



**HALKGYO**

Halk Real Estate Investment Trust... Investing in the Future...

# INVESTOR PRESENTATION

2019 / Q1



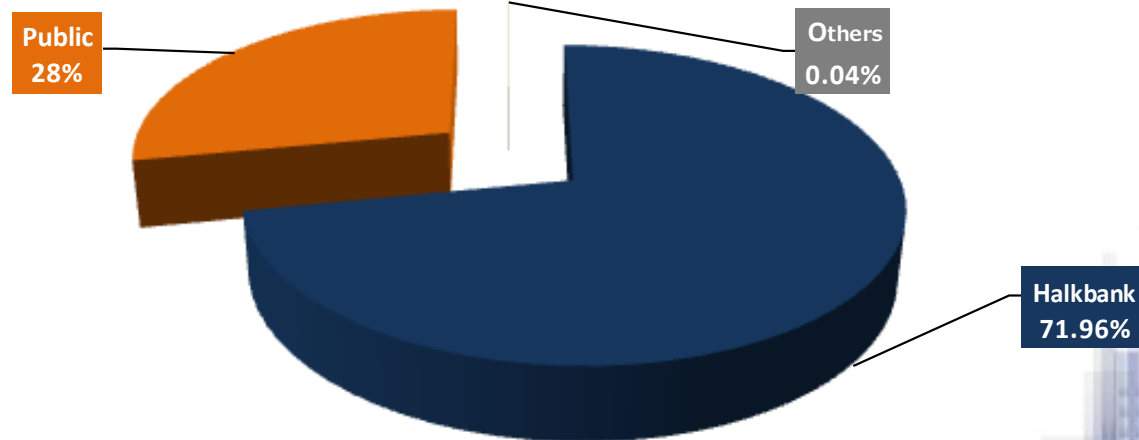
# ABOUT HALK GYO

- Halk GYO, was established in 2010, invests in real estates, real estate projects, real estate based rights and capital market instruments.
- Halk GYO completed its IPO in February 2013 and is trading on the Borsa Istanbul (BIST) with the code “HLGYO”

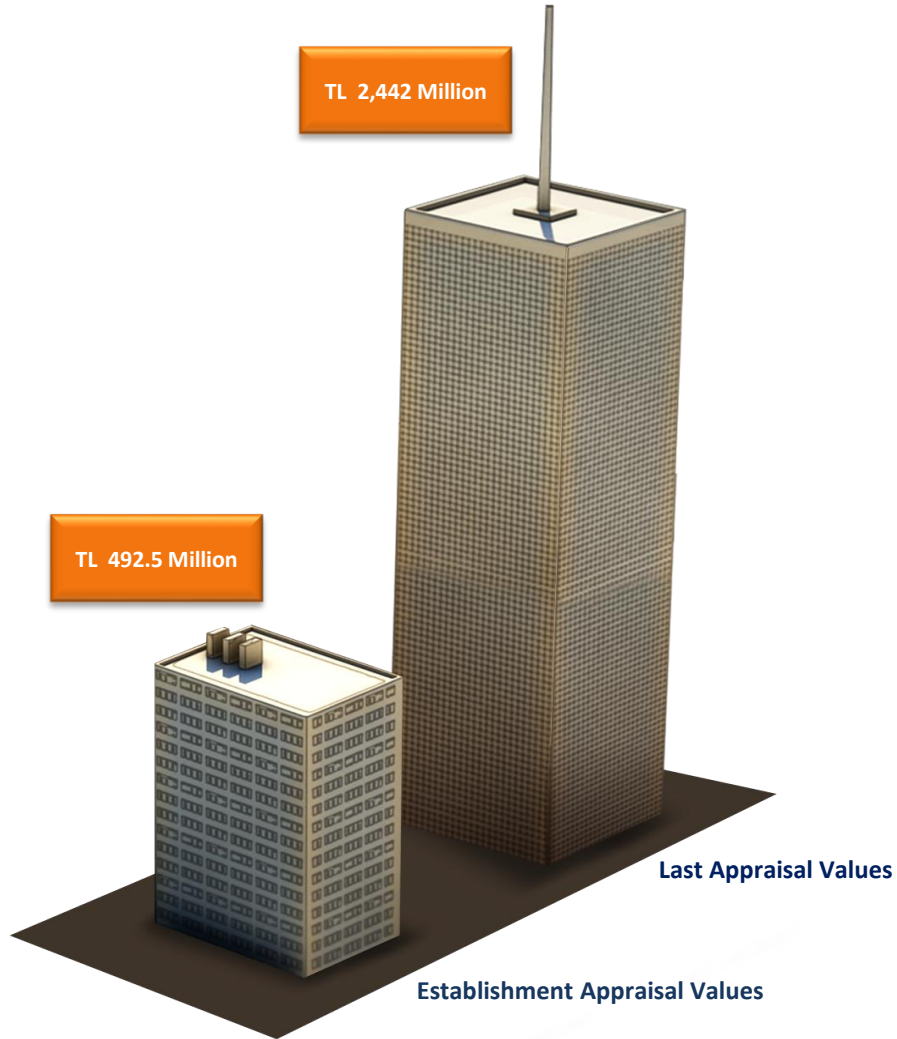
## As of March 31, 2019;

❖ Halk GYO has an important position in the sector by the total asset value exceeding **TL 2.6 billion**, shareholders' equity approaching **TL 2.3 billion** and market value of **TL 634.9 million**

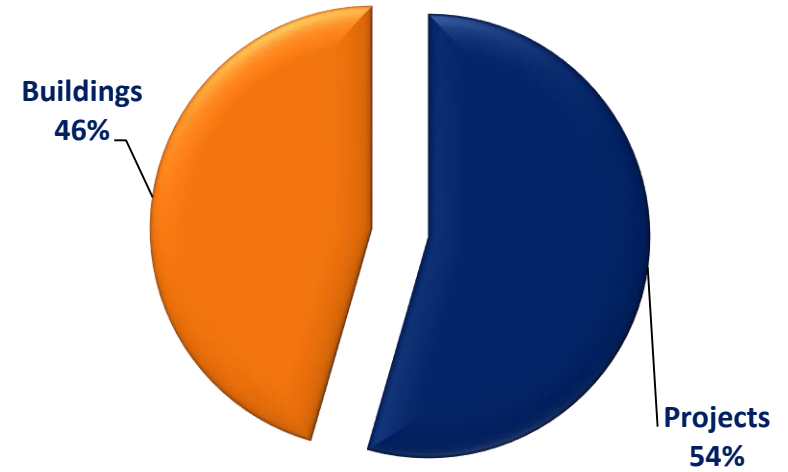
- **28%** of total shares are listed on the BIST.



# REAL ESTATE PORTFOLIO



# DISTRIBUTION OF PORTFOLIO



# REAL ESTATE PORTFOLIO REGIONAL DISPERSAL

İstanbul Salıpazarı  
«Port Bosphorus Hotel»

İstanbul  
“Park Dedeman Levent  
Hotel”

İstanbul  
“Referans Bakırköy  
Residential Project

Eskişehir  
“Panorama Plus”  
Residential Project

“Evora İzmir”  
Project

İstanbul «Bizimtepe Aydos» Residential Project

İstanbul International Financial Center Project  
«Halk Towers»

Kocaeli  
“Şekerpınar Project”

Erzurum  
“Şehristan Residential”  
Project



Buildings, Lands and Completed and Ongoing Projects

# REAL ESTATE PORTFOLIO TABLE

PORTFOLIO		Fair Value (TL)	
PROJECTS	Current Status		
Salıpaazarı Land	Car Park of Salıpaazarı Hotel	7,286,000	
IIFC «Halk Towers»	In Construction	<sup>1</sup> 1,181,470,867	
İzmir Evora Project	In Construction	<sup>3</sup> 550,000,000	
Istanbul Bizimtepe Aydos Residential Project	In sale	<sup>2</sup> 86,513,021	
Erzurum Şehristan Residentials Project	In sale	<sup>2</sup> 38,191,569	
Eskişehir Panorama Plus Residential Project	In sale	<sup>2</sup> 6,043,101	
Istanbul Referans Bakırköy Residential Project	In sale	<sup>2</sup> 1,092,016	
<b>Total</b>		<b>1,320,596,574</b>	
BUILDINGS	Tenant	2019 Q1 Rent Income (TL)	
Istanbul Park Dedeman Levent Hotel Building	Hotel	5,134,366	246,138,000
Istanbul Halkbank Finance Tower	Halkbank	4,050,000	228,385,286
Şekerpinar Banking Center	Halkbank	1,737,050	137,773,786
Istanbul Salıpaazarı Hotel Building	Hotel	1,441,577	<sup>4</sup> 81,056,000
Halk Office Şekerpinar	On The Market	-	<sup>4</sup> 77,995,312
Istanbul Karaköy Building	On the Market	-	37,825,000
Izmir, Konak 1 Building	Halkbank	435,857	28,794,550
Istanbul Beyoğlu Building	Halkbank	356,158	28,741,669
Istanbul Bakırköy Building	Halkbank	456,613	25,154,333
Istanbul Caddebostan Building	In renovation process	-	24,303,775
Istanbul Beşiktaş Building	Halkbank	415,102	21,346,000
Istanbul Etiler Building	Halkbank	323,780	20,526,000
Istanbul Şişli Building	Halkbank	319,629	18,844,404
Ankara Kızılay Building	Halkbank	440,008	18,714,823
Izmir Konak 2 Building	Halkbank and its subsidiaries	295,336	16,186,796
Bursa Building	Halkbank	306,345	16,110,000
Istanbul Fatih Building	Halkbank	207,551	13,475,250
Kocaeli Building	Halkbank	290,572	13,100,920
Istanbul Ataköy Building	Halkbank	256,326	12,954,666
Ankara Başkent Building	Halkbank / Hotel	345,871	12,642,550
Sakarya Adapazarı Building	In demolition process	-	10,979,699
Ankara Bahçelievler 1 Building	Halkbank	231,212	10,770,670
Istanbul Nişantaşı Building	Halkbank	174,343	10,288,500
Ankara Bahçelievler 2 Building	Store	-	<sup>5</sup> 9,000,000
<b>Total</b>		<b>17,217,696</b>	<b>1,121,107,988</b>
<b>TOTAL</b>			<b>2,422,446,397</b>

<sup>1</sup>Project fair value in the Independent Audit Report 2019 January-March.

<sup>2</sup>Appraisal values of Halk GYO's share for unsold independent units as of December 31, 2018.

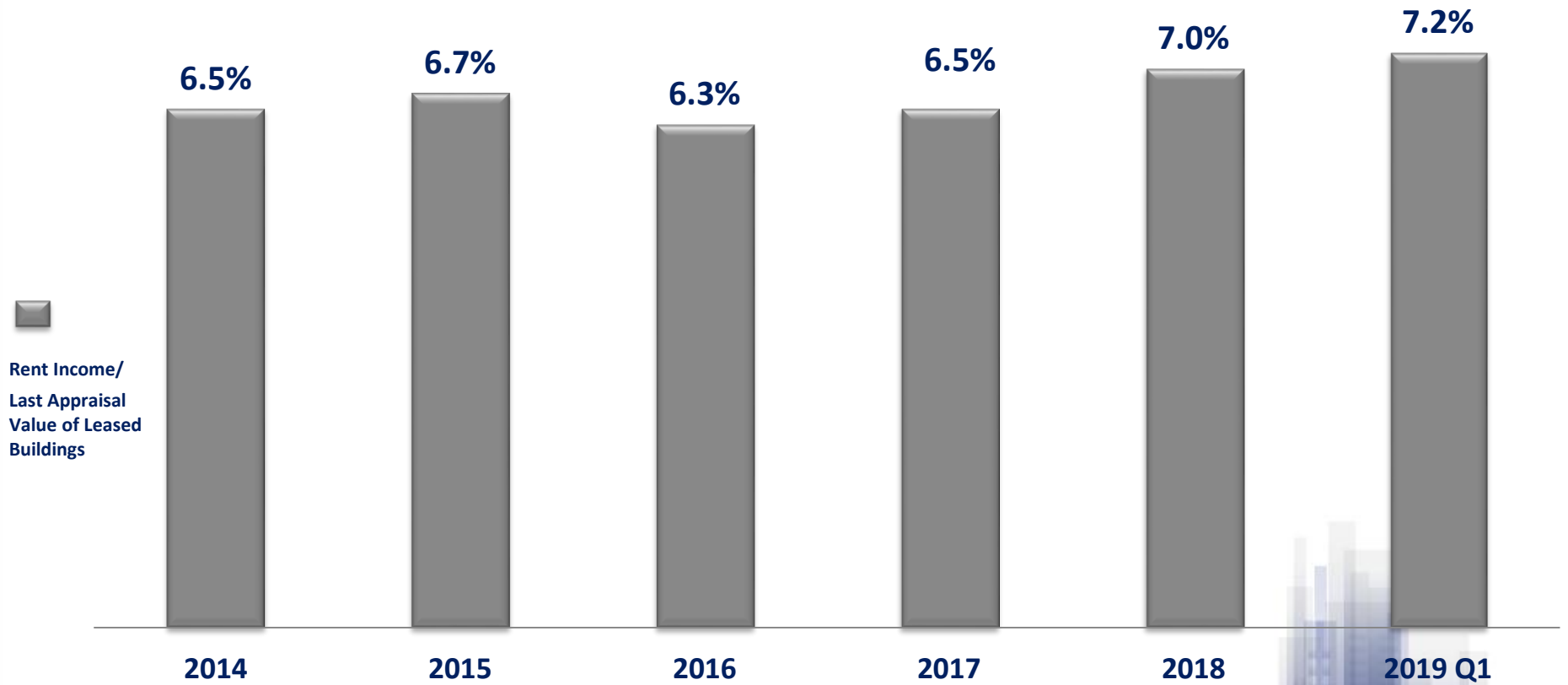
<sup>3</sup>Calculated according to the expected total sales volume (1.7 billion TL), which is committed on the project tender. It is not included in the portfolio sum, just written for information purposes.

<sup>4</sup>Project cost value as of December 31, 2018.

<sup>5</sup>As of April 1, 2019, Bahçelievler 2 Building has been rented to İpekyl Giyim Sanayi ve Tic. A.Ş.

REAL ESTATES  
GENERATED  
RENTAL INCOME

# RENTAL INCOME RATIOS



# COMPLETED PROJECTS

## HALKBANK FINANCE TOWER



In 2012, we acquired this 23-floor class A office tower located near the İstanbul International Financial Center Project while it was under construction, The tower has been leased to Halkbank.

Being in Batı Ataşehir district, which is one of the closest areas to İstanbul Finance Center, Halkbank Finance Tower substantially contributes in not only our portfolio but also our yearly rent income.

### Real Estate Information

City	:	İstanbul
District	:	Ataşehir
Appraisal Value	:	TL 228.4 million

# COMPLETED PROJECTS

## REFERANS BAKIRKÖY



Referans Bakırköy is Halk GYO's first residential project. The project is developed based on a revenue sharing model in which our Company's share is 50,5 percent. The project which carried out together with Biskon Yapı A.Ş., an association of Kiler Holding, has risen on one of the last lands in Bakırköy, Istanbul. The project has 3 buildings consists of 254 residential and 73 commercial units in total and finished in 2014. A few units have remained unsold in the Company's portfolio.

### Real Estate Information

City	:	İstanbul
District	:	Bakırköy
Appraisal Value	:	TL 1.1 million
<small>(for unsold units of Halk GYO as of March 31, 2019)</small>		



# COMPLETED PROJECTS

## PARK DEDEMAN LEVENT HOTEL



Park Dedeman Levent Hotel is the first hospitality project in Halk GYO's portfolio, It meets the much felt need for business hotels on Mecidiyeköy-Maslak line, Istanbul.

The occupancy permit for "Park Dedeman Levent" hotel project has been granted and in the scope with 10-year lease agreement signed with Dedeman Group, the hotel has been delivered to Dedeman Group and opened its doors in July, 2015.

The project is aimed to be an environmentally friendly building and received a certificate of **LEED Gold**.

### Real Estate Information

City	:	İstanbul
District	:	Şişli-Levent
Appraisal Value	:	TL 246.1 million

# COMPLETED PROJECTS

## PANORAMA PLUS PROJECT



The project located in Odunpazarı-Eskişehir, developed on an area of 9,811 sqm and covers 102 independent units consists 97 residential and 5 commercial units.

Panorama Plus is the first project which has **“LEED Silver Certification”** with the highest score in Eskişehir and finished in 2015.

As of March 31, 2019, 10 units have remained unsold in the Company’s portfolio.

### Real Estate Information

City	: Eskişehir
District	: Odunpazarı
Appraisal Value (for 10 unsold units as of March 31, 2019)	: TL 6.0 million

# COMPLETED PROJECTS

## ŞEKERPINAR BANKING CENTER



Şekerpınar Banking Center which developed on our Şekerpınar-Kocaeli land which was purchased in September 2012, has an usage area of approximately 9k sqm.

In April 2015, Project finished and the Center leased for 10 years.

Center is aimed to be an environmentally friendly building and received a certificate of **LEED Gold**.

### Real Estate Information

City	:	Kocaeli
District	:	Şekerpınar
Appraisal Value	:	TL 137.8 million

# COMPLETED PROJECTS

## HALK OFFICE ŞEKERPINAR



Halk Office Şekerpınar located on our Şekerpınar-Kocaeli land which was purchased in September 2012, has an usage area of approximately 52k sqm.

Project construction finished in 2015 and the marketing process for leasing or sale of the project still continues.

### Real Estate Information

City	: Kocaeli
District	: Sekerpınar
Project Value (the cost value as of December 31, 2018)	: TL 78 million

# COMPLETED PROJECTS

## BİZİMTEPE AYDOS



The Project will be constructed through joint venture with Vakıf REIT. It is located on Sancaktepe, one of the most developing and popular districts of Istanbul.

On the 95k sqm land, after leaving 90% of it for landscape the Project comprises 1085 independent units, besides hobby gardens, bicycle and running tracks, arbors and ponds, grass amphitheatres and commercial units consisting private kindergarten and market.

With the catch-phrase of *“happiness begins at home”*, sales and construction have begun as of November 2015.

The Project finished in 2018 and sales continues. As of March 31 2019, 772 units have been sold.

### Real Estate Information

City	:	Istanbul
District	:	Sancaktepe
Appraisal Value (of Halk GYO's share for 313 unsold units as of March 31, 2019)	:	TL 86.5 million
Halk GYO Share	:	50%

# COMPLETED PROJECTS

## ŞEHRİSTAN RESIDENTIAL



In April 2016, a land of approximately 24k sqm in Erzurum/Yakutiye, of which prior proprietor was Er Konut, added into portfolio with a cost of TL 17,5 million, the half amount of the appraisal value of TL 35 million, to develop a residential project.

The project, developed through Halk GYO-Er Konut “Ordinary Partnership”, comprise 13 blocks, each with 13-storey, and totally 632 residentials and 13 commercial units.

Construction and sale works of the project have been started in May 2016 and the construction finished in 2018.

As of March 31, 2019, 411 residentials and 6 commercial units has been sold.

### Real Estate Information

City	:	Erzurum
District	:	Yakutiye
Appraisal Value (of Halk GYO's share for 228 unsold units as of March 31, 2019)	:	TL 38.2 million
Halk GYO Share	:	50%

# COMPLETED PROJECTS

## SALIPAZARI HOTEL PROJECT



After the best use studies, it was decided to renovate our office building, Beyoğlu Salıpazarı, which is registered in one of the most historic and significant districts in Istanbul, as a hotel.

After the procedures of sealed-bid tender and auction, a lease contract for 20 years has been signed in 2015.

The hotel has been delivered to tender and opened its doors in March 2018.

### Real Estate Information

City	: İstanbul
District	: Beyoğlu / Salıpazarı
Appraisal Value (the cost value as of December 31, 2018)	: TL 81 million



# ONGOING PROJECTS

## iSTANBUL INTERNATIONAL FINANCIAL CENTER «HALK TOWERS»



As Halk GYO, we are one of the major stakeholders of the Istanbul International Financial Center Project carried out under the coordination of the Ministry of Environment and Urban Planning and two office towers, one with 46 floors and the other with 34 floors and also 3 buildings each with 8 floors will rise.

The project will serve as a hub for the state banks of Turkey, such as Halkbank, Vakıfbank, Ziraatbank, as well as financial institutions, such as Banking Regulation and Supervision Agency (BRSA), The Central Bank of Turkey and Capital Markets Board (CMB). IFC will be 7/24 lively center that supported by both green fields and architectural design studies as well as hidden parking area into the basement floors which provides cars be hardly seen around the finance center.

A goodwill agreement has been signed with Halkbank, our main shareholder, to lease out specified areas of our office towers, regarding their demand and need after being completed and designed through class A standards.

The construction of project started at the end of 2016 and the construction level has been reached 28% as of March 2019.

### Real Estate Information

City	:	İstanbul
District	:	Ümraniye
Project Value (the cost value as of March 31, 2019)	:	TL 1.181 million





# ONGOING PROJECTS

## EVORA İZMİR PROJECT



“Teknik Yapı – Halk GYO Joint Venture” has been established providing all profits, liability and revenue to be divided equally with Teknik Yapı A.Ş., the winner of the Revenue Sharing Model Project in Return for Land Sale Tender, made by Emlak Konut GYO A.Ş. in June, for approximately 47 acres of land consisting 2 parcels in Alsancak, İzmir, with a commitment of a revenue of 1 billion 700 million TL and revenue share of 35%.

Teknik Yapı – Halk GYO Joint Venture and Emlak Konut GYO A.Ş. signed a “Revenue Sharing Model Agreement in Return for Land Sale” in 08/25/2017 to build trade + tourism + residential + parking area + mosque units on 47 acres of land. According to the agreement details, revenue share ratio of Joint Venture was determined as 65%.

Pre-construction works continue for the Project and the process of collecting pre-requests has been started.

EVORA İzmir project, which is designed in a mixed structure that contains housing, trade, park, culture and tourism functions, has won “**2018 Best Architectural Design**” award of SOTCA (Sign of the City Awards) organization made each year.



# FINANCIAL DATA

BALANCE SHEET (TL)	31.03.2019	31.12.2018
<b>Current Assets</b>	<b>212,065,454</b>	<b>213,069,936</b>
<i>Liquid Assets</i>	25,081,608	28,825,032
<i>Inventories</i>	102,074,631	105,126,511
<b>Non-Current Assets</b>	<b>2,438,904,098</b>	<b>2,415,914,637</b>
<i>Investment Properties</i>	2,311,248,277	2,288,772,410
<b>Total Assets</b>	<b>2,650,969,552</b>	<b>2,628,984,573</b>
<b>Short Term Liabilities</b>	<b>453,422,202</b>	<b>340,889,961</b>
<i>Deferred Income</i>	11,318,471	10,116,377
<b>Long Term Liabilities</b>	<b>15,139,593</b>	<b>17,836,274</b>
<b>Equity</b>	<b>2,282,407,757</b>	<b>2,270,258,338</b>
<b>Total Liabilities and Equity</b>	<b>2,650,969,552</b>	<b>2,628,974,573</b>

INCOME STATEMENT (TL)	01.01.2019 31.03.2019	01.01.2018 31.03.2018
<b>Revenues</b>	<b>21,267,301</b>	<b>18,280,039</b>
<i>Rent Income</i>	17,234,211	14,276,659
<i>Sales Income</i>	3,441,076	1,400,4535
<i>Financial Income</i>	592,014	2,602,927
<b>Cost of Sales</b>	<b>(2,818,169)</b>	<b>(1,035,256)</b>
<i>Cost of Residential Sales</i>	(2,519,413)	(646,956)
<i>Other Costs</i>	(298,726)	(388,300)
<b>Gross Profit</b>	<b>18,449,132</b>	<b>17,244,783</b>
<i>General Administrative Expense</i>	(3,370,046)	(3,554,081)
<i>Marketing &amp; Selling Expense</i>	(1,512,308)	(399,309)
<i>Other Income (Expense)</i>	1,496,084	996,673
<b>Operating Profit</b>	<b>14,712,862</b>	<b>14,288,066</b>
<i>Financial Expense</i>	(2,563,443)	(4,540,587)
<b>Net Profit</b>	<b>12,149,419</b>	<b>9,747,479</b>

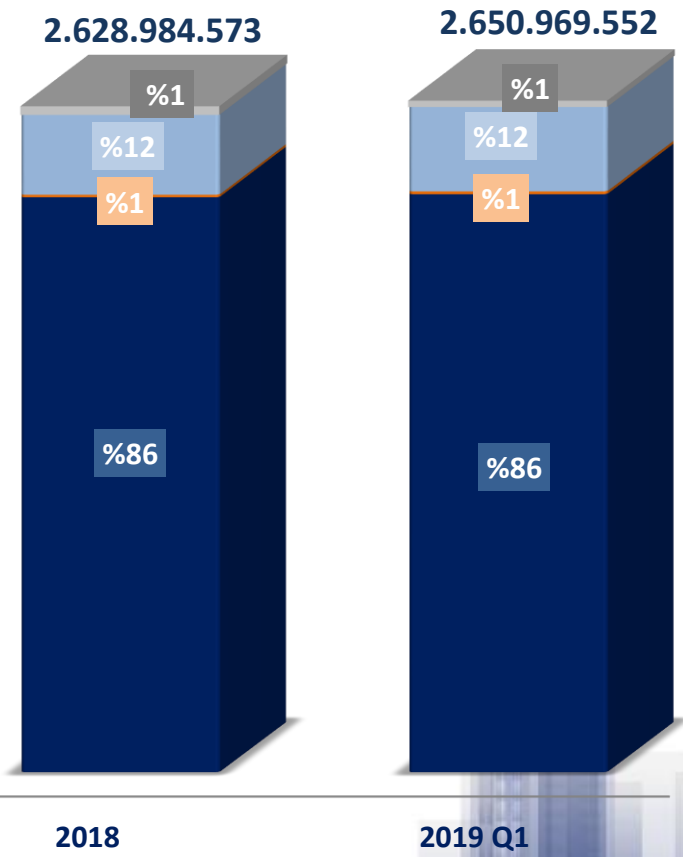
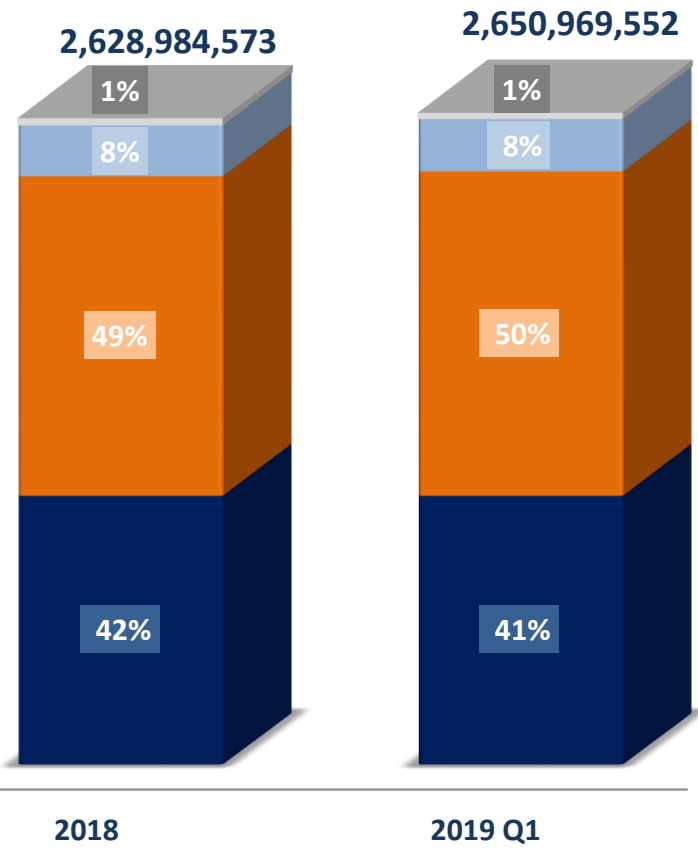
# DISTRIBUTION OF ASSETS AND LIABILITIES

**DISTRIBUTION OF ASSETS\_TL**

■ Buildings   ■ Lands&Projects   ■ Other   ■ Cash and Cash Equivalents

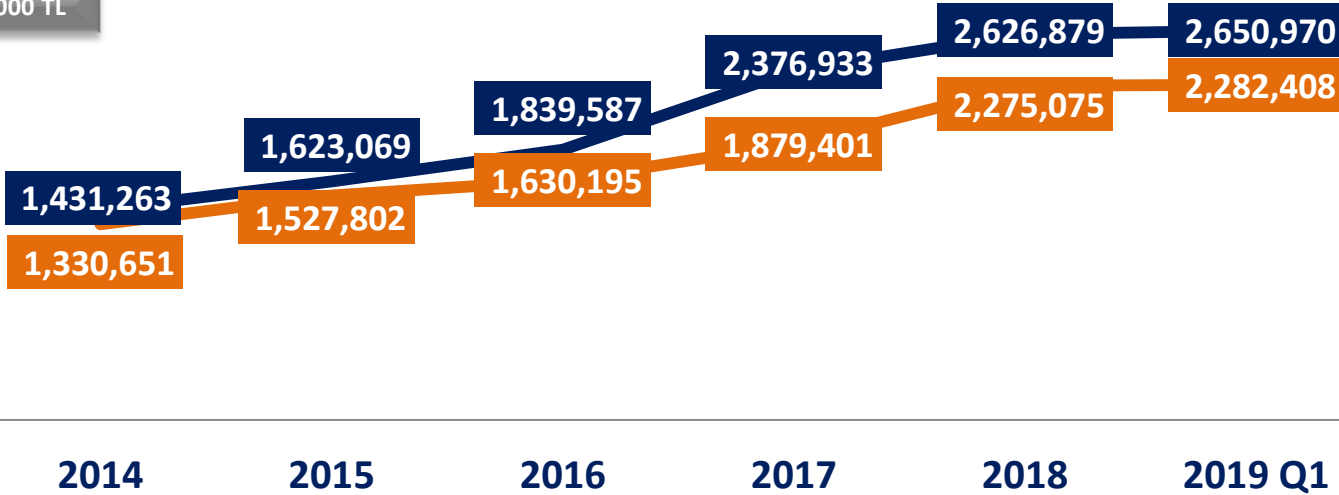
**DISTRIBUTION OF LIABILITIES\_TL**

■ Equities   ■ Deferred Income   ■ Financial Debts   ■ Other



# BALANCE SHEET ITEMS

1,000 TL



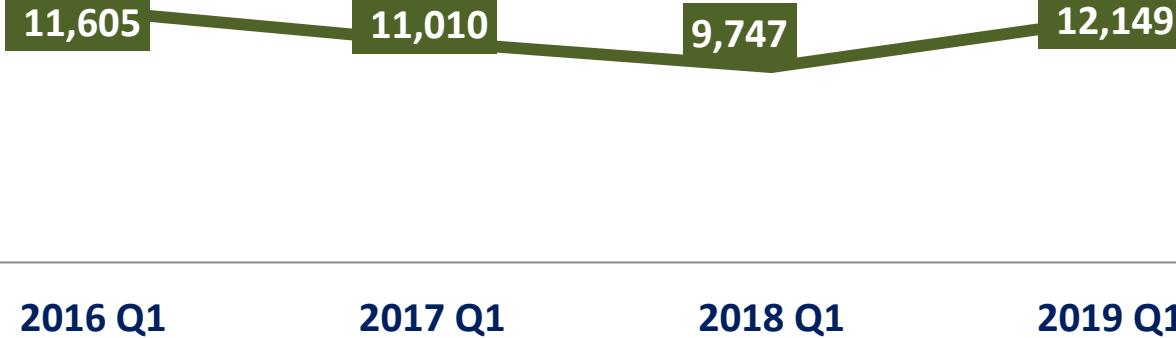
YOY

Assets 0.84%

Equities 0.54%

YOY

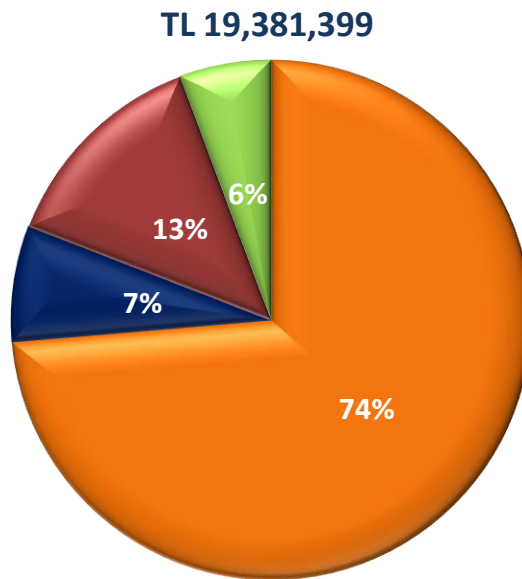
Net Profit 24.64%



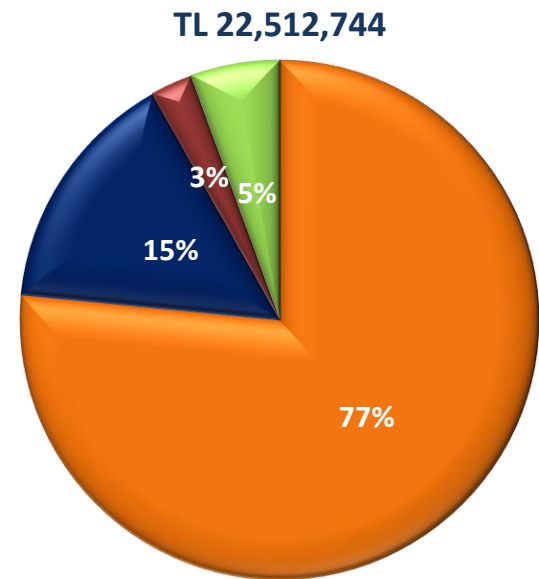
# INCOME STATEMENT ITEMS

TL	2018 Q1	2019 Q1
<b>Total Revenues</b>	<b>18,280,039</b>	<b>21,267,301</b>
Rent Income	14,276,659	17,234,211
Real Estate Sale Income	1,400,453	3,441,076
Financial Income	2,602,927	592,014
<b>Cost of Sales</b>	<b>-1,035,256</b>	<b>-2,818,169</b>
Cost of Real Estate Sales	-646,956	-2,519,443
Other	-388,300	-298,726
<b>Gross Profit</b>	<b>17,244,783</b>	<b>18,449,132</b>
<b>General Administrative Expenses</b>	<b>-3,554,081</b>	<b>-3,370,046</b>
<b>Marketing &amp; Selling Expenses</b>	<b>-399,309</b>	<b>-1,512,308</b>
<b>Other Operating Income from Main Activities</b>	<b>1,101,360</b>	<b>1,245,443</b>
<b>Other Operating Loss from Main Activities</b>	<b>-104,687</b>	<b>-99,359</b>
<b>Operating Profit</b>	<b>14,288,066</b>	<b>14,712,862</b>
<b>Financial Expenses</b>	<b>-4,540,587</b>	<b>-2,563,443</b>
<b>Net Profit</b>	<b>9,747,479</b>	<b>12,149,419</b>

# DISTRIBUTION OF MAIN INCOME ITEMS

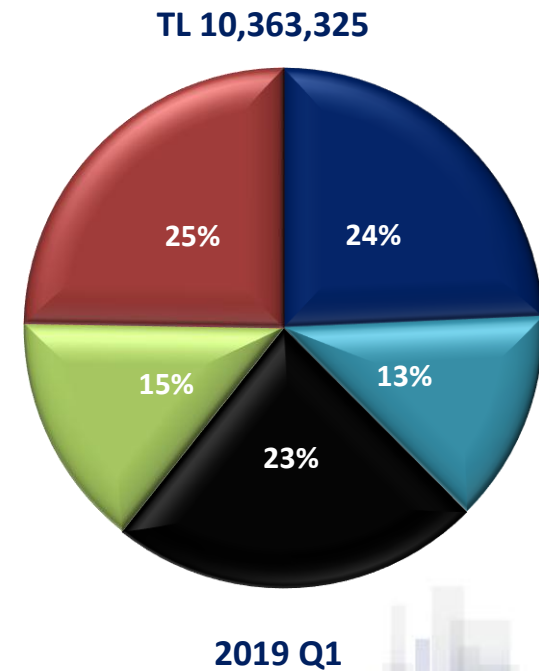
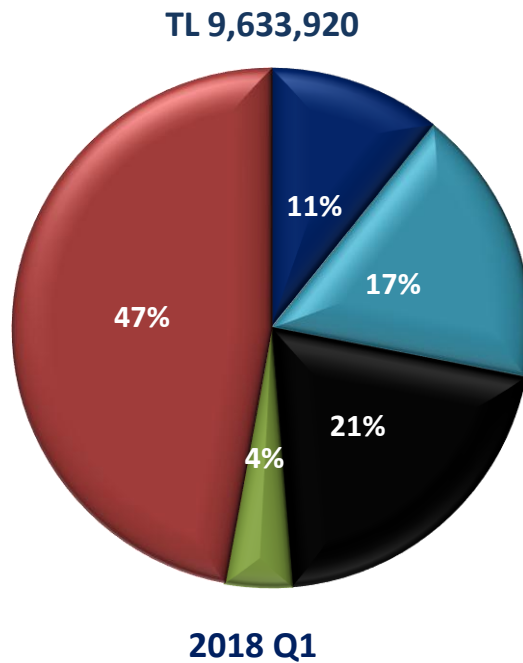


2018 Q1



2019 Q1

# DISTRIBUTION OF MAIN EXPENSE ITEMS



# 2019 TARGET

To reach to ~ **12 %** RoaA ratio



For further information please contact;

**Investor Relations**

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