

Strong Start to 2025: 20.5% Increase in Net Sales Volume, Solid Growth in Value-Added Products

Kocaer Çelik increased its net sales volume by 20.5% compared to the same period of last year and reached 150,171 tons in the first quarter of 2025. In line with the strategy of focusing on value-added product production, the share value added products in total sales increased from 36% in 1Q 2024 and 42% in 2024, to 49% in 1Q 2025. The Company, which realizes 77% of its total sales abroad, achieved a net revenue of TRY 4.5 billion in the period of January 1 - March 31, 2025.

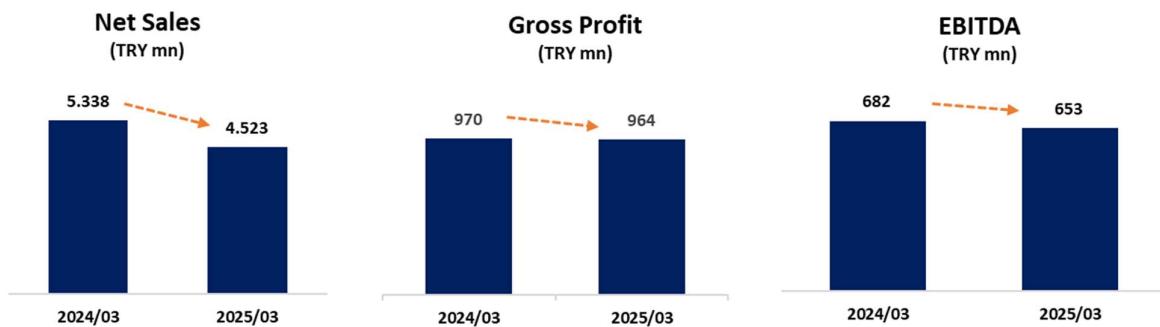
Sales Volume (tons)	1Q 2025	1Q 2024
Structural Steel Products	39.317	47.374
Value Added Profiles	73.557	44.708
U and C Channels	17.312	18.156
I and H Channels	19.985	14.418
Total Sales Volume	150.171	124.656
Value Added Products/Total Sales Volume	49%	36%

Despite Challenging Conditions, Value-Added Products and Efficiency Strengthened Gross Margin

Due to the decline in product prices in the global steel markets, sales revenue of the Company declined compared to the same period of last year. On the other side, the increase in the share of high value-added products in total sales, operational efficiency and production increases achieved as a result of revisions completed in production facilities and new machinery and equipment investments, contributed positively to profitability. In the first quarter of 2025, gross profit margin increased by 310 basis points y/y, reaching 21.3%, and the company achieved a gross profit of TRY 964 million. In parallel with the completion of investments in value-added products and the addition of new products to the portfolio, this segment is expected to maintain its strong trend within the total portfolio in the rest of 2025.

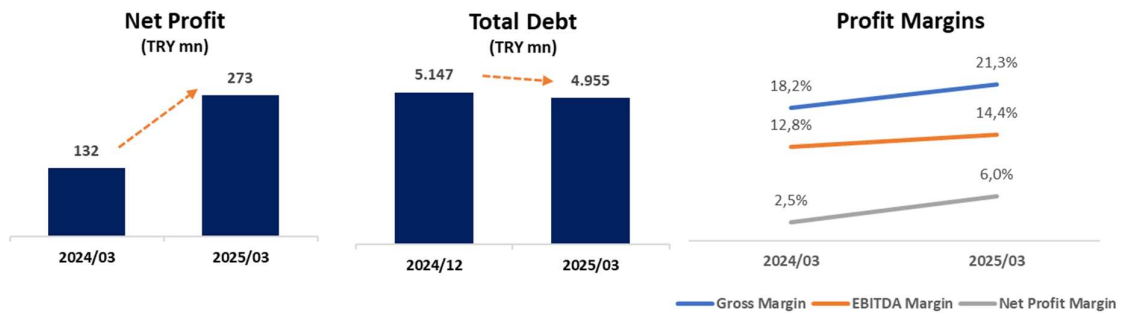
Strong Progress in Operational Profitability: TRY 653 Million EBITDA in the First Quarter

Despite the pressure on export companies from fluctuations in global steel markets and economic conditions (due to limited depreciation of the TRY and increasing costs in Turkish lira, especially labor due to high inflation) Kocaer Çelik made a strong start to 2025 and managed to differentiate itself positively from the sector. The company's EBITDA margin increased from 12.8% in the same period of last year to 14.4%. A total of TRY 653 million EBITDA was achieved in the first quarter of 2025.



Net Profit Increased by 106% in Real Terms as Debt Declined

Following the completion of the revision and new machinery and equipment investments in two of the three steel profile factories in Aliğa in the last two years, the investment need in the steel profile segment decreased. Accordingly, in the first quarter of 2025, investment expenditures excluding the energy segment declined by more than half compared to last year and amounted to TRY 72.8 million. As a result of the diminished investment expenditures and disciplined working capital management, total financial debt decreased by 4% compared to the end of 2024 to TRY 4,955 million as of March 31, 2025. As a result of effective financial management, the ratio of net financial debt to EBITDA was maintained at 1x, demonstrating a strong financial structure.



On the other hand, despite the increase in financial expenses and the monetary losses recorded due to inflation accounting, Kocaer Çelik maintained its strong operating performance in the first quarter of 2025; after inflation adjustment, its net profit increased by 106% in real terms compared to the same period of last year, reaching TRY 273 million.

Summary Consolidated Financial Tables

Summary Consolidated Balance Sheet (TRY'000)

	31 March 2025	31 December 2024	Change
Current Assets	10,977,411	11,291,057	-3%
Fixed Assets	10,656,038	10,494,455	2%
Total Assets	21,633,450	21,785,511	-1%
Short Term Liabilities	9,722,309	8,912,174	9%
Long Term Liabilities	1,497,098	2,422,300	-38%
Equity	10,414,043	10,451,037	0%
Total Liabilities and Equity	21,633,450	21,785,511	-1%

INVESTOR SUMMARY NOTE
01 JANUARY – 31 MARCH 2025

Summary Consolidated P/L (Cumulative) (TRY'000)	1Q 2025	1Q 2024	Change
Net Sales	4,523,494	5,338,031	-15%
Gross Profit	964,176	969,788	-1%
Operating Profit	789,865	429,810	84%
Financial Expenses (net)	(449,572)	(397,985)	13%
Net Monetary Gain (Loss)	(157,584)	(43,524)	262%
Net Income from Investment Activities	112,264	200,936	-44%
Profit Before Tax	294,974	189,237	56%
Net Profit	272,934	132,370	106%
Adjusted EBITDA¹	653,268	682,485	-4%

Main Ratios (%)	1Q 2025	1Q 2024
Gross Profit Margin	21.3%	18.2%
Adjusted EBITDA Margin	14.4%	12.8%
Net Profit Margin	6.0%	2.5%
	31.03.2025	31.12.2024
Net Financial Debt/A.EBITDA ²	1,0x	0.8x

Financial Debt (TRY'000)	31 March 2025	31 December 2024	Change
Short Term Borrowings	1,424,993	1,708,828	-17%
Short Term Portion of Long Term Borrowings	2,828,169	1,761,526	61%
Long Term Borrowings	702,029	1,676,327	-58%
Total Financial Borrowings	4,955,191	5,146,681	-4%
Cash and Cash Equivalents ³	2,661,339	3,383,399	-21%
Net Financial Debt	2,293,853	1,763,282	30%

* This report is produced from the consolidated financial statements and the board of directors activity report dated 31.03.2025 at www.kocaersteel.com. In this report regarding the financial results of the first 3 months of 2025, unless otherwise stated, financial data adjusted for inflation in accordance with the relevant accounting principles in Turkish Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (TMS 29) pursuant to the decision numbered 81/1820 dated 28 December 2023 of the Capital Markets Board have been used.

¹ Other operating revenues and expenses have been excluded from EBITDA calculation.

² Calculated using the Adjusted EBITDA amount for the last 4 quarters. Inflation adjustment was applied to the 31.12.2024 D.EBITDA amount with a coefficient of 1.1006.

³ Financial investments are included.