Corporate Credit Rating

☐New ☒Update

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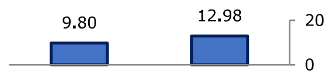
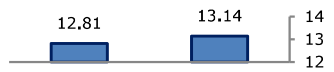
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Assigned by JCR on May 10, 2024*

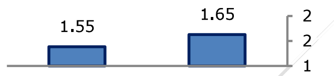
EBITDA Margin (%)



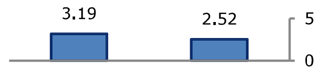
NWC / Assets (%)



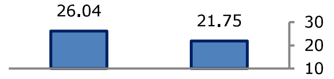
Current Ratio (x)



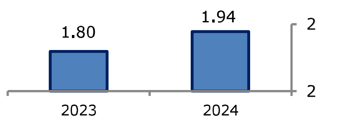
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



Bossa Ticaret ve Sanayi İşletmeleri Türk Anonim Şirketi

JCR Eurasia Rating has evaluated **"Bossa Ticaret ve Sanayi İşletmeleri Türk Anonim Şirketi"** in the investment grade category with high credit quality and affirmed 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 are determined as **'BB/Stable'** in line with the sovereign ratings and outlooks of Republic of Türkiye.

Bossa Ticaret ve Sanayi İşletmeleri Türk Anonim Şirketi (hereinafter referred to as "**Bossa**" or "**the Company**") was established in 1951 by the Sabancı Family in Adana to produce fabric products. Sabancı Holding's shares in Bossa were transferred to Akkardan A.Ş. in 2008. İsrafil Uçurum and Yusuf Uçurum, the main shareholders of Oğuz Tekstil A.Ş., which has more than 40 years of experience in fabric and yarn, acquired Akkardan A.Ş. in 2017 and became the controlling shareholder of Bossa.

As one of Türkiye's leading textile companies, the Company produces high quality fabrics through spinning, weaving and finishing processes on a total area of 262,518 m^2, including 168,124 m^2 of indoor facility area, in Adana Hacı Sabancı Organized Industrial Zone. Bossa has a total annual fabric production capacity of 50 million meters at its production facilities. As of 2Q2025, the Company continues its operations with an average of 1,825 employees. (FYE2024: 1,788).

Bossa, which has held the Turquality certificate since 2006, which not only represents Turkish textiles abroad but also contributes to the increase of the country's brand value, has been included in the lists of Turkey's "500 Largest Industrial Enterprises" prepared by the Istanbul Chamber of Industry and "Top 1000 Exporter Companies" prepared by the Turkish Exporters Assembly. The Company has been listed on the Borsa Istanbul (BIST) since 1995.

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

Strengths	Constraints
• Customer portfolio generally including globally well-known brands with sustained FX income-generation capability provides a natural hedge mechanism to a certain extent, • Reasonable level of equity size in asset financing supported by the capital adjustment differences, retained earnings and non-cash contribution of revaluation gains over the years, • Consistent positive cash flow metrics over the analysed years, • Sustainable liquidity structure with positive net working capital and adequate current ratio, despite a predominantly short-term liability structure, • Having prestigious certificates enhancing quality standards and environmentally friendly approaches with varied product range including nature-sensitive products, • Compliance with the Corporate Governance Practices as a publicly listed company, • Industry experience with the know-how provided by the Company's long-term presence in the sector.	• Constrained profitability indicators in 2Q2025, driven by ongoing cost pressures and subdued demand conditions, despite slight recovery in FY2024, • Financial indebtedness suppressing net debt to EBITDA multiplier over the reviewed periods, • Prolonged cash conversion cycle and high operating ratio suppressing efficiency, • Limited interest coverage due to indebtedness levels and rising interest payments, • Ongoing margin pressure stemming from intense industry competition and raw material price fluctuations, despite cost-reduction initiatives and backward integration efforts, • 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 at **'A (tr)'**. The Company's currency risk management, liquidity metrics, reasonable equity level, high brand reputation, industry experience and environmentally friendly production approach as well as the decline in profit metrics, high financial indebtedness, long cash conversion cycle, suppressed coverage metrics 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 profit margins, indebtedness structure, sustainability of domestic and foreign demand and economic conditions in Türkiye 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.