

Investments are Paying Off: 20% Growth in Sales Volume and Strong Expansion in Value-Added Products

2025 first half was marked by overall weakness in the global steel market and a contraction in both production and demand in Türkiye's domestic market. Despite these challenges, Kocaer Çelik increased its total sales volume by 19.7% compared to the same period of last year, reaching 314,155 tons in the first half of 2025.

Thanks to its strategy of focusing on value-added product manufacturing, the share of these products in total sales rose from 38% in the same period last year to 47%. This ratio stood at 42% for the full year 2024. Leveraging its broad portfolio and global reach with a sales network spanning six continents, the company generated 78% of its sales from international markets, recording net revenue of TRY 10.515 billion in the first half of 2025.

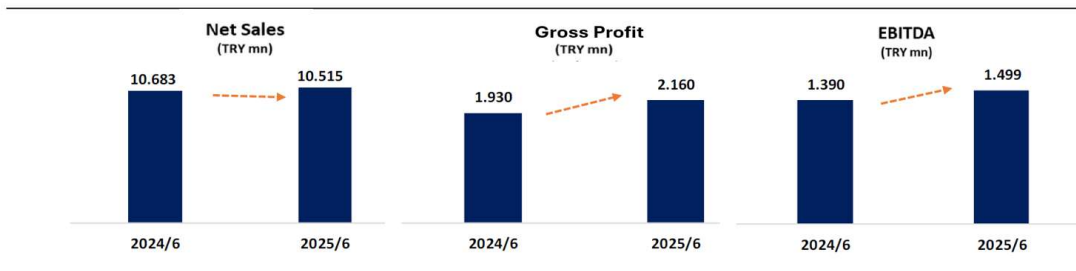
Sales Volume (tons)	1H 2025	1H 2024
Structural Steel Products	78,633	94,759
Value Added Profiles	147,478	98,882
U and C Channels	44,096	35,508
I and H Channels	43,948	33,218
Total Sales Volume	314,155	262,367
Value Added Products/Total Sales Volume	47%	38%

Strong Operational Performance with TRY 1.5 Billion EBITDA in the First Half Despite Challenging Conditions

Despite the high tariffs imposed by the U.S. on steel imports and the dollar-based decline in global steel prices creating volatile market conditions, Kocaer Çelik managed to strengthen its operational profitability. In the first half of 2025, gross profit increased by 12% year-on-year to TRY 2.16 billion, while operating profit rose by 42% to TRY 1.24 billion.

Key factors in maintaining profitability included the rising share of high value-added products in total sales, the commissioning of modernization investments in factories, a broad and niche product portfolio, and the ability to create alternative markets across different geographies. During this period, adjusted EBITDA grew by 8% to TRY 1.50 billion. Despite challenges and price pressures in the global market, Kocaer Çelik generated TRY 693 million EBITDA in the first quarter and increased this figure to TRY 807 million in the second quarter, maintaining a 14% EBITDA margin in both quarters—demonstrating its operational efficiency.

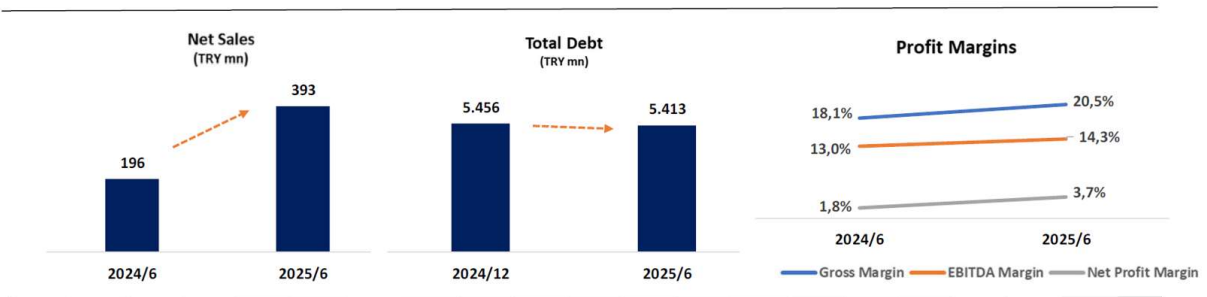
By managing global fluctuations with new achievements in alternative markets, the company increased its net profit by 101% year-on-year in the first half of 2025, reaching TRY 389 million.



Indebtedness Declines While Profit Margins Improve Significantly Year-on-Year

Following the completion of revision works and new machinery investments over the past two years, the investment needs in two of the three steel profile factories in Aliğa have decreased. Accordingly, in the first half of 2025, capital expenditures—excluding the energy segment—declined by 36% year-on-year to TRY 203.2 million.

As a result of reduced capital expenditures and disciplined working capital management, total financial debt decreased by 1% compared to year-end 2024, standing at TRY 5,413 million as of June 30, 2025. Thanks to effective finance management, the net financial debt-to-EBITDA ratio was maintained at 1.1x, reflecting a strong financial position.



Summary Consolidated Financial Tables

Summary Consolidated Balance Sheet (TRY'000)

	30 June 2025	31 December 2024
Current Assets	11,634,386	11,969,279
Fixed Assets	11,380,951	11,124,827
Total Assets	23,015,337	23,094,106
Short Term Liabilities	10,660,747	9,447,504
Long Term Liabilities	1,295,686	2,567,801
Equity	11,058,904	11,078,802
Total Liabilities and Equity	23,015,337	23,094,106

INVESTOR SUMMARY NOTE

01 JANUARY – 30 JUNE 2025

Summary Consolidated P/L

(Cumulative) (TRY'000)	1H 2025	1H 2024	Change
Net Sales	10,515,493	10,683,087	-2%
Gross Profit	2,160,184	1,930,441	12%
Operating Profit	1,238,397	871,403	42%
Financial Expenses (net)	(1,068,577)	(687,753)	55%
Net Monetary Gain (Loss)	(118,257)	(320,940)	137%
Net Income from Investment Activities	119,007	502,493	-76%
Profit Before Tax	467,240	365,204	28%
Net Profit	393,306	196,137	101%
Adjusted EBITDA¹	1,499,471	1,389,570	8%

Main Ratios (%)	1H 2025	1H 2024
Gross Profit Margin	20.5%	18.1%
Adjusted EBITDA Margin	14.3%	13.0%
Net Profit Margin	3.7%	1.8%
	30.06.2025	31.12.2024
Net Financial Debt/A.EBITDA ²	1,0x	0.8x

Financial Debt (TRY'000)	30 June 2025	31 December 2024	Change
Short Term Borrowings	1,579,072	1,811,472	-13%
Short Term Portion of Long-Term Borrowings	3,303,627	1,867,336	77%
Long Term Borrowings	530,447	1,777,020	-70%
Total Financial Borrowings	5,413,146	5,455,828	-1%
Cash and Cash Equivalents ³	2,607,834	3,586,631	-27%
Net Financial Debt	2,805,312	1,869,197	50%

* This report is produced from the consolidated financial statements and the board of directors activity report dated 30.06.2025 at www.kocaersteel.com. In this report regarding the financial results of the first 6 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.

³ Financial investments are included.