

Corporate Credit Rating

New Update

Sector: REIT

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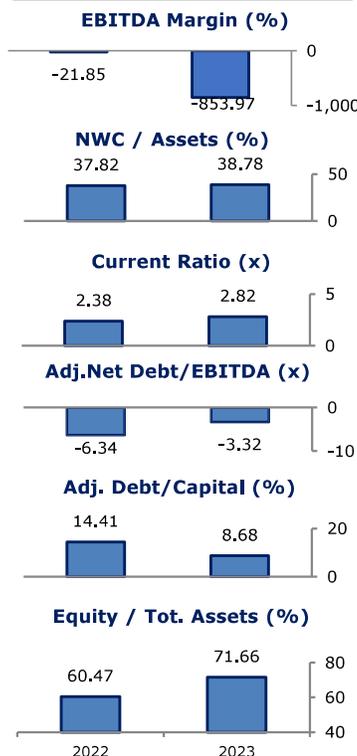
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| RATINGS | | Long Term | Short Term |
|---|-------------------------------|-------------|------------|
| ICRs (Issuer Credit Rating Profile) | National ICR | B+ (tr) | J4 (tr) |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | CCC | - |
| | International FC ICR Outlooks | Stable | - |
| | International LC ICR | CCC | - |
| 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) | - |

* Assigned by JCR on May 10, 2024



YEŞİL GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Yeşil Gayrimenkul Yatırım Ortaklığı A.Ş." in the speculative grade category, affirmed the Long-Term National Issuer Credit Rating at 'B+ (tr)' and the Short-Term National Issuer Credit Rating at 'J4 (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'CCC/Stable'.

"Yeşil Gayrimenkul Yatırım Ortaklığı A.Ş." (hereinafter referred to as "Yeşil GYO" or "the Group" or "the Company") was established in 1997 in İstanbul, Türkiye. As a real estate investment trust, Yeşil GYO has operations and investments in real estate projects and operates as defined in the regulations of the Capital Markets Board ("CMB") regarding real estate investment partnerships. Investment property portfolio of the Group mainly consists of lands and rental properties.

"Yeşil Global İnşaat Turizm Otelcilik A.Ş." ("Yeşil Global İnşaat") was the subsidiary of Yeşil GYO with the share of 91.38% as of 3Q2024. Yeşil Global İnşaat operates in construction and contracting sector including various tourism facilities and housing estates.

Yeşil GYO is also shareholding "Zincir Yapı A.Ş." ("Zincir Yapı") as an affiliate with 33.25% shares as of 3Q2024. Zincir Yapı operates in construction, rental and sales of residences, workplaces and business centers.

The Group has a total of 14 employees as of 3Q2024 (FYE2023: 18).

As of the reporting date, the Company's shares are publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "YGYO", the free float rate is 83.31% and "Kamil Engin Yeşil" is the qualified shareholder with 16.69% of the shares.

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

Strengths

- Expected continuation of the Innovia-4 Project in 2025 after completion of legal procedures,
- Increasing equity level in FYE2023 despite a significant portion is comprised of TAS 29 effect and profits from investments valued by equity method,
- Compliance with corporate governance principles thanks to being a listed company,

Constraints

- Limited sales revenue and negative EBITDA in the analyzed periods,
- Notably high level of debt burden and lack of income generation capability worsening debt repayment performance,
- Sizable related party transactions distorting balance sheet integrity during the analyzed periods,
- Delinquency records of the Group in the banks,
- Ongoing numerous and sizeable amount lawsuits against the Group in total,
- Failure to fully compliance with the conditions of Restructuring Agreements,
- Headwinds in construction costs decreasing the appetite for real estate investments and supply,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'B+ (tr)'. The Group's increasing equity level as well as limited sales revenue and negative EBITDA, high debt burden, ongoing numerous lawsuits, delinquency records in banks and slowdown signal in the global economy 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 Group's financial structure, sales and profitability performance, liquidity and leverage indicators 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.