RATING NOTIFICATION

Rating Agency	: JCR AVRASYA DERECELENDİRME A.Ş.
Rated Company	: Kocaer Çelik Sanayi ve Ticaret A.Ş.
Address	: Maslak Mahallesi Taşyoncası Sokak No:1/F F2 Blok Kat:2 34485 Sarıyer, İstanbul- Türkiye
Phone & Fax No	: 0212 352 56 73 – 0212 352 56 75
Date	: March 24th, 2023
Subject	: Article 26 of the CMB Serial VIII, No. 51 Communiqué on Principles

Capital Markets Board of Türkiye (SPK)- To the Accounting Standards Department
Central Securities Depository of the Turkish Capital Markets (MKK)– Public Disclosure Platform

JCR Eurasia Rating has been evaluated **"Kocaer Çelik Sanayi ve Ticaret A.Ş."**.

- Progress in sales volume and revenues supported by increased share of value-added products in FYE2022
- Increase in EBITDA generation capacity in line with the improvement in gross profit margin
- Enhancement of net debt/EBITDA multiplier on the back of increasing liquid assets and EBITDA in 2022
- High share of export sales among total revenues with wide geographical diversification
- Segregated position in the sector through having one of the innovative R&D centers in Türkiye's steel sector, sustainability approach, and participation in the Turquality programme
- Long-lasting presence in the sector and conformity to the international quality standards
- Financing expenses pressuring the bottom-line profitability to a certain extent
- Noteworthy contribution of non-cash re-valuation to the expansion of asset size and equity
- China's dominance over the sector leading to uncertainties
- Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections

The Long-Term National Issuer Credit Rating rating of **"Kocaer Çelik Sanayi ve Ticaret A.Ş."** has been revised from **'A (tr)'** to **'A+ (tr)'** considering the above mentioned issues. All notes of the Company are determined as follows.

Long-Term National Issuer Credit Rating	:	**A+ (tr)** / (Stable Outlook)
Short-Term National Issuer Credit Rating	:	**J1 (tr)** / (Stable Outlook)
Long Term International Foreign Currency Issuer Credit Rating	:	**BB** / (Negative Outlook)
Long Term International Local Currency Issuer Credit Rating	:	**BB** / (Negative Outlook)
Long-Term National Issuer Specific Rating	:	**-**
Short-Term National Issuer Specific Rating	:	**-**

Regards,
JCR AVRASYA DERECELENDİRME A.Ş.

Zeki Metin ÇOKTAN
Executive Vice President

Şevket GÜLEÇ
Executive Vice President