## Corporate Credit Rating

☐New ☒Update

**Sector:** Energy
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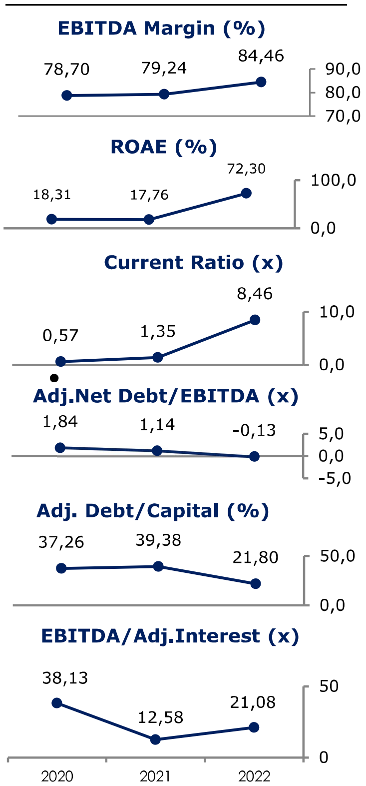
| RATINGS | | Long Term | Short Term |
|---|---|---|---|
| ICRs (Issuer Credit Rating Profile) | National ICR | AA (tr) | J1+ (tr) |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | BB | - |
| | International FC ICR Outlooks | Negative | - |
| | International LC ICR | BB | - |
| | International LC ICR Outlooks | Negative | - |
| 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 May 31, 2021*




# Galata Wind Enerji A.Ş.

JCR Eurasia Rating, has evaluated the **"Galata Wind Enerji A.Ş."** in the very high investment level category, revised the Long-Term National Issuer Credit Rating to **'AA (tr)'** from **'AA- (tr)'** and assigned the Short-Term National Issuer Credit Rating as **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'BB / Negative'** as parallel to international ratings and outlooks of Republic of Türkiye.

**Galata Wind Enerji A.Ş.** (hereinafter "**the Company**" or "**Galata Wind**"), was incorporated in 2006 under the name of GY Enerji Danışmanlık Proje Mühendislik Üretim Tic. ve San. Ltd. Şti. The Company's title was changed to "Galata Wind Enerji Ltd. Şti." in 2007 and it was acquired by Doğan Group on June 7, 2012. Galata Wind's main field of activity is to generate electricity from its three wind power plants (WPPs), Şah WPP (105 MW), Mersin WPP (62.7 MW) and Taşpınar WPP (67.2MW) located in Bandırma, Mersin and Bursa, respectively, and two solar power plants (SPPs), Çorum SPP (9.36 MW) and Erzurum SPP (24.7 MW) located in Çorum and Erzurum, respectively. The Company employed a staff force of 51 as of FYE2022 (FYE2021: 50).

**Doğan Şirketler Grubu Holding A.Ş.** (hereinafter referred to as **'Doğan Holding'**, or **'Doğan Group'**) is the primary shareholder of the Company, owning 70% of the total shares as of December 31, 2022. The Company's 30% shares are traded on the Borsa Istanbul (BIST) under the ticker symbol **"GWIND"**. The Company's main shareholder, Doğan Group, operates in a wide range of business segments including electricity production, petroleum products retail, industry and trade, automotive trade and marketing, financing and investment, internet and entertainment and real estate investments. The major shareholders of Doğan Holding are Adilbey Holding A.Ş. (49.66%) and the Doğan Family (14.47%) as of December 31, 2022. Doğan Holding's 35.87% shares are traded on the Borsa Istanbul under the ticker symbol **"DOHOL"**. Doğan Group's consolidated total assets and sales revenues reached TRY 42.2bn and TRY 43.8bn, respectively as of FYE2022.

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

**Strengths**

- Improvement in EBITDA generation capacity and other profitability indicators in FY2022,
- Net cash position against financial debts providing financial flexibility in FYE2022,
- High level of equity base despite dividend payment,
- Asset quality strengthened by the low collection risks,
- Ongoing investments supporting solid EBITDA generation expectation
- Capability to meet a great portion of its financing needs with international sources,
- Favourable location with wind and solar energy potential supporting efficiency,
- High support level of sectoral authority encouraging the use of renewable energy sources together with advantages of WPPs and SPPs especially low carbon foot printing,
- High level of compliance with corporate governance practices,
- Reputable brand name with a proven track record in various business segments, financial and operational strength of Doğan Group and the synergy created.

**Constraints**

- Exposure to FX position mainly stemming from long-term weighted project loans, despite hedging with derivative instruments to a certain extent,
- Dependency of renewable energy sources on weather conditions,
- Potential changes in regulatory environment creating uncertainty in business strategies.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to **'AA (tr)'** from **'AA- (tr)'**. The Company's equity level, sustainable cash flow and EBITDA performance, the competitive advantage obtained through its strong group synergy and operating in a regulated market have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**. The Company's debt and equity level, cash flow and liquidity metrics, profitability indicators will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.