



YÜKSELEN

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FINANCIAL RESULT BULLETIN

**1st Half of
2021**

**3rd of August,
2021**

1st Half of 2021 – Financial Summary



Net profits Increased 10,5 Times (956,7% Increased)



EBITDA Increased 6,7 Times (569,6% Increased)



Revenue Increased 3,2 Times (218,3% Increased)



Revenue Per Ton Increased 35,5%

Financial Indicators (TRY Million)	1 st Half of 2021	1 st Half of 2020
Revenue	239,7	75,3
Revenue Change	218,3%	-
EBITDA	46,2	6,9
EBITDA Change	569,6%	-
EBITDA Margin	19,3%	9,2%
Gross Profit	53,7	10,3
Gross Profit Change	421,4%	-
Gross Profit Margin	22,4%	13,7%
Net Profit	31,7	3,0
Net Profit Change	956,7%	-
Net Profit Margin	13,2%	4,0%

*In the 2nd Quarter Our Company's net profits amounted 31,7 Million TRY. This amount is not including 5,99 Million TRY income which has been gained by selling shares of price stability fund on May 5, 2021. According to TMS 32 related selling income has been shown under equity.

1) Net profitss Reached to 10,5 Times (956,7% Increase)

Our Company's net profits increased by 956,7% from TRY 3,0 Million in the first half of 2020 to TRY 31,7 Million in the first half of 2021.

This increase in the net profits is based on the increase in the share of value-added products within the total turnover and real tonnage growth which has been generated by increase in domestic steel demand. Also the increase in steel prices in global markets has been contributed to the growth in net profits.

2) EBITDA Reached to 6,7 Times (569,6% Increased)

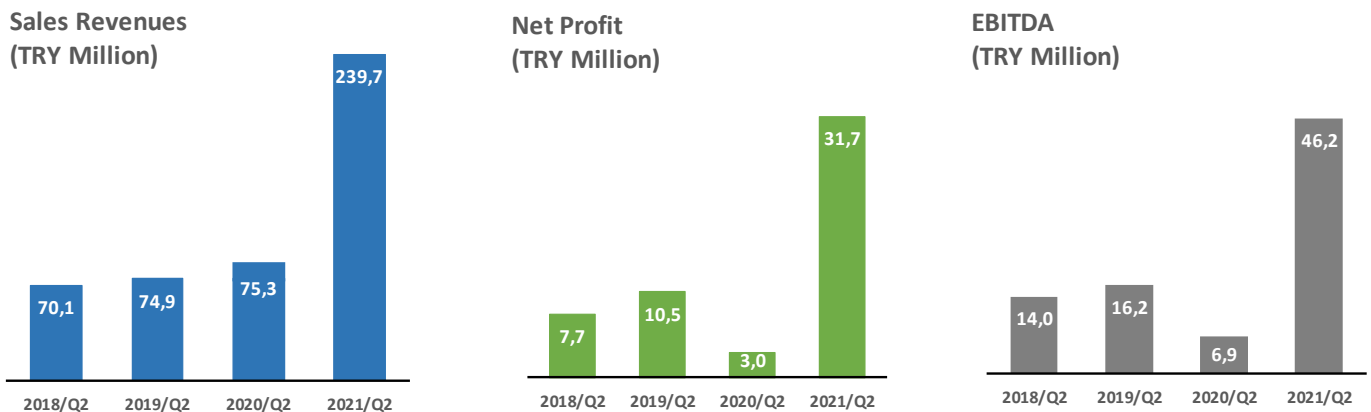
In the second quarter of 2021 EBITDA raised to TRY 46,2 Million which, from TRY 6,9 Million compared to the first half of 2020, which increased by 569,6%. So our nominal EBITDA amount jumped in 6,7 times in the first half of 2021 compared to the same period of previous year.

EBITDA margin which was 9,2% in the first half of 2020, has risen to 19,3% in the first half of 2021.

In the absence of negative developments in the steel sector, global economy or our country's economy; our company's activities and revenues are expected to keep growing in the second half of 2021. These revenue and net profits which have generated in the first half of the year 2021, are considered sustainable in the second half of the year, by considering that there is no seasonality negative or positive.

3) Revenue Reached to 3,2 Times (218,3% Increased)

Our revenue has risen from TRY 75,3 Million to TRY 239,7 Million in the first half of 2021, compared to the first half of 2020, by increased 218,3%. So our revenue jumped in 3,2 times in the first half of 2021.



4) Real Tonnage Growth (130,7% Tonnage Increased)

There has been remarkable increase at Our Company's sales amounts in the first 6 months of 2021. Our sales amount which was 10.512.092 kg in 2020, reached 24.256.080 kg in the first 6 months of 2021. Within this scope, Our Company increased its sales tonnage by 130,7% jumped in the first half of 2021 2,3 times. Our Company demonstrated a real tonnage growth in the first half of 2021, independent of the increase in commodity prices.

In addition, that the revenue amount of per ton by increased 38,1%, realized as TRY/ton 7.159 in the first half of 2020, realized TRY/ton 9.883 in the first half of 2021.

5) Controlled Increase in Bank Debt Due to Increase in Turnover and Growth in Operations

There has been a significant increase in our company's sales turnover. In the relevant period, average purchase maturity was 68 days and average sales maturity was 108 days. Therefore, there is an increase in bank liabilities in the first half of 2021 (due to the increase in turnover). In addition, in automatic increase in purchase order advances and production deadlines has occurred in order to support sales revenue.

Continuity of increase in sales revenues creates a controlled and automatic increase in bank credit. However, these amounts, which are very small compared to the loan amounts used in previous years, are extremely easy loans to manage for our Company.

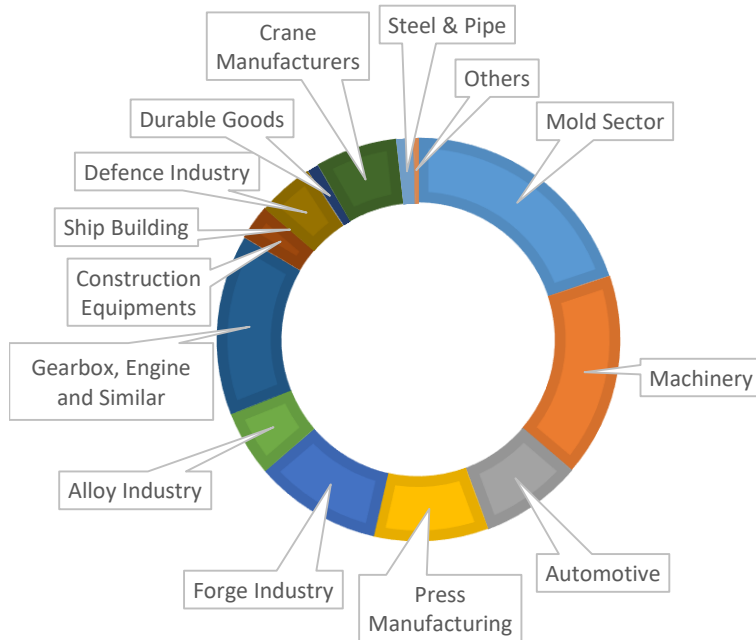
As of June 30, 2021, the sum of our bank debts, which is low compared to the sector in general are TRY 49,9 Million; this amount corresponds to just 10,7% of our total available bank limits (TRY 464,9 Million).

There are bank credit limits of around TRY 415,0 Million, which our company does not currently use and can use immediately, and in this context, the availability of credit channels is close to 90%.

Finally, as of June 30,2021, there are customer checks of TRY 122,68 Million which are presented to the banks against TRY 49,9 Million of bank debt which are waiting to be collected as collateral. In additional that in the ongoing process It may be possible to obtain new loans with the same modal in order to support our company's sales activities. Due to our high rating in banks and our reputation there is no need for any mortgage or assignment for our loan uses. Our company has been working actively for many years with EULER HERMES credit insurance in the collateralization of forward sales, and it also carries out secured sales with the DDS model in 10 different banks.

6) Sector, Product, Customer Distribution

a) Sector Based Turnover Distribution

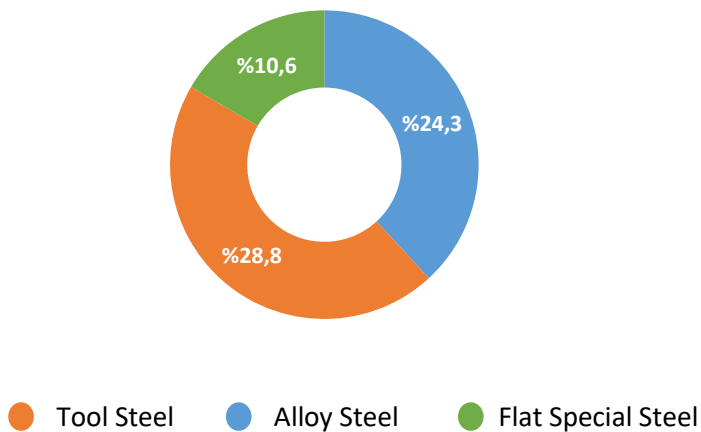


Sector	Share in Revenue
Mold Sector	19,9%
Machinery	16,3%
Gearbox, Engine and Similar	14,5%
Forge Industry	10,1%
Press Manufacturing	9,2%
Automotive	8,1%
Crane Manufacturer	6,5%
Alloy Industry	5,3%
Defence Industry	4,5%
Construction Equipments	2,8%
Çelik & Boru	1,4%
Durable Goods	0,9%
Other	0,4%
Ship Building	0,0%

b) Product Group Based Turnover Distribution

First Half of 2021 Products Based Turnover Distribution

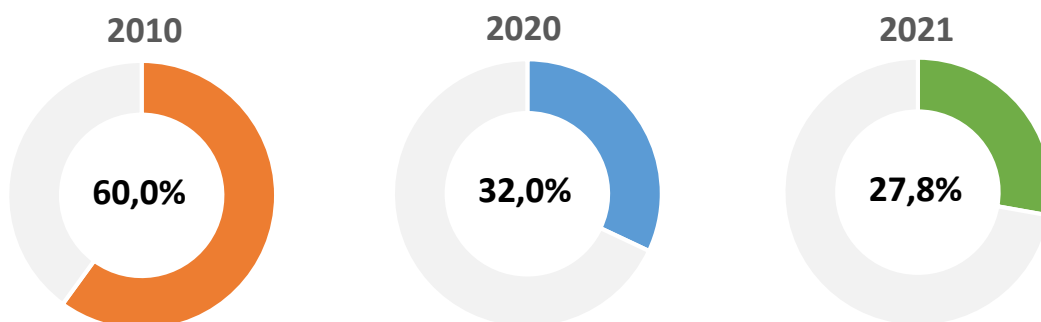
Share of Value-Added Products In Revenue



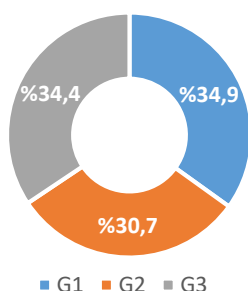
Product Group	Share in Revenue
Tool Steel	28,8%
Alloy Steel	24,3%
Flat Special Steel	10,6%
Ship Plate	-
Total Value-Added Products	63,7%
Carbon Steel	35,8%
Others	0,5%
Grand Total	100,0%

c) Distributor & Customer Balance

First Half of 2021 – Share of First 10 Customers in Revenue



Share of Distributor & Customer In Revenue



Customer Groups	Share in Revenue
G1 : Distributor	34,9%
G2 : SSC / Heat Treating	30,7%
G3 : Ultimate User	34,4%

7) New Products, Collaborations And Branch

There has been a steady increase in the number of products developed by our company for the last 3 years, some of which patent/trademark registration procedures have been carried out. Our product development and registration processes continue especially in the field of tool steels and special alloy steels. Our products named CM79 and X44, which have been included in our portfolio in the last 24 months, have contributed positively to growth. The product named Strong.14, which was added to the portfolio in 2021, also contributed positively to the sales revenue. A detailed sharing showing the effects of all patented products on turnover will be brought to the attention of our stakeholders in the 2021 year-end bulletin.

In addition, the evaluation of the results of our Company's growing supplier network, new collaborations and newly opened branches will be included in the 2021 year-end financial results bulletin.

8) Completion of Investments and Capacity Increase

As of 9 July, 2021, investments amounting to TRY 19,6 Million allocated from public offering revenues, have been worth, have been completed.

With the completion of the investments mentioned in the prospectus (compared to December 31, 2019), a 300% capacity increase was achieved and our capacity has quadrupled. In this context, our Company does not need to make any new investments for the next 3 years, provided that new branches or steel service centers are not established or new collaborations are not established. With our renewed machinery and equipment, we have reached an annual steel processing capacity of 65 thousand tons in one shift and around 100 thousand tons in three shifts.

However, due to the rapid growth of our Company in terms of sales volume, the possibility of establishing new branches and steel service centers, and the possibility of establishing new products and collaborations, there may be a need for new investments in the range of 01.01.2022 - 31.12.2023. No decision has yet been taken in this regard.

9) Starting Activities for Export

Due to the pandemic that affected the world in 2020 and whose effects continued in 2021, the initial process of exporting progressed slowly in the first half of 2021, as the planned face-to-face meetings for export activities and customer visits abroad could not be realized and it was not possible to participate in the fairs. As of 30 June, 2021 the total export revenue was around TRY 2,5 Million.

Necessary infrastructure works for the start of export have been completed to a large extent. With the increase in employment of our new department established in this field and the inclusion of experts in our staff, it is aimed that export activities will contribute to the growth in sales revenues in the last quarter of 2021 and increase in 2022.

10) Cash Dividend Distribution = 7 October, 2021

In accordance with our Company's Profit Distribution Policy announced on the Public Disclosure Platform on 17 Jan 2020; Cash dividend distribution of 31,1% of the net distributable profit of 2020, amounting to TRY 3.655.000,0 was unanimously accepted at the 2020 Ordinary General Assembly meeting held on 20 May, 2021. Cash dividend distribution will be made to our shareholders on 7 October, 2021.

11) Outlook for Second Half of 2021

If the sales volumes and sales turnover realized in the 1st half of 2021 continue in the same way, it may be possible to reach the sales turnover and net profit indicated below. The amounts in the table below are possible results only if the 1st half of 2021 continues in the same way and does not have any official binding on our Company.

Financial Indicators (TRY Million)	2021 First Half Actual	2021 End of Year Probable*
Revenue	239,7	479,4
Revenue Change	218,3%	-
EBITDA	46,2	92,4
EBITDA Change	569,6%	-
EBITDA Margin	19,3%	-
Gross Profit	53,7	107,4
Gross Profit Change	421,4%	-
Gross Profit Margin	22,4%	-
Net Profit	31,7	63,4
Net Profit Change	956,7%	-
Net Profit Margin	13,2%	-

* The amounts in the table above are obtained by doubling the 2021 first half results with a simple calculation.

Although our Company does not currently make any commitments in this direction, macroeconomic adverse events that may occur in the country or abroad may affect these amounts to change downwards.