

Financial Result Bulletin



1st Half of 2022



Net profits Reached to 3.8 Times (275% Increase)



EBITDA Reached to 4.1 Times (314% Increase)



Revenue Reached to 3.2 Times (218% Increase)



Revenue Based on USD Increased 69%



Real Tonnage Growth Reached to 1.3 Times (35% Increase)



Export Reached to 23.6 Times

2022 - 2021 / 1st Half-Year Comparison

(TRY Million)	1 st Half of 2022	1 st Half of 2021
Revenue	761,9	239,7
Revenue Change	218%	-
EBITDA	191,3	46,2
EBITDA Change	314%	-
EBITDA Margin	25,1%	19,3%
Gross Profit	223,2	53,7
Gross Profit Change	316%	-
Gross Profit Margin	29,3%	22,4%
Net Profit	118,9	31,7
Net Profit Change	275%	-
Net Profit Margin	15,6%	13,2%

2022 / 1st and 2nd Quarter Comparison

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Revenue	386,2	375,7
EBITDA	110,5	80,8
Gross Profit	130,7	92,5
Net Profit	67,4	51,5

1) Net profits Reached to 3.8 Times (275% Increase)

In the first half of 2022, compared to the first half of 2021, our Company's Net Profit has increased by 275% from 31.7 TRY Million to 118.9 TRY Million. Thus, our Company's Net Profit approximately reached to 3.8 times in the 1st half of 2022.

The main reasons for the increase in net profit in nominal terms are the growth in real tonnage due to the increase in sales volume, the increase in the share of value-added products in the sales and the steel and commodity prices increase in the first half of the year.

In the first half of 2022, our company's net profit margin was 15.6%.

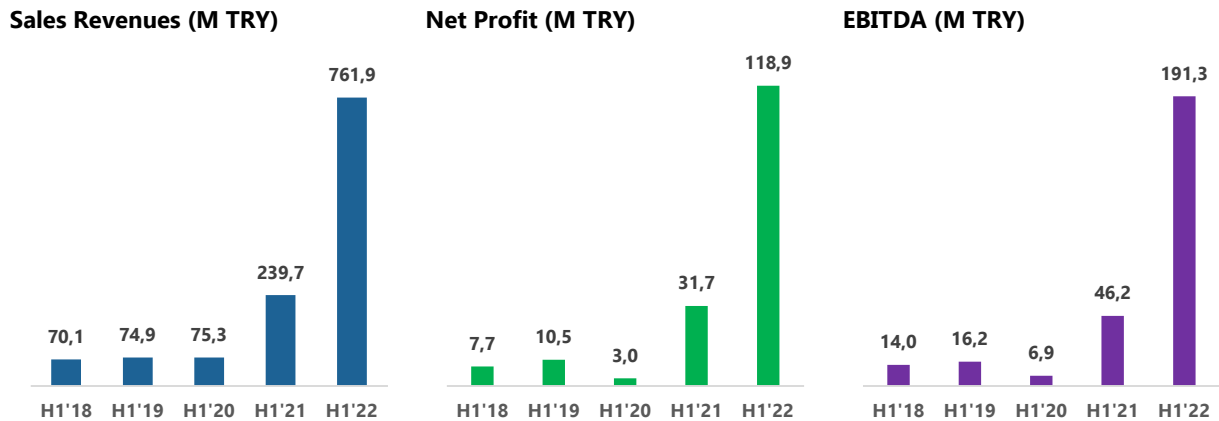
2) EBITDA Reached to 4.1 Times (314% Increase)

In the first half of 2022, compared to the first half of 2021, our Company's EBITDA has increased by 314% from 46.2 TRY Million to 191.3 TRY Million. Thus, our Company's EBITDA approximately reached to 4.1 times in the 1st half of 2022.

EBITDA margin was 25.1% in the first half of 2022, which was %19.3 in the first half of 2021.

3) Revenue Reached to 3.2 Times (218% Increase)

In the first half of 2022, compared to the first half of 2021, our Company's revenue has increased by 218% from 239.7 TRY Million to 761.9 TRY Million. Thus, our Company's revenue approximately reached to 3.2 times in the 1st half of 2022.



4) 69% Increase in Sales Revenues in USD Basis

In the first half of 2022, compared to the first half of 2021, our Company's revenue in dollar basis, has increased by 69% from 30.4 Million USD to 51.3 Million USD. Thus, our Company's revenue approximately reached to 1.7 times in the 1st half of 2022 compared to the same period of the last year.

(*) Average USD selling rate in first half of 2021: 7,8835TRY

(*) Average USD selling rate in first half of 2022: 14,8600 TRY

5) Real Tonnage Growth (35% Tonnage Increase)

In the first half of 2022, our sales volume rised in real terms with a 35% increase compared to the same period of last year. Our sales amount, which reached to approximately 32,616,810 kg from approximately 24,256,080 kg proves our Real Tonnage Growth. Real Tonnage Growth is crucial for our Company, regardless of commodity price and exchange rate movements.

6) Controlled Increase in Bank Loans Due to Increase in Sales Revenues and Growing Operations

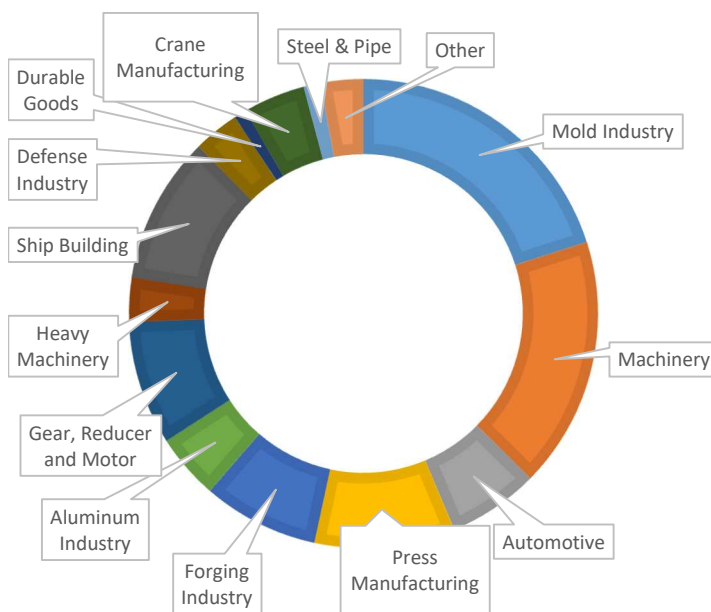
In the first half of 2022, there has been a significant increase in our company's sales revenues. In this period, average procurement maturity was 34 days while average sales maturity was 93 days. Therefore, there was an increase in bank loans in the first half of 2022, due to the growth in sales revenues. In addition, our company has a cash reserve of 44.4 million TRY and customer checks / notes amounting 325.2 million TRY submitted to the banks as of 30.06.2022. In this context, the sum of our Company's short-term Customer Checks and cash reserves is higher than its bank loans. The amount of loans utilized by our company is less than half of its total active available bank limits. Therefore, the current loan structure is considered as easily manageable for our Company. However, the increase in interest rates may lead to increase the interest rates of our of short-term bank loans and cause cost increases in the rest of the year. More than half of the total bank loans utilized by our company consists of loans utilized at very low interest rates.

7) Credit Insurance & Collection Management

Our Company has been working with EULER HERMES credit insurance for long years actively. In addition, our Company carries out secured sales system with DSS (Direct Debiting System) model in 10 different banks. In this scope no new doubtful debt was generated in the last 8 years period.

8) Sector, Product, Customer Breakdown

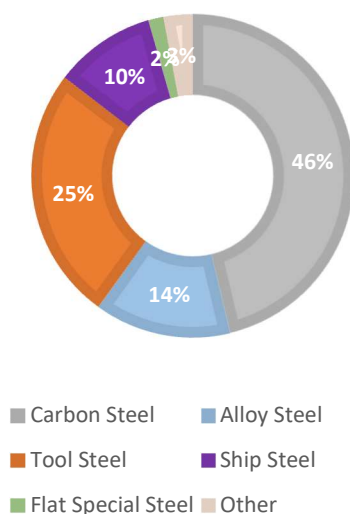
a) Sector Based Revenue Breakdown



Sector	Revenue Share
Mold Industry	20.1%
Machinery	17.3%
Ship Building	10.1%
Press Manufacturing	9.7%
Gear, Reducer and Motor	8.6%
Forging Industry	8.0%
Automotive	6.3%
Aluminum Industry	4.5%
Crane Manufacturing	4.3%
Defense Industry	3.1%
Heavy Machinery	3.0%
Other	2.9%
Steel & Pipe	1.2%
Durable Goods	0.9%

b) Product Group Based Revenue Breakdown

First Half of 2022 Product Based Revenue Breakdown



Product Group	Revenue Share
Carbon Steel	46.3%
Tool Steel	25.5%
Alloy Steel	13.7%
Ship Steel	10.1%
Flat Special Steel	1.5%
Other	2.9%
Total	100.0%

9) R&D Operations

Our Company keeps working on new product development and procured new trademark patent. As a result of our successful works in the fields of R&D (Research-Development) and P&D (Product-Development), we have approximately 15 new patented products since 2009. On average in every 5-year-period 3-4 new product included into our portfolio. In this context, if the necessary R&D and P&D operations result positive, 1-2 new product launch can be made in the upcoming period of 01.09.2022 – 31.12.2023.

10) Completion of Investments and Capacity Increase

As of 09.07.2021, the IPO sources allocated for the investments mentioned in our Prospectus were totally utilized and a 300% capacity increase was achieved compared to 31.12.2019. As of end of the 2021, our 25,000 tons of steel processing capacity reached to 100,000 tons. In the last 3 years, due to our increased domestic market share and export activities growth, a new capacity increase requirement has arisen. Therefore, our company aims to increase its steel processing capacity by 100% again to 200,000 tons, by the establishment Dilovası Steel Service Center and procure new machinery and equipment to Esenyurt and İzmir Steel Service Centers, in the scope of its new investment plans, which was announced in the last quarter of 2021. The aforementioned investments are planned to be completed in the 1st half of 2023 at the latest.

11) Export Activities

In the first half of 2022, compared to the first half of 2021, our Company's export revenues has increased by 23,6 times from 2,5 TRY Million to 59,0 TRY Million. The share of our export revenues in total sales revenues has exceeded 7% and it is expected that to reach 15% by the end of 2023.

12) Cash Dividend Distribution: 5 July, 2022

Our Board of Director's dividend distribution offer, which was announced on the Public Disclosure Platform at 14th of March, 2022, has been approved by our shareholders' in the General Assembly of 2021 Business Year. Gross dividend amounting 0,1680 TRY per share was distributed on 5th of July, 2022.

13) Forecasts for 2022

As a result of our successful performance in our sales, production, marketing, export and R&D operations, a remarkable growth was achieved in Net Profit and EBITDA in nominal terms in the first half of 2022 compared to the first half of 2021. Even in the first six-month-period of 2022, our company was able to generate full-year sales revenues of the previous year. Therefore, during the first half of 2022 we were able to register real volume growth, as well as increase in Net Profit, EBITDA and market share in value-added products.

In the second half of 2022, compared to the first half of 2022; there may be a decrease in the Net Profit due to the increase in interest rates as well as our Company's expenses. In addition, depending on the downtrend in steel and commodity prices, there may be a decrease in sales volumes or a decrease in sales prices. Additional macroeconomic adverse impacts that may occur, global or regional risks may reduce our sales volumes or sales revenues. Taking these risks into consideration, our company may use instruments such as slowing down the procurement activities and/or launching campaigns to accelerate its sales when deemed necessary. Our Company, which has more than 50 years of industry experience and 46 years of corporate memory, keeps its growth expectation in its sales revenues and net profit in 2022 compared to 2021. It is planned that our Company will maintain its net profit-oriented efforts by taking the necessary measures against all kinds of risks.

As a result;

- If the current ongoing macro-economic problems do not increase further; It is probable that our company will maintain its positive growth in the 3rd and 4th quarters and achieve the year-end sales revenue of 1.2 - 1.5 Billion TRY, which we announced this year.
- In case there is no significant change in global or regional steel demand and if there is no major decrease in prices levels as well as no upward movement in interest rates above this level; it is possible that our company's net profit and EBITDA will continue to grow positively at the end of the year compared to the previous year.