



05 October 2023

Credit Rating

**Long-term (National):
(TR) A**

Start-Up

**Outlook:
Stable**

**Short-term (National):
(TR) A1**

Start-Up

**Outlook:
Stable**

Expiry Date:

05 October 2024

Q Yatırım Holding A.Ş.

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Q YATIRIM HOLDİNG A.Ş.

Rating Summary and Outlook

Q Yatırım Holding A.Ş. ("the Company", "Q Investment") was established in May 2021. The Company's field of activity is to participate in the capital and management of established and to-be-established companies, to supervise their investments, financing, organization and management as a group, to increase the safety of its investments against economic fluctuations, thus to ensure the development and continuity of these companies in a healthy manner and in accordance with the progress of the national economy, and to engage in commercial, industrial and financial initiatives in line with this purpose.

Q Investment is a member of Ercan Group of Companies. Realizing its first investment in the mining sector in 1965, Ercan Group operates in the energy, tourism, insurance, finance, and construction sectors housing over 4,000 employees.

Q Yatırım holds 32.9% of Bien Finans Faktoring A.Ş.'s ("Bien Finans") capital of TL 110 million and 20.4% of Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş.'s ("Qua") capital of TL 2.64 billion. In addition, the Company participated in 40% of the shares of Q Yatırım Bankası A.Ş. with a capital of TL 600 million, which was authorized by the Banking Regulation and Supervision Agency ("BRSA") in June 2023, but has not yet started operations.

The Company, which is not publicly traded, has applied to the CMB to issue bills/bonds up to an issue ceiling of TL 3 billion.

In June 2023, the Company generated a gross profit of TL 248.6 million, of which TL 247.4 million was due to the increase in the market value of its financial investments and TL 1.2 million due to the increase in the fair value of its stock-market shares. The Company's operating expenses decreased by 73.4% y-o-y to TL 1.4 million (2022/06: TL 4.9 million). Q Investment generated a net profit after tax of TL 182.9 million (2022/06: TL 561.2 million).

As per the independent audit report, the net foreign currency asset liability position, which was (+) TL 131,900 in June 2022, ended as (-) TL 23,200 as of June 2023. As of this date, the Company's income statement is not sensitive to possible exchange rate fluctuations.

In addition to the market position of the group of companies of which it is a member, as well as its financial performance, its corporate structure and its level of risk management, Q Yatırım Holding A.Ş.'s long-term (National) rating of **A** and its short-term rating (National) of **A1** is hereby reconfirmed.

In addition to the above-mentioned factors, the outlook has been confirmed as **"Stable"** taking into account the Company's strong shareholding structure and position in the sector.

Previous Rating (November 07, 2022): Long-term: **(TR) A**
Short-term: **(TR) A1**

Methodology

SAHA's credit rating methodology for newly established companies is composed of quantitative and qualitative sections contributing to the final grade with specific weights. The quantitative analysis components consist of the analysis of the financial risks, and the assessment of cash flow projections.

Qualitative analysis covers operational issues such as sector and company risk as well as administrative risks in the context of corporate governance practices. Our start-up methodology takes into account the company's business potential, analysis of the sector and target market in which the company intends to operate, comparative analysis of its financial data, as well as the company's founding shareholding structure and competence. In addition, the company's forward-looking business plans, the realism of its targets, marketing strategy, critical performance indicators and operational control mechanisms are addressed.

Rating Definitions

Our long-term credit ratings reflect our present opinion regarding the mid to long term period of one year and above; Our short-term credit ratings reflects our opinion regarding a period of one year. Our long -erm credit rating results start from AAA showing the highest quality grade and continue downward to the lowest rating of D (default). Plus (+) and minus (-) signs are used to make a more detailed distinction within categories AA to CCC.

Companies and securities rated with long-term AAA, AA, A, BBB and short-term A1 +, A1, A2, A3 categories should be considered “investment worthy” by the market.

Short Term	Long Term	Rating Definitions
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	The highest credit quality. Indicates that ability to meet financial obligations is extremely high. For securities, it is an indication of no more than a slight additional risk as compared to risk-free government bonds.
(TR) A1	(TR) A+ (TR) A	Credit quality is very high. Very high ability to fulfill financial obligations. Sudden changes at the company level and/or economic and financial conditions may increase investment risk, but not significantly.
(TR) A2	(TR) A- (TR) BBB+	High ability to fulfill financial obligations, but may be affected by adverse economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Sufficient financial ability to fulfill its obligations, but carries more risk in adverse economic conditions and changes. If securities; has adequate protection parameters, but issuer’s capacity to fulfill its obligations may weaken in face of adverse economic conditions and changes.

Companies and securities rated with long-term BB, B, CCC, and short-term B1, B2, C categories should be considered “speculative” by the market.

(TR) B1	(TR) BB+ (TR) BB (TR) BB-	Carries minimum level of speculative features. Not in danger in the short term, but faces negative financial and economic conditions. If securities; below investment level, but on-time payments prevail, or under less danger than other speculative securities. However, if the issuer’s capacity to fulfill its obligations weakens, serious uncertainties may unfold.
(TR) B2	(TR) B+ (TR) B (TR) B-	Currently has the capacity to fulfill financial obligations, but highly sensitive to adverse economic and financial conditions. If securities; there is a risk in due payment. Financial protection factors can show high fluctuations depending on the conditions of the economy, the sector, and the issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Well below investment grade. In considerable danger of default. Fulfillment of its financial obligations depends on the positive performance of economic, sectoral and financial conditions. If securities; there are serious uncertainties about the timely payment of principal and interest.
(TR) D	(TR) D	Event of default. The company cannot meet its financial obligations or cannot pay the principal and/or interest of the relevant securities.

Disclaimer

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