



TORUNLAR  REIC



# INVESTOR PRESENTATION

**18 AUGUST 2022**

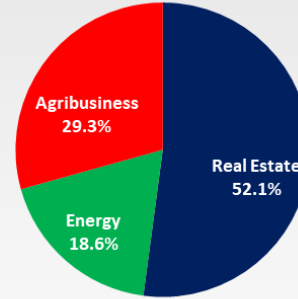


## TORUNLAR GROUP OF COMPANIES TODAY (As of 31.12.2021)

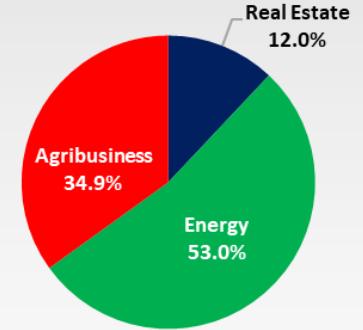
### Key Facts

million TRY	2020	2021	Change
Total Assets	26,046	38,205	47%
Total Equity	12,799	20,829	63%
Total Sales	8,438	12,346	46%
Employees	795	907	14%
Cities of Operation	12	12	0%

### Total Assets



### Total Sales



Note: Torunlar REIC and Başkentgaz figures and Torunlar Gıda are based on IFRS.

#### 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 among the listed REIC's on BIST
- Best and most diversified portfolio
- Exceeding 598,000 m<sup>2</sup> GLA

#### ENERGY

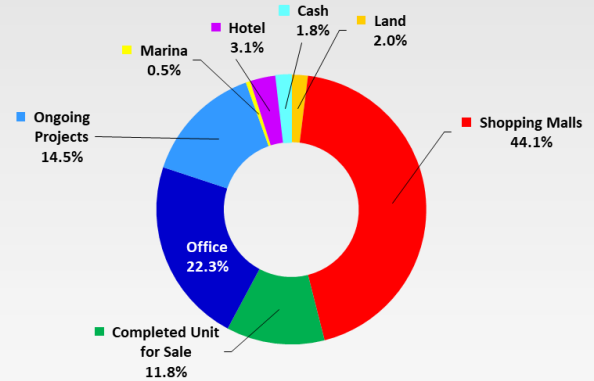
- The **2<sup>nd</sup> largest** natural gas distribution company of Turkey
- 2 million total customers
- 4.2 billion m<sup>3</sup> natural gas sales and distribution volume
- 13.8 thousand km of grid length



## Torunlar REIC Key Overview

TRY (000)	2018	2019	2020	2021	H1 2022
<b>Sales</b>	1,954,283	991,087	1,105,948	1,483,729	1,178,179
<i>Residence &amp; Office</i>	1,307,091	234,647	516,168	542,083	380,763
<i>Mall &amp; Office rental</i>	526,116	616,198	476,542	726,355	585,791
<i>Other</i>	121,076	140,242	109,349	157,725	152,436
<i>Hotel Revenue</i>	0	0	3,889	57,566	59,189
<b>EBITDA</b>	929,765	644,780	636,099	1,097,658	890,909
<i>EBITDA Margin</i>	47.6%	65.1%	57.5%	74.0%	75.6%
<b>Net Profit</b>	1,287,204	865,790	293,001	5,306,805	316,858
<b>N. Profit excl. fair value gains</b>	-407,367	-88,331	-400,820	-141,678	316,858
<b>Market Cap</b>	1,510,000	2,750,000	3,900,000	3,920,000	8,080,000
<b>Portfolio Value</b>	12,401,554	13,804,655	14,315,590	22,095,936	23,436,018
<b>Net Asset Value</b>	7,613,718	8,478,139	8,769,917	14,519,010	14,835,868
<b>Capex</b>	510,254	339,605	162,811	40,263	56,062
<b>Net Debt</b>	3,989,698	4,245,128	4,454,075	4,790,446	4,463,194
<b>LTV</b>	33.95%	33.25%	33.33%	24.87%	23.14%

## Portfolio Breakdown 23.4 billion TRY



## Strategic Pillars

Strong sales growth with cumulative 13.7 billion TRY within 3 years

Deleveraging from a net debt to a net cash within 2024

Completion of the project pipeline with 5.1 billion TRY capex within 3 years



## PROJECT LOCATIONS – TURKEY –

### İSTANBUL

- Torium Shopping Mall
- Nishistanbul Mixed-Use Project
- Mall of İstanbul
- Torun Tower
- Torun Center
- 5.Levent Phase 1
- MOİ Hilton & High Residence
- 5. Levent Phase 2
- Karaköy Hotel Project
- Paşabahçe Project
- Kayabaşı Land
- Mall of İstanbul Phase 3

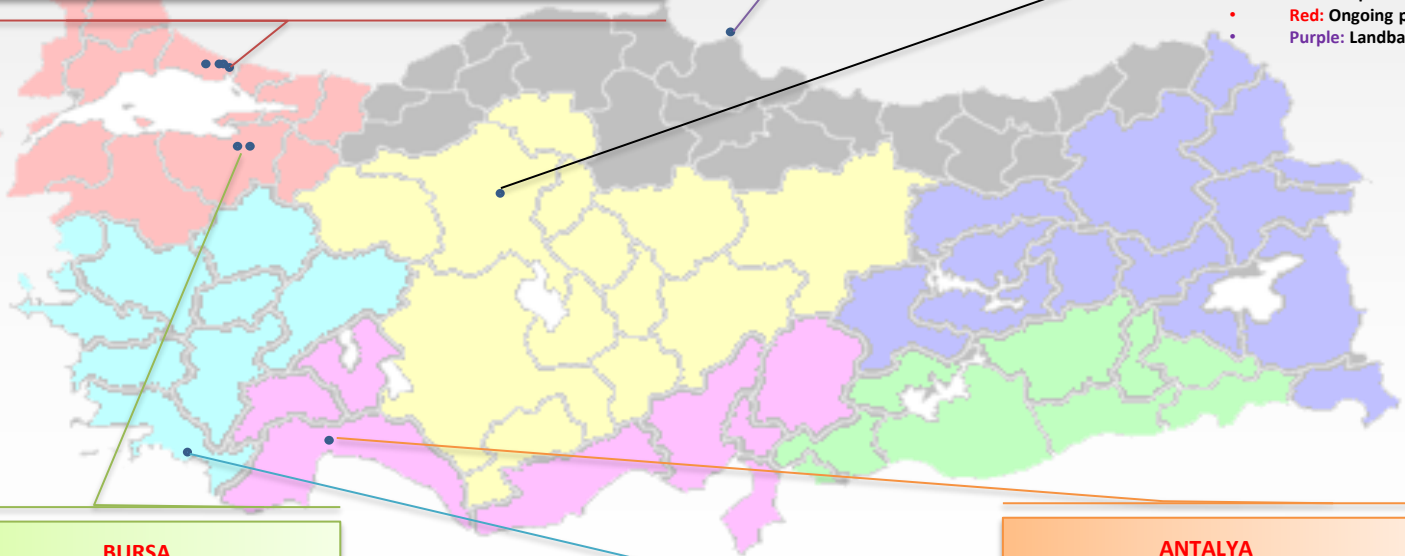
### SAMSUN

- Bulvar Samsun Shopping Mall

### ANKARA

- ANKAmall Shopping Mall
- CPAnkara Hotel

- Green: Operational
- Red: Ongoing projects
- Purple: Landbank



### BURSA

- Zafer Plaza Shopping Mall
- Korupark Shopping Mall
- Korupark Residences Phases 1-2
- Korupark Residences Phase 3

### MUĞLA

- Netsel Marina

### ANTALYA

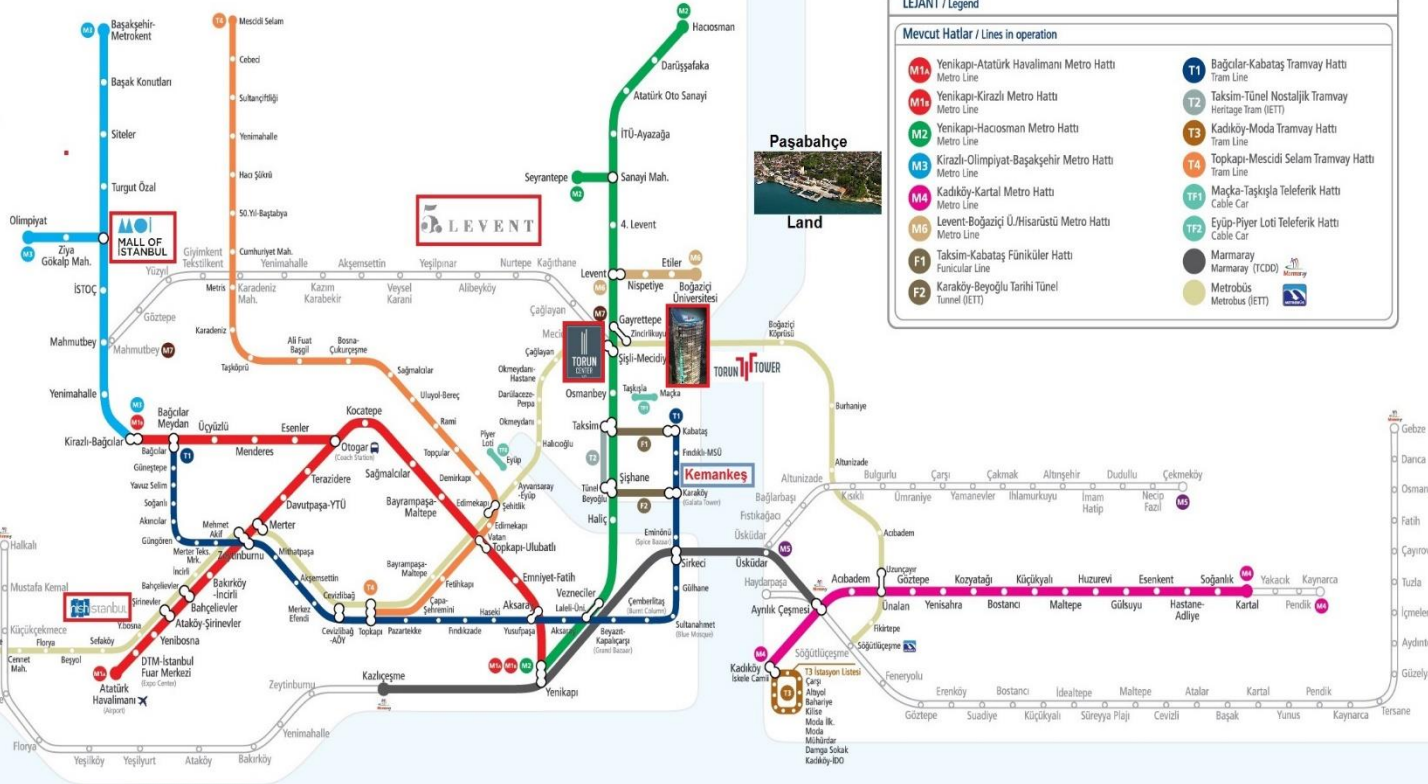
- Deepo Outlet Mall
- Mall of Antalya



# Project Locations – İstanbul –

Kayabaşı  
Land

Paşabahçe  
Land



**LEJANT / Legend**

**Mevcut Hatlar / Lines in operation**

<b>M1</b> Yenikapı-Atatürk Havalimanı Metro Hattı Metro Line	<b>T1</b> Bağcılar-Kabataş Tramvay Hattı Tram Line
<b>M1r</b> Yenikapı-Kirazlı Metro Hattı Metro Line	<b>T2</b> Taksim-Tünel Nostaljik Tramvay Heritage Tram (ETT)
<b>M2</b> Yenikapı-Hacossan Metro Hattı Metro Line	<b>T3</b> Kadıköy-Moda Tramvay Hattı Tram Line
<b>M3</b> Kirazlı-Olimpiyat-Bağcılar Metro Hattı Metro Line	<b>T4</b> Topkapı-Mescidî Selam Tramvay Hattı Tram Line
<b>M4</b> Kadıköy-Kartal Metro Hattı Metro Line	<b>TF1</b> Maçka-Taşkışla Teleferik Hattı Cable Car
<b>M5</b> Levent-Boğaziçi Ü./Hisarüstü Metro Hattı Metro Line	<b>TF2</b> Eyüp-Piyer Loti Teleferik Hattı Cable Car
<b>F1</b> Taksim-Kabataş Füniküler Hattı Funicular Line	<b>Marmaray (TCDD)</b>
<b>F2</b> Karaköy-Beğözü Tüneli Hattı Tunnel (ETT)	<b>Metrobus (ETT)</b>



## H1 2022 Highlights and Forward Strategy

- Portfolio size 23.4 billion TRY.
- 1.178 million TRY sales revenue, 891 million TRY EBITDA and net profit of 317 million TRY.
- 381 million TRY worth of residential deliveries mostly from Torun Center.
- Rental income at 586 million TRY up by 120% y-o-y.
- Loan to value at 23.1%. Cost of debt in FX is at 4.80%, and in TRY is at 14.42%.
- FX debt slightly decreased to 1,360 million TRY from 1,994 million TRY, year to date.
- Focus on:
  - destocking of remaining residences and leasing of selected offices and retail area at Torun Center
  - presales of 5<sup>th</sup> Levent Phase 2
  - construction of Karaköy Hotel
- Net debt will be reduced to 3.7 billion TRY by the end of 2022.
- Leverage will be ended within the year of 2024.



## Rental Assets

(TRY)	Operation Date	Appraisal Value	
		2020	2021
<b>Malls - in Operation</b>		<b>7,009,200,000</b>	<b>9,885,585,000</b>
Zafer Plaza	1999	379,200,000	457,000,000
Deepo Outlet	Q4 2004	350,000,000	693,520,000
Korupark	Q3 2007	1,785,000,000	2,150,000,000
Torium	Q4 2010	630,000,000	750,000,000
Mall of İstanbul	Q2 2014	3,135,000,000	4,800,000,000
Mall of Antalya	Q2 2017	730,000,000	1,035,065,000
<b>Offices - in Operation</b>		<b>3,105,400,000</b>	<b>4,846,510,000</b>
Torun Tower	Q2 2014	2,000,000,000	2,700,000,000
Torun Center	H1 2017	1,105,400,000	2,146,510,000
<b>Hotels - in Operation</b>		<b>280,350,000</b>	<b>723,750,000</b>
Hilton Mall of İstanbul	Q4 2020	280,350,000	723,750,000
<b>TOTAL</b>		<b>10,394,950,000</b>	<b>15,455,845,000</b>

(TRY)	GLA (m <sup>2</sup> )	2020		2021		2022F	
		NOI	Yield	NOI	Yield	NOI	Yield***
<b>Malls - in Operation</b>	<b>405,719</b>	<b>330,551,000</b>	<b>4.72%</b>	<b>582,366,000</b>	<b>5.89%</b>	<b>915,444,917</b>	<b>9.26%</b>
Zafer Plaza	23,449	18,182,000	4.79%	25,424,000	5.56%	36,675,126	8.03%
Deepo Outlet	21,590	24,112,000	6.89%	44,166,000	6.37%	65,009,248	9.37%
Korupark	71,347	91,131,000	5.11%	137,048,000	6.37%	196,000,000	9.12%
Torium	87,963	17,958,000	2.85%	31,506,000	4.20%	57,745,086	7.70%
Mall of İstanbul	157,661	177,356,000	5.66%	296,332,000	6.17%	470,009,013	9.79%
Mall of Antalya	43,709	1,812,000	0.25%	47,890,000	4.63%	90,006,444	8.70%
<b>Offices - in Operation*</b>	<b>118,914</b>	<b>107,807,000</b>	<b>4.84%</b>	<b>121,144,000</b>	<b>4.11%</b>	<b>171,433,736</b>	<b>5.46%</b>
Torun Tower	66,286	96,795,000	4.84%	110,867,000	4.11%	147,433,736	5.46%
Torun Center**	52,628	11,012,000	1.00%	10,277,000	0.48%	24,000,000	1.12%
<b>TOTAL</b>	<b>524,633</b>	<b>438,358,000</b>	<b>4.22%</b>	<b>703,510,000</b>	<b>4.55%</b>	<b>1,086,878,653</b>	<b>7.03%</b>

\*Offices in Operation Yield reflects only Torun Tower

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

\*\*\*2022 Yields are calculated from 2022 forecasted NOI and 2021 appraisal values



## Sellable Assets

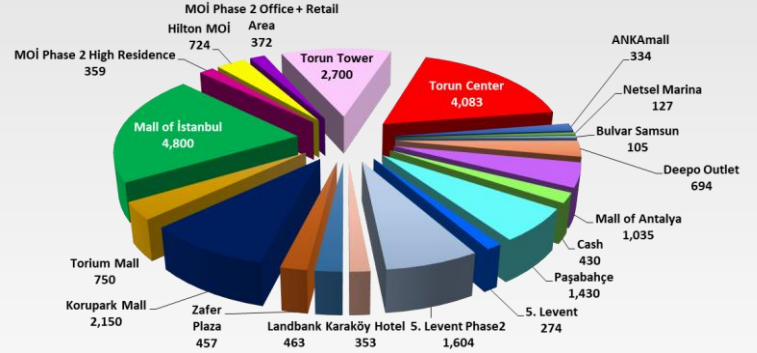
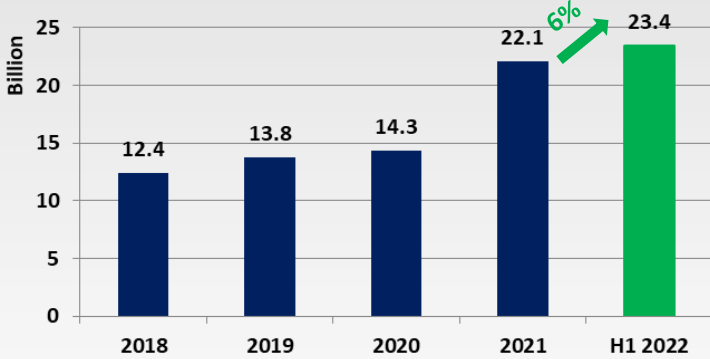
CASHFLOW-BASED REVENUES (MILLION TRY)					
	2022	2023	2024	2025	TOTAL
<b>Completed Projects</b>	<b>1,170</b>	<b>2,578</b>	<b>1,380</b>	<b>1,678</b>	<b>6,805</b>
Korupark Residences Phase 3	15	0	0	0	15
Torun Center Residences	754	2,160	1,380	1,678	5,971
South Tower	754	876	0	0	1,630
East Tower	0	1,284	1,380	1,678	4,342
5. Levent Phase 1	77	0	0	0	77
MOİ Phase 2 - High Residences	324	418	0	0	742
<b>Upcoming Projects</b>	<b>880</b>	<b>3,626</b>	<b>4,110</b>	<b>3,479</b>	<b>12,095</b>
5. Levent Phase 2	880	1,700	2,040	1,750	6,370
Paşabahçe	0	1,926	2,070	1,729	5,725
<b>TOTAL</b>	<b>2,050</b>	<b>6,204</b>	<b>5,490</b>	<b>5,157</b>	<b>18,900</b>
GSA (M <sup>2</sup> )					
	2022	2023	2024	2025	TOTAL
<b>Completed Projects</b>	<b>17,697</b>	<b>27,695</b>	<b>12,000</b>	<b>13,583</b>	<b>70,975</b>
Korupark Residences Phase 3	1,241	0	0	0	1,241
Torun Center Residences	7,343	19,327	12,000	13,583	52,253
South Tower	7,343	7,327	0	0	14,670
East Tower	0	12,000	12,000	13,583	37,583
5. Levent Phases 1	1,913	0	0	0	1,913
MOİ Phase 2 - High Residences	7,200	8,368	0	0	15,568
<b>Upcoming Projects</b>	<b>22,000</b>	<b>43,000</b>	<b>43,000</b>	<b>32,000</b>	<b>140,000</b>
5. Levent Phase 2	22,000	34,000	34,000	25,000	115,000
Paşabahçe	0	9,000	9,000	7,000	25,000
<b>TOTAL</b>	<b>39,697</b>	<b>70,695</b>	<b>55,000</b>	<b>45,583</b>	<b>210,975</b>



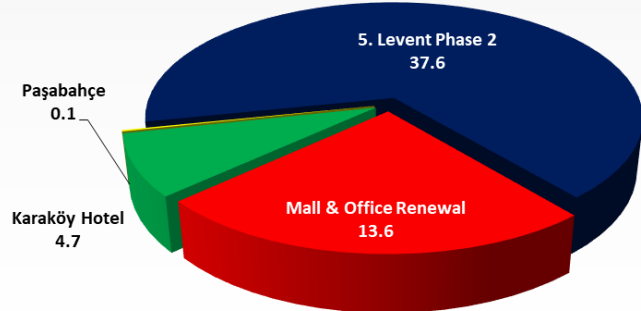
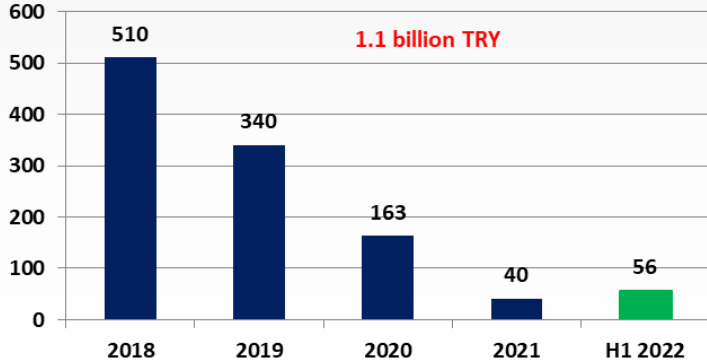


## Financial Highlights (million TRY)

### PORTFOLIO VALUE



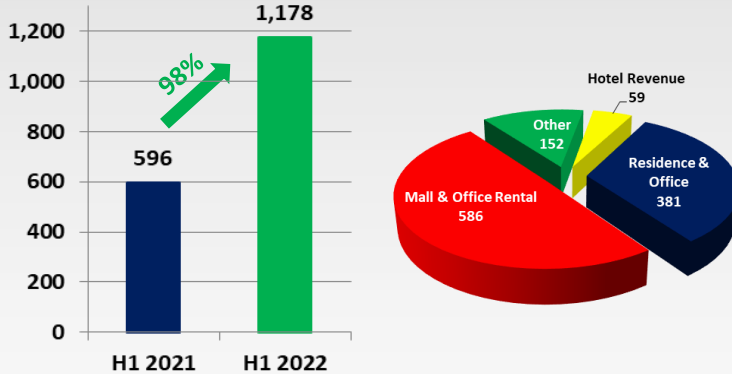
### CAPEX



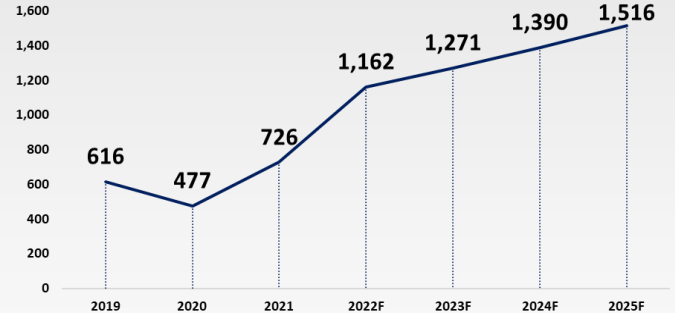


# Financial Highlights (million TRY)

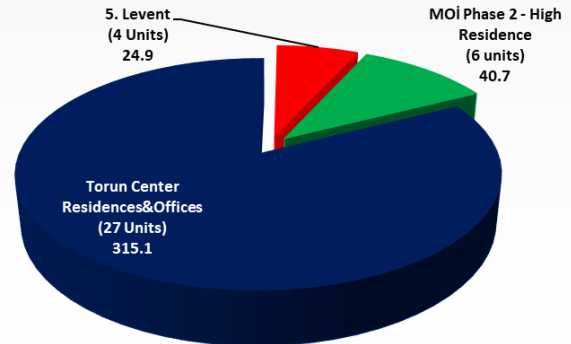
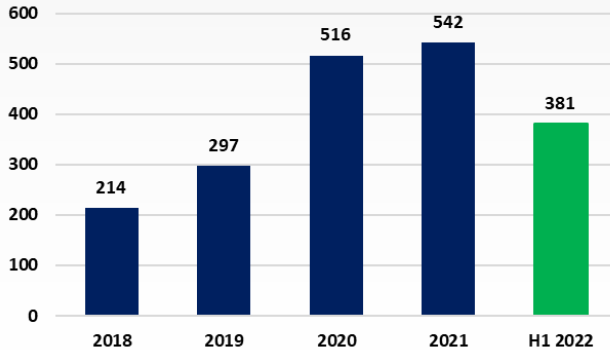
## SALES REVENUE



## Rental Revenue



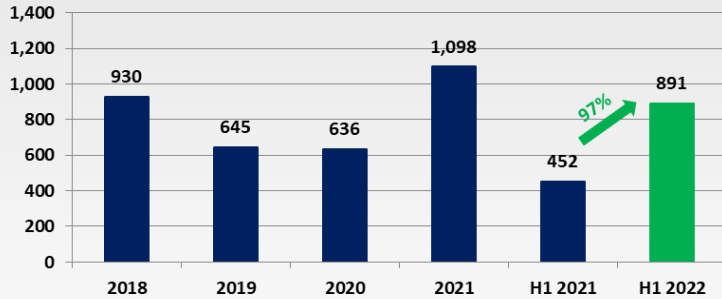
## PRESALES & SALES



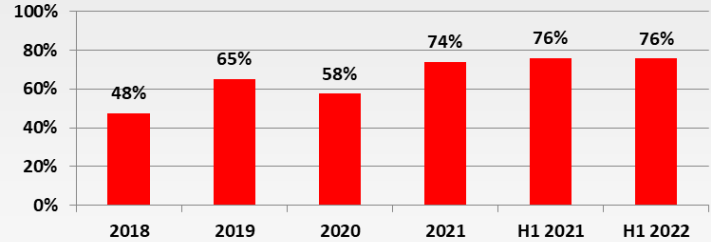


# Financial Highlights (million TRY)

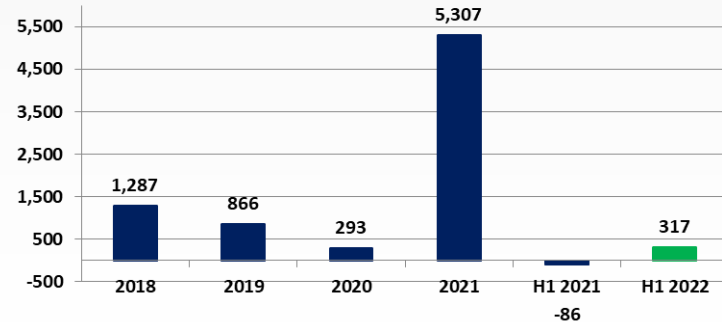
## EBITDA



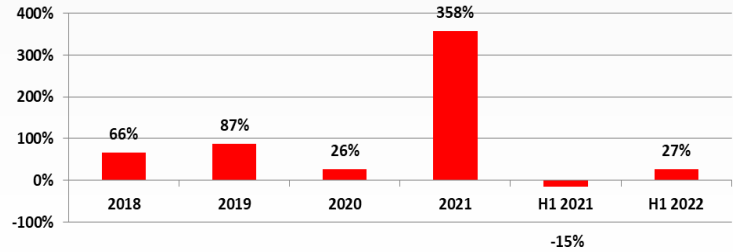
## EBITDA Margin



## NET PROFIT



## Net Profit Margin





## KPI Summary

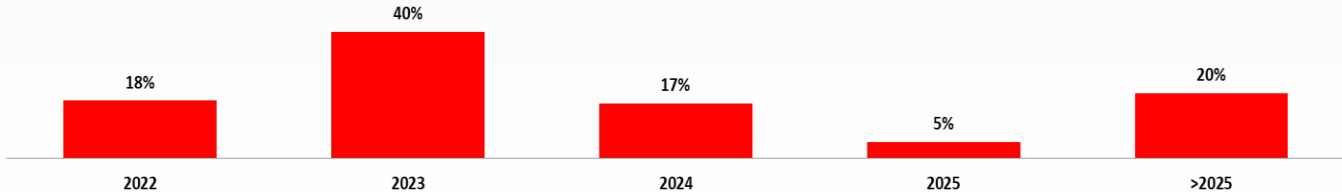
	2021	2022/H1	Change
Total net debt (000 TRY)	4,790,446	4,463,194	-6.83%
Average loan term (years)	5	5	
Average overall interest rate (FX)	4.73%	4.80%	0.07 pp
Average overall interest rate (TRY)	12.51%	14.42%	1.91 pp
Leverage (financial loans as % of total assets)	25.3%	24.4%	-0.95 pp
Net debt to Equity ratio	33.0%	30.1%	-2.91 pp
Net debt/Assets (%)	24.1%	22.2%	-1.84 pp
Equity to Assets ratio	72.9%	73.9%	0.93 pp
Loan to Property value ratio (LTV)	24.9%	23.1%	-1.73 pp
Interest coverage ratio (times)	2.1	3.3	55.89%
Net debt/EBITDA (times)	4.36	2.50	-42.61%
Net Debt/Mcap	122.2%	55.2%	-66.97 pp
Headcount	144	141	-2.08%
<b>Net Balance Sheet FX Position</b>			
<b>(000)</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>Change</b>
USD	-29,953	-28,377	-5.26%
EUR	-105,422	-50,894	-51.72%
TRY Equivalent	-1,993,602	-1,359,734	-31.80%



## Mall Portfolio Encompasses Entire Retail Spectrum

H1 2022	Zafer Plaza	Antalya Deepo	Bursa Korupark	Istanbul Torium	MOI	MOA	Total
Rent + Common Area Revenues (MillionTRY)	24.0	48.3	136.6	61.7	311.4	65.1	647.1
LfL Rent + Common Area Revenue Growth Rate	87.5%	166.1%	125.2%	180.4%	162.2%	196.9%	154.4%
NOI (Million TRY)	19.1	36.8	103.5	33.2	244.2	44.6	481.5
LfL NOI Growth Rate	81.6%	153.0%	101.8%	250.6%	120.1%	187.5%	126.8%
Footfall (Million)	4.1	2.0	4.8	4.4	7.3	1.5	24.2
LfL Footfall Growth Rate	99.4%	100.5%	98.4%	195.2%	118.5%	102.4%	118.3%
Retail Sales (Million TRY)	252.0	394.9	1,132.5	443.8	2,718.6	539.9	5,481.6
LfL Retail Sales Growth Rate	139.5%	257.7%	159.5%	179.0%	215.2%	248.7%	199.8%
Affordability Ratio	7.6%	9.3%	9.1%	7.5%	9.0%	8.3%	8.8%

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





# The Home of the Flagships

Top 10 tenants account for **21.48%** of total GLA and **20.56%** of total rent revenues



- Rank: 1
- GLA: 9,507 (2.3%)
- 4.1% of Monthly Rent



- Rank: 2
- GLA: 15,020 (3.7%)
- 3.6% of Monthly Rent



- Rank: 3
- GLA: 10,305 (2.5%)
- 2.0% of Monthly Rent



- Rank: 4
- GLA: 3,919 (1.0%)
- 1.9% of Monthly Rent



- Rank: 5
- GLA: 19,972 (4.9%)
- 1.5% of Monthly Rent



- Rank: 6
- GLA: 2,863 (0.7%)
- 1.5% of Monthly Rent



- Rank: 7
- GLA: 7,087 (1.7%)
- 1.5% of Monthly Rent



- Rank: 8
- GLA: 7,560 (1.8%)
- 1.5% of Monthly Rent



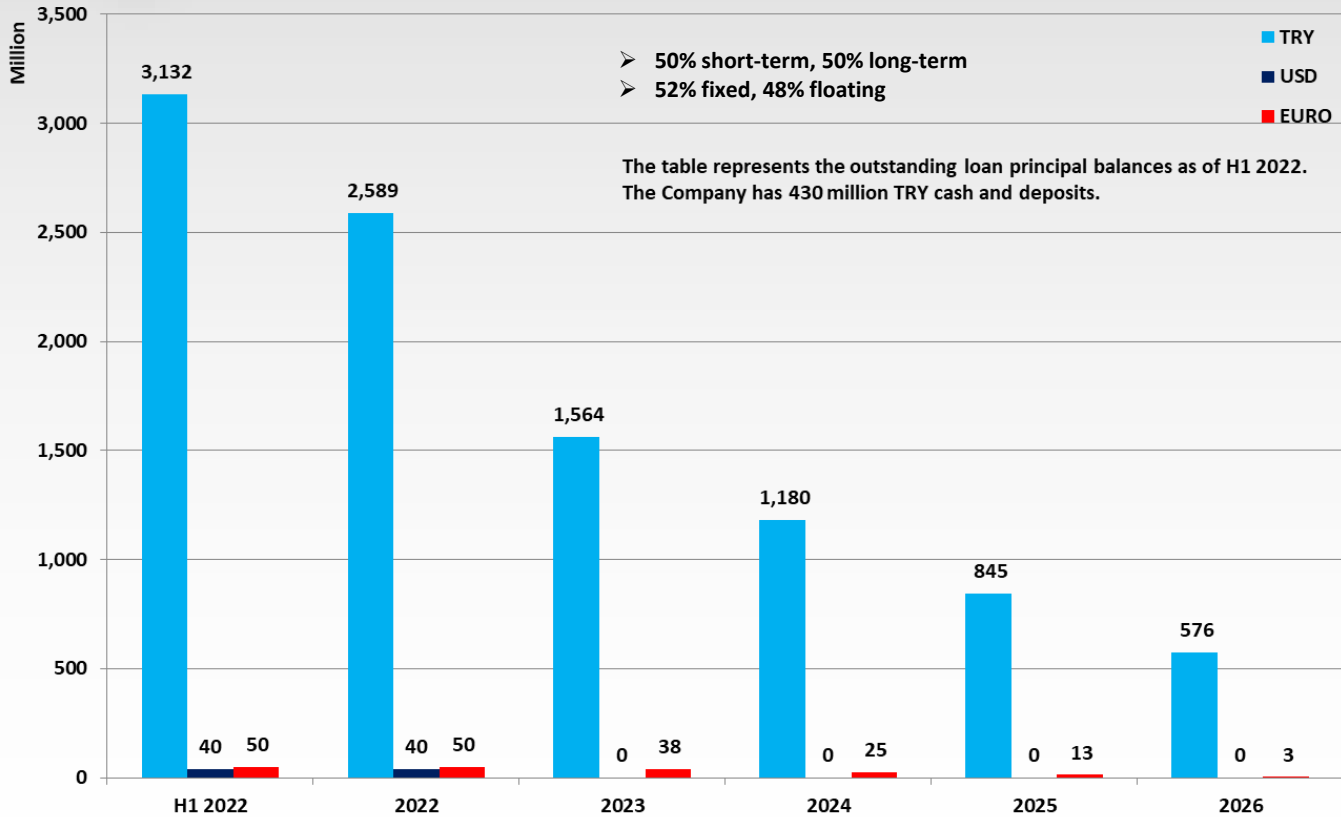
- Rank: 9
- GLA: 7,955 (1.9%)
- 1.4% of Monthly Rent



- Rank: 10
- GLA: 3,628 (0.9%)
- 1.4% of Monthly Rent



## Outstanding Bank Loans as of H1 2022





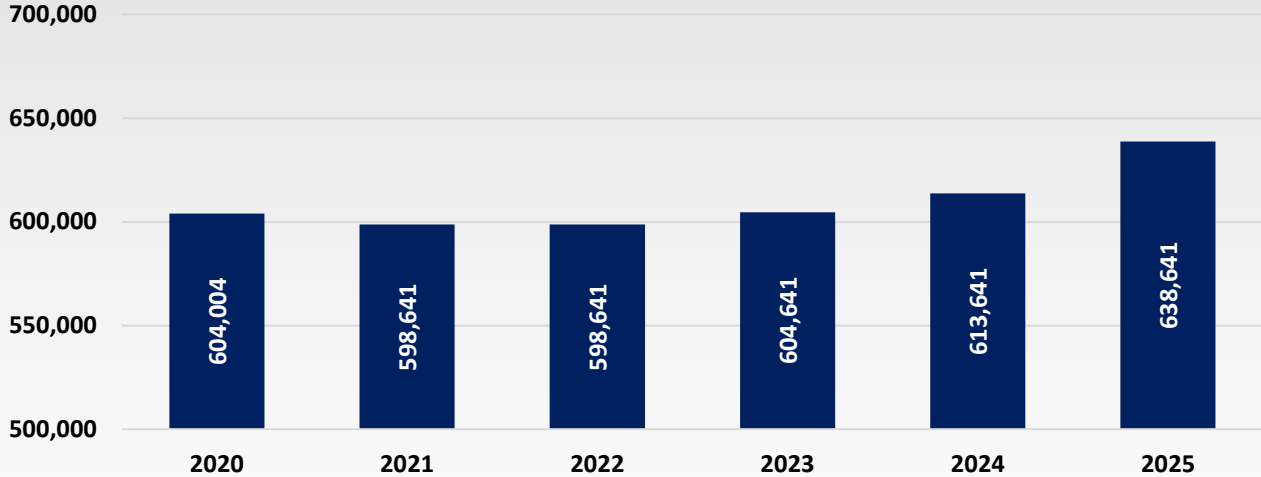
## Project Pipeline – CAPEX (million TRY)

CAPEX	Budget	Actual Spent to Date	2022	2023	2024	2025	2026
Torun Center - East Tower	1,223.7	0.0	288.3	779.0	156.4	0.0	0.0
Karaköy Hotel	247.8	25.3	29.9	192.6	0.0	0.0	0.0
5. Levent Phase 2	2,866.0	44.6	587.8	1,070.0	966.0	197.6	0.0
Mall of Antalya - Hotel	295.3	0.0	0.0	203.3	92.0	0.0	0.0
Paşabahçe Bosphorus Project	3,011.0	39.6	0.0	47.1	621.0	1,333.8	969.6
<b>TOTAL</b>	<b>7,643.8</b>	<b>109.6</b>	<b>905.9</b>	<b>2,291.9</b>	<b>1,835.4</b>	<b>1,531.4</b>	<b>969.6</b>





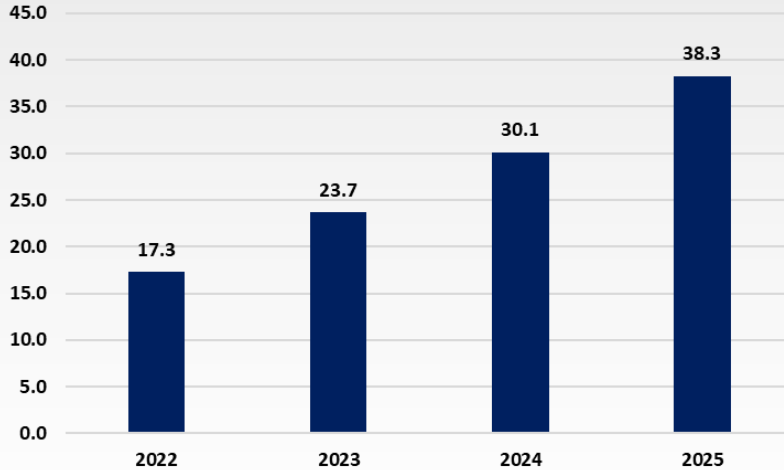
## Total GLA in Years (m<sup>2</sup>)



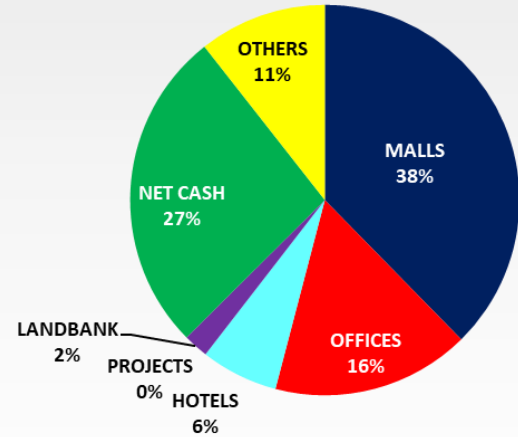
Year	New GLA (m <sup>2</sup> )	Asset
2023	6,000	-Karaköy Hotel
2024	9,000	-Mall of Antalya Hotel
2025	25,000	-Paşabahçe Hotel



## NAV Evolution (Billion TRY)



## 2025 NAV Breakdown



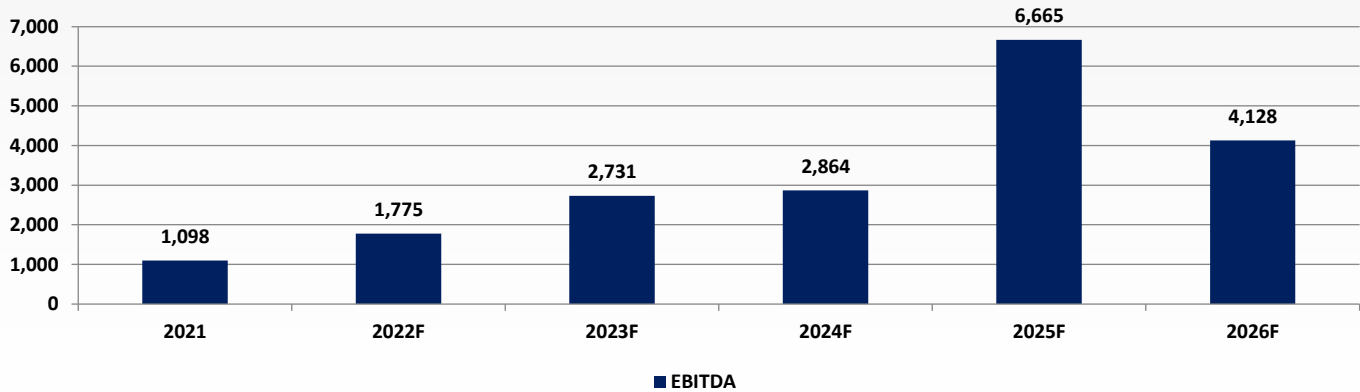
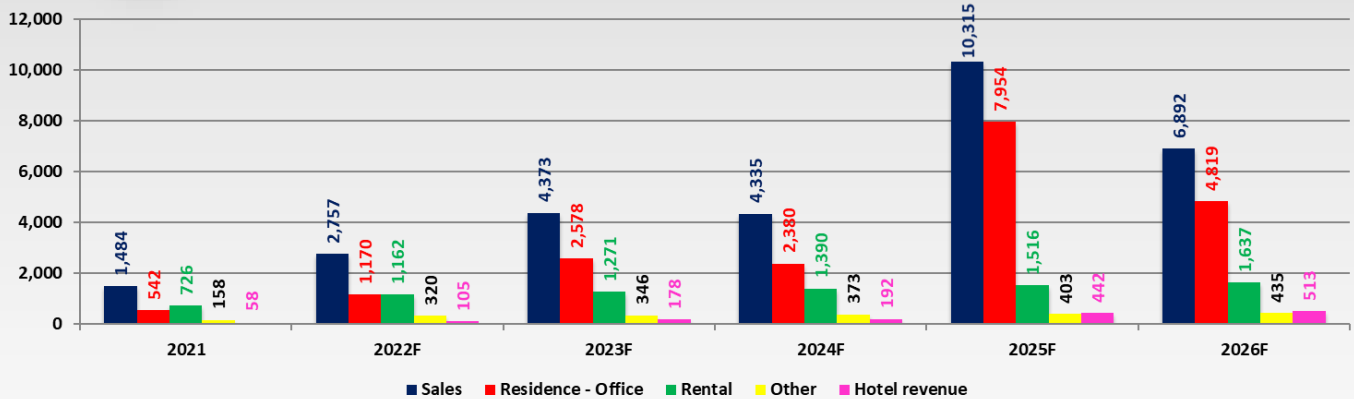


## FUTURE OUTLOOK- 2022 Forecast Income Statement (TRY)

(000) TRY	2021	2022F	Change
<b>Sales</b>	<b>1,483,729</b>	<b>2,756,872</b>	<b>85.8%</b>
Residence & Office	542,083	1,169,664	115.8%
Mall & Office rental	726,355	1,162,208	60.0%
Common area revenues & Other revenues	157,725	320,000	102.9%
Hotel revenue	57,566	105,000	82.4%
<b>Cost of sales</b>	<b>(308,096)</b>	<b>(894,636)</b>	<b>190.4%</b>
Cost of Residence & Office sales	(147,215)	(480,499)	226.4%
Rent expenses and management fees of shopping malls	(19,831)	(25,637)	29.3%
Common area expenses & Other expenses	(119,499)	(336,000)	181.2%
Hotel expenses	(21,551)	(52,500)	143.6%
<b>Gross profit</b>	<b>1,175,633</b>	<b>1,862,236</b>	<b>58.4%</b>
<i>Gross Margin</i>	79.2%	67.5%	-11.69 pp
<i>Gross Margin (Residence &amp; Office)</i>	72.8%	58.9%	-13.92 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	84.2%	75.6%	-8.64 pp
<i>Gross Margin (Hotel)</i>	62.6%	50.0%	-12.56 pp
<b>Opex</b>	<b>(128,506)</b>	<b>(160,000)</b>	<b>24.5%</b>
General & Admin expenses	(79,887)	(100,000)	25.2%
Marketing & Selling expenses	(48,619)	(60,000)	23.4%
Other income (expenses)	(605)	0	NM
Net gain (loss) fair value adjustments on investment property	5,448,483	0	NM
<b>Operating profit</b>	<b>6,495,005</b>	<b>1,702,236</b>	<b>-73.8%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>1,046,522</b>	<b>1,702,236</b>	<b>62.7%</b>
Dividends received from associates	34,145	48,000	40.6%
<b>EBIT</b>	<b>1,080,667</b>	<b>1,750,236</b>	<b>62.0%</b>
<i>EBIT margin (%)</i>	72.8%	63.5%	-9.35 pp
Depreciation	16,991	25,000	47.1%
<b>EBITDA</b>	<b>1,097,658</b>	<b>1,775,236</b>	<b>61.7%</b>
<i>EBITDA margin (%)</i>	74.0%	64.4%	-9.59 pp
Gain (Loss) from associates excluding dividend received	109,634	152,000	38.6%
Net financial interest income (expense)	(513,532)	(468,057)	-8.9%
Other net financial income (expense)	227,837	0	-100.0%
Forex gain (loss)	(1,046,284)	(516,750)	-50.6%
<b>Profit / Loss before tax</b>	<b>5,306,805</b>	<b>917,429</b>	<b>-82.7%</b>
Corporate tax	0	0	NM
<b>Net profit / loss</b>	<b>5,306,805</b>	<b>917,429</b>	<b>-82.7%</b>
<i>Net profit margin (%)</i>	357.7%	33.3%	-324.39 pp
Other comprehensive income	442,288	0	NM
Total comprehensive income	5,749,093	917,429	-84.0%
<b>Net profit / loss excl. fair value gains</b>	<b>(141,678)</b>	<b>917,429</b>	<b>NM</b>



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





## Cash Flow Statement (5-Year Forecast)

Cash Flow Statement (Forecast)	2022	2023	2024	2025	2026
Cash at the beginning of the term	247,567,000	729,845,321	3,226,933,356	7,206,094,003	11,465,848,658
<b>CASH FLOW FROM OPERATIONS</b>					
From Mall Rentals (NOI) (+)	915,444,917	988,680,510	1,067,774,951	1,153,196,947	1,245,452,703
From Office Rentals (+)	190,134,552	221,599,757	256,002,139	291,598,854	314,926,763
From Hotel Rentals (+)	105,000,000	178,075,080	191,982,600	442,001,770	512,817,640
From Residence Pre-Sales and Sales (+)	2,049,664,004	6,204,069,112	5,490,000,000	5,156,500,500	0
Change in Trade Receivables (+)	36,000,000	0	0	0	0
Operational Expenses (-)	160,000,000	172,800,000	186,624,000	201,553,920	217,678,234
Hotel Expenses (-)	52,500,000	89,037,540	95,991,300	221,000,885	256,408,820
<b>Net Cash Flow from Operations</b>	<b>3,083,743,473</b>	<b>7,330,586,919</b>	<b>6,723,144,390</b>	<b>6,620,743,267</b>	<b>1,599,110,052</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Construction Costs ( - )	955,845,023	2,291,923,000	1,835,400,000	1,531,400,000	969,570,000
Shopping Mall Renewal Costs ( - )	11,000,000	11,500,000	11,500,000	11,500,000	11,500,000
<b>Net Cash Flow from Investing Activities</b>	<b>-966,845,023</b>	<b>-2,303,423,000</b>	<b>-1,846,900,000</b>	<b>-1,542,900,000</b>	<b>-981,070,000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Cash Receipt from	1,048,000,000	51,840,000	55,987,200	60,466,176	65,303,470
Cash Paid for (-)	2,682,620,128	2,581,915,885	953,070,942	878,554,788	697,976,250
<b>Net Cash Flow from Financing Activities</b>	<b>-1,634,620,128</b>	<b>-2,530,075,885</b>	<b>-897,083,742</b>	<b>-818,088,612</b>	<b>-632,672,780</b>
Cash Generated Throughout the Term	482,278,321	2,497,088,034	3,979,160,648	4,259,754,655	-14,632,728
<b>Net Cash at End of Term</b>	<b>729,845,321</b>	<b>3,226,933,356</b>	<b>7,206,094,003</b>	<b>11,465,848,658</b>	<b>11,451,215,930</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	<b>0.41</b>
2013	76.7	77.8%	59.6	4.08	14.6	0.38	0.05	0.1	<b>0.52</b>
2014	77.5	78.3%	60.7	4.06	15.0	0.33	0.05	0.2	<b>0.58</b>
2015	78.3	78.8%	61.8	4.03	15.3	0.36	0.05	0.2	<b>0.61</b>
2016	79.2	79.4%	62.9	4.00	15.7	0.38	0.05	0.2	<b>0.63</b>
2017	80.0	80.0%	64.0	3.97	16.1	0.39	0.05	0.2	<b>0.64</b>
2018	80.7	80.7%	65.1	3.95	16.5	0.40	0.05	0.2	<b>0.65</b>
2019	81.5	81.3%	66.3	3.92	16.9	0.43	0.05	0.2	<b>0.68</b>
2020	82.3	82.0%	67.5	3.88	17.4	0.44	0.05	0.2	<b>0.69</b>
2021	83.0	82.7%	68.6	3.85	17.8	0.44	0.05	0.2	<b>0.69</b>
2022	83.7	83.4%	69.8	3.82	18.3	0.45	0.05	0.2	<b>0.70</b>
2023	84.4	84.0%	71.0	3.79	18.7	0.45	0.05	0.2	<b>0.70</b>
<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

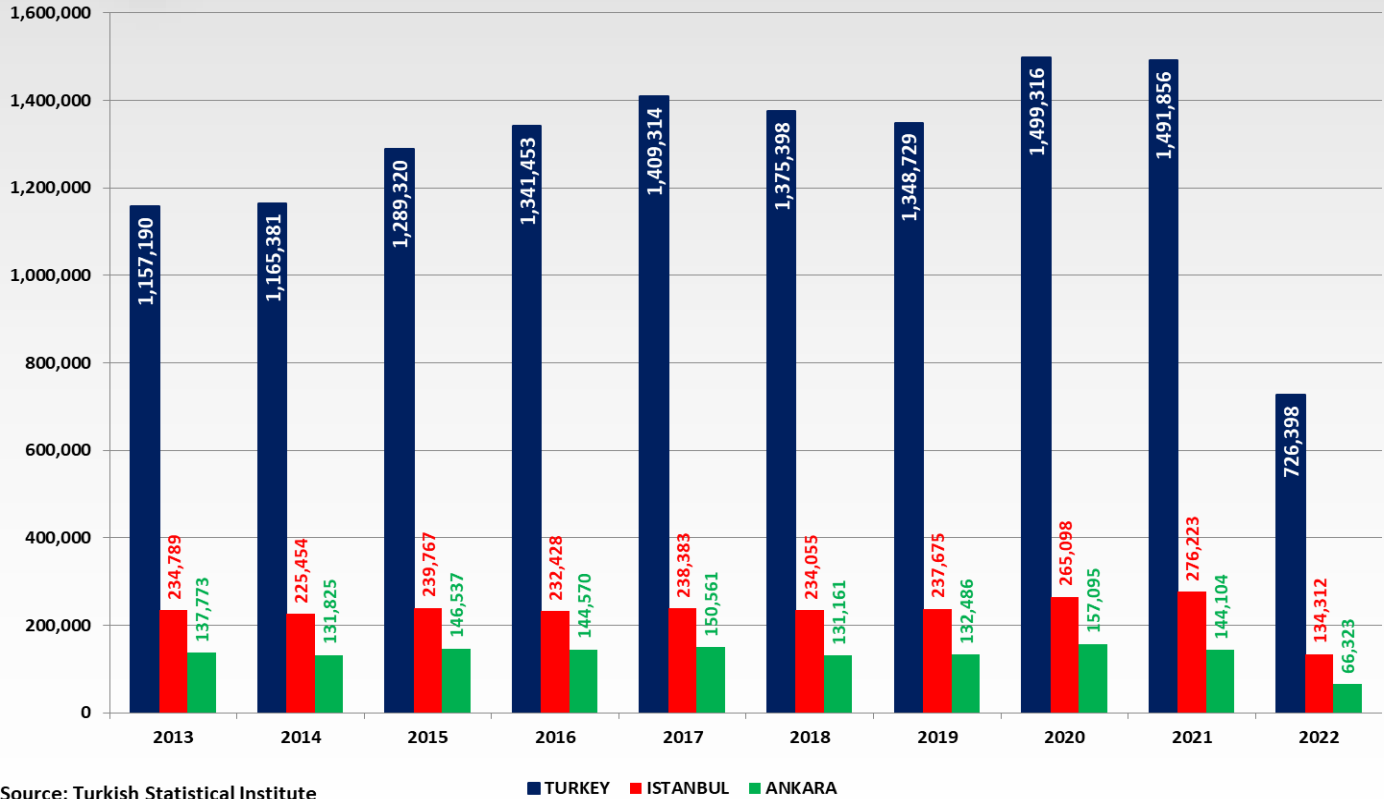
## Housing Needs in Turkey, 2014-2020

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) (H1 2022)

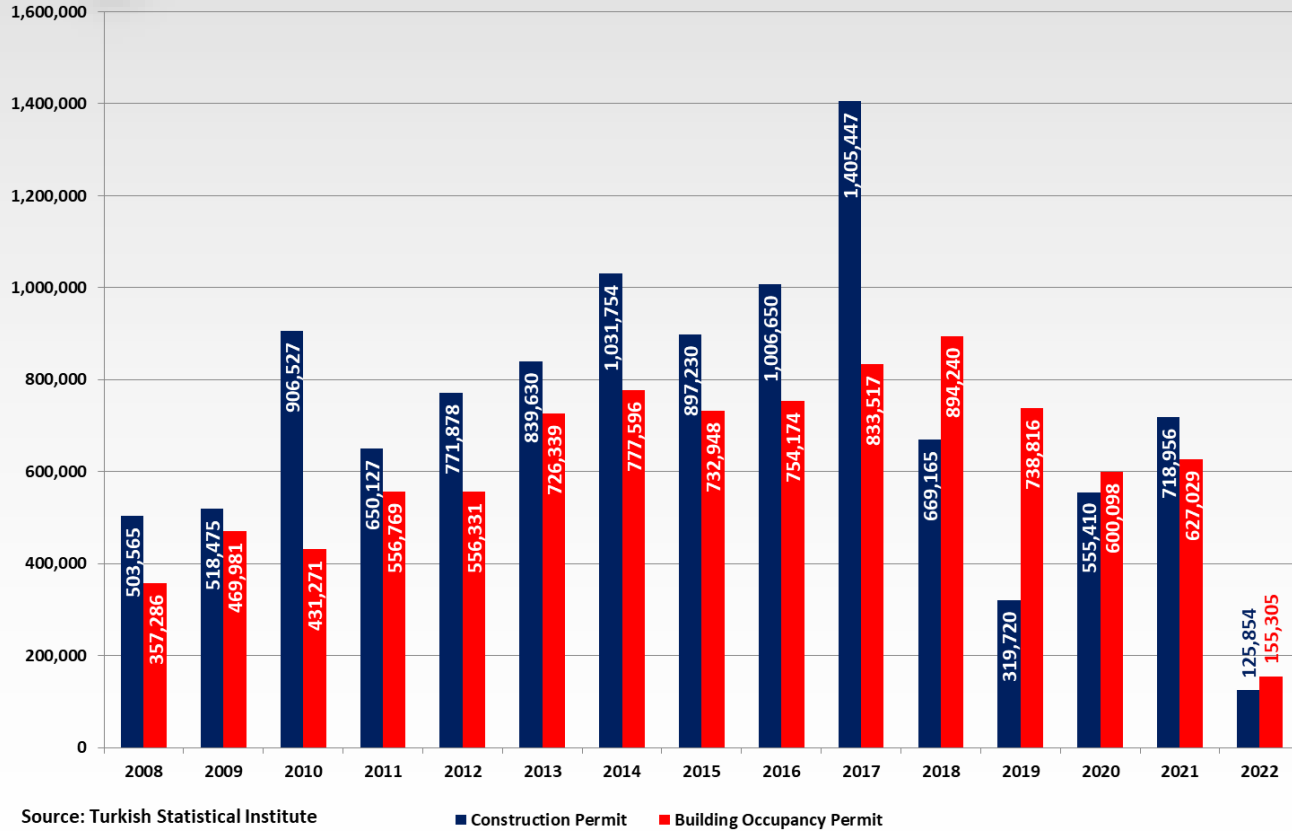


Source: Turkish Statistical Institute

■ TURKEY ■ ISTANBUL ■ ANKARA



## TURKEY REAL ESTATE MARKET REVIEW – Turkey Residential Permits (in units) (Q1 2022)







## TURKEY REAL ESTATE MARKET REVIEW – Existing Inventory (Q1 2022)

	OCCUPANCY PERMITS	NEW HOME SALES	INVENTORY	INVENTORY / OCCUPANCY PERMITS
2013	726,339	529,129	197,210	27.2%
2014	777,596	541,554	236,042	30.4%
2015	732,948	598,667	134,281	18.3%
2016	754,174	631,686	122,488	16.2%
2017	833,517	659,698	173,819	20.9%
2018	894,240	651,572	242,668	27.1%
2019	738,816	511,682	227,134	30.7%
2020	600,098	469,740	130,358	21.7%
2021	627,029	461,523	165,506	26.4%
2022 Q1	155,305	94,437	60,868	39.2%
<b>TOTAL</b>	<b>6,840,062</b>	<b>5,149,688</b>	<b>1,690,374</b>	<b>24.7%</b>

Source: Turkish Statistical Institute



## TURKEY REAL ESTATE MARKET REVIEW – Shopping Mall Development

CURRENT STATUS		ACTIVE	UNDER CONSTRUCTION (to be completed by end- 2024)	TOTAL
İSTANBUL	UNIT	134	9	143
	GLA (M <sup>2</sup> )	5,152,116	324,416	5,476,532
ANKARA	UNIT	45	3	48
	GLA (M <sup>2</sup> )	1,722,142	88,850	1,810,992
OTHER CITIES	UNIT	274	16	290
	GLA (M <sup>2</sup> )	7,095,110	469,600	7,564,710
TURKEY	QUANTITY	453	28	481
	GLA (M <sup>2</sup> )	13,969,368	882,866	14,852,234

RETAIL DENSITY GLA (M <sup>2</sup> ) (PER 1,000 persons)	Q4 2021	Q4 2024
İSTANBUL	333	342
ANKARA	304	306
<b>TURKEY</b>	<b>167</b>	<b>171</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



## TURKEY REAL ESTATE MARKET REVIEW – Office Market Overview – İstanbul

SUB-MARKET			ACTIVE	UNDER CONSTRUCTION		TOTAL
				(to be completed by end-2023)		
EUROPEAN - SIDE	CBD	UNIT	89	2	91	
		GLA (M <sup>2</sup> )	1,971,031	140,400	2,111,431	
	NON-CBD	UNIT	55	2	57	
		GLA (M <sup>2</sup> )	1,620,435	165,000	1,785,435	
ASIAN - SIDE	UNIT	112	12	124		
	GLA (M <sup>2</sup> )	2,233,545	1,307,980	3,541,525		
TOTAL	UNIT	256	16	272		
	GLA (M <sup>2</sup> )	5,825,011	1,613,380	7,438,391		

VACANCY RATE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
CBD	3.6%	4.0%	4.5%	4.4%	16.5%	16.3%	17.1%	22.7%	21.3%	20.5%	17.4%	18.0%

Source: JLL



## FINANCIAL STATEMENT - Income Statement

(000) TRY	Q2 2021	Q2 2022	Change
<b>Sales</b>	<b>334,134</b>	<b>584,634</b>	<b>75.0%</b>
Residence & Office	157,106	144,699	-7.9%
Mall & Office rental	140,860	322,619	129.0%
Common area revenues & Other revenues	28,929	83,686	189.3%
Hotel revenue	7,239	33,630	364.6%
<b>Cost of sales</b>	<b>(78,728)</b>	<b>(120,718)</b>	<b>53.3%</b>
Cost of Residence & Office sales	(55,313)	(14,344)	-74.1%
Rent expenses and management fees of shopping malls	(2,612)	(5,104)	95.4%
Common area expenses & Other expenses	(17,184)	(90,695)	427.8%
Hotel expenses	(3,619)	(10,575)	192.2%
<b>Gross profit</b>	<b>255,406</b>	<b>463,916</b>	<b>81.6%</b>
<i>Gross Margin</i>	<i>76.4%</i>	<i>79.4%</i>	<i>2.91 pp</i>
<i>Gross Margin (Residence &amp; Office)</i>	<i>64.8%</i>	<i>90.1%</i>	<i>25.29 pp</i>
<i>Gross Margin (Mall &amp; Office rental)</i>	<i>88.3%</i>	<i>76.4%</i>	<i>-11.92 pp</i>
<i>Gross Margin (Hotel)</i>	<i>50.0%</i>	<i>68.6%</i>	<i>18.55 pp</i>
<b>Opex</b>	<b>(22,749)</b>	<b>(72,195)</b>	<b>217.4%</b>
General & Admin expenses	(21,573)	(42,377)	96.4%
Marketing & Selling expenses	(1,176)	(29,818)	2435.5%
Other income (expenses)	(1,700)	668	-139.3%
Net gain (loss) fair value adjustments on investment property	0	0	NM
<b>Operating profit</b>	<b>230,957</b>	<b>392,389</b>	<b>69.9%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>230,957</b>	<b>392,389</b>	<b>69.9%</b>
Dividends received from associates	0	35,883	NM
<b>EBIT</b>	<b>230,957</b>	<b>428,272</b>	<b>85.4%</b>
<i>EBIT margin (%)</i>	<i>69.1%</i>	<i>73.3%</i>	<i>4.13 pp</i>
Depreciation	3,994	5,902	47.8%
<b>EBITDA</b>	<b>234,951</b>	<b>434,174</b>	<b>84.8%</b>
<i>EBITDA margin (%)</i>	<i>70.3%</i>	<i>74.3%</i>	<i>3.95 pp</i>
Gain (Loss) from associates excluding dividend received	12,448	(2,412)	NM
Net financial interest income (expense)	(131,057)	(156,904)	19.7%
Other net financial income (expense)	20,001	(180,567)	NM
Forex gain (loss)	(101,634)	59,888	NM
Profit / Loss before tax	<b>30,715</b>	<b>148,277</b>	<b>NM</b>
Corporate tax	0	(885)	NM
<b>Net profit / loss</b>	<b>30,715</b>	<b>147,392</b>	<b>379.9%</b>
<i>Net profit margin (%)</i>	<i>9.2%</i>	<i>25.2%</i>	<i>16.02 pp</i>
Net profit / loss excl. fair value gains	<b>30,715</b>	<b>147,392</b>	<b>379.9%</b>



## FINANCIAL STATEMENT - Income Statement

(000) TRY	H1 2021	H1 2022	Change
<b>Sales</b>	<b>595,523</b>	<b>1,178,179</b>	<b>97.8%</b>
Residence & Office	257,453	380,763	47.9%
Mall & Office rental	266,623	585,791	119.7%
Common area revenues & Other revenues	57,271	152,436	166.2%
Hotel revenue	14,176	59,189	317.5%
<b>Cost of sales</b>	<b>(146,401)</b>	<b>(229,484)</b>	<b>56.8%</b>
Cost of Residence & Office sales	(90,281)	(40,066)	-55.6%
Rent expenses and management fees of shopping malls	(6,016)	(9,646)	60.3%
Common area expenses & Other expenses	(43,429)	(159,474)	267.2%
Hotel expenses	(6,675)	(20,298)	204.1%
<b>Gross profit</b>	<b>449,122</b>	<b>948,695</b>	<b>111.2%</b>
<i>Gross Margin</i>	75.4%	80.5%	5.11 pp
<i>Gross Margin (Residence &amp; Office)</i>	64.9%	89.5%	24.54 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	84.7%	77.1%	-7.64 pp
<i>Gross Margin (Hotel)</i>	52.9%	65.7%	12.79 pp
<b>Opex</b>	<b>(37,614)</b>	<b>(117,815)</b>	<b>213.2%</b>
General & Admin expenses	(34,165)	(61,278)	79.4%
Marketing & Selling expenses	(3,449)	(56,537)	1539.2%
Other income (expenses)	(1,870)	(909)	-51.4%
Net gain (loss) fair value adjustments on investment property	0	0	NM
<b>Operating profit</b>	<b>409,638</b>	<b>829,971</b>	<b>102.6%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>409,638</b>	<b>829,971</b>	<b>102.6%</b>
Dividends received from associates	34,145	49,120	43.9%
<b>EBIT</b>	<b>443,783</b>	<b>879,091</b>	<b>98.1%</b>
<i>EBIT margin (%)</i>	74.5%	74.6%	0.09 pp
Depreciation	7,907	11,818	49.5%
<b>EBITDA</b>	<b>451,690</b>	<b>890,909</b>	<b>97.2%</b>
<i>EBITDA margin (%)</i>	75.8%	75.6%	-0.23 pp
Gain (Loss) from associates excluding dividend received	(13,461)	12,226	NM
Net financial interest income (expense)	(230,778)	(267,367)	15.9%
Other net financial income (expense)	24,586	(171,937)	NM
Forex gain (loss)	(310,544)	(134,270)	-56.8%
Profit / Loss before tax	<b>(86,414)</b>	<b>317,743</b>	<b>NM</b>
Corporate tax	0	(885)	NM
<b>Net profit / loss</b>	<b>(86,414)</b>	<b>316,858</b>	<b>NM</b>
<i>Net profit margin (%)</i>	-14.5%	26.9%	41.40 pp
<b>Net profit / loss excl. fair value gains</b>	<b>(86,414)</b>	<b>316,858</b>	<b>NM</b>

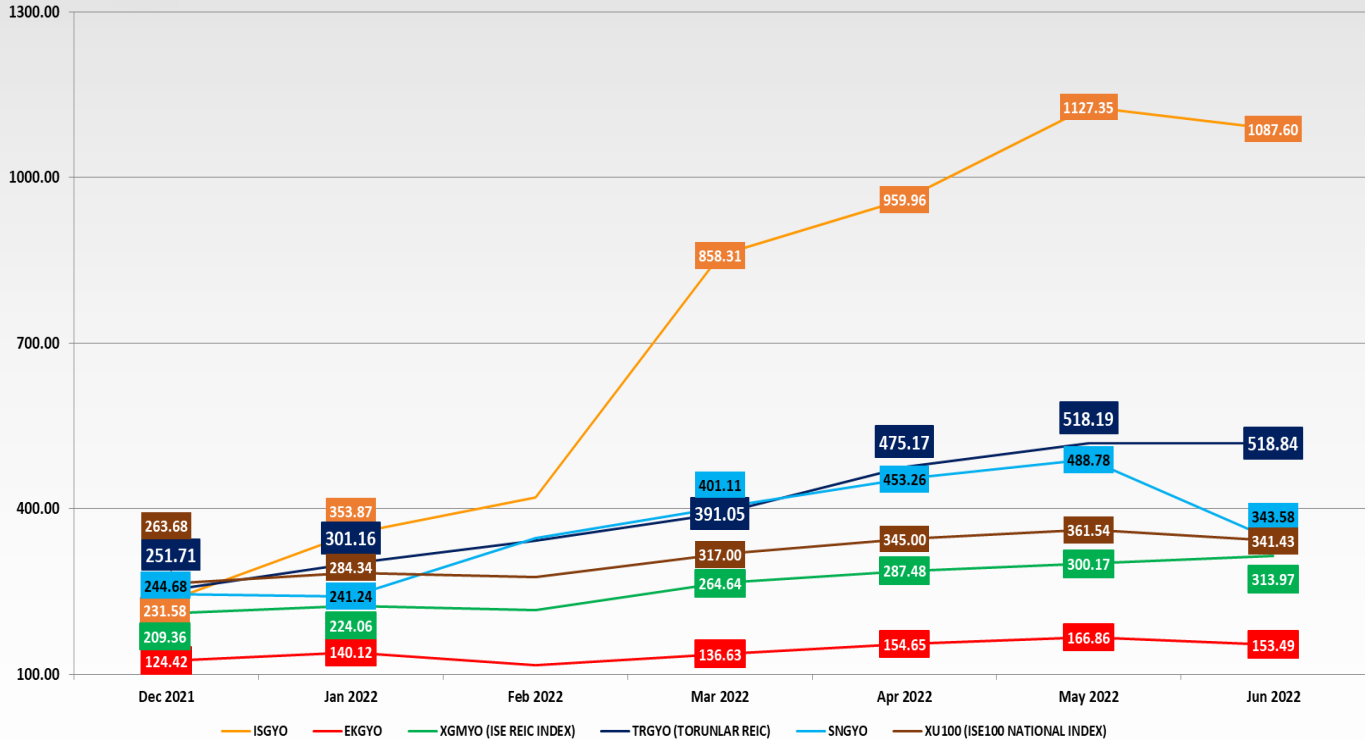


## FINANCIAL STATEMENT - Balance Sheet

(000 TRY)	2021	2022/H1	Change
Cash and cash equivalents	247,567	429,944	73.7%
Financial assets	0	0	NM
Derivate products	171,937	0	-100.0%
Trade & Other receivables	101,074	225,018	122.6%
Inventories	546,614	506,980	-7.3%
Prepaid expenses	23,730	76,688	223.2%
Other current assets	22,462	20,556	-8.5%
<b>CURRENT ASSETS</b>	<b>1,113,384</b>	<b>1,259,186</b>	<b>13.1%</b>
Trade & Other receivables	46,880	16,946	-63.9%
Investments accounted by equity method	515,842	528,068	2.4%
Investment properties	17,242,942	17,261,369	0.1%
Inventories	230,490	268,125	16.3%
Property, plant and equipment	754,202	748,878	-0.7%
Intangible assets	2,273	3,110	36.8%
Prepaid expenses	986	996	1.0%
<b>NON-CURRENT ASSETS</b>	<b>18,793,615</b>	<b>18,827,492</b>	<b>0.2%</b>
<b>TOTAL ASSETS</b>	<b>19,906,999</b>	<b>20,086,678</b>	<b>0.9%</b>
Short-term borrowings	2,290,326	582,760	-74.6%
ST portion of LT borrowings	169,467	1,852,733	993.3%
Trade payables	89,362	148,644	66.3%
Other payables	51,005	25,501	-50.0%
Deferred income	164,871	129,747	-21.3%
Others	42,294	51,932	22.8%
<b>CURRENT LIABILITIES</b>	<b>2,807,325</b>	<b>2,791,317</b>	<b>-0.6%</b>
Long-term borrowings	2,578,220	2,457,645	-4.7%
Long-term provisions for employee benefits	2,226	1,848	-17.0%
Others	218	0	NM
<b>NON-CURRENT LIABILITIES</b>	<b>2,580,664</b>	<b>2,459,493</b>	<b>-4.7%</b>
Share capital	1,000,000	1,000,000	0.0%
Share premium	25,770	25,770	0.0%
Other comprehensive income	442,288	442,288	0.0%
Legal reserves	74,421	74,459	0.1%
Treasury shares (-)	-5,930	-5,930	0.0%
Prior years' profit	7,675,656	12,982,423	69.1%
Net profit / loss for the period	5,306,805	316,858	-94.0%
<b>TOTAL EQUITY</b>	<b>14,519,010</b>	<b>14,835,868</b>	<b>2.2%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,906,999</b>	<b>20,086,678</b>	<b>0.9%</b>



## LISTED REIC's - Torunlar REIC Performance (As of 30.06.2022)



IPO Date (October 2010) = 100





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