



TORUNLAR  REIC



# INVESTOR PRESENTATION

**04 NOVEMBER 2021**

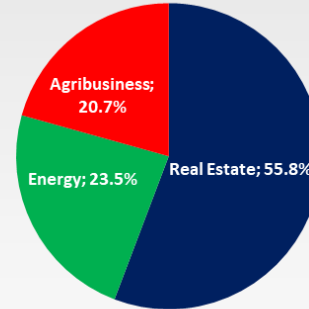


# TORUNLAR GROUP OF COMPANIES TODAY (As of 31.12.2020)

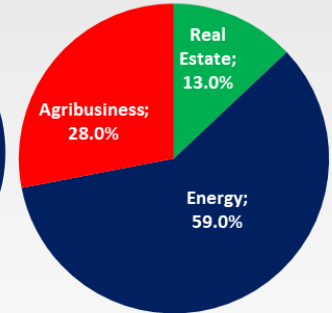
## Key Facts

million TRY	2019	2020	Change
Total Assets	22,989	24,586	7%
Total Equity	10,863	11,417	5%
Total Sales	6,753	8,534	26%
Employees	879	796	-9%
Cities of Operation	12	12	0%

## Total Assets



## Total Sales



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

### 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 604,000 m<sup>2</sup> GLA

### ENERGY

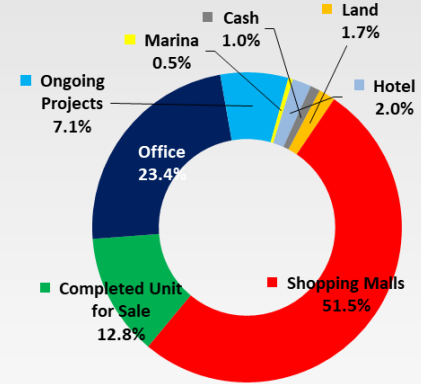
- The **2<sup>nd</sup> largest** natural gas distribution company of Turkey
- 1.9 million total customers
- 3.5 billion m<sup>3</sup> natural gas sales and distribution volume
- 12,992 km of grid length



## Torunlar REIC Key Overview

TRY (000)	2017	2018	2019	2020	9M 2021
<b>Sales</b>	780,140	1,954,283	991,087	1,105,948	1,023,173
<i>Residence &amp; Office</i>	286,070	1,307,091	234,647	516,168	394,310
<i>Mall &amp; Office rental</i>	411,150	526,116	616,198	476,542	488,058
<i>Other</i>	82,920	121,076	140,242	109,349	106,851
<i>Hotel Revenue</i>	0	0	0	3,889	33,954
<b>EBITDA</b>	491,066	929,765	644,780	636,099	753,530
<i>EBITDA Margin</i>	62.9%	47.6%	65.1%	57.5%	73.6%
<b>Net Profit</b>	455,108	1,287,204	865,790	293,001	67,162
<b>N. Profit excl. fair value gains</b>	81,058	-407,367	-88,331	-400,820	67,162
<b>Market Cap</b>	3,330,000	1,510,000	2,750,000	3,900,000	3,380,000
<b>Portfolio Value</b>	10,347,221	12,401,554	13,804,655	14,315,590	14,279,149
<b>Net Asset Value</b>	6,378,657	7,613,718	8,478,139	8,769,917	8,837,079
<b>Capex</b>	717,660	510,254	339,605	162,811	27,635
<b>Net Debt</b>	3,004,044	3,989,698	4,245,128	4,454,075	4,348,928
<b>LTV</b>	29.38%	33.95%	33.25%	33.33%	32.72%

## Portfolio Breakdown 14.3 billion TRY



## Strategic Pillars

Strong sales growth with cumulative 5.6 billion TRY within 3 years

Deleveraging from a net debt to a net cash within 2024

Completion of the project pipeline with 1.7 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

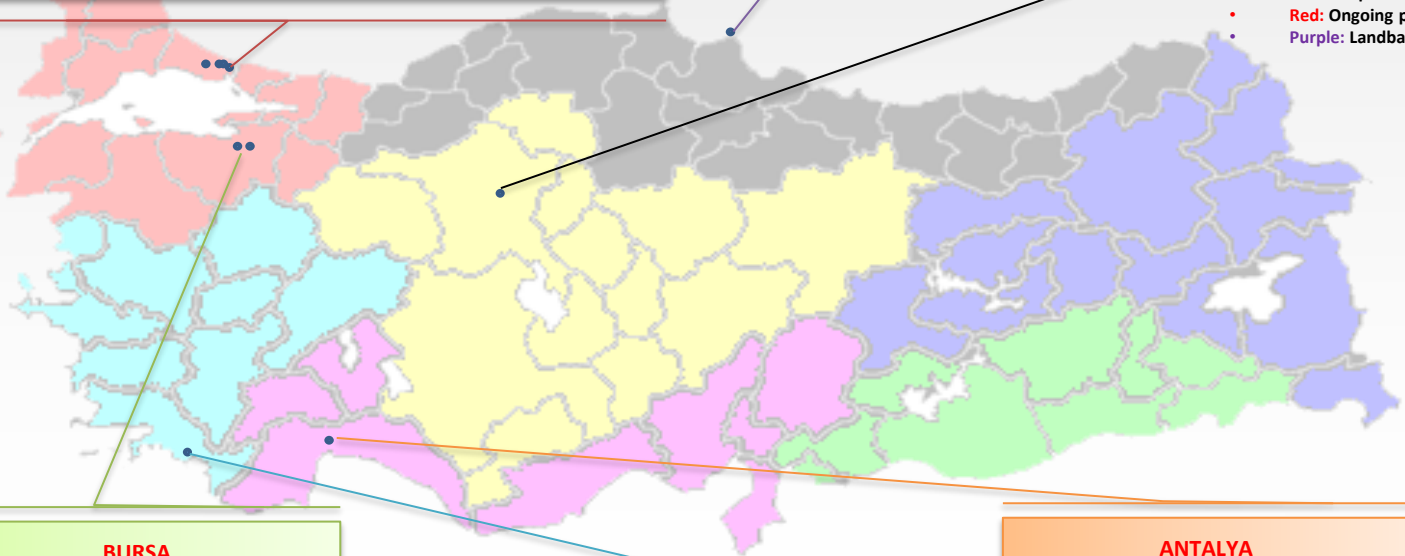
### SAMSUN

- Bulvar Samsun Shopping Mall

### ANKARA

- ANKA mall Shopping Mall
- CPAncara Hotel

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



### BURSA

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

### 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-Başakşehir 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>M6</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-Beşiktaş Tüneli Tünel (ETT)	<b>Metrobüs (ETT)</b>



## 9M 2021 Highlights and Forward Strategy

- Portfolio size 14.3 billion TRY.
- 1,023 million TRY sales revenue and 754 million TRY EBITDA.
- 394 million TRY worth of residential deliveries mostly from Torun Center.
- Rental income at 488 million TRY up by 43% y-o-y.
- Loan to value at 32.7%. Cost of debt in FX is at 4.20%, and in TRY is at 13.52%.
- FX debt slightly increased to 1,728 million TRY from 1,598 million TRY, year to date
- Focus on:
  - destocking of remaining residences and leasing of selected offices and retail area at Torun Center
  - commencing 5<sup>th</sup> Levent Phase 2
  - construction of Karaköy Hotel
- Net debt will be reduced to 3.6 billion TRY by the end of 2021
- Leverage will be ended within the year of 2024.



## Rental Assets

(TRY)	Operation Date	Appraisal Value	
		2019	2020
<b>Malls - in Operation</b>		<b>6,656,700,000</b>	<b>7,009,200,000</b>
Zafer Plaza	1999	366,700,000	379,200,000
Deepo Outlet	Q4 2004	465,000,000	350,000,000
Korupark	Q3 2007	1,710,000,000	1,785,000,000
Torium	Q4 2010	540,000,000	630,000,000
Mall of İstanbul	Q2 2014	3,000,000,000	3,135,000,000
Mall of Antalya	Q2 2017	575,000,000	730,000,000
<b>Offices - in Operation</b>		<b>2,892,726,000</b>	<b>3,105,400,000</b>
Torun Tower	Q2 2014	1,853,000,000	2,000,000,000
Torun Center	H1 2017	1,039,726,000	1,105,400,000
<b>Hotels - in Operation</b>		<b>0</b>	<b>280,350,000</b>
Hilton Mall of İstanbul	Q4 2020	0	280,350,000
<b>TOTAL</b>		<b>9,549,426,000</b>	<b>10,394,950,000</b>

(TRY)	GLA (m <sup>2</sup> )	2019		2020		2021F	
		NOI	Yield	NOI	Yield	NOI	Yield***
<b>Malls - in Operation</b>	<b>408,831</b>	<b>496,538,000</b>	<b>7.46%</b>	<b>330,631,000</b>	<b>4.72%</b>	<b>461,438,882</b>	<b>6.58%</b>
Zafer Plaza	23,449	25,896,000	7.06%	18,182,000	4.79%	30,289,453	7.99%
Deepo Outlet	21,590	34,559,000	7.43%	24,192,000	6.91%	31,460,080	8.99%
Korupark	76,234	129,764,000	7.59%	91,131,000	5.11%	113,090,699	6.34%
Torium	88,849	34,257,000	6.34%	17,958,000	2.85%	26,696,052	4.24%
Mall of İstanbul	155,000	227,299,000	7.58%	177,356,000	5.66%	224,298,702	7.15%
Mall of Antalya	43,709	44,763,000	7.78%	1,812,000	0.25%	35,603,896	4.88%
<b>Offices - in Operation*</b>	<b>121,165</b>	<b>94,739,000</b>	<b>4.69%</b>	<b>107,807,000</b>	<b>4.84%</b>	<b>122,511,970</b>	<b>5.63%</b>
Torun Tower	66,286	86,934,000	4.69%	96,795,000	4.84%	112,511,970	5.63%
Torun Center**	54,879	7,805,000	0.75%	11,012,000	1.00%	10,000,000	0.90%
<b>TOTAL</b>	<b>529,996</b>	<b>591,277,000</b>	<b>6.19%</b>	<b>438,438,000</b>	<b>4.22%</b>	<b>583,950,852</b>	<b>5.62%</b>

\*Offices in Operation Yield reflects only Torun Tower

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

\*\*\*2021 Yields are calculated from 2021 forecasted NOI and 2020 appraisal values



## Sellable Assets

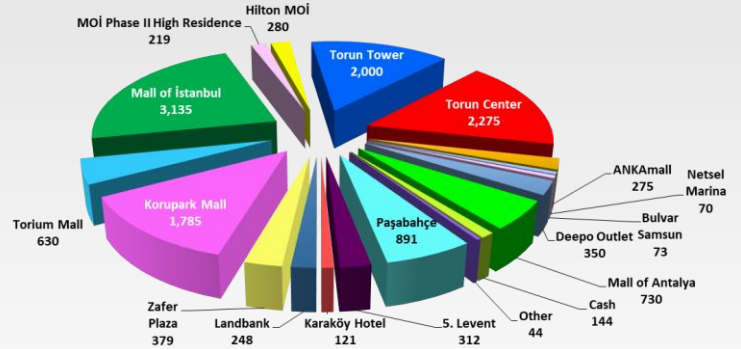
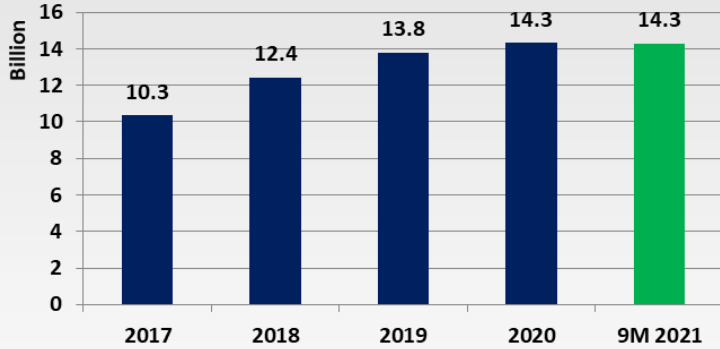
REVENUES (MILLION TRY)	2021	2022	2023	2024	TOTAL
<b>Completed Projects</b>	<b>670</b>	<b>825</b>	<b>464</b>	<b>795</b>	<b>2,754</b>
Korupark Residences Phase 3	8	0	0	0	8
Torun Center Residences	427	702	401	795	2,325
South Tower + Office	427	347	0	0	774
East Tower	0	355	401	795	1,551
5. Levent Phase 1	139	0	0	0	139
MOİ Phase 2 - High Residences	96	122	63	0	282
<b>Upcoming Projects</b>	<b>462</b>	<b>1,222</b>	<b>1,343</b>	<b>940</b>	<b>3,966</b>
5. Levent Phase 2	462	510	544	238	1,754
Paşabahçe	0	712	799	702	2,212
<b>TOTAL</b>	<b>1,132</b>	<b>2,047</b>	<b>1,807</b>	<b>1,735</b>	<b>6,720</b>
GSA (M <sup>2</sup> )	2021	2022	2023	2024	TOTAL
<b>Completed Projects</b>	<b>32,083</b>	<b>27,227</b>	<b>13,514</b>	<b>17,583</b>	<b>90,407</b>
Korupark Residences Phase 3	1,610				1,610
Torun Center Residences	15,190	20,027	10,000	17,583	62,801
South Tower + Office	15,190	10,027			25,218
East Tower		10,000	10,000	17,583	37,583
5. Levent Phases 1	9,283				9,283
MOİ Phase 2 - High Residences	6,000	7,200	3,514		16,714
<b>Upcoming Projects</b>	<b>33,000</b>	<b>43,000</b>	<b>43,000</b>	<b>21,000</b>	<b>140,000</b>
5. Levent Phase 2	33,000	34,000	34,000	14,000	115,000
Paşabahçe		9,000	9,000	7,000	25,000
<b>TOTAL</b>	<b>65,083</b>	<b>70,227</b>	<b>56,514</b>	<b>38,583</b>	<b>230,407</b>



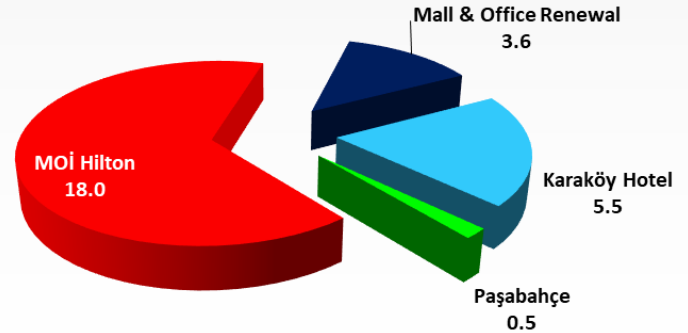
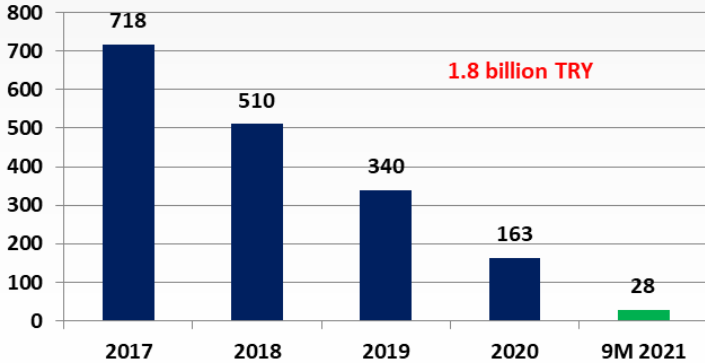


# Financial Highlights (million TRY)

## PORTFOLIO VALUE



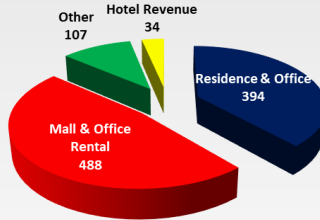
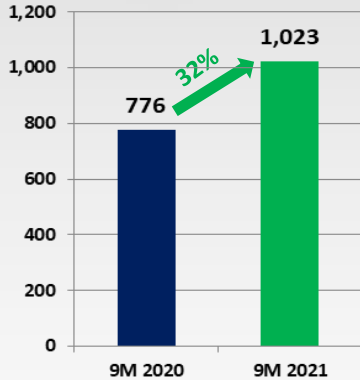
## CAPEX



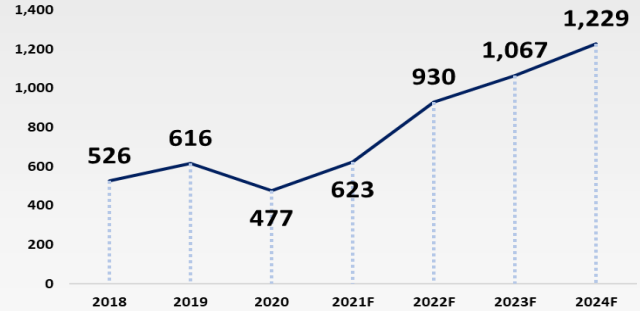


# Financial Highlights (million TRY)

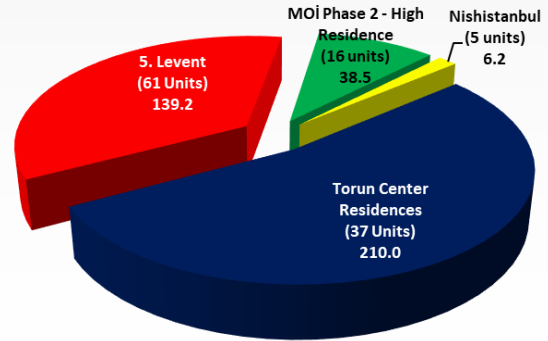
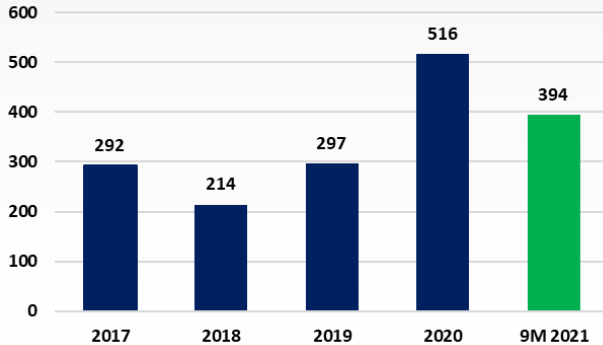
## SALES REVENUE



## Rental Revenue



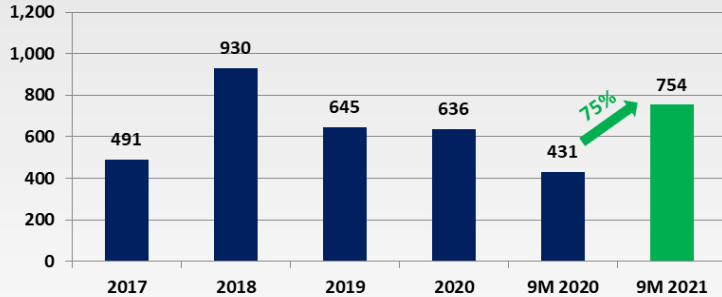
## PRESALES & SALES



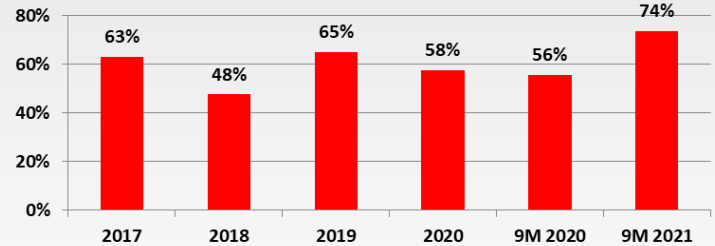


## Financial Highlights (million TRY)

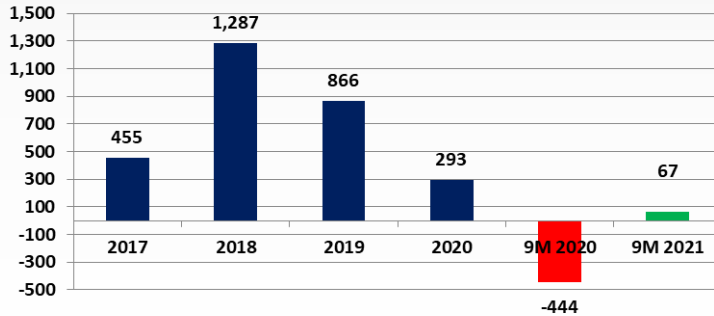
### EBITDA



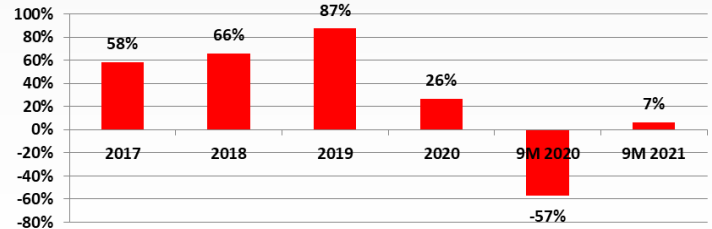
### EBITDA Margin



### NET PROFIT



### Net Profit Margin





## KPI Summary

	2020/12	2021/09	Change
Total net debt (000 TRY)	4,454,075	4,348,928	-2.36%
Average loan term (years)	5	5	
Average overall interest rate*	4.73%	4.20%	-0.52 pp
Leverage (financial loans as % of total assets)	33.7%	32.9%	-0.81 pp
Net debt to Equity ratio	50.8%	49.2%	-1.58 pp
Net debt/Assets (%)	32.5%	31.9%	-0.60 pp
Equity to Assets ratio	63.9%	64.8%	0.82 pp
Loan to Property value ratio (LTV)	33.3%	32.7%	-0.61 pp
Interest coverage ratio (times)	1.3	1.9	46.76%
Net debt/EBITDA (times)	7.00	4.33	-38.18%
Net Debt/Mcap	114.2%	128.7%	14.46 pp
Headcount	103	144	39.81%

\* Excl. TRY Loans

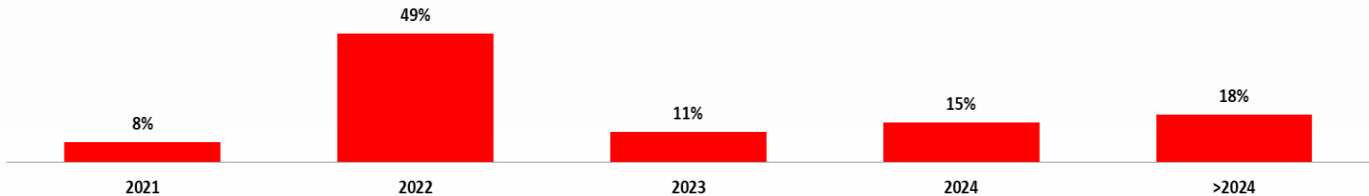
Net Balance Sheet FX Position (000)	31.12.2020	30.09.2021	Change
USD	-42,439	-66,613	56.96%
EUR	-142,867	-110,433	-22.70%
TRY Equivalent	-1,598,455	-1,728,029	8.11%



## Mall Portfolio Encompasses Entire Retail Spectrum

9M 2021	Zafer Plaza	Antalya Deepo	Bursa Korupark	Istanbul Torium	MOI	MOA	Total
Rent + Common Area Revenues (MillionTRY)	23.2	37.9	112.9	42.3	228.6	45.8	490.7
LfL Rent + Common Area Revenue Growth Rate	38.5%	58.7%	41.0%	29.3%	43.6%	136.0%	47.8%
NOI (Million TRY)	17.1	29.9	93.0	20.2	187.1	31.5	378.8
LfL NOI Growth Rate	26.5%	66.4%	44.6%	66.3%	67.0%	306.2%	66.3%
Footfall (Million)	4.1	2.1	4.8	3.0	7.0	1.6	22.7
LfL Footfall Growth Rate	-11.2%	2.8%	-1.2%	-17.4%	1.0%	-3.1%	-4.8%
Retail Sales (Million TRY)	207.3	271.6	839.4	302.5	1,752.0	361.7	3,734.4
LfL Retail Sales Growth Rate	57.0%	103.6%	60.2%	46.5%	73.1%	88.1%	69.7%
Affordability Ratio	8.2%	11.0%	11.1%	6.7%	10.7%	8.7%	10.1%

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





## The Home of the Flagships

Top 10 tenants account for **22.97%** of total GLA and **19.03%** of total fixed rent revenues



- Rank: 1
- GLA: 9,507 (2.3%)
- 2.4% of Monthly Fixed Rent



- Rank: 2
- GLA: 15,380 (3.8%)
- 2.3% of Monthly Fixed Rent



- Rank: 3
- GLA: 19,972 (4.9%)
- 2.3% of Monthly Fixed Rent



- Rank: 4
- GLA: 15,020 (3.7%)
- 2.2% of Monthly Fixed Rent



- Rank: 5
- GLA: 2,863 (0.7%)
- 2.1% of Monthly Fixed Rent



- Rank: 6
- GLA: 7,955 (1.9%)
- 2.1% of Monthly Fixed Rent



- Rank: 7
- GLA: 3,655 (0.9%)
- 1.6% of Monthly Fixed Rent



- Rank: 8
- GLA: 8,738 (2.1%)
- 1.4% of Monthly Fixed Rent



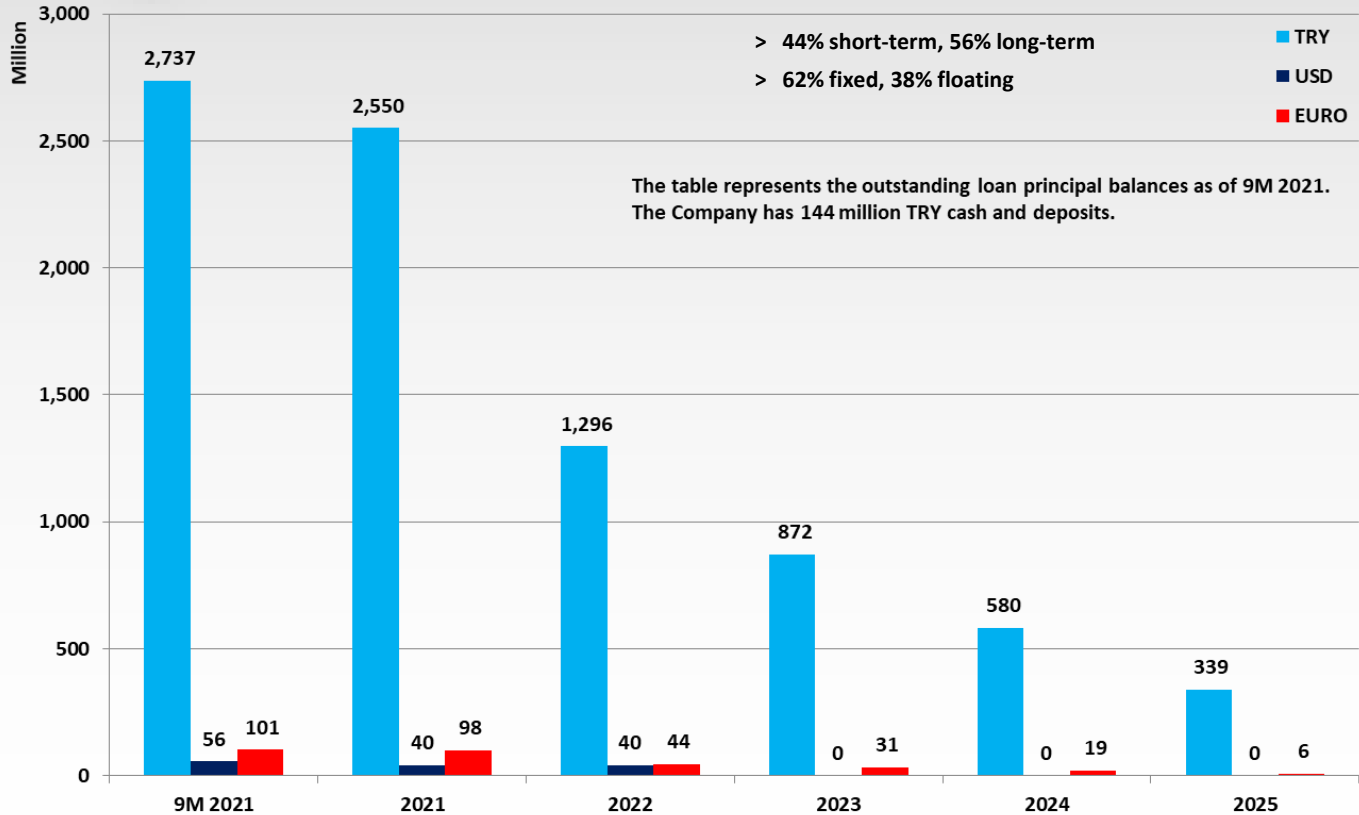
- Rank: 9
- GLA: 4,935 (1.2%)
- 1.3% of Monthly Fixed Rent



- Rank: 10
- GLA: 5,895 (1.4%)
- 1.3% of Monthly Fixed Rent



## Outstanding Bank Loans as of 9M 2021





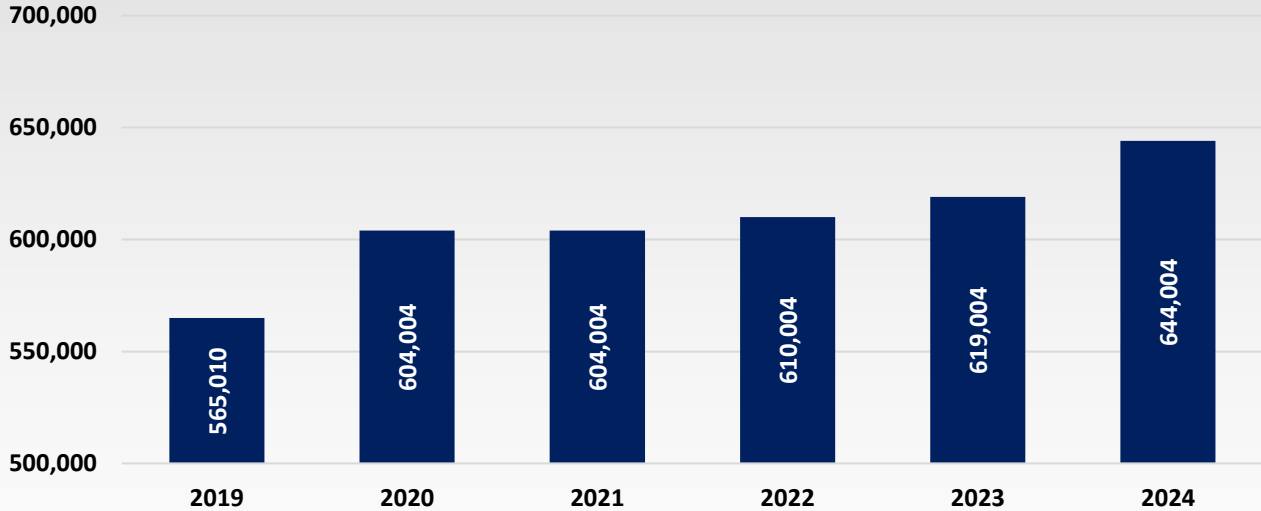
## Project Pipeline – CAPEX (million TRY)

CAPEX	Budget	Actual Spent to Date	2021	2022	2023	2024	2025
Torun Center - East Tower	112.5	0.0	23.7	88.8	0.0	0.0	0.0
Karaköy Hotel	83.4	10.5	16.6	56.3	0.0	0.0	0.0
5. Levent Phase 2	920.6	0.0	118.7	408.3	280.7	113.0	0.0
Mall of Antalya - Hotel	94.5	0.0	0.0	44.4	50.1	0.0	0.0
Paşabahçe Bosphorus Project	945.3	38.5	23.2	177.5	401.0	305.1	0.0
<b>TOTAL</b>	<b>2,156.3</b>	<b>49.0</b>	<b>182.2</b>	<b>775.2</b>	<b>731.8</b>	<b>418.1</b>	<b>0.0</b>





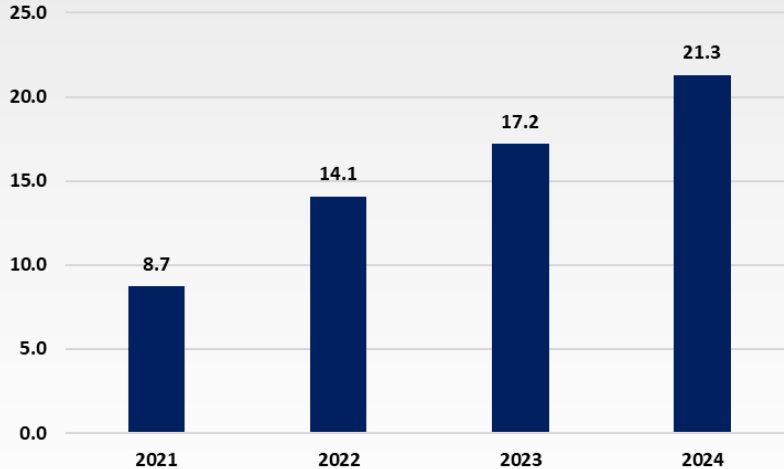
## Total GLA in Years (m<sup>2</sup>)



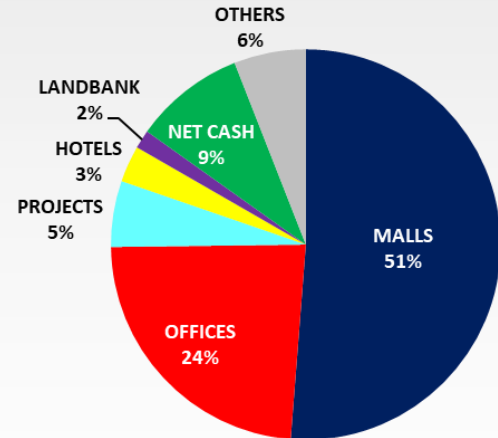
Year	New GLA (m <sup>2</sup> )	Asset
2022	6,000	-Karaköy Hotel
2023	9,000	-Mall of Antalya Hotel
2024	25,000	-Paşabahçe Hotel



## NAV Evolution (Billion TRY)



## 2024 NAV Breakdown



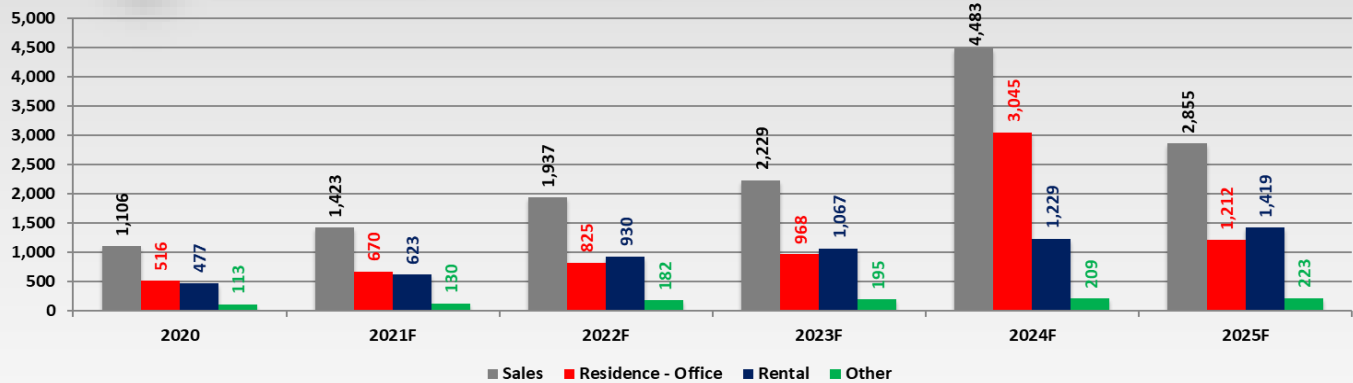


## FUTURE OUTLOOK- 2021 Forecast Income Statement (TRY)

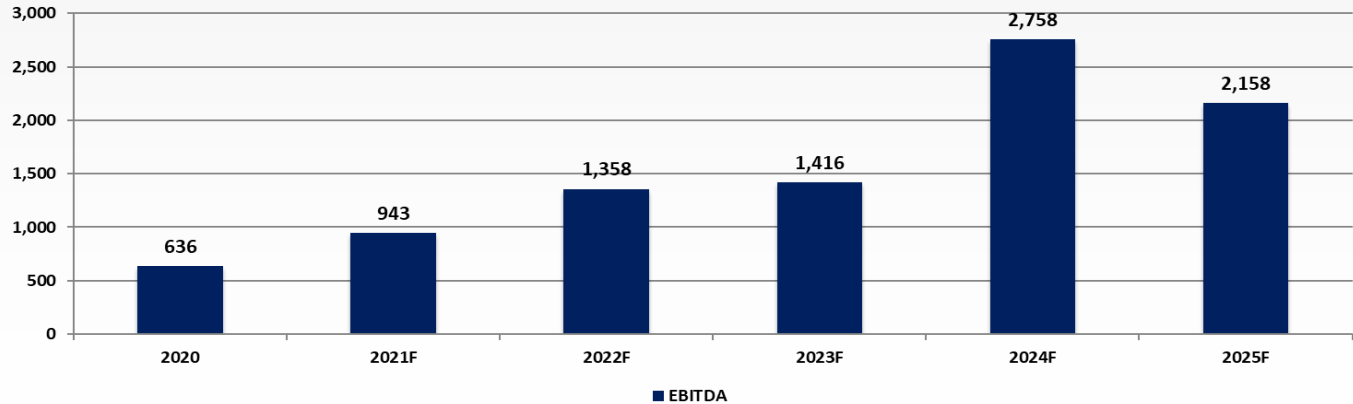
(000) TRY	2020	2021F	Change
<b>Sales</b>	<b>1,105,948</b>	<b>1,440,139</b>	<b>30.2%</b>
Residence & Office	516,168	669,855	29.8%
Mall & Office rental	476,542	615,122	29.1%
Hotel revenue	3,889	25,163	547.0%
Common area revenues & Other revenues	109,349	130,000	18.9%
<b>Cost of sales</b>	<b>(430,033)</b>	<b>(460,118)</b>	<b>7.0%</b>
Cost of Residence & Office sales	(287,827)	(263,681)	-8.4%
Rent expenses and management fees of shopping malls	(11,511)	(18,823)	63.5%
Hotel expenses	(2,206)	(17,614)	698.5%
Common area expenses & Other expenses	(128,489)	(160,000)	24.5%
<b>Gross profit</b>	<b>675,915</b>	<b>980,022</b>	<b>45.0%</b>
<i>Gross Margin</i>	61.1%	68.1%	6.93 pp
<i>Gross Margin (Residence &amp; Office)</i>	44.2%	60.6%	16.40 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	75.9%	74.5%	-1.39 pp
<b>Opex</b>	<b>(83,352)</b>	<b>(80,000)</b>	<b>-4.0%</b>
General & Admin expenses	(57,707)	(55,000)	-4.7%
Marketing & Selling expenses	(25,645)	(25,000)	-2.5%
Other income (expenses)	7,494	0	NM
Net gain (loss) fair value adjustments on investment property	693,821	0	-100.0%
<b>Operating profit</b>	<b>1,293,878</b>	<b>900,022</b>	<b>-30.4%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>600,057</b>	<b>900,022</b>	<b>50.0%</b>
Dividends received from associates	34,075	39,050	14.6%
<b>EBIT</b>	<b>634,132</b>	<b>939,071</b>	<b>48.1%</b>
<i>EBIT margin (%)</i>	57.3%	65.2%	7.87 pp
Depreciation	1,967	3,438	74.8%
<b>EBITDA</b>	<b>636,099</b>	<b>942,509</b>	<b>48.2%</b>
<i>EBITDA margin (%)</i>	57.5%	65.4%	7.93 pp
Gain (Loss) from associates	8,692	35,000	302.7%
Net financial interest income (expense)	(494,750)	(510,000)	3.1%
Other net financial income (expense)	(55,900)	0	NM
Forex gain (loss)	(492,994)	(210,000)	-57.4%
Profit before tax	<b>293,001</b>	<b>254,071</b>	<b>-13.3%</b>
Corporate tax	0	0	NM
<b>Net profit</b>	<b>293,001</b>	<b>254,071</b>	<b>-13.3%</b>
<i>Net profit margin (%)</i>	26.5%	17.6%	-8.85 pp
<b>Net profit / loss excl. fair value gains</b>	<b>(400,820)</b>	<b>254,071</b>	<b>NM</b>



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



*Note: The net amount of hotel revenue and expenses is added to rental revenues between 2021-2025*





## Cash Flow Statement (5-Year Forecast)

Cash Flow Statement (Forecast)	2021	2022	2023	2024	2025
Cash at the beginning of the term	173,253,000	238,912,423	257,874,878	1,204,990,282	2,859,565,936
<b>CASH FLOW FROM OPERATIONS</b>					
From Mall Rentals (NOI) (+)	461,438,882	717,147,254	798,337,485	888,954,697	951,181,526
From Office Rentals (+)	134,262,570	163,366,453	190,198,424	216,337,738	240,726,180
From Hotel Rentals (+)	7,548,930	15,459,998	40,215,643	81,084,650	181,743,675
From Residence Pre-Sales and Sales (+)	1,131,854,555	2,046,571,650	1,806,998,220	1,734,501,600	0
Change in Trade Receivables (+)	36,000,000	0	0	0	0
Operational Expenses (-)	80,000,000	100,751,300	107,803,891	115,350,163	123,424,675
<b>Net Cash Flow from Operations</b>	<b>1,691,104,938</b>	<b>2,841,794,055</b>	<b>2,727,945,882</b>	<b>2,805,528,522</b>	<b>1,250,226,706</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Construction Costs ( - )	188,186,494	775,186,209	731,825,000	418,100,000	0
Shopping Mall Renewal Costs ( - )	8,000,000	7,000,000	6,000,000	6,000,000	6,000,000
<b>Net Cash Flow from Investing Activities</b>	<b>-196,186,494</b>	<b>-782,186,209</b>	<b>-737,825,000</b>	<b>-424,100,000</b>	<b>-6,000,000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Cash Receipt from	1,039,049,950	43,345,445	46,379,626	49,626,199	53,100,033
Cash Paid for ( - )	2,468,308,971	2,083,990,836	1,089,385,104	776,479,067	684,169,788
<b>Net Cash Flow from Financing Activities</b>	<b>-1,429,259,021</b>	<b>-2,040,645,391</b>	<b>-1,043,005,478</b>	<b>-726,852,868</b>	<b>-631,069,754</b>
Cash Generated Throughout the Term	65,659,423	18,962,455	947,115,403	1,654,575,654	613,156,951
<b>Net Cash at End of Term</b>	<b>238,912,423</b>	<b>257,874,878</b>	<b>1,204,990,282</b>	<b>2,859,565,936</b>	<b>3,472,722,888</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

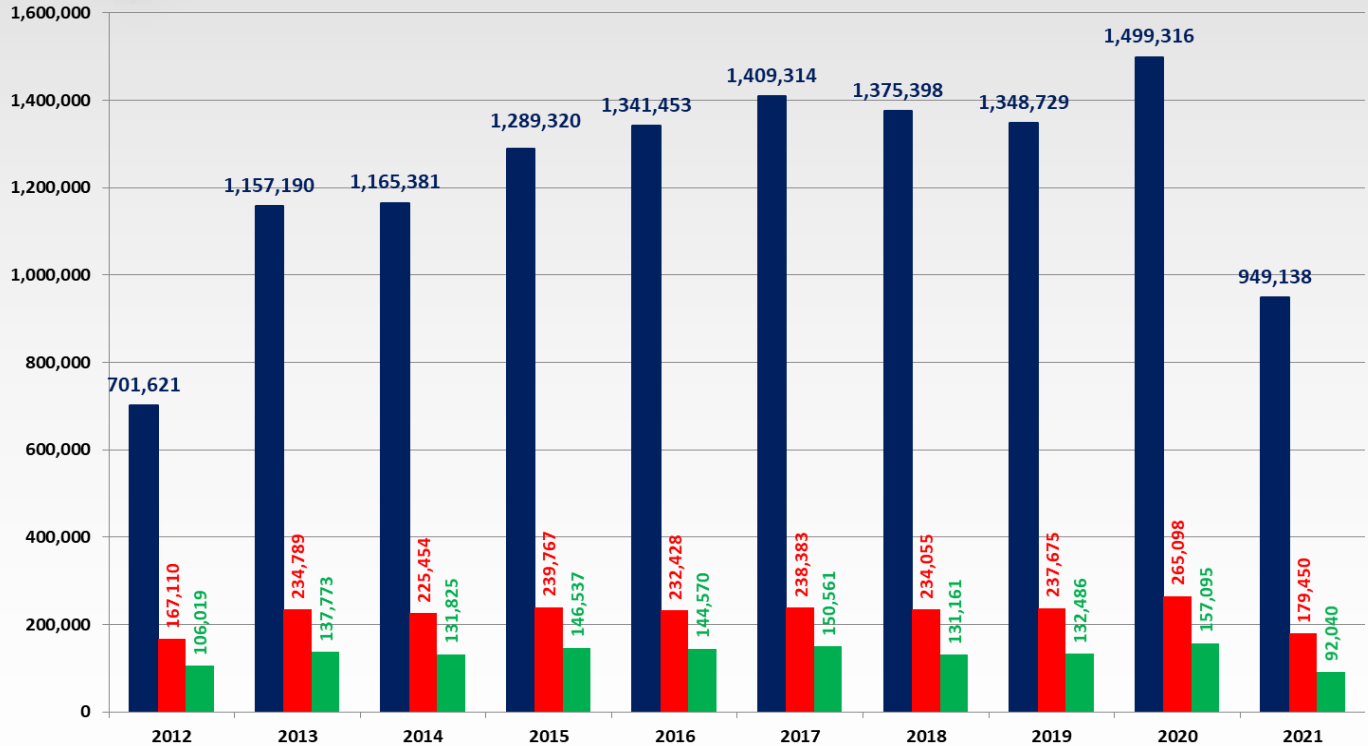
## Housing Needs in Turkey, 2014-2020

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) (9M 2021)

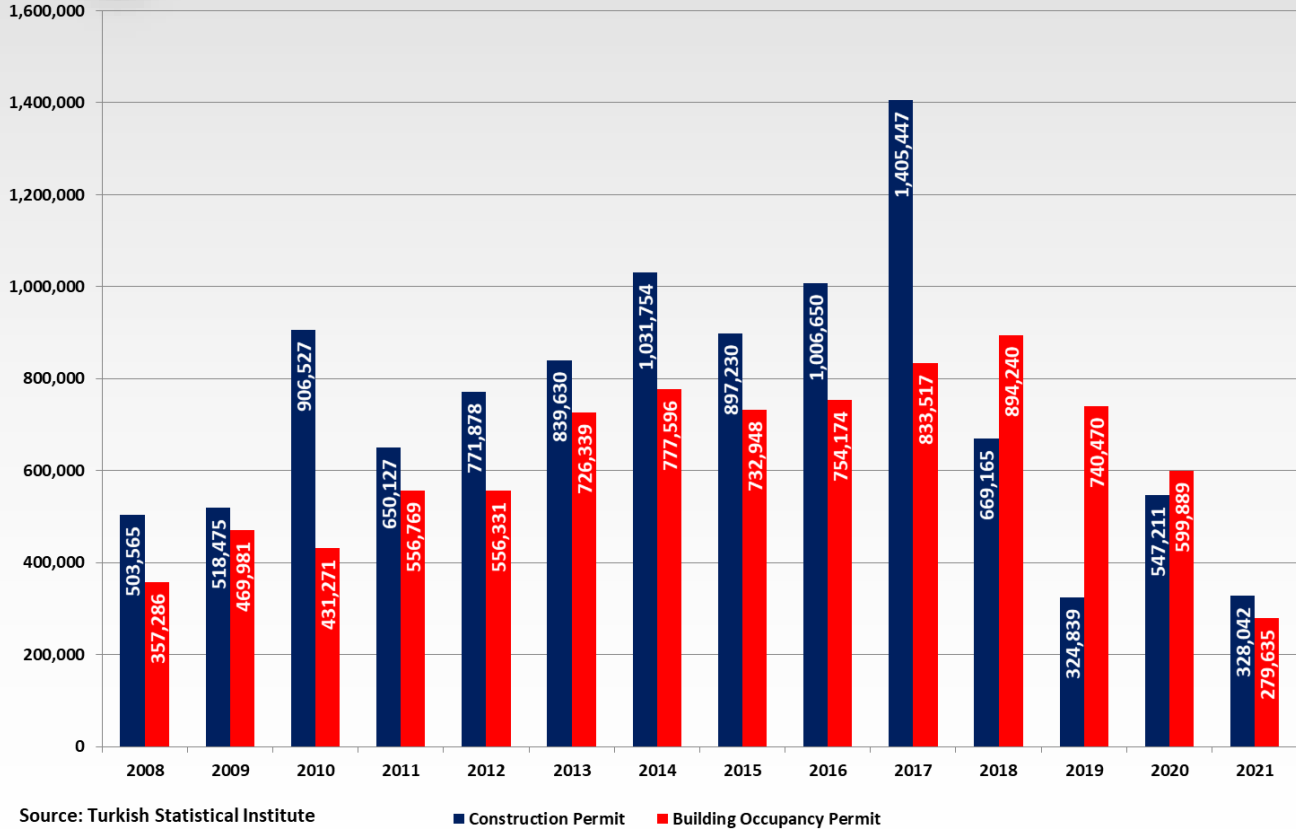


Source: Turkish Statistical Institute

■ TURKEY ■ ISTANBUL ■ ANKARA



## TURKEY REAL ESTATE MARKET REVIEW – Turkey Residential Permits (in units) (H1 2021)







## TURKEY REAL ESTATE MARKET REVIEW – Existing Inventory (H1 2021)

	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	740,470	511,682	228,788	30.9%
2020	599,889	469,740	130,149	21.7%
H1 2021	279,635	167,878	111,757	40.0%
<b>TOTAL</b>	<b>6,338,808</b>	<b>4,761,606</b>	<b>1,577,202</b>	<b>24.9%</b>

Source: Turkish Statistical Institute



## TURKEY REAL ESTATE MARKET REVIEW – Shopping Mall Development

CURRENT STATUS		ACTIVE	UNDER CONSTRUCTION (to be completed by end-2022)	TOTAL
İSTANBUL	UNIT	133	13	146
	GLA (M <sup>2</sup> )	5,094,890	434,486	5,529,376
ANKARA	UNIT	44	2	46
	GLA (M <sup>2</sup> )	1,686,964	57,000	1,743,964
OTHER CITIES	UNIT	270	14	284
	GLA (M <sup>2</sup> )	6,809,293	466,417	7,275,710
TURKEY	QUANTITY	447	29	476
	GLA (M <sup>2</sup> )	13,591,147	957,903	14,549,050

NEW SHOPPING MALL SUPPLY	TO BE ACTIVE AT THE END OF THE PERIOD		EXPECTED TO BE COMPLETED AT THE END OF THE PERIOD	
	UNIT	GLA (M <sup>2</sup> )	UNIT	GLA (M <sup>2</sup> )
2021	468	14,300,380	21	709,233
2022	476	14,549,050	8	248,670

RETAIL DENSITY (2020 YEAR-END)	GLA (M <sup>2</sup> ) (Per 1,000 persons)
İSTANBUL	328
ANKARA	299
OTHER CITIES	110
<b>TURKEY</b>	<b>163</b>

Source: JLL and REIDIN - GYODER



## 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 (to be completed by end-2023)	TOTAL	
EUROPEAN - SIDE	CBD	UNIT	88	3	91
		GLA (M <sup>2</sup> )	1,923,031	184,400	2,107,431
	NON-CBD	UNIT	55	2	57
		GLA (M <sup>2</sup> )	1,620,435	165,000	1,785,435
ASIAN - SIDE	UNIT	111	13	124	
	GLA (M <sup>2</sup> )	2,097,545	1,443,980	3,541,525	
<b>TOTAL</b>		<b>UNIT</b>	<b>254</b>	<b>18</b>	<b>272</b>
		<b>GLA (M<sup>2</sup>)</b>	<b>5,641,011</b>	<b>1,793,380</b>	<b>7,434,391</b>

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

Source: JLL



## FINANCIAL STATEMENT - Income Statement

(000) TRY	Q3 2020	Q3 2021	Change
<b>Sales</b>	<b>325,772</b>	<b>427,650</b>	<b>31.3%</b>
Residence & Office	167,259	136,857	-18.2%
Mall & Office rental	129,242	221,435	71.3%
Common area revenues & Other revenues	29,271	49,580	69.4%
Hotel revenue	0	19,778	NM
<b>Cost of sales</b>	<b>(126,299)</b>	<b>(104,400)</b>	<b>-17.3%</b>
Cost of Residence & Office sales	(87,389)	(42,693)	-51.1%
Rent expenses and management fees of shopping malls	(956)	(7,384)	672.4%
Common area expenses & Other expenses	(37,954)	(47,471)	25.1%
Hotel expenses	0	(6,852)	NM
<b>Gross profit</b>	<b>199,473</b>	<b>323,250</b>	<b>62.1%</b>
<i>Gross Margin</i>	<i>61.2%</i>	<i>75.6%</i>	<i>14.36 pp</i>
<i>Gross Margin (Residence &amp; Office)</i>	<i>47.8%</i>	<i>68.8%</i>	<i>21.05 pp</i>
<i>Gross Margin (Mall &amp; Office rental)</i>	<i>75.5%</i>	<i>78.8%</i>	<i>3.33 pp</i>
<i>Gross Margin (Hotel)</i>	<i>-</i>	<i>65.4%</i>	<i>NM</i>
<b>Opex</b>	<b>(14,320)</b>	<b>(24,029)</b>	<b>67.8%</b>
General & Admin expenses	(10,819)	(20,768)	92.0%
Marketing & Selling expenses	(3,501)	(3,261)	-6.9%
Other income (expenses)	1,206	(2,572)	-313.3%
Net gain (loss) fair value adjustments on investment property	0	0	NM
<b>Operating profit</b>	<b>186,359</b>	<b>296,649</b>	<b>59.2%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>186,359</b>	<b>296,649</b>	<b>59.2%</b>
Dividends received from associates	0	0	NM
<b>EBIT</b>	<b>186,359</b>	<b>296,649</b>	<b>59.2%</b>
<i>EBIT margin (%)</i>	<i>57.2%</i>	<i>69.4%</i>	<i>12.16 pp</i>
Depreciation	1,696	5,093	200.3%
<b>EBITDA</b>	<b>188,055</b>	<b>301,742</b>	<b>60.5%</b>
<i>EBITDA margin (%)</i>	<i>57.7%</i>	<i>70.6%</i>	<i>12.83 pp</i>
Gain (Loss) from associates excluding dividend received	12,307	17,536	42.5%
Net financial interest income (expense)	(87,031)	(168,559)	93.7%
Other net financial income (expense)	0	31,320	NM
Forex gain (loss)	(288,851)	(23,370)	-91.9%
<b>Profit / Loss before tax</b>	<b>(177,216)</b>	<b>153,576</b>	<b>NM</b>
Corporate tax	0	0	NM
<b>Net profit / loss</b>	<b>(177,216)</b>	<b>153,576</b>	<b>NM</b>
<i>Net profit margin (%)</i>	<i>-54.4%</i>	<i>35.9%</i>	<i>NM</i>
<b>Net profit / loss excl. fair value gains</b>	<b>(177,216)</b>	<b>153,576</b>	<b>NM</b>



## FINANCIAL STATEMENT - Income Statement

(000) TRY	9M 2020	9M 2021	Change
<b>Sales</b>	<b>776,417</b>	<b>1,023,173</b>	<b>31.8%</b>
Residence & Office	354,988	394,310	11.1%
Mall & Office rental	340,986	488,058	43.1%
Common area revenues & Other revenues	80,443	106,851	32.8%
Hotel revenue	0	33,954	NM
<b>Cost of sales</b>	<b>(332,337)</b>	<b>(250,801)</b>	<b>-24.5%</b>
Cost of Residence & Office sales	(220,310)	(132,974)	-39.6%
Rent expenses and management fees of shopping malls	(7,859)	(13,400)	70.5%
Common area expenses & Other expenses	(104,168)	(90,900)	-12.7%
Hotel expenses	0	(13,527)	NM
<b>Gross profit</b>	<b>444,080</b>	<b>772,372</b>	<b>73.9%</b>
<i>Gross Margin</i>	57.2%	75.5%	18.29 pp
<i>Gross Margin (Residence &amp; Office)</i>	37.9%	66.3%	28.34 pp
<i>Gross Margin (Mall &amp; Office rental)</i>	73.4%	81.3%	7.85 pp
<i>Gross Margin (Hotel)</i>	-	60.2%	NM
<b>Opex</b>	<b>(50,138)</b>	<b>(61,643)</b>	<b>22.9%</b>
General & Admin expenses	(24,959)	(54,933)	120.1%
Marketing & Selling expenses	(25,179)	(6,710)	-73.4%
Other income (expenses)	829	(4,442)	NM
Net gain (loss) fair value adjustments on investment property	0	0	NM
<b>Operating profit</b>	<b>394,771</b>	<b>706,287</b>	<b>78.9%</b>
<b>Operating profit excluding fair value adjustment</b>	<b>394,771</b>	<b>706,287</b>	<b>78.9%</b>
Dividends received from associates	34,075	34,243	0.5%
<b>EBIT</b>	<b>428,846</b>	<b>740,530</b>	<b>72.7%</b>
<i>EBIT margin (%)</i>	55.2%	72.4%	17.14 pp
Depreciation	2,232	13,000	482.4%
<b>EBITDA</b>	<b>431,078</b>	<b>753,530</b>	<b>74.8%</b>
<i>EBITDA margin (%)</i>	55.5%	73.6%	18.12 pp
Gain (Loss) from associates excluding dividend received	(9,067)	3,977	NM
Net financial interest income (expense)	(345,505)	(399,337)	15.6%
Other net financial income (expense)	0	55,906	NM
Forex gain (loss)	(518,697)	(333,914)	-35.6%
<b>Profit / Loss before tax</b>	<b>(444,423)</b>	<b>67,162</b>	<b>NM</b>
Corporate tax	0	0	NM
<b>Net profit / loss</b>	<b>(444,423)</b>	<b>67,162</b>	<b>NM</b>
<i>Net profit margin (%)</i>	-57%	6.6%	NM
<b>Net profit / loss excl. fair value gains</b>	<b>(444,423)</b>	<b>67,162</b>	<b>NM</b>

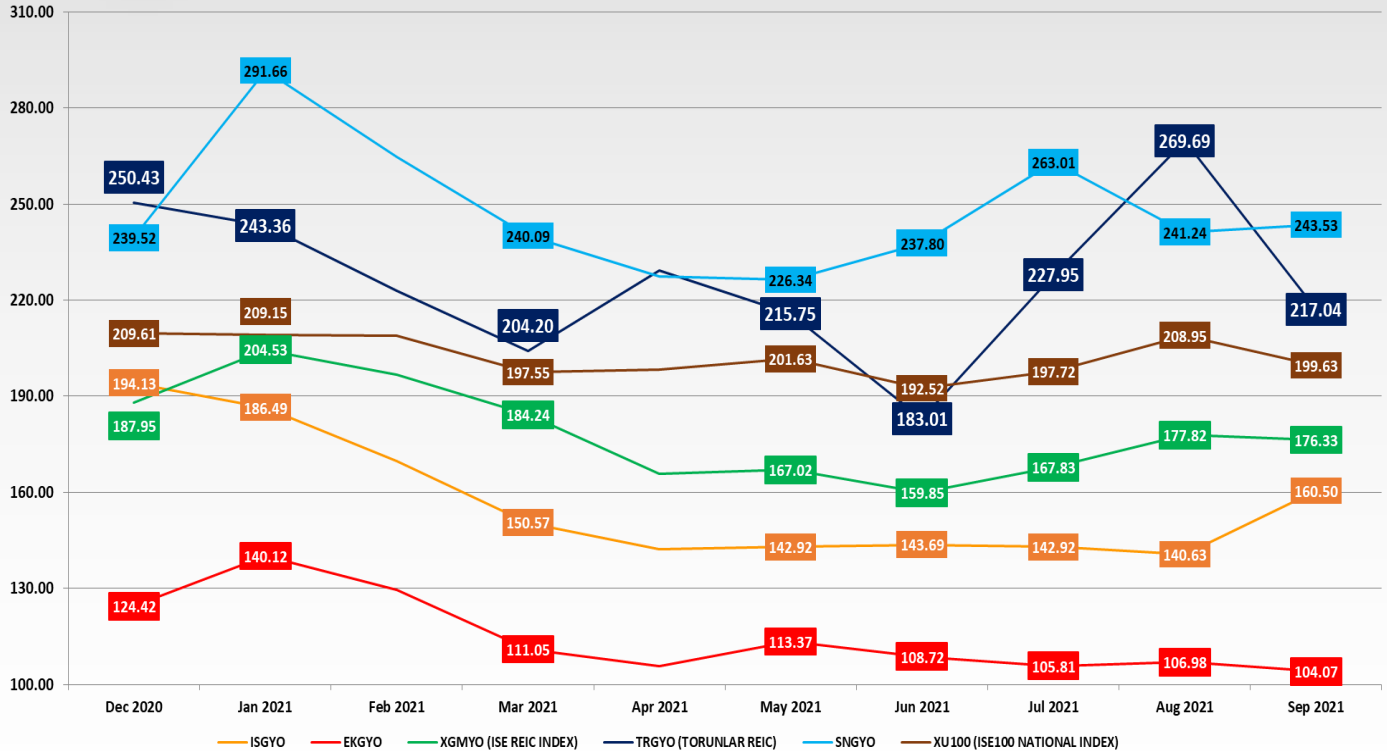


## FINANCIAL STATEMENT - Balance Sheet

(000 TRY)	2020	2021/9M	Change
Cash and cash equivalents	143,276	144,482	0.8%
Financial assets	29,977	0	-100.0%
Trade & Other receivables	100,971	167,761	66.1%
Inventories	923,299	790,773	-14.4%
Prepaid expenses	13,319	5,902	-55.7%
Other current assets	10,764	17,937	66.6%
<b>CURRENT ASSETS</b>	<b>1,221,606</b>	<b>1,126,855</b>	<b>-7.8%</b>
Trade & Other receivables	5,804	13,186	127.2%
Investments accounted by equity method	401,643	405,719	1.0%
Investment properties	11,736,607	11,774,633	0.3%
Property, plant and equipment	346,446	320,715	-7.4%
Intangible assets	1,713	2,442	42.6%
Prepaid expenses	968	990	2.3%
<b>NON-CURRENT ASSETS</b>	<b>12,493,181</b>	<b>12,517,685</b>	<b>0.2%</b>
<b>TOTAL ASSETS</b>	<b>13,714,787</b>	<b>13,644,540</b>	<b>-0.5%</b>
Short-term borrowings	1,647,691	1,361,311	-17.4%
ST portion of LT borrowings	532,244	632,569	18.8%
Trade payables	71,429	74,581	4.4%
Other payables	88,972	57,018	-35.9%
Deferred income	72,636	141,833	95.3%
Others	82,774	39,153	-52.7%
<b>CURRENT LIABILITIES</b>	<b>2,495,746</b>	<b>2,306,465</b>	<b>-7.6%</b>
Long-term borrowings	2,447,393	2,499,530	2.1%
Long-term provisions for employee benefits	1,466	1,466	0.0%
Others	265	0	-100.0%
<b>NON-CURRENT LIABILITIES</b>	<b>2,449,124</b>	<b>2,500,996</b>	<b>2.1%</b>
Share capital	1,000,000	1,000,000	0.0%
Share premium	25,770	25,770	0.0%
Legal reserves	74,421	74,421	0.0%
Treasury shares (-)	-5,930	-5,930	0.0%
Prior years' profit	7,382,655	7,675,656	4.0%
Net profit / loss for the period	293,001	67,162	-77.1%
<b>TOTAL EQUITY</b>	<b>8,769,917</b>	<b>8,837,079</b>	<b>0.8%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13,714,787</b>	<b>13,644,540</b>	<b>-0.5%</b>



## LISTED REIC's - Torunlar REIC Performance (As of 30.09.2021)



IPO Date (October 2010) = 100





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## Disclaimer

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