

Corporate Credit Rating

New Update

Sector: REIT

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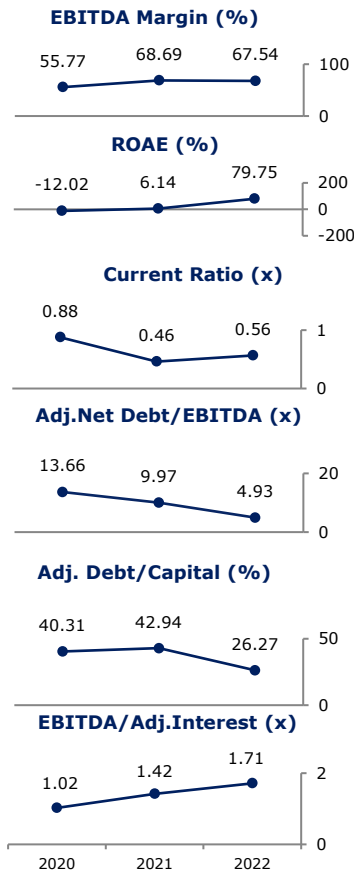
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RATINGS

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on August 18, 2022



AKIŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating, has evaluated the "Akış Gayrimenkul Yatırım Ortaklığı A.Ş." in the investment-level category and revised the Long-Term National Issuer Credit Rating from 'A (tr)' to 'A+ (tr)' and affirmed the Short-Term National Issuer Credit Rating as 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

Akiş Gayrimenkul Yatırım Ortaklığı A.Ş. (hereinafter referred to as "the Company", "the Group" or "Akış GYO") was established on November 22, 2005 in Istanbul, under the name of Akış Gayrimenkul Yatırımı A.Ş. Akış GYO assumed the title of Real Estate Investment Trust on May 18, 2012, upon application to the Capital Markets Board. Subsequently, Akış GYO was listed on Borsa Istanbul on January 9, 2013. In 2017, Akış GYO completed the merger process with SAF GYO. 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 trust. Akasya Shopping Mall and Akbatı Shopping Mall are the two key assets in Akış GYO's real estate portfolio. Akış GYO's real estate portfolio consists of 99.3% of Akasya Shopping Mall, Akbatı Shopping Mall and Erenköy Project.

The Company, is a subsidiary of Akkök Holding A.Ş. As of 9M2023, the number of employees of the Company is 245 (FYE2022: 263).

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

Strengths

- Sustainable revenue structure supported by high occupancy rates of the key assets in the portfolio and asset sales in 9M2023,
- Improvement in net debt-to-EBITDA multiplier thanks to EBITDA growth in 9M2023, and sustainable core profitability indicators,
- Downward trend in loan-to-value (LTV) ratio, evaluated as a sector-specific leverage metric,
- Available credit lines and access to capital markets provide financial flexibility,
- High level of emphasis on sustainability and, compliance with the corporate governance practices as a publicly listed company.

Constraints

- Maintenance of net working capital deficit over the analyzed periods,
- Concentration risk of investment portfolio,
- Short FX position continued, despite the decline in 9M2023,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Company's the Long-Term National Rating has been revised from 'A (tr)' to 'A+ (tr)'. On the other hand, the Company's predictable revenue structure, EBITDA generation capacity, equity structure, decrease in debt-to-capital ratio, improvement in cash metrics and brand recognition in the sector 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 Company's occupancy rates of key assets in the real estate portfolio, profitability indicators, indebtedness level, concentration risk, global banking concerns, industry specific developments and developments regarding the macro conditions 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.