

Corporate Credit Rating

New Update

Sector: REIT

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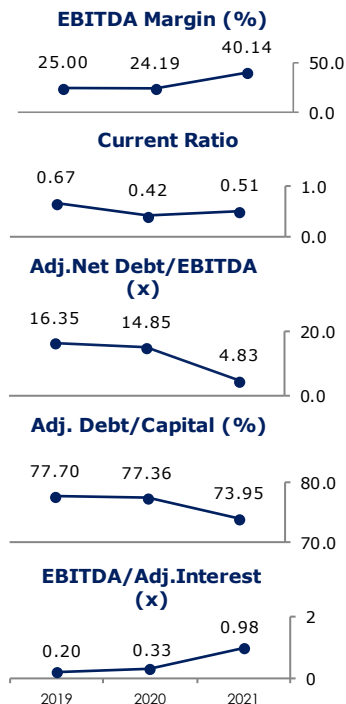
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
ISRs (Issue Specific Profile)	National ISR		
	International FC ISR		
	International LC ISR		
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 31, 2021



Nurol Gayrimenkul Yatırım Ortaklığı A.Ş.

JCR Eurasia Rating, has evaluated the "Nurol Gayrimenkul Yatırım Ortaklığı A.Ş." in the investment level category and upgraded the Long-Term National Issuer Credit Rating from 'BBB (tr)' to 'BBB+ (tr)' and the Short-Term National Issuer Credit Rating at 'J2 (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/Stable' according to JCR-ER's national-global mapping methodology.

Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. (referred to as 'the Company' or 'Nurol GYO') was established on September 3, 1997. 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 ("CMB") regarding real estate investment partnerships. The Company have 3 projects that continue to sell actively namely Nurol Life, Nurol Park and Nurol Tower. As of March 2022, the remaining salable area is 17.654 m², 34.800 m² and 21.013 m² in Nurol Life, Nurol Park and Nurol tower projects, respectively. In addition to office and housing sales, the Company also has a limited rental income.

Nurol Holding A.Ş. and Nurol İnşaat ve Ticaret A.Ş. are main shareholders of Nurol GYO with the shares of 33.57% and 25.75%, respectively as of FYE2021. The Company's shares have been traded on the Borsa Istanbul (BIST) index since 1999 with a current free-float of 27.05% under the ticker-name of NUGYO. Headquartered in İstanbul, the Company has 49 employees as of FYE2021 (FYE2020:52)

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

Strengths

- Sizeable key assets volume providing sustainability and predictable rental income,
- Robust revenue growth in FYE2021 driven by foreign customer-weighted sales,
- Satisfactory equity level,
- Reputable brand name with a proven successful track record and project portfolio,
- Advantages of reputable and supporting shareholder structure,
- High level of compliance with corporate governance practices,

Constraints

- Ongoing high debt level and short maturity profile of financial liabilities leading to net working capital deficit,
- High financial expenses and foreign exchange risk pressuring bottom line,
- High operating expenses though partial recovery,
- The geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainties.

Considering the aforementioned points, together with such additional support factors as income generation from operating activities, expectation of sustenance of sales growth, brand recognition, experience in the sector and past credentials, equity structure via capital increases, increasing gross profitability, know-how in the sector stemming from a long-track record, risk management practices and the general outlook of the sector, the Company's the Long-Term National Issuer Credit Rating has been upgraded "BBB+ (tr)". The Company's debt level and term structure, foreign exchange exposition, main operating expense figure and geopolitical risks-driven uncertainties 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 debt ratio, equity trend and turnover growth 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.