



22 September 2025

Credit Rating

**Long-term (National):
(TR) BBB-**

**Outlook:
Stable**

**Short-term (National):
(TR) A3**

**Outlook:
Stable**

Expiry Date:

22 September 2026

Bayrak EBT Taban Sanayi ve Ticaret A.Ş.

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Bayrak EBT Taban Sanayi ve Ticaret A.Ş.

Rating Summary

Bayrak EBT Taban Sanayi ve Ticaret Anonim Şirketi ("Bayrak EBT" or "the Company") was registered with the Istanbul Chamber of Commerce on December 9, 1993 as Bayrak Plastik Sanayi Ticaret Limited Şirketi. Bayrak EBT, whose initial area of activity was the production of plastic goods, began manufacturing shoe soles in 1997. The Company changed its title to "Bayrak EBT Taban Sanayi ve Ticaret A.Ş." following the resolution of the General Shareholders' Meeting dated January 17, 2020, and the aforementioned change was announced in the Turkish Trade Registry Gazette dated January 29, 2020, and numbered 10004.

Bayrak EBT is headquartered in Istanbul and has 163 employees as of June 30, 2025 (2024/12: 364).

Following our comparative analysis of the sector and examination of financial/operational risks carried by the Company, taking into account the financial results for the first half of 2025, as well as its domestic market position, its financial performance and corporate structure, Bayrak EBT received a long-term rating of **(TR) BBB-** and a short-term rating of **(TR) A3**.

Outlook

With roots dating back to 1993, Bayrak EBT has developed collaborations with renowned brands operating locally and internationally, thanks to its experience and sector expertise in the production of soles for sports shoes. Looking at the Company's shareholding structure, "Kurt Taban Ayakkabı Sanayi Ticaret A.Ş." holds a 24.10% stake and "Allbatross Portföy Atlas Free Fund" holds a 14.65% share. The remaining 61.25% of the shares are traded on the Istanbul Stock Exchange (BIST) under the ticker symbol "BAYRK."

On November 23, 2023, the POA (Public Oversight Accounting and Auditing Standards Authority) made an announcement regarding the implementation of inflation accounting in Turkey. As per the announcement, financial statements of companies applying TFRS for the annual reporting period ending on or after December 31, 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation. In this framework, as of the date of preparation of the financial statements, the financial statements dated December 31, 2023 and December 31, 2024 have been adjusted for inflation in accordance with TAS 29.

Bayrak EBT's 2024 year-end revenue decreased by 40.4% compared to 2023, reaching TRY 252.4mn (2023: TRY 423.5mn). The Company's gross profit decreased by 89.1% compared to the previous year-end, to TRY 4.5mn at the end of 2024 (2023: TRY 41.4mn). The operating loss, which was TRY 2.7mn at the end of 2023, amounted to TRY 60.5mn at the end of 2024. The Company

posted a net profit of TRY 38.0mn at the end of 2023, while a net loss of TRY 108.4mn was recorded at the end of 2024. Sales at the end of the second quarter of 2025 decreased by 18.4% compared to the same period last year, reaching TRY 121.4mn (2024/06: TRY 148.8mn). Bayrak EBT's gross loss for the first half of 2025 decreased by 75.1% compared to the same period last year, amounting to TRY 6.1mn (2024/06: TRY 24.5mn). The operating loss decreased by 36.7% compared to the same period last year, amounting to TRY 26.5mn. (2024/06: TRY 42.0mn). Bayrak EBT's net loss for the first half of 2025 increased by 9.1% compared to the first half of 2024, reaching TRY 79.9mn (2024/06: TRY 73.2mn).

The Company's current assets at the end of 2024 increased by 22.2% compared to the end of 2023, reaching TRY 323.5mn (2023: TRY 264.6mn). Fixed assets increased by 16.2% at the end of 2024 compared to the end of the previous year, reaching TRY 289.5mn.

At the end of 2024, short-term liabilities increased by 71.3% compared to the end of the previous year, reaching TRY 430.3mn (2023: TRY 251.2mn). 30.0% of the short-term liabilities consist of financial debt (2023: 47.1%). The Company's net financial debt at the end of 2024 increased by 18.1% compared to the previous year, reaching TRY 139.3mn (2023: TRY 118.0mn). It is seen that Bayrak EBT distributed its financial liabilities to the short term. Short-term liabilities constitute 70.2% of the liabilities side, long-term liabilities constitute 6.7%, and equity constitutes 23.1%

(2023: 48.9%, 4.9%, and 46.2%, respectively). At the end of the second quarter of 2025, 40.5% of the Company's short-term liabilities consisted of financial payables, and its net financial debt amounted to TRY 218.1mn. In the first half of 2025, 82.0% of liabilities are short-term, 8.3% are long-term liabilities, and 9.7% are equity.

According to Bayrak EBT's Independent Audit Report, the net foreign exchange asset/liability position at the end of 2024 was (-) 81.8mn TRY (2023: (+) 8.1mn TRY). The net foreign currency asset/liability position for the first half of 2025 was (-) 116.2mn TRY.

In addition to all the above-mentioned factors, the Company's product/service diversity that spreads risks in the current economic climate, its corporate structure, and its position in the sector have been included in the assessment, and Bayrak EBT's outlook has been determined as **"Stable."** We are monitoring developments in local and global money and capital markets, and any potential impact on the Company during the surveillance period will be promptly assessed.

Methodology

SAHA's credit rating methodology is composed of quantitative and qualitative sections contributing to the final grade with specific weights. The quantitative analysis components consist of the Company's performance compared to industry peers, analysis of the financial risks, and the assessment of cash flow projections. Comparative performance analysis determines the relative position of the Company as compared with industry peers' financial performances and industry averages. The financial risk analysis of our methodology covers the evaluation of the Company's financial ratios on basis of objective criteria. Liquidity, leverage, asset quality, profitability, volatility, and concentration are treated as sub-headings in this analysis. Finally, scenario analysis evaluates the Company's performance with respect to its capability to fulfill its obligations under the future projections of a base and a stress scenario.

The qualitative analysis covers operational issues such as industry and company risk as well as administrative risks in the context of corporate governance practices. The industry analysis evaluates factors like the nature and rate of growth of the industry, its competitive structure, structural analysis of customers and creditors, and sensitivity of the sector to risks at home and abroad. The company analysis evaluates market share and efficiency, trends and volatilities in key performance indicators, cost structure, service quality, organizational stability, access to domestic and foreign funding sources, off-balance sheet liabilities, accounting practices, and parent / subsidiary company relationships if any.

Corporate governance plays an important role in our methodology. The importance of corporate governance and transparency is once again revealed in the current global financial crisis we witness. Our methodology consists of four main sections: shareholders, public disclosure and transparency, stakeholders, and board of directors. The corporate governance methodology of SAHA can be accessed at www.saharating.com.

Rating Definitions

Our long-term credit ratings reflect our present opinion regarding the mid to long term period of one year and above; Our short-term credit ratings reflect our opinion regarding a period of one year. Our long-term credit rating results start from AAA showing the highest quality grade and continue downward to the lowest rating of D (default). Plus (+) and minus (-) signs are used to make a more detailed distinction within categories AA to CCC.

Companies and securities rated with long-term AAA, AA, A, BBB and short-term A1 +, A1, A2, A3 categories should be considered “investment worthy” by the market. According to the structured finance regulation, for asset backed securities, the top three rating degrees represent “investment worthy” securities.

Short Term	Long Term	Rating Segment	Rating Definitions
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	First Degree	The highest credit quality. Indicates that ability to meet financial obligations is extremely high. For securities, it is an indication of no more than a slight additional risk as compared to risk-free government bonds.
(TR) A1	(TR) A+ (TR) A	Second Degree	Credit quality is very high. Very high ability to fulfill financial obligations. Sudden changes at the company level and/or economic and financial conditions may increase investment risk, but not significantly.
(TR) A2	(TR) A- (TR) BBB+	Third Degree	High ability to fulfill financial obligations, but may be affected by adverse economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Fourth Degree	Sufficient financial ability to fulfill its obligations, but carries more risk in adverse economic conditions and changes. If securities; has adequate protection parameters, but issuer’s capacity to fulfill its obligations may weaken in face of adverse economic conditions and changes.

Companies and securities rated with long-term BB, B, CCC, and short-term B1, B2, C categories should be considered “speculative” by the market.

(TR) B1	(TR) BB+ (TR) BB (TR) BB-	Fifth Degree	Carries minimum level of speculative features. Not in danger in the short term, but faces negative financial and economic conditions. If securities; below investment level, but on-time payments prevail, or under less danger than other speculative securities. However, if the issuer’s capacity to fulfill its obligations weakens, serious uncertainties may unfold.
(TR) B2	(TR) B+ (TR) B (TR) B-	Sixth Degree	Currently has the capacity to fulfill financial obligations, but highly sensitive to adverse economic and financial conditions. If securities; there is a risk in due payment. Financial protection factors can show high fluctuations depending on the conditions of the economy, the sector, and the issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Seventh Degree	Well below investment grade. In considerable danger of default. Fulfillment of its financial obligations depends on the positive performance of economic, sectoral and financial conditions. If securities; there are serious uncertainties about the timely payment of principal and interest.
(TR) D	(TR) D	Default	Event of default. The company cannot meet its financial obligations or cannot pay the principal and/or interest of the relevant securities.

Disclaimer

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