



**Akiş REIT 1Q18 Performance Presentation
May 2018**

Breaking News

- ✓ Akış REIT has been included in FTSE EPRA/NAREIT Global Emerging Markets Index as of 19 March 2018.
- ✓ On 10/04/2018, **European Bank for Reconstruction and Development (EBRD) invested c.TL102mn (US\$25.2mn equivalent) to Akış REIT** along with some other individual/institutional investors during the “Accelerated Book Building Process” to sell 17.39% shares bought back during the merger process with SAF REIT.
- ✓ This is the **first time the EBRD is investing in a publicly-listed real estate company in Turkey** and it is also **the Bank’s first equity capital market transaction in the country.**
- ✓ The EBRD acted as an anchor investor and helped attract TL 243,679,050, or equivalent of US\$ 60 million, from domestic and foreign investors with demand for shares exceeding the offering. This transaction will result in c. TL50mn other income in the statutory tax financials.
- ✓ EBRD’s investment will help to support sustainable retail and residential developments and will result in concrete strategic action plan that involves the following;

EBRD has obtained a letter of undertaking from its shareholders holding shares corresponding to 50.75% of its share capital to ensure that:

Current dividend policy will be amended not later than 1 April 2019 so that, in respect of each of the 2018-2021 Financial Years, in an aggregate amount at least equal to the lower of (i) an amount representing 100% of the Company's distributable profits for the relevant Financial Year and (ii) the Turkish Lira equivalent of USD 20,000,000.00 will be declared and paid to shareholders

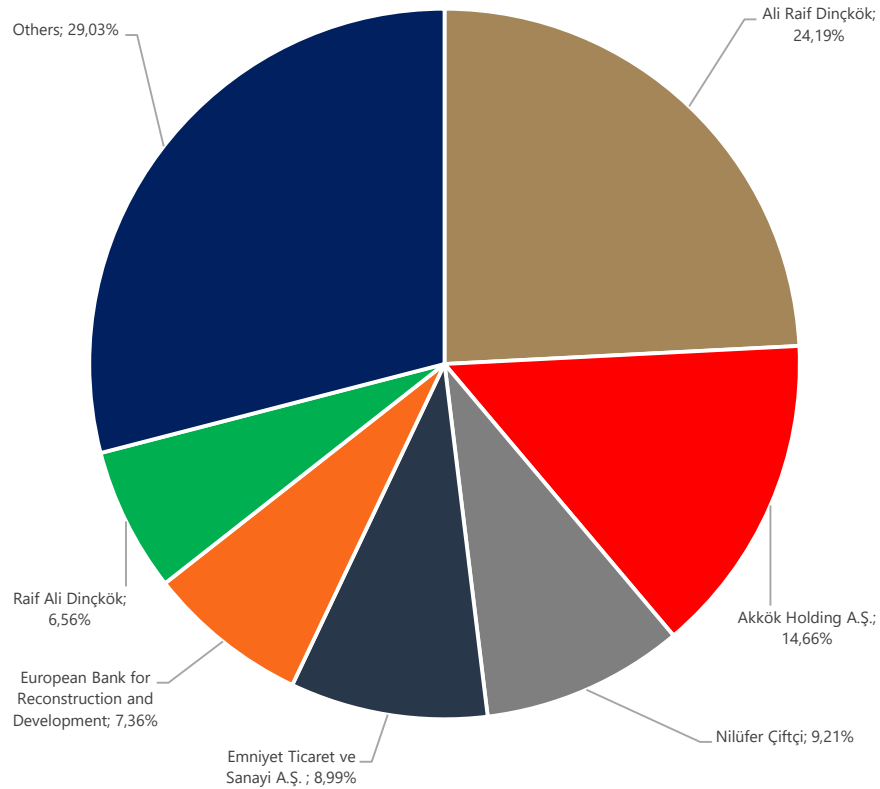


The investment will support the development of environmentally friendly and sustainable real estate projects in retail and residential sectors as follows;

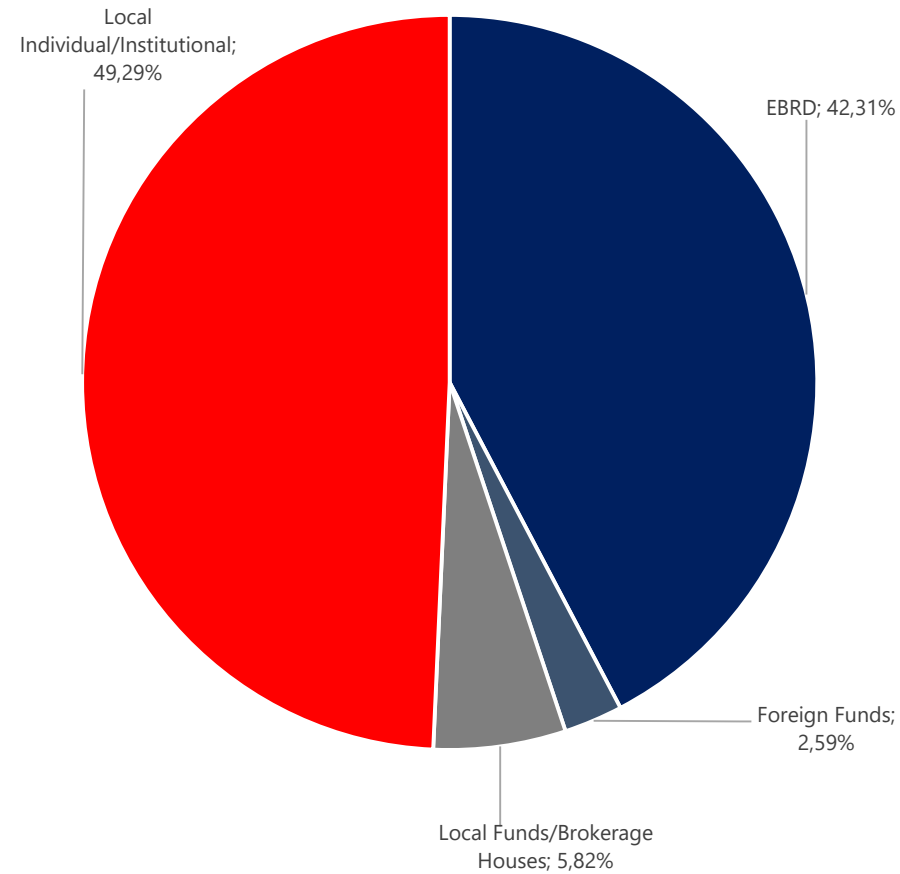
-> Akış REIT is aiming to achieve a minimum LEED Silver certification for the Beykoz residential development which will be financed with the proceeds of the Bank’s investment.

Details of the Share Sales

Current Shareholder Structure



Percentage of Shares Sold by type of investor



Breakdown of Portfolio

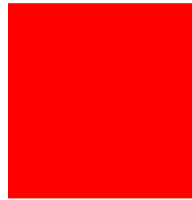


61,9%



Akasya Shopping Center

23,4%



Akbati Shopping Center

4,8%



Suadiye Beymen

0,7%



Other Assets

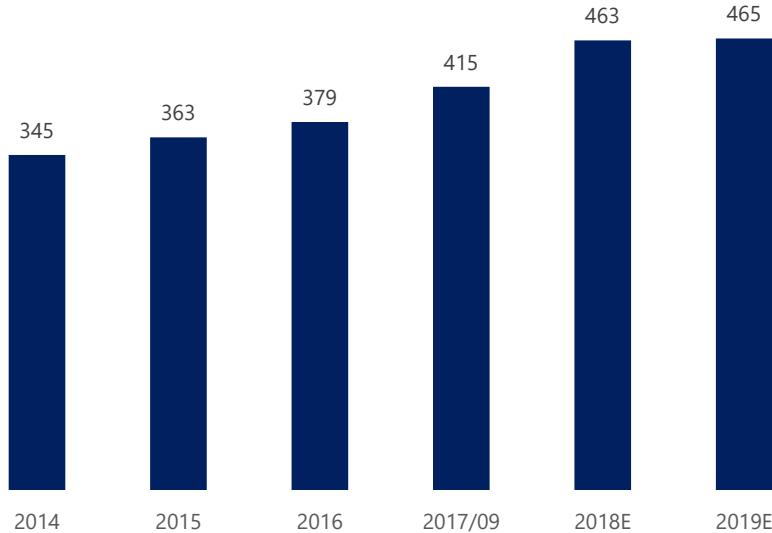
9,2%



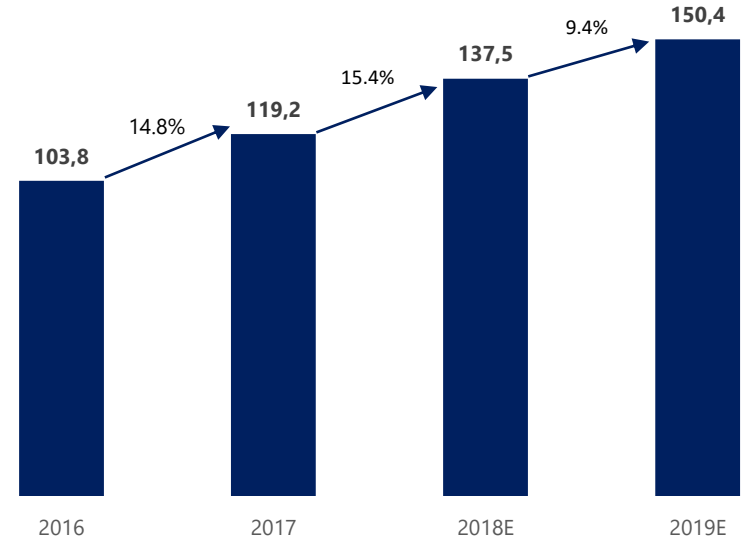
Inventories

Turkey Shopping Mall Market Overview

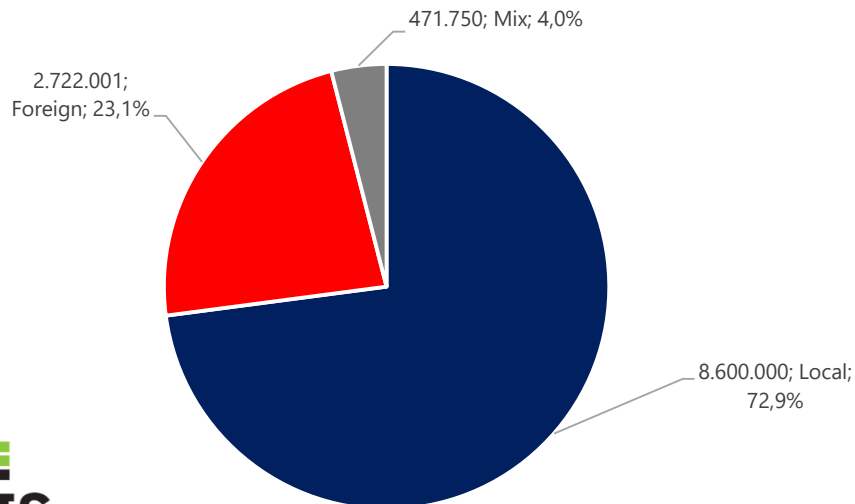
Number of Shopping Malls



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	261
Gross Leasable Area (sqm)	80.000
Occupancy Rate	98%
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

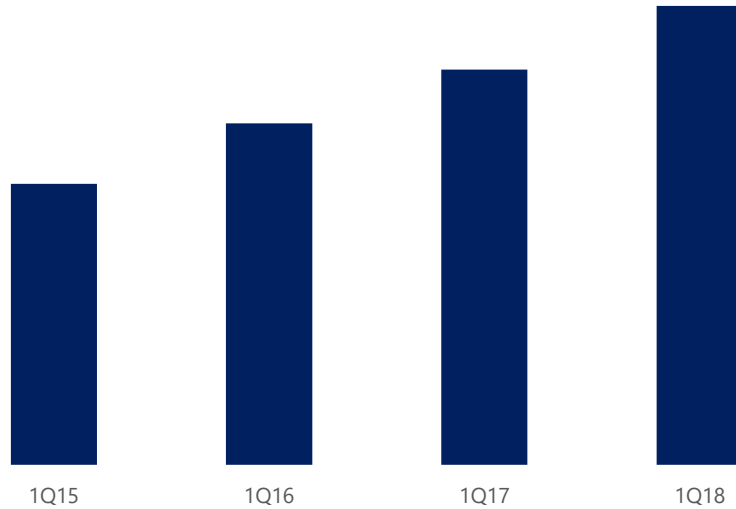
Opening Date	2017
Number of Shops	1
Gross Leasable Area (sqm)	c.5.000
Occupancy Rate	100%
Rent per sqm	US\$60/month
Rent for last Full Year	n.a.
International Awards	-

Akasya Shopping Mall

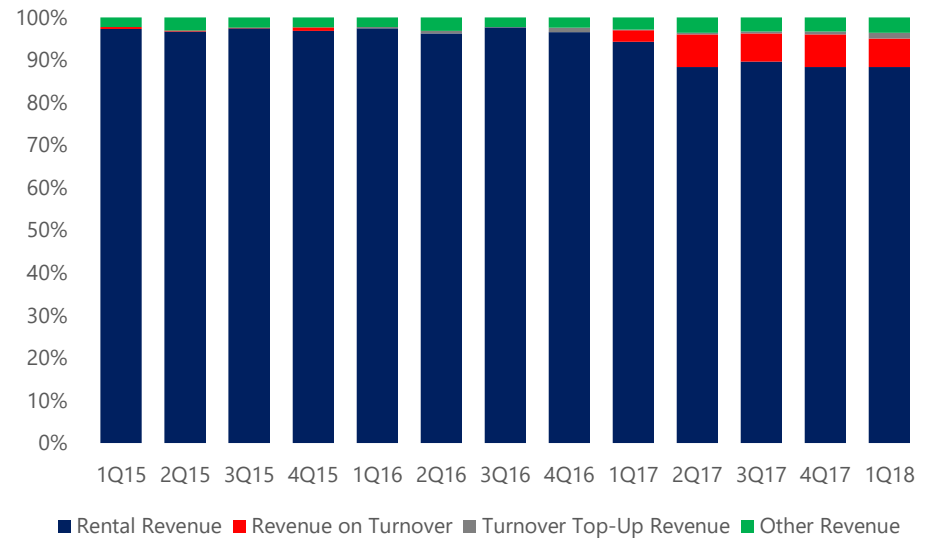


Akasya Shopping Mall

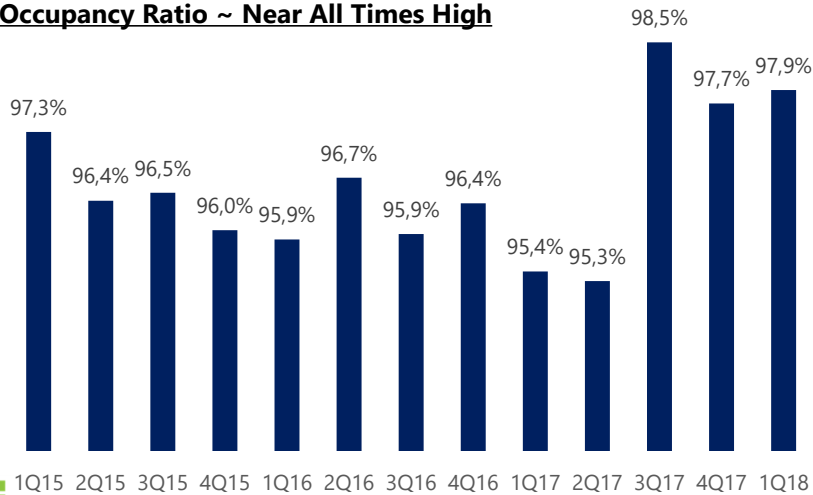
Akasya Shopping Mall turnover rose by c.16% in 1Q18 (YoY)



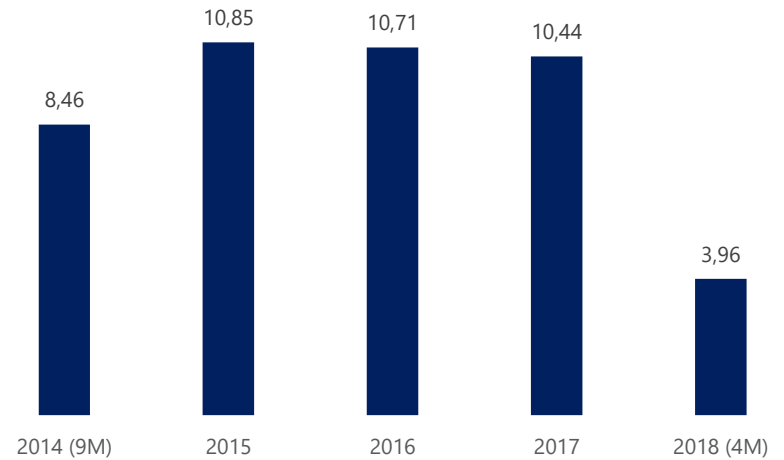
Income breakdown



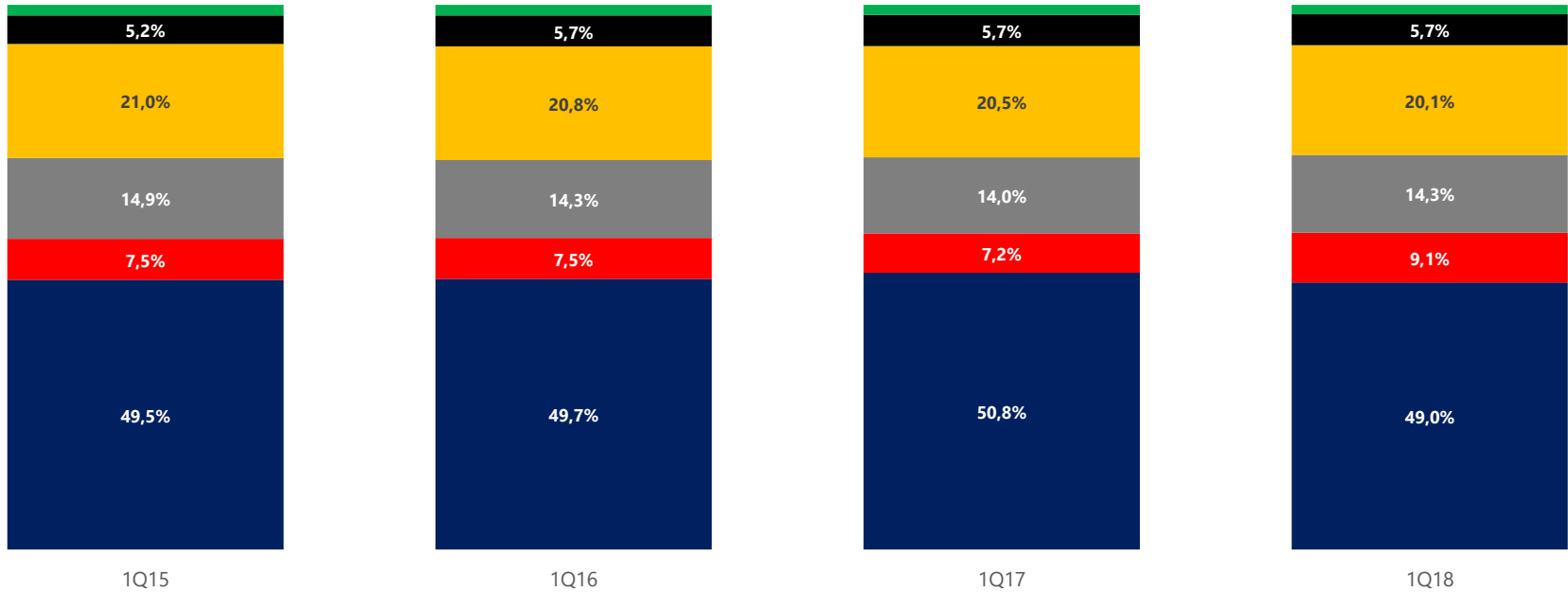
Occupancy Ratio ~ Near All Times High



Average Store Tenure (month)



Akasya Shopping Mall – Store Mix by Size (sqm)



■ 1,000 – 10,000 ■ 500 - 1,000 ■ 250 - 500 ■ 100 - 250 ■ 50 - 100 ■ 0 - 50



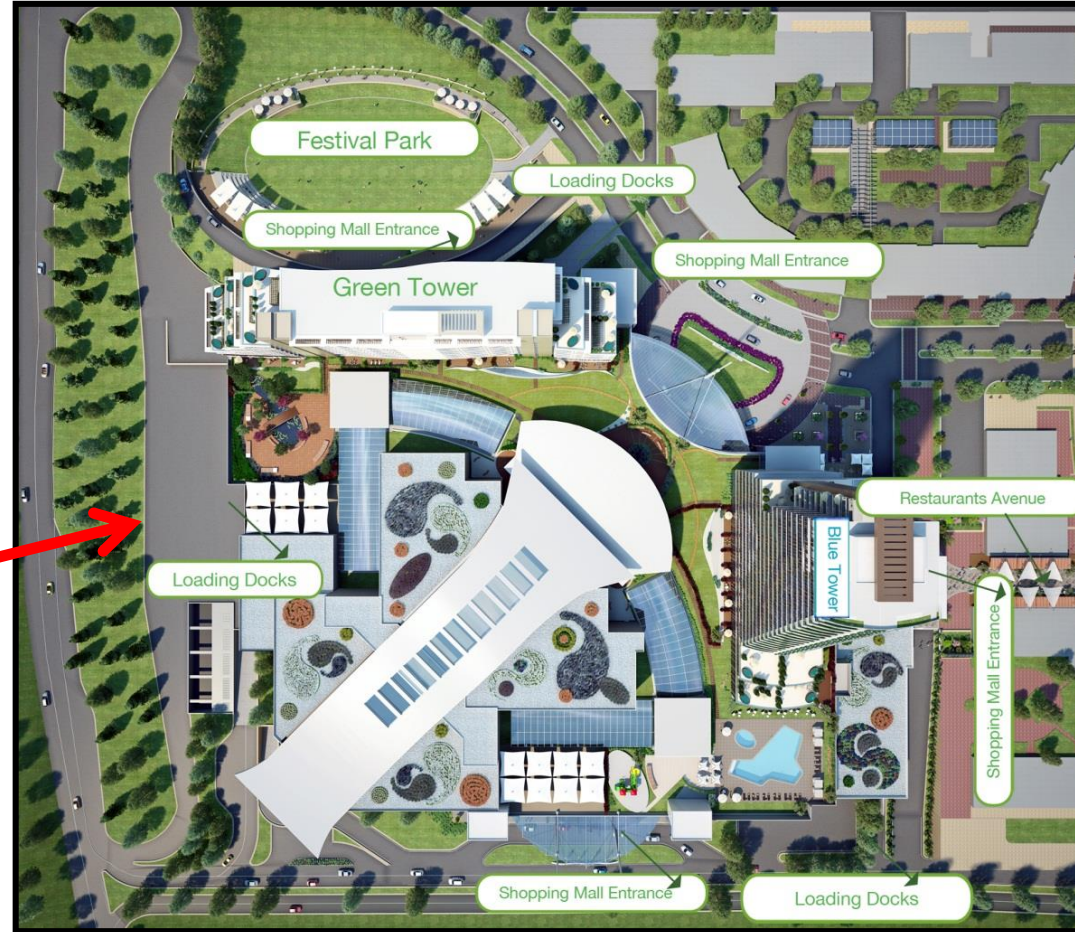
Akasya Shopping Mall

Income yield

Akasya Shopping Mall (US\$mn)	2015	2016	2017	1Q18
Revenue	58,4	58,9	57,5	15,5
NOI	44,5	45,0	45,3	12,7
EBITDA	45,5	45,9	46,0	12,9
Latest Appraisal Value	603,8	627,6	631,0	631,0
Yield	7,54%	7,31%	7,30%	7,58%

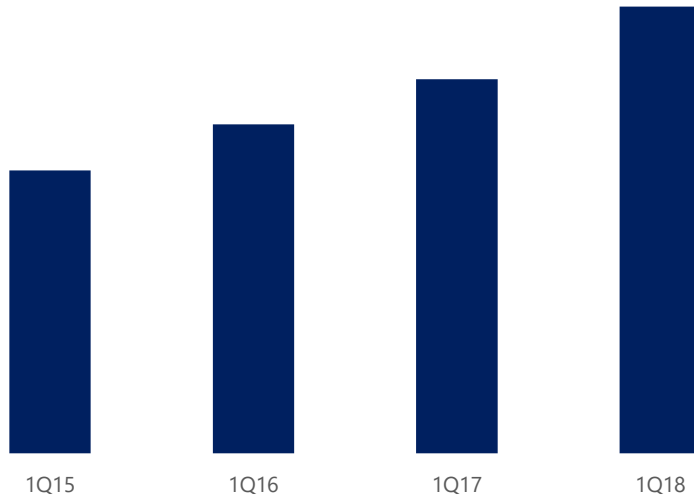
- ✓ Akasya Shopping Mall posted significant turnover increase (c.16%) YoY despite flat # of visitors
- ✓ Yet, there has been slight increase in car entrance figure
- ✓ Thus, core Akasya visitors remained almost unchanged
- ✓ Net Operational Margin stood out at c.82% vs. c.77% average over the last three years due mainly to;
 - ✓ Effective cost management
 - ✓ Rise in complimentary income

Akbatı Shopping Mall

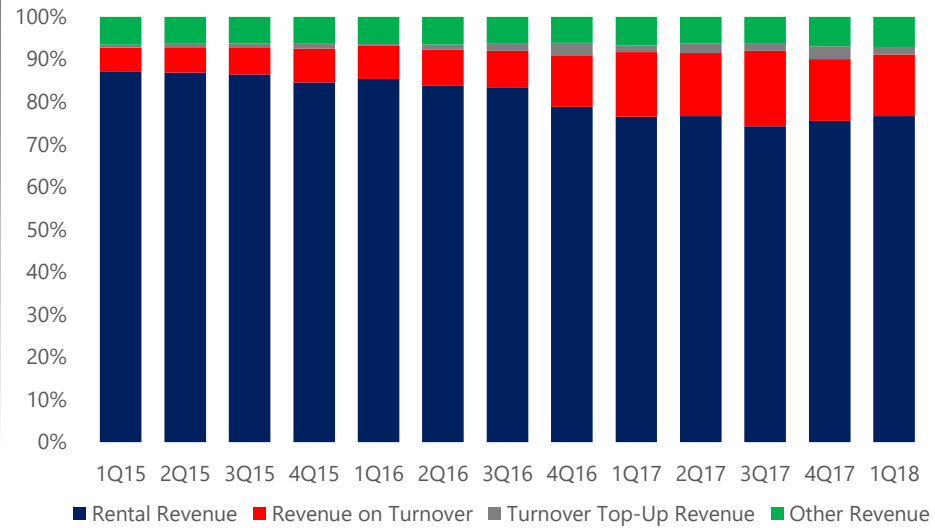


Akbatı Shopping Mall

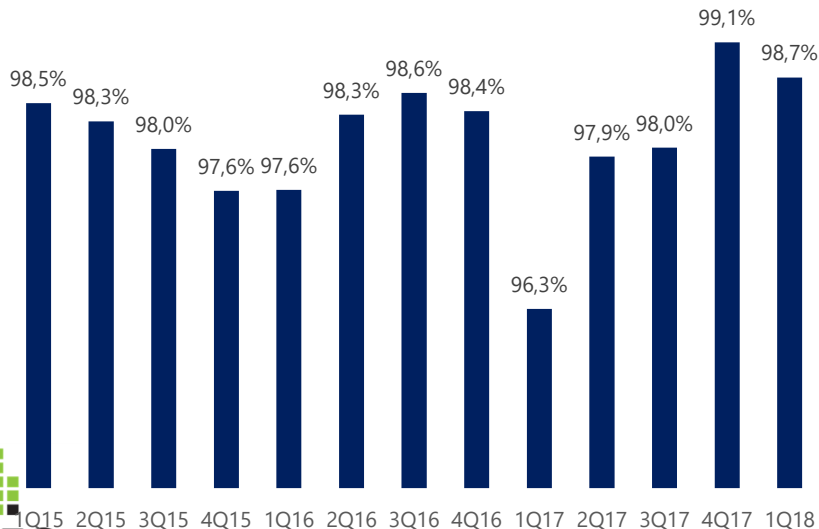
Akbatı Shopping Mall turnover rose by c.20% in 1Q18 (YoY)



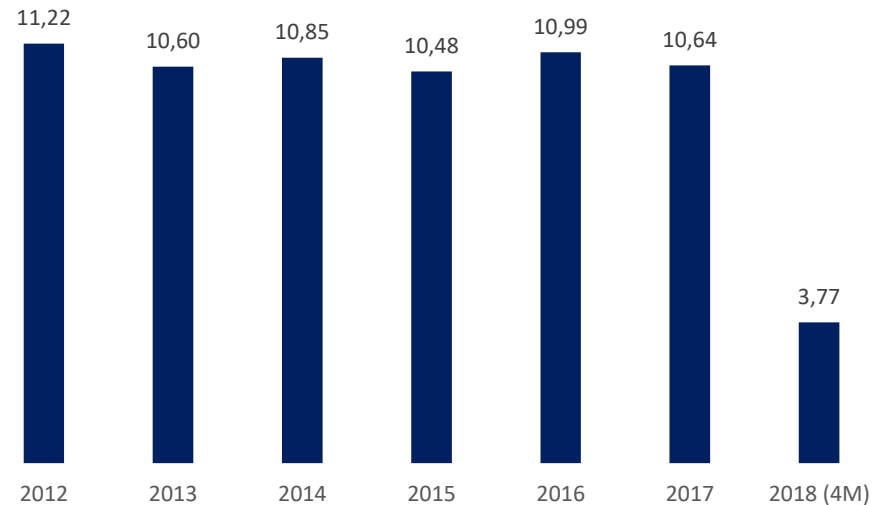
Income breakdown



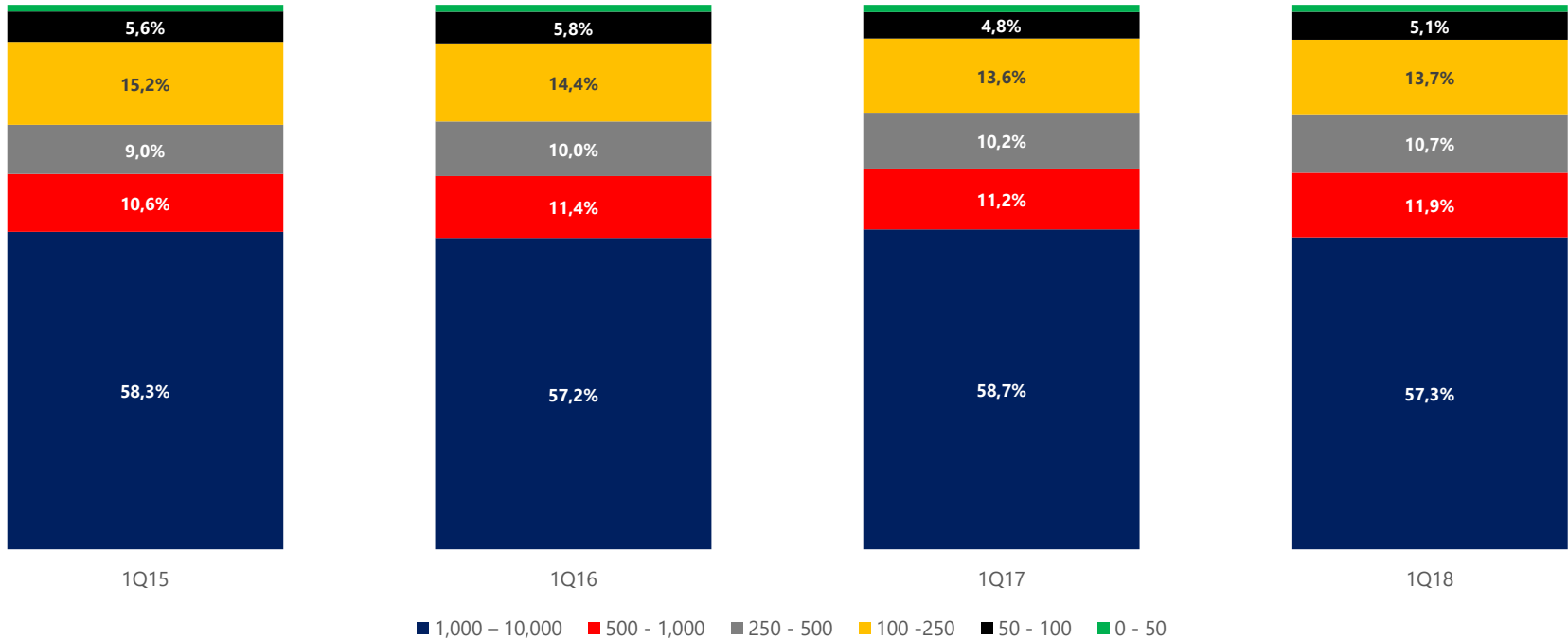
Occupancy Ratio ~ Near All Times High



Average Store Tenure (month)



Akbatı Shopping Mall- Store Mix by Size



Akbatı Shopping Mall

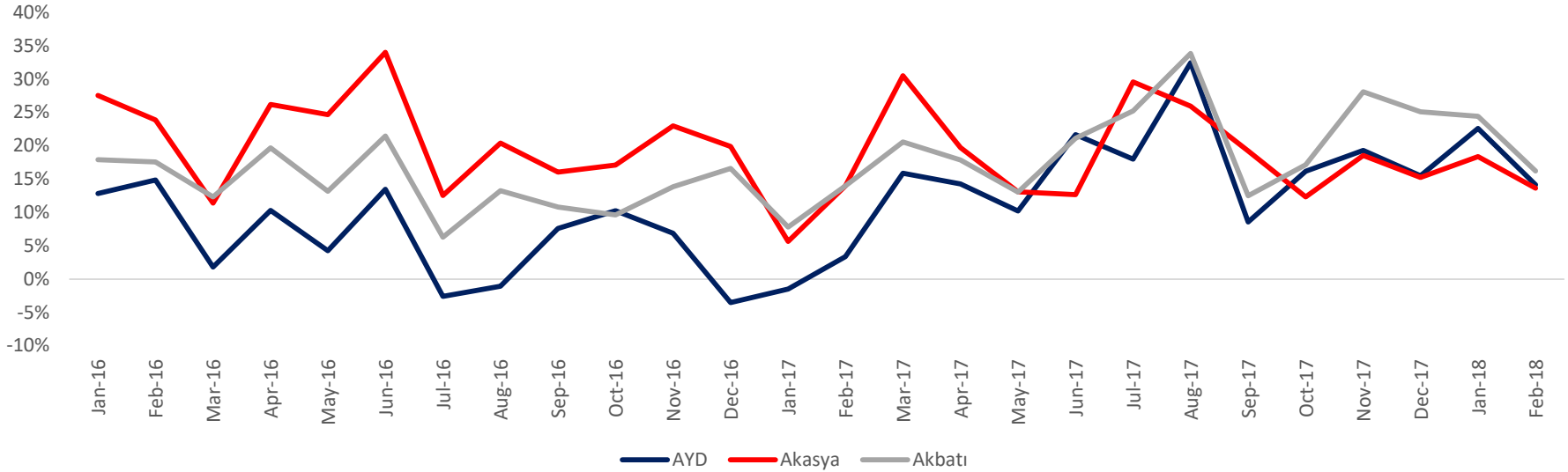
Income yield

Akbatı Shopping Mall (US\$mn)	2015	2016	2017	1Q18
Revenue	23,8	24,1	23,2	6,1
NOI	16,5	16,7	16,9	4,4
EBITDA	16,6	16,8	17,1	4,4
Latest Appraisal Value	267,4	253,5	239,4	239,4
Yield	6,22%	6,64%	7,13%	7,37%

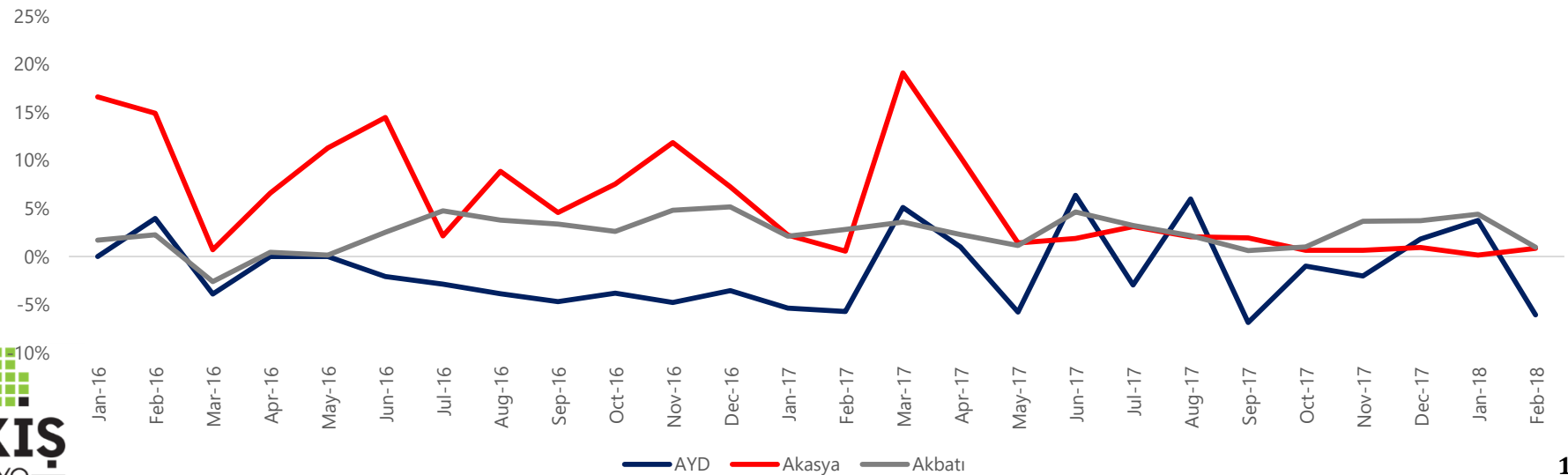
- ✓ Akbatı Shopping Mall posted significant turnover increase (c.20%) YoY coupled with c.3% rise in the # of visitors due to;
 - ✓ Akbatı's unique shopping mall status in its hinterland
- ✓ Net Operational Margin stood out at c.73% vs. c.71% average over the last three years due mainly to;
 - ✓ Effective 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: **USD8.5mn**



Gross Leasable Area: **12.000 m²**
Gross Sellable Area: **2.000 m²**

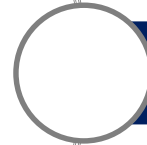


Expected Sales Revenue: **USD27mn**

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
(7.37% yield based on 2017YE 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 m²**



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



Expected IRR: 25% (in TL terms)



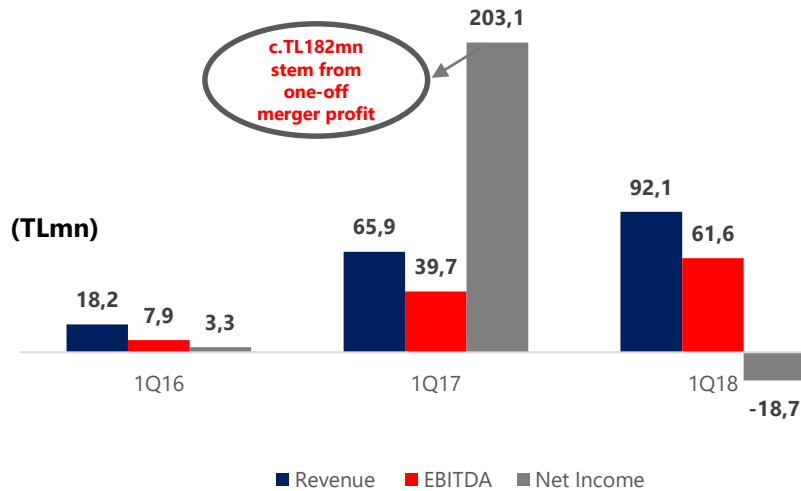
Expected Project Income: **TL350mn**

Investment Rationale:

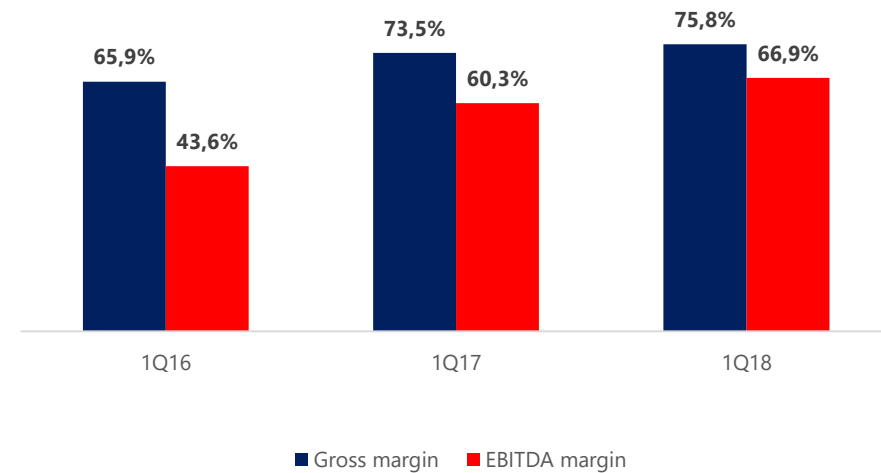
- Limited modern residential supply in the area
 - Most of the available land plot is protected area
 - Residential density one the lowest of Istanbul
- Looking over the forest and the sea
- New and upcoming infrastructure will make commuting easier

Financial Performance Overview

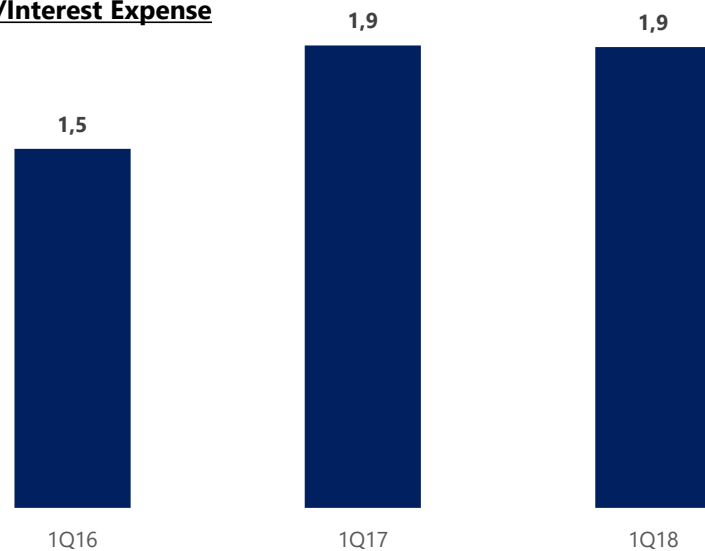
Net Loss of 1Q18 is mainly due to negative impact of FX volatility



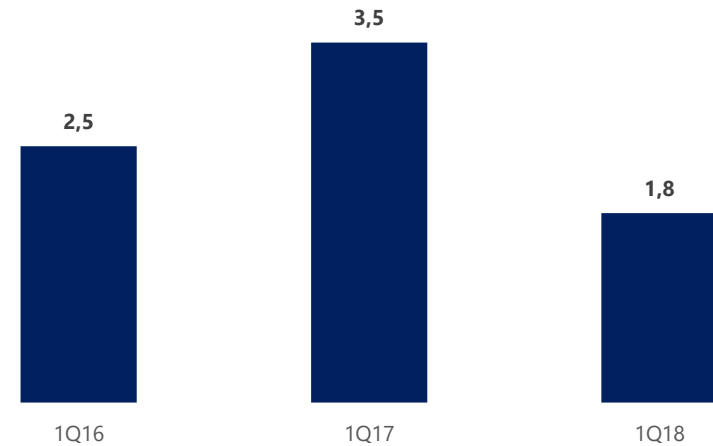
EBITDA margin improved thanks to c.37%* rise in store rent revenues and significant jump in other revenues coupled with a good cost management



EBITDA/Interest Expense

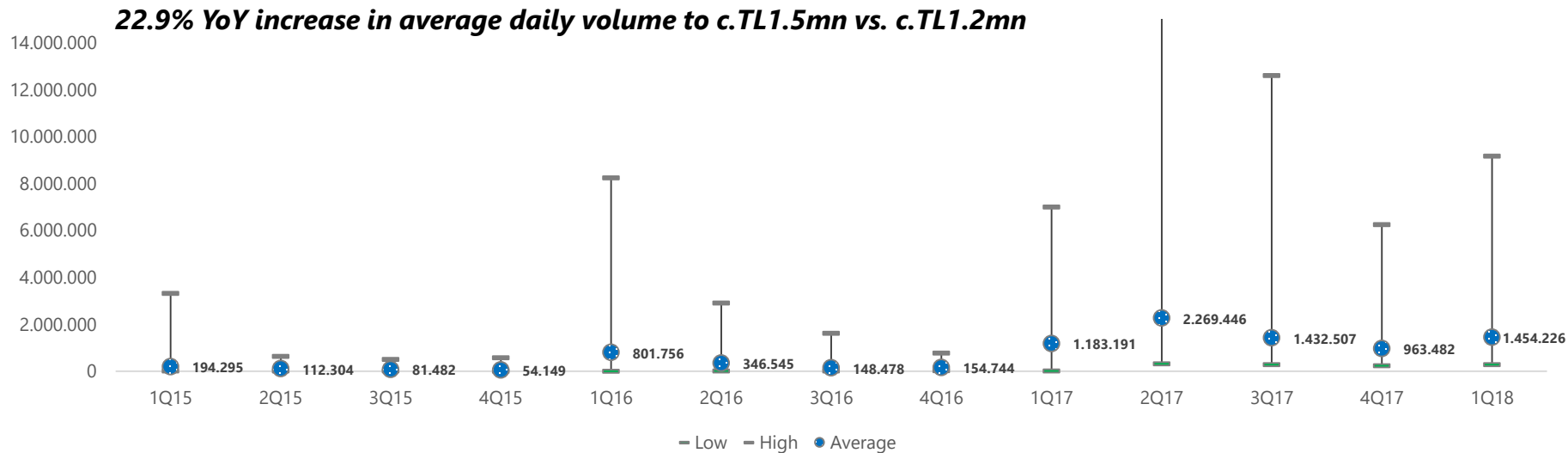
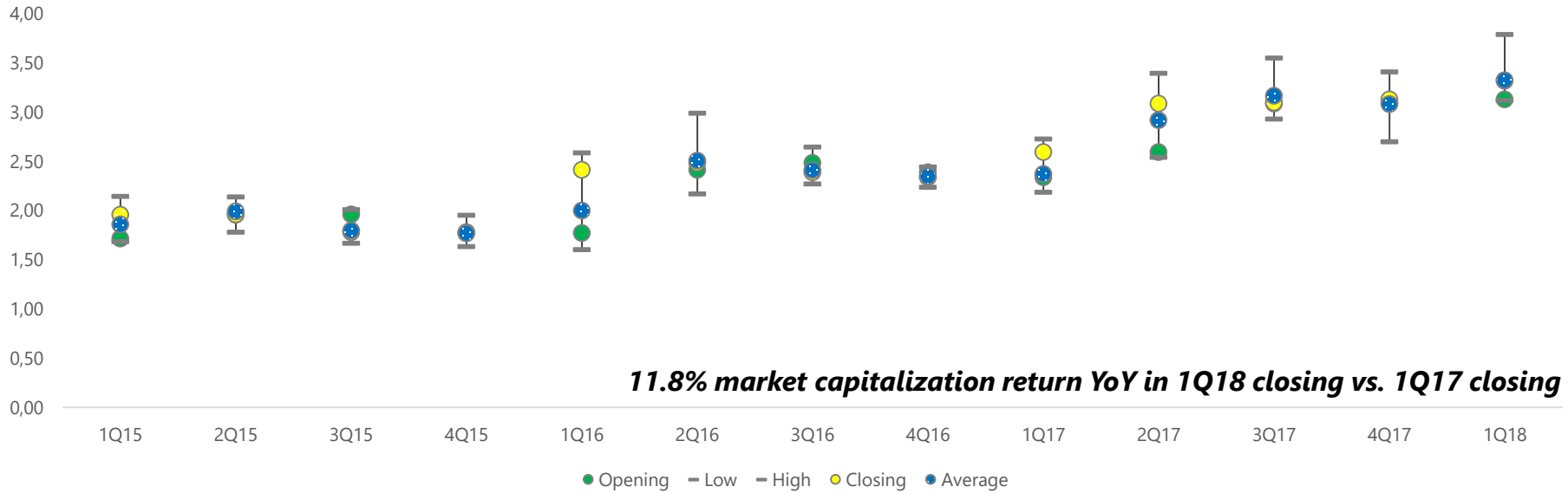


Average Debt Maturity has fallen significantly due to hefty previously long term payments being now recorded as short term. We target to lengthen average debt maturity in 2018.



*unadjusted for last year's merger, adjusted figure is 20%

Akiş REIT Share Summary



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Disclosure:

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