

## Corporate Credit Rating

New  Update

**Sector:** Energy Generation

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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	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
Sovereign*	International FC ISR	-	-
	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

## Akfen Yenilenebilir Enerji A.Ş.

JCR Eurasia Rating, has evaluated "Akfen Yenilenebilir Enerji A.Ş." in investment-grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'AA (tr)' and 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 at 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Akfen Yenilenebilir Enerji A.Ş. (hereinafter referred to as "Akfen Yenilenebilir Enerji" or "the Company") was established in 2016 as a holding company of the Akfen Holding energy investments. Akfen Holding which is one of the largest industrial conglomerates in Türkiye and invests in a variety of sectors such as construction, port management, marine transport, energy, mining and real estate. 33.5% of Akfen Yenilenebilir Enerji's shares went public in March 2023, and Akfen Holding currently has 66.5% of the Company's shares. Akfen Yenilenebilir Enerji has reached 699.06 MW of installed capacity in operation currently and owns a diversified portfolio of hydro (228.7 MW), solar (121.4 MW) and wind (348.9 MW) assets located in Türkiye.

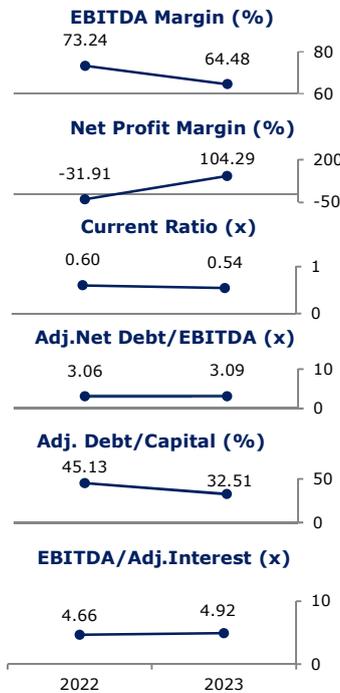
Key rating drivers, as strengths and constraints, are provided below:

### Strengths

- Sustainable financial leverage metrics thanks to decreasing net financial debt despite slight decline in EBITDA margin in FY2023
- Strengthened equity level thanks to internal resource generation in FY2023
- Predictable revenue model thanks to RERSM for most of the power plants
- Supportive regulations by sectoral authority for promoting the use of renewable energy sources
- Low collection risk supporting asset quality owing to business structure
- Using derivative instruments along with natural hedging opportunity via RERSM providing effective currency risk management
- Establishment of Akfen Group, one of the leading investment groups in Türkiye
- High compliance with corporate governance practices as a publicly listed company

### Constraints

- Expiration of RERSM for some power plants leading merchant exposure
- Sensitivity of electricity generation to climatic conditions despite diversified portfolio
- 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



Considering the aforementioned points, the Company's the Long-Term National Credit Rating has been affirmed as 'AA (tr)'. The Company's sustainable financial leverage metrics thanks to decreasing net financial debt despite slight decline in EBITDA margin in FY2023, strengthened equity level thanks to internal resource generation, projected steady revenue generation, high receivable collection capability thanks to RERSM supporting asset quality, high support level of sectoral authority promoting the use of renewable energy sources, and being establishment of Akfen Group as well as the global interest rate hiking cycle have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Credit Ratings are determined as 'Stable'. The Company's, revenue and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that 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.