

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 : 25/03/2024
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 evaluated **"Kocaer Çelik Sanayi ve Ticaret A.Ş."**.

- Maintaining sales volume growth in 2023 despite the contraction in revenue stemming from decreasing unit prices
- Improvement in core operational profitability indicators and internal equity generation capacity
- Low level of financial leverage indicators over the analysed years
- Positive cash flow metrics and NWC easing liquidity management
- High share of export sales among total revenues and geographical diversification of exports
- 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
- Enhancement in the level of compliance with corporate governance practices
- Long-lasting presence and experience in the sector and conformity to the international quality standards
- Financing expenses pressuring the bottom-line profitability to a certain extent despite declining financing expenses in 2023
- Contribution of non-cash revaluation gains to asset size and equity growth
- Leading economic indicators signal global economic slowdown whereas quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side

The Long-Term National Issuer Credit Rating rating of **"Kocaer Çelik Sanayi ve Ticaret A.Ş."** has been affirmed at **'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)
Long-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	:	-

NOTE: JCR AVRASYA DERECELENDİRME A.Ş. ratings are objective and independent opinions regarding the creditworthiness of a security and/or issuer and should not be considered as a recommendation to buy, hold, sell or lend any security. Unless otherwise stated, rating reports are valid for 1 year from the date of publication. The validity date of interim reviews cannot exceed the validity date of the original report.

Regards,
JCR AVRASYA DERECELENDİRME A.Ş.

Şevket GÜLEÇ
Executive Vice President

Prof. Dr. Feyzullah YETGİN
General Manager