

## Corporate Credit Rating

New Update

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## PANORA GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating, has evaluated "Panora Gayrimenkul Yatırım Ortaklığı A.Ş." in the investment grade category and assigned the Long-Term National Issuer Credit Rating as 'A (tr)' and the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative'.

**Panora Gayrimenkul Yatırım Ortaklığı A.Ş.** ("Panora Gayrimenkul" or "the Company" or "the Group") was established in Ankara, Türkiye, on April 19, 2004 under the corporate name of Merkez Müteahhitlik Turizm ve Ticaret A.Ş. The address and principal place of business of the Company is Oran Mah. Kudüs Cad. No: 3/318, Oran, Çankaya, Ankara.

The Company's principal activity is to generate rental income from Panora Shopping and Life Centre ("Panora Shopping Mall"), which the Company owns. Panora İşletmecilik A.Ş., a subsidiary of the Company, operates Panora Shopping Mall. The investment in Panora Shopping Mall started in 2004, and the investment period continued until 2007. The opening date of the shopping centre is December 10, 2007.

The Company's shares have been traded on Borsa Istanbul since May 23, 2013. The shareholding structure of the Company is as follows; Mustafa Rifat Hisarcıkloğlu 13.14%, Yalıkavak II Gayrimenkul Yatırım ve Geliştirme A.Ş 23%, and others 63.86%.

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

### Strengths

- Sustained increase in EBITDA and revenue generation capacity in 2022,
- Robust level of debt service capacity with cash surplus position thanks to immaterial financial borrowings in analyzed years,
- Continuing improvement in net working capital and cash flow metrics supporting liquidity management through analyzed years,
- Customer profile consisting of highly recognized and diversified brands,
- High occupancy rates of key assets in the Company portfolio,
- High level of compliance with the corporate governance practices as a publicly listed company.

### Constraints

- Bottomline profitability and leverage ratios may be squeezed in the coming periods due to the ongoing tender,
- High level of non-cash revaluation gains in net profit and equity over the years,
- Potential negative effects of rising trend of online shopping preferences with the increasing rate of digitalization,
- Concentration risk of investment portfolio,
- Tight financial conditions, accompanied by global banking concerns, disrupt global growth projections.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'A (tr)'. Panora Gayrimenkul's sustained increase in EBITDA and revenue generation capacity, robust level of debt service capacity with cash surplus position in 2022 and 1Q2023, improved net working capital and cash flow metrics, customer profile, high occupancy rates, and high level of compliance with the corporate governance practices are 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 profitability indicators, indebtedness level, completion of the land tender's legal permissions, potential negative effects of rising trend in online shopping preferences, concentration risk, and global banking concerns will be closely monitored by JCR Eurasia Rating in 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.

R A T I N G S		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 Aug 18, 2022

