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**JCR
Eurasia Rating,**

has affirmed the
rating of

**Gedik Yatırım
Holding A.Ş.**

at **'A+ (Trk)'**

on the long term
national scale and at

at **'A-1'**

on the short term
national scale. The
outlooks for national
ratings are assigned as
'Stable'.

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RATINGS

		Long Term	Short Term
International	Foreign Currency	BB+	B
	Local Currency	BB+	B
	Outlook	FC Negative	Negative
	LC	Negative	Negative
National	Issue Rating	-	-
	Local Rating	A+ (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
	Issue Rating	A+ (Trk)	A-1 (Trk)
Sponsor Support		2	-
Stand-Alone		B	-

Sector: Investment Holding

Report Date: 29/05/2020

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Press Release

Istanbul – May 29, 2020

JCR Eurasia Rating, in its periodic review, has evaluated **'Gedik Yatırım Holding A.Ş.'** in investment-level category on the national scale and affirmed the rating on the Long Term National Scale at **'A+ (Trk)'** and affirmed outlooks of national ratings as **'Stable'**. Additionally, JCR Eurasia Rating has capped the Long Term International Foreign and Local Currency Ratings and outlooks with sovereign rating of Republic of Turkey, **'BB+'**.

The Holding's investee companies have a sound track record in Turkey's capital market ecosystem and the Holding consolidates its presence in the Turkish capital markets through its strategic investments. The Holding's largest equity investment, Gedik Yatırım Menkul Değerler A.Ş., enjoys the leading position among non-bank owned intermediary institutions in terms of customer numbers, branch network, and equity trading volumes. Gedik Portföy And Marbaş Menkul Değerler A.Ş. are incorporated under Gedik Yatırım Menkul Değerler A.Ş. and has sound track record as intermediary companies.

Gedik Yatırım Holding A.Ş. (the Holding) was established in 1998 under the name Gedik Yatırım Ortaklığı A.Ş. and transformed into an investment holding company in 2014. The Holding primarily focuses on private equity investments in innovative companies with the aim of capturing a competitive and technological edge and benefiting from these companies' sound growth and profitability prospects. Currently, the majority of the Holding's investment portfolio are comprised Gedik Yatırım Menkul Değerler A.Ş.

Gedik Yatırım Holding's asset structure is overwhelmingly comprised of financial portfolio investments in line with its core business objectives. The Holding's profitability and equity structure are mainly affected by the developments in the fields of activity of the firms in its portfolio, their financial success and equity performance. As of the first quarter of 2020, there are 11 companies in the portfolio of the Holding and more than 98% of this portfolio in terms of value is from Gedik Yatırım Menkul Değerler A.Ş. Since Gedik Yatırım Menkul Değerler A.Ş. is traded on Borsa Istanbul and recorded in the balance sheet of the Holding with fair value, the portfolio value of the Holding changes with the changes in the share price on the market. With the increase in Gedik Yatırım Menkul Değerler A.Ş. shares, the Holding's asset size increased significantly amid 2019 and the first quarter of 2020. In addition, low level of indebtedness thanks to financing the investment through internal resources, neutral FX position that immunizes the Holding against volatility in FX market, affirmed rating of Gedik Yatırım Menkul Değerler A.Ş. bu JCR Eurasia Rating on April 20, 2020 at investment level category (AA(Trk)), the Holding's initiatives on new investments in capital markets and fintech markets abroad are deemed as positive indicators. On the other hand, the lack of diversification in the portfolio in sectoral and operational dimensions, and low correlation between the income generation and cash generation of the Holding are seen as negative indicators. Besides, although it is not specific to the Holding, it is expected that many global and local market players will be hit by the Covid-19 outbreak and high volatility in capital markets pressurizes the stability in income and asset growth. In the lights of the things mentioned above, the Company's Long Term National Rating has been affirmed at **'A+ (Trk)'** with **'Stable'** outlook. Together with the performance of the companies in the portfolio, the equity level of the Holding, cash generation capacity and profitability indicators are to be monitored by **JCR Eurasia Rating**. The macroeconomic indicators at national and international markets, primarily capital markets, as well as market conditions and legal frame about the sector will be continued to be monitored. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. The planned bond issue carries no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating but do not cover any structured finance instruments.

The Holding's utmost shareholder is Mr. Erhan Topaç has long-experience in capital markets. Additionally, listed investee companies' have significant track record in the market with wide organizational base and operations. In this context, the willingness to supply liquidity and equity within their financial capability when financial needs arise in the short or longterm perspective as well as providing operational support to the Holding are considered high. The Sponsor Support note of the Holding has been affirmed as **(2)**. The high-investment grade of the Gedik Yatırım Menkul Değerler A.Ş., quoted investee companies which provide high liquidity, moderate leverage, solid capitalization, prudent risk management and skilled and experienced Board demonstrate that the Holding has reached a certain level of self-sufficiency capacity. In this regard, Stand-Alone rating has been affirmed as **(B)**.

For more information, related with the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our head of group **Mr. Zeki Metin ÇOKTAN** and asst. analyst **Mr. Ersin KILIÇKAP**.

JCR EURASIA RATING

General Manager