Corporate Credit Rating

☐New ☒Update

Sector: Electrical Equipment Industry

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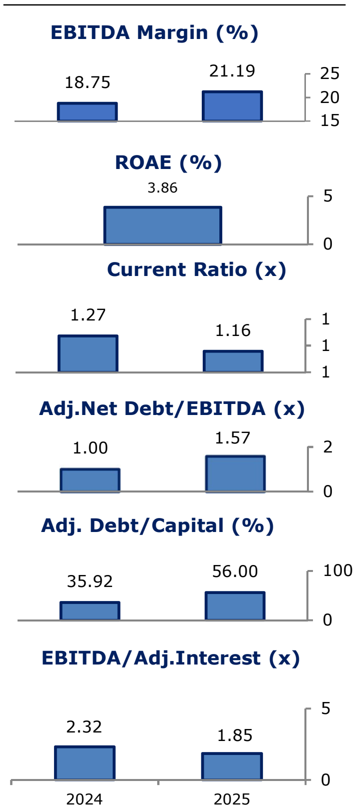
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**B+ (tr)**	**J4 (tr)**
	National ICR Outlooks	Neagtive	Stable
	International FC ICR	CCC	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	CCC	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on Sep. 1, 2025*



ALVES KABLO SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"Alves Kablo Sanayi ve Ticaret A.Ş."** in the speculative level category and revised the Long-Term National Issuer Credit Rating to **'B+ (tr)'** from **'A- (tr)'** with **'Negative'** outlook and the Short-Term National Issuer Credit Rating to **'J4 (tr)'** with **'Stable'** outlook. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as **'CCC/Stable'**.

Alves Kablo Sanayi ve Ticaret A.Ş. (hereinafter "**the Group**" or "**the Company**" or "**Alves**"), was established in 2014 by Deniz Karamercan and his business partner Hikmet Alabıcak in Ostim, Ankara, Türkiye. The Company specializes in manufacturing and marketing power wires and cables. Production foundations were laid in 2016, followed by the Group's expansion of its sales and marketing network in 2017, with a focus on public projects and major industrial clients. In 2019, factory investments began, and the machinery park was established. The following year, mass production commenced, along with the acquisition of TSE and ISO certifications. In 2021, the Company initiated aluminum and copper wire drawing operations. By 2022, the Group invested in solar power-compatible cables. The Company manufactures a wide range of cables, including 300/500 V indoor copper installation cables, 750/1000 V outdoor energy copper and aluminum low voltage cables, 1000/3000 V energy transmission cables for transformer plants and main transmission lines, and 3000 V aluminum conductors for energy transmission lines. Additionally, the Company produces basic grounding cables, copper solid and braided conductors for lightning rods and vehicle charging stations, 1000 V DC solar energy cables for solar energy systems, and 1000/3000 V aluminum conductor and renewable energy cables designed to transmit energy from renewable energy lines to substations.

As of 1H2026, Mr. Deniz Karamercan and Mr. Hikmet Alabıcak equally possesses 7.53% and 7.50% of shares respectively, whereas 84.98% of the shares are listed on BIST.

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

Strengths	Constraints
• Ongoing increasing trend in sales revenue in-line with production volume, • Low collection risk supporting asset quality, • Experience dating back to 2014 and wide product range supporting brand.	• Active delinquency records in credit accounts possibly to increase further in upcoming periods, • Short-term weighted debt structure pressuring liquidity profile, • Decreasing trend in coverage metrics mainly stemming from increasing indebtedness bringing high interest burden, • Negative CFO and FOCF necessitating external funding to sustain the operational cycle, • Key person risk stemming from ownership structure of the Company, • Industry competition and raw material price volatility represent key potential risks, • Dependency of imported raw materials being a sector-wide issue, • As actions for a global soft landing gain prominence, geopolitical risks and decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been revised to '**B+ (tr)**' from '**A- (tr)**'. The Company's increasing sales volume and revenue, , successful low collection risk and successful track record as well as increased debt burden, decreasing trend in coverage metrics, negative cash flow metrics, tough competition and sector wide dependency 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 **'Negative**. The Company's financial structure, tight economic conditions and Türkiye's economy and its effects on the Company's activities will be closely monitored by JCR Eurasia Rating in the 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.