

YÜKSELEN



FINANCIAL RESULT BULLETIN

 3rd QUARTER OF 2023

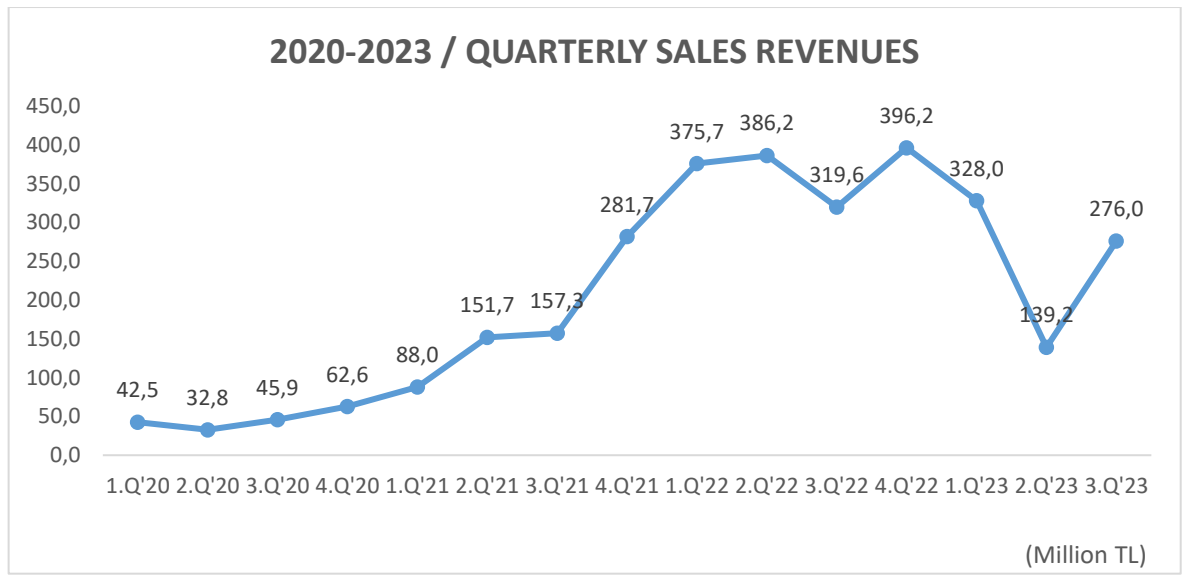
2023 / 9-Month – Summary Financials

2023/9 - 2022/9 Comparison

(TRY Million)	2023 9-Month	2022 9-Month
Sales Revenues	743.3	1.081.5
EBITDA	72.6	203.60
EBITDA Margin	%9.8	18.8%
Gross Profit	148.4	247.0
Gross Profit Margin	%20.0	22.8%
Net Profit	11.7	122.6
Net Profit Margin	%1.6	11.3%
Equity	424.0	368,8

2023 Quarterly Analysis

(TRY Million)	2023 3 rd Quarter	2023 2 nd Quarter	2023 1 st Quarter
Sales Revenues	276.0	139.2	328.0
EBITDA	41.8	-1.8	32.5
Gross Profit	78.7	17.7	51.9
Net Profit	6.1	-15.0	20.6



1) Normalization as of 2023/3rd Quarter & 9-Month Overview

In the first 9-month period of 2023, there has been a remarkable contraction in the steel industry in Turkey both in demand and production sides. During this period, Turkey's crude steel production decreased by 10.1% to 24.5 million tons compared to the same period of the previous year. In the same period, global crude steel production decreased by only 0.1%. In this context, Turkey diverged negatively by 10.1%.

The negative economic conditions that prevailed in the 2nd Quarter of 2023 due to the high inflation environment, rising costs and contracting demand in our country, specifically during the first half of the year as well as declining trend in steel prices on a global scale negatively affected our balance sheet and resulted in a decrease in gross and net profit margins in the 9-month period of the year.

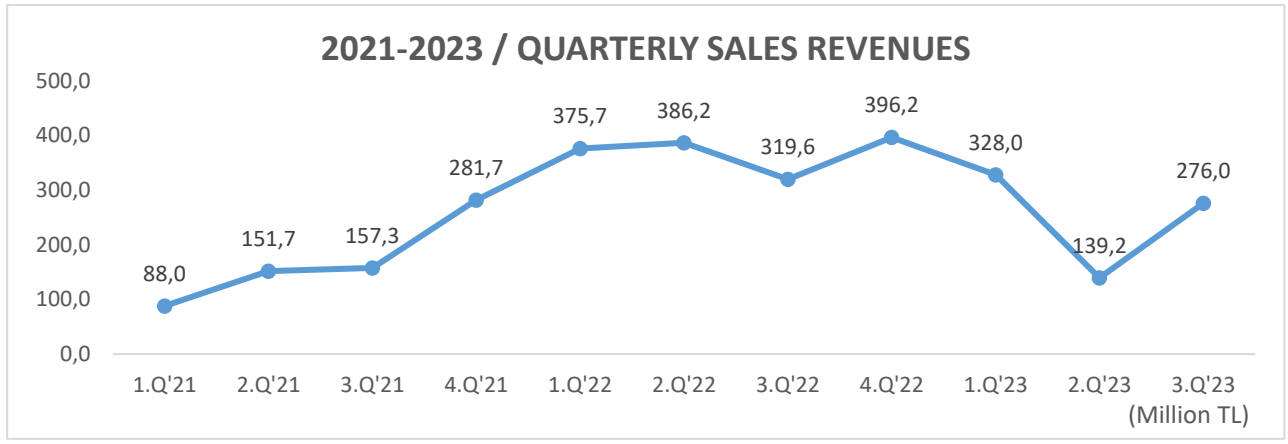
However, in the 3rd Quarter of 2023, there is a significant increase in our sales revenues and profitability compared to the previous quarter of 2023. In this context, it was observed that normalization partially started in the third quarter of the year and sales revenues and profit margins improved.

During the first half of 2023, particularly in the second quarter, we preferred to increase our financing expenses deliberately by preserving our raw material stocks in order not to sell at low price levels which stemmed from declining demand and prices. Normalization in price levels was expected in order to sell our raw materials and products at a more profitable level. For this reason, sales revenues in the second quarter of the year reduced significantly with a strategic manner. In the third quarter of the year, normalization in sales revenues initiated thanks to slight improvement in prices.

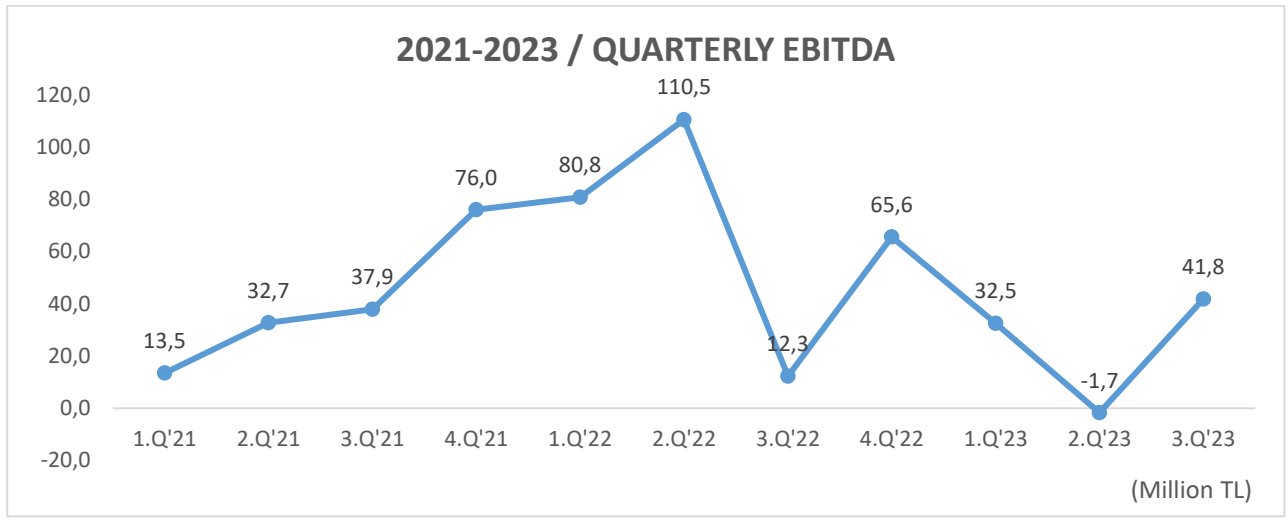
In the second half of 2023, following the general elections; a recovery was observed both in price and demand side in the steel industry. Therefore, our Company's sales motivation improved and our sales in the 3rd quarter of 2023 increased compared to the previous quarter of 2023.

In terms of our company's operations, it was seen that the contraction in sales and profits due to the macroeconomic negativities experienced in the first half of the year, has partially ended and normalization has begun in the 3rd Quarter of 2023. While sales volumes increased by 47,6% in the 3rd quarter of 2023 compared to the previous quarter of the same year; sales revenues increased by 98,2% and reached around 276,0 million TL

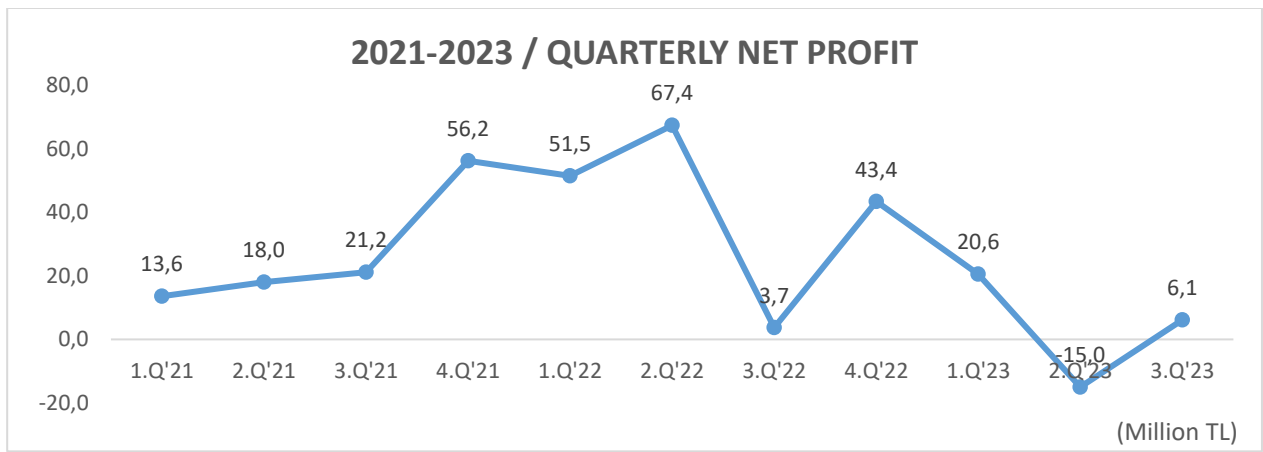
2) Sales Revenues (Quarterly)



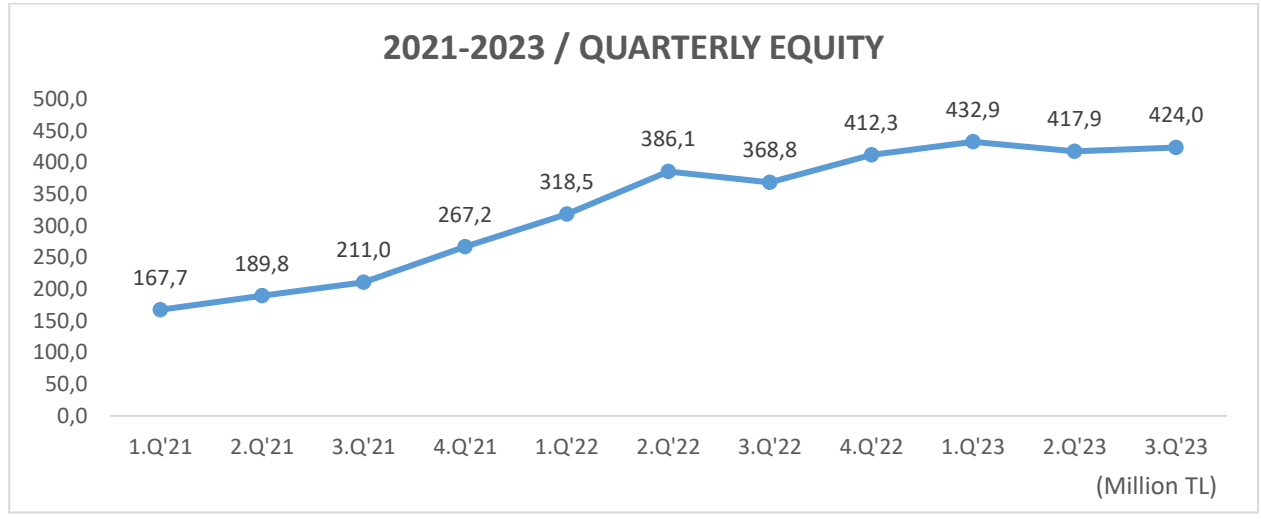
3) EBITDA (Quarterly)



4) Net Profit (Quarterly)



5) Equity (Quarterly)



6) Trade Receivables Collection & Trade Payables Payment Periods

While the trade receivables collection period of our company was 161 days on average in the 9-month period of 2023, our Trade Payables payment period was 66 days on average in the same period. While the Receivables Collection period was 108 days, the average Receivables Payment period was 45 days.

7) Credit Insurance & Collection Management

Most of our receivables are with a %100 bank guarantee DSS (Direct Debiting System) or with %90 insurance Euler Hermes Credit Insurance or Letter of Guarantee etc. Guaranteed with instruments. There has been no notable increase in the doubtful receivable balance since 2017. Collection and risk management are carried out successfully.

8) Capital Expenditures & Amortization Expenses

While our company's capital expenditures amounted TRY 46.2 million in 2022, we registered TRY 77.5 million capital expenditures in the first 9-month period of 2023 together with the additional investment we made. In addition, depreciation expenses was TRY 4.0 million in the first 9-month period of 2023 on the back of our new machinery and equipment purchases, which was TRY 5.1 million in 2022.

9) Dividend Payment (October 17th, 2023)

As per our Company's Board of Directors resolution dated March 10th, 2023, TRY 12.5 million gross dividend payment, from the net distributable income, has been approved by our shareholders at the Ordinary General Assembly Meeting for the year 2022 which was held on May 12th, 2023. In line with the general assembly approval, the gross dividend payment of TRY 12.5 Million with a cash dividend right exercise date of 17.10.2023, was paid to the shareholders in cash on 19.10.2023.