

RATING ANNOUNCEMENT FORM

Rating Agency : JCR AVRASYA DERECELENDİRME A.Ş.
Rated Institution : OTOKAR OTOMOTIV VE SAVUNMA SANAYİ 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
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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.

- Pioneer profile in the Turkish defense industry and commercial vehicle industry with reputable brands and proven successful track record in various countries,
- Increasing sales revenues and EBITDA generation capacity along with maintenance of orders and rising export volume,
- Sustainable financial leverage profile along with equity level supported by ongoing net profit generation,
- Significant level of advances taken in the funding sources easing liquidity management,
- Competitive advantages through strong R&D center and new product-brand creation power,
- Providing natural hedge through export sales,
- Strong shareholder structure,
- High level of compliance regarding corporate governance implementations,
- Despite increasing EBITDA generation capability, having negative cash flow from operations in 2020,
- Increasing level of short-term funding needs mainly due to risk management strategies during the pandemic,
- Having defense industry specific operational risk related with trade barriers of countries,
- Contraction in the global automotive sector,
- Covid-19 outbreak creating vagueness on global and local economic activity,

Essentially, the rating notes of the "Otokar Otomotiv ve Savunma Sanayi A.Ş." are determined as follows considering the above issues.

Long Term International Foreign Currency Rating	: BB+ / (Negative Outlook)
Long Term International Local Currency Rating	: BB+ / (Negative Outlook)
Long Term National Rating	: AA+ (Trk) / (Stable Outlook)
Long Term Issue Rating	: -
Short Term International Foreign Currency Rating	: B / (Negative Outlook)
Short Term International Local Currency Rating	: B / (Negative Outlook)
Short Term National Rating	: A-1+ (Trk) / (Stable Outlook)
Short Term Issue Rating	: -
Sponsor Support Note	: 1
Stand-Alone Note	: A

Regards,
JCR AVRASYA DERECELENDİRME A.Ş.

Şevket GÜLEÇ
Head of Group

Prof Dr. Feyzullah YETGİN
General Manager