

Annual General Meeting 2022

Questions and Answers

In accordance with the Principle No. 1.3.5 in the annex of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board, the questions asked at the Ordinary General Assembly Meeting of our Company dated 21.03.2023 and their answers are given below:

Question regarding the decline in the stock price and the value of the Ankara İş Tower Building in USD terms:

In summary, regarding the question, it was explained that; the Company could not intervene the stock price formed under free market conditions, value of the share or dollar level was not determined by the Company, the activities and assets of the Company were within the knowledge of all stakeholders and it was under the responsibility of investors to buy or sell Company's shares.

Furthermore, it was stated that; the value of each real estate in the Company portfolio was determined by independent valuation companies, and the Company could not have any impact on the valuation process or the independent valuation firms.

Question regarding the rental price of T. İş Bankası A.Ş., as a tenant in Maslak Building:

In summary regarding the question, it was explained that; appraisal rents of each asset were determined by independent valuation firms and the lease transactions were carried out over these values; in transactions with related parties, the Company acted within the scope of current regulations and the appraisal rents were taken into account.

Question about revenue sharing ratio of the Company for the project to be developed on Profilo Shopping Center land:

In summary regarding the question, it was stated that; Profilo Shopping Center was added to the portfolio for approximately \$53 million, within the scope of the revenue sharing agreement the guaranteed revenue share amount of the Company was \$65 million, and the revenue share ratio was 40% over all sales revenues. Also, considering that a higher amount of income could be expected from the project, it was stated that the revenue share ratio was reasonable.

The question about whether the rental price of Ankara İş Tower is determined according to the precedent:

In summary regarding the question, it was explained that; valuation companies took into account the precedent values in the surrounding while determining the rental figures of Ankara İş Tower, there was an excess of stock in the Ankara office market and the situation in question affected the valuations in the region and made it difficult to find corporate tenants, the Ministry of Interior was the current tenant in the building, the entire building was rented from the current level to a reliable tenant and it generated income, and as a result, the current leasing of Ankara İş Tower was a rational decision.

Question about the green building certification/LEED targets of the Company:

Regarding the real estates in the portfolio; TUTOM has "LEED Gold", Kanyon AVM has "BREEAM Outstanding", Tuzla Meydan Çarşısı has "LEED Gold" and Kartal Manzara Adalar has "LEED Gold" certificates.

The approval process for the green building certification application of İş Towers (Tower 2 & Tower 3) and Ankara İş Tower is ongoing.

The Company is in the process of applying for a LEED Gold certificate for the Istanbul Financial Center Project. In addition, the Company aims to obtain LEED certification for the office part of the Litus Istanbul Project, the Tuzla

Housing Project and the project to be developed on the land of the Dikilitaş Building, and related studies are being carried out within this scope.

The question regarding the reflection of currency protected deposits on financials:

As of the end of 2022, the Company's currency protected deposit amount is TL 128.9 million, which constitutes approximately 7% of the Company's money and capital market instruments. In the year-end financials, TL18.9 million income was accrued due to the currency protected deposit account.

The question about the average interest rate of deposits:

As can be seen in the financial footnotes for 2022, the interest rate is between 0.01% for Euro deposits, 0.40-0.60% for USD deposits and 17.00-22.00% for TL deposits.

The question about the status of electricity production from solar energy for the lighting of real estates:

Project design and feasibility studies carried out at İş Towers within the scope of generating electricity from solar energy are continuing.

The Company will consider evaluating the possibilities of electricity generation from solar energy in the projects that will be developed in the following period.

Question about why housing development processes take so long:

First of all, in summary on the subject, it was stated that; new projects were developed on the existing land stock, the most important of these was the Litus Istanbul Housing Project in Altunizade and the construction of the project continued, the Company had been developing mostly on the housing side recently, there was a project of 165 villas on the Ömerli lands and 1,000 residences in Tuzla land in the portfolio.

Regarding the development process, it was stated that; housing project studies were a long process with phases such as design, approval, tender process, and site management; the investment period was 5-7 years for those who make large housing investments such as the Company's; the course of the process might depend on other variables other than the reasons originating from the Company. For example, in the process of obtaining approval from the official authorities, each stage from ground reports to architectural project approvals is a separate process, and therefore, especially large-scale housing projects are not investments that will result in 1-2 years.

Question about whether the Company has the opportunity to develop a project in the earthquake zone:

It was stated that the Company did not have any project in the earthquake zone.

Opinion that İşbank Group can further protect the rights of shareholders:

In summary, regarding the subject in question; it was stated that T. İş Bankası A.Ş. had not made any share purchases in 2022, and it was at Bank's discretion when to make a share purchase as the main shareholder.