Corporate Credit Rating

☐New ☒Update

Sector: Electrical Equipment Industry
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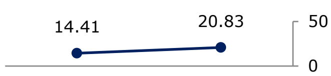
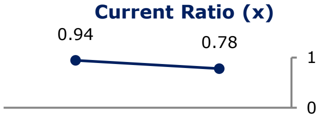
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	**National ICR**	**BBB (tr)**	**J2 (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on September 01, 2025*

EBITDA Margin (%)

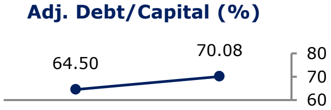


Current Ratio (x)

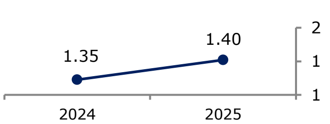


Adj.Net Debt/EBITDA (x)

Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ ARAŞTIRMA GELİŞTİRME ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated **"Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi"** in the investment grade category and affirmed the Long-Term National Issuer Credit Rating at **'BBB (tr)'** and the Short-Term National Issuer Credit Rating at **'J2 (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'**.

Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi (hereinafter referred to as **"Smart Güneş"** or **"the Company"** or **"the Group"**) was established in 2014 in İstanbul. The main field of activity of the Group includes installation of renewable energy power plants, production of PV solar modules, solar cells, sale and marketing of various Solar Power Plant system equipment, and providing engineering and labour services.

Smart Güneş has two production plants in Türkiye, one in Gebze/Kocaeli and one in Aliağa/İzmir. The Company's total annual solar panel production capacity is 2,400 MW, and its annual solar cell production capacity is 800 MW. Additionally, the Company put into operation 1,500 MW domestic wafer production investment in 2025.

The shares of the Smart Güneş have been traded on the Istanbul Stock Exchange (BIST) with the ticker of "SMRTG" since March 2022. The Group's headquarters is located in Beykoz, İstanbul. As of March 31, 2026, the Group has 1,120 employees (December 31, 2025: 1,121).

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

Strengths

- Improved operational profitability margins in FY2025, with parallel trend in 1Q2026, compared to the same period of the previous year, supported by ongoing solar cell investment,
- Integrated business model supported by solar cell, module manufacturing and EPC operations, enhancing operational diversification,
- Accessibility of quarterly financial disclosures, supported by its publicly traded status,
- Operational know-how and established experience in solar energy industry.

Constraints

- Decline in sales revenues in FY2025 and 1Q2026, accompanied by lower sales volumes,
- Negative CFO and FOCF metrics in 1Q2026, driven by ongoing CapEx requirements and advances paid for investments and inventory purchases,
- Ongoing net working capital deficit throughout the analysed periods, despite maturity extension efforts and access to capital market funding for financial liability side,
- Increased financial indebtedness, continued to weigh on leverage metrics during the reviewed periods,
- High level financing expenses suppress interest coverage metrics and bottom line, accordingly limiting equity contribution during the examined periods,
- Persistent global oversupply, largely driven by China's dominant manufacturing capacity, continues to pressure photovoltaic module prices,
- 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 improved operational profitability, integrated business model, established sector know-how as well as decline in revenues and sales volumes, negative CFO and FOCF, persistent net working capital deficit, elevated financial indebtedness and weak coverage metrics 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 at **'Stable'**. The Company's financial indebtedness level, leverage and coverage metrics, liquidity and net working capital position, cash flow generation, revenue and sales volume trend, operational profitability, developments in solar panel and cell prices, global supply-demand conditions, and completion of the ongoing cell investment 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.