on PDF page 195. All the original and translated versions of the consolidated audited group financial statements were provided both for the years 2023 and 2022 at Attachment COL-A-4.1.

- 2- Please provide further information regarding Çolakoglu's delivery terms, payment terms and payment processes in the response to this question. (Question B-1.1).

RESPONSE:

All Australian sales were made on [] basis.

An example of a sales agreement was provided in Attachment COL-B-3.1, with payment terms detailed in Article 4.1 and delivery terms and processes detailed in Article 5.

Sales to Australia conducted on [] basis and payment and payment terms align with the conditions of [

]100% payable at sight at the counters of a bank which is advised separately by Çolakoglu.

Related to delivery terms, the products are agreed to be delivered on [] basis.

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- 3- Purchase order and order confirmation documents are missing from the sample documents provided. Please provide these documents or specify why they are not applicable. (Question B-3.1).

RESPONSE:

In its sales to Australia, Çolakoğlu generally uses a sales agreement in place of a purchase order and order confirmation, which is signed by the customer. An example of a sales agreement was provided in Attachment COL-B-3.1.

- 4- Please provide further information regarding Çolakoglu's price determination/negotiation, delivery processes, marketing and advertising practices in the response to this question. (Question D-1.1).

RESPONSE:

Marketing and advertising: Çolakoğlu advertises in industry publications and participation/sponsorship in sectoral fairs and in exhibitions. The sales and marketing division oversees the sale, distribution, and marketing of rebar in Türkiye and other markets, and is responsible for the sale of rebar and related products. Çolakoğlu provides a wide range of sales support services in the home market. For example, Çolakoğlu provides sales forecasting services by reviewing the customer's past consumption to assist in making purchasing decisions, evaluates the market and other factors affecting the market, advertises, communicates regularly with direct sales personnel.

Price determination and/or negotiation process: Çolakoğlu does not use a price list. Negotiation of commercial terms including price are generally made by email or phone in domestic market. On Çolakoğlu's side, the cost of raw material and market conditions determines the initial price for negotiation. During the negotiations if a customer's price expectations cannot be met during negotiations, Çolakoğlu does not proceed with finalizing the sale.

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Delivery terms and process: The customer specifies delivery details on the phone. If the customer demands the goods to be delivered Çolakoğlu arranges for freight and delivery to the customer's location. For each shipment a waybill (“sevk irsaliyesi”) is created regardless of whether it is delivered or on ex-works basis. Çolakoğlu uses trucks for the shipment of the rebar and typically relying on a single supplier for transportation services.

5- Contracts, packing lists and delivery invoices are missing from the sample documents provided. Please provide these documents or specify why they are not applicable. (Question D-3.1).

RESPONSE:

As noted earlier, negotiation of commercial terms are generally made by email or phone in domestic market. Once negotiations are finalized, the Çolakoğlu sales team enters the details of the customer’s order into the SAP system. The system then sends an automatic email document (customer order form) to the customer with all the commercial and technical details of the order. The customer signs / sends confirmation by email and sends the order back to Çolakoğlu. An example of signed customer order form serving as a substitute for a contract is provided in Attachment COL-D-3.1. Final commercial and technical terms are then input as an order into the system which is electronically transmitted to the manufacturing units to be added to the production plan.

For domestic sales, Çolakoglu does not sign formal contracts with customers on a sale-by-sale basis. The customer order form serves as the initial agreement specifying commercial and technical terms, which are subject to change or further terms added (i.e., quantities, size breakdown) prior to shipment. Once the details are finalized, the invoice is prepared, and the goods are shipped.

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In its normal course of business, Çolakoğlu does not use packing list or delivery invoices in home market sales. Instead, a waybill / dispatch note (“sevk irsaliyesi”) is created for each shipment, which provides a list of products shipped as a packing list. Examples of waybills are provided in Attachment COL-D-3.1. The waybill also serves as a substitute for the delivery invoice in domestic sales. Without these waybills, movement of the products are not allowed by law.

6- The commission was unable to locate Attachment COL-G-6.2 in the documents provided. Please provide. (Question G-6.2).

RESPONSE:

Çolakoğlu provides Attachment COL-6.2 at [Attachment COL-S1-1](#). In this attachment, Çolakoğlu provides the cost worksheet of the highest production quantity and the quarter for model P-B-B. As mentioned earlier, Çolakoğlu relied on its SAP cost of production report reconciled to its financial statements. In this attachment, Çolakoğlu also reconciles the sample cost worksheets to the model P-B-B reported in G-3 Domestic CTM, for the costs kept in Çolakoğlu’s system in the normal course of business. The adjustments to the costs were explained and supported in Çolakoğlu’s initial questionnaire response.

7- The upwards cost reconciliation appears to only reconcile the cost to manufacture for domestic sales (G-3) and not export sales to Australia (G-5). Please provide a revised G-8.1 worksheet or provide an explanation for the discrepancy. (Question G-8.1).

RESPONSE:

As stated in its initial questionnaire response, Çolakoğlu would like to clarify that it reported the full and complete production costs for all markets, as production costs were specifically requested. In its ordinary course of business, Çolakoğlu does not differentiate production costs by market in its financial records. While it is possible to

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break down most production costs using order numbers and items, this is not always feasible, as not all production is made to order. Some products are produced for stock and subsequently sold to different markets. Therefore, Çolakoğlu is unable to fully report its production costs on a market-specific basis. Attachment COL-G-3.2

In Attachment COL-G-3.2 Domestic CTM Source, Çolakoğlu provided its complete / full production costs and reconciled it to its financial statements. For the Attachment COL-G-5 Australian CTM, Çolakoğlu filtered the relevant models that are sold in Australian market out of the fully reconciled cost of production file.

In Attachment COL-G-3.2 Domestic CTM Source, Çolakoğlu provided its complete production costs, reconciling them with its financial statements. For Attachment COL-G-5 Australian CTM, Çolakoğlu extracted the relevant models sold in the Australian market from the fully reconciled production cost file, submitted at Attachment COL-G-3.2.

As a result, due to reason that in its normal course of business Çolakoğlu does not keep “production costs” on a market-specific basis, Çolakoğlu can not provide this information completely. However, if requested, Çolakoğlu can provide its “cost of sales” on a market specific basis, instead of “cost of production/manufacturing”. The differences between cost of sales and cost of production were clearly shown and reconciled in the Attachment COL-G-8 - Upwards Cost Reconciliation.

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