



TORUNLAR  REIC



# INVESTOR PRESENTATION

**11 March 2019**



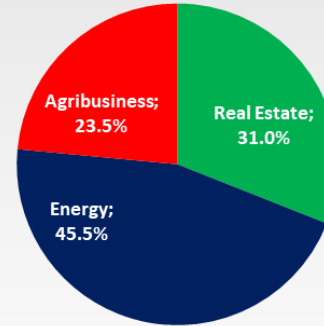
# TORUNLAR GROUP OF COMPANIES TODAY (As of 31.12.2018)

## Key Facts

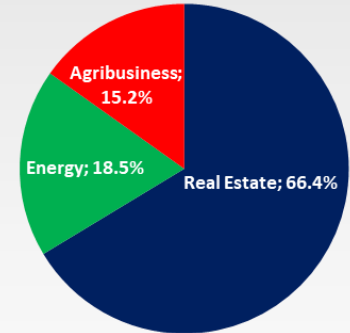
million TRY	2017	2018	Change
Total Assets	19,355	18,497	-4%
Total Equity	9,785	9,002	-8%
Total Sales	4,435	6,304	42%
Employees	1,140	1,007	-12%
Cities of Operation	12	12	0%

Note: Başkentgaz and Torunlar Gıda figures are local GAAP and Torunlar REIC figures are IFRS

## Total Sales



## Total Assets



### AGRIBUSINESS

- A leading company in oilseed, soybean, sunflower, rice and sugarbeet processing
- Competes against such multinationals as Cargill, Bunge and Cofco

### REAL ESTATE

- The **2<sup>nd</sup> largest REIC** in terms of portfolio value and market cap among the listed REIC's on BIST
- Best and most diversified portfolio
- Exceeding 572,000 m<sup>2</sup> GLA

### ENERGY

- The **2<sup>nd</sup> largest** natural gas distribution company of Turkey
- 1.8 million total customers
- 3.8 billion m<sup>3</sup> natural gas sales and distribution volume
- 11,800 km of grid length

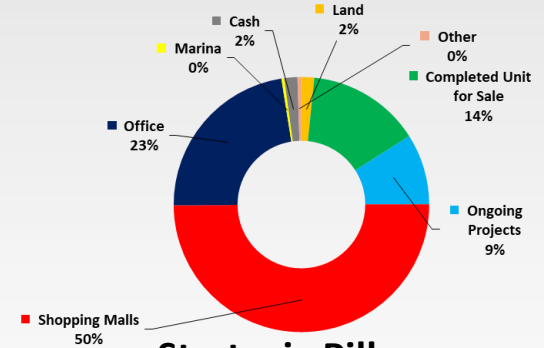


## Torunlar REIC Key Overview

TRY (000)	2014	2015	2016	2017	2018
<b>Sales</b>	773,240	628,038	665,677	780,140	1,954,283
<i>Residence &amp; Office</i>	534,824	249,687	243,273	286,070	1,307,091
<i>Mall &amp; Office rental</i>	177,190	309,864	351,652	411,150	526,116
<i>Other</i>	61,226	68,487	70,752	82,920	121,076
<b>EBITDA</b>	398,358	368,872	361,922	491,066	929,765
<i>EBITDA Margin</i>	51.5%	58.7%	54.4%	62.9%	47.6%
<b>Net Profit</b>	1,057,892	953,604	1,172,384	455,108	1,287,204

<b>Market Cap</b>	1,725,000	1,625,000	2,075,018	3,330,000	1,510,000
<b>Portfolio Value</b>	6,938,584	8,760,058	9,772,422	10,347,221	12,402,269
<b>Net Asset Value</b>	3,957,423	4,861,088	5,973,549	6,378,657	7,613,718
<b>Capex</b>	578,448	440,241	757,077	717,660	510,254
<b>Net Debt</b>	1,777,147	1,901,906	2,535,224	3,004,044	3,989,688
<b>LTV</b>	30.21%	25.78%	27.30%	29.38%	33.95%

Portfolio Breakdown  
"12.4 billion TRY"



### Strategic Pillars

Strong sales growth with cumulative 4.6 billion TRY within 3 years

Deleveraging from a net debt to a net cash within 2022

Completion of the project pipeline with 0.9 billion TRY capex within 3 years



## Project Locations – Turkey –

### ISTANBUL

- Torium Shopping Mall
- NishIstanbul Mixed-Use Project
- Mall of İstanbul
- Torun Tower
- Torun Center
- 5. Levent Project
- Mall of İstanbul 2. Phase
- Pasabahce Project
- Kemankes Land
- Kayabasi Land
- Mall of İstanbul Phase 3

### SAMSUN

- Bulvar Samsun Shopping Mall

### ANKARA

- ANKA mall Shopping Mall
- Crowne Plaza Hotel

### BURSA

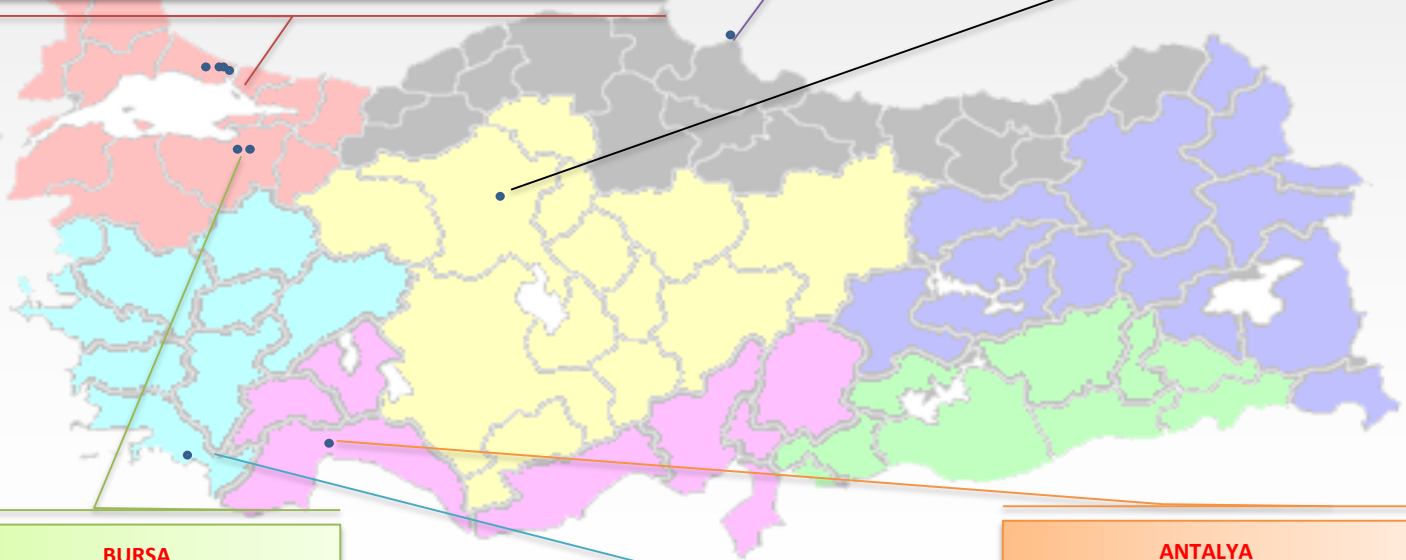
- Zafer Plaza Shopping Mall
- Korupark Shopping Mall
- Korupark Residences Phases I-II
- Korupark Residences Phase III

### MUGLA

- Netsel Marina

### ANTALYA

- Deepo Outlet Mall
- Mall of Antalya

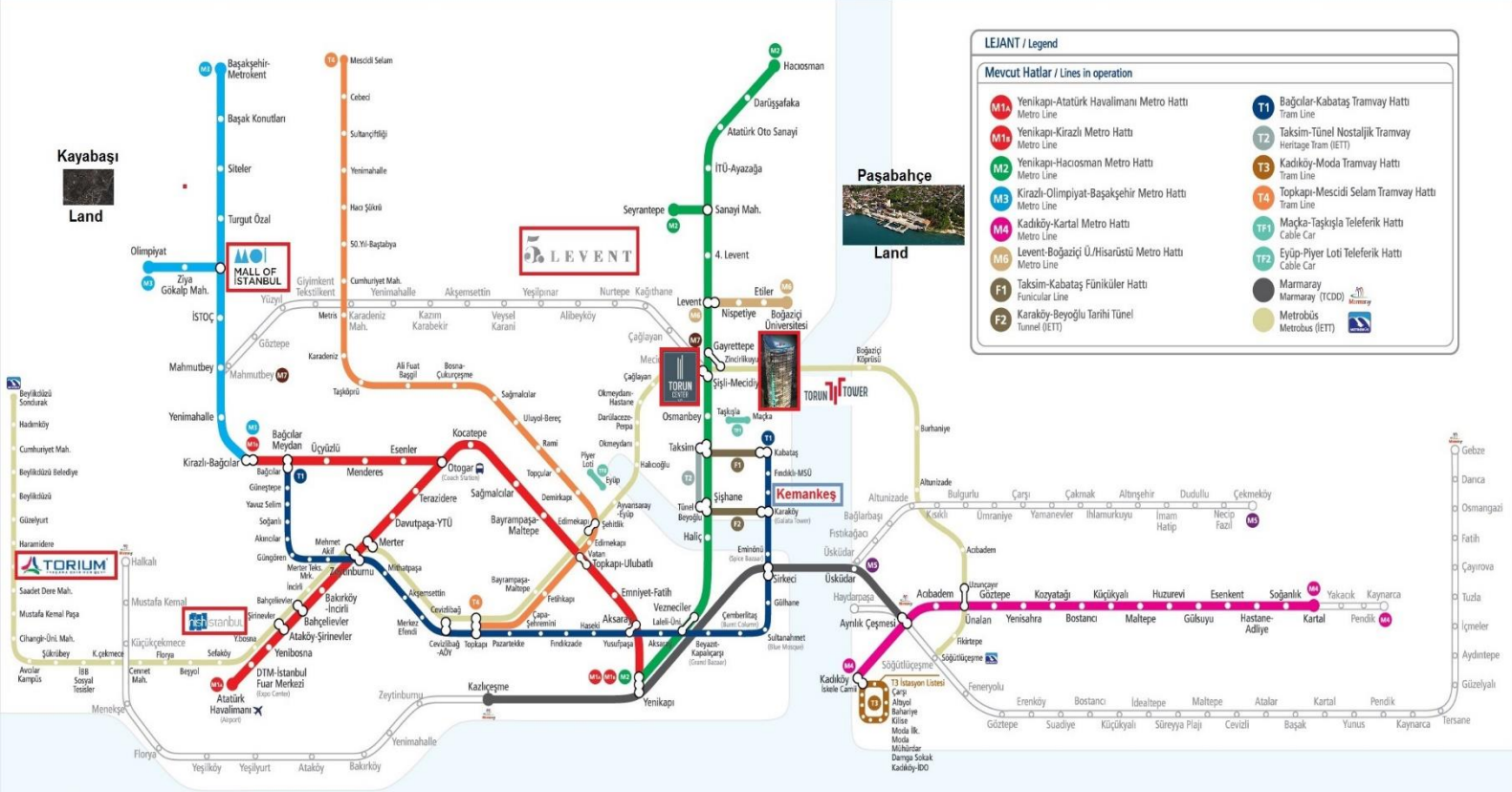




# Project Locations – Istanbul –

Kayabaşı  
Land

Paşabağçe  
Land





## 12M 2018 Highlights and Forward Strategy

- Portfolio size 12.4 billion TRY.
- Solid operational performance with 1,954 million TRY sales revenue and 930 million TRY EBITDA.
- Residential deliveries increased to 1,307 million TRY with 5<sup>th</sup> Levent deliveries.
- Rental income at 526 million TRY up by 28.0% y-o-y.
- Loan to value at 33.9% and cost of debt in FX is at 5.48%.
- Focus on:
  - completing MOI 2<sup>nd</sup> Phase Hotel, Convention Center and Residential project,
  - destocking of remaining residential units at 5<sup>th</sup> Levent in 2019,
  - destocking of remaining residences and leasing of selected offices and retail area at Torun Center.
- Leverage will be ended within the year of 2022.



## Rental Assets

(TRY)	Operation Date	Appraisal Value	
		2017	2018
<b>Malls - in Operation</b>		<b>4,487,800,000</b>	<b>5,872,400,000</b>
Zafer Plaza	1999	291,600,000	352,400,000
Deepo Outlet	Q4 2004	299,600,000	410,000,000
Korupark	Q3 2007	1,293,000,000	1,540,000,000
Torium	Q4 2010	465,200,000	490,000,000
Mall of İstanbul	Q2 2014	1,860,000,000	2,590,000,000
Mall of Antalya	Q2 2017	278,400,000	490,000,000
<b>Offices - in Operation</b>		<b>2,553,605,000</b>	<b>2,802,195,000</b>
Torun Tower	Q2 2014	1,532,000,000	1,724,000,000
Torun Center	H1 2017	1,021,605,000	1,078,195,000
<b>TOTAL</b>		<b>7,041,405,000</b>	<b>8,674,595,000</b>

(TRY)	GLA (m <sup>2</sup> )	2017		2018		2019F	
		NOI	Yield	NOI	Yield	NOI	Yield***
<b>Malls - in Operation</b>	<b>402,661</b>	<b>299,412,000</b>	<b>6.67%</b>	<b>405,143,000</b>	<b>6.90%</b>	<b>487,631,902</b>	<b>8.30%</b>
Zafer Plaza	23,449	21,003,000	7.20%	25,149,000	7.14%	28,956,621	8.22%
Deepo Outlet	21,055	16,980,000	5.67%	31,359,000	7.65%	32,495,798	7.93%
Korupark	71,267	87,826,000	6.79%	110,078,000	7.15%	123,447,510	8.02%
Torium	88,849	22,981,000	4.94%	23,593,000	4.81%	35,355,201	7.22%
Mall of İstanbul	154,338	146,072,000	7.85%	186,572,000	7.20%	223,041,676	8.61%
Mall of Antalya	43,703	4,550,000	1.63%	28,392,000	5.79%	44,335,096	9.05%
<b>Offices - in Operation*</b>	<b>132,398</b>	<b>74,518,000</b>	<b>4.85%</b>	<b>78,424,000</b>	<b>4.39%</b>	<b>99,268,800</b>	<b>5.05%</b>
Torun Tower	66,286	74,362,000	4.85%	75,729,000	4.39%	87,000,000	5.05%
Torun Center**	66,112	156,000	0.02%	2,695,000	0.25%	12,268,800	1.14%
<b>TOTAL</b>	<b>535,059</b>	<b>373,930,000</b>	<b>5.31%</b>	<b>483,567,000</b>	<b>5.57%</b>	<b>586,900,702</b>	<b>6.77%</b>

\*Offices in Operation Yield reflects only Torun Tower

\*\*Torun Center consists of offices and retail area

\*\*\*2019 Yields are calculated from 2019 forecasted NOI and 2018 appraisal values



## Sellable Assets

REVENUES (MILLION TRY)	2019	2020	2021	2022	2023	TOTAL
<b>Completed Projects</b>	<b>252</b>	<b>571</b>	<b>712</b>	<b>488</b>	<b>450</b>	<b>2,473</b>
Korupark Residences Phase 3	10	0	0	0	0	10
Torun Center Residences	99	395	441	488	450	1,873
South Tower	99	132	147	163	179	719
East Tower	0	263	294	325	271	1,154
<b>5. Levent Phases 1 &amp; 2</b>	<b>143</b>	<b>176</b>	<b>271</b>	<b>0</b>	<b>0</b>	<b>590</b>
<b>Upcoming Projects</b>	<b>87</b>	<b>1,050</b>	<b>1,506</b>	<b>1,261</b>	<b>310</b>	<b>4,215</b>
5. Levent Phase 3	0	0	466	407	310	1,183
Paşabahçe	0	888	992	854	0	2,734
MOİ Phase 2 - High Residences	87	162	49	0	0	297
<b>TOTAL</b>	<b>339</b>	<b>1,621</b>	<b>2,218</b>	<b>1,749</b>	<b>760</b>	<b>6,687</b>

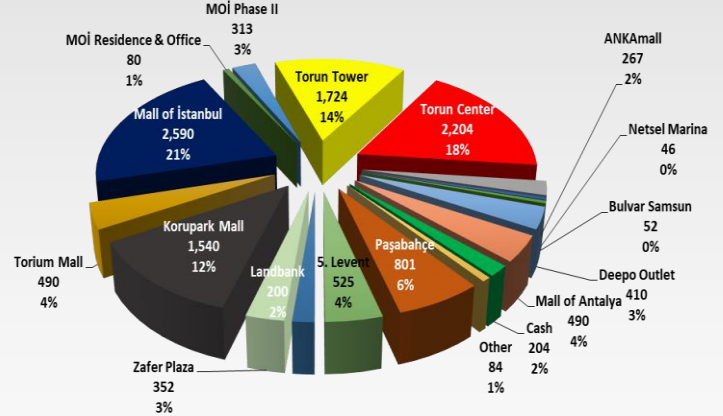
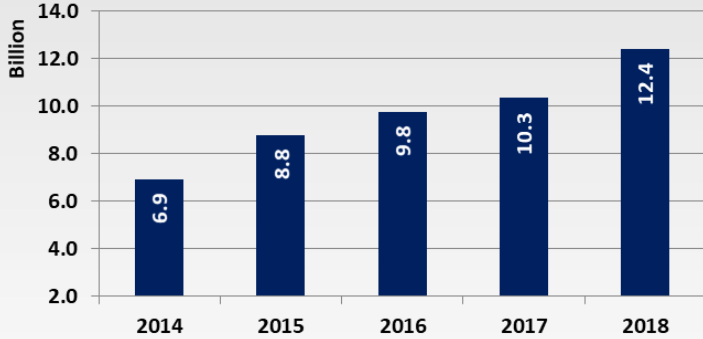
GSA (M <sup>2</sup> )	2019	2020	2021	2022	2023	TOTAL
<b>Completed Projects</b>	<b>23,958</b>	<b>34,763</b>	<b>44,181</b>	<b>15,000</b>	<b>12,474</b>	<b>130,376</b>
Korupark Residences Phase 3	1,996					1,996
Torun Center Residences	5,249	15,000	15,000	15,000	12,474	62,723
South Tower	5,249	5,000	5,000	5,000	4,891	25,140
East Tower	0	10,000	10,000	10,000	7,583	37,583
<b>5. Levent Phases 1 &amp; 2</b>	<b>16,712</b>	<b>19,763</b>	<b>29,181</b>			<b>65,656</b>
<b>Upcoming Projects</b>	<b>5,082</b>	<b>16,940</b>	<b>53,064</b>	<b>41,000</b>	<b>24,000</b>	<b>140,085</b>
5. Levent Phase 3			42,000	34,000	24,000	100,000
Paşabahçe		9,000	9,000	7,000		25,000
MOİ Phase 2 - High Residences	5,082	7,940	2,064			15,085
<b>TOTAL</b>	<b>29,039</b>	<b>51,703</b>	<b>97,245</b>	<b>56,000</b>	<b>36,474</b>	<b>270,461</b>



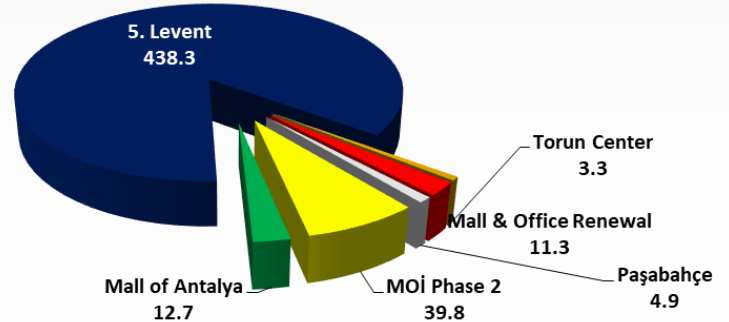
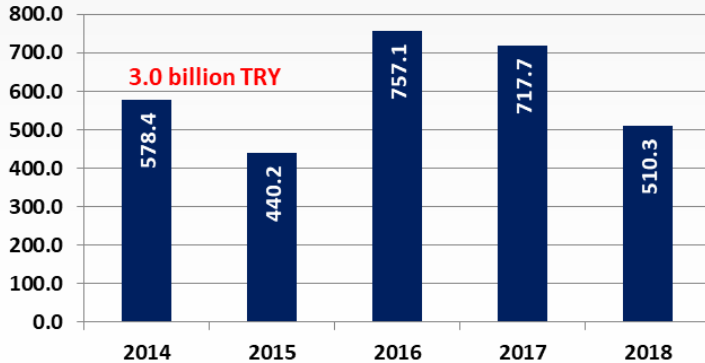


# Financial Highlights (million TRY)

## PORTFOLIO VALUE



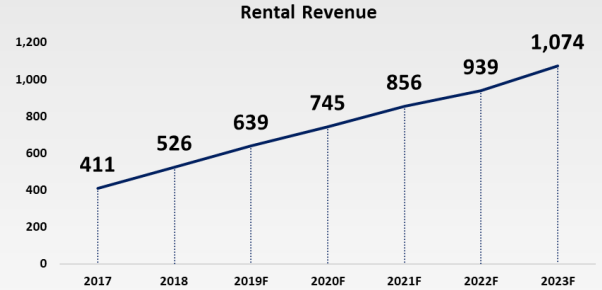
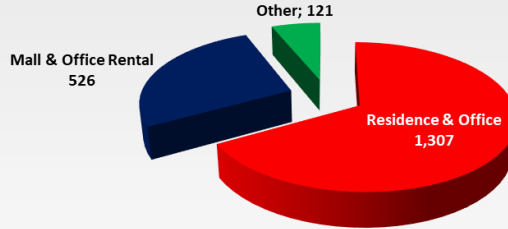
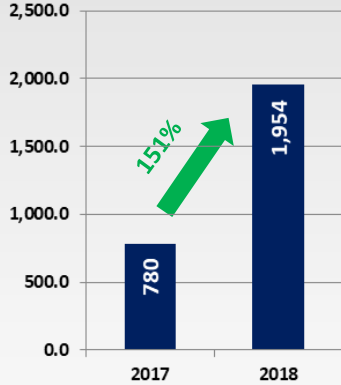
## CAPEX



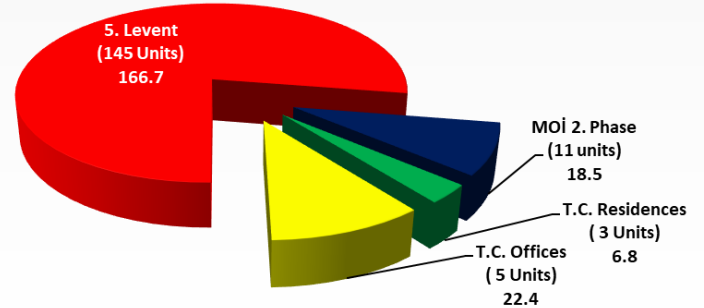
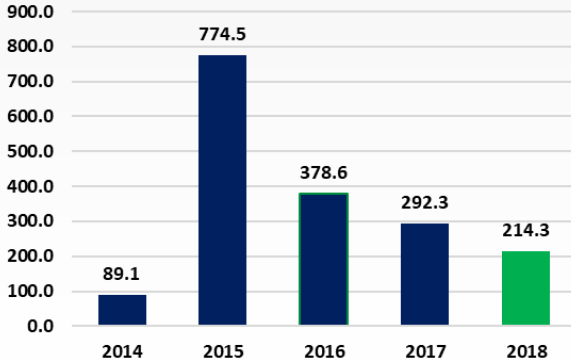


# Financial Highlights (million TRY)

## SALES REVENUE



## PRESALES & SALES



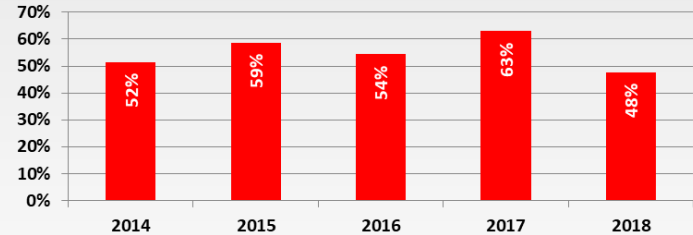


## Financial Highlights (million TRY)

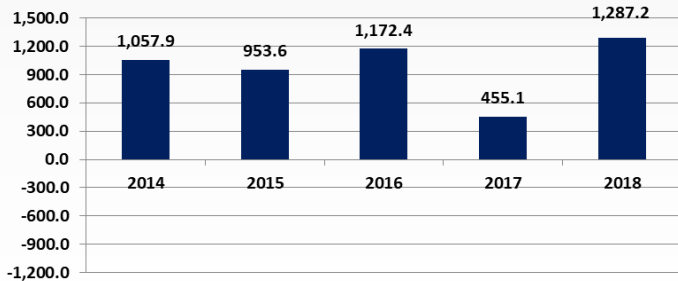
### EBITDA



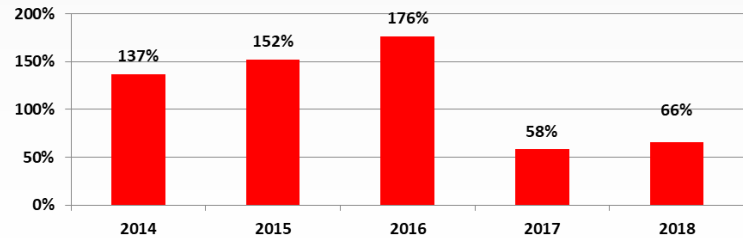
### EBITDA Margin



### NET PROFIT



### Net Profit Margin





## KPI Summary

	2017	2018	Change
Total net debt (000 TRY)	3,004,044	3,989,688	32.81%
Average loan term (years)	5	5	
Average overall interest rate*	4.99%	5.48%	0.49 pp
Leverage (financial loans as % of total assets)	31.8%	34.2%	2.35 pp
Net debt to Equity ratio	47.1%	52.4%	5.31 pp
Net debt/Assets (%)	26.5%	32.5%	6.00 pp
Equity to Assets ratio	56.3%	62.0%	5.76 pp
Loan to Property value ratio (LTV)	29.4%	33.9%	4.56 pp
Interest coverage ratio (times)	3.8	3.7	-2.98%
Net debt/EBITDA (times)	6.12	4.29	-29.85%
Net Debt/Mcap	90.2%	264.2%	174.01 pp
Headcount	176	105	-40.34%

\* Excl. TRY Loans

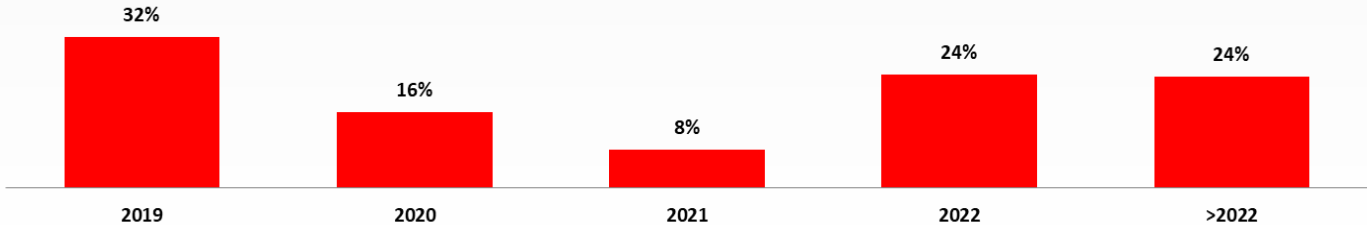
Net Balance Sheet Position (000)	31.12.2017	31.12.2018	Change
USD	-527,663	-443,018	-16.04%
EUR	-158,610	-194,192	22.43%
TRY Equivalent	-2,706,486	-3,501,262	29.37%



## Mall Portfolio Encompasses Entire Retail Spectrum

2018	Antalya Deepo	Zafer Plaza	Istanbul Torium	Bursa Korupark	MOI	Total	MOA
Rent + Common Area Revenues (MillionTRY)	40.4	33.9	60.8	135.0	245.2	515.2	43.4
LfL Rent + Common Area Revenue Growth Rate	60.4%	17.7%	22.6%	25.5%	29.9%	28.9%	N/A
NOI (Million TRY)	31.4	25.1	23.6	110.1	186.6	376.8	28.4
LfL NOI Growth Rate	84.7%	19.7%	2.7%	25.3%	27.7%	27.8%	N/A
Footfall (Million)	4.7	11.2	9.9	11.5	14.9	52.3	4.0
LfL Footfall Growth Rate	-2.1%	-2.6%	1.6%	1.3%	4.2%	1.0%	N/A
Retail Sales (Million TRY)	233.2	242.8	360.4	763.2	1,541.9	3,141.5	302.1
LfL Retail Sales Growth Rate	39.8%	11.5%	19.8%	13.7%	22.1%	20.0%	N/A

### Expiration of Lease Contracts in terms of Fixed Rent





## The Home of the Flagships

Top 10 tenants account for **28.32%** of total GLA and **16.70%** of total fixed rent revenues



- Rank: 1
- GLA: 20,527 (6.4%)
- 3.6% of Monthly Fixed Rent



- Rank: 2
- GLA: 17,889 (5.6%)
- 2.0% of Monthly Fixed Rent



- Rank: 3
- GLA: 10,026 (3.1%)
- 1.8% of Monthly Fixed Rent



- Rank: 4
- GLA: 10,062 (3.2%)
- 1.8% of Monthly Fixed Rent



- Rank: 5
- GLA: 2,549 (0.8%)
- 1.5% of Monthly Fixed Rent



- Rank: 6
- GLA: 5,620 (1.8%)
- 1.4% of Monthly Fixed Rent



- Rank: 7
- GLA: 11,153 (3.5%)
- 1.3% of Monthly Fixed Rent



- Rank: 8
- GLA: 2,853 (0.9%)
- 1.3% of Monthly Fixed Rent



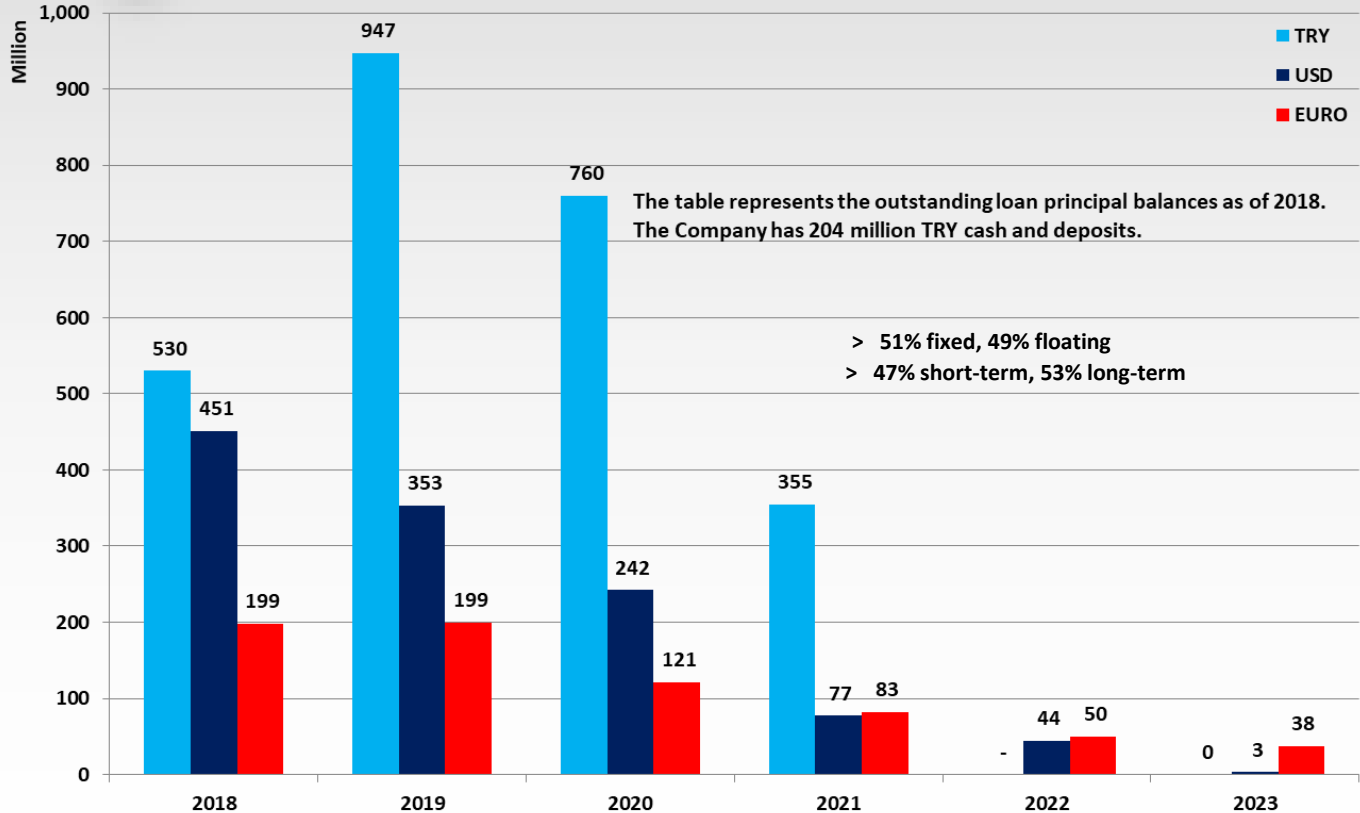
- Rank: 9
- GLA: 4,067 (1.3%)
- 1.0% of Monthly Fixed Rent



- Rank: 10
- GLA: 5,537 (1.7%)
- 0.9% of Monthly Fixed Rent



## Outstanding Bank Loans as of 2018





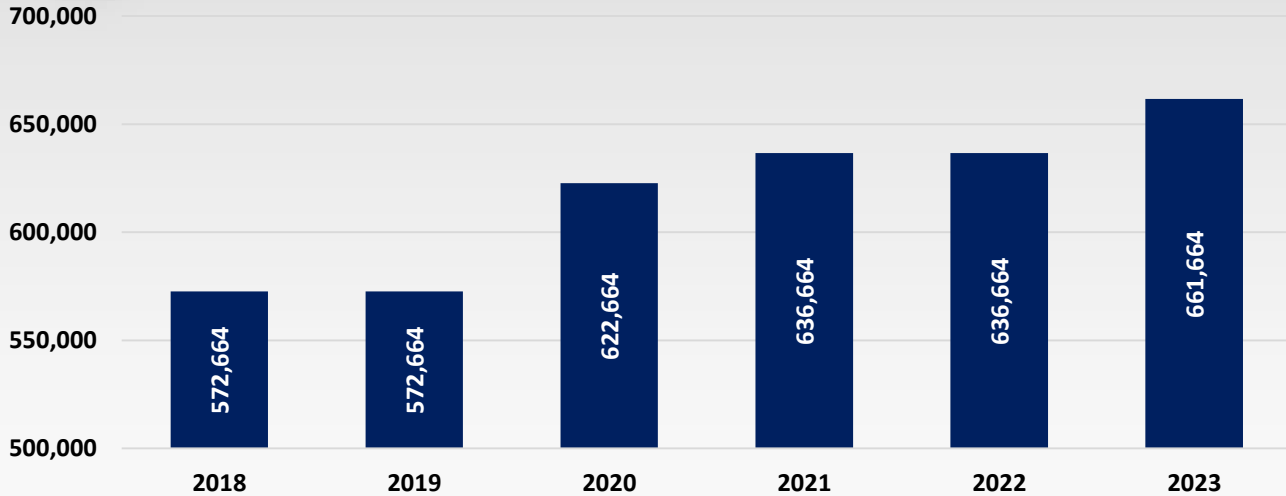
## Project Pipeline – CAPEX (million TRY)

CAPEX	Budget	Actual Spent to Date	2019	2020	2021	2022	2023
MOI 2 <sup>nd</sup> Phase Hotel, Residences and Convention Center Project	328.4	124.6	74.7	129.1			
5. Levent Phases 1 & 2	1,672.0	1,494.8	171.5	5.8			
5. Levent Phase 3	400.0	0.0	0.0	0.0	120.0	150.0	130.0
Paşabahçe Bosphorus Project	711.6	25.0	28.4	32.9	220.5	243.9	160.9
Mall of Antalya - Hotel	39.5	0.0	0.0	39.5			
Karaköy Hotel	46.1	0.0	0.0	46.1			
<b>TOTAL</b>	<b>3,197.6</b>	<b>1,644.4</b>	<b>274.5</b>	<b>253.3</b>	<b>340.5</b>	<b>393.9</b>	<b>290.9</b>





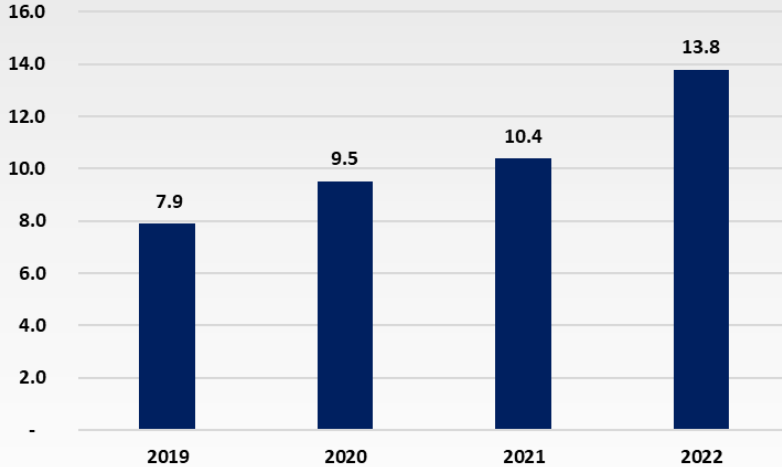
## Total GLA in Years (m<sup>2</sup>)



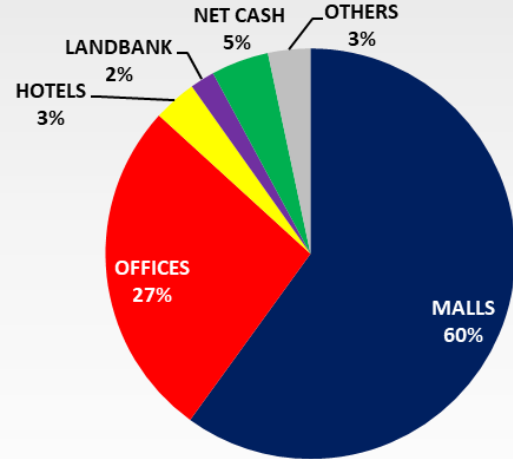
Year	New GLA (m <sup>2</sup> )	Asset
2020	50,000	-Mall of İstanbul Phase 2 - Hotel, Convention Center
2021	14,000	-Mall of Antalya Hotel -Karaköy Hotel
2023	25,000	-Paşabahçe Hotel



## NAV Evolution (Billion TRY)



## 2022 NAV Breakdown



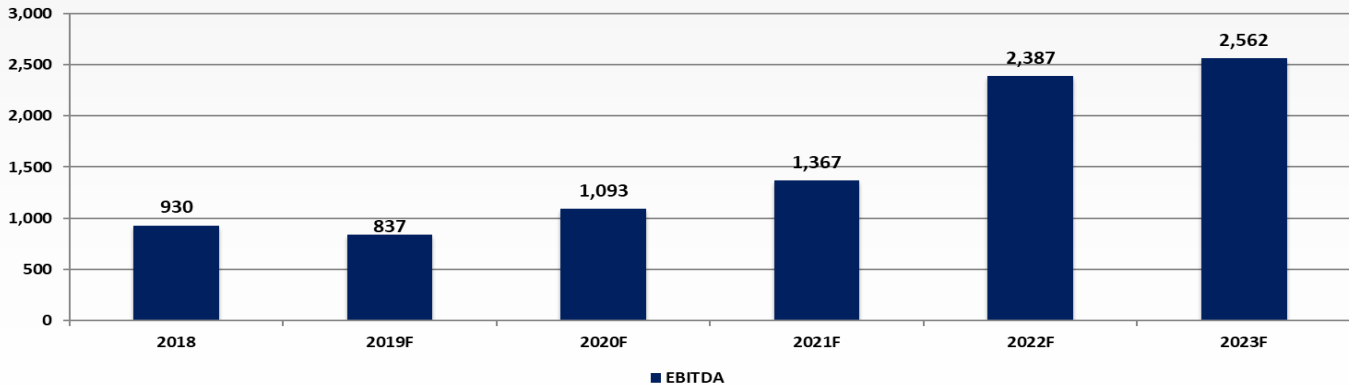
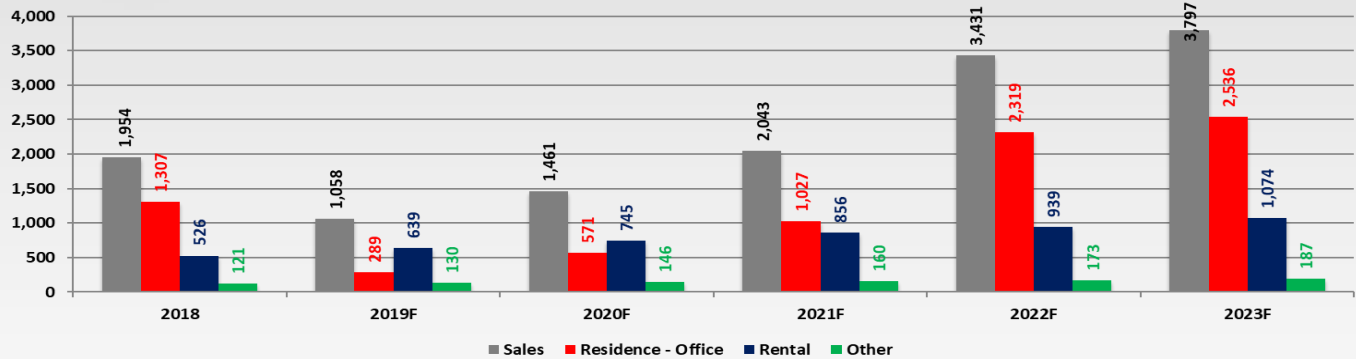


## FUTURE OUTLOOK- 2018 Forecast Income Statement (TRY)

(000) TRY	2018	2019F	Change
<b>Sales</b>	<b>1,954,283</b>	<b>1,057,801</b>	<b>-45.9%</b>
Residence & Office	1,307,091	288,797	-77.9%
Mall & Office rental	526,116	639,084	21.5%
Common area revenues & Other revenues	121,076	129,920	7.3%
<b>Cost of sales</b>	<b>(1,069,194)</b>	<b>(323,534)</b>	<b>-69.7%</b>
Cost of Residence & Office sales	(911,233)	(162,370)	-82.2%
Rent expenses and management fees of shopping malls	(18,486)	(21,964)	18.8%
Common area expenses & Other expenses	(139,475)	(139,200)	-0.2%
<b>Gross profit</b>	<b>885,089</b>	<b>734,267</b>	<b>-17.0%</b>
<i>Gross Margin</i>	45.3%	69.4%	24.12 pp
<i>Gross Margin (Residence &amp; Office)</i>	30.3%	43.8%	13.49 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	75.6%	79.0%	3.45 pp
<b>Opex</b>	<b>(57,920)</b>	<b>(60,000)</b>	<b>3.6%</b>
General & Admin expenses	(51,496)	(42,000)	-18.4%
Marketing & Selling expenses	(6,424)	(18,000)	180.2%
Other income (expenses)	81,218	0	-100.0%
Net gain (loss) fair value adjustments on investment property	1,694,571	500,000	-70.5%
<b>Operating profit</b>	<b>2,602,958</b>	<b>1,174,267</b>	<b>-54.9%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>908,387</b>	<b>674,267</b>	<b>-25.8%</b>
Dividends received from associates	19,389	30,868	59.2%
<b>EBIT</b>	<b>927,776</b>	<b>705,135</b>	<b>-24.0%</b>
<i>EBIT margin (%)</i>	47.5%	66.7%	19.19 pp
Depreciation	1,989	2,750	38.3%
<b>EBITDA</b>	<b>929,765</b>	<b>707,885</b>	<b>-23.9%</b>
<i>EBITDA margin (%)</i>	47.6%	66.9%	19.34 pp
Gain (Loss) from associates	34,975	12,000	-65.7%
Net financial interest income (expense)	(250,437)	(594,049)	137.2%
Other net financial income (expense)	(13,301)	0	-100.0%
Forex gain (loss)	(1,106,380)	(250,196)	-77.4%
<b>Profit before tax</b>	<b>1,287,204</b>	<b>372,889</b>	<b>-71.0%</b>
Corporate tax	0	0	NM
<b>Net profit</b>	<b>1,287,204</b>	<b>372,889</b>	<b>-71.0%</b>
<i>Net profit margin (%)</i>	65.9%	35.3%	-30.61 pp



## Long Term Sales & EBITDA Forecast (million TRY)





## Cash Flow Statement (Forecast)

Cash Flow Statement (Forecast)	2019	2020	2021	2022	2023
Cash at the beginning of the term	204,337,000	159,232,796	172,200,960	537,814,376	1,709,014,917
<b>CASH FLOW FROM OPERATIONS</b>					
From Mall Rentals (NOI) (+)	498,742,558	564,738,136	626,532,161	676,654,734	730,787,113
From Office Rentals (+)	109,099,200	133,969,248	155,667,053	177,730,257	202,465,718
From Hotel Rentals (+)	0	10,830,555	34,431,200	42,332,162	95,474,623
From Residence Pre-Sales and Sales (+)	338,852,458	1,621,270,485	2,218,137,170	1,748,601,360	760,361,117
Change in Trade Receivables (+)	46,734,287	0	0	0	0
Operational Expenses (-)	60,000,000	67,200,000	73,920,000	79,833,600	86,220,288
<b>Net Cash Flow from Operations</b>	<b>933,428,503</b>	<b>2,263,608,424</b>	<b>2,960,847,584</b>	<b>2,565,484,913</b>	<b>1,702,868,282</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Construction Costs ( - )	274,543,930	253,339,589	340,500,000	393,900,000	290,920,000
Shopping Mall Renewal Costs ( - )	7,000,000	5,500,000	5,500,000	5,500,000	5,500,000
<b>Net Cash Flow from Investing Activities</b>	<b>-281,543,930</b>	<b>-258,839,589</b>	<b>-346,000,000</b>	<b>-399,400,000</b>	<b>-296,420,000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Cash Receipt from	1,970,607,245	245,746,986	66,227,736	154,497,159	243,184,298
Cash Paid for (-)	2,667,596,022	2,237,547,657	2,315,461,905	1,149,381,531	635,288,063
<b>Net Cash Flow from Financing Activities</b>	<b>-696,988,777</b>	<b>-1,991,800,671</b>	<b>-2,249,234,168</b>	<b>-994,884,372</b>	<b>-392,103,765</b>
Cash Generated Throughout the Term	-45,104,204	12,968,164	365,613,415	1,171,200,541	1,014,344,517
<b>Net Cash at End of Term</b>	<b>159,232,796</b>	<b>172,200,960</b>	<b>537,814,376</b>	<b>1,709,014,917</b>	<b>2,723,359,434</b>



# TURKEY REAL ESTATE MARKET REVIEW – Long-Term Demand Forecasts

	Population (mn)	Urbanization	Urban Population	Household Size	Urban Household	Demographic- based Housing Need (mn)	Renewal	Urban Transformation	Total
2012	75.6	77.3%	58.4	4.10	14.3	0.33	0.05	0.0	0.41
2013	76.7	77.8%	59.6	4.08	14.6	0.38	0.05	0.1	0.52
2014	77.5	78.3%	60.7	4.06	15.0	0.33	0.05	0.2	0.58
2015	78.3	78.8%	61.8	4.03	15.3	0.36	0.05	0.2	0.61
2016	79.2	79.4%	62.9	4.00	15.7	0.38	0.05	0.2	0.63
2017	80.0	80.0%	64.0	3.97	16.1	0.39	0.05	0.2	0.64
2018	80.7	80.7%	65.1	3.95	16.5	0.40	0.05	0.2	0.65
2019	81.5	81.3%	66.3	3.92	16.9	0.43	0.05	0.2	0.68
2020	82.3	82.0%	67.5	3.88	17.4	0.44	0.05	0.2	0.69
2021	83.0	82.7%	68.6	3.85	17.8	0.44	0.05	0.2	0.69
2022	83.7	83.4%	69.8	3.82	18.3	0.45	0.05	0.2	0.70
2023	84.4	84.0%	71.0	3.79	18.7	0.45	0.05	0.2	0.70
<b>2014-2023 total</b>						<b>4.09</b>	<b>0.50</b>	<b>2.00</b>	<b>6.59</b>

Source: Turksat, GYODER, BofAML Global Research

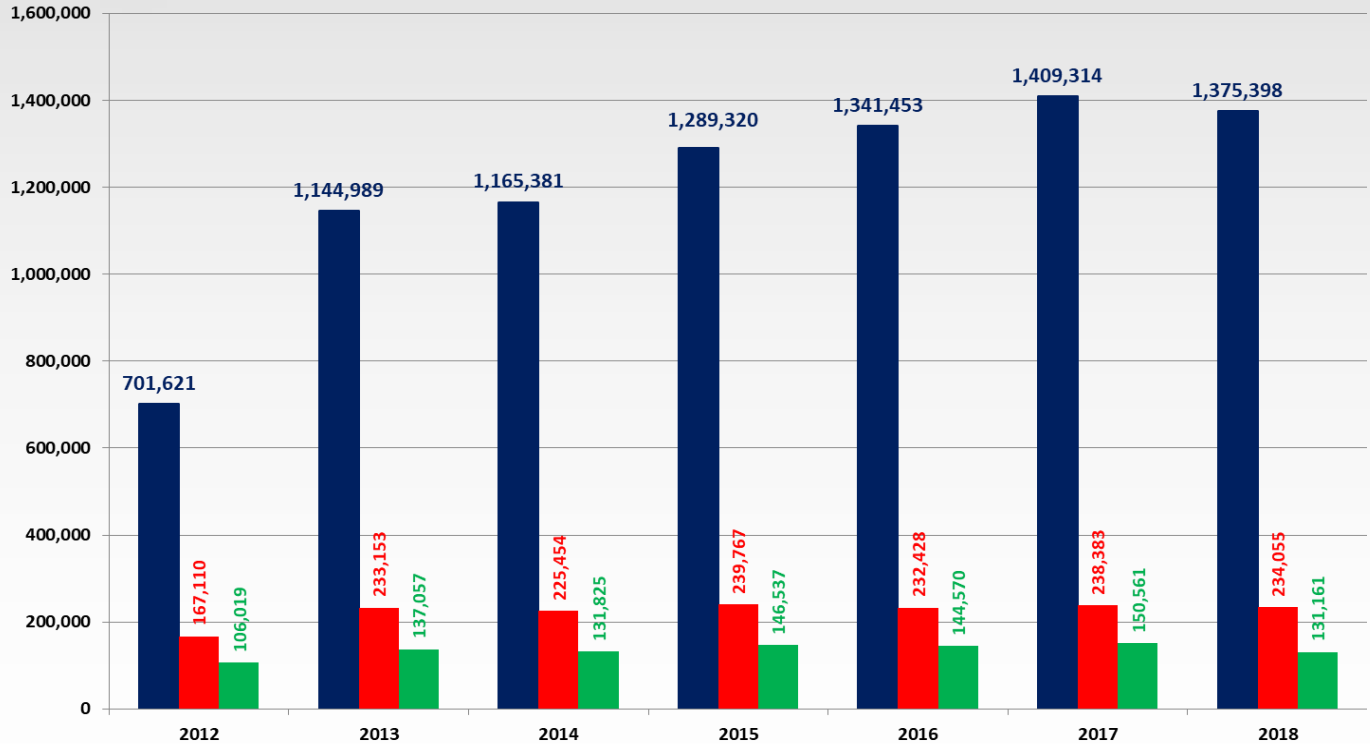
## Housing Needs in Turkey, 2014-2020

In millions, except household size	2013	2014e	2015e	2016e	2017e	2018e	2019e	2020e
Population	76.5	77.3	78.2	79.0	79.8	80.6	81.3	82.1
Household size	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Households	20.1	20.3	20.6	20.8	21.0	21.2	21.4	21.6
New houses needed		0.44	0.44	0.43	0.42	0.41	0.41	0.43
2nd homes and urban transformation		0.37	0.37	0.38	0.37	0.37	0.37	0.37
Foreigners property acquisition	0.01	0.02	0.05	0.05	0.06	0.06	0.06	0.07
<b>Total needed (2015-2020)</b>								<b>5.12</b>

Source: World Bank, TUIK, IMF, HSBC estimates



## TURKEY REAL ESTATE MARKET REVIEW – Turkey Residential Sales (in units) (2018)

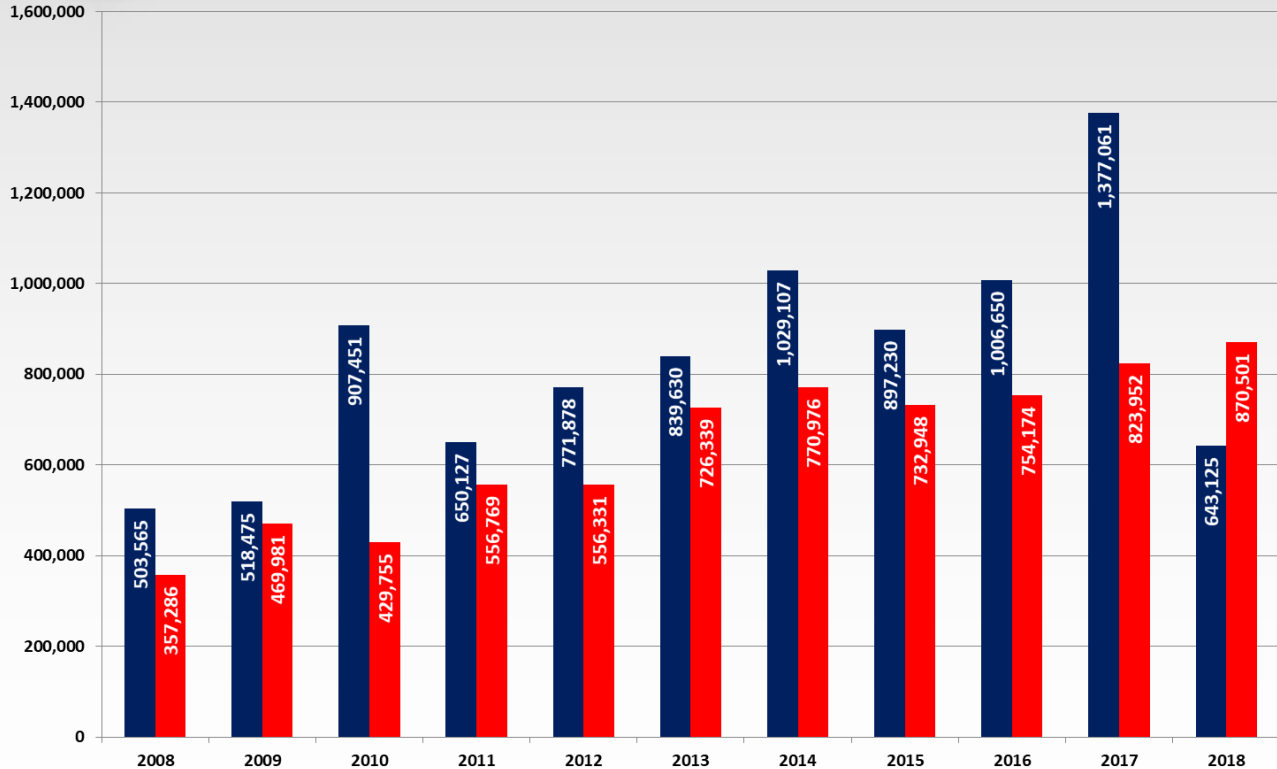


Source: Turkish Statistical Institute

■ TURKEY ■ ISTANBUL ■ ANKARA



## TURKEY REAL ESTATE MARKET REVIEW – Turkey Residential Permits (in units) (2018)



Source: Turkish Statistical Institute

■ Construction Permit

■ Building Occupancy Permit





## TURKEY REAL ESTATE MARKET REVIEW – Existing Inventory (2018)

	OCCUPANCY PERMITS	NEW HOME SALES	INVENTORY	INVENTORY / OCCUPANCY PERMITS
2013	721,501	529,129	192,372	26.7%
2014	766,527	541,554	224,973	29.3%
2015	732,948	598,667	134,281	18.3%
2016	754,174	631,686	122,488	16.2%
2017	823,952	659,698	164,254	19.9%
2018	870,501	651,572	218,929	25.1%
<b>TOTAL</b>	<b>4,669,603</b>	<b>3,612,306</b>	<b>1,057,297</b>	<b>22.6%</b>

Source: Turkish Statistical Institute



## TURKEY REAL ESTATE MARKET REVIEW – Shopping Mall Development

	Istanbul		Ankara		Other Cities		Turkey	
	Units	GLA (million m <sup>2</sup> )	Units	GLA (million m <sup>2</sup> )	Units	GLA (million m <sup>2</sup> )	Units	GLA (million m <sup>2</sup> )
Operational as of 2018 Year End	123	4.75	42	1.64	266	6.53	431	12.92
Under construction*	15	0.46	6	0.21	17	0.76	38	1.43
<b>Total</b>	<b>138</b>	<b>5.21</b>	<b>48</b>	<b>1.85</b>	<b>283</b>	<b>7.29</b>	<b>469</b>	<b>14.35</b>

\* Expected completion date is 2021

Source: JLL

### Retail Density (m<sup>2</sup> per 1,000 people)

	2018 Year End
Ankara	301
Istanbul	316
<b>Turkey</b>	<b>160</b>

Source: JLL



## TURKEY REAL ESTATE MARKET REVIEW – Turkey's Mall League

Mall	Opening Date	GLA	Location	Developer
1 Forum Istanbul	2009	178,834	Istanbul	Multi Turkmall
2 Mall of Istanbul	2014	154,713	Istanbul	Torunlar REIC
3 Marmara Forum	2011	137,500	Istanbul	Multi Turkmall
4 Cevahir	2005	110,000	Istanbul	Kuwait Investment Authority
5 Vialand	2013	110,000	Istanbul	Gursoy & Via Grup
6 ANKAmall	1999	107,804	Ankara	Migros / Yeni Gimat REIC
7 Marmara Park	2012	100,000	Istanbul	Ece Turkey
8 IstinyePark	2007	88,490	Istanbul	Dogus, Orjin
9 Torium	2010	88,455	Istanbul	Torunlar REIC
10 Akasya Acibadem	2014	86,500	Istanbul	Saf REIC / Akis REIC
11 Anatolium	2010	84,165	Bursa	Corio
12 Antares	2007	84,000	Ankara	Dolunay
13 Panora	2007	82,591	Ankara	Polat Holding
14 Forum Ankara	2008	80,000	Ankara	Multi Development TR
15 Kent Park	2008	79,478	Ankara	Mega Turk Construction
16 M1 Merkez Adana	2000	76,500	Adana	Metro
17 Maltepe Park	2013	75,000	Istanbul	CarrefourSA / Ece Turkey
18 Cepa	2007	73,242	Ankara	CarrefourSA
19 Korupark	2007	71,267	Bursa	Torunlar REIC
20 Forum Mersin	2007	71,125	Mersin	Multi Turkmall
21 Anatolium Ankara	2011	70,000	Istanbul	Corio
22 M1 Meydan Umraniye	2007	70,000	Istanbul	Metro
23 Optimum Outlet	2011	69,000	Adana	Ronesans REIC
24 Zorlu Center	2013	66,600	Istanbul	Zorlu Real Estate Group

Source: Akademetre Research and Eva Real Estate



## Current and Upcoming A – Class Office Supply

	European-Side				Asian Side		Total	
	CBD		Non CBD		GLA		GLA	
	Unit	GLA (million m <sup>2</sup> )	Unit	GLA (million m <sup>2</sup> )	Unit	(million m <sup>2</sup> )	Unit	(million m <sup>2</sup> )
<b>2018</b>	91	1.97	55	1.62	108	1.98	254	5.57
<b>2021*</b>	2	0.12	2	0.16	16	1.56	20	1.85
<b>TOTAL</b>	<b>93</b>	<b>2.09</b>	<b>57</b>	<b>1.78</b>	<b>124</b>	<b>3.54</b>	<b>274</b>	<b>7.42</b>

\*Expected completion date

OCCUPANCY RATIO (CBD)					
2013	2014	2015	2016	2017	2018
4.4%	16.5%	16.3%	17.1%	22.7%	21.3%

Source: JLL



## FINANCIAL STATEMENT - Income Statement

(000) TRY	Q4 2017	Q4 2018	Change
<b>Sales</b>	<b>349,784</b>	<b>285,851</b>	<b>-18.3%</b>
Residence & Office	217,248	101,484	-53.3%
Mall & Office rental	110,317	147,433	33.6%
Common area revenues & Other revenues	22,219	36,934	66.2%
<b>Cost of sales</b>	<b>(156,804)</b>	<b>(133,531)</b>	<b>-14.8%</b>
Cost of Residence & Office sales	(131,686)	(76,979)	-41.5%
Rent expenses and management fees of shopping malls	(16,111)	(5,639)	-65.0%
Common area expenses & Other expenses	(9,007)	(50,913)	465.3%
<b>Gross profit</b>	<b>192,980</b>	<b>152,320</b>	<b>-21.1%</b>
<i>Gross Margin</i>	55.2%	53.3%	-1.88 pp
<i>Gross Margin (Residence &amp; Office)</i>	39.4%	24.1%	-15.24 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	81.0%	69.3%	-11.72 pp
<b>Opex</b>	<b>(14,494)</b>	<b>(21,490)</b>	<b>48.3%</b>
General & Admin expenses	(11,974)	(19,618)	63.8%
Marketing & Selling expenses	(2,520)	(1,872)	-25.7%
Other income (expenses)	(5,632)	(15,962)	183.4%
Net gain (loss) fair value adjustments on investment property	374,050	1,694,571	353.0%
<b>Operating profit</b>	<b>546,904</b>	<b>1,809,439</b>	<b>230.9%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>172,854</b>	<b>114,868</b>	<b>-33.5%</b>
Dividends received from associates	0	3	NM
<b>EBIT</b>	<b>172,854</b>	<b>114,871</b>	<b>-33.5%</b>
<i>EBIT margin (%)</i>	49.4%	40.2%	-9.23 pp
Depreciation	532	689	29.5%
<b>EBITDA</b>	<b>173,386</b>	<b>115,560</b>	<b>-33.4%</b>
<i>EBITDA margin (%)</i>	49.6%	40.4%	-9.14 pp
Gain (Loss) from associates	13,476	32,651	142.3%
Net financial interest income (expense)	(42,391)	(18,181)	-57.1%
Other net financial income (expense)	(777)	11,471	-1576.3%
Forex gain (loss)	(176,446)	494,245	-380.1%
<b>Profit / Loss before tax</b>	<b>340,766</b>	<b>2,329,628</b>	<b>583.6%</b>
Corporate tax	0	0	NM
<b>Net profit / loss</b>	<b>340,766</b>	<b>2,329,628</b>	<b>583.6%</b>
<i>Net profit margin (%)</i>	97.4%	815.0%	717.56 pp



## FINANCIAL STATEMENT - Income Statement

(000) TRY	2017	2018	Change
<b>Sales</b>	<b>780,140</b>	<b>1,954,283</b>	<b>150.5%</b>
Residence & Office	286,070	1,307,091	356.9%
Mall & Office rental	411,150	526,116	28.0%
Common area revenues & Other revenues	82,920	121,076	46.0%
<b>Cost of sales</b>	<b>(271,486)</b>	<b>(1,069,194)</b>	<b>293.8%</b>
Cost of Residence & Office sales	(150,946)	(911,233)	503.7%
Rent expenses and management fees of shopping malls	(27,613)	(18,486)	-33.1%
Common area expenses & Other expenses	(92,927)	(139,475)	50.1%
<b>Gross profit</b>	<b>508,654</b>	<b>885,089</b>	<b>74.0%</b>
<i>Gross Margin</i>	65.2%	45.3%	-19.91 pp
<i>Gross Margin (Residence &amp; Office)</i>	47.2%	30.3%	-16.95 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	75.6%	75.6%	-0.01 pp
<b>Opex</b>	<b>(55,964)</b>	<b>(57,920)</b>	<b>3.5%</b>
General & Admin expenses	(44,913)	(51,496)	14.7%
Marketing & Selling expenses	(11,051)	(6,424)	-41.9%
Other income (expenses)	17,621	81,218	360.9%
Net gain (loss) fair value adjustments on investment property	374,050	1,694,571	353.0%
<b>Operating profit</b>	<b>844,361</b>	<b>2,602,958</b>	<b>208.3%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>470,311</b>	<b>908,387</b>	<b>93.1%</b>
Dividends received from associates	18,761	19,389	3.3%
<b>EBIT</b>	<b>489,072</b>	<b>927,776</b>	<b>89.7%</b>
<i>EBIT margin (%)</i>	62.7%	47.5%	-15.22 pp
Depreciation	1,994	1,989	-0.3%
<b>EBITDA</b>	<b>491,066</b>	<b>929,765</b>	<b>89.3%</b>
<i>EBITDA margin (%)</i>	62.9%	47.6%	-15.37 pp
Gain (Loss) from associates	11,400	34,975	206.8%
Net financial interest income (expense)	(128,331)	(250,437)	95.1%
Other net financial income (expense)	4,009	(13,301)	-431.8%
Forex gain (loss)	(295,092)	(1,106,380)	274.9%
<b>Profit / Loss before tax</b>	<b>455,108</b>	<b>1,287,204</b>	<b>182.8%</b>
Corporate tax	0	0	NM
<b>Net profit / loss</b>	<b>455,108</b>	<b>1,287,204</b>	<b>182.8%</b>
<i>Net profit margin (%)</i>	58.3%	65.9%	7.53 pp

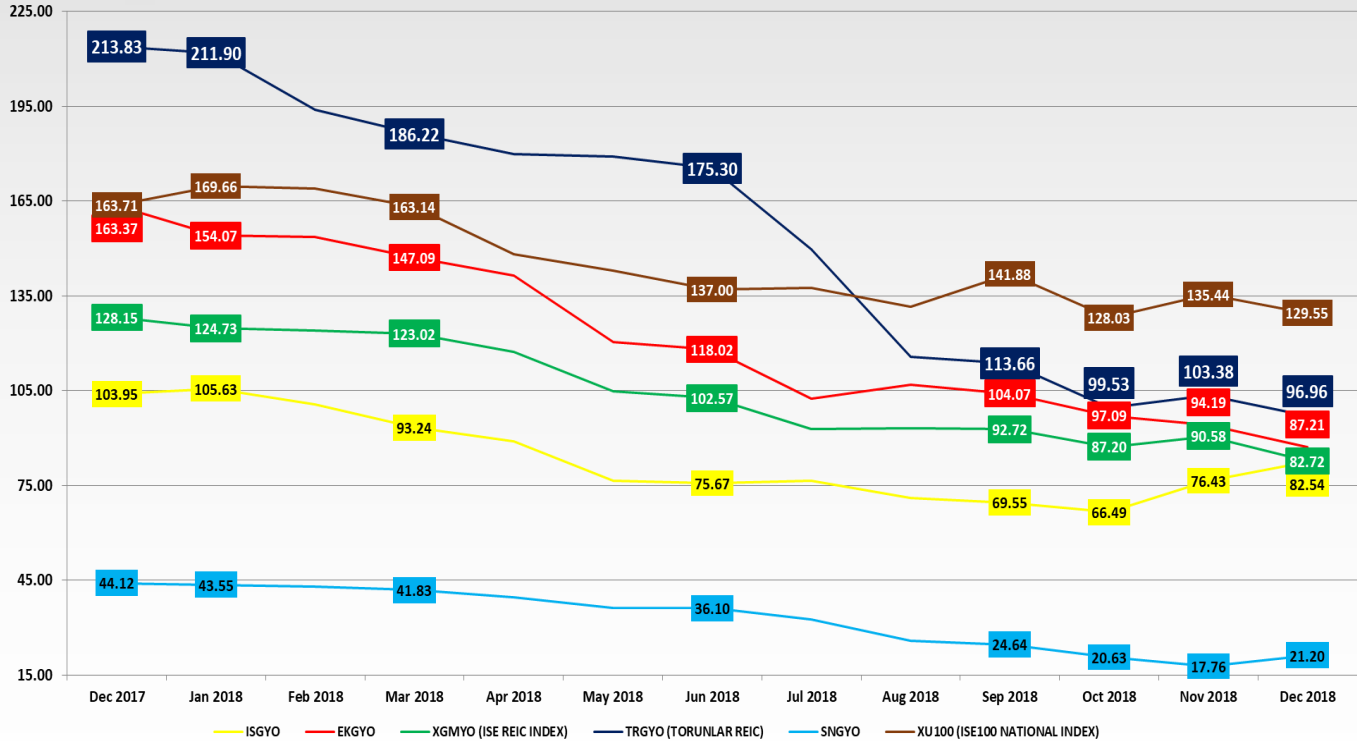


## FINANCIAL STATEMENT - Balance Sheet

(000 TRY)	2017	2018	Change
Cash and cash equivalents	602,432	204,337	-66.1%
Financial assets	0	0	NM
Trade & Other receivables	174,273	186,549	7.0%
Inventories	1,624,998	1,261,004	-22.4%
Prepaid expenses	52,555	14,275	-72.8%
Derivative financial instruments	0	0	NM
Other current assets	147,226	13,852	-90.6%
<b>CURRENT ASSETS</b>	<b>2,601,484</b>	<b>1,680,017</b>	<b>-35.4%</b>
Trade receivables	33,498	10,661	-68.2%
Investments accounted by equity method	315,593	348,425	10.4%
Investment properties	8,282,529	10,143,533	22.5%
Property, plant and equipment	9,416	86,740	821.2%
Intangible assets	295	1,060	259.3%
Inventories	0	0	NM
Prepaid expenses	93,002	4,003	-95.7%
Derivative financial instruments	0	0	NM
Other non-current assets	0	0	NM
<b>NON-CURRENT ASSETS</b>	<b>8,734,333</b>	<b>10,594,422</b>	<b>21.3%</b>
<b>TOTAL ASSETS</b>	<b>11,335,817</b>	<b>12,274,439</b>	<b>8.3%</b>
Short-term borrowings	469,671	258,038	-45.1%
ST portion of LT borrowings	396,372	1,685,608	325.3%
Derivative financial instruments	277	0	-100.0%
Trade payables	119,224	99,246	-16.8%
Other payables	35,278	28,772	-18.4%
Current tax liabilities	0	0	NM
Deferred income	1,176,510	97,584	-91.7%
Others	18,195	187,598	931.0%
<b>CURRENT LIABILITIES</b>	<b>2,215,527</b>	<b>2,356,846</b>	<b>6.4%</b>
Long-term borrowings	2,740,433	2,250,389	-17.9%
Trade payables	0	0	NM
Long-term provisions for employee benefits	1,200	1,182	-1.5%
Others	0	52,304	NM
<b>NON-CURRENT LIABILITIES</b>	<b>2,741,633</b>	<b>2,303,875</b>	<b>-16.0%</b>
Share capital	1,000,000	1,000,000	0.0%
Share premium	25,770	25,770	0.0%
Legal reserves	65,153	74,255	14.0%
Treasury shares (-)	-1,195	-3,338	179.3%
Prior years' profit	4,833,821	5,229,827	8.2%
Net profit / loss for the period	455,108	1,287,204	182.8%
<b>TOTAL EQUITY</b>	<b>6,378,657</b>	<b>7,613,718</b>	<b>19.4%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,335,817</b>	<b>12,274,439</b>	<b>8.3%</b>



## LISTED REIC's - Torunlar REIC Performance (As of 31.12.2018)



IPO Date (October 2010) = 100





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