

Corporate Credit Rating

New Update

Sector: Chemicals Industry
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA- (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
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 1, 2025

Gentaş Kimya Sanayi ve Ticaret Pazarlama A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Gentaş Kimya Sanayi ve Ticaret Pazarlama A.Ş." in the investment grade category with very high credit quality, revised the Long-Term National Issuer Credit Rating to 'AA- (tr)' from 'A+ (tr)' and the Short-Term National Issuer Credit Rating to 'J1+ (tr)' from 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable', in line with the sovereign ratings and outlooks of Republic of Türkiye.

"Gentaş Kimya Sanayi ve Ticaret Pazarlama A.Ş." (hereinafter referred to as "Gentaş Kimya" or "the Group" or "the Company") was established in İstanbul in 2000. The Group is engaged in the production and sale of formaldehyde, formaldehyde-based resin and acrylic sheet. Gentaş Kimya carries out its production and sales activities at the Dilovası factory, located at the Group's head office. The Group's resin products are mainly used in the construction, building materials, furniture and decoration, automotive and automotive sub-industry, pharmaceutical and healthcare industries. Apart from the aforementioned resin types, the Group started acrylic sheet production as of the end of 2021.

The Company has a subsidiary with the trade name "GNT Kimya Dış Ticaret ve Pazarlama A.Ş." ("GNT Kimya") in which Gentaş Kimya owns 99.80% of the shares. GNT Kimya, established on February 21, 2017 in İstanbul. The GNT Kimya's field of activity is to purchase, sell, market, import and export all kinds of laminate and werzalite resin, glue, alkyd resin, lining resin.

The Group has a total of 142 employees as of FYE2025 (FYE2024: 137).

As of FYE2025, the Group's main shareholder was Macit Aydın with 34.50% share. Remaining 14.50% share belongs to Gentaş Dekoratif Yüzeyler San. Ve Tic. Paz. A.Ş., 7.00% to Seyit Mehmet Mutlu, 6.00% to Tahsin Kahraman, 5.50% to Orhan Kahraman, 5.00% to Mehmet Ziya Kahraman, 5.00% to Abdurrahman Kahraman, 5.00% to Didem Aydın, 5.00% to Abdurrahman Kahraman and 12.50% to other partners. Gentaş Kimya has been publicly traded on the BIST with the ticker symbol "GENKM" with an actual outstanding shares ratio of 20.49% since the completion of public offering dated March 6, 2026.

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

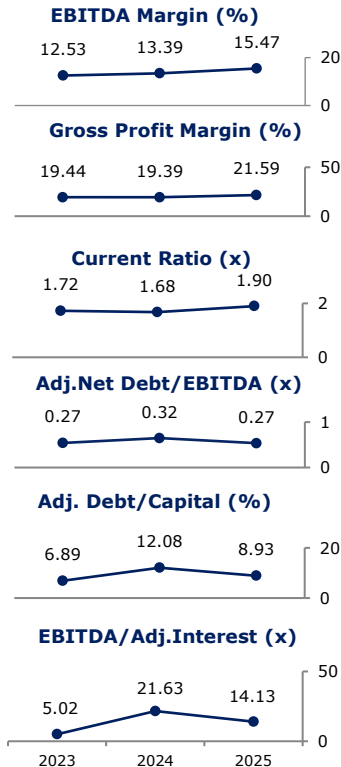
Strengths

- Solid financial leverage and coverage profile in the analyzed periods,
- Improvement in core profitability indicators in FY2025, despite partial contraction in sales revenue mainly due to TAS29 effect,
- Positive cash flow metrics supporting liquidity management in FY2025,
- Asset quality supported by low collection risk in the reviewed periods,
- Tailor-made value-added products and ecological approach providing competitive advantages,
- Compliance with corporate governance principles thanks to completion of IPO as of 1Q2026,
- Accumulated know-how and long experience in the sector.

Constraints

- Sector wide issue of import dependency and price volatility in the supply of raw materials,
- 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 factors, the Group's Long-Term National Issuer Credit Rating has been revised to 'AA- (tr)' from 'A+ (tr)'. Solid financial leverage and coverage profile, improvement in core profitability indicators and long experience in the sector as well as sector wide issue of import dependency and slowdown signal in the global economy 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 debt and equity level, liquidity and profitability indicators will be closely monitored by JCR Eurasia Rating in the 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.



1. Rating Rationale

With respect to the factors mentioned below, JCR Eurasia Rating has revised the Long-Term National Issuer Credit Rating of Gentaş Kimya to '**AA- (tr)**' from '**A+ (tr)**' and the Short-Term National Issuer Credit Rating to '**J1+ (tr)**' from '**J1 (tr)**' in JCR Eurasia Rating's notation system which denotes the investment grade category with very high credit quality.

When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Group's Long-Term International Foreign and Local Currency Issuer Credit Ratings were determined as '**BB**', in line with the sovereign ratings of Republic of Türkiye.

Solid Financial Leverage and Coverage Profile in the Analyzed Periods

Gentaş Kimya's short-term financial liabilities recorded a decrease indicated by 25.02% to TRY 515.16mn as of FYE2025 (FYE2024: TRY 687.08mn, FYE2023: TRY 250.83mn). Also, the Group has no long-term financial borrowings in the last two year. The Group's debt structure is predominantly short-term and 99.48% of total financial liabilities consist of bank loans (FYE2024: 99.70%, FYE2023: 99.77%). Total amount of bank loans in FYE2025 is predominantly in TRY and bank loans mainly have been used for working capital needs.

Examining the percentage distribution of the financial liabilities within themselves, the share of short-term financial liabilities was reflected by 79.98%, whilst long-term liabilities were 20.02% of the total in FYE2025 (FYE2024: 80.54%, 19.46%, FYE2023: 75.22%, 24.78%, respectively).

As mentioned above, Gentaş Kimya's adjusted debt amounted to TRY 515.16mn as of FYE2025, decreasing from TRY 687.08mn as of FYE2024 (FYE2023: TRY 347.89mn). Cash and cash equivalents decreased to TRY 320.69mn in FYE2025 from TRY 471.63mn in FYE2024 (FYE2023: TRY 155.80mn). Adjusted Net Debt is calculated by subtracting cash and cash equivalents from total debt. As of FYE2025, the Group's adjusted net debt declined to TRY 194.47mn, down from TRY 215.45mn as of FYE2024, reflecting the reduction in adjusted debt (FYE2023: TRY 192.09mn). EBITDA increased to TRY 725.43mn in FY2025 from TRY 664.52mn in FY2024, reflecting the improvement in gross profit (FY2023: TRY 710.65mn).

Net Debt to EBITDA multiplier measures a company's ability to pay off its incurred debt and indication as to how long a company would need to operate at its current level to pay off all its debt. Reflecting a 9.74% YoY reduction in adjusted net debt and a 9.17% rise in EBITDA, the Group's adjusted net debt to EBITDA multiplier improved to 0.27x as of FYE2025 (FYE2024: 0.32x, FYE2023: 0.27x), indicating improved financial flexibility driven by both lower leverage and higher earnings.

The Group has no long-term financial liabilities in FYE2025 therefore; the Group's Short-Term Net Debt to EBITDA multiplier was realized as 0.27x as of FYE2025 (FYE2024: 0.32x, FYE2023: 0.13x).

Adjusted Debt to Capital ratio is calculated by dividing a company's total financial debt to its total capital, which is equal to the sum of Adjusted Debt and total equity. Higher debt to capital ratio is risky for a company, it means that a company is financed its activities with more debt than equity. The Group's debt to capital ratio decreased to 8.93% as of FYE2025 from 12.08% in FYE2024 (FYE2023: 6.89%).

Debt Ratio measures the proportion of a company's total assets that are financed through liabilities and serves as an indicator of the overall financial leverage of the entity. The ratio is calculated by dividing total liabilities by total assets. A higher ratio generally indicates greater reliance on debt financing, which may increase financial risk, while a lower ratio suggests a stronger equity base and a more conservative capital structure. The Group's debt ratio remained broadly stable during the analyzed periods and was recorded at 22.14% as of FYE2025 (FYE2024:22.81%; FYE2023: 22.55%).

The Group's key financial leverage metrics in the last two years are shown below.

Key Leverage Metrics	FY2023	FY2024	FYE2025
Adjusted Net Debt / EBITDA (x)	0.27	0.32	0.27
Adjusted Debt / Capital (%)	6.89	12.08	8.93
Adjusted Short-Term Net Debt / EBITDA (x)	0.13	0.32	0.27
Debt Ratio (Tot. Resources / Tot. Assets) (%)	22.55	22.81	22.14

On the other hand, the interest coverage ratio is a measure of a company's ability to pay interest on its debt. A high ratio indicates that a company is able to pay its interest expenses several times over, while a low ratio is a strong indicator that a company may default on its loan payments.

The Group's EBITDA to adjusted interest paid ratio decreased to 14.13x in FY2025 from 21.63x in FY2024 (FY2023: 5.02x), mainly due to the increase in net interest expenses to TRY 51.34mn from TRY 30.72mn, despite EBITDA growing by 9.17% in FY2025. As a result, the Group's EBITDA to adjusted interest paid ratio remained at a high level in FY2025, despite a decline from the previous year.

Furthermore, the Group's FFO realized as TRY 385.76mn in FY2025 (FY2024: TRY 246.67mn, FY2023: TRY 94.28mn). FFO Interest Coverage Ratio is a financial metric that measures a Group's ability to meet its interest obligations using its FFO. The Group's FFO was 7.51 times higher than adjusted interest paid in FY2025 (FY2024: 8.03x, FY2023: 0.67x) and FFO interest coverage ratio was at sufficient level.

Key coverage indicators are shown table below:

Coverage Metrics (x)	FY2023	FY2024	FY2025
EBITDA / Adjusted Interest Paid	5.02	21.63	14.13
FFO Int. Covrg . = (FFO) / Adj. Int. Paid	0.67	8.03	7.51
CFO / CapEx	5.00	1.05	2.45

Improvement in Core Profitability Indicators in FY2025, Despite Partial Contraction in Sales Revenue Mainly Due to TAS29 Effect

Gentaş Kimya's main business activities include the production and sale of formaldehyde, formaldehyde-based resin and acrylic sheet. The products produced by the Group are included in 7 main product groups; 1) formaldehyde solution, 2) urea formaldehyde resin, 3) melamine formaldehyde resin, 4) phenol formaldehyde resin, 5) casting resin, 6) novolak resin and 7) acrylic sheet.

The Group's resin products are mainly used in the construction, construction materials, furniture and decoration, automotive and automotive sub-industry, pharmaceutical and health sectors, and specifically in the wood-based panel industry, decorative laminate industry, insulation products industry, furniture and construction industry, metal casting industry, abrasive industry and leather processing industry, which are sub-branches of the aforementioned sectors.

As of the end of 2021, acrylic sheet, which was started to be produced and offered to the market under the brand name 'Neogen', is generally used in the construction sector, specifically in kitchen, bathroom and reception countertops, sinks, tables, chairs, cabinets and similar furniture, wall coverings,

laboratory benches, hospital surfaces and other industrial applications.

Furthermore, the Group's sales volume in the analyzed periods are shown below.

Sales Volume*	2024	2025
Resin (tons)	130,463	140,296
Formaldehyt (tons)	17,475	15,297
Acrylic Sheet (unit)	57,681	61,602

*Data provided by the Company

The Group's sales performance in FY2025 continued to be supported by steady growth in its core product segments, despite the decline in formaldehyde sales volumes. Total sales volume increased in FY2025 compared to FY2024, driven primarily by higher resin and acrylic sheet sales volumes. Resin sales volumes rose to 140,296 tons in FY2025 from 130,463 tons in FY2024, while acrylic sheet sales volumes increased to 61,602 units in FY2025 from 57,681 units in FY2024. This increase was partially offset by a decline in formaldehyde sales volumes, which decreased to 15,297 tons in FY2025 from 17,475 tons in FY2024.

The Group's sales revenues declined to TRY 4.69bn in FY2025 from TRY 4.96bn in FY2024 mainly attributable to the impact of TAS29 (FY2023: TRY 5.67bn). Despite the contraction in top-line performance, improved cost management led to a reduction in cost of sales to TRY 3.68bn in FY2025 (FY2024: TRY 4.00bn, FY2023: TRY 4.57bn), supporting an expansion in gross profit to TRY 1.01bn in FY2025 from TRY 962.49mn in FY2024 (FY2023: TRY 1.10bn). Accordingly, the gross profit margin improved to 21.59% in FY2025 from 19.39% in FY2024, indicating enhanced cost absorption capacity and relatively stronger pricing discipline (FY2023: 19.44%).

Operating expenses decreased to TRY 393.61mn in FY2025 from TRY 410.56mn in FY2024, corresponding to an operating ratio of 8.39% (FY2024: 8.27%, FY2023: 8.53%). The relatively limited decrease in operating expenses, combined with improved gross profitability, supported the Company's operational performance. Accordingly, operating profit increased to TRY 640.14mn in FY2025 from TRY 549.57mn in FY2024 (FY2023 TRY 646.86mn). The operating profit margin also improved to 13.65% in FY2025 from 11.07% in FY2024 (FY2023: 11.41%).

EBITDA increased to TRY 725.43mn in FY2025 from TRY 664.52mn in FY2024 (FY2023: TRY 710.65mn),

while the EBITDA margin improved to 15.47% in FY2025 from 13.39% in FY2024 (FY2023: 12.53%).

On the other hand, bottom-line profitability was affected by financing costs and monetary losses under TAS29, albeit to a limited extent relative to the improvement in operational performance. Net financing expenses remained elevated at TRY 82.06mn in FY2025 (FY2024: TRY 99.02mn, FY2023: TRY 97.59mn), while net monetary position losses realized as TRY 251.63mn (FY2024: TRY 234.14mn, FY2023: TRY 364.78mn).

Despite these factors, improvement in operating performance and higher investment income were the main drivers of profitability, leading profit before tax to increase to TRY 419.27mn in FY2025 from TRY 241.58mn in FY2024 (FY2023: TRY 180.23mn). As a result, the Group reported a net profit of TRY 249.18mn in FY2025, compared to TRY 132.77mn in the previous year (FY2023: TRY 203.05mn). Accordingly, the net profit margin improved to 5.31% in FY2025 from 2.67% in FY2024 (FY2023: 3.58%).

The Group's main profitability ratios over the last three years are shown below.

Main Profitability Metrics (%)	FY2023	FY2024	FY2025
Gross Profit Margin	19.44	19.39	21.59
EBIT Margin	10.91	11.12	13.20
EBITDA Margin	12.53	13.39	15.47
Operating Profit Margin	11.41	11.07	13.65
Net Profit Margin	3.58	2.67	5.31

Positive Cash Flow Metrics Supporting Liquidity Management in FY2025

The Group's liquidity management consists of matching the maturities of financial assets and liabilities and monitors the cash flows generated from operations. The Group monitors the cash flows, payment schedules and additional funding requirements regularly.

Cash Flow Metrics ('000' TRY)	FY2023	FY2024	FY2025
Funds from Operations (FFO)	94,278	246,669	385,763
Change in Working Capital	1,015,023	-145,886	-269,540
Cash Flow from Operations (CFO)	1,109,301	100,783	116,223
Cash Flow from Investment Activities	-222,029	-96,157	-47,523
Free Operating Cash Flow (FOCF)	887,272	4,626	68,700

Cash from Operations (CFO) indicates the amount of money a company brings in from its ongoing, regular business activities and is an important benchmark to determine the financial success of a Group's core

business activities. CFO slightly increased to TRY 116.22mn in FY2025 from TRY 100.78mn in FY2024 (FY2023: TRY 1.11bn). Funds from Operations (FFO), which is calculated by the difference between CFO and changes in working capital increased to TRY 385.76mn in FY2025 from TRY 246.67mn in FY2024, mainly due to rise in CFO.

Free Operating Cash Flow (FOCF) is the cash that a company generates from its normal business operations after subtracting any money spent on capital expenditures. The Group's FOCF was slightly increased to TRY 68.70mn in FY2025 compared to the previous year, mainly due to increasing CFO and decreasing CapEx (FY2024: TRY 4.63mn, FY2023: TRY 887.27mn).

Asset Quality Supported by Low Collection Risk in the Reviewed Periods

Gentaş Kimya operates within the chemical industry, primarily focusing on the production and sale of formaldehyde, formaldehyde-based resins, and acrylic sheets. The Group's diversified product portfolio, which includes formaldehyde solution, urea, melamine and phenol formaldehyde resins, casting and novolak resins, as well as acrylic sheets, enables it to serve a broad range of industrial end-markets. The Group's products are widely utilized across structurally stable and diversified sectors such as construction, furniture and decoration, automotive and automotive sub-industry, pharmaceuticals and healthcare, as well as various industrial applications including wood-based panel production, laminate, insulation materials, metal casting, abrasive, and leather processing industries. This broad end-user exposure supports demand resilience and reduces concentration risk.

The Group operates in a sector characterized by technical production requirements, established industrial know-how, and compliance-driven quality standards, which creates natural entry barriers and supports customer retention. Within this framework, Gentaş Kimya benefits from long-standing customer relationships and recurring industrial demand, which contribute to stable cash flow generation. Accordingly, the Group's asset quality is supported by a relatively low collection risk profile, underpinned by diversified end-market exposure, recurring demand dynamics, and established commercial relationships within the industrial chemicals value chain.

Moreover, the Group's trade receivables, as one of the major components of the total assets, increased to TRY 1.04bn as of FYE2025 from TRY 861.34mn as of

FYE2024 (FYE2023: TRY 803.00mn). The Group's customer portfolio represents a key strength, supporting operational resilience and receivables quality. Throughout the analyzed period, the Group maintained a low and stable level of doubtful receivables relative to both trade receivables and net sales, reflecting limited collection risk. As of FYE2025, total doubtful receivables increased to 36.56mn from TRY 31.91mn in FYE2024, with the ratios to trade receivables and net sales were realized as 3.52% and 0.78%, respectively in FYE2025 (FYE2024: 3.70% and 0.64%, FYE2023: 5.02% and 0.71%, respectively). Asset quality is reinforced by low collection risk observed during the reviewed periods, reflecting reliable payment behavior across its client base and supporting predictable cash flows. This combination of stable sector dynamics, operational expertise, and favorable collection profile underpins Gentaş Kimya's strong asset quality and credit fundamentals.

Tailor-Made Value-Added Products and Ecological Approach Providing Competitive Advantages

Formaldehyde is industrially produced through the controlled oxidation of natural gas derivatives or methanol vapor using oxygen from the air. It is one of the most widely manufactured and utilized chemicals in the global chemical industry. This compound is a colorless gas, also known as formic aldehyde or methyl aldehyde, and is most commonly used in aqueous solutions with concentrations of up to 40%.

Formaldehyde is primarily used in the production of resins and as an intermediate in chemical manufacturing. In addition, it serves as a preservative and disinfectant in medical laboratories. It plays a key role in the production of urea, phenol, and melamine resins. Urea-formaldehyde and phenol-formaldehyde resins are widely applied in the manufacturing of particleboard and plywood, textile processing, and the production of foam insulation materials. Naturally present in living organisms, formaldehyde is actively used across various industries, including furniture, construction, cleaning products, and cosmetics.

Due to its low cost and high reactivity, formaldehyde is considered one of the most important raw materials in today's chemical industry. Its use in the production of high value-added products and its impact across multiple sectors contribute significantly to the Group's competitive strength and revenue growth.

In addition, the Group has introduced a new product called Novolak, which is a solid form of phenol-formaldehyde resin. Compared to liquid resins, Novolak offers advantages such as improved logistics and a longer shelf life, making it more suitable for export to distant markets. Beyond traditional phenolic resin applications, Novolak is also used in the automotive sub-industry in Türkiye as a high value-added material. Following recent investments in machinery and equipment, the Group has initiated trial production of Novolak with an annual capacity of 7,500 tonnes (based on a single 8-hour shift). Through Novolak production, the Group aims to increase its share in phenolic resin exports while also reducing reliance on imports within the Turkish market.

Compliance with Corporate Governance Principles Thanks to Completion of IPO as of 1Q2026

Compliance with corporate governance best practices provides guidance and sustainability for companies through the enhancement of their efficiency via transparent, widely accepted and continuously monitored processes and policies. Gentaş Kimya has been publicly traded on the BIST with the ticker symbol "GENKM" with an actual outstanding shares ratio of 20.49% since the completion of public offering dated March 6, 2026.

Gentaş Kimya is subject to certain compliance requirements concerning corporate governance principles and framework identified by Capital Markets Board of Türkiye. As such, it has reached a high standard of compliance with the Corporate Governance Practices such as a comprehensive risk management framework, high degree of transparency, quality of financial reporting along with an emphasis on sustainability and efficiency which contributes to its current set of ratings. Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee has been established in order to assist the Board of Directors with their supervisory and control duties.

Gentaş Kimya's website is well-organized and provides detailed information on its history, vision and mission, values, policy, corporate governance practices as demonstrated by the high standards of public disclosure, the exercise of shareholders' rights, Board composition, skill and experience of members, number of established committees.

Accumulated Know-How and Long Experience in the Sector

Gentaş Kimya has a track record throughout its history in the sector of around 25 years with significant presence. The Group was established in İstanbul in 2000. The Group is engaged in the production and sale of formaldehyde, formaldehyde-based resin and acrylic sheet.

In 2002, production was relocated to the Tuzla Chemical Industry Organized Zone, where capacity increased to 20,000 tons per year with the addition of new reactors in a 1,200 m² facility. To reduce dependency on external raw materials, a formaldehyde investment was made in 2005. In the same period, additional reactor investments boosted resin production capacity to 36,000 tons per year. As part of ongoing capacity expansion and supply security efforts, a second formaldehyde plant with a capacity of 45,000 tons per year was commissioned in 2007. This was followed by the establishment of a third plant with the same capacity in 2009. Expansion continued in 2016 with the installation of a fourth formaldehyde plant, adding 40,000 tons per year to production capacity.

With the Tuzla facility reaching near-full utilization, the company decided in 2017 to relocate its production operations to Dilovası/Kocaeli to meet increasing demand. This transition led to the commissioning of a fifth formaldehyde plant in 2019 at the Dilovası facility, raising total capacity to 200,000 tons per year.

By the end of 2021, the Company had entered acrylic sheet production, followed by the start of commercial sales in 2022. In 2023, a 1.2 MW rooftop solar power plant was completed and became operational in November. The same year also marked Gentaş Kimya's first successful export of acrylic sheets, along with the full completion of the relocation process to the Dilovası facility.

The Company has acquired an additional 15,000 m² of land in Dilovası for future investments. With ongoing machinery and equipment investments finalized, trial production of novolac has begun, with an annual capacity of 7,500 tons (single shift).

Sector Wide Issue of Import Dependency and Price Volatility in the Supply of Raw Materials

Chemical industry in Türkiye is structurally dependent on imported raw materials, exposing market participants to external supply conditions and global pricing dynamics. In parallel with the sector, the Group Gentaş Kimya purchases almost all of raw materials from abroad. Given that raw material prices are largely benchmarked to international commodity markets, cost structures are inherently sensitive to global supply-demand imbalances, geopolitical developments, and production disruptions. In addition, energy costs constitute a significant component of operating expenses, further amplifying margin sensitivity during periods of price inflation. The Group's import exposure also increases its vulnerability to foreign exchange volatility. Fluctuations in exchange rates directly affect input costs, while any mismatch between FX-denominated purchases and TRY-based revenues may create pressure on profitability and cash flows.

Moreover, potential changes in customs tariffs, trade regulations, or logistical bottlenecks may lead to supply interruptions or cost escalations. Such risks are particularly pronounced in industries with high import intensity, where alternative sourcing options may be limited in the short term.

Overall, the combination of global raw material price volatility, energy cost fluctuations, and exchange rate movements introduces earnings variability and may constrain margin stability, especially in periods of macroeconomic uncertainty.

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

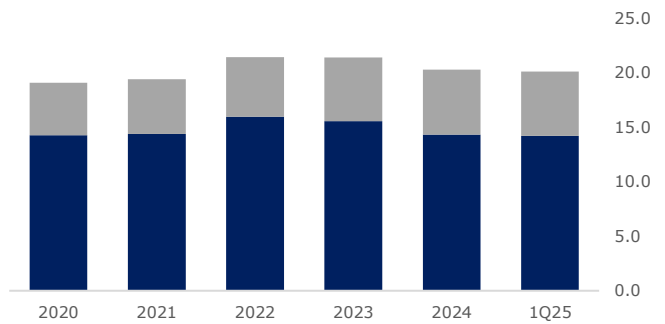
Companies based in Türkiye face multiple headwinds arising from both global and domestic conditions. Although major central banks have entered an easing cycle following a prolonged period of tight financial conditions, global shocks and geopolitical risks continue to weigh on the outlook. Moreover, interest rates remain sensitive due to elevated debt burdens across economies. Domestically, the Central Bank of the Republic of Türkiye (CBRT) has maintained a cautious policy stance while proceeding with rate cuts, aiming to achieve a soft landing by restraining domestic consumption and supporting the normalization of pricing behavior through anchoring inflation expectations.

In this context, selective lending policies to support exports and investment remain in place. Against this backdrop, China’s export-oriented growth strategy poses an additional challenge for Turkish exporters, who are already facing subdued demand in key export markets alongside high production costs. Furthermore, trade policy developments including tariff decisions, free-trade agreements and the implementation of the Carbon Border Adjustment Mechanism (CBAM) have become increasingly decisive factors for domestic exporters, compounding pressures stemming from high financing conditions and cost structures.

Recent geopolitical tensions following the declaration of war by the United States and Israel against Iran have continued to add layers of uncertainty to the global outlook. These developments have heightened risks to global financial stability, as reflected in the sharp movements observed across major asset prices. Uncertainty regarding the trajectory and duration of the war remains a key determinant of the magnitude and persistence of the resulting economic shock. In this environment, emerging economies, including Türkiye, are likely to remain among the most exposed to the adverse spillovers stemming from escalating geopolitical risks.

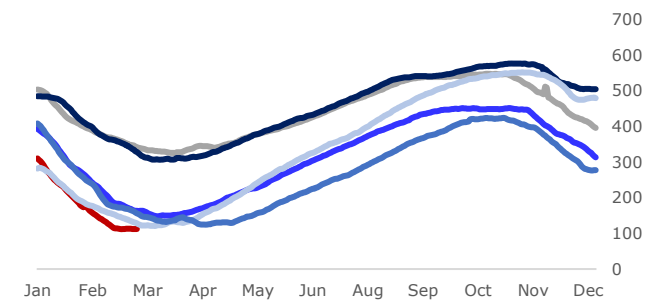
One of the most immediate transmission channels of the conflict has emerged through disruptions in global energy markets. The Strait of Hormuz, where trade activity has reportedly slowed significantly due to the conflict, accounts for roughly one-third of globally traded seaborne crude oil shipments. Consequently, global oil prices have experienced heightened volatility, amplifying concerns regarding inflationary pressures and external balances across energy-importing economies. Conversely, Qatar’s halt in LNG production is exerting upward pressure on natural gas prices and affecting LNG stockpiles within the EU.

Volume of Crude Oil, Condensate and Petroleum Products Transported Through the Strait of Hormuz (million barrels per day)
Crude Oil, Condensate Petroleum Products



Source: US Energy Information Administration (US EIA)

Northwest European Storage (TWh)
2026 2025 2024 2023 2022 2021



Source: Refinitiv

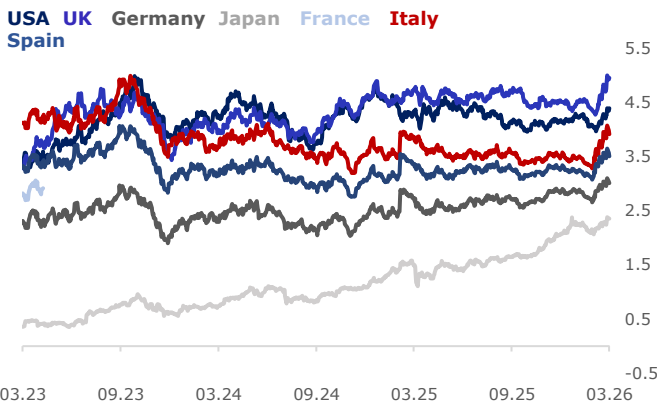
Given its geographical proximity to the region, Türkiye remains particularly vulnerable to developments related to the conflict. The inflationary implications of higher energy prices are expected to become more visible in the coming periods. Financial markets, however, reacted almost immediately following the war. Portfolio outflows intensified while Turkish financial assets came under selling pressure, prompting regulatory authorities led by the CBRT to implement a set of precautionary measures.

Within this framework, the CBRT initially suspended one-week repo auctions while introducing Turkish lira-settled FX forward selling transactions in order to contain excessive volatility in the exchange rate. Following the suspension of repo funding, overnight funding rates in the BIST money market have hovered near the upper bound of the CBRT’s interest rate corridor, currently at 40%. In addition, the CBRT has continued to absorb excess Turkish lira liquidity through deposit auctions and liquidity note issuances.

The CBRT has also actively managed its international reserves, including both FX and gold. Against this backdrop, the CBRT paused its rate-cutting cycle at the March policy meeting.

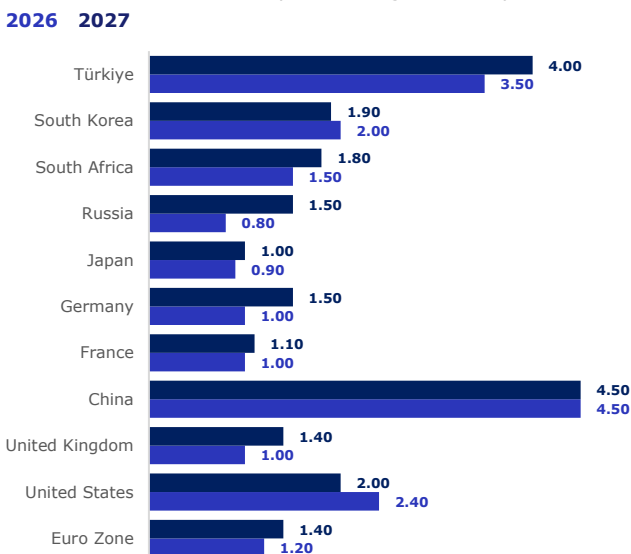
Amid these developments, the upward movements observed particularly in government bond yields have reversed expectations of monetary policy of major central banks priced in for 2026, which were previously aligned with a soft-landing scenario, and have instead re-emerged expectations of potential rate hikes. In this context, interest rate increases are expected in the period ahead, both among major central banks and across emerging economies, including Türkiye. However, alternative scenarios regarding the resolution of the conflict will continue to shape these expectations.

10Y Government Bond Yields (%)



Source: Refinitiv Datastream,

GDP Outlook for 2026-27 (Annual Average Growth, %)



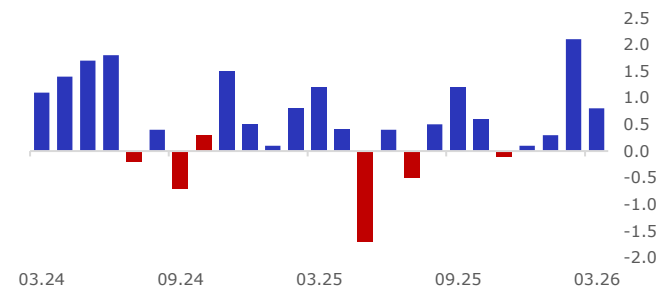
Source: Refinitiv Datastream, Reuters Poll (Median Forecast)
 *As of 01-04-2026

Following a first half of 2025 marked by tariff disputes and trade-related tensions, growth momentum strengthened in the second half of the year, particularly in the United States and Asian economies. In contrast, according to Eurostat’s final data for 2025, GDP increased by 1.4% in the Euro Area and 1.5% in the EU. Germany’s full-year growth of 0.2% stood out as a notable development, while Spain was among the leading contributors to overall EU growth. In the United States, the growth rate was revised to 2.1% with the final data release, while China closed 2025 with a growth rate of 5%. However, the increases and expectation for future levels of commodity prices and the disruptions to global supply chains stemming from the war have not yet been fully incorporated into projections for global growth in 2026, nor into market expectations regarding the future path of central banks’ interest rate decisions.

China continues to leverage its massive and highly integrated manufacturing base to support export growth. However, domestic consumption remains subdued, reflecting the legacy of decades of investment and manufacturing-led growth policies. While trade wars are periodically discussed as potential risks to China’s export performance and growth outlook, alternative trade routes and ongoing negotiations have so far mitigated these risks. However, China’s strong production infrastructure and entrenched access to global markets position the country as a formidable competitor for counterparts.

China Manufacturing PMI

(Deviations from threshold value)

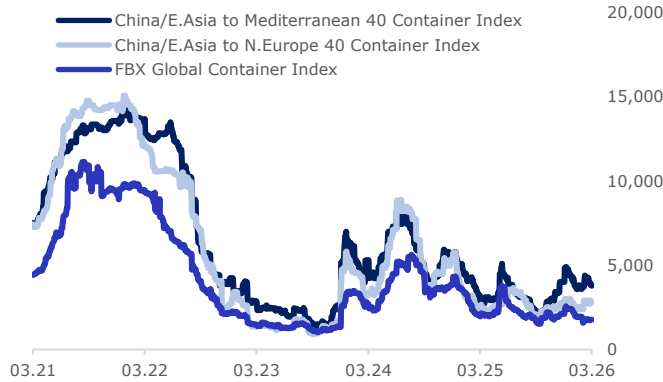


Source: Refinitiv Datastream

Global supply chains have once again come under pressure as transit through the Strait of Hormuz has slowed significantly and alternative routes are increasingly being used instead of the Suez Canal. As highlighted above, the duration of the war will be a key determinant for developments in global shipping and freight indices. Potential impacts will therefore continue

to be closely monitored, particularly with respect to their implications for global supply chain dynamics.

FBX Global Container Index



Source: Refinitiv Datastream

Global slowdown’s impact on Türkiye

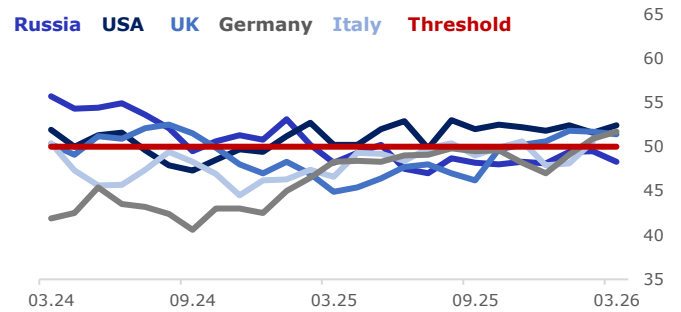
The economic policy framework implemented in 2024 supported the positive contribution of exports to overall growth. In this context, Türkiye’s exports to the EU increased to USD 108.5 billion in 2024, up from USD 104.3 billion in 2023. This upward trend continued into 2025, with exports to the EU rising by 7.7% year-on-year to USD 116.9 billion. As a result, the share of EU-bound exports in Türkiye’s total exports increased to 42.8% in 2025, compared to 41.4% recorded in 2021. However, despite the continued increase in exports in 2025, the contribution of net exports to economic growth turned negative in the first three quarters. This reversal was mainly driven by a surge in imports, particularly due to stronger demand for consumer goods.

According to data published by TurkStat, exports to the EU increased by 1.0% in the January–February 2026 period. The share of the EU in total exports rose to 43.5%.

The entry into force of the Carbon Border Adjustment Mechanism (CBAM), designed by the EU and took effect as of 1 January 2026, represents another significant development for Türkiye-based companies exporting to the EU. In its initial phase, the mechanism covers products in the iron and steel, aluminum, cement, fertilizer, electricity, and hydrogen sectors, with its scope expected to expand further in the coming years. In the initial implementation stage, CBAM obligations will primarily be based on the calculation and reporting of product-level embedded emissions, particularly

direct emissions generated during the production process and, where applicable, indirect emissions related to electricity consumption. In this context, compliance with CBAM requirements such as the provision of verified emissions data will be critical for preserving existing export to EU and minimizing the additional costs arising from the mechanism.

Top Export Market’s Manufacturing PMI

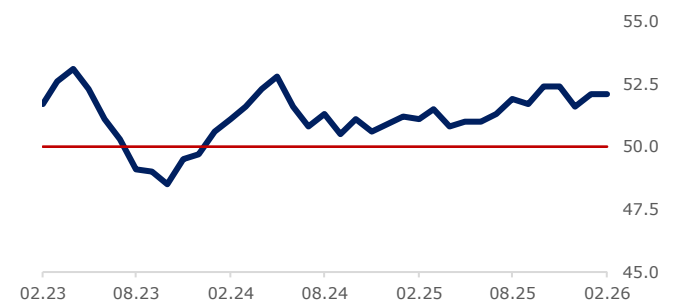


Source: Refinitiv Datastream

According to the ICI, the Türkiye Export Climate Index rose above the threshold in January 2024 for the first time since July 2023. The index reached a thirteen-month high of 52.8 in May 2024 and remained above the threshold through December 2025, indicating an overall improvement in export market conditions.

While demand in the Middle East and the USA remained relatively robust, activity in several EU markets displayed more mixed or softer conditions throughout 2025. These divergences underscore the importance of addressing market concentration risks and pursuing diversification into alternative export markets to sustain export momentum. Moreover, as of February 2026, the index has remained above the threshold, registering 52.1.

ICI Türkiye Export Climate Index
Threshold

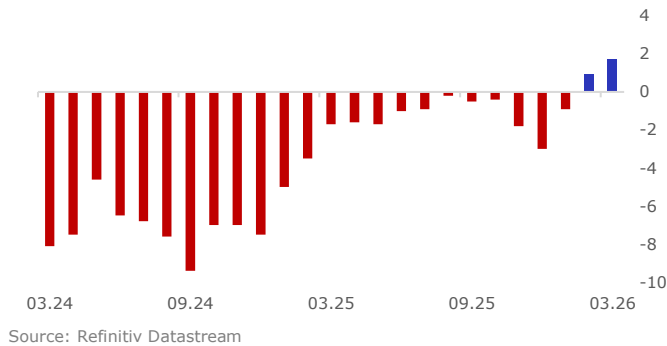


Source: The Istanbul Chamber of Industry (ICI)

While the manufacturing industry in Germany, our largest trading partner, contracted for over last two

year, the outlook has been improving in other EU countries with the exception of major economies. On the other hand, export to Middle East has remained robust since 2024.

Germany Manufacturing PMI
 (Deviations from threshold value)

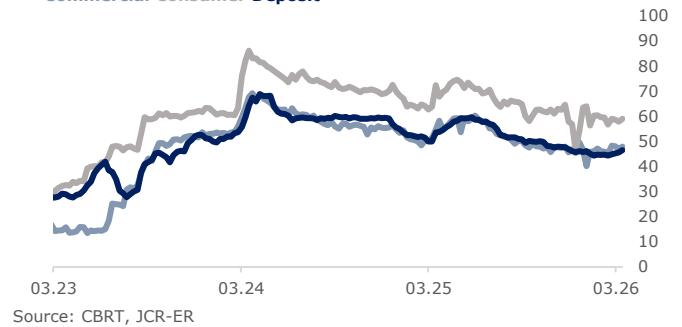


Although the pace of contraction has moderated, given the weakness manufacturing industry in our largest trading partner, Germany, and China's aggressive stimulus policies as well as aggressive trade policy that adversely affect global trade export developments will be closely monitored.

Historically tightened domestic financial conditions have started to ease slightly, particularly in credit costs

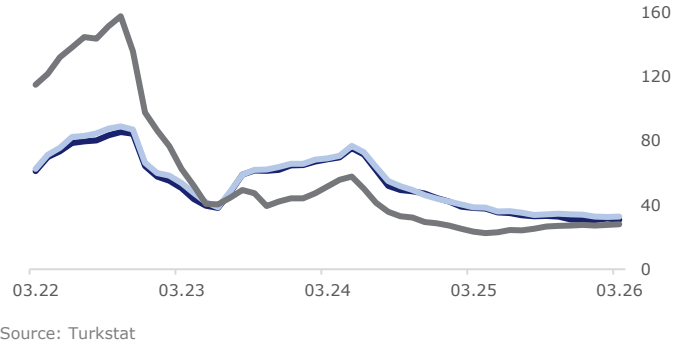
The current economic program is being implemented through a set of measures aimed at restraining consumption and anchoring inflation expectations by normalizing pricing behavior. On the fiscal side, tax regulations and additional tightening measures have been introduced to reinforce efforts to curb consumption. Meanwhile, although a significant portion of the previously announced macroprudential regulations in the banking system has been lifted, a fully liberalized framework has yet to be achieved. Credit growth limits remain in place for TRY denominated assets and have been increasingly tightened for FX denominated lending. As a result, high credit interest rates have been maintained.

TRY Lending and Deposit Rates (%)
 Commercial Consumer Deposit



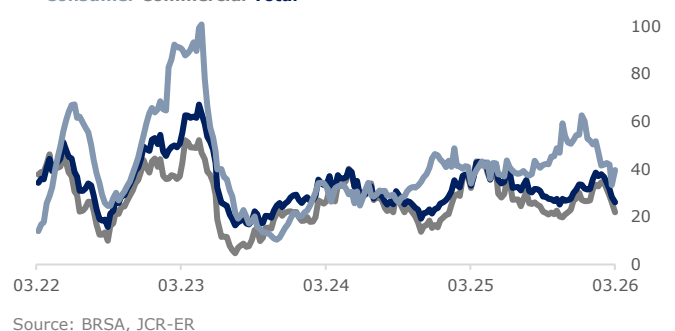
As a result of tight monetary policy, the Consumer Price Index (CPI) growth rate has followed a consistent downward trend since June 2024, reaching 30.87% as of March 2026.

Türkiye Inflation (y.o.y)
 CPI Core CPI PPI

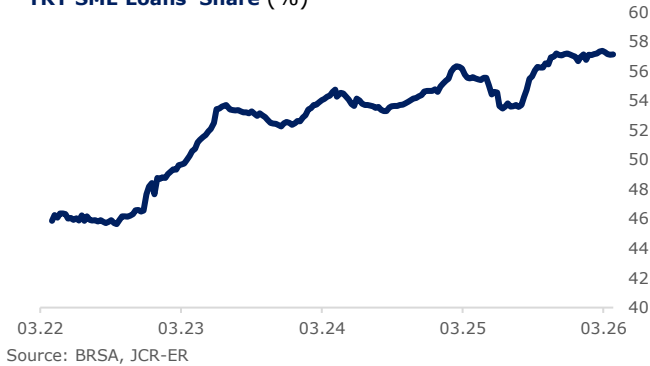


The current economic program has moderated loan growth through the implementation of credit caps, bringing expansion well below the excessive pace observed in the first half of 2023, in line with the authorities' objectives. However, growth in consumer loans has remained elevated. Accordingly, the economic administration has taken additional steps to restrain credit expansion in the retail segment.

Loans Growth
 (13-Week FX Adjusted Growth, Annualized)
 Consumer Commercial Total



TRY SME Loans' Share (%)



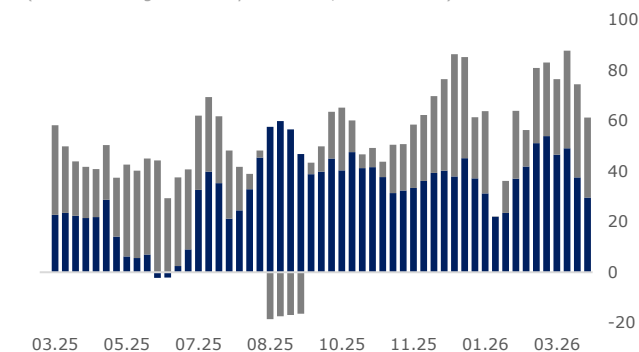
Owing to elevated Turkish lira (TRY) loan interest rates, local-currency lending decelerated markedly particularly in early 2Q2024 and was partially substituted by foreign-currency (FX) borrowing among large firms with market access. In response, the CBRT introduced monthly growth limits on FX lending. In March 2025, the monthly growth cap for FX commercial loans was reduced from 1.0% to 0.5%.

Building on this restrictive stance, in early 2026 the CBRT shifted from a monthly monitoring framework to an eight-week moving average for FX lending growth. While the growth cap remained at 0.5%, this structural adjustment aimed to smooth end-of-period volatility and enforce a more consistent, medium-term tightening of FX credit expansion. More recently, TRY lending has shown some signs of recovery; however, in real terms, credit volumes remain markedly restrictive compared with 2023 levels.

Weekly Net Lira Lending

SME Loans Non-SME Loans

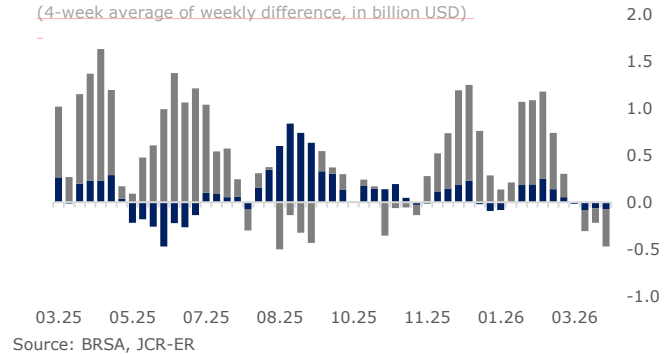
(4-week average of weekly difference, in billion TRY)



Weekly Net FX Lending

SME Loans Non-SME Loans

(4-week average of weekly difference, in billion USD)



Access to finance and the cost of financing are still substantial topics affecting Turkish corporates, as the selective lending policies aimed to supporting exports, agricultural production, investments and high-tech have resulted in a divergence in financial conditions. In order to facilitate access to financing for high value-added export firms, the CBRT increased the daily limits of rediscount credits from TRY 4bn to TRY 4.5bn. In this sense, current outlook is more accommodative for export, technology and investment-oriented firms. On the other, real appreciation of Lira as intended to support disinflation is a headwind for exporters particularly in highly competitive sectors.

On the other hand, in January, 2025, CBRT announced changes on macroprudential framework on behalf of SMEs. Accordingly, monthly growth limit for SME loans has been increased from 2% to 2.5%, whilst reduced monthly growth limit for other commercial loans from 2% to 1.5%. Furthermore, it was announced that TRY SME loans granted through the Small and Medium Enterprises Development Organization or funded by international development finance institutions to promote sustainability will be exempt from the loan growth limit.

Within the scope of disinflation efforts, the tightening of financial conditions has been contributing to a moderation in demand, as expected, while exerting downward pressure on economic activity. However, in light of developments arising from the chaos in the Middle East and the active policy interventions implemented by the CBRT, the CBRT paused its rate-cutting cycle in order to safeguard financial stability. The CBRT has also signaled that existing policy tools may be recalibrated in line with evolving financial and macroeconomic conditions. Looking ahead, the effects of policy adjustments both domestically and globally on

overall economic activity will continue to be closely monitored.

2. Rating Outlook

Solid financial leverage and coverage profile, improvement in core profitability indicators and long experience in the sector as well as sector wide issue of import dependency and slowdown signal in the global economy 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'.

Additionally, the Group's outlook for Long-Term International Foreign and Local Currency Issuer Credit Ratings has been determined as '**Stable**', in line with sovereign rating outlooks of the Republic of Türkiye.

Significant factors that may be taken into consideration for any future change including macroeconomic conditions, progress on the investments, the ongoing high market volatility on the FX/TRY exchange rates, in ratings and outlook status:

Factors that Could Lead to an Upgrade

- Increase in revenue generation capability together with volume growth,
- Improvement in EBITDA generation capacity and other profitability indicators,
- Enhanced equity structure supported by paid-in capital increase,
- Robust economic growth in the domestic and international markets,
- Upgrades in sovereign ratings and economic growth prospects of Türkiye.

Factors that Could Lead to a Downgrade

- Sharp decline in sales revenue and profitability,
- Increase in indebtedness level and deterioration in leverage indicators,
- Deterioration in cash flow metrics,
- Contraction in capital structure and equity correspondingly,
- A sharp slump in growth in the domestic and international markets,
- Downgrades in sovereign ratings and economic growth prospects of Türkiye.

The Group's debt and equity level, liquidity and profitability indicators will be closely monitored by JCR Eurasia Rating in the 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.

3. Projections

According to information provided by the Group, Gentaş Kimya's sales revenue is expected to be USD 113.5mn in 2026, USD 122.9mn in 2027 and USD 137.5mn in 2028. In addition, EBITDA margin is expected to be in the range of 16.3% in 2026, 16.1% in 2027 and 16.8 in 2028.

4. Company Profile & Industry

a. History and Activities

Gentaş Kimya Sanayi ve Ticaret Pazarlama A.Ş. established in İstanbul in 2000, provides solutions to various industries such as construction, furniture, and automotive, primarily through the production of formaldehyde and resins, including casting resins, novolac resins, and acrylic sheets.

The Company is a member of the Gentaş Group of Companies. It began its investment activities in 2003 in the Tuzla Chemical Industrialists Organized Industrial Zone and has been continuing its production operations since January 1, 2005.

Initially focused on formaldehyde and formaldehyde resins, the company started developing resins and catalyst packages for the casting industry in 2018. The Group operates in seven main product groups: formaldehyde solutions, urea formaldehyde resin, melamine formaldehyde resin, phenol formaldehyde resin, casting resin, novolac resin, and acrylic sheets. Its products are widely used in industries such as construction, furniture, automotive, casting, insulation, abrasives, and leather processing.

In 2018, the Group established an R&D Center supported by the Ministry of Science, Industry and Technology. Innovative products and solutions tailored to customer needs are developed at this center.

In order to meet increasing capacity demands and expanding customer needs, the Group initiated a new facility investment in 2018 in the GEBKİM Chemical Specialized Organized Industrial Zone in Dilovası, Kocaeli, with a total indoor area of 65,000 m².

Today, this facility operates with an annual production capacity of 450,000 tons of resin and 450,000 acrylic sheets.

Within the same facility, investments in machinery and equipment for the production of acrylic solid surface materials—highly demanded in the global market—were completed, and production began in April 2020, with products subsequently offered to customers.

Gentaş Kimya completed its investments in a prilling (droplet resin cooling) line and powder novolac resin grinding and packaging systems in 2024. As part of its customer development efforts for the commercialization of the novolac product in 2025, it has begun receiving pre-orders and has started shipment and delivery planning.

The Group has a total of 142 employees as of FYE2025 (FYE2024: 137).

b. Shareholders, Subsidiaries & Affiliates

As of FYE2025, paid-in capital of the Group was amounted to TRY 525.00mn and the shareholder structure is shown in the table below.

Shareholder Structure of Gentaş Kimya Sanayi ve Ticaret Pazarlama A.Ş.				
ISPs	Dec-31-24		Dec-31-25	
	Amount (000' TRY)	Share (%)	Amount (000' TRY)	Share (%)
Macit Aydın	181,125	34.50	181,125	34.50
Gentaş Dekoratif Yüzeyler San. ve Tic. Paz. A.Ş.	76,125	14.50	76,125	14.50
Mehmet Ziya Kahraman	26,250	5.00	26,250	5.00
Seyit Mehmet Mutlu	36,750	7.00	36,750	7.00
Tahsin Kahraman	31,500	6.00	31,500	6.00
Orhan Kahraman	28,875	5.50	28,875	5.50
Abdurrahman Kahraman	26,250	5.00	26,250	5.00
Didem Aydın	26,250	5.00	26,250	5.00
Abdurrahman Kahraman	26,250	5.00	26,250	5.00
Other Shareholders	62,625	12.50	62,625	12.50
Total Paid-in Capital	525,000	100.00	525,000	100.00

The paid-in capital was increased to TRY 609.00mn from TRY 525.00mn according to the Turkish Trade Registry Gazette dated February 18, 2025 and was financed through proceeds from the public offering.

The Board of Director of Gentaş Kimya is listed below.

Board of Directors	Duty
Macit Aydın	Chairman
Tahsin Kahraman	Deputy Chairman
Orhan Kahraman	Board Member
Sezai Kahraman	Board Member
Didem Aydın	Board Member

The Group has a subsidiary with the trade name "GNT Kimya Dış Ticaret ve Pazarlama A.Ş." in which Gentaş Kimya owns 99.80% of the shares. GNT Kimya, established on February 21, 2017 in Istanbul. The GNT Kimya's field of activity is to purchase, sell, market, import and export all kinds of laminate and werzalite resin, glue, alkyd resin, lining resin.

Moreover, Gentaş Kimya has been publicly traded on the BIST with the ticker symbol "GENKM" with an actual outstanding shares ratio of 20.49% since the completion of public offering dated March 6, 2026.

c. Industry Assessment

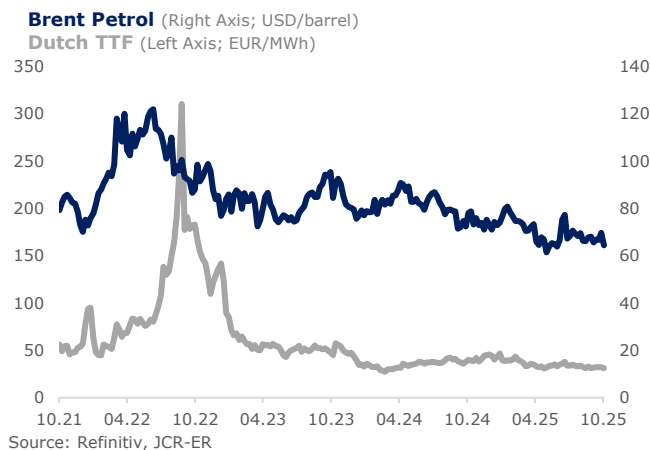
Petrochemical Industry

The petrochemical industry has been progressively transforming its production, demand dynamics, feedstock preferences across the globe. Intergovernmental actions on combating climate change, price movements in feedstocks, fuel preferences in production and customers' preferences may be listed main factors behind the switch experienced by the industry where it touches almost every area of the modern world with raw material supply to almost all industries. The petrochemical products are quintessential in virtually every stage of daily life and they are embedded in so many products and services. It is also worth mentioning here that petrochemistry is expected to be the only industry that will use fossil fuels in the near future with the shift to sustainable energy sources as new energy sources.

Industry uses two feedstocks which are naphtha from petroleum and ethane from natural gas, to produce monomers like olefins, aromatics and polyolefins. Therefore, price movements in oil and natural gases affect closely the industries' economic performance. Restored economic activity, after the Covid-19 pandemic, led to strong energy demand has driven energy prices up in 2021. Geopolitical conflicts and Russia's incursion into Ukraine have played a significant

role in driving the soaring oil and gas prices throughout 2022. Additionally, tension between Israel and Palestine and challenges on natural gas supply had brought geopolitical risks back into focus. The rising oil prices, coupled with the ultra-loose monetary policies initiated due to the Covid-19 pandemic and geopolitical risks, have led to inflationary pressures globally. These inflationary pressures have resulted in tightening monetary policies by major central banks and have also affected global growth expectations negatively. Recently, in line with the major central banks' guidance and the announced macroeconomic data, easing actions has been taking from major central banks with the aim to achieve a soft-landing. While the first easing step came from ECB in June, 2024, Fed followed ECB on September's FOMC meeting. Financial conditions, which have remained tight for an extended period, are expected to continue easing further compared to the past two years with the monetary easing steps. The ECB paused its rate-cut cycle at the July 2025 meeting, keeping the policy rate unchanged.

In 2025, the updated USA customs tariffs introduced another source of uncertainty for global trade. These tariffs have also created an unpredictable outlook in global commodity and energy markets, which could adversely affect global growth in the near future.



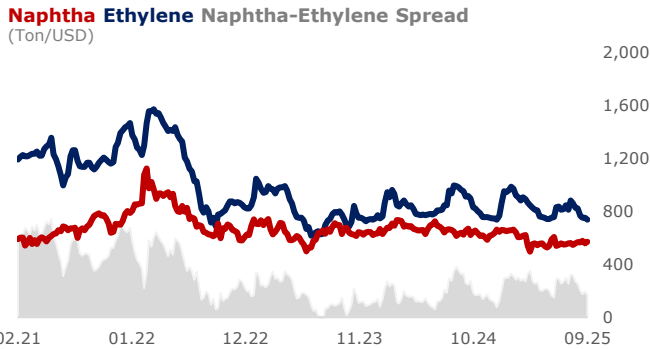
Oil markets have remained volatile amid shifting geopolitical dynamics and mixed global demand signals. Following the brief escalation of tensions between Iran and Israel in June 2025, Brent crude prices temporarily surged to around USD 75 per barrel but later eased as conditions stabilized and regional trade returned to pre-conflict levels.

By September 2025, Brent prices hovered around or below USD 70 per barrel, reflecting the balancing effect of ongoing ceasefire talks between Russia and Ukraine, although tensions and military operations in the region persist, as well as continuing concerns over China's economic slowdown. While geopolitical and policy-related risks continue to exert upward pressure, weaker global demand remains a counteracting force. Accordingly, political and geopolitical developments, together with the global demand outlook, will continue to be closely monitored by JCR-ER.

After the distillation of hydrocarbon mixtures such as naphtha and ethane derived from oil and natural gas, petrochemical plants undergo a process known as steam cracking to transform them into smaller components. This cracking process involves the partial decomposition of feedstocks, resulting in the loss of a significant portion of the input materials. Hence, it is crucial to analyze the profitability of the industry considering the substantial feedstock losses during the cracking process.

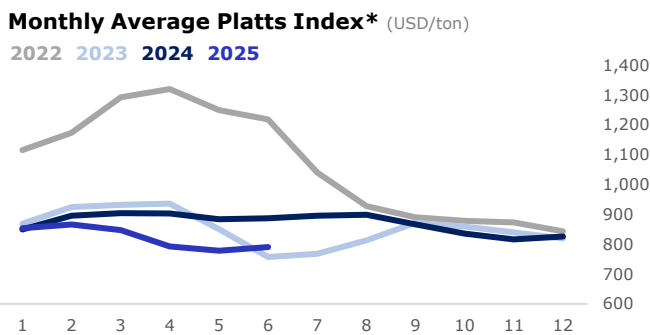
Naphtha-ethylene spread is a common indicator to assess how petrochemical plants are profitable across the globe. Naphtha, the main feedstock, has a correlation with oil prices. During the period of the oil price collapse in Covid-19, naphtha has shrunk to its lowest levels. Low oil price period is not a profitable situation for the industry since output prices like ethylene decline in the same period while the processing cost which is a costly process. Thus, high oil price periods are the ones profits boost.

The average ethylene-naphtha spread, at USD 274 per ton in 1Q2025, declined slightly by 1% to USD 272 per ton in 2Q2025. In April and May, lower crude oil prices led to a decrease in naphtha prices, temporarily improving product group margins; however, this improvement largely reflected the volatility in global oil markets. Despite this short-term relief, the sector continues to face structural challenges, including subdued demand, persistent oversupply, ongoing geopolitical tensions, and the introduction of new customs tariffs. Moreover, the industry is contending with key headwinds such as declining global freight rates, rising feedstock costs, and the intensifying US-China trade war, all of which may further erode the profitability of petrochemical producers. All developments will be closely monitored by JCR-ER.



Source: Refinitiv, JCR-ER

As of FYE2024, the average PLATTs index increased by 2.1% from the previous year's same period, as demand slowed ahead of the supply. PLATTs index in 2Q2025 decreased by 11.7% compared to the same period of the previous year and remained burdened with fragile demand.



* Compilation of ethylene, propylene, benzene, toluene, PX, LDPE and PP. Source: PETKIM Investor Presentations, JCR-ER

Even if the industry is known as a fossil fuel-using industry, the vast majority of its carbon emission steam from the cracking process which requires significant energy usage. To mitigate climate change and decrease carbon emissions, the petrochemical industry has been changing its engine types from fossil fuel-based to electrical engines which can be powered by renewable sources. Therefore, it can be interpreted as a cost reduction factor. To sum up, this significant shift is assumed to add some profit to the bottom line.

Monomers which are gathered in the steam creaking process, are transformed into polymers that are the final products of the industry. For different product types, each polymer type can be handled according to usage purposes. Although plenty of polymer type exists in industries' product line, four of them have been commonly used by other sectors, especially by the plastic industry. These are;

Polyethylene: an extremely durable plastic used in the production of energy transmission, kitchenware, electronics, food packaging. It is known as the most common polymer in the world.

Polypropylene: most important plastic in the world, used in many areas such as the production of reusable plastic products, packaging, textile products production, laboratory equipment and automobile parts.

Polystyrene: one of the main plastics used in the production of many intermediate products that can soften when heated such as films, plates, etc.

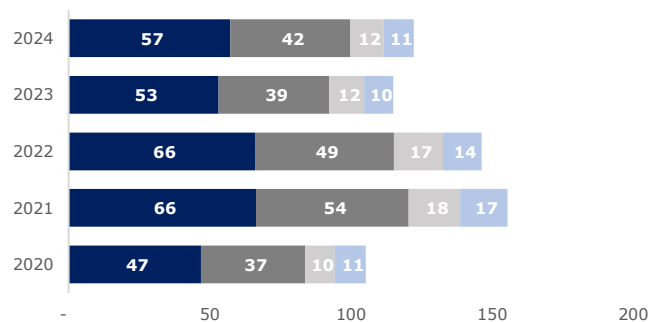
Polyvinylchloride (PVC): extremely durable plastic used in the production of many several products such as water and sewer pipes, joinery, roofing sheets, garden hoses.

These most common polymers' trade takes place in the international area. The observed upward trend in global petrochemical exports with strong demand has deteriorated by 9% in 2020 due to Covid-19. Shrinking demand restored in 2021 along with the recovered economic activity. The USA has been the leading exporter in the global petrochemical industry. In 2024, the USA's petrochemical exports exceeded USD 15.9bn. Saudi Arabia, Korea, Belgium and Germany are other key players in the industry.

Selected Petrochemicals' Global Export Figures

(in Billion USD)

Polyethylene Polypropylene PVC Polystyrene



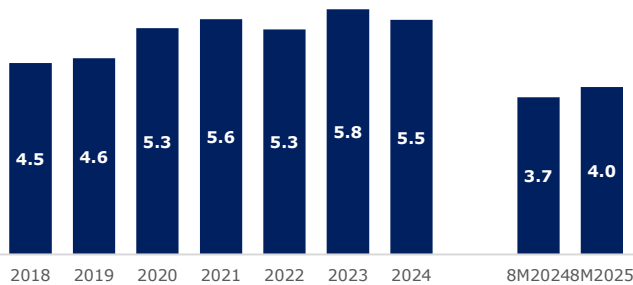
Source: TradeMap, JCR-ER

*Plastics and articles thereof (390110: Polyethylene; with a specific density less than 0.94 (in initial forms), 390120: Polyethylene; with a specific density more than or equal to 0.94, 390210: Polypropylene, 390230: Propylene, 390319: Polystyrene (excluding expandable), 390330: Acrylonitrile-Butadiene-Styrene (ABS), 390410: PVC)

Turkish Petrochemical Industry

The Turkish petrochemical industry does not meet domestic demand through its production. Consequently, the industry necessitates new investments to bridge this gap. Thus, it has been observed that investments have increased in recent years.

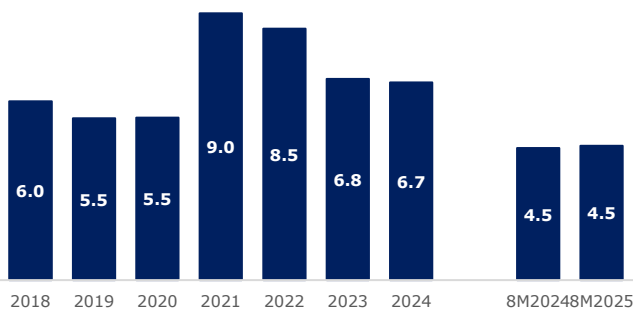
Türkiye's Petrochemical Imports (in million tons)



Source: Turkstat, JCR-ER
 *HS6 codes: 390110, 390120, 390210, 390230, 390319, 390330, 390410

In 2021, petrochemical products' imports exceeded USD 9.00bn with a growth rate of 64.1%, whilst the import amount grew by 3.9% to 5.6mn tons. This sharp rise in value-based imports was caused by a sharp price increase. As of FYE2024, the petrochemical product import value has decreased by 1.8% on a yearly basis and realized USD 6.67bn. On the other hand, imports by amount decreased by 4.3% and reached 5.54mn tons. The mentioned parameters were realized as USD 4.53bn and 3.96mn tons as of the 8 months of 2025.

Türkiye's Petrochemical Imports (in billion USD)

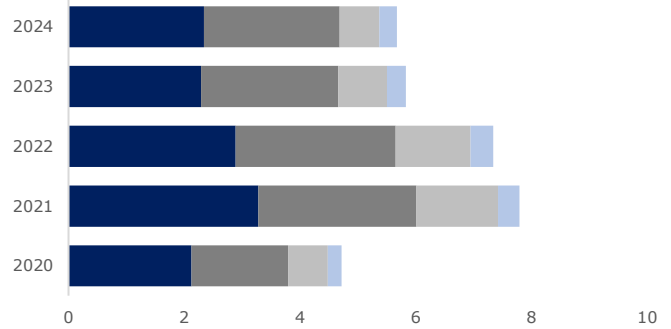


Source: Turkstat, JCR-ER
 *HS6 codes: 390110, 390120, 390210, 390230, 390319, 390330, 390410

Türkiye's Petrochemical Import by Product

(in Billion USD)

Polypropylene Polyethylene PVC Polystyrene



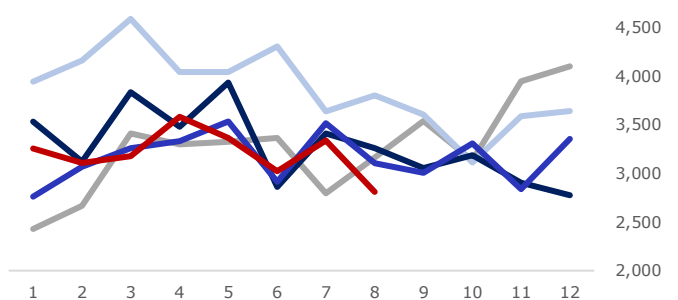
Source: Turkstat, JCR-ER
 *HS6 codes: 390110, 390120, 390210, 390230, 390319, 390330, 390410

While Türkiye's imports of chemicals and chemical products in 2024 fell below the levels of the preceding year, the mentioned imports nonetheless surpassed the figures observed in 2020. However, Türkiye's imports in the first eight months of 2025 increased by 0.7% compared to the same period of the previous year and thus, imports reached to USD 25.66bn in the mentioned period.

Manufacture of Chemicals & Chemical Products Imports

(000 USD)

2021 2022 2023 2024 2025



Source: Turkstat, JCR-ER

In light of the current mismatch between limited production capacity and elevated demand for petrochemical products, there is a critical need for increased investment in the industry. In this regard, both domestic supply-demand conditions and global pricing trends will be pivotal in shaping the profitability of the industry in the upcoming period.

5. Additional Rating Assessments

Credit, market, operational and liquidity risks represent the major categories of risks for Gentaş Kimya resulting from its operations. The Group is exposed to a variety of financial risks, including the effects of changes in debt and capital market prices, foreign exchange rates and interest rates.

The Group's risk management program focuses on the unpredictability of financial markets and targets to minimize the potential negative effects on the financial performance of the Group.

Credit, market, liquidity and operational risks are monitored by the Group. The Board of Directors is responsible for the necessary procedures to monitor and manage these risks.

Credit Risk

The risk of incurring a financial loss for the Group due to one of the parties to a financial instrument failing to fulfill its contractual obligations is defined as credit risk.

As of FYE2025, the Group's maximum credit risk exposure was TRY 1.36bn (FYE2024: TRY 1.34bn, FYE2023: TRY 979.77mn) indicating 1.47% annual increase when compared to previous year. The Group's credit risk mainly arises from its trade receivables amounting to TRY 1.04bn as of FYE2025 (FYE2024: TRY 861.31mn, FYE2023: TRY 803.00mn).

Additionally, total doubtful receivables increased to TRY 36.56mn as of FYE2025 (FYE2024: TRY 31.91mn, FYE2023: TRY 40.32mn). The ratio of doubtful receivables to trade receivables and sales were realized as 3.52% and 0.78% respectively, as of FYE2025 (FYE2024: 3.70%, 0.64%, FYE2023: 5.02%, 0.71%, respectively). Examining the share of the Group's doubtful receivables in total receivables, it is seen that the credit risk is low and negligible.

With regard to the CPM (collateral, pledge and mortgage) position; the Group's off-balance sheet commitments were TRY 324.66mn as of FYE2025 (FYE2024: TRY 731.34mn, FYE2023: TRY 139.52mn).

Market Risk

Market risk is the possibility that an individual or other entity will experience losses due to factors that affect the overall performance of investments in the financial markets.

Market risk, or systematic risk, affects the performance of the entire market simultaneously. Market risk may arise due to changes to interest rates, exchange rates, geopolitical events, or recessions. Within the scope of market risk, foreign currency, interest rate and price risks are addressed.

Foreign exchange risk

Foreign currency risk based on the effects of movements in foreign exchange rates on assets, liabilities and off-balance sheet liabilities denominated in foreign currencies.

The distribution of foreign currency-denominated assets and liabilities are shown below.

FX Position			
(000' TRY)	FYE2023	FYE2024	FYE2025
Assets	385,340	494,293	498,010
Liabilities (-)	793,209	554,287	475,739
Net FX Position	-407,869	-59,994	22,271

The Group had a long FX position which was equivalent to TRY 22.27mn as of FYE2025 (FYE2024: TRY -59.99mn, FYE2023: TRY -407.87mn).

The Group was exposed to currency risk in terms of EUR, USD and GBP. Assuming all other factors are kept constant, an increase/decrease of 20% in foreign currency rates (EUR, USD) against TRY, incurs a variation of TRY 5.24mn in the Group's profits regarding the FC position as of FYE2025 (FYE2024: TRY 14.44mn, FYE2023: TRY 90.36mn).

Interest rate risk

Interest rate breakdown of the Group's financial liabilities has not been mentioned in the audit report and we do not have adequate information to evaluate interest rate risk.

Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its short-term funding requirements. It is encountered when asset-liability maturity balance is not achieved, repayments cannot be collected or large cash outflows are required. When evaluating liquidity risk, it is important to monitor cash and cash equivalents, net working capital level, liquid investments, and maturity of liabilities.

The level of assets kept as cash and equivalents, maturity profile of liabilities, net working capital level and total cash credit lines are important indicators while evaluating the liquidity risk.

Net working capital (NWC) refers to the ability of current assets to cover short-term liabilities. The net working capital of the Group, which was TRY 803.60mn in FYE2024, increased to TRY 1.07bn in FYE2025 (FYE2023: TRY 745.07mn). Current assets increased to TRY 2.27bn in FYE2025 from TRY 1.99bn in FYE2024, showing a growth of 13.70% (FYE2023: TRY 1.78bn). Short-term liabilities remained relatively stable, totaling TRY 1.20bn in FYE2025 compared to TRY 1.19bn in FYE2024 (FYE2023: TRY 1.03bn). As a result, the stability in short-term liabilities combined with the growth in current assets led to a significant improvement in the Group's net working capital.

In addition, the net working capital to assets ratio is a liquidity ratio that demonstrates the amount of additional funds available for financing operations in relationship to the size of the business. The share of net working capital in total assets increased to 15.88% as of FYE2025 (FYE2024: 12.40%, FYE2023: 12.27%).

Furthermore, the Group's current ratio increased to 1.90x in FYE2025 from 1.68x in FYE2024, remaining well above the 1.0x threshold and indicating a comfortable level of short-term liquidity.

The Group's main liquidity ratios in the last three-year period is shown below.

Liquidity Ratios	FYE2023	FYE2024	FYE2025
Current Ratio (x)	1.72	1.68	1.90
Net Working Capital / Assets (%)	12.27	12.40	15.88
Liquidity Ratio (x)	4.16	0.69	0.76

Operational, Legal Regulatory & Other Risks

Operational risk is concerned with ensuring the sustainability of operating efficiency in the field of meeting performance targets. The operational risk, stems from operations and other administrative activities, is controlled by the internal mechanisms and reviewed by the Group on a regular basis.

The Group's risk management framework focuses also on operational risk, or risk resulting in unexpected loss. In addition, compulsory precautions and regulatory controls are in place to align with regulations.

Gentaş Kimya holds ISO 9001 Quality Management System, ISO 27001 Information Security Management System, ISO 10002 Customer Satisfaction Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and CE (conformity) certificates.

The Group did not receive any major penalties from the regulatory authorities which would affect its operations, underpinning the level of legal compliance.

GENTAŞ KİMYA SANAYİ VE TİCARET PAZARLAMA A.Ş. (Consolidated Financials)

Balance Sheet (000' TRY)

	2025	2024	2023
TOTAL ASSETS	6,748,141	6,480,202	6,072,641
CURRENT ASSETS	2,266,949	1,993,802	1,775,271
Cash and Cash Equivalents	320,691	471,629	155,799
Trade Receivables	1,038,117	861,342	802,995
Other Receivables	1,905	7,966	20,973
Inventories	704,022	495,149	596,122
Prepaid Expenses	201,772	154,202	192,135
Other Current Assets	442	3,514	7,247
FIXED ASSETS	4,481,192	4,486,400	4,297,370
Financial Investments	295,633	184,886	196,255
Tangible Fixed Assets	4,183,473	4,299,994	3,915,518
Intangible Fixed Assets	2,086	1,520	825
Prepaid Expenses	0	0	184,772
TOTAL LIABILITIES & EQUITY	6,748,141	6,480,202	6,072,641
SHORT-TERM LIABILITIES	1,195,010	1,190,200	1,030,202
Short-Term Borrowings	515,164	605,316	791
Short-Term Portion of Long-Term Borrowings	0	81,767	250,037
Trade Payables	535,955	415,707	695,710
Employee Benefits	21,121	18,768	19,709
Other Payables	18,516	12,072	12,263
Deferred Income	76,271	47,751	19,089
Current Tax Liabilities	23,117	0	28,934
Short-Term Provisions	4,821	5,240	3,629
Other Short-Term Liabilities	45	3,579	40
LONG-TERM LIABILITIES	299,151	287,621	339,296
Long-Term Borrowings	0	0	97,057
Long-Term Provisions	21,800	21,184	19,492
Deferred Tax Liabilities	277,351	266,437	222,747
EQUITY	5,253,980	5,002,381	4,703,143
Controlling Interest	5,253,863	5,002,265	4,703,025
Share Capital	525,000	525,000	525,000
Capital Adjustment Differences	2,355,048	2,355,048	2,355,048
Other Accumulated Comprehensive Income (Expenses) That Will Not Be Reclassified To Profit or Loss	1,399,539	1,397,122	1,230,648
Restricted Reserves	235,124	235,124	235,124
Previous Years Profits or Losses	489,971	357,205	154,133
Net Profit or Loss	249,181	132,766	203,072
Non-Controlling Shares	117	116	118

- Including JCR Eurasia Rating's adjustments where applicable,

GENTAŞ KİMYA SANAYİ VE TİCARET PAZARLAMA A.Ş. (Consolidated Financials)

Income Statement (000' TRY)

	2025	2024	2023
Revenue	4,689,738	4,964,121	5,671,395
Cost of Sales	-3,677,171	-4,001,627	-4,569,021
GROSS PROFIT (LOSS)	1,012,567	962,494	1,102,374
General and Administrative Expenses	-152,318	-176,487	-173,824
Marketing Expenses	-241,296	-234,069	-309,785
Other Operating Income	134,239	102,922	416,884
Other Operating Expenses	-113,053	-105,290	-388,790
OPERATING PROFIT (LOSS)	640,139	549,570	646,859
Income from Investment Activities	116,504	29,150	8,416
Expenses from Investment Activities	0	0	-10,533
Impairment Gains (Losses) and Reversals of Impairment Losses Determined According to TFRS9	-3,693	-3,982	-2,148
OPERATING PROFIT (LOSS) BEFORE FINANCING ACTIVITIES	752,950	574,738	642,594
Financing Income	161,685	140,506	151,741
Financing Expenses	-243,741	-239,526	-249,333
Net Monetary Position Gains (Losses)	-251,628	-234,138	-364,775
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	419,266	241,580	180,227
Tax Income Expense from Continuing Operations	-170,084	-108,815	22,821
Current Tax (Expense) Income	-96,714	-25,817	-82,710
Deferred Tax (Expense) Income	-73,370	-82,998	105,531
NET PROFIT FROM CONTINUING OPERATIONS	249,182	132,765	203,048
NET PROFIT (LOSS) FOR THE PERIOD	249,182	132,765	203,048
Distribution of Profit (Loss) for the Period	249,182	132,765	203,048
Non-Controlling Shares	0	-1	-24

- Including JCR Eurasia Rating's adjustments where applicable,

GENTAŞ KİMYA SANAYİ VE TİCARET PAZARLAMA A.Ş. (Consolidated Financials)

Key Ratios & Metrics

	2025	2024	2023
PROFITABILITY			
EBITDA Margin (%)	15.47	13.39	12.53
EBIT Margin (%)	13.20	11.12	10.91
CFO Margin (%)	2.48	2.03	19.56
Return on Average Assets (ROaA) (%)	3.77	2.12	*NA
Return on Average Equity (ROaE) (%)	4.86	2.74	*NA
Net Profit Margin (%)	5.31	2.67	3.58
Operating Profit Margin (%)	13.65	11.07	11.41
Gross Profit Margin (%)	21.59	19.39	19.44
LIQUIDITY			
FFO Debt Service Coverage (x)	0.68	0.34	0.24
Current Ratio (x)	1.90	1.68	1.72
Net Working Capital / Assets (%)	15.88	12.40	12.27
LEVERAGE			
FFO / Adjusted Net Debt (%)	198.36	114.49	49.08
Adjusted Net Debt / EBITDA (x)	0.27	0.32	0.27
FOCF / Adjusted Net Debt (%)	35.33	2.15	461.91
Adjusted Debt / Capital (%)	8.93	12.08	6.89
Adjusted Short-Term Net Debt / EBITDA (x)	0.27	0.32	0.13
EFFICIENCY			
RoC (Return on Capital) = EBIT / Avg. Capital (%)	10.80	10.28	*NA
Trade Net Working Capital Turnover (x)	0.23	0.17	0.12
Operating Ratio (%) = OPEX / Net Sales	8.39	8.27	8.53
Equity Turnover (x)	0.91	1.02	*NA
Cash Conversion Cycle (days)	86	60	*NA
Account Receivables Turnover (x)	4.94	5.97	*NA
Inventory Turnover (x)	6.13	7.33	*NA
Payables Turnover (x)	7.73	7.20	*NA
COVERAGE			
EBITDA / Adjusted Interest (x)	14.13	21.63	5.02
FFO Interest Coverage= (FFO) / Adjusted Interest Paid (x)	7.51	8.03	0.67
CFO / Capex (x)	2.45	1.05	5.00
GROWTH			
Sales Growth (%)	-5.53	-12.47	*NA
EBITDA Growth (%)	9.17	-6.49	*NA
Asset Growth (%)	4.13	6.71	*NA

* NA: Not Available

- Including JCR Eurasia Rating's adjustments where applicable,

Rating Info

Rated Company:	Gentaş Kimya Sanayi ve Ticaret Pazarlama A.Ş. Demirciler OSB Mah. GEBKİM OSB, Haldun Aksoy Cad. No:4 Dilovası/Kocaeli, Türkiye Telephone: +90 216 593 17 25
Rating Report Preparation Period:	25.03.2026-28.04.2026
Rating Publishing Date:	30.04.2026
Rating Expiration Date:	1 full year after publishing date, unless otherwise stated
Audited Financial Statements:	FYE2025-FYE2024-FYE2023 Consolidated Audit Report
Previous Rating Results:	30.04.2025 Long-Term National Issuer Credit Rating at A+ (tr)
Rating Committee Members:	Ö. Sucu (<i>Manager</i>) omer.sucu@jcrer.com.tr , Ç. Topcu (<i>Manager</i>) cetin.topcu@jcrer.com.tr F. Tunç (<i>Team Leader</i>) firat.tunc@jcrer.com.tr

Disclaimer

The ratings revised by JCR Eurasia Rating are a reflection of the Company's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), on and off-balance sheet figures, general market conditions in its fields of activity, unaudited financial statements, information and clarifications provided by the Company, and non-financial figures. Certain financial figures of the Company for previous years have been adjusted in line with the JCR Eurasia Rating's criteria.

The Company's balance sheet composition, asset quality, risk management practices, business profile, liquidity management, history in the sector, profitability figures, revenues, debt structure, growth rates, off-balance sheet commitments, and the financial and non-financial positions of the main shareholders were taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency ratings as well as national ratings.

Considering the fact that there are no additional legal or financial collateral guarantees provided separately for the repayment of the bonds issued, the note assigned for the TRY dominated bond issuance is assigned as the same as the Company's Long and Short-Term National Local Ratings, unless otherwise stated.

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This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Türkiye), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations.

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