Corporate Credit Rating

☐New ☒Update

Sector: Construction & Contracting
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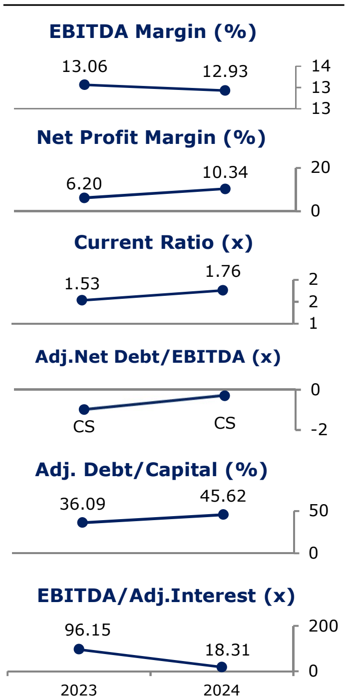
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**AA+ (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB-	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific 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*



"CS": Cash Surplus

Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of **"Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş."** in investment grade category with very high credit quality, affirmed the Long-Term National Issuer Credit Rating at **'AA+ (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 have been assigned as **'BBB-/Stable'**.

Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. (hereinafter referred to as **"Gülermak"** or **"the Company"** or **"the Group"**), whose roots date back to a sole proprietorship founded by Vildan Güleryüz in 1958, was established in Ankara, Türkiye in 1976. The main operating activities of the Company are the construction of metro, tramway, railway, dams, irrigation systems, industrial plants, sugar factories, cement factories, glass factories water and waste water systems, thermal power plants, highways and bridges. Gülermak holds a leading position in the mass transit and rail system projects with its long-established corporate culture and highly experienced staff. More than 300 km of underground tunnels, 120 underground metro stations, and 1,500 km of railways have been realized by the Company in its turnkey contracts all around the world. As a leading high-end of transportation infrastructure contractor, Gülermak has successful track record across Europe, Türkiye, the Middle East and India. Successfully completed rail system projects by Gülermak includes İstanbul Otogar-İkitelli Metro, İstanbul Kadıkoy-Kartal Metro, İstanbul Mahmutbey-Mecidiyeköy Metro, Warsaw Metro Line II, İstanbul Airport-Yenibosna LRTS, Golden Horn Metro Crossing Bridge, Eskişehir Tramway, Ankara Tandoğan - Keçiören Metro, Ankara High Speed Train Depot & Maintenance Complex, Konya - Karaman High Speed Railway and Eskişehir High Speed Railway Passing Station projects. Along with these mentioned projects, Kargı HEPP, Temelli NGCC Power Plant, the largest capacity cement factory in Turkey (Nuh Cement), Sugar factories (Çumra and Aksaray), Polatlı Şişe Cam Factory and many other infrastructure and industrial projects are among Gülermak's reference projects. Gülermak, is located in the top 250 international contractors list published by ENR (Engineering News Record). The Company is ranked 105th as of 2024 (117th as of 2023). In addition, the Company is ranked 13rd in the Mass Transit and Rail list published by ENR as of 2024 (15th as of 2023).

Gülermak went public in January 2025, with 12.01% of its shares traded on Borsa Istanbul under the ticker symbol "GLRMK". As of 1Q2025, the Company's shareholding structure comprised Gülermak Emlak Yapı İnşaat A.Ş. (59.83%), Gülermak Turizm İşletme Yatırım A.Ş. (28.16%), and the public parts (12.01%). The consolidated assets of the Company were TRY 48.69bn as of 1Q2025 (FYE2024: TRY 41.71bn) and consolidated revenues were TRY 6.84bn in 1Q2025 (FYE2024: TRY 34.51bn). The number of personnel employed across operations was 3,512 as of March 31, 2025 (As of December 31, 2024: 3,847).

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

Strengths	Constraints
• Substantial revenue growth along with maintenance of profit margins in FY2024 • Cash surplus position relative to financial debt contributing sound leverage metrics and effective liquidity management • Operational presence in multiple countries providing revenue diversification and natural hedge opportunities • Sufficient equity base underpinned by internal means • Increased advances received in 2024 and sizable backlog supporting visibility over future revenues • Low level of doubtful receivables backed by collaboration with public entities, contributing to asset quality • Longstanding industry experience since 1958, public sector engagement across geographies, and ENR listing	• Intense competitive environment among construction firms in core operating markets • 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 **'AA+ (tr)'**. The Company's significant growth in revenue, sustained profit margins, cash surplus position against financial debt, revenue diversification and natural hedge opportunities, satisfactory equity level, predictable future revenues arising from large backlog and increasing advances received amount as well as tight financial conditions have been evaluated as important indicators for the **'Stable'** outlooks for the Long and Short-Term National Issuer Credit Ratings. The Company's revenue and EBITDA generation performance, backlog to revenue conversion, profitability ratios, indebtedness structure, liquidity and cash flow metrics, equity level, and sovereign risk exposure 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.