

YÜKSELEN



FINANCIAL RESULT BULLETIN

 2024 / Q1

2024-2023 / Quarterly Comparison

(TRY Million)	1Q 2024*	1Q 2023*
Sales Revenues	378,8	552,7
EBITDA	-87,5	24,1
EBITDA Margin	%-23,1	%4,4
Gross Profit	-47,2	57,2
Gross Profit Margin	%-12,5	%10,4
Net Profit	-61,8	-87,1
Net Profit Margin	%-16,3	%15,8

* Prepared within the scope of TAS 29 "Financial Reporting in High Inflation Economies" standard.

1) 2024 1st Quarter Evaluation

A) Due to the decrease in the Global Steel Price, high-cost stocks have been sold at cheap prices.

Due to the decline in global steel prices in the last year; In the past, products included in our stocks at high prices were sold at a nominal loss. Our Company was negatively affected by the decrease in steel prices during the last three quarters, including the first quarter of 2024, due to the decline in sales prices of commodity and crude steels purchased during the period when steel prices were high, due to sharp price decreases as of the second half of 2023.

Since the downward movement in global steel prices will end as of 2024, it is thought that a similar situation will not occur as of the second half of 2024. Crude steel and commodities newly added to our stocks are currently purchased at low prices and will be sold with profit margins that will normalize.

B) High Interest Rates negatively affected the Balance Sheet and profitability.

Due to the rising interest rates within the scope of the measures taken by the official authorities within the scope of the fight against increasing inflation as of 2023; The costs of domestic Turkish Lira denominated debt instruments used by our company in stock and sales financing have increased; There has been a significant increase in financial expenses.

Since TL loan interest rates vary between 45 - 65% annually among banks within the country; Financial liabilities and financial expenses have increased significantly.

C) The decrease in demand for our Company's products due to the slowdown in domestic investments and the contraction in target sectors has reduced sales revenues.

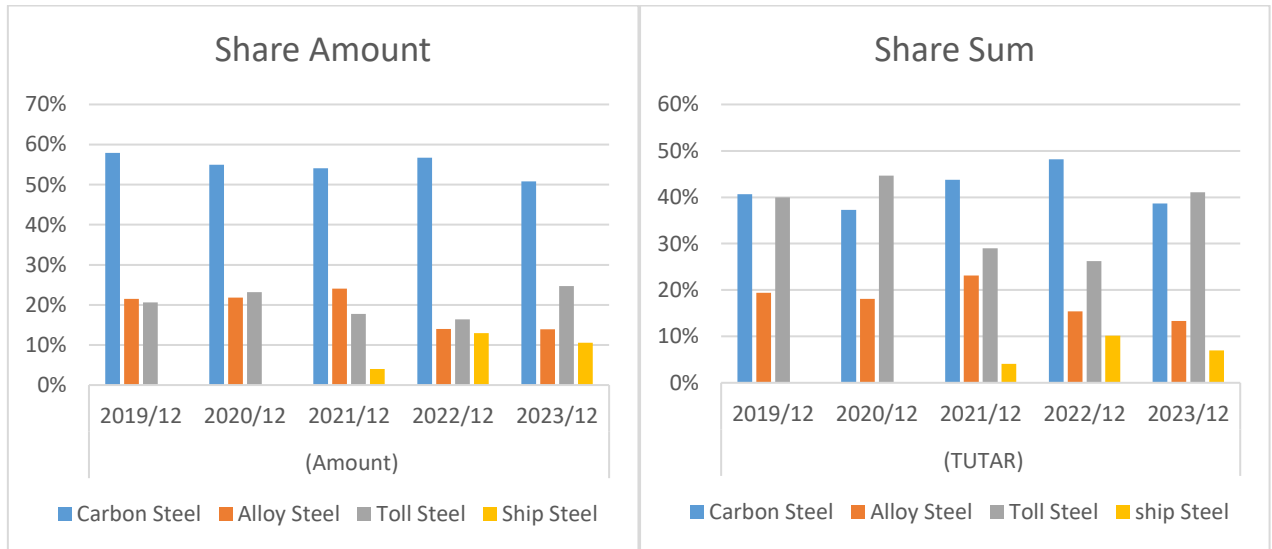
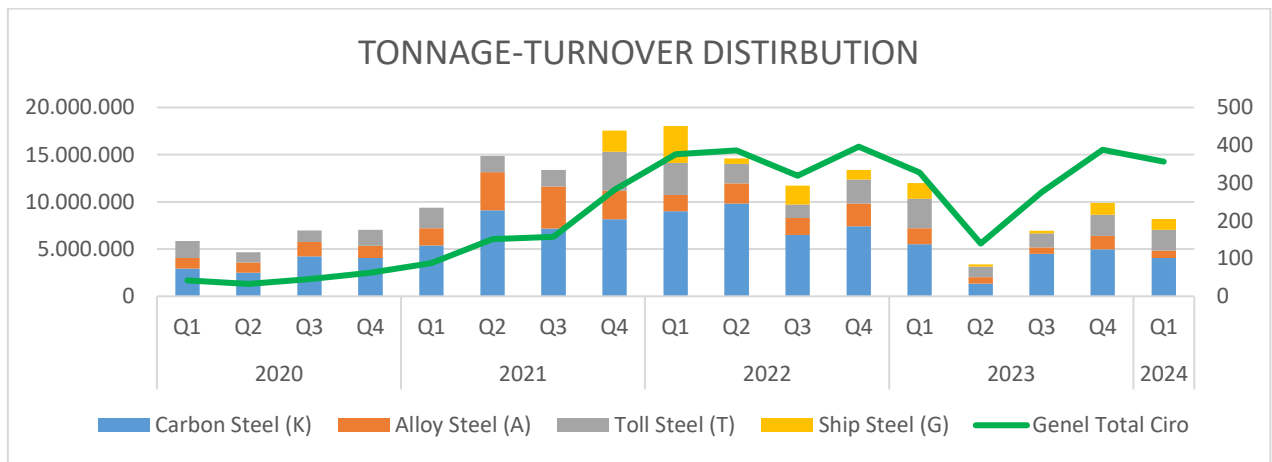
There has been a decrease in sales volumes and sales revenues due to the relative decrease in the demand for the steels supplied by our company due to the contraction in the automotive sub-industry, machinery, molds and other manufacturing industries at home and abroad (in our target export markets).

2) Normalization may occur in the 2nd half of 2024.

Due to the fact that the high-cost products in our company's stocks have almost been sold and the relative amount of low-priced stocks has increased; Loss sales will end in the second half of 2024.

If the interest rates, which have increased within the scope of the fight against high inflation, partially decline, especially as of the last quarter of the year, financial expenses may decrease.

Finally, if the contraction experienced in the domestic and export markets in the second half of 2023 and the first quarter of 2024 ends; There may be an increase in demand for our company's products in target sectors.



3) Trade Receivables Collection & Trade Payables Payment Periods

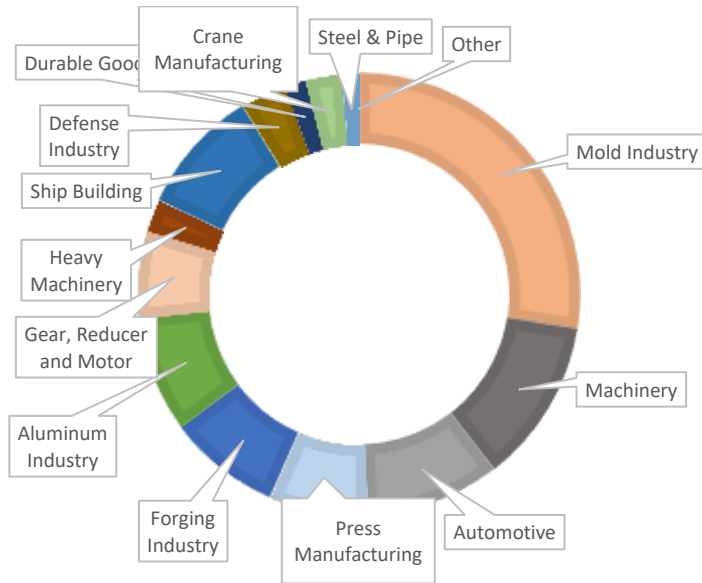
While the trade receivables collection period of our company was 162 days on average in the first three months of 2024, our Trade Payables payment period was 77 days on average in the same period. While the Receivables Collection period was 163 days, the average Receivables Payment period was 60 days.

4) 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.

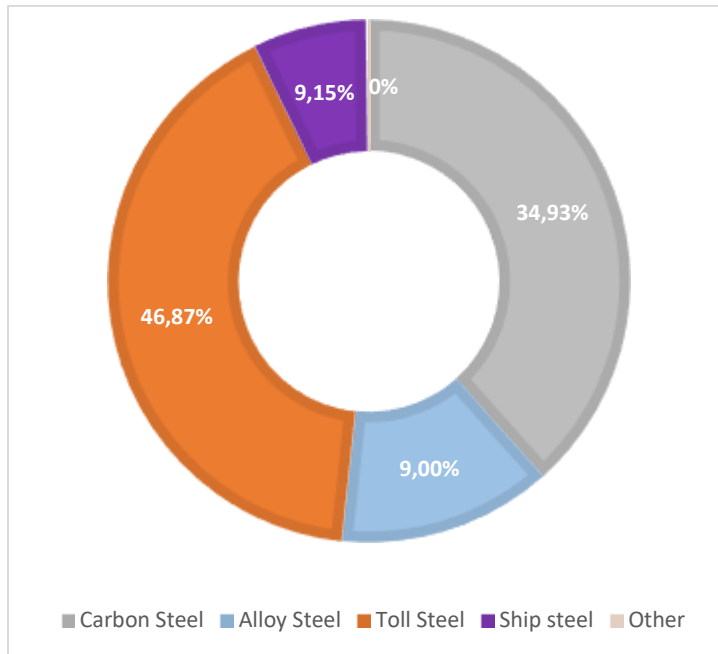
5) Revenue Breakdown by Sector and Product Group

a) Revenue Breakdown by Sector



Sector	Revenue Share
Mold Industry	27,50%
Machinery	11,97%
Automotive	9,95%
Ship Building	9,15%
Aluminum Industry	8,53%
Forging Industry	8,20%
Press Manufacturing	7,16%
Gear, Reducer and Motor	6,40%
Defense Industry	3,35%
Crane Manufacturing	2,65%
Heavy Machinery	2,33%
Durable Goods	1,54%
Steel & Pipe	1,24%
Other	0,02%

b) Revenue Breakdown by Product



Product Group	Revenue Share
Tool Steel	46,87%
Carbon Steel	34,93%
Ship Steel	9,15%
Alloy Steel	9,00%
Other	0.04%