**Explanations on the answers of questions asked by the shareholders at the General Assembly Meeting of İş Gayrimenkul Yatırım Ortaklığı A.Ş. held on 26.03.2019**

*Pursuant to Article 1.3.5 of Corporate Governance Communiqué (II-17.1) of Capital Markets Board, the answers of the questions asked at the General Assembly Meeting are submitted below:*

**What's the reason of not disclosing the monthly appraisal rents of the assets and detailed information about bank loans and issued bonds in the annual reports?**

Currently most of the appraisal reports of the assets include the appraisal rents. For the valuation of the assets at this year end, the appraisal rent for each asset will be included in all appraisal reports. Also, there is not a common practice in the sector about disclosing appraisal rents of the assets. Detailed information about bank loans and issued bonds are disclosed in the footnotes of financial statements and public disclosures. Since the information about appraisal rents, bank loans and bonds are submitted to shareholders by public disclosures and reports disclosed in Public Disclosure Platform, the mentioned information are not given in the annual reports.

**I think the valuations of the assets are low. What's your opinion about the valuations?**

The real estate assets in the portfolio are valued by independent appraisal companies authorized by Capital Markets Board of Turkey. We do not interfere the valuation process. The appraisal companies value the assets by using methods like market comparison analysis, cost method or DCF, considering the current conjuncture. We may say that the prices in the real estate markets are low in the current conjuncture.

**Does Üsküdar Land generate rental income?**

The planned project on Üsküdar Land will be developped with cost&revenue sharing model. Our Company also signed a protocol about leasing the land till the beginning of project development activities. According to the signed protocol; the rent will be deducted from the first payment to the project partner regarding the revenue sharing. In case of not developping the project, the rent will be collected simultaneously with the sale of the land.

**The Company trades with a higher discount compared to the ratio in the IPO prospectus. Do you find the current P/BV rational? Considering the current inflation, the depreciation is higher. Why did the Company invest in Tuzla Land?**

In 2018 there was a general fall in the stock market. BİST REIC Indice and BİST 100 Indice decreased 36% and 21% respectively while ISGYO stock decreased 12%. The discount of the stock stems from the market conditions of the real estate market and the current conjuncture. The depletion of excess supply in office and residential sector will take some time, so the discount ratios will be affected by the sectoral improvements and the conjuncture.

It would be more rational to compare the stock performance with the performances of the sector and stock market, instead of alternative investment options or inflation.

In this meeting, we discuss the 2018 year activites, not the period since the establishment of the Company. In countries with volatile geopolitic and economic conditions like Turkey, it is not easy to foresee the conjuncture that exists since August. Our Company always makes the best effort to comply

with the changing conditions. The main shareholder also wants to get the yield of the capital invested in our Company.

***Why did the Company not distribute dividends? Is it not contrary to the Articles of Association and the Dividend Policy of the Company?***

Board of Directors decided not to distribute dividends due to the general economic conjuncture, aiming to optimize the financing expenses and cash flows of the Company.

There is not a mandatory statement in both the Articles of Association and Company Dividend Policy regarding dividend distribution. According to the Dividend Policy, if the Board decides to distribute profits, the ratio of the dividend can not be less than the ratio in the Policy and the dividend may be in the form of cash or stock.