

Corporate Credit Rating

New Update

Sector: REIT

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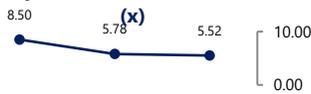
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RATINGS

		Long Term	Short Term	
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	-	-	
International	Foreign Currency	BB	B	
	Local Currency	BB	B	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Sponsor Support	2	-		
Stand-Alone	B	-		
Sovereign*	Foreign Currency	BB	-	
	Local Currency	BB	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR on May 31, 2021

Adjusted Net Debt / EBITDA



EBITDA Margin (%)



ROAA (%)



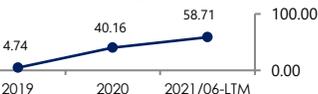
ROAE (%)



NWC/ Assets (%)



CFO Margin (%)



SİNPAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating, has evaluated **Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.** and assigned the ratings on the Long and Short-Term National Scales as **'BBB+ (Trk)'** and **'A-2 (Trk)'**, respectively along with the **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as **'BB/Stable'** outlooks.

Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş. (referred to as Sinpaş GYO or the Company) is the real estate investment company. Sinpaş İnşaat A.Ş., which was established on 22 December 2006 with the aim of transforming into a Real Estate Investment Trust, applied to the Capital Markets Board with a request for conversion to a REIT. Following its approval, it was registered to the trade registry on May 3, 2007 and transformed into a REIT and its title was changed to Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.. The Company's shares are listed in Borsa İstanbul A.Ş. The main field of activity of the Company; real estate, real estate-based capital market instruments, real estate projects, real estate-based rights and investing in capital market instruments, is to engage in the purposes and matters written in the regulations of the Capital Markets Board regarding real estate investment partnerships.

The Company have 26 projects that continue to sell actively namely Koru Aura, Finansşehir Park Yaşam, Boulevard Çankaya 1. Etap, Finansşehir Yeni Palace, Finansşehir Time, Metrolife, Ege Vadisi, Gökorman, Finansşehir Park, Aydos Country, Finansşehir Palace, Marina Ankara, Bomonti, İncek Blue, İncek Green, Ege Yakası, Altınoran, Ege Boyu, İncek Life, Bursa Modern, Bosphoruscity, İstanbul Sarayları, Aquacity2010, Liva, I Tower, Çorlu Konutları. As of 3Q2021, the number of salable residences of the company is 1,259 and the number of commercial units is 240. In addition to commercial unit and housing sales, the Company also has a limited rental income.

Strengths

- As of 2Q2021 improvement in profitability ratios due to the increase in the Company's cash assets
- Refinance of financial loans with a longer maturity relieves the debt payment period to a certain extent
- Increase in net profit due to fair value gains in investment properties
- Reputable brand name with a proven successful track record and project portfolio
- As an institution subject to Capital Market Law, improved transparency with regard to corporate governance compliance

Constraints

- Notable debt service requirement, necessitating resilient sales revenues via ongoing/completed projects, though material debt repayment alleviates the pressure to a certain extent
- Modest Loan-to-Value (LTV) ratio of the key asset, evaluated as a Sector-specific leverage metric
- Equity structure mainly consist of fair value gains
- Increasing construction costs weaken the appetite for housing investments
- Covid-19 outbreak still containing high uncertainty for the upcoming period, despite vaccination efforts which started all over the world

Considering the aforementioned factors, Company's the Long Term National Rating has been assigned at **'BBB+ (Trk)'**. Considering income generation from operating activities, expectation of sustenance of sales growth, equity structure, brand recognition, experience in the sector and past credentials, as well as, Covid-19 pandemic and geopolitical risks-driven uncertainties; the Company's outlook for Long and Short-Term National ratings has been determined as 'Stable'. The Company's profitability and sales performance, asset quality, equity structure and debt level together with the legal framework about the REIT are to be monitored by JCR Eurasia Rating.

The financial strength and expected support of the Company's shareholders lay the foundation for Sinpaş GYO's Sponsor Support assessment. In this regard, the Company's Sponsor Support Grade has been assigned as **(2)** in JCR Eurasia Rating's notation, indicating adequate level. Sinpaş GYO is a Sinpaş Group company. Sinpaş Group provides operational and risk & financial management support to Sinpaş GYO.

Sinpaş GYO's own financial structure is determined as satisfactory to manage the risks it faces through internal means. Therefore, the stand-alone note of the Company has been determined as **(B)** in the JCR Eurasia Rating notation system.