

## Corporate Credit Rating

New  Update

**Sector:** Energy Group  
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| RATINGS                       |                               | Long Term   | Short Term |
|-------------------------------|-------------------------------|-------------|------------|
| ICRs (Issuer Credit Profile)  | National ICR                  | A- (tr)     | J1 (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) | -          |

\* Assigned by JCR on May 10, 2024

## Zorlu Enerji Elektrik Üretim Anonim Şirketi

JCR Eurasia Rating has evaluated "Zorlu Enerji Elektrik Üretim A.Ş." in the investment grade category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'A- (tr)' and revised the Short-Term National Issuer Credit Rating from 'J2 (tr)' to '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" as parallel to international ratings and outlooks of Republic of Türkiye.

**Zorlu Enerji Elektrik Üretim A.Ş.** (hereinafter referred to as "Zorlu Enerji" or "the Group") was established in 1993 as the first company of Zorlu Energy Group, and today the Group is one of the leading players in the Turkish energy sector. Zorlu Enerji operates in various areas of the industry with an integrated corporate combination, including electricity generation, retail of electricity sales, electricity distribution, solar panel sales and installation, power plants construction, management and maintenance along with EV charging stations network. Mainly focusing on geothermal energy investments in Türkiye, Zorlu Enerji is the leading player in geothermal energy in Türkiye with its 305 MW of installed capacity. In addition, the Group also has hydroelectric, wind and natural gas portfolio. The Group has power plants in Türkiye, Israel, Pakistan and Palestine.

As of March 31, 2025, principal shareholders of the Company were Zorlu Holding with 32.31% share, Korteks with 17.55% share, Wren House Infrastructure LP with 12.34% while 37.40% of the total shares are publicly traded on Borsa İstanbul (BIST). The shares of Zorlu Enerji have been traded on BIST since 2000 with "ZOREN" ticker. The Group, headquartered in Bursa, maintains its operations by an average staff force of 1,943 employees as of March 31, 2025 (December 31, 2024: 2,107).

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

### Strengths

- Maintained diversified income stream on the back of operating different energy segments,
- Ongoing favorable equity structure compared to asset size through the analyzed period,
- Ability to issue debt instruments facilitating maturity structure,
- Support from sectoral authority within the scope of both energy generation and distribution industries,
- Emphasis on sustainability in terms of ESG criteria and high compatibility with the corporate governance practices as a publicly traded company.

### Constraints

- Decline in revenue and EBITDA in FY2024, and also continued in 1Q2025,
- Relatively high leverage multiplier, despite a significant decline in indebtedness level as of FYE2024,
- Sizeable financing expenses over the analyzed period, leading to net loss in FY2024 and 1Q2025 along with suppressing interest coverage ability,
- Tight liquidity profile stemmed from insufficient net working capital,
- Considerable related party receivables leading to weaken the clarity of the balance sheet,
- 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 Group's the Long-Term National Issuer Credit Rating has been affirmed at 'A- (tr)'. The Group's favorable power plant portfolio, sufficient equity structure, diversified debt structure supported by bond issue, sectoral support for operating in energy sector as well as considerable decline in revenue and EBITDA, sizeable indebtedness level compared to asset size, notable financing expenses, ongoing net working capital deficit and global macroeconomic concerns 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 determined as 'Stable'. The Group's profitability indicators, cost management abilities, leverage profile and equity structure along with liquidity management 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.

