## RATING NOTIFICATION

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| **Rating Agency** | : JCR AVRASYA DERECELENDİRME A.Ş. |
| **Rated Company** | : KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ 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** | : 25/04/2024 |
| **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 **"Kaleseramik Çanakkale Kalebodur Seramik Sanayi Anonim Şirketi"**.

- Favorable gross and net profit margins in FY2022
- Cash surplus position as of September 2023 thanks to the IPO proceeds
- Consistent FFO and net working capital generation
- Effective foreign exchange risk management through utilization of derivative instruments
- Collateral policy leading to asset quality
- Leading domestic position in the ceramic tiles industry, and broad sectoral experience
- High compatibility with the corporate governance practices as a publicly traded company
- Noteworthy focus on R&D and sustainability
- Operational synergy with Kale Group
- Slowdown in sales growth and contraction in profitability in 9M2023, driven by the intense competition environment as a result of the sector's weak export performance
- Anti-dumping measures by the EU against Turkish and Indian manufacturers
- 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 of **"Kaleseramik Çanakkale Kalebodur Seramik Sanayi Anonim Şirketi"** has been affirmed at **'AA (tr)'** and its outlook has been revised from **'Stable'** to **'Positive'** considering the above-mentioned issues. All notes of the Company are determined as follows.

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| **Long-Term National Issuer Credit Rating** | : | **AA (tr)** / (Positive 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** | : | - |

***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 publication date. 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**