

Corporate Credit Rating

New Update

Sector: Wood and Forest Products

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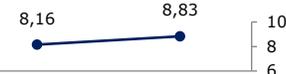
| RATINGS | | Long Term | Short Term |
|--------------------------------------|-------------------------------|-------------|------------|
| ICRs (Issuer Credit Rating Profile) | National ICR | AA- (tr) | J1+ (tr) |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | BB | - |
| |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

* Affirmed by JCR on September 1, 2025

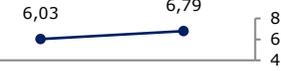
Gross Profit Margin (%)



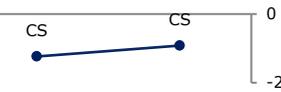
EBITDA Margin (%)



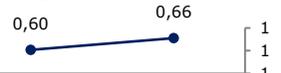
Current Ratio (x)



Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



Net Working Capital / Assets (%)



CS: Cash Surplus

KONYA KAĞIT SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated "Konya Kağıt Sanayi ve Ticaret A.Ş." in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'AA- (tr)' and the Short-Term National Issuer Credit Rating as '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' in line with the global and national scale rating matching published by JCR Eurasia Rating.

Konya Kağıt Sanayi ve Ticaret A.Ş. (hereinafter "the Company" or "Konya Kağıt") was established in 1988. Konya Kağıt carries out its operations in Konya (head office) and İstanbul Güneşli (branch office) on a total area of 105.000 m². The Company's Konya headquarter facilities consist of 3 main production units: paper production, cardboard packaging and notebook production. In addition, İstanbul Güneşli Branch has a cardboard packaging facility. The Company is also one of the four local industrial enterprises operating in the production of Türkiye's printing and writing paper, indicating 25.00% of the production.

The Company, which attaches importance to sustainability, has a cogeneration plant with a power of 5.5 MWh in Konya Centre Facilities. Konya Kağıt attaches importance to the nature and environment and international production and quality management standards, it holds the certificates ISO 9001, ISO 45001, ISO 14001, ISO 50001 as well as FSC certificate. The shares of the Company have been publicly traded on the Borsa İstanbul A.Ş. ("BİST") since November 26,2021 with the ticker; "KONKA". As of 3Q2025, 20.00% of the Company's shares are listed on Borsa İstanbul. The ultimate controlling shareholder of the Company is Bera Holding A.Ş. with shares of 77.31%.

Since 1998, the Company has ranked among the Top 500 and second Top 500 industrial enterprises of the İstanbul Chamber of Industry (İSO). The Company ranked 321st among the Türkiye's Second Top 500 industrial enterprises as of 2024 (2023: 202nd). The staff force of the Company was composed of 412 employees in 2024 (2023:455).

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

Strengths

- Solid financial leverage supported by cash surplus position and a sound coverage multiplier during the analyzed periods,
- Strong current ratio and net working capital supporting liquidity management to a certain extent,
- Robust equity structure during the analyzed periods,
- Low level of doubtful receivable underpinned by varied customer base,
- Foreign currency-based revenue generation providing natural hedge in a certain extent,
- Long-lasting operating history and giving importance to environmental sustainability,
- Compliance with the corporate governance practices as a publicly traded company,

Constraints

- Decrease in sales revenues and low level of EBITDA margin during the analyzed periods due to competition in the sector and inflationary effects,
- Lengthy cash conversion cycle,
- The sector's dependence on cellulose imports and exposure to price fluctuations,
- 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 affirmed at 'AA- (tr)'. The Company's maintaining cash surplus position, positive net working capital, robust current ratio, strong equity structure, long-lasting operating presence, as well as decrease in revenues, relatively low level of profitability ratios, and macroeconomic conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings were determined as 'Stable'. The Company's profitability performance, liquidity structure, efficiency of completed sizeable investments and indebtedness structure 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.