

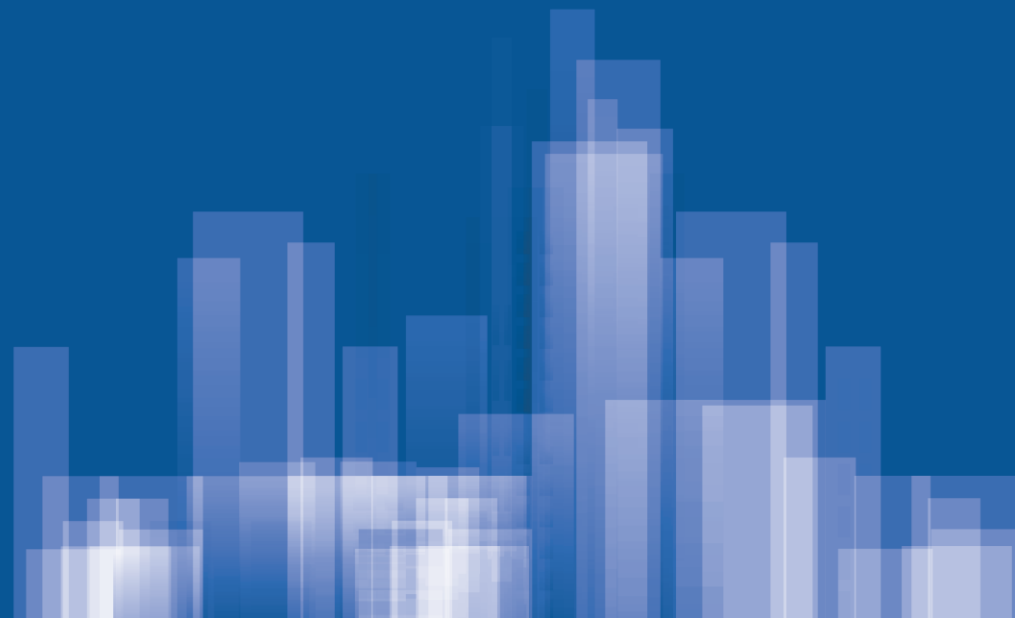


HALKGYO

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

INVESTOR PRESENTATION

2018 / Q1

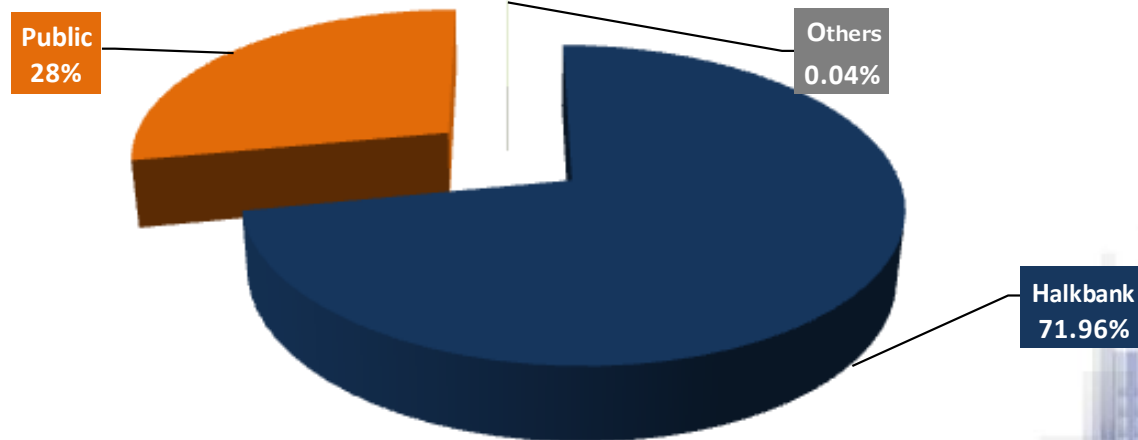


ABOUT HALK GYO

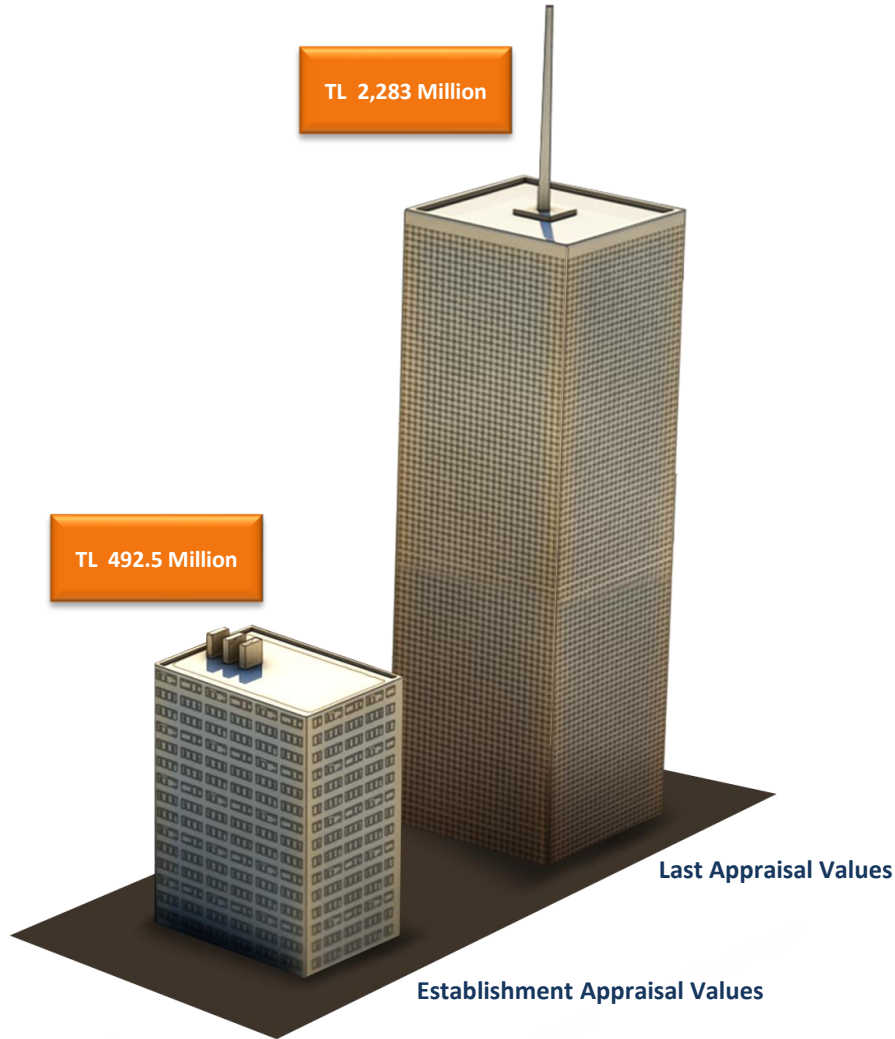
- Halk GYO, was established in 2010, invests in real estates, real estate projects, real estate based rights and capital market instruments.
- Halk GYO completed its IPO in February 2013 and is trading on the Borsa Istanbul (BIST) with the code “HLGYO”

As of March 31, 2018;

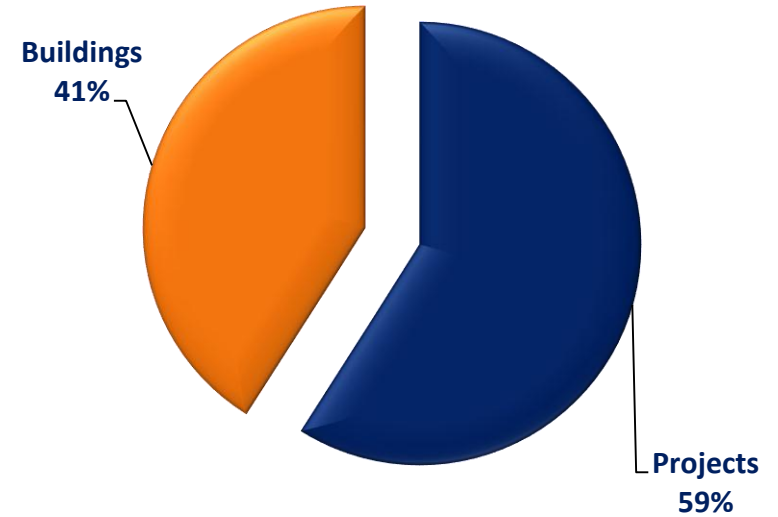
- ❖ Halk GYO has an important position in the sector by the total asset value exceeding **TL 2.4 billion**, shareholders' equity approaching **TL 1.9 billion** and market value of **TL 738 million**
- **28%** of total shares are listed on the BIST.



REAL ESTATE PORTFOLIO



DISTRIBUTION OF PORTFOLIO



REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



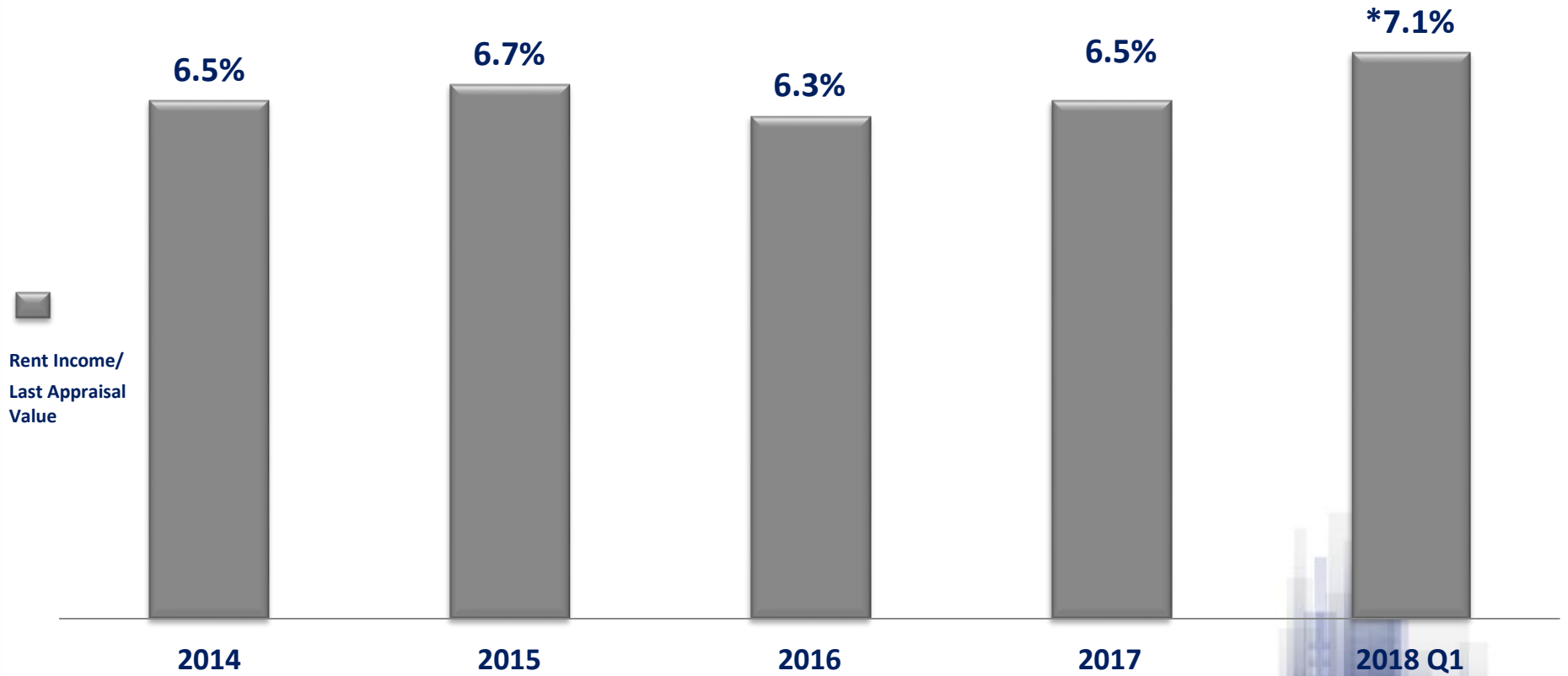
REAL ESTATE PORTFOLIO TABLE

PORTFOLIO		Fair Value(TL)
PROJECTS	Current Status	
Salıpazarı Land		5,178,343
IIFC «Halk Towers»	In Construction	*946,343,009
Istanbul Bizimtepe Aydos Residential Project	In Construction and sale	284,255,740
Erzurum Şehristan Residentials Project	In Construction and sale	96,291,029
Eskişehir Panorama Plus Residential Project	In Sale	**8,000,944
Istanbul Referans Bakırköy Residential Project	In Sale	**2,268,602
Total		1,342,337,667
BUILDINGS	Tenant	
Istanbul Halkbank Finance Tower	Halkbank	209,450,640
Istanbul Park Dedeman Levent Hotel	Dedeman	176,319,803
Şekerpinar Banking Center	Halkbank	98,016,800
Halk Office Şekerpinar	On The Market	*75,988,579
Istanbul Salıpazarı Building	In renovation process (as a Hotel)	*64,280,997
Istanbul Karaköy Building	On the Market	36,000,000
Izmir, Konak 1 Building	Halkbank	27,156,000
Istanbul Beyoğlu Building	Halkbank / Turkish Treasury	26,473,003
Istanbul Bakırköy Building	Halkbank	23,548,000
Istanbul Beşiktaş Building	Halkbank	19,465,000
Ankara Kızılay Building	Halkbank	17,013,475
Istanbul Etiler Building	Halkbank	18,440,000
Istanbul Şişli Building	Halkbank	16,262,529
Izmir Konak 2 Building	Halkbank and its subsidiaries	16,090,500
Bursa Building	Halkbank	14,400,400
Kocaeli Building	Halkbank	12,521,000
Ankara Başkent Building	Halkbank / Ceda Hotel	11,854,750
Istanbul Ataköy Building	Halkbank	12,463,200
Istanbul Fatih Building	Halkbank	12,477,083
Istanbul Caddebostan Building	In renovation process	*12,905,677
Sakarya Adapazarı Building	Halkbank	12,525,000
Ankara Bahçelievler 1 Building	Halkbank	9,863,250
Istanbul Nişantaşı Building	Halkbank	9,514,000
Ankara Bahçelievler 2 Building	On the Market	8,100,000
Total		941,129,686
TOTAL OF PORTFOLIO		2,283,467,353

* Project cost value as of March 31, 2018
 ** Appraisal values of independent units of Halk GYO as of March 31, 2018

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 209.5 million

COMPLETED PROJECTS

İSTANBUL 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. A few units have remained unsold in the Company's portfolio.

Real Estate Information

City	:	İstanbul
District	:	Bakırköy
Appraisal Value	:	TL 2.3 million
(for units of Halk GYO as of March 31, 2018)		

COMPLETED PROJECTS

İSTANBUL 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 176.3 million

COMPLETED PROJECTS

ESKİŞEHİR 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, 2 of which have been rented out by our Company.

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

As of March 31, 2018, 14 units have remained unsold in the Company’s portfolio.

Real Estate Information

City	: Eskişehir
District	: Odunpazarı
Appraisal Value (for 14 unsold units as of March 31, 2018)	: TL 8.0 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, 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 98 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.

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 March 31, 2018)	: TL 76 million

ONGOING PROJECTS

İSTANBUL 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 17% as of May 2018.

Real Estate Information

City	:	İstanbul
District	:	Ümraniye
Project Value (the cost value as of March 31, 2018)	:	TL 946,3 million

ONGOING PROJECTS

SANCAKTEPE BİZİMTEPE AYDOS PROJECT



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, it is planning to build 13-storey 17 blocks (total 1037 residential units) with the options of 2+1, 3+1, 4+1, 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 have begun in the project which will be the response to the house demand resulting from IFC.

As of March 31 2018, TL 183,0 million has been accounted as deferred income in the Company’s balance sheet for 736 units.

Real Estate Information

City	:	İstanbul
District	:	Sancaktepe
Appraisal Value of Entire Project	:	TL 568.5 million
Halk GYO Share	:	50%

ONGOING PROJECTS

ERZURUM ŞEHRİSTAN RESIDENTIAL PROJECT



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”, will comprise 13 blocks, each with 13-storey, and totally 632 residentials and 11 commercial units.

As of March 31 2018, TL 50,3 million has been accounted as deferred income in the Company’s balance sheet for 328 units.

Real Estate Information

City	:	Erzurum
District	:	Yakutiye
Appraisal Value of Entire Project	:	TL 192.6 million
Halk GYO Share	:	50%

ONGOING PROJECTS

SALIPAZARI HOTEL PROJECT



After the best use studies, it was decided to renovate our office building, Beyoğlu Salıpaazarı, 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.

The alteration permission for transforming building to hotel has been granted and construction works continue across the area.

Real Estate Information

City	: İstanbul
District	: Beyoğlu / Salıpaazarı
Appraisal Value (the cost value as of March 31, 2018)	: TL 64.3 million

ONGOING PROJECTS

İZMİR ALSANCAK 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 672 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.

FINANCIAL DATA

BALANCE SHEET (TL)	31.12.2017	31.03.2018
Current Assets	432,080,905	379,215,072
<i>Liquid Assets</i>	<i>123,145,273</i>	<i>53,788,636</i>
<i>Inventories</i>	<i>252,004,404</i>	<i>276,186,539</i>
Non-Current Assets	1,944,852,835	2,045,827,732
<i>Investment Properties</i>	<i>1,828,384,803</i>	<i>1,896,887,638</i>
Total Assets	2,376,933,740	2,425,042,804
Short Term Liabilities	490,493,887	513,761,392
<i>Deferred Income</i>	<i>242,418,401</i>	<i>246,626,186</i>
Long Term Liabilities	7,038,201	22,815,913
Equity	1,879,401,652	1,888,465,499
Total Liabilities and Equity	2,376,933,740	2,425,042,804

INCOME STATEMENT (TL)	01.01.2017 31.03.2017	01.01.2018 31.03.2018
Revenues	21,682,198	18,280,039
<i>Rent Income</i>	<i>13,246,226</i>	<i>14,276,659</i>
<i>Sales Income</i>	<i>6,672,008</i>	<i>1,400,453</i>
<i>Financial Income</i>	<i>1,763,964</i>	<i>2,602,927</i>
Cost of Sales	(3,931,004)	(1,035,256)
<i>Cost of Residential Sales</i>	<i>(3,779,817)</i>	<i>(646,956)</i>
<i>Other Costs</i>	<i>(151,187)</i>	<i>(388,300)</i>
Gross Profit	17,751,194	17,244,783
<i>General Administrative Expense</i>	<i>(3,151,601)</i>	<i>(3,554,081)</i>
<i>Marketing & Selling Expense</i>	<i>(1,178,793)</i>	<i>(399,309)</i>
<i>Other Income (Expense)</i>	<i>(2,094,690)</i>	<i>996,673</i>
Operating Profit	11,326,110	14,288,066
<i>Financial Expense</i>	<i>(315,353)</i>	<i>(4,540,587)</i>
Net Profit	11,010,757	9,747,479

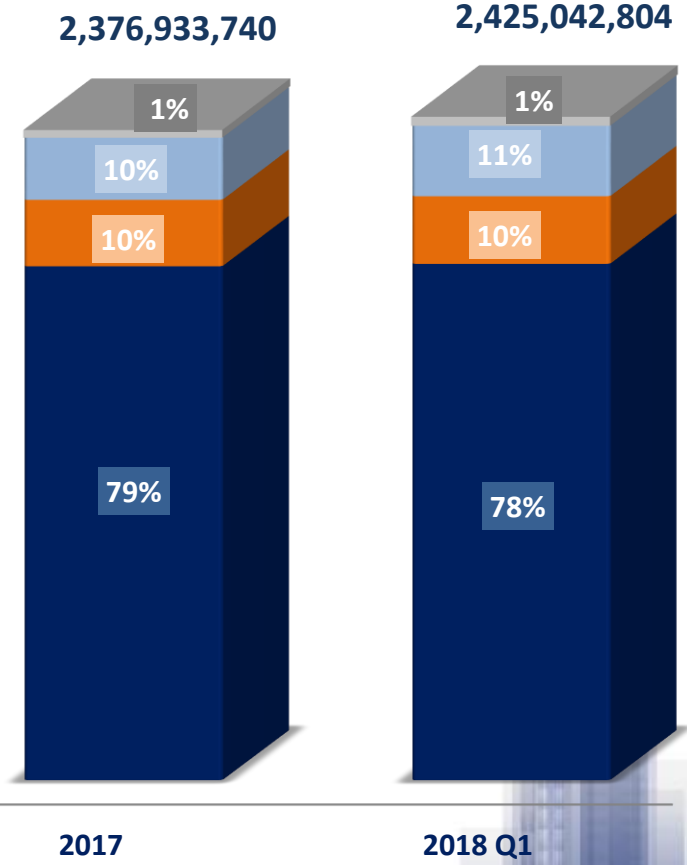
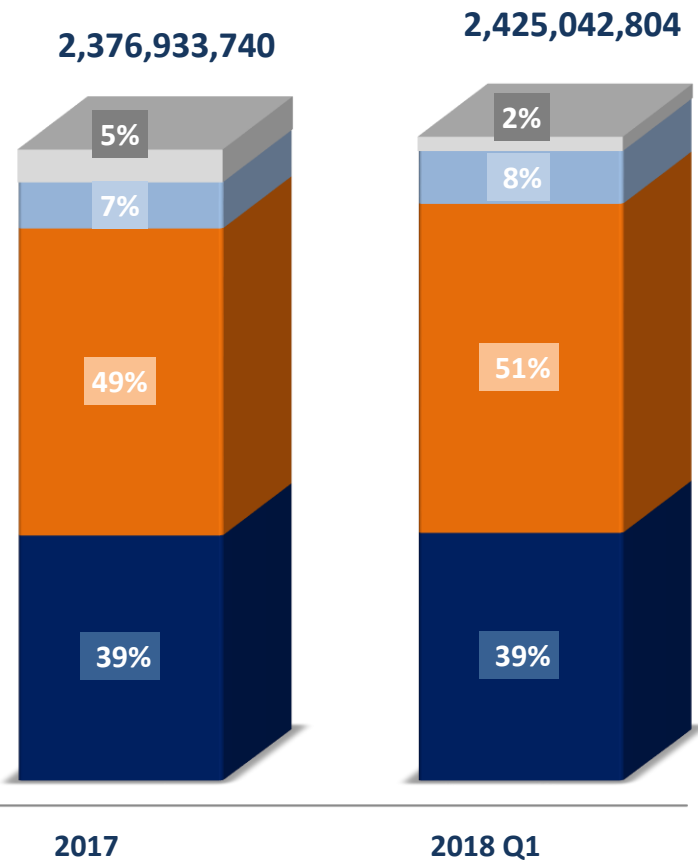
DISTRIBUTION OF ASSETS AND LIABILITIES

DISTRIBUTION OF ASSETS_TL

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

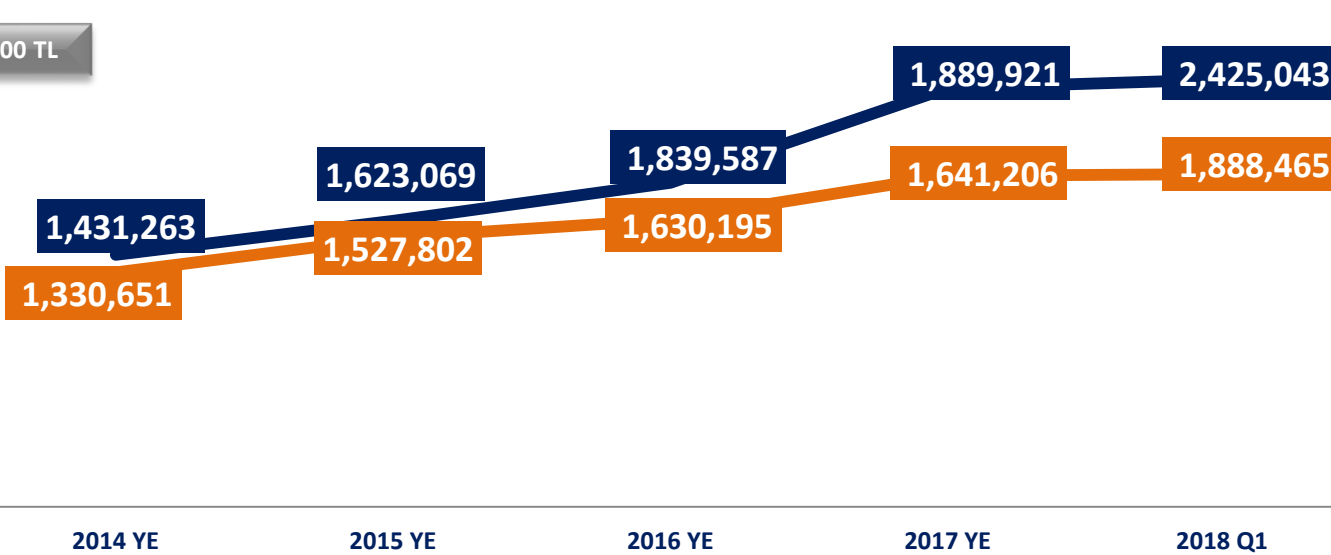
DISTRIBUTION OF LIABILITIES_TL

■ Equities ■ Deferred Income ■ Financial Debts ■ Other



BALANCE SHEET ITEMS

1,000 TL



Year to Date

Assets 2.02%

Equities 0.48%

202,943

252,121

107,264

11,010

9,747

2015 YE

2016 YE

2017 Q1

2017 YE

2018 Q1

YoY

Net Profit -11,47%

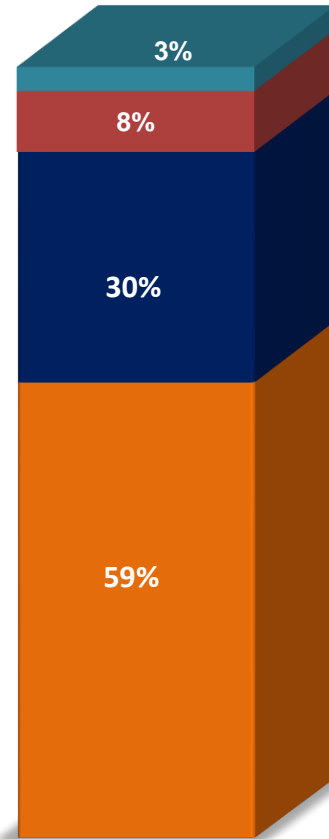
INCOME STATEMENT ITEMS

TL	2017 Q1	2018 Q1
Total Revenues	21,682,198	18,280,039
Rent Income	13,246,226	14,276,659
Real Estate Sale Income	6,672,008	1,400,453
Financial Income	1,763,964	2,602,927
Cost of Sales	-3,931,004	-1,035,256
Cost of Real Estate Sales	-3,779,817	-646,956
Other	-151,187	-388,300
Gross Profit	17,751,194	17,244,783
General Administrative Expenses	-3,151,601	-3,554,081
Marketing & Selling Expenses	-1,178,793	-399,309
Other Operating Income from Main Activities	696,713	1,101,360
Other Operating Loss from Main Activities	-2,791,403	-104,687
Operating Profit	11,326,110	14,288,067
Financial Expenses	-315,353	-4,540,587
Net Profit	11,010,757	9,747,479

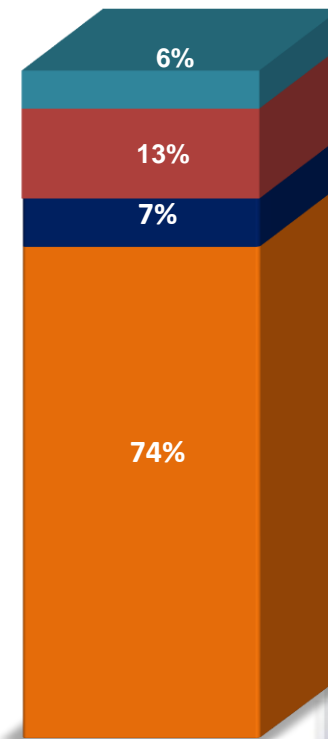
DISTRIBUTION OF MAIN INCOME ITEMS



22,378,911 TL



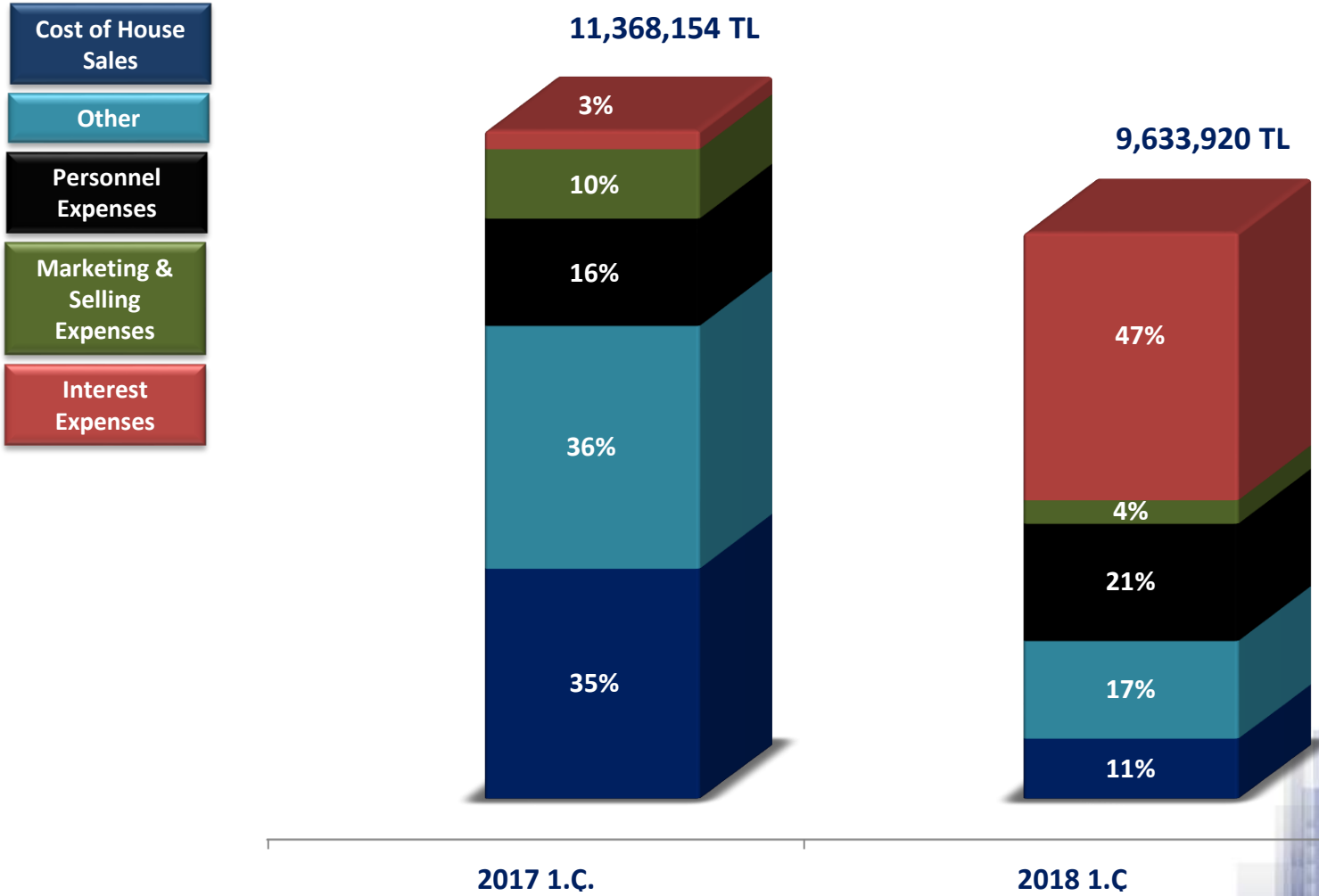
19,381,399 TL



2017 Q1

2018 Q1

DISTRIBUTION OF MAIN EXPENSE ITEMS



2018 TARGETS

- To complete the marketing process of *“Halk Office Şekerpınar”*
- To open the gates of *“Salıpaazarı Building”* as a hotel
- To start construction and sale of *“İzmir Alsancak Project”*
- ✓ To reach to ~ **11 %** RoaA ratio

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