

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

**Condensed Financial Statements As of and
For the Interim Period Ended 30 June 2024
With Review Report**

*(Convenience Translation of Financial Statements And Related
Disclosures and Footnotes Originally Issued in Turkish)*

16 August 2024

*This report consists of 2 page independent
auditor's report and 45 pages financial statements
and supplementary footnotes*

Sınıflandırma: GENEL | Classification: PUBLIC



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2024 and the related condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 16 August 2024

İş Gayrimenkul Yatırım Ortaklığı
Anonim Şirketi

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İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

STATEMENT OF CONDENSED FINANCIAL POSITION (BALANCE SHEET) AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

| | | <i>Reviewed</i> | <i>Audited</i> |
|---|--------------|-----------------------|-------------------------|
| | <i>Notes</i> | 30 June 2024 | 31 December 2023 |
| ASSETS | | | |
| Current assets | | 3,136,739,761 | 5,177,330,697 |
| Cash and cash equivalents | 5 | 71,826,867 | 796,650,749 |
| Financial investments | 6 | - | 503,085,032 |
| Trade receivables | 8 | 292,526,172 | 292,896,654 |
| <i>Trade receivables from related parties</i> | <i>24</i> | <i>33,244,595</i> | <i>7,887,677</i> |
| <i>Trade receivables from third parties</i> | | <i>259,281,577</i> | <i>285,008,977</i> |
| Other receivables | 9 | 11,313,112 | 22,263,898 |
| <i>Other receivables from third parties</i> | | <i>11,313,112</i> | <i>22,263,898</i> |
| Inventories | 11 | 2,586,952,717 | 3,111,637,577 |
| Prepaid expenses | 16 | 168,511,909 | 325,489,482 |
| <i>Prepaid expenses to related parties</i> | <i>24</i> | <i>89,535,191</i> | <i>159,000,410</i> |
| <i>Prepaid expenses to third parties</i> | | <i>78,976,718</i> | <i>166,489,072</i> |
| Other current assets | 16 | 5,608,984 | 125,307,305 |
| Non-current assets | | 39,070,602,715 | 36,178,477,395 |
| Financial investments | 6 | 1,663,160,921 | 1,284,422,014 |
| Trade receivables | 8 | 1,569,861 | 1,883,742 |
| <i>Other trade receivables from third parties</i> | | <i>1,569,861</i> | <i>1,883,742</i> |
| Inventories | 11 | 4,280,304,000 | 3,983,790,873 |
| Equity accounted investees | 3 | 23,929,101 | 27,675,608 |
| Investment properties | 10 | 32,677,632,000 | 26,035,876,946 |
| Investment properties under development | 10 | - | 4,450,530,134 |
| Tangible assets | 12 | 332,900,764 | 319,724,380 |
| Intangible assets | 13 | 9,275,354 | 9,193,403 |
| Prepaid expenses | 16 | 81,830,714 | 65,380,295 |
| <i>Prepaid expenses to third parties</i> | | <i>81,830,714</i> | <i>65,380,295</i> |
| TOTAL ASSETS | | 42,207,342,476 | 41,355,808,092 |

The accompanying notes form an integral part of these financial statements.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

STATEMENT OF CONDENSED FINANCIAL POSITION (BALANCE SHEET) AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

| | | Reviewed | Audited |
|--|-------|-----------------------|-----------------------|
| | Notes | 30 June 2024 | 31 December 2023 |
| LIABILITIES | | | |
| Short-term liabilities | | 4,235,493,651 | 4,592,581,568 |
| Short term loans and borrowings | 7 | 2,719,909,795 | 2,939,782,787 |
| Loans and borrowings to related parties | 24 | 543,689,706 | 1,727,799,153 |
| Loans and borrowings to third parties | | 2,176,220,089 | 1,211,983,634 |
| Current portion of long-term borrowings | 7 | 731,559,502 | 148,876,875 |
| Loans and borrowings to related parties | 24 | 58,157,824 | - |
| Loans and borrowings to third parties | | 673,401,678 | 148,876,875 |
| Trade payables | 8 | 62,664,587 | 301,314,079 |
| Trade payables to related parties | 24 | 31,364,965 | 45,089,511 |
| Trade payables to third parties | | 31,299,622 | 256,224,568 |
| Other payables | 9 | 26,590,207 | 51,388,558 |
| Other payables to third parties | | 26,590,207 | 51,388,558 |
| Liabilities from contracts with customers | 17 | 610,954,088 | 1,069,675,903 |
| Contractual obligations from sales of goods and services | | 610,954,088 | 1,069,675,903 |
| Deferred income (Excluding liabilities from contracts with customers) | 16 | 3,234,062 | 1,768,385 |
| Deferred income from related parties | 24 | 54,040 | 579,517 |
| Deferred income from third parties | | 3,180,022 | 1,188,868 |
| Short-term provisions | | 6,446,050 | 29,875,226 |
| Provisions for employee benefits | 15 | 4,468,050 | 2,739,995 |
| Other short-term provisions | 14 | 1,978,000 | 27,135,231 |
| Other short-term liabilities | 16 | 74,135,360 | 49,899,755 |
| Long-term liabilities | | 1,784,313,345 | 3,043,525,087 |
| Long term loans and borrowings | 7 | 1,767,981,479 | 3,026,017,987 |
| Loans and borrowings to related parties | 24 | 73,404,696 | 190,959,223 |
| Loans and borrowings to third parties | | 1,694,576,783 | 2,835,058,764 |
| Long-term provisions | | 16,331,866 | 17,507,100 |
| Provisions for employee benefits | 15 | 16,331,866 | 17,507,100 |
| EQUITY | | 36,187,535,480 | 33,719,701,437 |
| Share capital | 18 | 958,750,000 | 958,750,000 |
| Inflation restatement difference on share capital | 18 | 17,483,133,106 | 17,483,133,106 |
| Share premium | 18 | 8,428,897 | 8,428,897 |
| Other comprehensive income that will never be reclassified to profit or loss | | 139,976,643 | 118,754,279 |
| Revaluation and classification of gains / losses | | 153,120,057 | 131,897,693 |
| Other earnings/ losses | | (13,143,414) | (13,143,414) |
| Restricted reserves | 18 | 742,735,038 | 707,735,366 |
| Prior years' profits | 18 | 14,407,900,117 | 10,537,127,002 |
| Net profit for the period | | 2,446,611,679 | 3,905,772,787 |
| TOTAL EQUITY AND LIABILITIES | | 42,207,342,476 | 41,355,808,092 |

The accompanying notes form an integral part of these financial statements.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

STATEMENT OF CONDENSED PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

| | | Reviewed 1 January- 30 June 2024 | Reviewed 1 April- 30 June 2024 | Reviewed 1 January- 30 June 2023 | Reviewed 1 April- 30 June 2023 |
|---|-------|--|--------------------------------------|--|--------------------------------------|
| | Notes | | | | |
| Revenue | 19 | 1,586,508,365 | 1,243,570,056 | 645,558,000 | 302,080,168 |
| Cost of revenue (-) | 19 | (908,381,102) | (844,818,741) | (150,240,294) | (77,628,946) |
| Gross profit | | 678,127,263 | 398,751,315 | 495,317,706 | 224,451,222 |
| General administrative expense (-) | 20 | (109,474,682) | (65,836,999) | (99,634,920) | (48,637,807) |
| Marketing expenses (-) | 20 | (23,974,502) | (15,200,774) | (25,579,545) | (12,084,176) |
| Other operating income | 21 | 2,209,490,262 | 2,204,114,157 | 3,494,970,009 | 3,401,825,109 |
| Other operating expense (-) | 21 | (124,909,821) | 339,738,909 | - | 132,791,829 |
| Operating profit | | 2,629,258,520 | 2,861,566,608 | 3,865,073,250 | 3,698,346,177 |
| Investment expenses (-) | 21 | - | - | (14,121,315) | - |
| Share of profit of equity-accounted investees | 3 | 1,308,369 | 487,937 | (390,667) | (2,434,867) |
| Operating Profit Before Finance Expense | | 2,630,566,889 | 2,862,054,545 | 3,850,561,268 | 3,695,911,310 |
| Financial income | 22 | 63,145,004 | 21,183,730 | 18,875,363 | 9,041,578 |
| Financial expenses (-) | 22 | (1,231,076,243) | (584,162,902) | (736,669,415) | (333,493,264) |
| Monetary gain / (loss) | | 983,976,029 | 260,001,786 | 927,321,281 | 54,135,157 |
| Operating Profit before Tax from Continuing Operations | | 2,446,611,679 | 2,559,077,159 | 4,060,088,497 | 3,425,594,781 |
| Tax Expense from Continuing Operations | | | | | |
| - Corporate tax charge | | - | - | - | - |
| - Deferred tax benefit | | - | - | - | - |
| Net profit for the period | | 2,446,611,679 | 2,559,077,159 | 4,060,088,497 | 3,425,594,781 |
| Earnings per share | 23 | 0.0255 | 0.0267 | 0.0423 | 0.0357 |

The accompanying notes form an integral part of these financial statements.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

STATEMENT OF CONDENSED OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

| | | <i>Reviewed</i> | <i>Reviewed</i> | <i>Reviewed</i> | <i>Reviewed</i> |
|--|-------|----------------------------|--------------------------|----------------------------|--------------------------|
| | Notes | 1 January- 30 June 2024 | 1 April- 30 June 2024 | 1 January- 30 June 2023 | 1 April- 30 June 2023 |
| Net profit for the period | | 2,446,611,679 | 2,559,077,159 | 4,060,088,497 | 3,425,594,781 |
| Other comprehensive income | | | | | |
| Other comprehensive income that will never be reclassified to profit or loss | | 21,222,364 | 21,222,364 | 47,026,173 | 47,026,173 |
| Revaluation and classification of gains / losses | 12 | 21,222,364 | 21,222,364 | 47,026,173 | 47,026,173 |
| Actuarial gain/(loss) arising from defined benefit plans | | - | - | - | - |
| Other comprehensive income | | 21,222,364 | 21,222,364 | 47,026,173 | 47,026,173 |
| TOTAL COMPREHENSIVE INCOME | | 2,467,834,043 | 2,580,299,523 | 4,107,114,670 | 3,472,620,954 |

The accompanying notes form an integral part of these financial statements.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

STATEMENT OF CONDENSED CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

| | | | | | Other comprehensive income that will never be reclassified to profit or loss | | | | | |
|--------------------------------------|--------------------|---|-----------------------|-----------------------|--|--------------------|----------------------|---------------------------|-----------------------|-----------------------|
| Notes | Share capital | Inflation restatement difference on share capital | Share premium | Other earnings/losses | Revaluation and classification of gains/losses | Legal reserves | Prior years' profits | Net profit for the period | Total | |
| Balances as of 1 January 2023 | 958,750,000 | 17,483,133,106 | 8,428,897 | (9,972,858) | 103,753,303 | 668,475,052 | (151,915,997) | 10,728,303,313 | 29,788,954,816 | |
| Transfers | - | - | - | - | - | 39,260,314 | 10,689,042,999 | (10,728,303,313) | - | |
| Total comprehensive income | - | - | - | - | 47,026,173 | - | - | 4,060,088,497 | 4,107,114,670 | |
| Balances as of 30 June 2023 | 18 | 958,750,000 | 17,483,133,106 | 8,428,897 | (9,972,858) | 150,779,476 | 707,735,366 | 10,537,127,002 | 4,060,088,497 | 33,896,069,486 |
| Balances as of 1 January 2024 | | 958,750,000 | 17,483,133,106 | 8,428,897 | (13,143,414) | 131,897,693 | 707,735,366 | 10,537,127,002 | 3,905,772,787 | 33,719,701,437 |
| Transfers | - | - | - | - | - | 34,999,672 | 3,870,773,115 | (3,905,772,787) | - | |
| Total comprehensive income | - | - | - | - | 21,222,364 | - | - | 2,446,611,679 | 2,467,834,043 | |
| Balances as of 30 June 2024 | 18 | 958,750,000 | 17,483,133,106 | 8,428,897 | (13,143,414) | 153,120,057 | 742,735,038 | 14,407,900,117 | 2,446,611,679 | 36,187,535,480 |

The accompanying notes form an integral part of these financial statements.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

STATEMENT OF CONDENSED CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

| | | Reviewed 1 January - 30 June, 2024 | Reviewed 1 January - 30 June, 2023 |
|--|--------|---|---|
| | Notes | | |
| A. Cash flows from operating activities | | 249,218,023 | (2,213,880,768) |
| Net profit for the period | | 2,446,611,679 | 4,060,088,497 |
| Profit adjustments for: | | | |
| Adjustments to depreciation and amortization | 12, 13 | 9,396,729 | 9,355,409 |
| Adjustments to impairment or cancelation | | (58,679,488) | (74,008,511) |
| - Adjustments to impairment of receivables | 8 | (1,574,456) | (11,102) |
| - Adjustments related to impairment of inventories | | (57,105,032) | (73,997,409) |
| Adjustments for provisions | | 5,610,876 | 6,118,396 |
| - Adjustments to provision for employee severance indemnity | 15 | 5,610,876 | 6,118,396 |
| Adjustments for (gain)/losses on fair value | | (2,020,422,651) | (3,182,910,935) |
| - Adjustments to (gain)/losses on fair value of investment properties | | (2,144,768,776) | (3,104,567,443) |
| - Adjustments to (gain)/losses on fair value of financial investments | 21 | 124,346,125 | (83,343,461) |
| - Adjustments to (gain)/losses on fair value of derivatives | | - | 4,999,969 |
| Adjustments for retained earnings of investments valued by equity method | | (1,308,369) | 390,667 |
| - Adjustments for retained earnings of subsidiaries | 3 | (1,308,369) | 390,667 |
| Adjustments to interest income and expense | | 1,211,441,589 | 713,130,808 |
| - Adjustments to interest income | 5, 19 | (13,608,426) | 679,384 |
| - Adjustments to interest expense | 22 | 1,225,050,015 | 712,451,424 |
| Adjustments to foreign exchange differences | | (3,473,817) | (229,964,242) |
| Adjustments to monetary (gain) / loss | | (1,240,660,761) | (1,279,816,005) |
| Operating profit from before the changes in working capital | | 348,515,787 | 22,384,084 |
| Changes in working capital | | | |
| Changes in trade receivables | | 4,148,454 | (27,868,382) |
| - Changes in trade receivables from related parties | | (25,356,918) | 14,463,025 |
| - Changes in trade receivables from third parties | | 29,505,372 | (42,331,407) |
| Adjustments for the decrease (increase) in other operating receivables | | 10,950,786 | 436,032 |
| - Changes in other receivables from third parties | | 10,950,786 | 436,032 |
| Changes in inventories | | 285,276,766 | (2,623,700,451) |
| Changes in prepaid expenses | | 140,527,156 | (102,918,083) |
| Changes in trade payables | | (238,649,493) | 29,887,408 |
| - Changes in trade payables from related parties | | (13,724,546) | 27,510,930 |
| - Changes in trade payables from third parties | | (224,924,947) | 2,376,478 |
| Changes in other payables | | (24,798,351) | 11,653,091 |
| - Changes in other payables from third parties | | (24,798,351) | 11,653,091 |
| Changes in liabilities from contracts with customers | | (458,721,815) | 308,315,884 |
| - Changes in contractual obligations from sales of goods and services | | (458,721,815) | 308,315,884 |
| Changes in deferred income (Excluding liabilities from contracts with customers) | | 1,465,677 | 146,105,863 |
| Other changes in working capital | | 118,776,692 | 9,504,097 |
| - Changes in other assets | | 119,698,320 | 6,971,174 |
| - Changes in other liabilities | | (921,628) | 2,532,923 |
| | | 187,491,659 | (2,226,200,457) |
| Cash generated from operating activities | | | |
| Employee termination benefits paid | 15 | (1,418,640) | (678,437) |
| Interest received | 5, 19 | 63,145,004 | 12,998,126 |
| Net cash provided by / (used in) operating activities | | 249,218,023 | (2,213,880,768) |
| B. Cash flows from investing activities | | | |
| Cash inflows arising from purchase of financial investments | | - | 265,015,730 |
| Cash outflows arising from purchase of investment properties | 10 | (46,456,144) | (84,721,809) |
| Cash outflows arising from purchases of tangible and intangible assets | 12, 13 | (1,432,701) | (2,412,273) |
| - Cash outflows arising from purchases of tangible assets | | (518,678) | (576,786) |
| - Cash outflows arising from purchases of intangible assets | | (914,023) | (1,835,487) |
| Dividends received | | 5,000,000 | 3,431,943 |
| Net cash used in investing activities | | (42,888,845) | 181,313,591 |
| C. Cash flows from financing activities | | (890,319,394) | 226,983,641 |
| Cash outflows arising from derivatives | | - | (34,207,050) |
| Borrowings received | 7 | 1,555,950,662 | 9,814,813,503 |
| Borrowings paid | 7 | (1,285,701,174) | (8,905,112,972) |
| Interest paid | 7 | (1,160,568,882) | (648,509,840) |
| Net cash provided by financing activities | | (890,319,394) | 226,983,641 |
| Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates | | (683,990,216) | (1,805,583,536) |
| Effect of changes in foreign currency rates over cash and cash equivalents | | 3,473,817 | 229,964,242 |
| Net increase / (decrease) in cash and cash equivalents | | (680,516,399) | (1,575,619,294) |
| Net monetary gain/(loss) in cash and cash equivalents | | 5,229,095 | 61,076,428 |
| Cash and cash equivalents at the beginning of the period | 5 | 746,850,686 | 2,546,229,420 |
| Cash and cash equivalents at the end of the period | 5 | 71,563,382 | 1,031,686,554 |

The accompanying notes form an integral part of these financial statements.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 30 June 2024 unless otherwise indicated.)

1. Organization and operations of the Company

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (“the Company”) was established on 6 August 1999 by İş Gayrimenkul Yatırım ve Proje Değerlendirme Anonim Şirketi taking over all assets and liabilities of İş Gayrimenkul Yatırım ve Proje Değerlendirme Anonim Şirketi and Merkez Gayrimenkul Yatırım ve Proje Değerlendirme Anonim Şirketi, both of which operated separately and were established in 1998. The Company is a subsidiary of Türkiye İş Bankası Anonim Şirketi (“İş Bankası”). The Company’s registered address is at İş Kuleleri Kule 2 Kat 10, 11 Levent Istanbul/Turkey.

The main objective and operations of the Company are to engage in activities regulated by the Capital Markets Board of Turkey (“CMB”) related with the Real Estate Investment Corporations such as properties, property-oriented capital market instruments, real estate projects and investing in capital market instruments. Compliance to the CMB’s regulations and related legislation are taken as a basis for the Company’s operations, portfolio investment policies and management limitations.

The Company’s shares have been traded on the Borsa İstanbul Anonim Şirketi (the former legal title “İstanbul Stock Exchange”) (“BİST”) since 1999.

The Company has 71 employees as of 30 June 2024, (31 December 2023: 70).

Kanyon Yönetim İşletim ve Pazarlama Limited Şirketi (“Kanyon”) was established on 6 October 2004, by both 50% equal participations of the Company and Eczacıbaşı Holding Anonim Şirketi (“Eczacıbaşı Holding”). However, Kanyon is converted to Joint Stock Company status as at 5 June 2015. The main objective and operations of the jointly controlled entity are the management of the residences, offices and shops; providing cleaning, maintenance, security, basic environmental set up and similar activities as well as acting as an agent in the introduction and marketing of the projects of the complexes, including property letting and sale.

2. Basis of presentation of financial statements

2.1 Basis of presentation

Statement of compliance

The accompanying financial statements and explanatory notes have been prepared in accordance with Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) as set out in the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) of the Capital Markets Board of Turkey (“CMB”), which is published on 13 June 2013 at the Official Gazette numbered 28676. TAS include Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The financial statements as at 30 June 2024 have been approved for issue by the Board of Directors on 16 August 2024. The General Assembly and the legal authorities have the authority to amend the statutory financial statements and these financial statements.

Preparation of financial statements

The accompanying financial statements have been presented in accordance with the TAS taxonomy announced by POA as of 4 July 2024.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

Functional and presentation currency

The financial position and the results of the Company's operations have been expressed in Turkish Lira ("TRY") which is the functional currency of the Company and which is the presentation currency of the financial statements.

Basis of measurement

The financial statements are prepared on a historical cost basis except for the financial assets measured at fair value.

Preparation of financial statements in Hyperinflationary Periods

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023, entities who applies TFRS on their financial statements will be subject to inflation accounting accordance with TMS 29 Financial Reporting Standard in High Inflation Economies, starting from the annual reporting period ending on or after 31 December 2023. IAS 29 applies to the financial statements of entities whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on the historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts. The previously mentioned financial statements and all comparative amounts from previous periods have been adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with TMS 29 and are finally expressed in terms of the purchasing power of the Turkish lira as of 30 June 2024.

In the application of TMS 29, the entity used the correction coefficients obtained according to the Consumer Price Indexes (CPI) published by the Turkish Statistical Institute in accordance with the guidance given by the KGK. Indexes used in adjusting the financial statements as of 30 June 2024.

| Date | Index | 3-year cumulative inflation ratios | Adjustment coefficient |
|------------------|----------|------------------------------------|------------------------|
| 30 June 2024 | 2,319.29 | 324% | 1.00000 |
| 31 December 2023 | 1,859.38 | 268% | 1.24735 |
| 30 June 2023 | 1,351.59 | 190% | 1.71597 |

In order to make the necessary adjustments in the financial statements in accordance with TAS 29, assets and liabilities were first separated into monetary and non-monetary, and non-monetary assets and liabilities were further separated into those measured at current value and those measured at cost.

Monetary items (except those linked to an index) and non-monetary items measured at their current value at the end of the reporting period are not subject to inflation adjustment as they are currently expressed in the current measurement unit at 30 June 2024. Non-monetary items that are not expressed in the measurement unit as of 30 June 2024 are subject to inflation adjustment using the relevant coefficient. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or net realizable value, the book value is reduced by applying the relevant TFRS. In addition, inflation adjustments were made for equity and all items in the statement of profit or loss and other comprehensive income.

Non-monetary items acquired before 1 January 2005, when the Turkish lira ceased to be defined as the currency of a hyperinflationary economy, and equity capital put into operation or formed before this date, has been corrected according to the change in the CPI from 1 January 2005 to 30 June 2024.

**NOTES TO THE INTERIM CONDENSED FINANCIAL
STATEMENTS AS OF 30 JUNE 2024**

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

The implementation of TAS 29 necessitated adjustments arising from the decrease in the purchasing power of the Turkish lira and presented in the Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and other comprehensive income. As long as the value of monetary assets or liabilities does not depend on changes in the index, during the inflation period, the purchasing power of entities carrying monetary assets in higher amounts than monetary liabilities will weaken, while the purchasing power of entities carrying monetary liabilities in higher amounts than monetary assets will increase. The net monetary position gain or loss is derived from the adjustment differences of non-monetary items, shareholders' equity, items in the statement of profit or loss and other comprehensive income, and index-linked monetary assets and liabilities.

In addition, in the reporting period when TAS 29 is first applied, the provisions of the Standard are applied assuming that there is always high inflation in the relevant economy. Therefore, the statement of financial position dated 1 January 2022 for the beginning of the earliest comparative period has been adjusted for inflation in order to serve as a basis for subsequent reporting periods. The inflation-adjusted amount of the profit/loss item of previous years in the financial status report dated 1 January 2022, was obtained from the balance equality that should be present after adjusting the other items of that table for inflation.

Interest in Joint Arrangements

Jointly controlled entities are those entities over whose activities one or more entities has joint control, established by contractual agreement and requiring unanimous consent for economic benefits.

Jointly controlled entity which is constituted as Kanyon is accounted for using the equity method in the accompanying financial statements. Under the equity method, investments in the jointly controlled entities are carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the jointly controlled entity and the comprehensive income reflects the share of the results of operations of the jointly controlled entities. Where there has been a change recognized directly in the equity of the jointly controlled entities, the Company recognizes its share of any changes and discloses this based on IAS 28 "Investment in Associate and Joint Ventures", when applicable, in the statement of changes in equity.

The financial statements of jointly controlled entity were prepared by using same accounting policies and periods to confirm with the Company's financial statements.

Foreign currency transactions

Transactions in foreign currencies are translated to TRY at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to TRY at the exchange rate at that date. Foreign currency differences arising on retranslation and gains and losses from foreign currency transactions are recognized in profit or loss.

The valuation principles applied, and the presentation of accounting policies have been consistently applied in all period information. Significant changes in accounting policies and significant accounting errors identified are applied retrospectively and the prior period financial statements are restated.

**NOTES TO THE INTERIM CONDENSED FINANCIAL
STATEMENTS AS OF 30 JUNE 2024**

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.2 Changes in accounting policies and estimates

The changes in estimates of accounting are about only one period, when the change is made, are about future, prospectively applied by including future periods. There is no change in accounting estimates in the current period. Determined significant accounting estimates errors are applied retrospectively and restated prior financial statements.

2.3 Summary of significant accounting policies

Interim condensed financial statements have been prepared in accordance with TAS 34 for the preparation of interim financial statements. In addition, the interim condensed financial statements have been prepared by applying the accounting policies that are consistent with the accounting policies applied during the preparation of the interim financial statements for the period ended 30 June 2024. Therefore, these interim condensed financial statements should be evaluated together with the financial statements for the year ended 30 June 2024.

i) The new standards, amendments and interpretations which are effective as of 30 June 2024 are as follows:

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

NOTES TO THE INTERIM CONDENSED FINANCIAL
STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 The new standards, amendments and interpretations (continued)

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

ii) *Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:*

The IFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet incorporated into legislation by the Public Oversight Authority.

- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2025. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

NOTES TO THE INTERIM CONDENSED FINANCIAL
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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 The new standards, amendments and interpretations (continued)

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, managementdefined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

**NOTES TO THE INTERIM CONDENSED FINANCIAL
STATEMENTS AS OF 30 JUNE 2024**

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.5 Restrictions on the investment portfolio of real estate investment trusts

The information included in the footnote titled "Control of Compliance with Portfolio Limitations" is in the nature of summary information derived from financial statements in accordance with the CMB's Communiqué Serial: II No: 14.1 "Principles of Financial Reporting in the Capital Markets". This information was published in the Official Gazette numbered 28660 on 28 May 2013, Serial: III, No: 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts"; The Communiqué on the Amendment of the Communiqué, Serial: III, No: 48.1a, published in the Official Gazette No. 28891 on 23 January 2014, and published in the Official Gazette No. 31269 on 9 October 2020, Serial: III No: Amendments to the Communiqué No. 48.1.e on "Principles Regarding Real Estate Investment Trusts". It has been prepared within the framework of the provisions of the Communiqué on the control of compliance with portfolio limitations.

2.6 Accounting estimates

Preparation of financial statements requires the use of assumptions and estimates that might affect the amounts of assets and liabilities reported as of balance sheet date, explanation of the conditional assets and liabilities and amounts of the income and expenses reported throughout the accounting period. Accounting evaluations, estimates and assumptions are evaluated taking into consideration past experience, other factors, current conditions and reasonable expectations for future events. Such evaluations and estimates might differ from actual consequences, even though they are based on the best knowledge of the management about current events and transactions. The main notes on which estimates are used are as follows:

- Note 10 Investment property
- Note 11 Inventories
- Note 14 Provision for litigation
- Note 15 Provision for employee benefits

Working Capital Ratio

As of 30 June 2024, the Company's current assets are TRY 3,136,739,761, short-term liabilities are TRY 4,235,493,651, while short-term liabilities exceed current assets by TRY 1,098,753,890. Short-term liabilities also include order advances amounting to TRY 610,954,088 arising from house sales.

The Company does not foresee any disruption to the fulfillment of these short-term obligations. The Company anticipates that approximately TRY 1,2 billion of rental income will be collected from its investment properties during the year.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

3. Equity accounted investees

The investments that are valued using equity method are shown in the financial statements of the Company by using equity method. Company's business partnerships that valued according to equity method are listed below:

| | Ownership (%) | 30 June 2024 | Ownership (%) | 31 December 2023 |
|--------|---------------|-------------------|---------------|-------------------|
| Kanyon | 50 | 23,929,101 | 50 | 27,675,608 |
| | | 23,929,101 | | 27,675,608 |

The summarized financial statements information of the jointly control entities under the equity method are listed below:

| Kanyon | 30 June 2024 | 31 December 2023 |
|------------------------|-------------------|-------------------|
| Current assets | 157,363,139 | 162,373,725 |
| Non-current assets | 3,410,085 | 9,978,816 |
| Short-term liabilities | (106,746,062) | (108,579,723) |
| Long-term liabilities | (6,168,961) | (8,421,602) |
| Net assets | 47,858,201 | 55,351,216 |

| Kanyon | 1 January – 30 June, 2024 | 1 January – 30 June, 2023 |
|----------------------------|------------------------------|------------------------------|
| Income for the period | 339,902,144 | 210,653,578 |
| Expense for the period (-) | (337,285,406) | (211,434,912) |

For the period ending on 30 June 2024 the company reflected a profit of TRY 1,308,369 (30 June 2023: TRY 390,667) arising from the consolidation of Kanyon using the equity method in the profit or loss statement.

4. Operating segments

Each segment of the Company is managed by the Company's management on project basis. Allocation of the resources to the segments is also managed on project basis.

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

4. Operating segments (continued)

| | Ankara İş Kule Building | İstanbul İş Kuleleri Complex | Maslak Ofis Building | Muğla Marmaris Mallmarina Shopping Mall | İstanbul Kanyon Shopping Mall | İstanbul Marmara Park Shopping Mall | Taksim Office Lamartine | Tuzla Technology and Operating Centre | Tuzla Meydan Bazaar | İzmir Ege Perla Shopping Mall | İzmir Ege Perla Residance/ Office | Kartal Manzara Adalar | Litus İstanbul Altunizade | Other Real Estates | Total |
|---|-------------------------------|------------------------------------|----------------------------|---|--|---|-------------------------------|---|---------------------------|--|--|-----------------------------|---------------------------------|-----------------------|----------------------|
| 30 June 2024 | | | | | | | | | | | | | | | |
| <u>Sales Revenue</u> | | | | | | | | | | | | | | | |
| Income from right of construction | - | - | - | - | - | - | - | - | - | - | - | 38,696,839 | 940,073,433 | - | 978,770,272 |
| Rent income | 8,691,684 | 109,325,905 | 836,028 | 2,469,936 | 122,789,394 | - | 7,485,393 | 194,579,612 | 2,919,963 | 14,655,314 | 160,960 | 106,166 | - | - | 464,020,355 |
| Income from sales of real estate | - | - | - | - | - | 139,625,984 | - | - | - | - | - | - | - | - | 139,625,984 |
| Income fees and service | - | - | 193,303 | - | 329,960 | - | - | - | - | 2,192,799 | - | - | - | - | 2,716,062 |
| Other income | 4,210 | 448,552 | - | 9,141 | 377,447 | - | 20,145 | - | 3,036 | 492,479 | - | 648 | - | 20,034 | 1,375,692 |
| Gayrimenkul Gelirleri | 8,695,894 | 109,774,457 | 1,029,331 | 2,479,077 | 123,496,801 | 139,625,984 | 7,505,538 | 194,579,612 | 2,922,999 | 17,340,592 | 160,960 | 38,803,653 | 940,073,433 | 20,034 | 1,586,508,365 |
| Administrativ e expense | - | - | - | - | - | - | - | - | - | - | - | 23,650,455 | 775,623,166 | - | 799,273,621 |
| Cost of sales of real estate | - | 20,026,223 | 790,076 | - | 21,088,077 | - | - | - | 3,648,174 | 23,560,888 | - | 1,547,464 | - | 1,076 | 70,661,978 |
| Tax and duty and other charges | 581,294 | 4,764,500 | 380,521 | 67,886 | 3,107,209 | 1,856,516 | 266,766 | 2,004,856 | 342,825 | 1,456,191 | - | 153,705 | 273,954 | 78,430 | 15,334,653 |
| Insurance expense | 315,364 | 3,920,055 | 192,323 | 100,591 | 1,479,489 | - | - | 8,999,393 | 30,539 | 541,663 | 3,244,449 | 169,810 | - | 65,217 | 19,058,893 |
| Other | 128,042 | 11,040 | 36,428 | 38,474 | 867,055 | - | - | - | - | 66,501 | 13,979 | 17,191 | - | 2,873,247 | 4,051,957 |
| Cost of Sales | 1,024,700 | 28,721,818 | 1,399,348 | 206,951 | 26,541,830 | 1,856,516 | 266,766 | 11,004,249 | 4,021,538 | 25,625,243 | 3,258,428 | 25,538,625 | 775,897,120 | 3,017,970 | 908,381,102 |
| Gross Profit | 7,671,194 | 81,052,639 | (370,017) | 2,272,126 | 96,954,971 | 137,769,468 | 7,238,772 | 183,575,363 | (1,098,539) | (8,284,651) | (3,097,468) | 13,265,028 | 164,176,313 | (2,997,936) | 678,127,263 |
| Capital investments | 498,253 | 22,871,689 | 12,065 | - | 1,212,820 | - | - | - | - | - | - | 377,667 | 266,295,086 | 269,275,757 | 560,543,337 |

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

4. Operating segments (continued)

| | Ankara İş Kule Building | İstanbul İş Kuleleri Complex | Maslak Ofis Building | Muğla Marmaris Shopping Mall | İstanbul Kanyon Shopping Mall | İstanbul Marmara Park Shopping Mall | Taksim Office Lamartine | Tuzla Technology and Operating Centre | Tuzla Square Bazaar | İzmir Ege Perla Shopping Mall | İzmir Ege Perla Residence/Office | Kartal Manzara Adalar | Other Real Estate | Total |
|---|----------------------------|---------------------------------|----------------------------|---------------------------------------|--|---|-------------------------------|---|---------------------------|--|--|-----------------------------|----------------------|----------------------|
| 30 June 2023 | | | | | | | | | | | | | | |
| <u>Sales Revenue</u> | | | | | | | | | | | | | | |
| Income from right of residential units | - | - | - | - | - | - | - | - | - | - | 13,581,398 | 56,243,341 | 827,734 | 70,652,473 |
| Rent income | 11,436,318 | 86,939,569 | 577,588 | 2,497,447 | 106,629,624 | - | 5,811,131 | 214,177,933 | 2,880,235 | 16,461,863 | 904,969 | 74,698 | - | 448,391,375 |
| Income from right of construction | - | - | - | - | - | 123,793,565 | - | - | - | - | - | - | - | 123,793,565 |
| Income fees and service | - | - | 105,958 | - | 142,590 | - | - | - | - | 1,579,477 | - | - | - | 1,828,025 |
| Other income | - | 180,820 | - | - | 474,291 | - | - | - | - | 214,788 | 8,517 | 14,146 | - | 892,562 |
| Real estate revenues | 11,436,318 | 87,120,389 | 683,546 | 2,497,447 | 107,246,505 | 123,793,565 | 5,811,131 | 214,177,933 | 2,880,235 | 18,256,128 | 14,494,884 | 56,332,185 | 827,734 | 645,558,000 |
| Administrative expense | - | - | - | - | - | - | - | - | - | - | 3,619,301 | 28,546,475 | 3,232,873 | 35,398,649 |
| Cost of sales of real estate | - | 22,963,826 | 891,519 | - | 25,286,361 | - | 503,216 | - | 4,538,375 | 21,650,118 | 350 | 1,611,688 | 633,863 | 78,079,316 |
| Tax and duty and other charges | 766,563 | 6,121,839 | 501,798 | 93,635 | 4,098,317 | 2,448,114 | 350,993 | 2,897,319 | 182,494 | 1,916,936 | 68,527 | 162,203 | 112,808 | 19,721,546 |
| Insurance expense | 157,040 | 1,052,815 | 105,906 | 53,798 | 604,706 | - | 23,025 | 2,453,508 | 196,296 | 932,476 | 392,688 | 114,742 | 310,736 | 6,397,736 |
| Other | - | 2,525 | 48,045 | - | - | - | - | - | - | 423,872 | 17,871 | 9,133 | 10,141,601 | 10,643,047 |
| Cost of Sales | 923,603 | 30,141,005 | 1,547,268 | 147,433 | 29,989,384 | 2,448,114 | 877,234 | 5,350,827 | 4,917,165 | 24,923,402 | 4,098,737 | 30,444,241 | 14,431,881 | 150,240,294 |
| Gross Profit | 10,512,715 | 56,979,384 | (863,722) | 2,350,014 | 77,257,121 | 121,345,451 | 4,933,897 | 208,827,106 | (2,036,930) | (6,667,274) | 10,396,147 | 25,887,944 | (13,604,147) | 495,317,706 |
| <u>Capital</u> | | | | | | | | | | | | | | |
| Investments | - | 528,788 | - | - | 4,909,285 | - | 139,136 | - | - | 3,231,067 | - | 63,034 | 2,344,143,165 | 2,353,014,475 |

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

4. Operating segments (continued)

Reconciliation of income, assets and liabilities

| | 1 January - 30 June, 2024 | 1 January - 30 June, 2023 |
|----------------------------|------------------------------|------------------------------|
| Sales Revenue | | |
| Segment revenue | 1,586,508,365 | 645,558,000 |
| Total Revenue | 1,586,508,365 | 645,558,000 |
| Cost of Sales | | |
| Segment Costs (-) | (908,381,102) | (150,240,294) |
| Total cost of sales | (908,381,102) | (150,240,294) |
| Assets | 30 June, 2024 | 31 December, 2023 |
| Segment assets | 39,544,888,716 | 37,581,835,529 |
| Other assets | 294,096,033 | 294,780,395 |
| Non-segment related assets | 2,368,357,727 | 3,479,192,168 |
| Total assets | 42,207,342,476 | 41,355,808,092 |
| Liabilities | 30 June, 2024 | 31 December, 2023 |
| Segment liabilities | 5,907,774,287 | 7,236,021,692 |
| Other liabilities | 112,032,709 | 400,084,963 |
| Total liabilities | 6,019,806,996 | 7,636,106,655 |

5. Cash and cash equivalents

| | 30 June, 2024 | 31 December, 2023 |
|---|-------------------|----------------------|
| Time deposits | 3,889,382 | 3,985,693 |
| Demand deposits | 67,937,485 | 792,602,689 |
| Other cash equivalents | - | 62,367 |
| Total | 71,826,867 | 796,650,749 |
| Interest accrued on cash and cash equivalents | (263,485) | (49,800,063) |
| Total cash and cash equivalents in the statement of cash flows | 71,563,382 | 746,850,686 |

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

5. Cash and cash equivalents (continued)

| Time deposits: | | | |
|-----------------------|----------------------|-----------------|---------------------|
| Currency | Interest Rate | Maturity | 30 June 2024 |
| TRY | 47.50% | July 2024 | 67,937,485 |
| | | | 67,937,485 |
| Time deposits: | | | |
| Currency | Interest Rate | Maturity | 30 June 2023 |
| TRY | 38.50% – 43% | Ocak 2024 | 792,602,689 |
| | | | 792,602,689 |

6. Financial investments / Derivatives

Short-term financial investments

| Short-term financial investments | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| 100. Yıl Girişim Sermayesi Yatırım Fonu | - | 503,085,032 |
| Total | - | 503,085,032 |

Long-term financial investments

| Long-term financial investments | 30 June 2024 | 31 December 2023 |
|--|----------------------|-------------------------|
| Financial assets at fair value through profit or loss | | |
| İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu | 1,259,259,721 | 1,284,422,014 |
| 100. Yıl Girişim Sermayesi Yatırım Fonu | 403,901,200 | - |
| Total | 1,663,160,921 | 1,284,422,014 |

The number of İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu, held at financial investments as of 30 June 2024, is TRY 245,035,164.

The movement of İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. 100. Yıl Girişim Sermayesi Yatırım Fonu held at financial investments of the Company as follows:

| | 30 June 2024 | 30 June 2023 |
|---------------------------------|----------------------|----------------------|
| Opening Balance | 1,284,422,014 | 1,141,372,114 |
| Disposal | - | - |
| Fair value difference (Note 21) | (124,346,125) | 83,343,461 |
| Transfer | 503,085,032 | - |
| Closing Balance | 1,663,160,921 | 1,224,715,575 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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7. Loans and borrowings

The details of the loans to be used on 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | 31 December 2023 |
|---|----------------------|----------------------|
| <u>Short-term borrowings</u> | | |
| Short-term bank borrowings | 1,334,808,207 | 2,939,782,787 |
| Issued commercial papers | 1,385,101,588 | - |
| Total | 2,719,909,795 | 2,939,782,787 |
| | | |
| | 30 June 2024 | 31 December 2023 |
| <u>Current portion of long term borrowings</u> | | |
| Current portion of long term borrowings | 149,981,260 | 148,876,875 |
| Bonds issued | 581,578,242 | - |
| Total | 731,559,502 | 148,876,875 |
| | | |
| | 30 June 2024 | 31 December 2023 |
| <u>Long-term borrowings</u> | | |
| Short-term bank borrowings | 346,137,134 | 531,656,465 |
| Bonds issued | 1,421,844,345 | 2,494,361,522 |
| Total | 1,767,981,479 | 3,026,017,987 |

As of 30 June 2024 and 31 December 2023, the details of bank loans are as follows:

| 30 June 2024 | | | | |
|------------------|-------------------|--------------------------|----------------------|--------------------|
| Currency | Interest rate (%) | Original currency amount | Short-term (TRY) | Long-term (TRY) |
| TRY | 46.00-53.00 | 1,830,926,601 | 1,484,789,467 | 346,137,134 |
| Total | | | 1,484,789,467 | 346,137,134 |
| 31 December 2023 | | | | |
| Currency | Interest rate (%) | Original currency amount | Short-term (TRY) | Long-term (TRY) |
| TRY | 46.50-49.50 | 3,620,316,127 | 3,088,659,662 | 531,656,465 |
| Total | | | 3,088,659,662 | 531,656,465 |

As of 30 June 2024, the Company did not use cash loans (As of 31 December 2023, the Company borrowed cash loans amounting to TRY 15,752,922,668).

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7. Loans and borrowings (continued)

The details of securities issued as of 30 June 2024 and 31 December 2023 are as follows:

| 30 June 2024 | | | | | |
|----------------------|-------------------|-----------------------------|---------------|-------------------|----------------------|
| ISIN CODE | Interest rate (%) | Nominal Amount Issued (TRY) | Date of Issue | Amortization Date | Registered Value |
| TRSISGY12519 | 39.00% | 500,000,000 | 08/01/2023 | 01/22/2025 | 581,578,242 |
| TRSISGYK2519 | 48.00% | 500,000,000 | 11/14/2023 | 10/03/2025 | 528,386,243 |
| TRSISGY82512 | 47.00% | 850,000,000 | 11/22/2023 | 08/13/2025 | 893,458,102 |
| TRFISGY72411 | 45.00% | 450,000,000 | 01/24/2024 | 07/17/2024 | 537,855,029 |
| TRFISGYE2413 | 60.00% | 200,000,000 | 04/05/2024 | 10/01/2024 | 226,301,719 |
| TRFISGY52512 | 53.22% | 200,000,000 | 05/17/2024 | 05/16/2025 | 212,393,346 |
| TRFISGY62511 | 50.67% | 400,000,000 | 06/13/2024 | 06/12/2025 | 408,551,494 |
| 3,100,000,000 | | | | | 3,388,524,175 |
| 31 December 2023 | | | | | |
| ISIN CODE | Interest rate (%) | Nominal Amount Issued (TRY) | Date of Issue | Amortization Date | Registered Value |
| TRSISGY12519 | 39.00% | 623,672,945 | 08/01/2023 | 01/22/2025 | 724,579,907 |
| TRSISGYK2519 | 48.00% | 623,672,945 | 11/14/2023 | 11/03/2025 | 658,220,453 |
| TRSISGY82512 | 47.00% | 1,060,244,006 | 11/22/2023 | 08/13/2025 | 1,111,561,162 |
| 2,307,589,896 | | | | | 2,494,361,522 |

The movement table of financial borrowings as of 30 June 2024 and 2023 is as follows:

| | 30 June 2024 | 30 June, 2023 |
|------------------------|----------------------|----------------------|
| Opening balance | 6,114,677,648 | 6,984,871,307 |
| Borrowings received | 1,555,950,662 | 9,814,813,503 |
| Borrowings paid | (1,285,701,174) | (8,905,112,972) |
| Interest paid | (1,160,568,882) | (648,509,840) |
| Interest accrual | 1,231,072,546 | 731,669,446 |
| Monetary loss/gain | (1,235,980,024) | (1,228,055,005) |
| Closing Balance | 5,219,450,776 | 6,749,676,439 |

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8. Trade receivables and payables

Short-term trade receivables and payables

| | 30 June 2024 | 31 December 2023 |
|--|--------------------|--------------------|
| <u>Trade receivables</u> | | |
| Income accruals | 102,485,324 | 84,705,460 |
| Receivables from customers (*) | 156,130,112 | 165,912,048 |
| Notes receivable | 669,837 | 34,422,204 |
| Rediscount of notes receivables (-) | (3,696) | (30,735) |
| Doubtful receivables | 6,605,848 | 10,069,939 |
| Provision for doubtful receivables (-) | (6,605,848) | (10,069,939) |
| Due from related parties (Note 24) | 33,244,595 | 7,887,677 |
| | 292,526,172 | 292,896,654 |
| <u>Trade payables</u> | | |
| Payables to suppliers | 31,299,622 | 256,224,568 |
| Due to related parties (Note 24) | 31,364,965 | 45,089,511 |
| | 62,664,587 | 301,314,079 |

As of 30 June 2024, provision for doubtful trade receivables is TRY 6,605,848 (31 December 2023: TRY 10,069,939). Provision for doubtful receivables is determined based on the historical collection performance.

Movement of provision for doubtful receivables for the year is as follows:

| | 30 June 2024 | 30 June 2023 |
|---------------------------|---------------------|---------------------|
| Opening Balance | (10,069,939) | (17,784,748) |
| Charge for the period (-) | (604,801) | (2,154,399) |
| Provisions released | 2,179,257 | 2,165,501 |
| Monetary loss/gain | 1,889,635 | 2,935,542 |
| Closing Balance | (6,605,848) | (14,838,104) |

Long Term Trade Receivables

| | 30 June 2024 | 31 December 2023 |
|----------------------------|------------------|------------------|
| <u>Trade receivables</u> | | |
| Receivables from customers | 1,569,861 | 1,883,742 |
| | 1,569,861 | 1,883,742 |

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

9. Other receivables and payables

| | 30 June 2024 | 31 December 2023 |
|----------------------------------|-------------------|-------------------|
| Other short-term receivables (*) | 11,313,112 | 22,263,898 |
| Total | 11,313,112 | 22,263,898 |

(*) The amount is consist of receivables from tax office amounting to TRY 6,379,582 (31 December 2023: TRY 4,365,711).

| | 30 June 2024 | 31 December 2023 |
|-------------------------------|-------------------|-------------------|
| Other payables – short-term | | |
| Deposits and guarantees given | 24,428,121 | 49,114,810 |
| Other short-term payables (*) | 2,162,086 | 2,273,748 |
| Total | 26,590,207 | 51,388,558 |

10. Investment property

As of 30 June 2024 and 31 December 2023 details of investment properties are as follows:

| | 30 June 2024 | 31 December 2023 |
|--|-----------------------|-----------------------|
| Investment property under operating lease | 32,677,632,000 | 26,035,876,946 |
| Investment property under construction and other | - | 4,450,530,134 |
| Total | 32,677,632,000 | 30,486,407,080 |

As of 30 June 2024, total insurance amount on investment properties is TRY 7,788,974,641 (31 December 2023: TRY 6,966,352,779).

| | 1 January 2024 opening balance | Purchases | Transfers | Fair value difference | 30 June 2024 closing balance |
|--|-----------------------------------|-------------------|-----------|--------------------------|---------------------------------|
| Investment property under operating lease | | | | | |
| Tuzla Technology and Operation Centre | 8,216,429,529 | - | - | 464,300,471 | 8,680,730,000 |
| İstanbul İş Kuleleri Complex | 8,434,453,117 | 22,871,689 | - | 410,033,194 | 8,867,358,000 |
| Kanyo Shopping Mall | 3,055,997,429 | 1,212,820 | - | 127,789,751 | 3,185,000,000 |
| İstanbul Marmara Park Shopping Mall | 2,182,855,307 | - | - | 136,922,693 | 2,319,778,000 |
| İzmir Ege Perla Shopping Mall | 838,216,438 | - | - | 52,003,562 | 890,220,000 |
| Ankara İş Kule Building | 843,891,862 | 498,253 | - | 28,609,885 | 873,000,000 |
| Maslak Office Building | 1,380,500,063 | 12,065 | - | 90,257,872 | 1,470,770,000 |
| Taksim Office Lamartine | 746,349,413 | - | - | 28,775,587 | 775,125,000 |
| Tuzla Meydan Bazaar | 164,431,372 | - | - | 5,189,628 | 169,621,000 |
| Muğla Marmaris Mallmarine Shopping Mall | 150,094,378 | - | - | 20,875,622 | 170,970,000 |
| Levent Land | 22,658,038 | - | - | 841,962 | 23,500,000 |
| İstanbul Finance Centre Project | 4,450,530,134 | 21,861,317 | - | 779,168,549 | 5,251,560,000 |
| Total | 30,486,407,080 | 46,456,144 | - | 2,144,768,776 | 32,677,632,000 |

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

10. Investment property (continued)

As of 30 June 2024, the Company has 1st and 2nd degree mortgage on the investment properties amounting to USD 136,000,000 and TRY 5,250,000,000 which are established in favor of İş Bank. In the current period, the Company obtained rent income amounting to TRY 603,646,339 (30 June 2023: TRY 1,087,941,859) of its investment property, including the right of construction. Total direct operating expenses related to these properties amounting to TRY 109,107,482 (30 June 2023: TRY 215,356,609).

The fair values of the Company's investment properties at 30 June 2024 have been arrived at on the basis of valuations in June 2024 by six independent appraiser firms which are not related party of the Company. Appraisal firms are accredited independent firms licensed by the Capital Markets Board of Turkey and have appropriate qualifications and recent experience in appraising properties in the relevant locations. According to the appraisal reports, the valuations made in accordance with the International Valuation Standards have been performed according to the methods specified in the table below.

| | 2024 | 2023 |
|--|--|--|
| Investment property under operating lease | | |
| Tuzla Technology and Operation Centre | Sales comparison approach | Sales comparison approach |
| İstanbul İş Kuleleri Complex | Sales comparison approach | Sales comparison approach |
| Kanyo Shopping Mall | Sales comparison approach | Discounted cash flow |
| İzmir Ege Perla Shopping Mall | Sales comparison approach | Discounted cash flow |
| İstanbul Marmara Park Shopping Mall | Sales comparison approach | Sales comparison approach |
| Ankara İş Kule Building | Sales comparison approach | Sales comparison approach |
| Maslak Office Building | Sales comparison approach | Sales comparison approach |
| Taksim Office Lamartine | Sales comparison approach | Sales comparison approach |
| Tuzla Meydan Bazaar | Sales comparison approach | Sales comparison approach |
| Muğla Marmaris Mallmarine Shopping Mall | Sales comparison approach | Sales comparison approach |
| Levent Land | Market value as basis for property tax | Market value as basis for property tax |
| İstanbul Finance Centre Project | Sales comparison approach | Cost approach |

| | 1 January 2024 opening balance | Purchases | Transfers | Fair value difference | 30 June 2024 closing balance |
|--|-----------------------------------|-------------------|----------------------|--------------------------|---------------------------------|
| Investment property under operating lease | | | | | |
| Ankara İş Kule Building | 783,064,814 | - | - | 152,002,408 | 935,067,222 |
| İstanbul Marmarapark Shopping Mall | 1,880,588,728 | - | - | 346,742,356 | 2,227,331,084 |
| İstanbul İş Kuleleri Complex | 7,964,632,386 | 528,787 | - | 1,235,397,857 | 9,200,559,030 |
| Muğla Marmaris Mallmarine Shopping Mall | 131,147,941 | - | - | 15,550,467 | 146,698,408 |
| Maslak Office Building | 1,058,473,438 | - | - | 99,807,365 | 1,158,280,803 |
| Taksim Office Lamartine | 766,622,508 | 139,744 | - | 74,063,812 | 840,826,064 |
| İstanbul Kanyon Shopping Mall | 2,877,403,517 | 4,908,676 | - | 94,898,463 | 2,977,210,656 |
| İstanbul Tuzla Meydan Bazaar | 171,822,096 | - | - | 19,877,667 | 191,699,763 |
| Tuzla Technology and Operation Centre | 8,053,318,072 | - | - | 727,814,609 | 8,781,132,681 |
| İzmir Ege Perla Shopping Mall | 763,179,901 | 3,231,066 | - | 42,240,630 | 808,651,597 |
| Levent Land | 23,121,438 | 163,275 | - | 7,885,910 | 31,170,623 |
| Gayrettepe Project | 350,015,585 | 52,695,953 | (402,711,538) | - | - |
| | 24,823,390,424 | 61,667,501 | (402,711,538) | 2,816,281,544 | 27,298,627,931 |
| Investment property under construction | | | | | |
| İstanbul Finance Centre Project | 3,567,244,569 | 23,054,308 | - | 288,285,899 | 3,878,584,776 |
| | 3,567,244,569 | 23,054,308 | - | 288,285,899 | 3,878,584,776 |
| Total | 28,390,634,993 | 84,721,809 | (402,711,538) | 3,104,567,443 | 31,177,212,707 |

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11. Inventories

| <i>Short-term inventories</i> | 30 June 2024 | 31 December 2023 |
|---------------------------------------|----------------------|-------------------------|
| <i>Inventories</i> | | |
| Kartal Manzara Adalar (1) | 264,858,735 | 288,509,190 |
| Topkapı İnistanbul (2) | 2,702,350 | 3,448,183 |
| Litus İstanbul Altunizade Project (3) | 2,315,336,209 | 2,824,053,677 |
| İzmir Ege Perla (4) | 4,055,423 | 4,055,423 |
| Provision for impairment (-) | - | (8,428,896) |
| Total | 2,586,952,717 | 3,111,637,577 |

| <i>Long-term inventories</i> | 30 June 2024 | 31 December 2023 |
|------------------------------|----------------------|-------------------------|
| Land of Tuzla(5) | 1,376,492,697 | 1,184,573,043 |
| Profilo Shopping Mall (6) | 1,977,014,094 | 1,970,727,526 |
| Balmumcu Project (7) | 395,895,995 | 393,023,841 |
| Kasaba Modern Project (8) | 606,571,008 | 559,829,512 |
| Çekmeköy Ömerli Land | 74,040,295 | 74,023,176 |
| Provision for impairment (-) | (149,710,089) | (198,386,225) |
| Total | 4,280,304,000 | 3,983,790,873 |

- (1) There are 975 residential units in Kartal Manzara Adalar Project, as of 30 June 2024, 946 residential units has been delivered to the customers.
- (2) There are 2.741 residential units in Topkapı İnistanbul Project, as of 30 June 2024, 2.740 residential units has been delivered to the customers.
- (3) There are 98 residences in the Litus İstanbul Altunizade project, and 22 of the real estates have been delivered as of 30 June 2024. The order advance balance received for the Litus İstanbul Altunizade project is TRY 610,954,088 (31 December 2023: TRY 9,016,394).
- (4) There are 243 residential units in İzmir Ege Perla Project, as of 30 June 2024, 242 residential units has been delivered to the customers.
- (5) The excavation work of the Tuzla Housing Project has been completed and a project consisting of 1,100 houses is planned to be developed.
- (6) Regarding Profilö Shopping Mall, which was included in the company portfolio in 2023, a housing project will be developed by Artaş İnşaat on the land where the said shopping center is located, in accordance with the contract signed with Artaş İnşaat.
- (7) The building in Gayrettepe, which was included in the company portfolio on 1 September 2022, is planned to be demolished and replaced with a residence project.
- (8) The project includes a total of 165 villas/houses, and the first phase is planned to consist of 61 villas/houses.

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11. Inventories (continued)

The Company's transaction table for inventory impairment provision is as follows:

| | 30 June 2024 | 30 June 2023 |
|---------------------------|----------------------|---------------------|
| Opening Balance | (206,815,121) | (73,997,409) |
| Charge for the period (-) | (50,759,995) | - |
| Provisions released | 107,865,027 | 73,997,409 |
| Closing Balance | (149,710,089) | - |

12. Tangible assets

| | Buildings (*) | Machinery and equipment | Vehicles | Fixtures | Total |
|--|--------------------|-------------------------|-------------------|-------------------|--------------------|
| Cost | | | | | |
| Opening balance as of 1 January 2024 | 336,599,084 | 1,751,133 | 10,372,547 | 49,916,101 | 398,638,864 |
| Purchases | - | - | - | 518,678 | 518,678 |
| Fair value difference | 21,222,364 | - | - | - | 21,222,364 |
| Closing balance as of 30 June 2024 | 357,821,448 | 1,751,133 | 10,372,547 | 50,434,779 | 420,379,906 |
| Accumulated Depreciation | | | | | |
| Opening balance as of 1 January 2024 | 30,587,718 | 1,751,133 | 3,745,744 | 42,829,890 | 78,914,484 |
| Current year expenses | 6,065,730 | - | 1,037,257 | 1,461,671 | 8,564,658 |
| Closing balance as of 30 June 2024 | 36,653,448 | 1,751,133 | 4,783,001 | 44,291,561 | 87,479,142 |
| Net book value as of 1 January 2024 | 306,011,366 | - | 6,626,803 | 7,086,211 | 319,724,380 |
| Net book value as of 30 June 2024 | 321,168,000 | - | 5,589,546 | 6,143,218 | 332,900,764 |
| | Buildings (*) | Machinery and equipment | Vehicles | Fixtures | Total |
| Cost | | | | | |
| Opening balance as of 1 January 2023 | 308,454,694 | 1,751,133 | 10,372,547 | 48,093,320 | 368,671,694 |
| Purchases | - | - | - | 576,786 | 576,786 |
| Fair value difference | 47,026,173 | - | - | - | 47,026,173 |
| Closing balance as of 30 June 2023 | 355,480,867 | 1,751,133 | 10,372,547 | 48,670,106 | 416,274,653 |
| Accumulated Depreciation | | | | | |
| Opening balance as of 1 January 2023 | 26,099,193 | 1,751,133 | 1,671,234 | 40,098,412 | 69,619,972 |
| Current year expenses | 5,886,711 | - | 1,037,255 | 1,295,975 | 8,219,941 |
| Closing balance as of 30 June 2023 | 31,985,904 | 1,751,133 | 2,708,489 | 41,394,387 | 77,839,913 |
| Net book value as of 1 January 2023 | 282,355,501 | - | 8,701,313 | 7,994,908 | 299,051,722 |
| Net book value as of 30 June 2023 | 323,494,963 | - | 7,664,058 | 7,275,719 | 338,434,740 |

(*) As of 30 June 2024, İş Kuleleri Kule:2 10th and 11th floor offices are the most important tangible assets item of the Company which are currently used for registered address with amounting to TRY 321,168,000 These areas get share from the mortgages amounting to USD 136 million and TRY 2,5 billion established in İş Kuleleri and Kule Çarşısı (30 June 2023: USD 136 million and TRY 185 million).

As of 30 June 2024, the Company has tangible assets which is fully depreciated amounting to TRY 37,818,861.

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13. Intangible assets

| | Programs | Total |
|--|-------------------|-------------------|
| Cost | | |
| Opening balance as of 1 January 2024 | 63,150,695 | 63,150,695 |
| Addition | 914,023 | 914,023 |
| Closing balance as of 30 June 2024 | 64,064,718 | 64,064,718 |
| Accumulated Depreciation | | |
| Opening balance as of 1 January 2024 | 53,957,293 | 53,957,293 |
| Current year charge | 832,071 | 832,071 |
| Closing balance as of 30 June 2024 | 54,789,364 | 54,789,364 |
| Net book value as of 1 January 2024 | 9,193,402 | 9,193,402 |
| Net book value as of 30 June 2024 | 9,275,354 | 9,275,354 |

| | Programs | Total |
|--|-------------------|-------------------|
| Cost | | |
| Opening balance as of 1 January 2023 | 58,756,286 | 58,756,286 |
| Addition | 1,835,487 | 1,835,487 |
| Closing balance as of 30 June 2023 | 60,591,773 | 60,591,773 |
| Accumulated Depreciation | | |
| Opening balance as of 1 January 2023 | 51,662,284 | 51,662,284 |
| Current year charge | 1,135,467 | 1,135,467 |
| Closing balance as of 30 June 2023 | 52,797,751 | 52,797,751 |
| Net book value as of 1 January 2023 | 7,094,002 | 7,094,002 |
| Net book value as of 30 June 2023 | 7,794,022 | 7,794,022 |

As at 30 June 2024 and 30 June 2023, the Company has no intangible assets which is capitalized in the business area.

As at 30 June 2024, the Company has intangible assets which is fully depreciated amounting to TRY 51,077,971.

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14. Provisions, contingent assets and liabilities

| | 30 June 2024 | 31 December 2023 |
|-----------------------|------------------|-------------------|
| Debt provisions (*) | 685,400 | 25,398,388 |
| Legal case provisions | 1,292,600 | 1,736,843 |
| Total | 1,978,000 | 27,135,231 |

| | 30 June 2024 | 31 December 2023 |
|------------------------------------|--------------------|--------------------|
| Letters of guarantee received (**) | 771,342,335 | 706,458,226 |
| Mortgage received | 1,047,040 | 3,364,142 |
| Total | 772,389,375 | 709,822,368 |

(*) As of 30 June 2024, debt provisions consists of title deed fee accruals of delivered residential units and accrued residential unit taxes to be paid.

(**) Letters of guarantee consist of the letters received from tenants and suppliers of the Company.

Details of collaterals, pledges and mortgages (“CPM”) given by the Company as of 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | 31 December 2023 |
|--|----------------------|-----------------------|
| A. CPM given for companies own legal personality (*) | 9,746,306,548 | 11,588,595,641 |
| B. CPM given in behalf of fully consolidated companies | - | - |
| C. CPM given for continuation of its economic activities on behalf of third parties (**) | 12,007,320 | 16,374,234 |
| D. Total amount of other CPM's | - | - |
| - Total amount of CPM's given on behalf of majority Shareholder | - | - |
| - Total amount of CPM's given on behalf of other Group companies which are not in scope of B and C | - | - |
| - Total amount of CPM's given on behalf of third parties which are not in scope of C | - | - |
| Total | 9,758,313,868 | 11,604,969,875 |

(*) CPM given for the Company's own legal personality consists of letters of guarantee amounting to TRY 31,943,348 and pledge amounting to USD 136,000,000 and TRY 5.250,000,000. As of 30 June 2024, the investment properties are pledged in favour of İş Bankası amounting to 1st degree USD 136,000,000 and TRY 2,500,000,000 and 2nd degree TRY 2,500,000,000. (Mortgage was constituted in favour of İş Bankası from investment properties portfolio of the Company, Kule-2 and Kule Çarşı amounting to USD136,000,000 as 1st degree mortgage, Kule-3 amounting to TRY 444,000,000 1st degree mortgage, Kule-2 and Kule Çarşı amounting to TRY 2,500,000,000 as 2nd degree mortgage.). 1st degree mortgage is constituted in favour of İş Bankası in order to finance Tuzla Land of the Company, amounting to TRY 250,000,000.

(**) Represents the cost of guarantors given to the related banks in return for the loan amount in case the buyers of the Company's ongoing residential and office projects use mortgage/business loan from contracted banks. In this respect, as of 30 June 2024, the ratio of CPM given by the Company to the Company's shareholders' equity is 0,03% (31 December 2023: 0,05%).

14. Provisions, contingent assets and liabilities (continued)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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As of 30 June 2024, TRY 1,292,600 legal case provision is accrued and there are 121 legal cases and 94 enforcement proceedings of the Company is a party. The lawsuit in question are ongoing, and as of 30 June 2024, there is provision for lawsuits amounting to TRY 1,207,997 within the scope of the lawsuit filed regarding the ÇED process of the Ege Perla Project. Lawsuits are not of a nature to affect the financial situation and activities of the Company.

Operating leases

The Company, as the lessor in the operating lease transactions

The Company signed operating lease agreements as lessor for the investment properties in its portfolio with tenants which are shopping mall tenants and other third parties. The future minimum lease receivables as of 30 June 2024 and 2023 are as follows:

| | 30 June 2024 | 31 December 2023 |
|-------------------|-----------------------|-----------------------|
| Less than 1 year | 457,708,628 | 939,876,617 |
| Between 1-5 years | 2,656,837,346 | 2,740,138,335 |
| More than 5 years | 14,015,024,972 | 16,161,122,256 |
| Total | 17,129,570,946 | 19,841,137,208 |

15. Provision for employee benefits

| | 30 June 2024 | 31 December 2023 |
|----------------------------|------------------|------------------|
| Unused vacation provisions | 4,468,050 | 2,739,995 |
| Total | 4,468,050 | 2,739,995 |

| | 30 June 2024 | 31 December 2023 |
|-------------------------|-------------------|-------------------|
| Severance pay indemnity | 16,331,866 | 17,507,100 |
| Total | 16,331,866 | 17,507,100 |

There is an obligation to pay the severance indemnities to those employees are terminated with employment contract to be entitled to severance pay in accordance with Labour Law No. 4857 and Social Security Law No. 5510.

The amount payable consists of one month’s salary limited to a maximum of TRY 41,828,42 for each period of service as of 30 June 2024 (31 December 2023:TRY 43,795,22).

TAS 19- Employee Benefits requires the development of actuarial methods for the determination of the retirement pay liability.

Actuarial assumptions used to calculate the total liability is given below:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 30 June 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated assuming an annual inflation rate of 19,65% (estimated salary increase rate) and a discount rate of 23.58%, resulting in a real discount rate of approximately 3,28% (31 December 2023: the provisions have been calculated assuming an annual inflation rate of 19,65%. The anticipated rate of for features is considered. As the maximum liability is revised semi-annually, the maximum amount of TRY 41,828,42 effective from 30 June 2024 has been taken into consideration in calculation of provision from employment termination benefits.

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15. Provision for employee benefits (continued)

| | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|---------------------------------------|-----------------------------|-----------------------------|
| Opening balance | 17,507,100 | 17,881,086 |
| Service cost | 3,119,407 | 2,475,028 |
| Interest cost | 763,413 | 2,334,010 |
| Retirement pay provisions (-) | (1,418,640) | (678,437) |
| Monetary loss/gain | (3,639,414) | (3,182,933) |
| Closing balance as of year end | 16,331,866 | 18,828,754 |

16. Prepaid expenses, other assets, deferred revenue (excluding liabilities from contracts with customers) and other liabilities

| <i>Prepaid expenses – short term</i> | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Related party prepaid expenses (Not 24) | 89,535,191 | 159,000,410 |
| Job advances (*) | 74,007,844 | 163,787,108 |
| Prepaid expenses | 4,968,874 | 2,701,964 |
| Total | 168,511,909 | 325,489,482 |

(*) The amount generally consists of advances given to the contractors of the projects.

| <i>Prepaid expenses – long term</i> | 30 June 2024 | 31 December 2023 |
|-------------------------------------|-------------------|-------------------|
| Job advances (*) | 81,830,714 | 65,380,295 |
| Total | 81,830,714 | 65,380,295 |

(*) An agreement has signed in order to bought 45% shares of the land registered in Kadikoy, Istanbul, has 9.043 m2 of floor space which is ownership of the land is belong to Tecim Yapı Elemanları İnşaat Servis ve Yönetim Hizmetleri San. ve Tic. Limited Şirketi (TECİM). In this context, the expenses incurred until the price of the land is reached in accordance with the terms of the agreement will be accounted in this account.

| <i>Other current assets</i> | 30 June 2024 | 31 December 2023 |
|--------------------------------|------------------|--------------------|
| Prepaid taxes and dues payable | 5,155,020 | 3,591,833 |
| Deposits and guarantees given | 453,964 | 273,269 |
| VAT transferred | - | 121,442,203 |
| Total | 5,608,984 | 125,307,305 |

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16. Prepaid expenses, other assets, deferred revenue (excluding liabilities from contracts with customers) and other liabilities (continued)

| | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| Other short-term liabilities | | |
| Taxes and funds payable | 69,314,243 | 46,654,841 |
| Payable social security cuts | 4,821,117 | 3,244,914 |
| Total | 74,135,360 | 49,899,755 |
| Deferred revenue | 30 June 2024 | 31 December 2023 |
| Deferred revenue | 3,180,022 | 1,188,868 |
| Short-term deferred revenue from related party (Note 24) | 54,040 | 579,517 |
| Total | 3,234,062 | 1,768,385 |

17. Liabilities from contracts with customers

| | 30 June 2024 | 31 December 2023 |
|--|--------------------|----------------------|
| Liabilities from contracts with customers | | |
| Contractual liabilities from sales of goods and services (*) | 610,954,088 | 1,069,675,903 |
| Total | 610,954,088 | 1,069,675,903 |

(*) In the current period, a significant portion of the amount in question consists of advances received from the owners of the houses to which the Company sold within the scope of the Litus İstanbul Altunizade Project (Note 11).

18. Shareholder's equity

Share capital

The composition of the paid-in share capital as of 30 June 2024 and 31 December 2023 are as follows:

| | | 30 June 2024 | 31 December 2023 |
|--------------------------------------|------------|--------------------|------------------|
| İş Gayrimenkul Yat. Ort. A.Ş. | (%) | | (%) |
| Türkiye İş Bankası A.Ş. | 52.06 | 499,138,236 | 52.06 |
| Anadolu Hayat Emeklilik A.Ş. | 7.04 | 67,476,714 | 7.04 |
| Other | 40.90 | 392,135,050 | 40.90 |
| Total Share Capital | 100 | 958,750,000 | 100 |
| | | 958,750,000 | |

The total number of ordinary shares consists of TRY 958,750,000 (31 December 2023: TRY 958,750,000) shares with a par value of TRY 1 per share. All of the shares are issued to name and TRY 1,369,642,817 (31 December 2023: TRY 1,369,642,817) of the total amount is Group A and TRY 957,380,357,183 (31 December 2023: TRY 957,380,357,183) of the total amount is Group B shares. All of the Group A shares belong to Türkiye İş Bankası A.Ş.. Group A shareholders have the privilege to nominate candidates during the Board of Directors member elections. One member of Board of Directors is selected among the candidates nominated by Group B shareholders while the rest is selected among the candidates nominated by Group A shareholders. There is no other privilege given to the Group A shares. There was no capital increase with or without price during the period.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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18. Shareholder's equity (continued)

The explanation regarding the adjusted equity capital accounts in accordance with TAS 29 prepared by the Group based on the Capital Markets Board Bulletin published on 7 March 2024 is as follows:

31 December 2023

| | Producer Price Index (PPI) indexed legal adjustments | Consumer Price Index (CPI) indexed amounts | Differences to be followed in retain earnings |
|--------------------------------|--|--|---|
| Capital adjustment differences | 31,880,463,850 | 17,483,133,106 | (14,397,330,744) |
| Premiums/discounts for shares | 12,299,614 | 8,428,897 | (3,870,717) |
| Restricted reserves | 1,192,635,608 | 707,735,366 | (484,900,242) |
| Total | 33,085,399,072 | 18,199,297,369 | (14,886,101,703) |

30 June 2024

| | Producer Price Index (PPI) indexed legal adjustments | Consumer Price Index (CPI) indexed amounts | Differences to be followed in retain earnings |
|--------------------------------|--|--|---|
| Capital adjustment differences | 31,880,463,850 | 17,483,133,106 | (14,397,330,744) |
| Premiums/discounts for shares | 12,299,614 | 8,428,897 | (3,870,717) |
| Restricted reserves | 1,227,209,140 | 742,735,038 | (484,474,102) |
| Total | 33,119,972,604 | 18,234,297,041 | (14,885,675,563) |

Adjustment to share capital amount is TRY 17,483,133,106 as of 30 June 2024 and 31 December 2023. Adjustment to share capital represents the restatement effect of the cash contributions to share capital equivalent to purchasing power of TRY.

As of 30 June 2024 and 31 December 2023, share premiums amounting TRY 8,428,897 represent excess amount of selling price and nominal value for each share during initial public offering of the Company's shares.

| | 30 June 2024 | 31 December 2023 |
|----------------|--------------------|--------------------|
| Legal reserves | 742,735,038 | 707,735,366 |
| Total | 742,735,038 | 707,735,366 |

Legal reserves consist of first and second legal reserves. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the paid-in share capital. The second legal reserve is calculated as the 10% of dividend distributions, in excess of 5% of paid-in capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024*(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)***18. Shareholder's equity (contiuned)**Prior years' profits

The explanation regarding the adjusted retained earnings accounts in accordance with TAS 29, prepared by the Company based on the Capital Markets Board Bulletin published on 7 March 2024, is as follows:

| Prior Years Profits | Amount before inflation accounting | Amount after inflation accounting |
|----------------------------|---|--|
| 31 December 2022 | 4,142,968,926 | (151,915,996) |
| 1 January 2022 | 2,819,651,274 | (4,623,859,144) |
| | 30 June 2024 | 31 December 2023 |
| Prior years' profits | 14,407,900,117 | 10,537,127,002 |
| Total | 14,407,900,117 | 10,537,127,002 |

Dividend distribution

At the Ordinary General Assembly Meeting held on 26 March 2024; After the Board of Directors' Profit Share Distribution Proposal for the distribution of 2023 profit was accepted and the dividend was not distributed, and after the legal reserves required to be set aside in accordance with the legislation on the financial statements and the statutory records prepared in accordance with the capital market legislation; It has been decided to transfer the remaining profit from the profit to the previous year's profits according to the financial statements prepared in accordance with the capital market legislation.

In the Ordinary General Shareholders' Meeting held on 26 March 2024, the distribution of 2023 net profit was determined as follows:

| | Amount |
|---------------------------------------|----------------------|
| Primary reserve 5% | 34,999,672 |
| Dividend | -- |
| Secondary reserve | -- |
| Capital increase through bonus shares | -- |
| Transferred to prior years' profits | 3,870,773,115 |
| Total | 3,905,772,787 |

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

19. Revenue and cost of sales

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Rent income | 464,020,355 | 230,538,579 | 448,391,375 | 227,958,612 |
| Income from sales of residential units | 978,770,272 | 970,121,890 | 70,652,473 | 29,855,564 |
| Income from right of construction | 139,625,984 | 40,399,280 | 123,793,565 | 42,822,320 |
| Income fees and service | 2,716,062 | 1,419,333 | 1,828,025 | 814,046 |
| Other revenue | 1,375,692 | 1,090,974 | 892,562 | 629,626 |
| Total real estate revenues | 1,586,508,365 | 1,243,570,056 | 645,558,000 | 302,080,168 |

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|------------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Cost of sales of residential units | (799,273,621) | (793,393,459) | (35,398,649) | (17,116,168) |
| Cost of administrative expenses | (70,661,978) | (32,279,731) | (78,079,316) | (36,420,276) |
| Taxes and dues | (15,334,653) | (7,576,911) | (19,721,546) | (9,663,888) |
| Insurance expenses | (19,058,893) | (9,707,699) | (6,397,736) | (4,456,951) |
| Other | (4,051,957) | (1,860,941) | (10,643,047) | (9,971,663) |
| Total | (908,381,102) | (844,818,741) | (150,240,294) | (77,628,946) |

20. Administrative expenses / Marketing, selling and distribution expenses

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Administrative expenses | | | | |
| Personnel expenses | (75,326,451) | (41,212,333) | (59,117,334) | (35,691,697) |
| Outsourced service expenses | (9,685,534) | (7,989,687) | (10,268,140) | (4,881,050) |
| Depreciation and amortization | (9,396,729) | (5,175,462) | (9,355,408) | (5,338,448) |
| Board of Directors expenses | (4,173,839) | (2,505,012) | (3,766,328) | (2,615,200) |
| Donation | - | - | (14,947,130) | - |
| Taxes and dues | (994,079) | (498,381) | (639,522) | (330,614) |
| Legal expenses (*) | (8,833,458) | (7,822,591) | (1,275,951) | 318,596 |
| Other | (1,064,592) | (633,533) | (265,107) | (99,394) |
| Total | (109,474,682) | (65,836,999) | (99,634,920) | (48,637,807) |

(*) TRY 7,692,491 in compensation and other expenses were paid due to a consumer lawsuit concluded in the current period.

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Marketing, selling and distribution expenses | | | | |
| Advertising expenses | (17,139,872) | (11,160,486) | (15,896,328) | (7,405,142) |
| Sales commission expenses | (5,908,859) | (3,477,626) | (8,891,144) | (4,184,627) |
| Sales office expenses | (655,642) | (535,232) | (762,549) | (477,227) |
| Other | (270,129) | (27,430) | (29,524) | (17,180) |
| Total | (23,974,502) | (15,200,774) | (25,579,545) | (12,084,176) |

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21. Other operating income / expense

Other income and expenses from main activities for the periods ending 30 June 2024 and 2023 are as follows:

| Other operating income | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Revaluation income of investment property (Note 10) | 2,144,768,776 | 2,144,768,776 | 3,104,567,443 | 3,104,567,443 |
| Gain on real estate investment fund (Note 6) | - | - | 83,343,461 | 83,343,462 |
| Gain on inventories (Note 11) | 57,105,032 | 57,105,032 | 73,997,410 | - |
| Foreign exchange gains | 4,482,845 | (6,246) | 223,983,218 | 206,966,280 |
| Other | 3,133,609 | 2,246,595 | 9,078,477 | 6,947,924 |
| Total | 2,209,490,262 | 2,204,114,157 | 3,494,970,009 | 3,401,825,109 |

| Other operating expense | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Revaluation loss of financial assets | (124,346,125) | 112,320,398 | - | 132,791,829 |
| Provision for doubtful receivables | (563,618) | (563,618) | - | - |
| Provision for impairment of inventories (Note 11) | - | 225,165,631 | - | - |
| Other | (78) | 2,816,498 | - | - |
| Total | (124,909,821) | 339,738,909 | - | 132,791,829 |

| Investment activity expense | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Currency-protected deposits fair value difference | - | - | (14,121,315) | - |
| Total | - | - | (14,121,315) | - |

22. Financial income / expense

Financial income and expenses as of 30 June 2024 and 31 December 2023 are as follows:

| Financial income | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Interest income from bank deposits | 63,145,004 | 21,183,730 | 12,998,126 | 3,670,840 |
| Profit from buying and selling securities | - | - | 5,877,237 | 5,370,738 |
| Total | 63,145,004 | 21,183,730 | 18,875,363 | 9,041,578 |

| Finance expense (-) | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Interest expenses | (1,225,050,015) | (580,557,662) | (712,451,424) | (319,024,553) |
| Derivative expenses | - | - | (4,999,969) | (1,477,250) |
| Commission expenses | (6,022,532) | (3,601,544) | (19,218,022) | (12,991,461) |
| Other | (3,696) | (3,696) | - | - |
| Total | (1,231,076,243) | (584,162,902) | (736,669,415) | (333,493,264) |

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23. Earnings per share

| | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|---|-----------------------------|-----------------------------|
| Period opening of number of shares in circulation | 95,875,000,000 | 95,875,000,000 |
| Number of shares in circulation as of year end | 95,875,000,000 | 95,875,000,000 |
| Weighted average number of shares in circulation | 95,875,000,000 | 95,875,000,000 |
| Net loss for the period | 2,446,611,679 | 4,060,088,497 |
| Earnings per share | 0.0255 | 0.0423 |
| Diluted earnings per share | 0.0255 | 0.0423 |

As of 30 June 2024 capital of the Company consists of 95,875,000,000 shares that are valued TRY 0,01 for each one.

24. Related party disclosures

Related parties of the Company are direct or indirect subsidiaries of İş Bankası and the executives and personnel of the Company.

Receivables from related parties are mainly due to sales transactions and the average payment term is one month. By nature no interest is calculated on these receivables and no guarantees have been received. Payables due to related parties are mainly due to purchase transactions and the average credit payment term is one month. No interest is calculated on these payables.

Details of related party balances are as follows:

| Balances at İş Bankası | 30 June 2024 | 31 December 2023 |
|------------------------|-------------------|--------------------|
| Time deposits | 67,937,485 | 792,602,689 |
| Demand deposits | 3,889,008 | 3,985,229 |
| Other | - | 62,367 |
| Total | 71,826,493 | 796,650,285 |

The Company has letters of guarantee amounting TRY 31,943,348 (31 December 2023: TRY 46,161,705) from İş Bankası. In addition, 1st and 2nd degree mortgage is instituted by the Company in favour İş Bankası amounting to USD 136,000,000 and TRY 5,250,000,000 on some investment properties.

As of 30 June 2024 and 31 December 2023, the Company has financial assets, established by, İş Girişim Sermayesi and İş Portföy Yönetimi A.Ş.

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24. Related party disclosures (continued)

| 30 June 2024 | | | | |
|--|------------------------------------|-----------------------------------|---------------------------------|--------------------|
| | Short Term Trade Receivables | Short Term Prepaid Expenses | Short Term Trade Payables | Deferred Income |
| Balances with related parties | | | | |
| İş Merkezleri Yönetim ve İşletim A.Ş. | 102,000 | - | 2,783,719 | - |
| Türkiye İş Bankası A.Ş. | 723,531 | - | 1,114 | 54,040 |
| Kanyon Yönetim İşl. Paz. Ltd. Şti. | 1,867,670 | - | 3,593,297 | - |
| Anadolu Anonim Türk Sigorta A.Ş. | 1,137 | 21,728,015 | 2,689,922 | - |
| İş Net Elektronik Hizmetler A.Ş. | 3,302 | - | 708,293 | - |
| Paşabahçe Mağazacılık A.Ş. | 403,073 | 367,177 | 376,313 | - |
| Tecim Yapı Elemanları A.Ş. | 30,033,075 | 67,437,943 | 11,256,009 | - |
| İş Enerji Yatırımları A.Ş. | - | - | 8,948,434 | - |
| Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş. | 110,807 | - | 2,706 | - |
| Due to shareholders (dividends) | - | - | 705 | - |
| Other | - | 2,056 | 1,004,453 | - |
| | 33,244,595 | 89,535,191 | 31,364,965 | 54,040 |

| 30 June 2024 | | |
|--------------------------------------|-----------------------------|------------------------------------|
| Loans and borrowings | | |
| Balances with related parties | Loans and borrowings | Interest and Commission Fee |
| T. İş Bankası A.Ş. | 526,717,077 | 197,024,434 |

| 31 December 2023 | | | | |
|---|------------------------------------|-----------------------------------|---------------------------------|--------------------|
| | Short Term Trade Receivables | Short Term Prepaid Expenses | Short Term Trade Payables | Deferred Income |
| Balances with related parties | | | | |
| İş Merkezleri Yönetim ve İşletim A.Ş. | - | 42,892 | 3,645,975 | - |
| Türkiye İş Bankası A.Ş. | - | - | 1,390 | 60,384 |
| İş Yatırım Menkul Değerler A.Ş. | 2,882 | - | - | 46,204 |
| İş Girişim Sermayesi Yatırım Ortaklığı | - | - | - | 82,325 |
| Kanyon Yönetim İşl. Paz. Ltd. Şti. | 4,110,003 | - | 13,849,037 | 390,604 |
| Anadolu Anonim Türk Sigorta A.Ş. | - | 26,738,367 | 25,390,259 | - |
| İş Net Elektronik Hizmetler A.Ş. | - | - | 44,600 | - |
| Paşabahçe Mağazacılık A.Ş. | 1,278,420 | - | 21,352 | - |
| Tecim Yapı Elemanları A.Ş. | 2,455,516 | 132,219,151 | 770,860 | - |
| Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş. | - | - | 107,343 | - |
| İş Enerji Yatırımları A.Ş. | 40,856 | - | - | - |
| Due to shareholders (dividends) | - | - | 879 | - |
| Other | - | - | 1,257,816 | - |
| | 7,887,677 | 159,000,410 | 45,089,511 | 579,517 |

| 31 December 2023 | | |
|--------------------------------------|-----------------------------|------------------------------------|
| Loans and borrowings | | |
| Balances with related parties | Loans and borrowings | Interest and Commission Fee |
| T. İş Bankası A.Ş. | 1,727,799,153 | 872,840,751 |

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

24. Related party disclosures (continued)

| 1 January – 30 June 2024 | | | | | |
|---|-------------------|-------------------|--------------------|------------------|----------------|
| Transactions with related parties | Purchases | Interest received | Rent income | Other income | Other expense |
| Türkiye İş Bankası A.Ş. | 561,846 | 61,406,735 | 194,403,801 | 189,924 | 444,301 |
| Anadolu Anonim Türk Sigorta A.Ş. (*) | 18,392,262 | - | - | 862,855 | - |
| Anadolu Hayat Emeklilik A.Ş. | 1,310,465 | - | 11,919,563 | - | - |
| İş Finansal Kiralama A.Ş. | - | - | 160,960 | - | - |
| İş Merkezleri Yönetim ve İşletim A.Ş. (**) | 26,205,072 | - | 5,557,403 | 34,920 | 206,243 |
| İş Yatırım Menkul Değerler A.Ş. | 3,309,748 | - | 9,109,902 | - | - |
| İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. | - | - | 957,180 | - | - |
| İş Net Elektronik Hizmetler A.Ş. | 1,471,811 | - | 824,841 | 3,565 | 491 |
| Paşabahçe Mağazacılık A.Ş. | 335,231 | - | 2,899,570 | - | - |
| Softtech Yazılım Teknolojileri A.Ş. | - | - | 16,289,188 | - | - |
| Maxis Girişim Sermayesi Portföy Yön. A.Ş. | - | - | 1,930,896 | - | - |
| İş Enerji Yatırımları A.Ş. | 7,724,789 | - | 3,264,143 | - | - |
| Tecim Yapı Elemanları A.Ş. | 35,579,013 | - | - | - | - |
| BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş. | - | - | 344,663 | - | - |
| BAYEK Tedavi Sağlık Hizm.ve İşlet.A.Ş. | 4,878 | - | - | - | - |
| Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş. | 162,965 | - | 1,189,331 | - | - |
| Penta Tıp Sağlık Hizmetleri | 40,240 | - | - | - | - |
| Moka Ödeme Kuruluşu A.Ş. | - | - | 831,379 | - | - |
| Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş. | - | - | 443,835 | - | - |
| Trakya Yatırım Holding | 694,136 | - | 2,387,718 | - | - |
| Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş. | 140,824 | - | - | - | - |
| Milli Reasürans Türk A.Ş. | - | - | 4,766,254 | - | - |
| Sportive Spor Malzemeleri Tic.A.Ş. | - | - | 1,123,948 | - | - |
| Total | 95,933,280 | 61,406,735 | 258,404,575 | 1,091,264 | 651,035 |

(*) The amount of purchases with Anadolu Anonim Türk Sigorta Anonim Şirketi is related to the insurance of the Company's real estates.

(**) The amount of purchases from the İş Merkezleri Yönetim ve İşletim Anonim Şirketi is related to the operation of the Company's investment properties İş Kuleleri and İstanbul Tuzla Meydan Bazaar.

As of 30 June 2024, revenue share compensation is amounting to TRY 20,720,061 (2023: TRY 9,002,975) has been paid to Türkiye İş Bankası A.Ş. within the scope of Ege Perla project. On 30 June 2024, a revenue share of TRY 110,701,020 was paid to Tecim A.Ş. within the scope of the Altunizade Litus project (30 June 2023: TRY 83,993,330).

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

24. Related party disclosures (continued)

| 1 January – 30 June 2023 | | | | | |
|---|----------------------|-----------------------------------|--------------------|-----------------------------------|----------------|
| Transactions with related parties | Purchases | Transactions with related parties | Purchases | Transactions with related parties | Purchases |
| Anadolu Anonim Türk Sigorta A.Ş. (*) | 8,442,203 | - | - | 316,659 | - |
| Anadolu Hayat Emeklilik A.Ş. | 998,241 | - | 10,541,804 | - | - |
| BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş. | - | - | 265,046 | - | - |
| BAYEK Tedavi Sağlık Hizm.ve İşlet.A.Ş. | 9,943,726 | - | - | - | - |
| İş Finansal Kiralama A.Ş. | - | - | 82,248 | - | - |
| İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. | - | - | 585,229 | - | - |
| İş Merkezleri Yönetim ve İşletim A.Ş. (**) | 31,595,985 | - | 2,189,286 | - | - |
| İş Net Elektronik Hizmetler A.Ş. | 753,088 | - | 819,080 | - | 3,075 |
| İş Portföy Yönetimi A.Ş. | - | - | 9,724 | - | - |
| İş Yatırım Menkul Değerler A.Ş. | 788,274 | - | 8,487,509 | - | - |
| Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş. | - | - | 466,586 | - | - |
| Trakya Yatırım Holding A.Ş. | - | - | 839,790 | - | - |
| Maxis Girişim Sermayesi Portföy Yön. A.Ş. | - | - | 1,445,636 | - | - |
| Moka Ödeme Kuruluşu A.Ş. | - | - | 551,711 | - | - |
| Paşabahçe Mağazacılık A.Ş. | 17,055 | - | 2,755,130 | - | - |
| Softtech Yazılım Teknolojileri A.Ş. | 40,308 | - | 16,723,486 | - | - |
| Tecim Yapı Elemanları A.Ş. | 228,046 | - | - | - | - |
| İş Enerji Yatırımları A.Ş. | - | - | 547,946 | - | - |
| Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş. | - | - | 1,768,266 | - | - |
| Penta Tıp Sağlık Hizmetleri A.Ş. | 13,585 | - | - | - | - |
| Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş. | 55,290,941 | - | - | - | - |
| Türkiye İş Bankası A.Ş. | 1,697,095,872 | 8,789,148 | 213,012,613 | 97,314 | 564,549 |
| | 1,805,207,324 | 8,789,148 | 261,091,090 | 413,973 | 567,624 |

(*) The amount of purchases with Anadolu Anonim Türk Sigorta Anonim Şirketi is related to insurance of the Company's real estates.

(**) The amount of purchases from the İş Merkezleri Yönetim ve İşletim Anonim Şirketi is related to the operation of the Company's investment properties İş Kuleleri and İstanbul Tuzla Meydan Bazaar.

As of 30 June 2024 and 31 December 2023, related party balances of issued bonds and commercial papers are as follows:

| Balances with related parties | 30 June 2024 | 31 December 2023 |
|----------------------------------|--------------------|--------------------|
| Anadolu Hayat Emeklilik A.Ş. | 116,110,951 | 144,600,584 |
| Anadolu Anonim Türk Sigorta A.Ş. | 16,972,629 | - |
| İş Yatırım Menkul Değerler A.Ş. | 15,451,569 | 46,358,639 |
| | 148,535,149 | 190,959,223 |

As of 30 June 2024 and 2023 coupon payments of issued bonds and commercial papers are as follows:

| Transactions with related parties | 30 June 2024 | 31 December 2023 |
|-----------------------------------|-------------------|-------------------|
| Anadolu Hayat Emeklilik A.Ş. | 24,421,196 | 10,972,929 |
| İş Yatırım Menkul Değerler A.Ş. | 4,051,529 | - |
| Anadolu Anonim Türk Sigorta A.Ş. | 2,116,768 | - |
| Total | 30,589,493 | 10,972,929 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024*(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 30 June 2024 unless otherwise indicated.)***24. Related party disclosures (continued)*****Benefits provided to key management personnel:***

Benefits provided to board of directors, general manager and assistant general managers are as follows:

| | 1 January – 30 June 2024 | 1 January – 30 June 2023 |
|--|-------------------------------------|-------------------------------------|
| Salaries and other short term benefits | 22,192,847 | 18,469,575 |
| Employee termination benefits | 2,492,937 | 3,006,619 |
| | 24,685,784 | 21,476,194 |

25. Nature and level of risks arising from financial instruments**Foreign currency risk management**

The Company’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures of the Company are measured using sensitivity analysis and stress scenarios.

There has been no change to the Company’s exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency transactions lead to currency risks.

The exchange rates applied as of 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | | 31 December 2023 | |
|-----------------|-------------------------|--------------------------|-------------------------|--------------------------|
| Currency | Buying Rates | Selling Rates | Buying Rates | Selling Rates |
| US Dollar | 32,8262 | 32,8853 | 36,7197 | 36,7859 |
| Euro | 35,1284 | 35,1917 | 40.6309 | 40,7042 |

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

25. Nature and level of risks arising from financial instruments (continued)

Foreign currency risk management (continued)

The foreign currency denominated monetary and non-monetary assets and liabilities of the Company as of the reporting date are as follows:

| 30 June 2024 | | | |
|--|---|------------------|----------------|
| | TRY Equivalent (Functional currency) | US Dollar | Euro |
| 1. Trade Receivables | - | - | - |
| 2a. Monetary Financial Assets | 3,473,817 | 27,890 | 72,827 |
| 2b. Non-Monetary Financial Assets | - | - | - |
| 3. Other | - | - | - |
| 4. CURRENT ASSETS | 3,473,817 | 27,890 | 72,827 |
| 5. Trade Receivables | - | - | - |
| 6a. Monetary Financial Assets | - | - | - |
| 6b. Non-Monetary Financial Assets | - | - | - |
| 7. Other | - | - | - |
| 8. NON CURRENT ASSETS | - | - | - |
| 9. TOTAL ASSET | 3,473,817 | 27,890 | 72,827 |
| 10. Trade Payables | 3,992 | 121 | - |
| 11. Financial Liabilities | - | - | - |
| 12a. Other Monetary Liabilities | - | - | - |
| 12b. Other Non-Monetary Liabilities | 5,147,122 | 8,400 | 138,410 |
| 13. SHORT TERM LIABILITIES | 5,151,114 | 8,521 | 138,410 |
| 14. Trade Payables | - | - | - |
| 15. Financial Liabilities | - | - | - |
| 16a. Other Monetary Liabilities | - | - | - |
| 16b. Other Non-Monetary Liabilities | - | - | - |
| 17. LONG TERM LIABILITIES | - | - | - |
| 18. TOTAL LIABILITIES | 5,151,114 | 8,521 | 138,410 |
| 19. Net asset/liability position of off balance sheet derivatives (19a-19b) | - | - | - |
| 19.a Off-balance sheet foreign currency derivative assets | - | - | - |
| 19b. Off-balance sheet foreign currency derivative liabilities | - | - | - |
| 20. Net foreign currency asset / liability position | (1,677,297) | 19,369 | (65,583) |
| 21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a) | 3,469,825 | 27,768 | 72,827 |
| 22. Fair Value of foreign currency hedged financial asset | - | - | - |
| 23. Hedged foreign currency assets | - | - | - |
| 24. Hedged foreign currency liabilities | - | - | - |

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

25. Nature and level of risks arising from financial instruments (continued)

Foreign currency risk management (continued)

| 31 December 2023 | | | |
|--|---|------------------|----------------|
| | TRY Equivalent (Functional currency) | US Dollar | Euro |
| 1. Trade Receivables | - | - | - |
| 2a. Monetary Financial Assets | 3,889,897 | 59,750 | 41,739 |
| 2b. Non-Monetary Financial Assets | 4,101,574 | - | 100,947 |
| 3. Other | - | - | - |
| 4. CURRENT ASSETS | 7,991,471 | 59,750 | 142,686 |
| 5. Trade Receivables | - | - | - |
| 6a. Monetary Financial Assets | - | - | - |
| 6b. Non-Monetary Financial Assets | - | - | - |
| 7. Other | - | - | - |
| 8. NON-CURRENT ASSETS | - | - | - |
| 9. TOTAL ASSET | 7,991,471 | 59,750 | 142,686 |
| 10. Trade Payables | - | - | - |
| 11. Financial Liabilities | - | - | - |
| 12a. Other Monetary Liabilities | - | - | - |
| 12b. Other Non-Monetary Liabilities | 22,090,124 | 223,221 | 340,966 |
| 13. SHORT TERM LIABILITIES | 22,090,124 | 223,221 | 340,966 |
| 14. Trade Payables | - | - | - |
| 15. Financial Liabilities | - | - | - |
| 16a. Other Monetary Liabilities | - | - | - |
| 16b. Other Non-Monetary Liabilities | - | - | - |
| 17. LONG TERM LIABILITIES | - | - | - |
| 18. TOTAL LIABILITIES | 22,090,124 | 223,221 | 340,966 |
| 19. Net asset/liability position of off balance sheet derivatives (19a-19b) | - | - | - |
| 19.a Off-balance sheet foreign currency derivative assets | - | - | - |
| 19b. Off-balance sheet foreign currency derivative liabilities | - | - | - |
| 20. Net foreign currency asset / liability position | (14,098,707) | (163,471) | (198,280) |
| 21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a) | 3,889,897 | 59,750 | 41,739 |
| 22. Fair Value of foreign currency hedged financial asset | - | - | - |
| 23. Hedged foreign currency assets | - | - | - |
| 24. Hedged foreign currency liabilities | - | - | - |

NOTES TO THE INTERIM CONDENSED FINANCIAL
STATEMENTS AS OF 30 JUNE 2024*(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)***25. Nature and level of risks arising from financial instruments (continued)****Foreign currency risk management (continued)****Foreign currency sensitivity**

The Company is mainly exposed to foreign currency risk on Euro and US Dollar.

The following table details the Company's sensitivity to 10% increase in the currency of Euro and US Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The positive amount indicates the increase in profit/loss and equity.

| | 30 June 2024 | |
|--|---|--|
| | Appreciation of foreign currency | Devaluation of foreign currency |
| <u>If US Dollar changes against TRY by 10%</u> | | |
| US Dollar net asset / liability | 91,152 | (91,152) |
| Portion hedged against US Dollar risk (-) | - | - |
| US Dollar net effect | 91,152 | (91,152) |
| <u>If Euro changes against TRY by 10%</u> | | |
| Euro net asset / liability | 255,828 | (255,828) |
| Portion hedged against Euro risk (-) | - | - |
| Euro net effect | 255,828 | (255,828) |
| | 31 December 2023 | |
| | Appreciation of foreign currency | Devaluation of foreign currency |
| <u>If US Dollar changes against TRY by 10%</u> | | |
| US Dollar net asset / liability | 219,397 | (219,397) |
| Portion hedged against US Dollar risk (-) | - | - |
| US Dollar net effect | 219,397 | (219,397) |
| <u>If Euro changes against TRY by 10%</u> | | |
| Euro net asset / liability | 169,590 | (169,590) |
| Portion hedged against Euro risk (-) | - | - |
| Euro net effect | 169,590 | (169,590) |

26. Events after the reporting period

In July, the Company issued a financing bond with a nominal value of TRY 500,000,000 and a maturity of 364 days and a financing bond with a nominal value of TRY 350,000,000 and a maturity of 269 days.

The Company has applied to the Capital Markets Board for permission to issue lease certificates based on management contracts, planned to be carried out domestically in Turkish Lira denominations, with a nominal value of up to TRY 5,000,000,000, to be sold to qualified investors and/or on a private placement basis without a public offering.

**NOTES TO THE INTERIM CONDENSED FINANCIAL
STATEMENTS AS OF 30 JUNE 2024**

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 30 June 2024 unless otherwise indicated.)

26. Events after the reporting period (continued)

With the Law on Amendments to Tax Laws and Certain Laws and Legislative Decree No. 375, numbered 7524, published in the Official Gazette dated 2 August 2024;

the application of the corporate tax exemption provided to the earnings of Real Estate Investment Partnerships (“REITs”) and Real Estate Investment Funds (“REITs”) has been made conditional on the distribution of at least 50% of the earnings obtained from the real estates owned by the said funds and partnerships as dividends by the end of the second month following the month in which the corporate tax return must be submitted, and with the addition of subparagraph c to Article 32 of the Corporate Tax Law, a 10% domestic minimum corporate tax application has been introduced, and it has been stipulated that the earnings obtained by REITs and REITs from real estates cannot be taken into account as exemptions and deductions from the corporate earnings for which the minimum corporate tax will be calculated.

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

Additional Note: Control of compliance with restrictions on the investment portfolio

| The main accounts of separate financial statements | | Related regulation | 30 June 2024 | 31 December 2023 |
|--|---|------------------------------|-----------------------|-----------------------|
| A | Capital and money market instruments Real estates, rights supported by real estates and real estate projects. Real estate investment fund of the first paragraph of article 28, in which they have 100% participation in their participation | III-48.1. Md. 24 / (b) | 475,728,067 | 1,299,735,781 |
| B | shares and capital. | III-48.1. Md. 24 / (a) | 41,137,049,202 | 39,185,981,922 |
| C | Affiliates (*) | III-48.1. Md. 24 / (b) | 23,929,101 | 27,675,608 |
| | Due from related parties (other receivables) | III-48.1. Md. 23 / (f) | - | - |
| | Other assets | | 570,636,106 | 842,414,781 |
| D | Total assets | III-48.1. Md. 3 / (p) | 42,207,342,476 | 41,355,808,092 |
| E | Loans and borrowings | III-48.1. Md. 31 | 5,219,450,776 | 6,114,677,648 |
| F | Other financial liabilities | III-48.1. Md. 31 | 1,978,000 | 27,135,231 |
| G | Financial lease obligations | III-48.1. Md. 31 | - | - |
| H | Due to related parties (other payables) | III-48.1. Md. 23 / (f) | - | - |
| I | Equity | III-48.1. Md. 31 | 36,187,535,480 | 33,719,701,438 |
| | Other liabilities | | 798,378,220 | 1,494,293,775 |
| D | Total liabilities and equity | III-48.1. Md. 3 / (k) | 42,207,342,476 | 41,355,808,092 |
| Other separate financial information | | İlgili düzenleme | 30 June 2024 | 31 December 2023 |
| A1 | Capital and money market instruments amount held for 3-year real estate payments | III-48.1. Md. 24 / (b) | - | - |
| A2 | Foreign Currency Time Deposit / Special Current-Participation Account and TRY Time Deposit/Participation Account | III-48.1. Md. 24 / (b) | 71,826,867 | 796,588,382 |
| A3 | Foreign capital market instruments | III-48.1. Md. 24 / (d) | - | - |
| B1 | Foreign real estates, rights supported by real estates and real estate projects | III-48.1. Md. 24 / (d) | - | - |
| B2 | Inactive land | III-48.1. Md. 24 / (c) | 23,500,000 | 22,658,038 |
| C1 | Foreign affiliates | III-48.1. Md. 24 / (d) | - | - |
| C2 | Participating to operating company | III-48.1. Md. 28 | 23,929,101 | 27,675,608 |
| J | Non-cash loans | III-48.1. Md. 31 | 31,943,348 | 46,161,706 |
| K | Mortgage amounts of the mortgaged lands that the project will be developed on without ownership | III-48.1. Md. 22 / (e) | - | - |
| L | The sum of investments in money and capital market instruments in a single company | III-48.1 Md. 22 / (1) | 71,826,493 | 796,650,286 |

(*) From the associates disclosed in Note 3, Kanyon is in the scope of the Company under the scope of Article 28 paragraph 1 of the "Communiqué on Principles Regarding Real Estate Investment Trusts" No: 48.1 of the CMB, III. The Company accounts for this associate according to the equity method in the accompanying financial statements. As of 30 June 2024, the Company's participation in Kanyon is TL 500.000 and does not exceed 10% of the total assets.

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2024 unless otherwise indicated.)

Additional Note: Control of compliance with restrictions on the investment portfolio (continued)

| | Portfolio restrictions | Related regulation | 30 June 2024 | 31 December 2023 | Min/Max ratio |
|---|---|-----------------------------|-----------------|---------------------|---------------|
| 1 | Mortgage amounts of the mortgaged lands that the project will be developed on without ownership | III-48.1. Md. 22 / (e) | 0% | 0% | Maximum 10% |
| 2 | Real estates, rights supported by real estates and real estate projects. Real estate investment fund of the first paragraph of article 28, in which they have 100% participation in their participation shares and capital. | III-48.1. Md. 24 / (a). (b) | 98% | 95% | Minimum 51% |
| 3 | Capital and money market instruments and subsidiaries | III-48.1. Md. 24 / (b) | 0% | 3% | Maximum 49% |
| 4 | Foreign real estates, rights supported by real estates and real estate projects, affiliates and capital market instruments | III-48.1. Md. 24 / (d) | 0% | 0% | Maximum 49% |
| 5 | Inactive land | III-48.1. Md. 24 / (c) | 0% | 0% | Maximum 20% |
| 6 | Participating to operating company | III-48.1. Md. 28/1 (a) | 0% | 0% | Maximum 10% |
| 7 | Borrowings limits | III-48.1. Md. 31 | 15% | 18% | Maximum 500% |
| 8 | Time balances / demand balances TRY / foreign currency | III-48.1. Md. 24 / (b) | 0% | 2% | Maximum 10% |
| 9 | The sum of investments in money and capital market instruments in a single company | III-48.1 Md. 22 / (1) | 0% | 2% | Maximum 10% |