

Corporate Credit Rating

New Update

Sector: REIT

Publishing Date: Dec. 25, 2025

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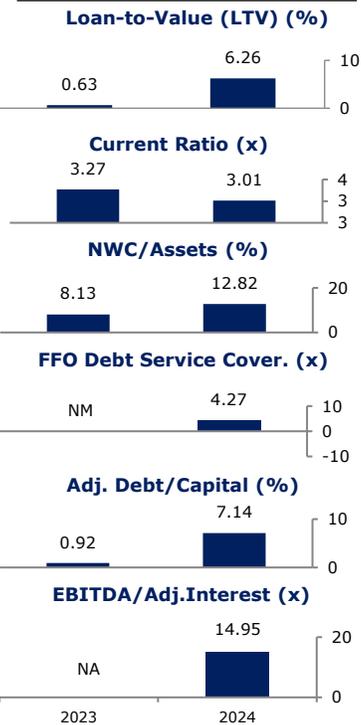
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Affirmed by JCR on Sep 01, 2025



NA: Not applicable
 NM: Not meaningful

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "Kızılıbük Gayrimenkul Yatırım Ortaklığı A.Ş." in the investment level category with high credit quality and revised the Long-Term National Issuer Credit Rating to 'A- (tr)' from 'BBB+ (tr)' and affirmed the Short-Term National Issuer Credit Rating as 'J2 (tr)' with "Stable" outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Ratings and outlooks of the Company have been assigned as "BB/Stable" as parallel to international ratings and outlooks of Republic of Türkiye.

Kızılıbük Gayrimenkul Yatırım Ortaklığı A.Ş. (hereinafter referred to as "Kızılıbük GYO", "the Company" or "the Group") is a real estate investment trust company. Kızılıbük GYO was established on March 30, 2021, through a partial demerger, as decided at the ordinary general assembly meeting of its parent company, Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş. (Sinpaş GYO), held on March 22, 2021.

The key asset in the Group's real estate portfolio and the first investment is the Sinpaş Kızılıbük Thermal Wellness Resort project located in İçmeler, Marmaris, Muğla. According to the valuation report dated January 8, 2025, the project's appraisal value is TRY 26.48bn. The Sinpaş Kızılıbük Thermal Wellness Resort Project comprises 1,309 timeshare units, a 5-star hotel with 206 rooms, an apart-hotel with 10 rooms, a thermal SPA, a congress centre, shopping areas, an aquapark, and wellness services. As of 3Q2025, the Group's main shareholder is Sinpaş GYO, with a 65.2% ownership stake, while the remaining shares are publicly held. The Group publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "KZBGY" since 2021. As of 3Q2025, the Group employed 117 personnel. (FYE2024: 40)

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

Strengths

- High revenue and EBITDA generation in FY2024 as a result of project deliveries,
- Sustainable Loan-to-Value (LTV) ratio evaluated as a sector-specific leverage metric, despite the deterioration in 3Q2025,
- Pre-sale revenues in real estate project partially reduced the external funding needs, although part of the receivables spread over long term,
- Strong equity accumulation underpinned by profit for the period and retained earnings, despite the support of non-cash items,
- High earning potential from property sales in ongoing project along with a predictable rental income,
- Compliance with corporate governance as a publicly traded REIT company,
- Benefiting from its established sectoral background and the synergistic structure of the Sinpaş Group.

Constraints

- Pressure on bottom line profitability mainly in 3Q2025 financials due to high level of financing costs,
- Operating with limited portfolio diversification despite leveraging premium project in popular touristic destination,
- Even though all concluded lawsuits have been settled in favor of Kızılıbük GYO, certain legal proceedings concerning the Sinpaş Kızılıbük Thermal Wellness Resort Project are still ongoing,
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to 'A- (tr)' from 'BBB+ (tr)'. Taking into account the Company's high-value and well-located real estate project, Sinpaş Group's support as well as, having one fully owned project in the portfolio and restrictive financial conditions 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 sustainability of operational performance, project completion rate, new project development capability and liquidity adequacy 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 also be monitored.