



YÜKSELEN

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FINANCIAL RESULT BULLETIN

End of 2021

**28th of February,
2021**

End of 2021 – Financial Summary



Net profits Reached to 8,6 Times (759% Increased)



EBITDA Reached to 6,3 Times (530% Increased)



Revenue Reached to 3,7 Times (269% Increased)



Revenue Based on USD Reached to 2,9



Revenue Per Ton Increased 64%

Financial Indicators (Million TL)	End of 2021	End of 2020
Revenue	678,7	183,7
Revenue Change	269%	-
EBITDA	160,2	25,4
EBITDA Change	530%	-
EBITDA Margin	23,6%	13,8%
Gross Profit	180,3	34,0
Gross Profit Change	430%	-
Gross Profit Margin	26,6%	18,5%
Net Profit	109,1	12,7
Net Profit Change	759%	-
Net Profit Margin	16,0%	6,9%

1) Net profits Reached to 8,6 Times (759% Increased)

Our Company's net profits increased by 759% from 12,7 TRY Million at the end of 2020 to 109,1 TRY Million at the end of 2021. So our net profits reached to 8,6 times comparing the previous year.

The most important reasons this increase can be listed as below:

1. Increasing the share of value - added products in the revenue
2. Increasing price of commodity and exchange rates
3. Increased sales revenues due to real tonnage growth
4. Our Company gained advantages against to our competitors' who could not overcoming the supply chain problems
5. Able to be sold new products at targeted prices after launch
6. Increased export activities

Net profit margin was %6,9 in the 2020 changed positive way in the 2021 and realized as %16,0.

2) EBITDA Reached to 6,3 Times (530% Increased)

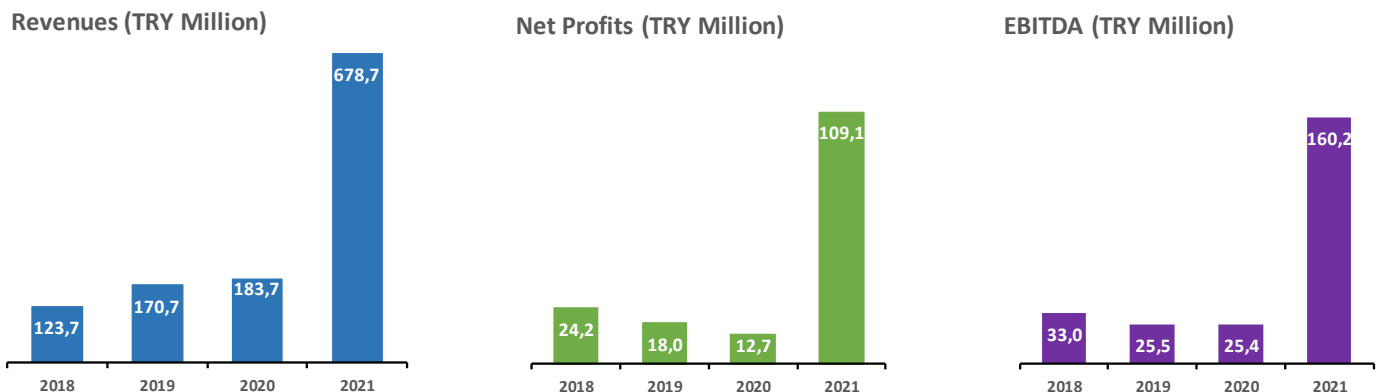
EBITDA increasing by %530 at the end of the year 2021 comparing to end of the year 2020, from 25,4 TRY Million reached to 160,2 TRY Million. EBITDA reached to 6,3 times at the end of 2021 compared to end of 2020.

EBITDA margin was %13,8 in the 2020 jumped to %23,6 at the end of 2021.

3) Revenue Reached to 3,7 Times (269% Increased)

By %269 increased at the end of 2021 compared to end of 2020 our revenues risen to 678,7 TRY Million from 183,7 TRY Million. Thus our revenues reached to 3,7 times at the end of 2021 according to end of 2020.

While Our Company's revenues based on USD 26,2 USD Million at the end of 2020, by increased %191, risen to 76,4 USD Million at the end of 2021.



4) Real Tonnage Growth (125% Tonnage Increased)

Our Company's sales volume increased significantly in 2021. Our sales amount which was 24.506.727 kg at the end of 2020 has been realized 55.169.371 kg. **In this context, Our Company has been raised its sales tonnage by %125. Thus our sales tonnage has been reached 2,3 times and Our Company generated real tonnage growth independent of the increase in commodity prices.**

In addition to this, revenue for per ton was 7.497 TRY/ton in 2020, has been increased by %64 reached to 12.302 TRY/ton in 2021.

On increase of revenue for per ton, increase of sales amount of our patented products has been effective, alongside risen on commodity prices and exchange rates. The products which at launch in 2020, whereby go up in price as targeted in 2021 they increased per ton of revenue.

5) Collection Term Of Trade Receivables & Payable Period For Trade Payables

While average term of receivables were 171 days in 2020, by changed positive way they realized 107 days in 2021. Thus average collection term of trade receivables got short 64 days. With this payable period for trade payables were 108 days in 2020, got short to 45 days in 2021. This situation has been caused to increase of our financial need. Changes on the supply chain with the pandemic and indigenization on our policy of raw material purchasing are the main reasons. The reason that similar payable period possible in the 2022, specifically domestic suppliers sell with cash or shorter maturity against imported competatives.

6) Controlled Increase on Bank Debts Depending on Revenue Rising and Growth Activities

Our bank debts with low amount comparing generale of the sector are total 146,0 TRY Million as of 31.12.2021. This debt amount is equivalent just 23% of ready available credit lines (637,5 TRY Million).

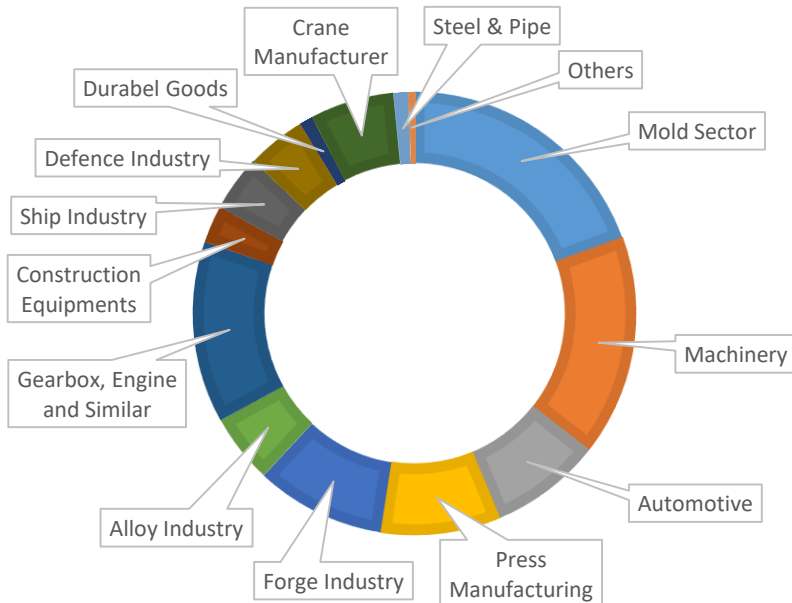
As of 31.12.2021, our company has customer checks amounting to 217.5 TRY Million, presented to the banks against the existing bank debt of 146,0 TRY Million and waiting to be collected as collateral. Following the partial payment of the relevant checks, the related loans will be closed.

7) Assurance of Sales and Receivables

Our Company has been working with EULER HERMES credit insurance for long years actively. And also Our Company proceed secured sales activities with DSS (Direct Debiting System) model on 10 different banks. In this scope no new doubtful debt generated in the 7 years period.

8) Sector, Product, Customer Distribution

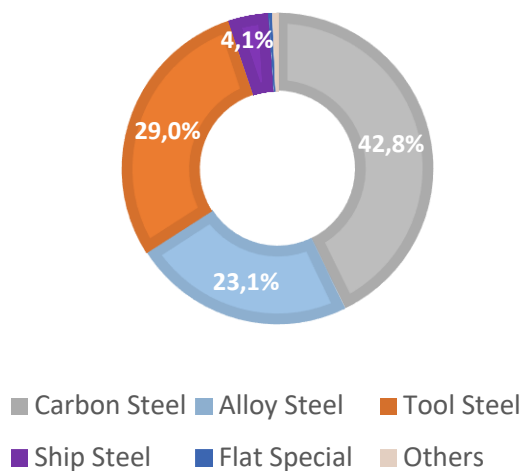
a) Sector Based Turnover Distribution



Sector	Share in Revenue
Mold Sector	19,4%
Machinery	16,2%
Gearbox, Engine and Similar	13,3%
Forge Industry	9,5%
Press Manufacturing	8,7%
Automotive	8,2%
Crane Manufacturer	6,1%
Alloy Industry	5,0%
Defence Industry	4,3%
Ship Industry	4,1%
Construction Equipments	2,7%
Steel & Pipe	1,0%
Durable Goods	1,0%
Others	0,5%

b) Product Group Based Turnover Distribution

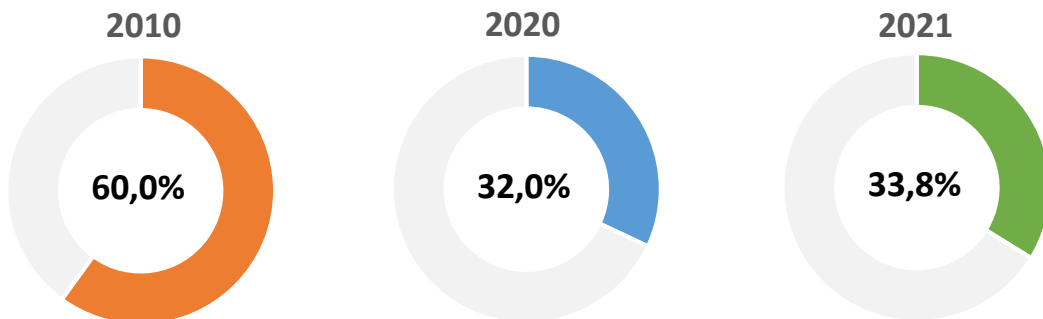
End of 2021 Products Based Turnover Distribution



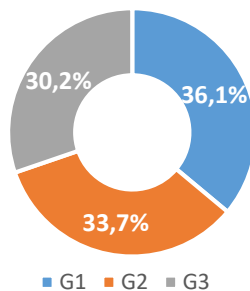
Product Group	Share in Revenue
Carbon Steel	42,8%
Tool Steel	23,1%
Alloy Steel	29,0%
Ship Steel	4,1%
Others	0,3%
Flat Special	0,6%
General Total	100,0%

c) Distributor & Customer Balance

End of 2021 – Share of Firt 10 Customers in Revenue



Share of Distributor & Customer In Revenue



Customer Group	Share in Revenue
G1 : Distributor	36,1%
G2 : SSC / Heat Treating	33,7%
G3 : Ultimate User	30,2%

9) Impact of New Products on Revenue

a) CM79

Our product, exists high crom steel named CM79, has been developed by Our Company a kind of conventional cold mold steel. This product we developed, opposite of it's conventional alternatives, has higher impact and corrosion resistance and it gets longer on cold molds bench life and metal life. This product launched in 2019, did not have any share in our revenue before. In the year 2021 12,1 TRY Million revenue has been generated from this product sales. In the year 2022, min. 30% increase is expected from this product revenue.

b) X44 ESR MOD

Our product which exists low sulphorous named X44 has been developed by Our Company instead of conventional hot mold steel. Opposite of conventional alternatives, this product we developed has 200 – 300 j resistance instead of 150j and it has been procure significant market

share in the aluminium extrusion sector. It Works high temprature and endurance. This product has been launched in 2019 and it did not have any share in our revenue in the previous years. In the year 2021, 16,5 TRY Million revenue has been procured from this product sales. Minimum 40% increase expected of that amount for the year 2022.

c) STRONQ.14

Our product named STRONQ.14 is a hot tool steel which is used in the Forge Industry. This steel, which has been given high hardness, is supplied by obtaining homogeneous hardness against breakage. Mentioned product has been launched in 2021. It did not have any share in our revenue in the previous years. In the year 2021 7,3 TRY Million revenue has been procured from this product. Minimum 100% increase expected of that amount for the year 2022.

d) Ship Industry Steel - SHIPEX

While Our Company did not operate in the field of ship industry steels before 2020, it started its activities in this field in 2021. In 2020 was not any revenue amount of Ship Industry products generated as of 2.232 ton in the year 2021. The revenue of this products sales have been generated appiroximately 27,9 TRY Million in 2021. In 2022 in the Ship Industry field sales will be expexted minimum 5.000 ton by Our Company and 6,0 TRY Million + VAT revenue will be expected.

10) R&D Operations

Our Company is proceed continually to work new product development and to work procured new trademark patent. From year 2009 as a result of presented successful working in the field of R&D (Research-Development) and P&D (Product-Development), we have approximately 15 new patented products. On average every 5 years 3-4 new product included into our portfolio. In this context if related R&D and P&D operation result positive, 1-2 new product launch could be make in the 01.09.2022 – 31.12.2023.

11) New Working Areas

Our Company proceed some operations to develop new product and in this context to generate new work areas every year. In addition to the business areas we have been involved in the recent years, additional sales revenue expected, after necessary test preiod of new products in the term of 01.09.2022 – 31.12.2023 which have been worked on by us. On this matters concrete work to be done, will be announced immediately after procure positive results.

12) New Branches Effect to the Sales Revenue

In addition to Our Company's Izmir branch, Ataköy and Dudullu Branches, which became operational in 2020, supportive of our growing turnover and trade volume; It continues its activities with their professional staff in the fields of sales, marketing, financing and purchasing.

While the positive contributions of the relevant branches to our domestic operations continue, export department has been regenerated and a representative office in Atakoy has been switch into operation on 01.09.2021.

Thanks to the successful work of our new export department with its expert staff, our overseas sales revenues, which were 3,7 TRY Million in 2020, increased by 603% in 2021 and reached approximately 26,0 TRY Million.

In 2022 our export revenue increase expected by 100% at least comparing to 2021.

13) New Collabrations Effect to the Sales Revenue

As a result of the cooperation established between Kardemir, MKEK and our Company in 2020, raw materials were procured from domestic sources in Turkish Lira instead of foreign currency purchases, thus reducing logistics costs and providing raw materials in a shorter time.

As a result of these agreements made in fixed-price Turkish Lira, the exchange rate risk has been reduced and our Company has been protected against fluctuations in foreign exchange, depending on the localization of raw material purchases.

As a result of the collaborations with MKEK and Kardemir in 2021, a total of 70 TRY Million of additional sales revenue, excluding VAT, was obtained.



INVESTMENT PROCESSES



14) Investment Processes

In the Price Determination Report published in the last quarter of 2019, it was predicted that our Company's 2021 year-end sales revenue would be around 282,7 TRY Million. And in the same report, the end of 2024 was pointed out for our company to exceed 500 TRY Million sales revenue. Our company has significantly increased its market share in its fields of activity, along with its sales revenues and Net Profit (both in TL and foreign currency). The targets for 2024 in the price determination report of our company have been achieved by the end of 2021 (3 years early). The most important factor in this growth is the 2,3 -fold increase in real tonnage.

In order to support the growing trade volume of our company, it has been decided to invest in a new steel service center on the industrial land in the Dilovası region of Kocaeli Province, which was purchased with cash on 24.09.2021.

The facility, which has an investment budget of around 65 TRY Million, is planned to be operational in the 1st quarter of 2023 at the latest. Dilovası Steel Service Center, which will come into operation after the related construction is fully completed, will increase its capacity by 2 times, which was increased by 4 times with the investments made after the public offering. Thus, by the end of 2023, our capacity will have reached 8 times compared to the end of 2019.

15) Export Activities

- a) 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, due to the fact that 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 30.06.2021, the total export revenue was around 2.5 TRY Million. In the first 9 months of 2021, it was 4.3 TRY Million.

With the restructuring of our export department with expert staff in order to increase export activities and the establishment of a new representative office to carry out export activities on 20.09.2021, an export income of 21,6 TRY Million was obtained in the last quarter of 2021. In 2021, our total export revenue increased by 603% compared to the previous year and reached approximately 26,0 TRY Million.

By the end of 2022, our export revenue is expected to increase by at least 100% compared to 2021.

TRY Million	2022 (T*)	2021	2020	2019
Export	min. 52,0	26,0	3,7	0,1
Export Changes	min. %100	%603	%3424	-
Export Share in Revenue	-	%4	%2	%0,1

b) Company Establishment in the USA: Rising Steel Inc.

Our company has decided to establish a subsidiary 100% owned by Yükselen Çelik A.Ş., in order to provide an additional market in the North American market and nearby regions.

It has been determined that the accreditation processes through representatives or agencies in the US market are slow and partially unsuccessful and a domestic sub-company is needed in this market due to customer habits. It has been observed that our foreign origin competitors have followed a similar path in order to enter the US market in the past years, and thus they have started their sales activities in the relevant market. In this context, our Board of Directors without establishing any partnership with another person or institution; Rising Steel Inc. in order to carry out our sales-based activities in the relevant market. decided to establish a sub-company (association) with the title of The establishment procedures of the subsidiary were completed as of 08.02.2022.

16) General Assembly, Dividend Distribution, Capital Increase Processes

a) Bonus Capital Increase

Our company increased its paid-in capital to 125.000.000 TRY by making two bonus issues, 100,0% and 44,30847%, in 2020. Currently, our Company does not have a new free capital increase plan. However, the general assembly resolutions are binding on our registered capital ceiling being 600.000.000 TL and the use of previous years' profits in the financial statements in future bonus issues.

b) Cash Dividend Distribution

On 07.10.2021, our company made the first cash dividend distribution after the public offering of 4.300.000 TRY. The issue of dividend distribution regarding the profits of 2021 will be discussed in our Board of Directors and announced on the Public Disclosure Platform immediately. Although there are new investment processes in this regard, as stated in our prospectus, our Board of Directors has a positive approach to cash dividend distribution in order to fulfill the promises made during the public offering phase.

c) General Assembly Process

Our general assembly meeting for the 2020 Fiscal Year was held on 20.05.2021, and the decisions taken and the meeting results were announced on the Public Disclosure Platform and on our Company's website. The general assembly meeting to be held for the 2021 fiscal year will be announced on the Public Disclosure Platform and on our Company's website within the legal calendar.

17) Sustainability

Reducing the carbon footprint of our company, transferring nature and the environment to future generations with the least destruction; carries out a number of social projects on issues such as equality of opportunity in the fields of gender and education; will continue to contribute to society and the environment in these areas. The projects and studies of our company in the field of sustainability will be featured in the Public Disclosure Platform and on our website in 2022.

18) Overview of 2022

TRY Million	2022 End of Year Probable*
Revenue	900,0 - 1.200,0
Gross Profit	200,0 - 340,0

*The amounts in the table above have been prepared from predictions and estimates and are not commitments. It is not binding on our Company and Company Management. Macroeconomic adverse events that may occur in the country or abroad may affect the downward change in these amounts.

