

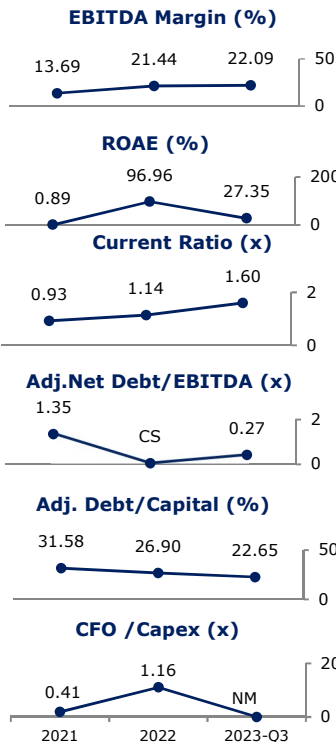
## Corporate Credit Rating

New  Update

**Sector:** Solar Panel Production  
**Publishing Date:** April 22, 2024  
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA-(tr)	J1+(tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on Aug 18, 2022



## CW ENERJİ MÜHENDİSLİK TİCARET VE SANAYİ A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "CW Enerji Mühendislik Ticaret ve Sanayi A.Ş." in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating to 'AA- (tr)' from 'A+ (tr)' and affirmed the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB/Negative' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

**CW Enerji Mühendislik Ticaret ve Sanayi A.Ş.** ("CW Enerji" or "the Company") was established in 2010 in Antalya. CW Enerji is a production, service, and trade company operating in the photovoltaic energy generation sector. The Company's main solar panel production facility is located in the 1<sup>st</sup> Zone of Antalya OIZ with a closed area of 28,230 square meters. The headquarters of CW Enerji is also located in this facility. Besides, in 2021, CW Enerji acquired CW International Yenilenebilir Enerji Üretim A.Ş., which has the usufruct right until 2067 of a facility in Antalya Free Zone, which was built on an open area of 2,492 square meters with a closed area of 1,537 square meters. As of the report date, the Company's annual solar panel production capacity has reached 1.8 GW. CW Enerji also has a total of 10.5 MWp/9.35 MWe unlicensed solar power plants that became operative in 2018 and have the right to benefit from the Renewable Energy Resources Support Mechanism (YEKDEM) until 2028. CW Enerji employed a workforce of 1,642 as of September 30, 2023 (FYE2022: 1,533).

As of the report date, the Company's 71.73% shareholder is Tarzan Tank Sarvan, and 5.09% shareholder is Volkan Yılmaz. 23.18% of Company shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "CWENE" since 2023.

Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Growing contracted sales revenues that reduce the risk of cash flow imbalances,
- Continued strong outlook in profitability margins,
- Solid leverage profile continuing in 3Q2023,
- Largely hedged foreign exchange risk mitigating FX risk to a large point,
- Supportive market fundamentals,
- Increased capacity with the completion of new investment made in FY2023,
- Better counterparty profile despite increased trade receivables,
- High level of compliance with Corporate Governance Practices with its experienced team.

### Constraints

- Deterioration in cash flow metrics, namely, CFO and FOCF, due to CAPEX and inventory financing and the increasing trend of financial debts due to large-scale investments,
- Difficulties with reaching external funding due to rising interest rates in the domestic market and restrictions on access to credit,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft landing on the domestic side.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to 'AA- (tr)' from 'A+ (tr)'. The Company's funds flow generation capacity from operating activities, increasing trend of revenue and EBITDA generation capacity, and growth performance have been evaluated as important indicators for 'Stable' outlook of the Long and Short-Term National Issuer Credit Ratings. The Company's revenue and profitability performance, cash generation capacity, liquidity level, and financial leverage level will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and the legal framework of the sector, will be monitored.