Corporate Credit Rating

☐New ☒Update

Sector: Automotive Suppliers Industry

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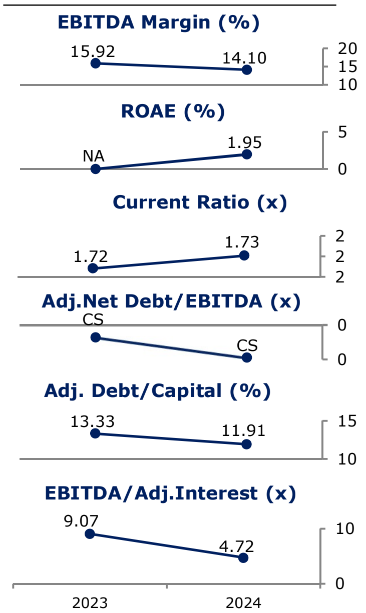
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*



NA: Not Applicable
CS: Cash Surplus

JANTSA JANT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated **"Jantsa Jant Sanayi ve Ticaret A.Ş."** in the investment grade category with very high credit quality and revised the Long-Term National Issuer Credit Rating from **'AA+ (tr)'** to **'AA (tr)'**, and affirmed 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 were assigned as **'BB/Stable'** according to JCR-ER's national-global mapping methodology.

"Jantsa Jant Sanayi ve Ticaret A.Ş." (hereinafter referred to as **"Jantsa Jant"** or **"the Company"**) was established in 1977 in Atca, Aydın to address the customers' needs with wheels. The Company supplies wheels for commercial, agricultural, industrial and military applications. The head office of the Company is located in Aydın. Jantsa Jant continues its activities in Aydın Umurlu Organized Industrial Zone in two separate factories, one of which is the administrative building with an area of 9,728 m², the social facility and factory building, and the other is the factory and warehouse building with an area of 68,070 m². In addition, the Company completed a new facility with an annual capacity of 1,000,000 agricultural and industrial machine wheels on a 50,000 m² plot in the Aydın Ortaklar Organized Industrial Zone in 2024. However, this facility is currently not in operation because the expected demand has not materialized.

Jantsa Jant is one of the largest European manufacturers of steel wheels for commercial, industrial, and agricultural machinery as a family-owned company that employs over 1,000 associates and boasts 3.8 million wheels annual manufacturing capacity. Jantsa Jant supplies its products to OEM and aftermarket customers, with around 70.00% of output exported to nearly 85 countries worldwide.

Jantsa Jant's shares have been listed on Istanbul Stock Exchange under the ticker "JANTS" since 2012. The Company's stock is traded on the BIST Dividend, BIST Participation Dividend, BIST All Shares, BIST All Shares-100, BIST Participation All-Shares, BIST Participation 100, BIST 500, BIST AYDIN, BIST Industrials, BIST Metal Prod., BIST Stars, BIST Participation 50. The proportion of shares in circulation is 17.01% as of 1Q2025. The Company's main ultimate controlling shareholders are Çerçioğlu Family with 79.06% share.

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

Strengths	Constraints
• Cash surplus position during the reviewed periods reflecting solid leverage metrics, • Strong and sustained equity growth primarily backed by retained earnings despite net loss in 1Q2025, • Moderate liquidity bolstered by cash balance during the analyzed periods, which also providing interest income, • Low level of doubtful receivables despite lack of collateralization, • Operating with positive cash flow metrics during the reviewed periods, • Sectoral presence dates back to 1977, • Compliance with the corporate governance practices as a publicly traded company.	• Drop in demand that caused the newly completed facility to remain idle also led to a notable decline in sales volume and revenue in 2024 and especially 1Q2025, • Price-driven competition pressured profitability margins, and reflected as further decline in operating profit in 2024 and 1Q2025, on the back of FC-based revenue structure against elevated domestic costs, • 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 Long-Term National Issuer Credit Rating has been revised from **'AA+ (tr)'** to **'AA (tr)'**. The Company's strong leverage metrics with cash surplus position, robust equity contribution, low collection risks, positive cash flows metrics, successful track record, and long sector experience as well as decline in sales volume and revenue in 2024 and 1Q2025, downward trend in profitability metrics, and competition in the sector 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 affirmed as **'Stable'**. The Company's revenue and sales volume performance, profitability metrics, indebtedness level, asset quality, equity structure, future plans for idle plant, other financial indicators, global uncertainties and sectoral regulation 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.