Corporate Credit Rating

☐New ☒Update

Sector: Construction Materials Manufacturing
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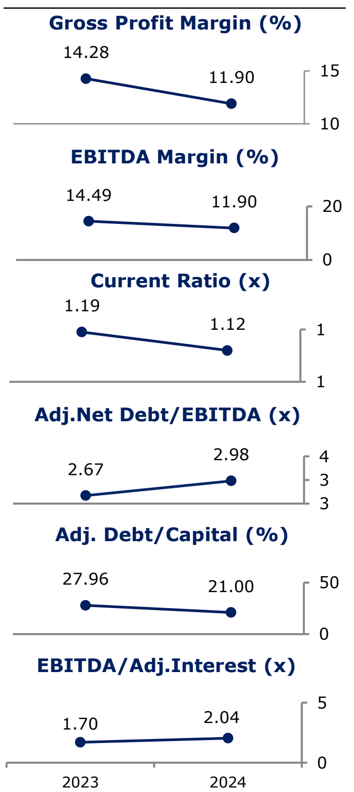
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**BBB+ (tr)**	**J2 (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	
	International FC ICR Outlooks	Stable	
	International LC ICR	BB	
	International LC ICR Outlooks	Stable	
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on September 01, 2025*



BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş.

JCR Eurasia Rating has evaluated **Batıçim Batı Anadolu Çimento Sanayii A.Ş.** in the investment grade category and affirmed the Long-Term National Issuer Credit Rating as '**BBB+ (tr)**' and the Short-Term National Issuer Credit Rating as '**J2 (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as '**BB/Stable**' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

Batıçim Batı Anadolu Çimento Sanayii A.Ş. (referred to as 'the Group/the Company or 'Batıçim') was established in İzmir in 1966. Batıçim has six subsidiaries operating in various areas, including cement, ash, electricity generation, ready-mixed concrete, port services, and the sales and distribution of electricity. The majority of the business volume of Batıçim consists of clinker and cement production carried out in conjunction with its subsidiary Batısöke Söke Çimento Sanayi T.A.Ş. (Batısöke). Batıçim's annual production capacity is 1.37mn tons of clinker and 1.8mn tons of cement, and Batısöke's annual production capacity is approximately 3mn tons of clinker and 4mn tons of cement. As of FYE2024, Batıçim ranks 147th among Türkiye's largest companies in the Second Top 500 Industrial Enterprises list compiled by the İstanbul Chamber of Industry (FYE2023: 42nd). Batıçim's shares have been listed on the Borsa İstanbul (BIST) index with the ticker-name of 'BTCIM' since 1995. Batıçim is the main company of Batı Anadolu Group. Having begun its journey with Batı Anadolu Çimento Sanayi A.Ş., a 100% Turkish capital corporation, the Group exports its products to over 35 countries across five continents.

As of 1H2025, the Company has increased its paid-in capital from TRY 180mn to TRY 5.58bn without consideration. According to the audit report, the shareholder structure of Batıçim consists of Çiftay İnşaat ve Taahhüt Ticaret A.Ş. (37.66%), İstanbul Portföy Yönetimi A.Ş. (11.96%), KTLP Limited (7.77%), İstanbul Portfolio Second Hedge Fund (5.48%) and other shares (37.13%) as of 1H2025. The head office of the Company is located in Bornova, İzmir, and the number of personnel employed by the Group is 1,006 as of 1H2025 (FYE2024: 1,020).

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

Strengths	Constraints
• Foreign exchange revenue generation capacity supported by increase in volume-based cement and clinker exports in 1H2025 YoY • Collectability of commercial receivables and immaterial level of doubtful receivables backed by collateralized structure • Strong balance sheet leverage and relatively manageable debt service during the periods analyzed despite pressure on interest coverage and expected increase in indebtedness due to CapEx • Compliance with the corporate governance practices as a publicly listed company and ESG commitments supported by TSRS-compliant sustainability report • Deep-rooted experience in the sector and synergy between the group companies	• Decline in sales revenue and cash flow from operations (CFO) in FY2024 and 1H2025 YoY, along with high financing expenses put pressure on bottom line • Fluctuations of the commodity prices, with competitive market structure in the cement and clinker sectors may put pressure on profitability • As actions for a global soft landing gain prominence, 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 affirmed as '**BBB+ (tr)**'. The Company's strong equity base and balance sheet leverage, sectoral diversification, foreign exchange income generation capacity through export performance, receivable collection capability, level of compliance with the corporate governance practices, long-lasting presence in the sector, synergy between group companies 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 revenue and EBITDA generation performance, profitability ratios, indebtedness structure, liquidity profile, equity level, asset quality and investment process 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.