



**Akiş REIT 2Q18 Performance Presentation  
August 2018**

# Breaking News

## ✓ **New Investment Project**

- ✓ The project is located in the uprising Aldgate region (London) which is 20-25 min away from central London
- ✓ The project includes c.40 residential units most of which will be pre-sold to Asian investors
- ✓ The project will be undertaken with 40%/60% equity/debt ratio where the financing will be fully met from banks in the project country

## ✓ **New Credit Facility**

- ✓ Akış REIT has secured a US\$40mn loan from HSBC bank to extend average debt maturity
- ✓ The loan will be repaid over a period of six years with a bullet payment structure

## ✓ **Share Buy Back**

- ✓ Akış REIT initiated a buy-back in 3rd of August in order to protect the right of its investors' from market fluctuation
- ✓ The ceiling amount is 9.500.000 for number of shares and the allocation ceiling for such transaction has been determined as TL30mn
- ✓ The current size of total buy back is 542.792 shares corresponding to 0,0126% of equity

# Breakdown of Portfolio



61,5%



Akasya Shopping Center

23,5%



Akbati Shopping Center

4,6%



Suadiye Beymen

0,6%



Other Assets

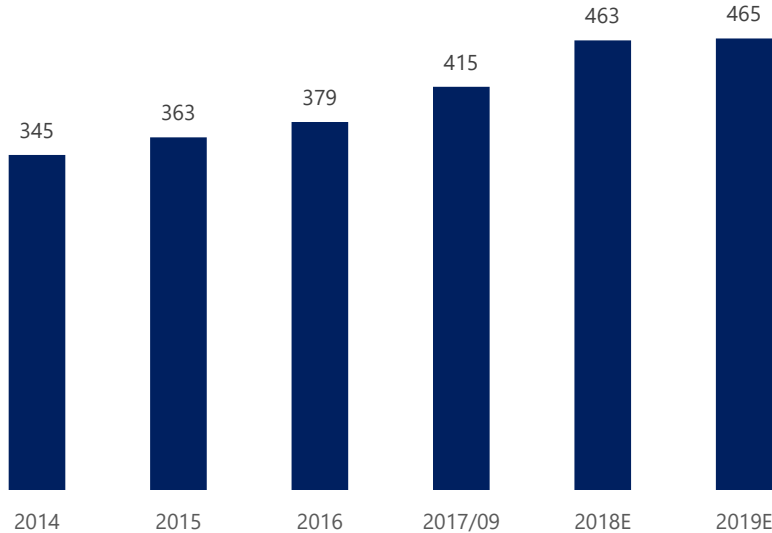
9,8%



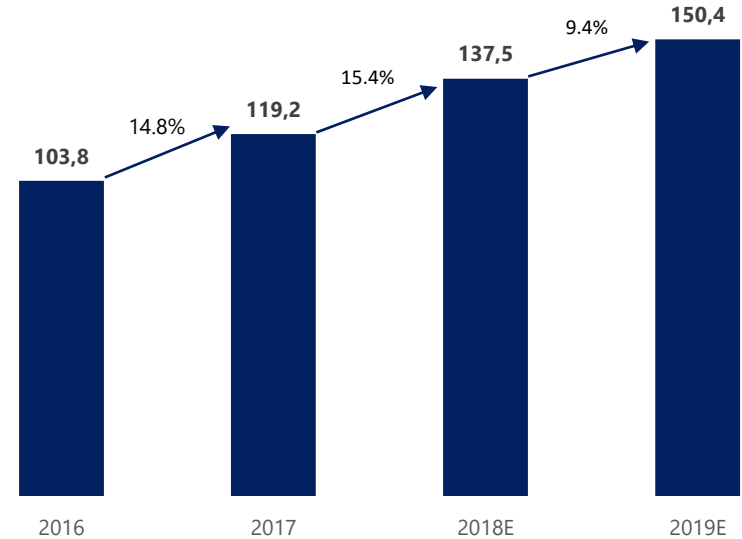
Inventories

# Turkey Shopping Mall Market Overview

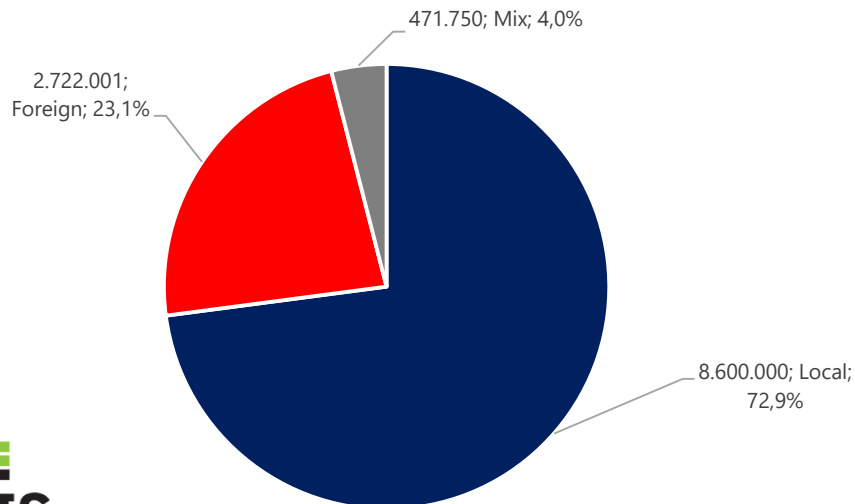
## Number of Shopping Malls



## Shopping Malls Turnover (TLbn)



## Breakdown of Investments by Investor (sqm)



- ✓ Competition is getting more intense every year
- ✓ Planned supply and demand dynamics should be more carefully analysed than ever
- ✓ Shopping Malls are not just malls but living spaces where technology and social media intersect
- ✓ Location; closeness to customer is more important than ever
- ✓ İstanbul is home to c.40% of Gross Leasable Area
- ✓ Akasya Shopping Mall still holds its title as the only almost fully let A+ shopping mall status on the Anatolian side of İstanbul whereas Akbatı Shopping Mall is still the very first and only attraction centre in its hinterland

# Overview of Our Commercial Portfolio



## **Akasya Commercial Center**

Opening Date	2014
Number of Shops	260
Gross Leasable Area (sqm)	80.000
Occupancy Rate	95%
Rent per sqm	US\$66/month
Rent for last Full Year	US\$57mn
International Awards	91

## **Akbatı Commercial Center**

Opening Date	2011
Number of Shops	173
Gross Leasable Area (sqm)	65.500
Occupancy Rate	99%
Rent per sqm	US\$32/month
Rent for last Full Year	US\$23mn
International Awards	87

## **Suadiye Beymen**

Opening Date	2017
Number of Shops	1
Gross Leasable Area (sqm)	c.5.000
Occupancy Rate	100%
Rent per sqm	US\$60/month
Rent for last Full Year	n.a.
International Awards	-

# Akasya Shopping Mall

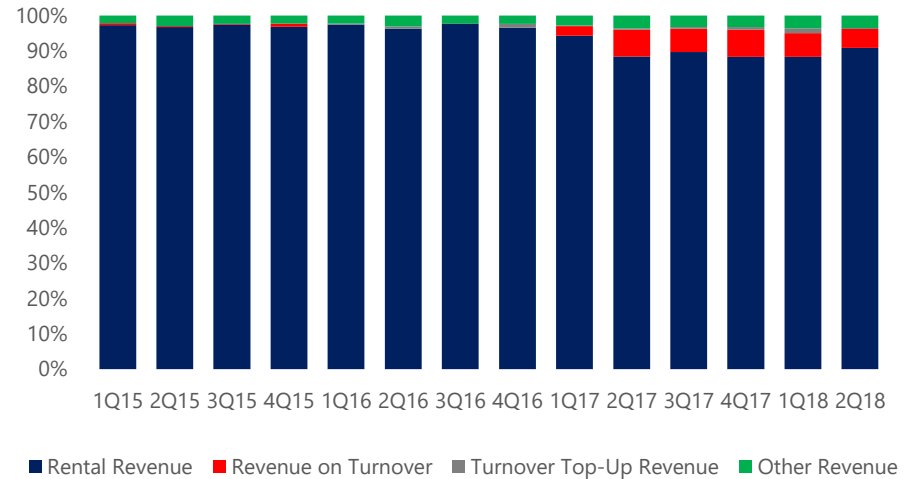


# Akasya Shopping Mall

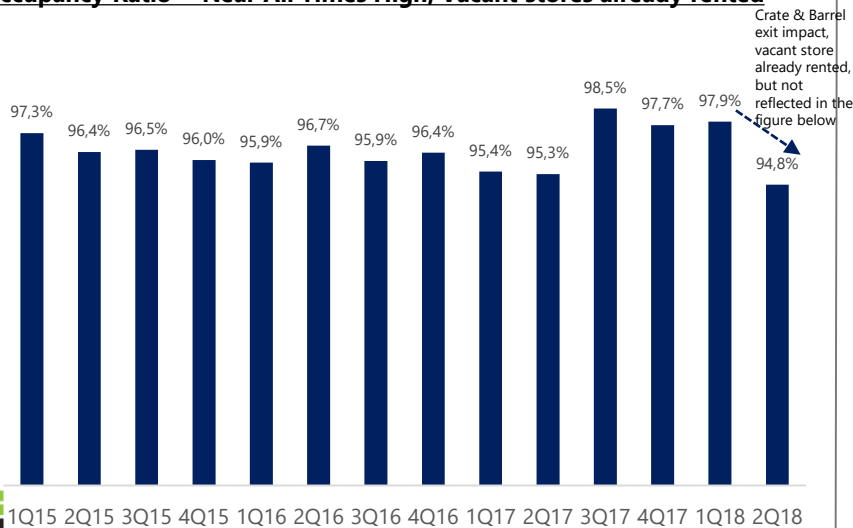
## Akasya Shopping Mall stores' total turnover rose by c.10% in 2Q18 (YoY)



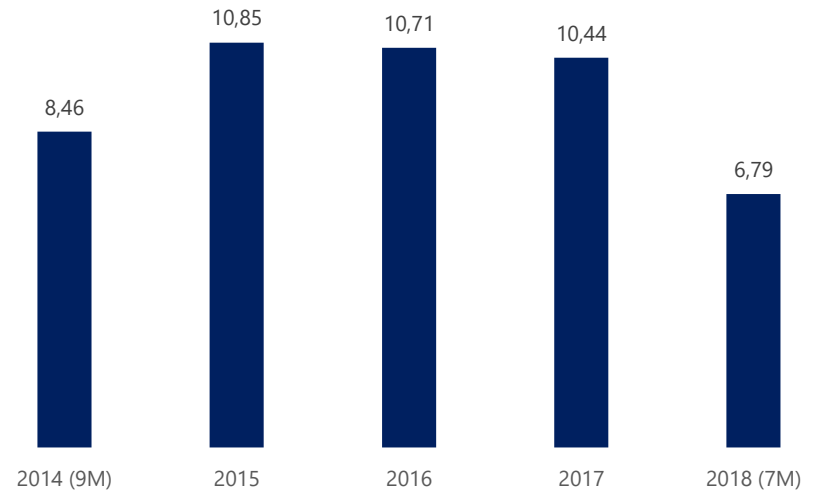
## Income breakdown



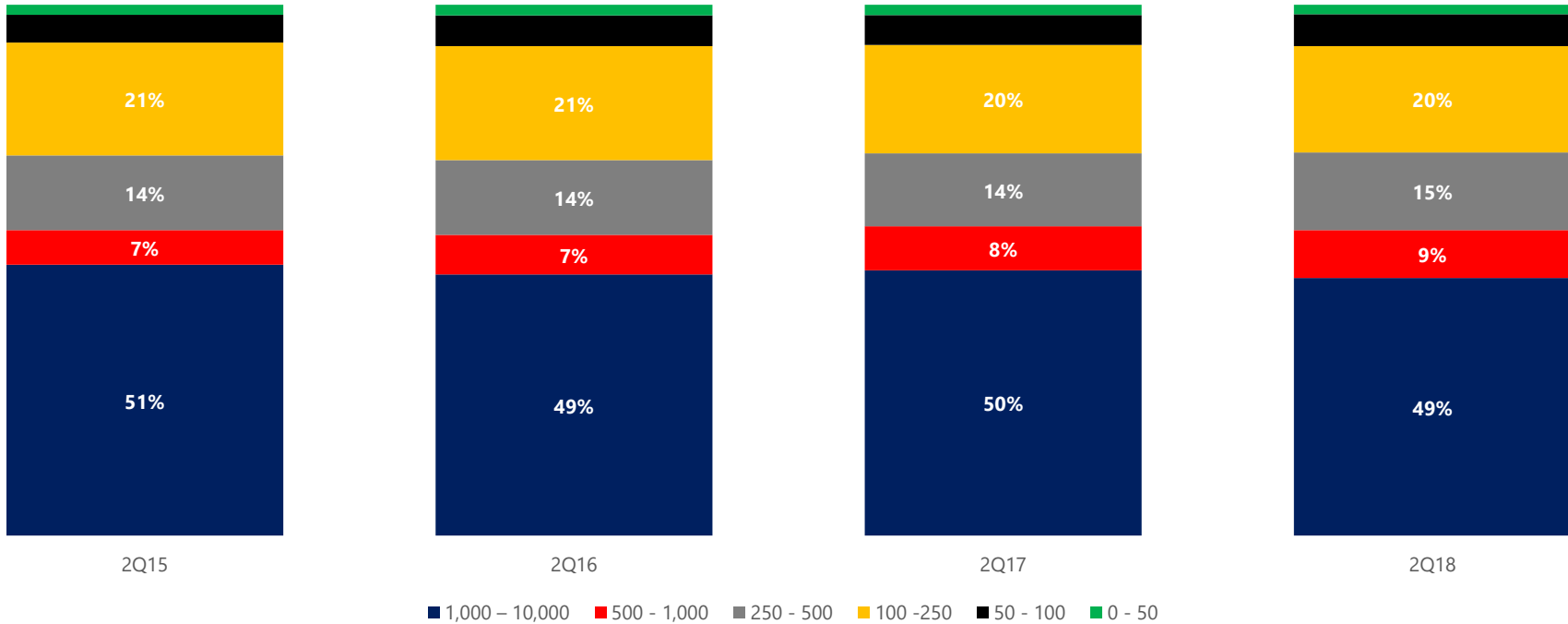
## Occupancy Ratio ~ Near All Times High, Vacant stores already rented



## Average Store Tenure (month)



# Akasya Shopping Mall – Store Mix by Size (sqm)



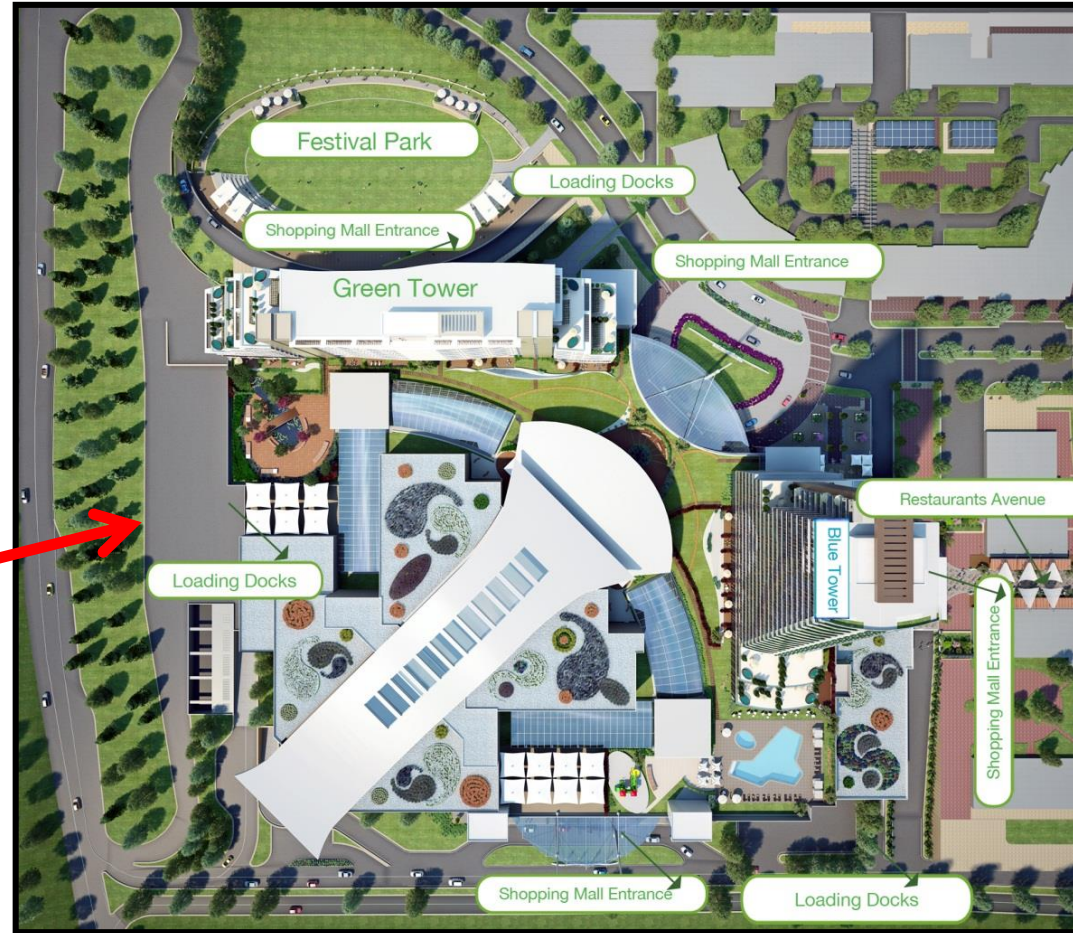
# Akasya Shopping Mall

## Income yield

Akasya Shopping Mall (US\$mn)	2015	2016	2017	2Q18
Revenue	58,4	58,9	57,5	13,4
NOI	44,5	45,0	45,3	10,5
EBITDA	45,5	45,9	46,0	10,7
Latest Appraisal Value	603,8	627,6	631,0	617,2
Yield	7,54%	7,31%	7,30%	<b>7,65%</b>

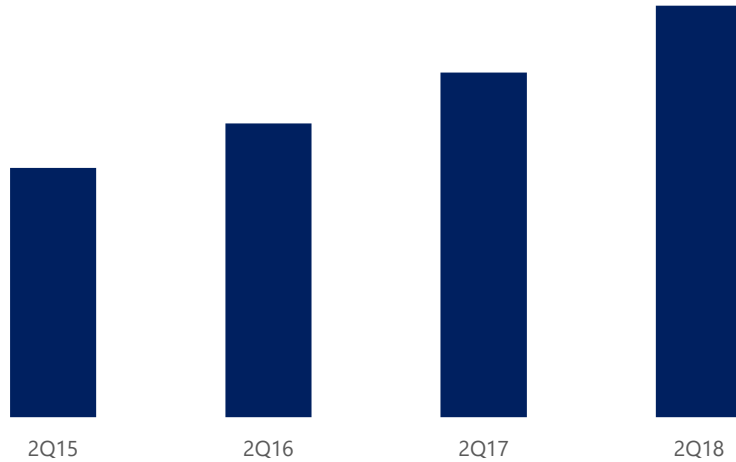
- ✓ Akasya Shopping Mall posted a turnover increase c.10% YoY despite a tiny c.2.4% fall in terms of visitors
- ✓ Yet, there has been slight increase (c.1.4%) in car entrance figure
- ✓ Thus, core Akasya visitors remained almost unchanged
- ✓ Net Operational Margin stood out at c.78.4% vs. c.77.1% average over the last three years due mainly to;
  - ✓ Effective cost management
  - ✓ Rise in complimentary income

# Akbatı Shopping Mall

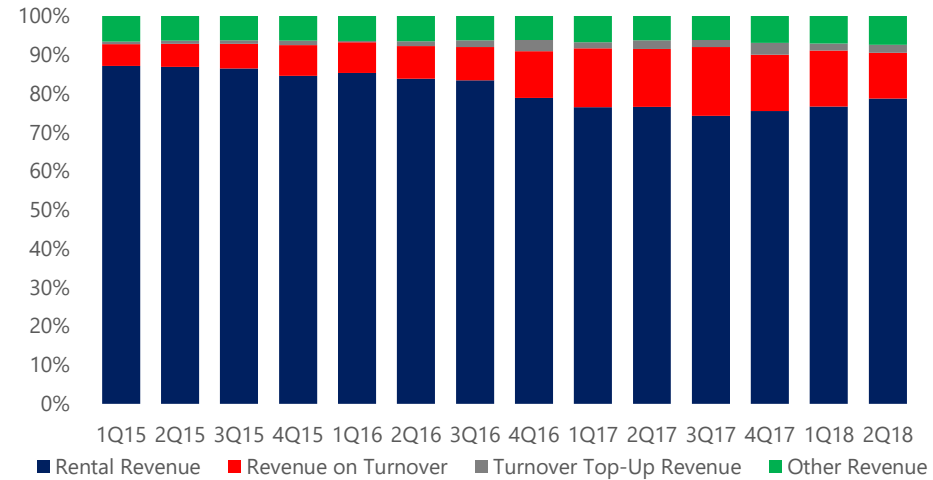


# Akbatı Shopping Mall

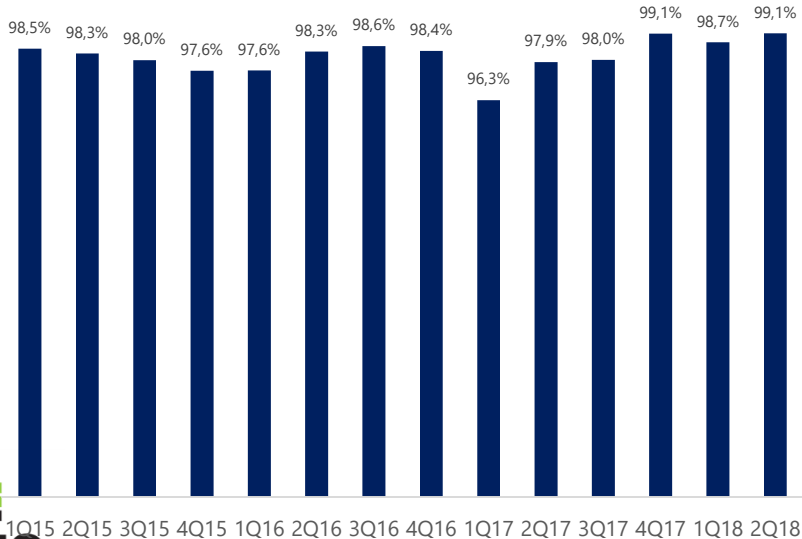
**Akbatı Shopping Mall stores' total turnover rose by c.19% in 2Q18 (YoY)**



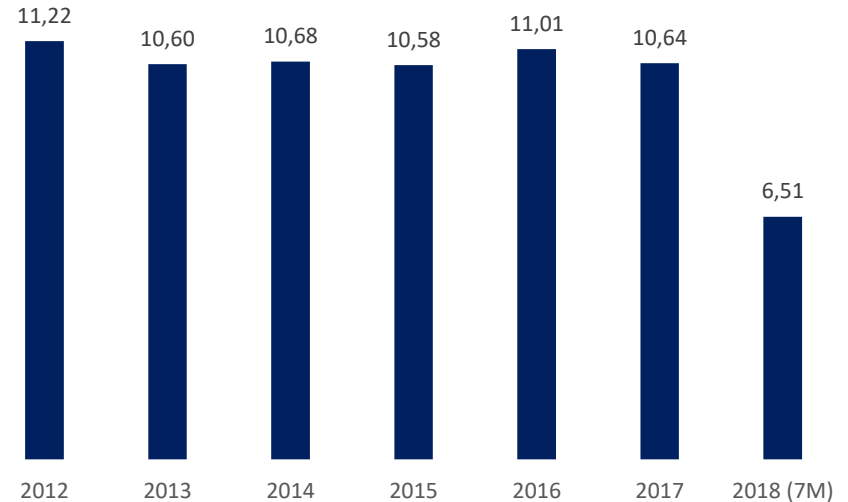
**Income breakdown**



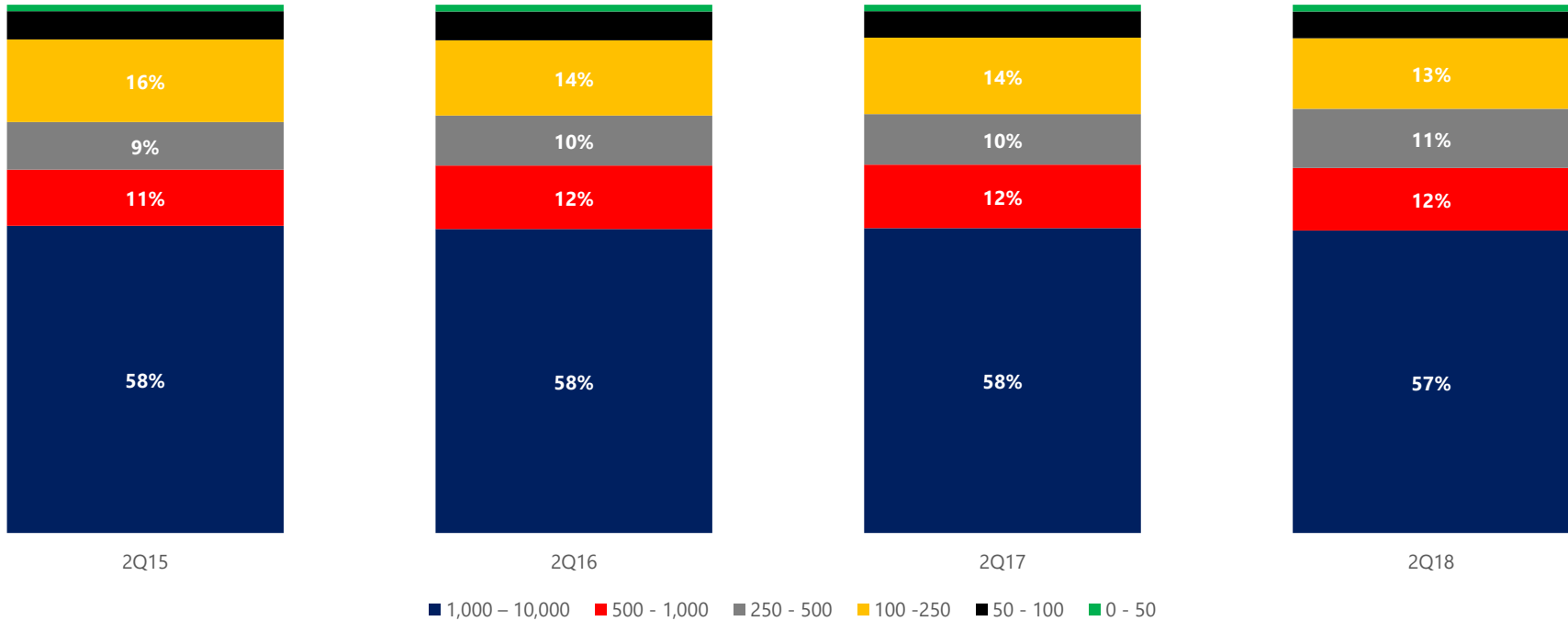
**Occupancy Ratio ~ Near All Times High**



**Average Store Tenure (month)**



# Akbatı Shopping Mall– Store Mix by Size



# Akbatı Shopping Mall

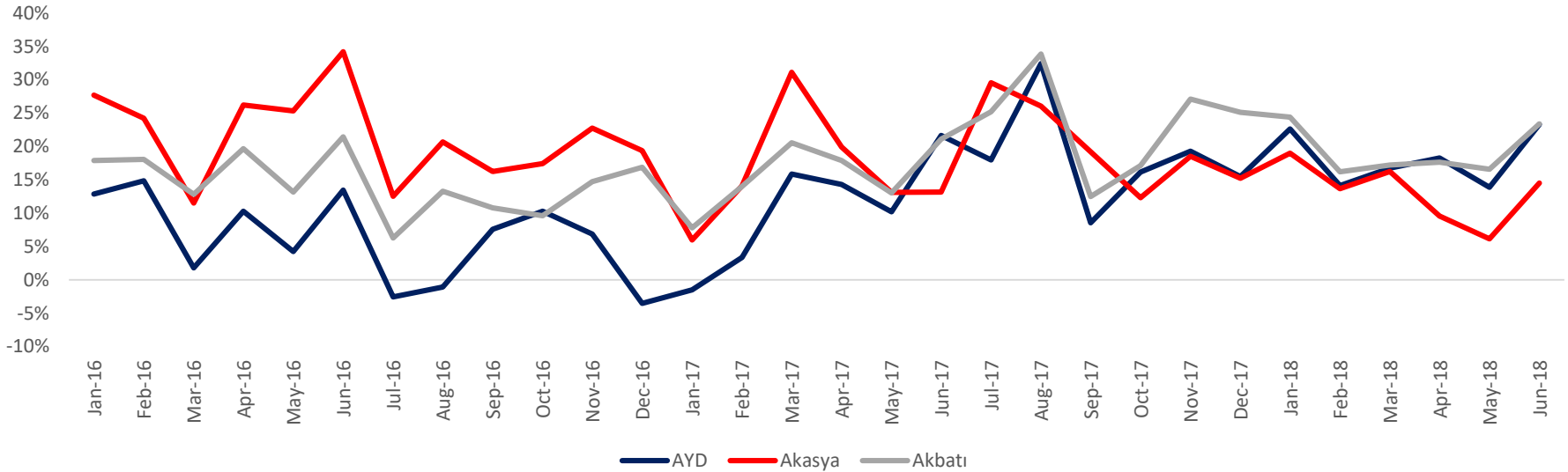
## Income yield

Akbatı Shopping Mall (US\$mn)	2015	2016	2017	2Q18
Revenue	23,8	24,1	23,2	5,7
NOI	16,5	16,7	16,9	4,0
EBITDA	16,6	16,8	17,1	4,1
Latest Appraisal Value	267,4	253,5	239,4	235,3
Yield	6,22%	6,64%	7,13%	<b>6,77%</b>

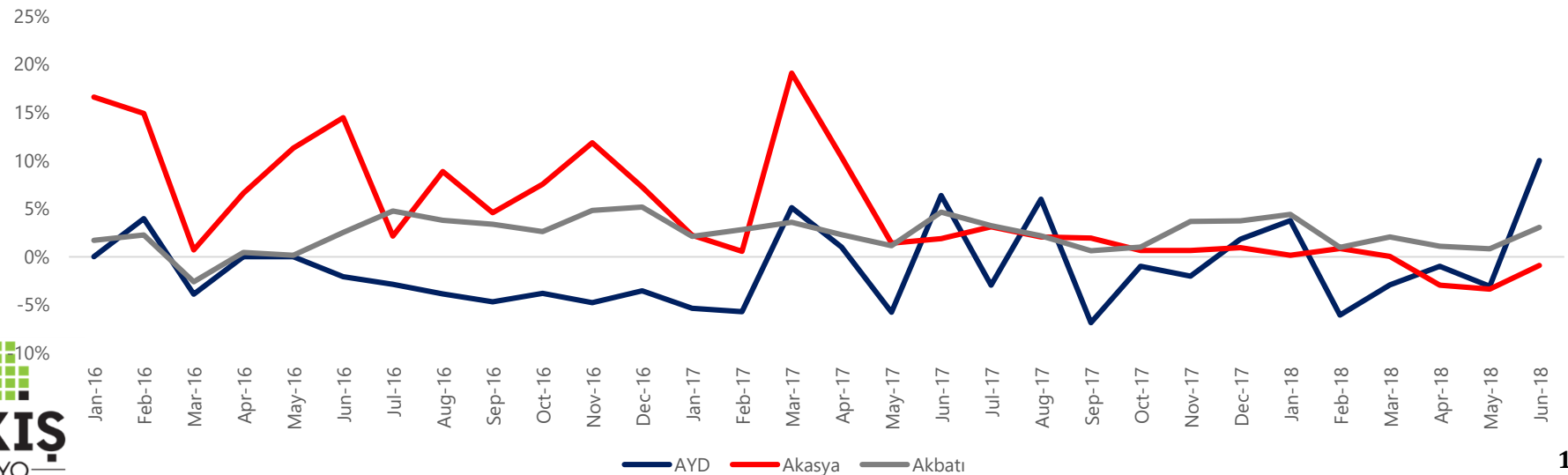
- ✓ Akbatı Shopping Mall posted significant turnover increase (c.19%) YoY coupled with c.2% rise in the # of visitors due to;
  - ✓ Akbatı's unique shopping mall status in its hinterland
- ✓ Net Operational Margin remained around c.71% in line with the average over the last 3 years thanks to ongoing efforts on;
  - ✓ Effective cost management
  - ✓ Rise in complimentary income

# Our Portfolio vs. Market

## Turnover Change YoY



## Visitors Change YoY



# High Street Retail Projects

We are developing four retail oriented units that will fit the texture of the city and reflect the company's vision; in Erenköy, Caddebostan and Suadiye, located on Bağdat Street, one of the most coveted shopping streets in Istanbul with a total investment value of US\$185mn (US\$170mn realized).



Expected Opening Dates: **2018-2019**



Exp. Yearly Rental Income: **USD7mn**



Gross Leasable Area: **12.000 m<sup>2</sup>**  
Gross Sellable Area: **2.000 m<sup>2</sup>**

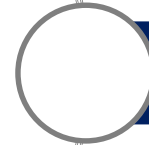


Expected Sales Revenue: **USD16mn**

## Our Track Record on High Street Retail



Opened in September 2017, Suadiye Beymen adds to the prestige of Bağdat Street with its spectacular interior and exterior architecture



15-year lease contract with a well known retailer: Beymen



USD3.6mn rental income per annum  
(c.7.75%) yield based on latest appraisal value)

# Beykoz Projects

We plan on developing a residential/commercial project in Beykoz, one the most upmarket districts in Istanbul, seizing the opportunity of supply deficit in the region. The expected date for the project kick-off is 2019.



Project Kick-Off Date: **2019**



Project Area: **45.000 m<sup>2</sup>**



Total Investment Value: **TL230mn**  
**(TL85mn realized)**



**Expected IRR: 25%** (in TL terms)



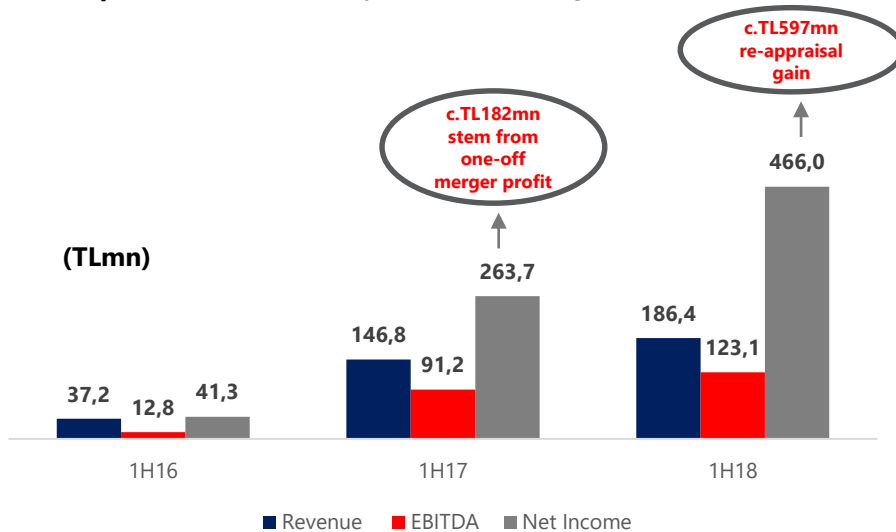
Expected Project Income: **TL350mn**

## Investment Rationale:

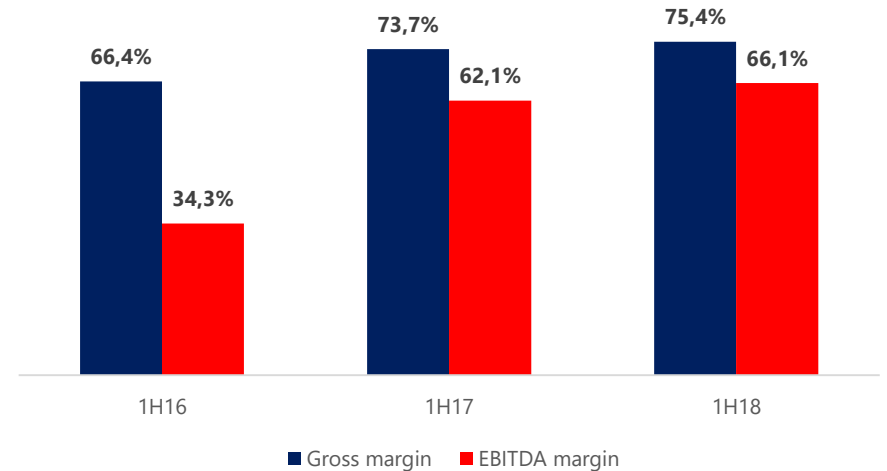
- Limited modern residential supply in the area
  - Most of the available land plot is protected area
  - Residential density one the lowest of Istanbul
- Looking over the forest and the sea
- New and upcoming infrastructure will make commuting easier

# Financial Performance Overview

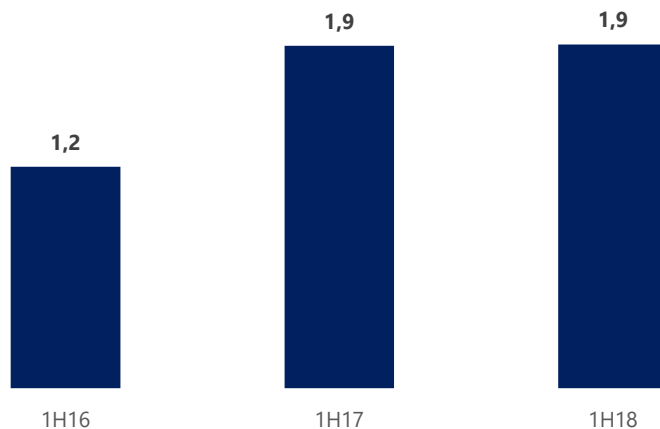
**Net profit of 1H18** is mainly due to revaluation gain of Investment Properties



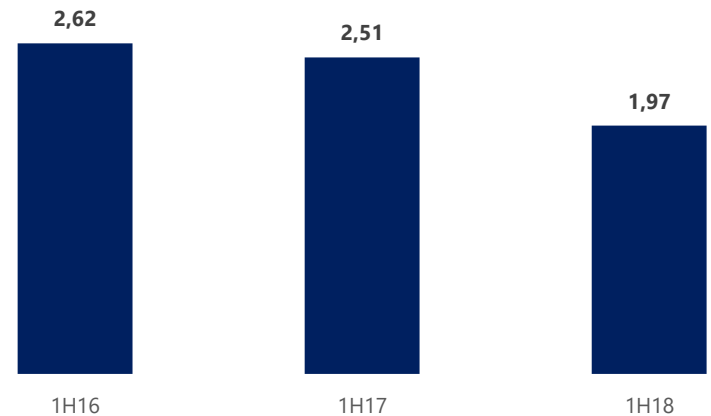
**EBITDA margin** improved thanks to c.26% rise in store rent revenues and significant jump in other revenues coupled with a good cost management



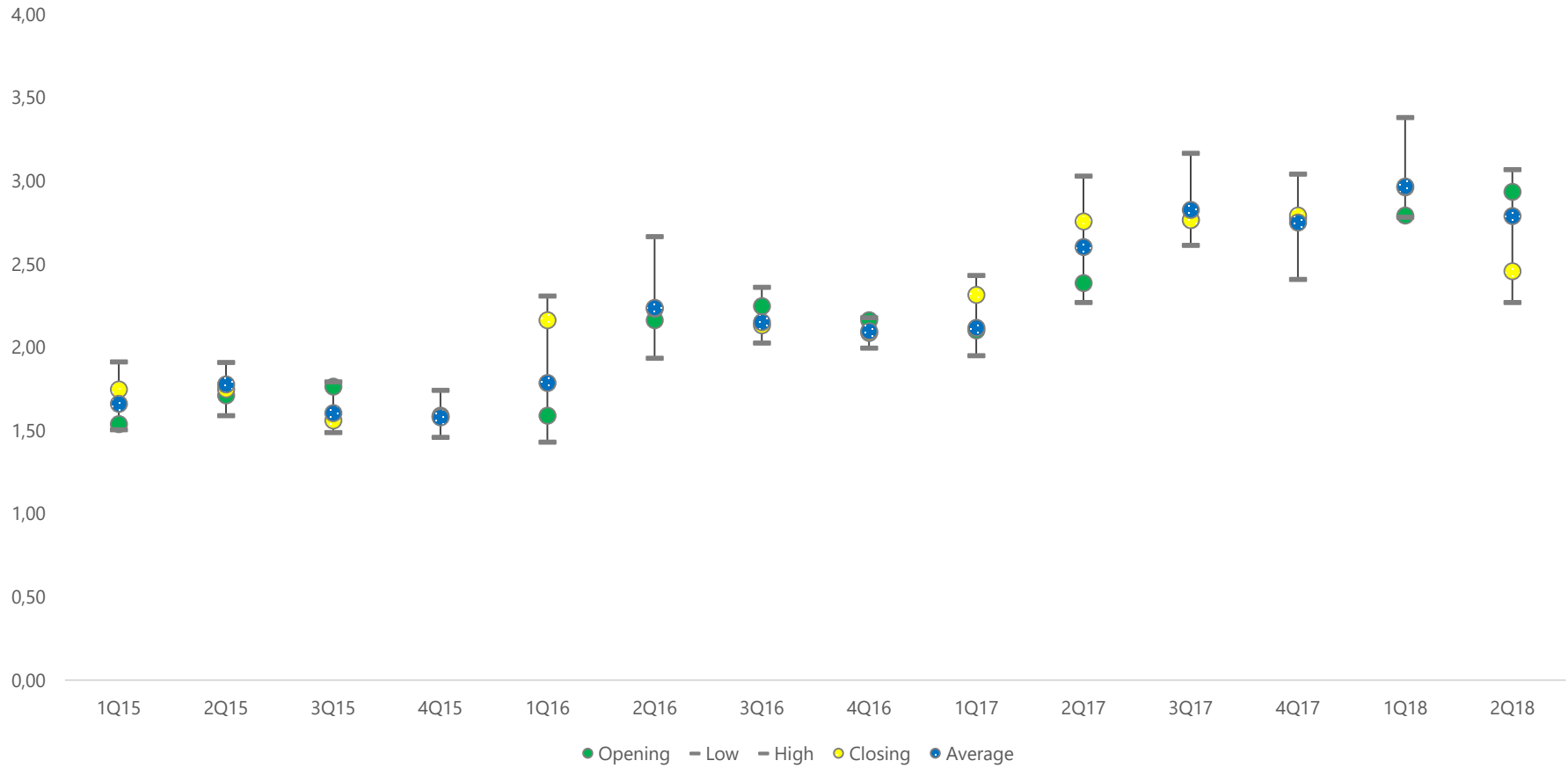
**EBITDA/Interest Expense**



**Average Debt Maturity** has fallen significantly due to hefty previously long term payments being now recorded as short term. We target to lengthen average debt maturity in 2018.



# Akiş REIT Share Summary



# Communication

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### **Disclosure:**

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