

## RATING ANNOUNCEMENT FORM

**Rating Agency** : JCR AVRASYA DERECELENDİRME A.Ş.  
**Rated Institution** : Otokar Otomotiv ve Savunma Sanayi A.Ş.  
**Address** : Maslak Mahallesi Taşyoncası Sokak No:1/F F2 Blok Kat:2 34485 Sarıyer, İstanbul-Türkiye  
**Telephone and Fax No** : 0212 352 56 73 – 0212 352 56 75  
**Date** : 31/05/2022  
**Subject** : Article 26 of the CMB Serial VIII, No. 51 Communiqué on Principles

**To the CMB- Department of Accounting Standards  
Central Securities Depository of Turkey- Public Disclosure Platform**

“Otokar Otomotiv ve Savunma Sanayi A.Ş.” has been evaluated by JCR Eurasia.

- Increasing sales revenues, EBITDA and cash flow generation from operations along with rising sales figures in FY2021
- High level of export share in the turnover providing natural hedge
- Sustainable financial leverage profile and equity level despite the high dividend payments
- Long-term weighted financial debt structure and considerable liquid asset level, easing liquidity management
- Strong presence in Turkish defense industry and commercial vehicle industry with reputable brands and proven successful track record in various countries
- Competitive advantages through strong R&D center and new product-brand creation power
- High level of compliance regarding corporate governance implementations
- Increasing trend of inventory level mainly due to risk management measures against supply chain bottlenecks
- High correlation with macroeconomic dynamics of the automotive sector and contraction of the sector in Europe during 1Q2022
- Defense industry specific operational risk related with trade barriers of countries
- The geopolitical risks stemming from the Russia-Ukraine tension increasing commodity prices and creating uncertainty

Essentially, the Long Term National Issuer Credit Rating of the “Otokar Otomotiv ve Savunma Sanayi A.Ş.” has been affirmed and all other ratings are as follows considering the above issues.

<b>Long Term National Issuer Credit Rating</b>	: <b>AA+ (tr)</b> / (Stable Outlook)
<b>Short Term National Issuer Credit Rating</b>	: <b>J1+ (tr)</b> / (Stable Outlook)
<b>Long Term International Foreign Currency Issuer Credit Rating</b>	: <b>BB</b> / (Stable Outlook)
<b>Short Term International Foreign Currency Issuer Credit Rating</b>	: <b>J3</b> / (Stable Outlook)
<b>Long Term International Local Currency Issuer Credit Rating</b>	: <b>BB</b> / (Stable Outlook)
<b>Short Term International Local Currency Issuer Credit Rating</b>	: <b>J3</b> / (Stable Outlook)
<b>Long Term Issue Specific Rating</b>	: -
<b>Short Term Issue Specific Rating</b>	: -

**Regards,**  
**JCR AVRASYA DERECELENDİRME A.Ş.**

**Zeki Metin ÇOKTAN**  
**Head of Group**

**Şevket GÜLEÇ**  
**Head of Group**