Corporate Credit Rating

⊠New □Update

Sector: Architecture & Engineering Publishing Date: 22/03/2022 Chief Analyst Kasım Fatih Özüdoğru +90 212 352 56 73 fatih.ozudogru@jcrer.com.tr

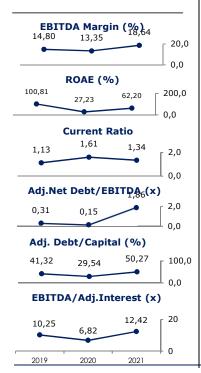
Team Leader Çiğdem Küçükbakırcı +90 212 352 56 73

cigdem.kucukbakirci@jcrer.com.tr Assistant Analyst

Özlem Topuk +90 212 352 56 73 Ozlem.topuk@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	33
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	33
	International LC ICR Outlooks	Stable	Stable
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 31, 2021



Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş

JCR Eurasia Rating, has evaluated the **"Kontrolmatik A.Ş."** in the investment-level category and assigned the Long-Term National Issuer Credit Rating at **'A (tr)'** and 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 were assigned as **'BB/Stable'** as parallel to international ratings and outlooks of Republic of Turkey.

JCR Eurasia Rating

Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. (Kontrolmatik Teknoloji or "the Company") was established in 2008 in Istanbul under the first title of Kontrolmatik Bina Yönetim Sanayi ve Dış Ticaret Ltd. In 2014, the Company changed its type and in 2020, had current title of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. Main field of the Company consists of Operational Technologies and Industrial Software-Control System, Communication, Information Security and IoT and Power Systems and Project Management.

The Company's main ultimate controlling shareholders are Sami Aslanhan with 38,10% share and Ömer Ünsalan with 38,10% share and also in October 2020, the Company started to be traded on the Istanbul Stock Exchange (BIST) with the 'KONTR' ticker.

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

Strengths	Constraints	
 Major part of the contracts financed with international financial/investment institutions supporting receivables quality, Steady operational profitability contributing to internal resource generation capacity despite Covid-19 and economic instability, Revenue and EBITDA growth along with moderate debt service capacity, The upward trend in contracts amount, contributes to the predictability of future income stream, Foreign currency denominated contracts and export-oriented business, resulting a long FX position, Competitive advantage of having own R&D center and new product creation power, 	 Increasing financing structure of the ongoing investments, may create pressure on the profitability figures, The ongoing negative CFO and FOCF level, mainly arising from working capital needs, High concentration of the operations in countries that are exposed to a political and economic risks. 	

• High level of compliance with Corporate Governance Practices,

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as **'A (tr)'**. Profitability, EBITDA generation capacity, financing of contracts by the world banks / international institutions and high earning potential with new contracts, adequate equity base, positive FX position 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 backlog amount, profitability, indebtedness level, negative level in CFO and FOFC and geopolitical risks-driven 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 legal framework about the sector will be monitored as well.

Copyright © 2007 by JCR Eurasia Rating. Maslak Mahallesi Taşyoncası Sokak No:1/F F2 Blok Kat:2 34485 Sarıyer/İstanbul/Türkiye Telephone: +90(212)352.56.73 Fax: +90 (212) 352.56.75 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable and information/clarifications provided by the Company. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. http://www.jcre.com.tr