Corporate Credit Rating

☐New ☒Update

Sector: Metal Industry
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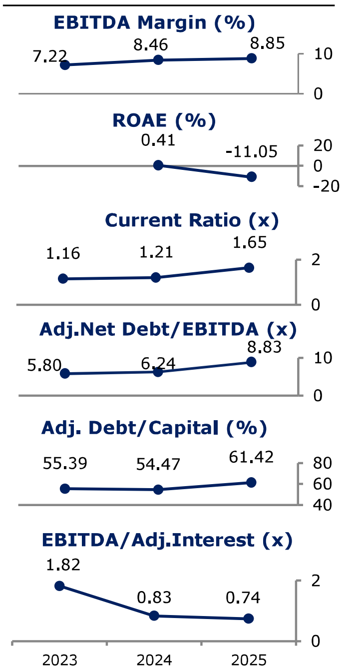
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on August 21, 2026*



ERCİYAS ÇELİK BORU SANAYİ ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated the consolidated structure of **"Erciyas Çelik Boru Sanayi Anonim Şirketi"** in investment grade category and affirmed the Long-Term National Issuer Credit Rating at **'BBB- (tr)'** and the Short-Term National Issuer Credit Rating at **'J3 (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'**.

Erciyas Çelik Boru Sanayi Anonim Şirketi (hereinafter referred to as **"Erciyas Çelik"** or **"the Company"**) was established in 1990 in Izmit in order to produce spiral welded steel pipes. The main activity of the Company is to manufacture spiral welded steel pipes of all kinds of steel and to coat the inside and outside of these pipes with epoxy, concrete, polyethylene, polypropylene, polyurethane, polyurethane, fusion bonded epoxy suitable for drinking water in accordance with international standards in order to protect the pipes from external factors. The Company manufactures natural gas, petrochemical and oil pipes, drinking water pipes, piling pipes, steel structure pipes, general and special purpose pipes and fittings. Following the temporary suspension of production at the Mersin facility as of 30 June 2026, Erciyas Çelik currently carries out its active production activities at its Düzce facility. The Company's total installed annual spiral welded steel pipe production capacity was approximately 600,000 tonnes, comprising approximately 450,000 tonnes at Düzce and 150,000 tonnes at Mersin prior to the suspension of Mersin operations. Following the consolidation of production activities in Düzce, the Company is focusing on improving capacity utilization and operational efficiency at its active production facility. Erciyas Çelik, carries out a large part of its production for overseas projects and attaches great importance to brand awareness, is the first spiral steel pipe manufacturer being included in the Turquality programme. Erciyas Çelik employed an average workforce of 350 in 1H2026 (FY2025:460).

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

Strengths	Constraints
• Sectoral and geographical diversification supporting revenue generation to a certain extent, despite the closure of the Mersin production facility in June 2026 • Diversified funding structure through debt security issuances providing financial flexibility • Ongoing sustainability and productivity activities of R&D centre • Environmentally conscious production approach and having prestigious certificates enhancing quality standards • Compliance with the corporate governance practices as a publicly listed company • Long-lasting presence and extensive know-how in the sector	• Declining revenue alongside weakening EBITDA generation capacity in 1H2026 period, following relatively stable performance in FY2025 • Deterioration in financial leverage as of FYE2025 and 1H2026 period-end, mainly driven by increased financial borrowings for working capital requirements, despite the notable level of long-term maturity profile of the borrowings • Negative FOCF in FY2025, indicating increased funding requirements which may deteriorate further for financing need of ongoing projects • High level of financing expenses continuing to put pressure on bottom line and coverage metrics in FY2025 and 1H2026 interim results • Notably high and increasing level of related-party receivables as of FYE2025 and 1H2026 period-end, distorting balance sheet integrity with the uncertainty regarding collection schedule • Exposure to continued weak demand in the EU and Türkiye and steel price volatility, compounded by a relatively high operating ratio • 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 Long-Term National Issuer Credit Rating has been affirmed at 'BBB- (tr)'. The Company's environmentally conscious production approach, sectoral and geographical diversification on customer, product and project basis as well as export markets, ability to reach debt issuance instruments, long-lasting presence and global soft-landing actions along with ongoing uncertainties with potential to adversely affect global trade 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 growth strategy, profitability indicators, financial leverage, asset quality 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.