

Corporate Credit Rating

New Update

Sector: Information Technology

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Team Leader

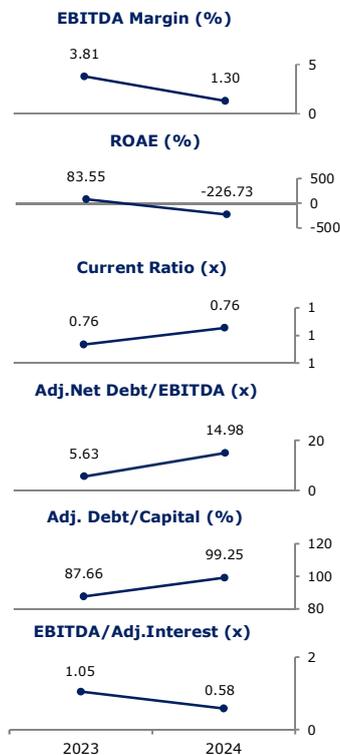
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	BBB-(tr)	J3 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB-	-
ISRs (Issue Specific Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Affirmed by JCR on September 1, 2025



Netaş Telekomünikasyon A.Ş.

JCR Eurasia Rating has evaluated "Netaş Telekomünikasyon A.Ş." in the investment grade category and revised the Long-Term National Issuer Credit Rating from "BBB (tr)" to "BBB- (tr)" and the Short-Term National Issuer Credit Rating from "J2 (tr)" to "J3 (tr)". In addition, outlook for Long-Term National Issuer Credit Rating has been revised from 'Negative' to 'Stable'. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as "BB-/Stable" according to JCR-ER's national-global mapping methodology.

Netaş Telekomünikasyon A.Ş. (referred to as "Netaş" or "the Company") was incorporated in 1967 with a partnership agreement signed between PTT and Northern Electronic to deploy Türkiye's telecommunication infrastructure with local solutions. Netaş provides innovative end-to-end value-added system integration and technology services in the fields of information and communication technologies (ICT). Netaş is engaged in the manufacture and trade of telecommunication equipment, project installation services, technical support, repair and maintenance services, IT services, strategic outsourcing services implementation activities, and associated services. Its customers range from telco providers to public, private enterprises, banks in domestic and international markets. Netaş and its subsidiaries provide services and tech solutions to their customers in the Commonwealth of Independent States (CIS), Kazakhstan, Azerbaijan, Algeria, Malta and Uzbekistan.

As of September 30, 2025, Netaş' shareholders are ZTE Cooperatief U.A ("ZTE Cooperatief", "ZTE") with 48.05% share, The Turkish Armed Forces Foundation (TAFF) with 15% share and 36.95% of the total shares are publicly traded on Borsa İstanbul (BIST). Netaş shares have been traded on the BIST with the 'NETAS' ticker since 1993. The Company currently takes places in the constituents of Sustainability Index, BIST Main, BIST Technology and BIST Information Technology, recently included in BIST Corporate Governance Index in January 2025. Netaş's 48.05% shares was acquired by ZTE's subsidiary ZTE Cooperatief U.A from OEP (One Equity Partners) in July 2017. ZTE Corporation is a Chinese partially state-owned technology company that specializes in telecommunication. ZTE's core business is wireless, exchange, optical transmission, data telecommunications gear, telecommunications software, and mobile phones.

The number of people employed across Group as of 9M2025 is 1,368 (FYE2024: 1,486; FYE2023: 1,682)

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

Strengths

- Maintained revenue base during the analysed years on the back of expanding product range driven by the influence of the majority shareholder ZTE,
- Established client portfolio supporting income predictability,
- Robust shareholder structure with high brand recognition,
- Strong compliance with the corporate governance principles, as evidenced by its inclusion in the Borsa İstanbul Corporate Governance Index,
- Long track record in the sector dating back to 1960's.

Constraints

- Considerably high level of financial leverage along with elevated borrowing profile as of 9M2025,
- Low level of operational profitability in reviewed periods, although turned positive in 9M2025,
- Ongoing net working capital deficit along with negative level of cash flow metrics in 9M2025,
- High financing expenses weakening interest coverage metric,
- Negative level of equity as of 9M2025,
- High level of overdue but not impaired receivables as a nature of the business,
- Despite being fully provisioned, arising from prior periods, and remained stable in relation to the functional currency, the relatively high level of doubtful trade receivables,
- 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 revised from "BBB (tr)" to "BBB- (tr)". The Company's long track record, maintained revenues, robust shareholder structure, well-established customer portfolio as well as negative level of equity at 9M2025 due to accumulated net losses, high indebtedness, ongoing high financial leverage in 9M2025, negative trend of working capital and uncertainties arisen from geopolitical tensions and global 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 orders book amount, indebtedness level, liquidity profile, profitability metrics, cash flow indicators and 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 business will be monitored as well.