

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Condensed Financial Statements As of and For the Interim Period Ended 30 June 2025 With Independent Auditor's Report

*(Convenience Translation Of Financial Statements And Related
Disclosures and Footnotes Originally Issued In Turkish)*

1 August 2025

*This report consists of 1 page independent auditor's report and 49
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
FINANCIAL INFORMATION**

To the General Assembly of İş Gayrimenkul Yatırım Ortaklığı A.Ş.

Introduction

We have reviewed the accompanying condensed statement of financial position of İş Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2025 and the related condensed 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 Company is responsible for the preparation and fair presentation of this interim condensed 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 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 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 financial statements. Consequently, a review on the interim condensed 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 financial information is not prepared, in all material respects, in accordance with TAS 34.

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

Talar Gül, SMMM
Independent Auditor

Istanbul, 1 August 2025

İş Gayrimenkul Yatırım Ortaklığı
Anonim Şirketi

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İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement Of Condensed Financial Position (Balance Sheet)

As Of 30 June 2025 And 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
	<i>Notes</i>	30 June 2025	31 December 2024
ASSETS			
Current assets		4,114,904,136	3,599,441,346
Cash and cash equivalents	5	811,071,821	396,823,876
Trade receivables	8	19,124,658	97,596,587
<i>Trade receivables from related parties</i>	26	2,994,862	14,263,701
<i>Trade receivables from third parties</i>		16,129,796	83,332,886
Other receivables	9	11,574,617	14,066,894
<i>Other receivables from third parties</i>		11,574,617	14,066,894
Inventories	11	2,728,133,300	2,723,938,881
Prepaid expenses	16	484,200,566	346,291,728
<i>Prepaid expenses to related parties</i>	26	296,773,892	148,534,635
<i>Prepaid expenses to third parties</i>		187,426,674	197,757,093
Other current assets	16	60,799,174	20,723,380
<i>Other current assets due from third parties</i>		60,799,174	20,723,380
Non-current assets		48,636,150,236	52,005,448,965
Financial investments	6	1,645,633,876	2,228,673,045
Trade receivables	8	44,999,488	33,382,024
<i>Other trade receivables from third parties</i>		44,999,488	33,382,024
Inventories	11	6,718,682,985	6,196,485,151
Investments accounted for using the equity method	3	40,989,161	43,138,203
Investment properties	10	39,559,416,500	42,914,639,910
Property, plant and equipments	12	451,697,862	442,469,168
Intangible assets	13	14,879,471	14,579,425
Prepaid expenses	16	159,850,893	132,082,039
<i>Prepaid expenses to third parties</i>		159,850,893	132,082,039
TOTAL ASSETS		52,751,054,372	55,604,890,311

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement Of Condensed Financial Position (Balance Sheet)

As Of 30 June 2025 And 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
	Notes	30 June 2025	31 December 2024
LIABILITIES			
Short-term liabilities		2,921,949,168	5,758,479,901
Short term loans and borrowings	7	715,224,441	2,138,579,918
<i>Loans and borrowings to related parties</i>	26	22,281,654	144,741,303
<i>Loans and borrowings to third parties</i>		692,942,787	1,993,838,615
Current portion of long-term borrowings	7	1,431,904,211	2,574,832,663
<i>Loans and borrowings to related parties</i>	26	73,922,030	154,353,791
<i>Loans and borrowings to third parties</i>		1,357,982,181	2,420,478,872
Trade payables	8	68,006,746	167,477,114
<i>Trade payables to related parties</i>	26	19,450,737	102,148,803
<i>Trade payables to third parties</i>		48,556,009	65,328,311
Other payables	9	40,188,194	35,357,470
<i>Other payables to third parties</i>		40,188,194	35,357,470
Liabilities from contracts with customers	17	636,045,702	744,394,180
<i>Contractual obligations from sales of goods and services</i>		636,045,702	744,394,180
Deferred income (Excluding liabilities from contracts with customers)	16	3,968,422	3,696,336
<i>Deferred income from related parties</i>	26	561,413	766,479
<i>Deferred income from third parties</i>		3,407,009	2,929,857
Short-term provisions		10,359,716	58,463,712
<i>Provisions for employee benefits</i>	15	6,229,144	5,254,286
<i>Other short-term provisions</i>	14	4,130,572	53,209,426
Other short-term liabilities	16	16,251,736	35,678,508
Long-term liabilities		3,815,310,249	4,215,178,936
Long term loans and borrowings	7	-	283,332,910
<i>Loans and borrowings to third parties</i>		-	283,332,910
Long-term provisions	15	14,925,279	14,020,380
<i>Provisions for employee benefits</i>		14,925,279	14,020,380
Deferred tax liability	24	3,800,384,970	3,917,825,646
EQUITY		46,013,794,955	45,631,231,474
Share capital	18	958,750,000	958,750,000
Adjustment to share capital	18	23,946,765,486	23,946,765,486
Share premium	18	11,383,112	11,383,112
Other comprehensive income that will never be reclassified to profit or loss		140,363,221	129,353,081
<i>Revaluation and classification of gains / losses</i>		157,058,019	146,047,879
<i>Other earnings/ losses</i>		(16,694,798)	(16,694,798)
Restricted reserves	18	1,003,053,696	1,003,053,696
Retained earnings	18	19,581,926,099	18,541,160,001
Net profit for the period		371,553,341	1,040,766,098
TOTAL EQUITY AND LIABILITIES		52,751,054,372	55,604,890,311

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement Of Condensed Profit Or Loss As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

		<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
	Notes	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Revenue	19	1,639,317,904	854,677,841	2,142,558,242	1,679,424,661
Cost of revenue (-)	19	(797,659,572)	(393,994,855)	(1,226,756,480)	(1,140,916,365)
Gross profit		841,658,332	460,682,986	915,801,762	538,508,296
General administrative expense (-)	20	(162,159,493)	(90,610,914)	(147,844,088)	(88,911,983)
Marketing expenses (-)	20	(37,606,523)	(9,048,556)	(32,377,243)	(20,528,441)
Other operating income	21	1,166,771,775	1,159,951,944	2,983,886,928	2,976,626,571
Other operating expense (-)	21	(901,716,346)	(360,011,112)	(168,689,036)	458,812,834
Operating profit		906,947,745	1,160,964,348	3,550,778,323	3,864,507,277
Income from investing activities	21	526,323,872	526,323,872	-	-
Income from investments accounted by equity method	3	11,293,434	3,492,393	1,766,935	658,952
Operating Profit Before Finance Income		1,444,565,051	1,690,780,613	3,552,545,258	3,865,166,229
Financial income	22	441,157,509	230,011,684	85,276,480	28,608,343
Financial expenses (-)	22	(888,826,562)	(343,394,553)	(1,662,551,934)	(788,904,155)
Net monetary position gains/(losses)	23	(595,406,967)	47,378,157	1,328,846,414	351,128,921
Operating Profit before Tax from Continuing Operations		401,489,031	1,624,775,901	3,304,116,218	3,455,999,338
Tax Expense from Continuing Operations		(29,935,690)	(322,252,401)	-	-
- Corporate tax charge		(151,265,418)	(21,805,255)	-	-
- Deferred tax income/(expense)		121,329,728	(300,447,146)	-	-
Profit For The Period		371,553,341	1,302,523,500	3,304,116,218	3,455,999,338
Earnings per share	25	0,0039	0,0136	0,0345	0,0360

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement Of Condensed Other Comprehensive Income As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

		<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
	Notes	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Net profit for the period		371,553,341	1,302,523,500	3,304,116,218	3,455,999,338
Other comprehensive income					
Other comprehensive income that will never be reclassified to profit or loss		11,010,140	9,577,750	28,660,518	28,660,518
Revaluation and classification of gains / (losses)	12	14,899,192	14,899,192	28,660,518	28,660,518
-Tax effect	23	(3,889,052)	(5,321,442)	-	-
Other comprehensive income		11,010,140	9,577,750	28,660,518	28,660,518
TOTAL COMPREHENSIVE INCOME		382,563,481	1,312,101,250	3,332,776,736	3,484,659,856

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement Of Condensed Changes In Equity As Of 30 June 2025 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

					Other comprehensive income that will never be reclassified to profit or loss					
	Notes	Share capital	Adjustments to share capital	Share premium	Other earnings/losses	Revaluation and classification of gains/losses	Legal reserves	Retained earning	Net profit for the period	Equity
Balances as of 1 January 2024		958,750,000	23,946,765,486	11,383,112	(17,750,004)	178,126,063	955,787,109	14,230,248,517	5,274,693,699	45,538,003,982
Transfers		-	-	-	-	-	47,266,587	5,227,427,112	(5,274,693,699)	-
Total comprehensive income		-	-	-	-	28,660,518	-	-	3,304,116,218	3,332,776,736
Balances as of 30 June 2024	18	958,750,000	23,946,765,486	11,383,112	(17,750,004)	206,786,581	1,003,053,696	19,457,675,629	3,304,116,218	48,870,780,718
Balances as of 1 January 2025		958,750,000	23,946,765,486	11,383,112	(16,694,798)	146,047,879	1,003,053,696	18,541,160,001	1,040,766,098	45,631,231,474
Transfers		-	-	-	-	-	-	1,040,766,098	(1,040,766,098)	-
Total comprehensive income		-	-	-	-	11,010,140	-	-	371,553,341	382,563,481
Balances as of 30 June 2025	18	958,750,000	23,946,765,486	11,383,112	(16,694,798)	157,058,019	1,003,053,696	19,581,926,099	371,553,341	46,013,794,955

The accompanying notes form an integral part of these financial statements

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement Of Condensed Cash Flow As Of 30 June 2025 and 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

		Reviewed 1 January - 30 June, 2025	Reviewed 1 January - 30 June, 2024
A. Cash flows from operating activities			
Net profit for the period		371,553,341	3,304,116,218
<i>Profit adjustments for:</i>			
Adjustments to depreciation and amortization	12, 13	12,664,839	12,690,156
Adjustments to impairment or cancelation		(292,385,609)	(79,245,860)
- Adjustments to impairment of receivables	8	1,458,094	(2,126,282)
- Adjustments related to impairment of inventories	11	(293,843,703)	(77,119,578)
Adjustments for provisions		3,388,682	7,577,413
- Adjustments to provision for employee severance indemnity		3,388,682	7,577,413
Adjustments for (gain)/losses on fair value		(807,662,009)	(2,728,553,657)
- Adjustments to (gain)/losses on fair value of investment properties	10	(864,377,306)	(2,896,481,429)
- Adjustments to (gain)/losses on fair value of financial investments	21	56,715,297	167,927,772
Adjustments for retained earnings of investments valued by equity method		(11,293,434)	(1,766,935)
- Adjustments for retained earnings of subsidiaries	3	(11,293,434)	(1,766,935)
Adjustments for tax income/expense		29,935,690	-
Adjustments for losses (gains) due to disposal of investment properties	21	301,627,518	-
Adjustments to interest income and expense		502,972,281	1,636,035,597
- Adjustments to interest income	5,19	(381,881,175)	(18,377,997)
- Adjustments to interest expense	22	884,853,456	1,654,413,594
Adjustments to foreign exchange differences		(11,479,266)	(4,691,343)
Adjustments to monetary (gain) / loss		(649,344,458)	(1,675,495,700)
Operating profit from before the changes in working capital		(550,022,425)	470,665,889
<i>Changes in working capital</i>			
Changes in trade receivables		66,916,986	5,602,432
- Changes in trade receivables from related parties		11,268,839	(34,244,177)
- Changes in trade receivables from third parties		55,648,147	39,846,609
Adjustments for the decrease (increase) in other operating receivables		2,492,277	14,788,889
- Changes in other receivables from third parties		2,492,277	14,788,889
Changes in inventories		(232,548,550)	385,262,442
Changes in prepaid expenses		(165,677,692)	189,780,037
Changes in trade payables		(99,470,368)	(322,292,935)
- Changes in trade payables from related parties		(82,698,066)	(18,534,815)
- Changes in trade payables from third parties		(16,772,302)	(303,758,120)
Changes in other payables		4,830,724	(33,489,840)
- Changes in other payables from third parties		4,830,724	(33,489,840)
Changes in liabilities from contracts with customers		(108,348,478)	(619,497,651)
- Changes in contractual obligations from sales of goods and services		(108,348,478)	(619,497,651)
Changes in deferred income (Excluding liabilities from contracts with customers)		272,086	1,979,377
Other changes in working capital		(108,581,420)	160,406,328
- Changes in other assets		(40,075,794)	161,650,974
- Changes in other liabilities		(68,505,626)	(1,244,646)
		(1,190,136,860)	253,204,968
Cash generated from operating activities			
Employee termination benefits paid	15	(110,727)	(1,915,854)
Interest received	5,19	381,338,828	85,276,480
Taxes paid		(151,265,418)	-
Net cash provided by / (used in) operating activities		(960,174,177)	336,565,594
B. Cash flows from investing activities			
Cash inflows arising from sales of investment properties		6,424,504,433	-
Cash outflows arising from purchase of investment properties	10	(2,506,531,235)	(62,738,399)
Cash inflows from the sale of property, plant and equipment and intangible assets		56,216	-
- Cash inflows arising from sales of tangible assets		56,216	-
Cash outflows arising from purchases of tangible and intangible assets	12, 13	(7,350,604)	(1,934,844)
- Cash outflows arising from purchases of tangible assets		(6,127,002)	(700,468)
- Cash outflows arising from purchases of intangible assets		(1,223,602)	(1,234,376)
Dividends received		536,323,872	6,752,433
Net cash used in investing activities		4,447,002,682	(57,920,810)
C. Cash flows from financing activities			
Borrowings received	7	892,500,923	2,101,290,475
Borrowings paid	7	(2,967,544,762)	(1,736,322,170)
Interest paid	7	(1,050,060,303)	(1,567,332,690)
Net cash provided by financing activities		(3,125,104,142)	(1,202,364,385)
Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates		361,724,363	(923,719,601)
Effect of changes in foreign currency rates over cash and cash equivalents		11,479,266	4,691,343
Net increase / (decrease) in cash and cash equivalents		373,203,629	(919,028,258)
Cash and cash equivalents at the beginning of the period	5	396,316,179	1,008,611,822
Net monetary gain/(loss) in cash and cash equivalents		40,501,969	7,061,822
Cash and cash equivalents at the end of the period	5	810,021,777	96,645,386

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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 İstanbul/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 with 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 72 employees as of 30 June 2025, (31 December 2024: 72).

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 2025 have been approved for issue by the Board of Directors on 1 August 2025.

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.

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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 (POA) on 23 November 2023, entities who apply TFRS on their financial statements will be subject to inflation accounting accordance with TAS 29 Financial Reporting Standard in High Inflation Economies, starting from the annual reporting period ending on or after 31 December 2023. TAS 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 TAS 29 and are finally expressed in terms of the purchasing power of the Turkish lira as of 30 June 2025.

The restatements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TÜİK").

As of 31 December 2024, the indices and correction coefficients used in the correction of the financial statements are as follows:

Date	Index	3-year cumulative inflation ratios	Adjustment coefficient
30 June 2025	3,132.17	220%	1.00000
31 December 2024	2,684.55	291%	1.16674
30 June 2024	2,319.29	324%	1.35049

The main elements of the adjustment process made by the Company for financial reporting purposes in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provision of TAS 36, TAS 40 and TAS 2 were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant conversion coefficients.

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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)

- All items included in the income statements and other comprehensive income statements, except the cost of sales (excluding investment properties' costs), fair value increases/decreases of investment properties, depreciation expense, and profit/loss on asset sales, have been adjusted using the relevant monthly conversion factors. Cost of sales, depreciation expense, asset sale profit/loss items, fair value increases/decreases of investment properties have been recalculated on the basis of adjusted balance sheet items using conversion factors.

- All items in the statement of cash flows are expressed in the measurement unit in effect at the end of the reporting period.

The effect of inflation on the Company's net monetary position is included in the statements of income as monetary gain or loss.

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 TAS 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 the 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 2025 And 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 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of 30 June 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2025 and thereafter. The effects of these standards and interpretations on The Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standard, amendments and interpretations which are effective as of 1 January 2024 are as follows:

Amendments to TAS 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.

•Amendment to TFRS 9 and TFRS 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 sole 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 the financial position or performance of the Company.

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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)

2.3 The new standards, amendments and interpretations (continued)

• Annual improvements to IFRS – Volume 11

effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and their accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

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

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

Effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

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, management-defined 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 the financial position or performance of the Company.

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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)

2.3 The new standards, amendments and interpretations (continued)

IFRS 19 Subsidiaries without Public Accountability Disclosures

Effective from annual periods beginning on or after 1 January 2027. 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 the financial position or performance of the Company.

2.4 Summary of significant accounting policies

Interim-condensed financial statements have been prepared in accordance with TAS 34 for the preparation of interim financial statements. The interim condensed financial statements for the period ending 30 June 2025 have been prepared using accounting policies consistent with those applied in the preparation of the financial statements for the year ended 31 December 2024. Therefore, these interim condensed financial statements are to be evaluated together with the financial statements for the year ended 31 December 2024.

Corporate Tax

In accordance with Article 5/1(d)(4) of the Corporate Tax Law No. 5520, gains derived from real estate investment trusts are exempt from Corporate Tax.

Law No. 7524 effective as of 1 January 2025, certain conditions have been introduced regarding the corporate tax exemption applicable to the earnings of real estate investment trusts (REITs). According to Article 5(d)(4) of the Corporate Tax Law, the tax exemption granted has been conditioned, by Law No. 7524 dated 2 August 2024, on the distribution of at least 50% of the income derived from real estate as dividends starting from 1 January 2025. Accordingly, if at least 50% of the income from real estate is distributed as dividends, the corporate tax rate applicable to the corporate earnings will be 10%.

Deferred Tax

In accordance with tax legislation, deferred tax liabilities or assets as of 31 December 2024, arising from taxable or deductible temporary differences recognized in the financial statements, have been calculated using the 30% tax rate applicable from 1 January 2025 onwards.

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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 Fair value measurement of investment properties
- Note 11 Measurement of inventories at net realizable value
- Note 14 Measurement of expected outflows related to provisions for lawsuits
- Note 15 Provision for employee benefits

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. The Company's business partnerships that valued according to equity method are listed below:

	Ownership (%)	30 June 2025	Ownership (%)	31 December 2024
Kanyon	50	40,989,161	50	43,138,203
		40,989,161		43,138,203

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

Kanyon	30 June 2025	31 December 2024
Current assets	258,461,572	194,467,825
Non-current assets	7,845,707	3,283,209
Short-term liabilities	(174,168,992)	(98,131,162)
Long-term liabilities	(10,159,965)	(13,343,465)
Net assets	81,978,322	86,276,407

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 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 (continued)

Kanyon	1 January – 30 June 2025	1 January – 30 June 2024
Income	514,326,025	459,033,281
Expense (-)	(491,739,158)	(455,499,412)

The Company recognized profit amounting to TRY 11,293,434 resulting from consolidation of Kanyon with equity method for the period ended 30 June 2025 (31 December 2024: TRY 1,766,935) in the accompanying statement of profit and loss.

4. Operating segments

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 30 June 2025 unless otherwise indicated.)

4. Operating segments (continued)

	Ankara İş Kule Building	İstanbul İş Kuleleri Complex	Maslak Office Building	Mugla Marmaris Mallmarin Shopping Mall	İstanbul Kanyon Shopping Mall	İstanbul Marmara Park Shopping Mall	Taksim Office Lamartine	Tuzla Technology and Operation Centre	İstanbul Tuzla Square Bazaar	İzmir Ege Perla Shopping Mall	İzmir Konak Office Building	Kartal Manzara Adalar	Litus İstanbul Altunizade	Other Real Estates	Total
30 June 2025															
<u>Sales Revenue</u>															
Income from sales of residential units	-	-	-	-	-	-	-	-	-	-	-	141,626,342	642,822,706	-	784,449,048
Rent income	10,748,993	261,158,042	1,915,202	3,542,088	180,890,120	-	7,674,889	259,761,897	4,770,008	28,764,917	19,809,951	764,426	-	2,841,909	782,642,442
Income from right of construction	-	-	-	-	-	65,983,608	-	-	-	-	-	-	-	-	65,983,608
Income fees and service	-	-	197,652	-	310,316	-	-	-	-	3,581,377	-	-	-	-	4,089,345
Other income	-	1,052,554	-	-	203,274	-	106,756	-	4,158	786,719	-	-	-	-	2,153,461
Real estate revenues	10,748,993	262,210,594	2,112,854	3,542,088	181,403,711	65,983,608	7,781,646	259,761,897	4,774,167	33,133,012	19,809,951	142,390,768	642,822,706	2,841,909	1,639,317,904
Cost of sales of residential units	-	-	-	-	-	-	-	-	-	-	-	96,027,959	556,290,544	-	652,318,504
Administrative expense	-	19,203,596	511,080	-	42,246,170	-	235,834	-	4,958,233	33,152,942	-	2,324,447	-	1,516,121	104,148,423
Tax and duty and other charges	754,274	3,874,017	456,524	98,504	4,255,205	-	323,546	125,272	2,669,928	2,700,515	-	106,176	2,086	377,952	15,743,997
Insurance expense	497,245	4,577,411	304,942	160,077	2,143,787	-	41,967	9,889,108	-	4,299,749	-	196,453	-	687,139	22,797,879
Other	66,283	925,254	199,037	54,206	152,045	-	178,660	-	309,827	487,887	-	512	-	277,058	2,650,769
Cost of Sales	1,317,802	28,580,278	1,471,582	312,787	48,797,207	-	780,007	10,014,381	7,937,988	40,641,093	-	98,655,547	556,292,630	2,858,271	797,659,572
Gross Profit	9,431,191	233,630,316	641,272	3,229,301	132,606,504	65,983,608	7,001,639	249,747,516	(3,163,821)	(7,508,081)	19,809,951	43,735,221	86,530,076	(16,362)	841,658,332
<u>Capital investments</u>	-	38,652,525	-	-	9,631,940	-	-	-	-	3,797,893	1,021,825,358	-	653,094,642	2,004,492,949 (*)	3,731,495,306

(*) TRY 1,054,236,845 of the amount consists of the acquisition of İzmir Şehitler Land, and TRY 362,224,967 consists of the acquisition of İçerenköy Office Buildings.

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 30 June 2025 unless otherwise indicated.)

4. Operating segments (continued)

	Ankara İş Kule Building	İstanbul İş Kuleleri Complex	Maslak Office Building	Muğla Marmaris Mallmarine Shopping Mall	İstanbul Kanyon Shopping Mall	İstanbul Marmara Park Shopping Mall	Taksim Office Lamartine	Tuzla Technology and Operating Centre	İstanbul Tuzla Square Bazaar	İzmir Ege Perla Shopping Mall	İzmir Ege Perla	Kartal Manzara Adalar	Litus İstanbul Altunizade	Other Real Estates	Total
30 June 2024															
<u>Sales Revenue</u>															
Income from sales of residential units	-	-	-	-	-	-	-	-	-	-	-	52,259,561	1,269,556,547	-	1,321,816,109
Rent income	11,738,002	147,643,166	1,129,045	3,335,616	165,825,428	-	10,108,922	262,777,153	3,943,370	19,791,804	217,375	143,377	-	-	626,653,258
Income from right of construction	-	-	-	-	-	188,563,016	-	-	-	-	-	-	-	-	188,563,016
Income fees and service	-	-	261,053	-	445,606	-	-	-	-	2,961,346	-	-	-	-	3,668,005
Other income	5,686	605,761	-	12,345	509,737	-	27,206	-	4,101	665,086	-	875	-	27,056	1,857,854
Real estate revenues	11,743,688	148,248,927	1,390,098	3,347,961	166,780,771	188,563,016	10,136,128	262,777,153	3,947,471	23,418,237	217,375	52,403,814	1,269,556,547	27,056	2,142,558,242
Cost of sales of residential units	-	-	-	-	-	-	-	-	-	-	-	31,939,621	1,047,468,671	-	1,079,408,292
Administrative expense	-	27,045,146	1,066,988	-	28,479,165	-	-	-	4,926,810	31,818,662	-	2,089,829	-	1,452	95,428,052
Insurance expense	425,895	5,293,982	259,729	135,847	1,998,029	-	-	12,153,560	41,243	731,508	4,381,585	229,326	-	88,076	25,738,779
Tax and duty and other charges	785,030	6,434,393	513,888	91,679	4,196,244	2,507,199	360,264	2,707,531	462,981	1,966,566	-	207,576	369,971	105,921	20,709,243
Other	172,919	14,909	49,196	51,958	1,170,947	-	-	-	-	89,809	18,879	23,216	-	3,880,281	5,472,114
Cost of Sales	1,383,844	38,788,430	1,889,801	279,484	35,844,386	2,507,199	360,264	14,861,091	5,431,033	34,606,545	4,400,463	34,489,568	1,047,838,642	4,075,730	1,226,756,480
Gross Profit	10,359,844	109,460,497	(499,703)	3,068,477	130,936,385	186,055,817	9,775,864	247,916,062	(1,483,562)	(11,188,308)	(4,183,088)	17,914,246	221,717,905	(4,048,674)	915,801,762
Capital Investments	672,883	30,887,909	16,294	-	1,637,897	-	-	-	-	-	-	510,034	359,627,938	363,653,294	757,006,248

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

4. Operating segments (continued)

Reconciliation of revenues, assets and liabilities

	1 January - 30 June 2025	1 January - 30 June 2024
Sales Revenue		
Segment revenue	1,639,317,904	2,142,558,242
Total Revenue	1,639,317,904	2,142,558,242

	1 January - 30 June 2025	1 January - 30 June 2024
Cost of Sales		
Segment Costs (-)	(797,659,572)	(1,226,756,480)
Total cost of sales	(797,659,572)	(1,226,756,480)

Assets	30 June 2025	31 December 2024
Segment assets	49,006,232,785	51,835,063,942
Other assets	64,124,146	130,978,611
Non-segment related assets	3,680,697,441	3,638,847,758
Total assets	52,751,054,372	55,604,890,311

Liabilities	30 June 2025	31 December 2024
Segment liabilities	6,603,779,482	9,698,340,161
Other liabilities	133,479,935	275,318,676
Total liabilities	6,737,259,417	9,973,658,837

5. Cash and cash equivalents

	30 June 2025	31 December 2024
Time deposits	11,550,777	8,953,779
Demand deposits	799,521,044	387,636,749
Other cash equivalents	-	233,348
Total	811,071,821	396,823,876
Interest accrued on cash and cash equivalents	(1,050,044)	(507,697)
Total cash and cash equivalents in the statement of cash flows	810,021,777	396,316,179

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

5. Cash and cash equivalents (continued)

Time deposits:			
Currency	Interest Rate	Maturity	30 June 2025
TRY	48.00%	July 2025	799,521,044
			799,521,044

Time deposits:			
Currency	Interest Rate	Maturity	30 June 2024
TRY	46.75%-48.00%	January 2025	387,636,749
			387,636,749

6. Financial investments / Derivatives

Long-term financial investments

Long-term financial investments	30 June 2025	31 December 2024
Financial assets at fair value through profit or loss		
İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu	1,189,423,476	1,697,528,511
100. Yıl Girişim Sermayesi Yatırım Fonu	456,210,400	531,144,534
Total	1,645,633,876	2,228,673,045

The number of İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu, held at financial investments as of 30 June 2025, is TRY 247,585,439. (31 December 2024: 247,585,439 shares).

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 2025	30 June 2024
Opening Balance, 1 January	2,228,673,045	1,734,594,682
Fair value difference (Note 21)	(583,039,169)	(167,927,772)
Transfer	-	679,409,580
Closing Balance	1,645,633,876	2,246,076,490

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

7. Loans and borrowings

The details of the coins to be used on 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
<u>Short-term borrowings:</u>		
Bonds issued	715,224,441	2,019,930,887
Lease Certificate	-	118,649,031
Total	715,224,441	2,138,579,918

	30 June 2025	31 December 2024
<u>Current portion of long-term borrowings:</u>		
Current portion of long-term borrowings	-	222,890,392
Bonds issued	1,431,904,211	2,351,942,271
Total	1,431,904,211	2,574,832,663

	30 June 2025	31 December 2024
<u>Long-term borrowings:</u>		
Short-term bank borrowings	-	283,332,910
Total	-	283,332,910

As of 30 June 2025, the details of bank loans are as follows:

				31 December 2024
Currency	Interest rate (%)	Original currency amount	Short-term (TRY)	Long-term (TRY)
TRY	50.00	506,223,302	222,890,392	283,332,910
Total			222,890,392	283,332,910

As of 30 June 2025, the Company did not use cash loans (As of 31 December 2024, the Company borrowed cash loans amounting to TRY1,050,000,000).

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

7. Loans and borrowings (continued)

The details of securities issued as of 30 June 2025 and 31 December 2024 are as follows:

30 June 2025					
ISIN CODE	Interest rate (%)	Nominal Amount Issued (TRY)	Date of Issue	Amortization Date	Registered Value
TRISISGYK2519	48.00	500,000,000	14 November 2023	3 November 2025	532,906,002
TRISISGY82512	47.00	850,000,000	22 November 2023	13 August 2025	898,998,209
TRFISGY72510	52.00	500,000,000	11 July 2024	10 July 2025	557,041,355
TRFISGY82519	50.00	150,000,000	20 August 2024	19 August 2025	158,183,086
2,000,000,000					2,147,128,652

31 December 2024					
ISIN CODE	Interest rate (%)	Nominal Amount Issued (TRY)	Date of Issue	Amortization Date	Registered Value
TRISISGY12519	39.00	583,369,652	1 August 2023	22 Ocak 2025	680,773,377
TRISISGYK2519	48.00	583,369,652	14 November 2023	3 November 2025	621,028,937
TRISISGY82512	47.00	991,728,409	22 November 2023	13 August 2025	1,050,139,958
TRFISGY52512	53.22	233,347,861	17 May 2024	16 May 2025	248,239,775
TRFISGY62511	50.67	466,695,722	13 June 2024	12 June 2025	478,367,446
TRFISGY72510	50.78	583,369,652	11 July 2024	10 July 2025	652,306,789
TRFISGY42513	49.88	408,358,757	16 July 2024	11 April 2025	455,954,593
TRFISGY82519	50.45	175,010,896	20 August 2024	19 August 2025	185,062,283
TRDLVNT32513	43.00	116,673,930	16 December 2024	17 March 2025	118,649,031
4,141,924,531					4,490,522,189

The movement table of financial borrowings as of 30 June 2025 and 2024 is as follows:

	30 June 2025	30 June 2024
Opening balance, 1 January	4,996,745,491	8,257,790,052
Borrowings received	892,500,923	2,101,290,475
Borrowings paid	(2,967,544,762)	(1,736,322,170)
Interest paid	(1,050,060,303)	(1,567,332,690)
Interest accrual	888,826,562	1,662,546,942
Monetary loss/gain	(613,339,259)	(1,669,174,425)
Closing Balance	2,147,128,652	7,048,798,184

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

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8. Trade receivables and payables

Short-term trade receivables and liabilities

	30 June 2025	31 December 2024
<u>Trade receivables:</u>		
Receivables from customers	16,005,796	81,167,281
Notes receivable	124,000	2,165,605
Doubtful receivables	10,091,957	10,154,478
Provision for doubtful receivables (-)	(10,091,957)	(10,154,478)
Due from related parties (Note 24)	2,994,862	14,263,701
	19,124,658	97,596,587
<u>Trade payables:</u>		
Payables to suppliers	48,556,009	65,328,311
Due to related parties (Note 24)	19,450,737	102,148,803
	68,006,746	167,477,114

As of 30 June 2025, the provision for doubtful trade receivables is TRY 10,091,957 (31 December 2024: TRY 10,154,479). 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 2025	30 June 2024
Opening Balance, 1 Ocak	(10,154,478)	(13,599,317)
Charge for the period (-)	(3,651,490)	(816,775)
Provisions released	2,193,396	2,943,057
Monetary gain/loss	1,520,615	2,551,926
Closing Balance	(10,091,957)	(8,921,109)

Long Term Trade Receivables

	30 June 2025	31 December 2024
<u>Trade receivables</u>		
Receivables from customers	44,999,488	33,382,024
	44,999,488	33,382,024

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9. Other receivables and payables

	30 June 2025	31 December 2024
Other short-term receivables (*)	11,574,617	14,066,894
Total	11,574,617	14,066,894

(*) TRY 3,505,180 of the amount consists of tax office receivables (31 December 2024: TRY4.083,522).

	30 June 2025	31 December 2024
<u>Other debts – short-term</u>		
Deposits and guarantees given	39,864,352	35,171,493
Other short-term payables	323,842	185,977
Total	40,188,194	35,357,470

10. Investment properties

As of 30 June 2025, and 31 December 2024, the details of investment properties are as follows:

	30 June 2025	31 December 2024
Investment properties	39,559,416,500	42,914,639,910
Total	39,559,416,500	42,914,639,910

As of 30 June 2025, total insurance amount on investment properties is TRY 10,393,992,670

(31 December 2024: TRY 13,546,329,589).

	1 January 2025 opening balance	Purchases	Disposal	Fair value difference	30 June 2025 closing balance
Investment properties					
Ankara İş Kule Building	1,342,636,922	-	-	(64,011,922)	1,278,625,000
İstanbul İş Kuleleri Complex	12,927,933,523	38,652,525	-	145,997,952	13,112,584,000
Muğla Marmaris Mallmarine Shopping Mall	239,607,417	-	-	9,057,583	248,665,000
Maslak Office Building	1,935,054,639	-	-	(59,394,639)	1,875,660,000
Taksim Office Lamartine	1,136,338,745	-	-	65,521,255	1,201,860,000
İstanbul Kanyon Shopping Mall	4,687,375,156	9,631,940	-	285,830,404	4,982,837,500
İstanbul Tuzla Meydan Bazaar	257,254,349	-	-	11,145,651	268,400,000
Tuzla Technology and Operation Centre	12,192,515,571	-	-	372,984,429	12,565,500,000
İzmir Ege Perla Shopping Mall	1,458,534,970	3,797,893	-	122,312,137	1,584,645,000
Levent Land	27,418,374	-	-	1,211,626	28,630,000
İzmir Şehitler Arsası	-	1,054,236,845	-	(46,236,845)	1,008,000,000
İzmir Konak Office Building	-	1,021,825,358	-	17,154,642	1,038,980,000
İçerenköy Office Buildings	-	362,224,967	-	2,805,033	365,030,000
İstanbul Finance Centre Land	6,709,970,244	16,161,707	(6,726,131,951)	-	-
Total	42,914,639,910	2,506,531,235	(6,726,131,951)	864,377,306	39,559,416,500

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10. Investment properties (continued)

As of 30 June 2025, 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 848,626,050 (30 June 2024: TRY 815,216,275) of its investment property, including the right of construction. Total direct operating expenses related to these properties amounting to TRY 145,341,069 (30 June 2024: TRY 147,348,189).

The fair values of the Company's investment properties at 30 June 2025 have been arrived at on the basis of valuations in June 2025 by six independent appraiser firms which are not related parties 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.

	2025	2024
Investment properties that are active		
Tuzla Technology and Operation Centre	Sales comparison approach	Sales comparison approach
İstanbul İş Kuleleri Complex	Sales comparison approach	Sales comparison approach
Kanyon Shopping Mall	Sales comparison approach	Sales comparison approach
İzmir Ege Perla 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	Fair value based on estate tax	Fair value based on estate tax
İzmir Şehitler Arsası	Sales comparison approach	-
İzmir Konak Office Building	Sales comparison approach	-
İçerenköy Office Buildings	Sales comparison approach	-
İstanbul Finance Centre Project	-	Sales comparison approach

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

10. Investment property (continued)

	1 January 2024 opening balance	Purchases	Fair value difference	30 June 2024 closing balance
Investment properties that are active				
Ankara İş Kule Building	1,139,664,627	672,884	38,637,265	1,178,974,776
İstanbul Marmarapark Shopping Mall	2,947,916,779	-	184,912,258	3,132,829,037
İstanbul İş Kuleleri Complex	11,390,615,671	30,887,909	553,744,322	11,975,247,902
Muğla Marmaris Mallmarine Shopping Mall	202,700,442	-	28,192,247	230,892,689
Maslak Office Building	1,864,346,797	16,294	121,892,044	1,986,255,135
Taksim Office Lamartine	1,007,934,860	-	38,861,044	1,046,795,904
İstanbul Kanyon Shopping Mall	4,127,083,490	1,637,897	172,578,343	4,301,299,730
İstanbul Tuzla Meydan Bazaar	222,062,360	-	7,008,523	229,070,883
Tuzla Technology and Operation Centre	11,096,177,743	-	627,031,551	11,723,209,294
İzmir Ege Perla Shopping Mall	1,132,000,043	-	70,230,112	1,202,230,155
Levent Land	30,599,376	-	1,137,058	31,736,434
İstanbul Finance Centre Project	6,010,381,181	29,523,415	1,052,256,662	7,092,161,258
Total	41,171,483,369	62,738,399	2,896,481,429	44,130,703,197

11. Inventories

Short-term stocks	30 June 2025	31 December 2024
<i>Inventories</i>		
Kartal Manzara Adalar (1)	236,072,049	332,100,008
Litus İstanbul Altunizade Project (2)	2,492,061,251	2,391,838,873
Total	2,728,133,300	2,723,938,881

Long-term stocks	30 June 2025	31 December 2024
Tuzla Housing Project (3)	1,979,206,789	1,974,143,710
Profilo Shopping Mall (4)	2,419,946,849	2,673,400,321
Balmumcu Project (5)	475,008,035	551,658,876
Kasaba Modern Project (6)	1,794,192,750	1,240,797,385
Çekmeköy Ömerli Lands	100,000,159	100,000,159
Provision for impairment (-)	(49,671,597)	(343,515,300)
Total	6,718,682,985	6,196,485,151

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

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11. Inventories (continued)

(1) There are 975 residential units in Kartal Manzara Adalar Project, as of 30 June 2025, 959 residential units has been delivered to the customers.

(2) There are 98 residences in the Litus Istanbul Altunizade project, and 57 of the real estates have been delivered as of 30 June 2025. The order advance balance received for the Litus Istanbul Altunizade project is TRY 144,681,656 (31 December 2024: TRY 547,095,466).

(3) The excavation and shoring works of the Tuzla Housing Project have been completed, and it has been decided to enter into a revenue-sharing agreement in exchange for land shares to develop the project.

(4) Regarding Profilo Shopping Mall, which was included in the company portfolio in 2024, a housing project will be developed by Artas İnşaat on the land where the said shopping center is located, in accordance with the contract signed with Artas İnşaat.

(5) The Balmumcu Building, which was included in the company portfolio on 1 September 2022, has completed demolition works, and a project consisting of 70 units is planned to be developed.

(6) The project includes a total of 165 villas/houses, and the first phase consists of 61 villas/houses.

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

	30 June 2025	30 June 2024
Opening balance, 1 January	(343,515,300)	(279,301,044)
Charge for the period (-)	(29,429,748)	(68,550,692)
Provisions released	323,273,451	145,670,270
Closing balance	(49,671,597)	(202,181,466)

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(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

12. Property, plant and equipment

	Buildings (*)	Machinery and equipment	Vehicles	Fixtures	Total
Cost					
Opening balance as of 1 January 2025	488,207,059	2,364,881	10,060,787	68,489,154	569,121,881
Purchases	-	-	-	6,127,002	6,127,002
Disposals	-	-	-	(101,191)	(101,191)
Fair value difference	14,899,192	-	-	-	14,899,192
Closing balance as of 30 June 2025	503,106,251	2,364,881	10,060,787	74,514,965	590,046,884
Accumulated Depreciation					
Opening balance as of 1 January 2025	57,878,601	2,364,881	4,689,405	61,719,828	126,652,715
Current year expenses	8,570,650	-	1,009,628	2,161,004	11,741,282
Disposals	-	-	-	(44,975)	(44,975)
Closing balance as of 30 June 2025	66,449,251	2,364,881	5,699,033	63,835,857	138,349,022
Net book value as of 1 January 2025	430,328,458	-	5,371,383	6,769,327	442,469,168
Net book value as of 30 June 2025	436,657,000	-	4,361,754	10,679,108	451,697,862

	Buildings (*)	Machinery and equipment	Vehicles	Fixtures	Total
Cost					
Opening balance as of 1 January 2024	454,572,543	2,364,882	14,007,985	67,411,024	538,356,434
Purchases	-	-	-	700,468	700,468
Fair value difference	28,660,518	-	-	-	28,660,518
Closing balance as of 30 June 2024	483,233,061	2,364,882	14,007,985	68,111,492	567,717,420
Accumulated Depreciation					
Opening balance as of 1 January 2024	41,308,302	2,364,882	5,058,577	57,841,191	106,572,952
Current year expenses	8,191,687	-	1,400,802	1,973,967	11,566,456
Closing balance as of 30 June 2024	49,499,989	2,364,882	6,459,379	59,815,158	118,139,408
Net book value as of 1 January 2024	413,264,241	-	8,949,408	9,569,833	431,783,482
Net book value as of 30 June 2024	433,733,072	-	7,548,606	8,296,334	449,578,012

(*) As of 30 June 2025, 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 436,657,000 These areas get share from the mortgages amounting to USD 136 million and TRY 2,5 billion established in İş Kuleleri and Kule Çarşı (30 June 2024: USD 136 million and TRY 2,5 billion).

As of 30 June 2025, the Company has tangible assets which is fully depreciated amounting to TRY 53,555,205.

The entire related depreciation expense has been classified as general administrative expenses.

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

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13. Intangible assets

	Computer Programs	Total
<u>Cost</u>		
Opening balance as of 1 January 2025	89,481,974	89,481,974
Addition	1,223,602	1,223,602
Closing balance as of 30 June 2025	90,705,576	90,705,576
<u>Accumulated amortization shares</u>		
Opening balance as of 1 January 2025	74,902,548	74,902,548
Current year charge	923,557	923,557
Closing balance as of 30 June 2025	75,826,105	75,826,105
Net book value as of 1 January 2025	14,579,425	14,579,425
Net book value as of 30 June 2025	14,879,471	14,879,471
	Computer Programs	Total
<u>Cost</u>		
Opening balance as of 1 January 2024	85,284,166	85,284,166
Addition	1,234,376	1,234,376
Closing balance as of 30 June 2024	86,518,542	86,518,542
<u>Accumulated amortization shares</u>		
Opening balance as of 1 January 2024	72,868,600	72,868,600
Current year charge	1,123,700	1,123,700
Closing balance as of 30 June 2024	73,992,300	73,992,300
Net book value as of 1 January 2024	12,415,566	12,415,566
Net book value as of 30 June 2024	12,526,242	12,526,242

As at 30 June 2025 and 30 June 2024, the Company has no intangible assets which is capitalized in the business area.

As at 30 June 2025, the Company has intangible assets which is fully depreciated amounting to TRY 71,717,056.

The entire related depreciation expense has been classified as general administrative expenses.

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14. Provisions, contingent assets and liabilities

	30 June 2025	31 December 2024
Debt provisions	2,855,656	51,721,931
Litigation provisions	1,274,916	1,487,495
Total	4,130,572	53,209,426

	30 June 2025	31 December 2024
Letters of guarantee received (*)	944,093,378	1,110,675,387
Mortgages received	1,047,040	1,221,623
Total	945,140,418	1,111,897,010

(*) 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 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
A. CPM given for companies own legal personality (*)	11,069,599,309	12,212,779,754
B. CPM given in behalf of fully consolidated companies	-	-
C. CPM given for continuation of its economic activities on behalf of third parties (**)	9,962,360	12,208,655
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	11,079,561,669	12,224,988,409

(*) CPM given for the Company's own legal personality consists of letters of guarantee amounting to TRY 414,850,509 and pledge amounting to USD 136,000,000 and TRY 5,250,000,000. As of 30 June 2025, 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 2,500,000,000 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 2025, the ratio of CPM given by the Company to the Company's shareholders' equity is 0.02% (31 December 2024: 0.03%).

As of 30 June 2025, TRY 1,274,916 legal case provision is accrued and there are 99 legal cases and 91 enforcement proceedings of the Company is a party. The lawsuit in question are ongoing, and as of 30 June 2025, 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.

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

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14. Provisions, contingent assets and liabilities (continued)**Operating leases**

The Company, as the lessor in the operating lease transactions

The Company signed operating lease agreements as a lessor for the investment properties in its portfolio with tenants which are shopping mall tenants, hotel operators and other third parties. The future minimum lease receivables as of 30 June 2025 and 2024 are as follows:

	30 June 2025	31 December 2024
Less than 1 year	698,763,389	1,384,796,386
Between 1-5 years	3,525,282,337	3,426,378,563
More than 5 years	5,202,367,066	6,045,165,875
Total	9,426,412,792	10,856,340,824

15. Provision for employee benefits

	30 June 2025	31 December 2024
Unused vacation provisions	6,229,144	5,254,286
Total	6,229,144	5,254,286

	30 June 2025	31 December 2024
Severance pay indemnity	14,925,279	14,020,380
Total	14,925,279	14,020,380

There is an obligation to pay the severance indemnities to those employees who 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 53,919.68 for each period of service as of 30 June 2025 (31 December 2024: TRY 46,655.43).

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 are 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 2025, 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 21.85% (estimated salary increase rate) and a discount rate of 27.70%, resulting in a real discount rate of approximately 3.98% (31 December 2024: the provisions have been calculated assuming an annual inflation rate of 21.85%. The anticipated rate of for features is considered. As the maximum liability is revised semi-annually, the maximum amount of TRY 53,919.68 effective from 30 June 2025 has been taken into consideration in calculation of provision from employment termination benefits.

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

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15. Provision for employee benefits (continued)

	1 January - 30 June 2025	1 January - 30 June 2024
Opening balance as of 1 January	14,020,380	23,643,103
Service cost	1,125,220	4,212,717
Interest cost	2,039,497	1,030,979
Retirement pays provisions (-)	(110,727)	(1,915,854)
Monetary gain/(loss)	(2,149,091)	(4,914,980)
Closing balance as of year end	14,925,279	22,055,965

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

Prepaid expenses – short term	30 June 2025	31 December 2024
Related party prepaid expenses (Not 26)	296,773,892	148,534,635
Job advances (*)	166,673,935	194,002,390
Prepaid expenses	20,752,739	3,754,703
Total	484,200,566	346,291,728

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

Prepaid expenses – long term	30 June 2025	31 December 2024
Job advances (*)	124,678,548	117,302,804
Prepaid expenses	35,172,345	14,779,235
Total	159,850,893	132,082,039

(*) An agreement has signed to bought 45% shares of the land registered in Kadikoy, Istanbul, has 9.043 m2 of floor space which is ownership of the land has belonged 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 for in this account.

Other current assets	30 June 2025	31 December 2024
Prepaid taxes and dues payable	31,122,088	19,455,076
VAT transferred	27,243,476	-
Deposits and guarantees given	400,702	1,268,304
Other miscellaneous current assets	2,032,908	-
Total	60,799,174	20,723,380

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

<i>Other short-term liabilities</i>	30 June 2025	31 December 2024
Taxes and funds payable	12,911,543	32,635,870
Payable social security cuts	3,340,193	3,042,638
Total	16,251,736	35,678,508

Deferred revenue	30 June 2025	31 December 2024
Deferred revenue	3,407,009	2,929,857
Short-term deferred revenue from related party(Not 26)	561,413	766,479
Total	3,968,422	3,696,336

17. Liabilities from contracts with customers

Liabilities from contracts with customers	30 June 2025	31 December 2024
Contractual liabilities from sales of goods and services (*)	636,045,702	744,394,180
Total	636,045,702	744,394,180

(*) A significant portion of the amount consists of advances received from the owners of the residential units sold by Litus İstanbul Altunizade Project and Kasaba Modern Projects. (Note 11).

18. Shareholder's equity

Share capital

The composition of the paid-in share capital as of 30 June 2025 and 31 December 2024 are as follows:

		30 June 2025		31 December 2024
<u>İş Gayrimenkul Yat. Ort. A.Ş.</u>	<u>(%)</u>		<u>(%)</u>	
Türkiye İş Bankası A.Ş.	52.50	503,388,303	52.22	500,638,265
Anadolu Hayat Emeklilik A.Ş.	7.04	67,476,714	7.04	67,476,714
Other	40.46	387,884,983	40.74	390,635,021
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 2024: 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 2024: TRY 1,369,642,817) of the total amount is Group A and TRY 957,380,357,183 (31 December 2024: 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 the 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 Group A shares.

There was no capital increase with or without price during the period.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

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;

30 June 2025

Equity	Producer Price Index (PPI) indexed legal adjustments	Consumer Price Index (CPI) indexed amounts	Differences to be followed in retain earnings
Capital adjustment differences	40,868,631,520	23,946,765,486	(16,921,866,034)
Share Premiums	15,306,957	11,383,112	(3,923,845)
Restricted reserves	1,532,256,002	1,003,053,696	(529,202,306)
Total	42,416,194,479	24,961,202,294	(17,454,992,185)

31 December 2024

Equity	Producer Price Index (PPI) indexed legal adjustments	Consumer Price Index (CPI) indexed amounts	Differences to be followed in retain earnings
Capital adjustment differences	40,868,631,520	23,946,765,486	(16,921,866,034)
Share Premiums	15,306,957	11,383,112	(3,923,845)
Restricted reserves	1,532,256,002	1,003,053,696	(529,202,306)
Total	42,416,194,479	24,961,202,294	(17,454,992,185)

Adjustment to share capital amount is TRY 23,946,765,486 as of 30 June 2025 and 31 December 2024. 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 2025, and 31 December 2024, share premiums amounting TRY 11,383,112 represent excess amount of selling price and nominal value for each share during initial public offering of the Company's shares.

	30 June 2025	31 December 2024
Legal reserves	1,003,053,696	1,003,053,696
Total	1,003,053,696	1,003,053,696

Legal reserves consist of the 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, more than 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.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

18. Shareholder's equity (continued)

Prior years' profits

As of 30 June 2025, and 31 December 2024, prior years' profits are as follows:

	30 June 2025	31 December 2024
Prior years' profits	19,581,926,099	18,541,160,001
Total	19,581,926,099	18,541,160,001

Dividend distribution

At the Ordinary General Assembly Meeting of the Company held on 20 March 2025, it was resolved that no dividend would be distributed, as there was no net distributable profit for the period in the financial statements prepared in accordance with the Tax Procedure Law, and the Board of Directors' Profit Distribution Proposal was accepted as is.

In line with the resolution taken at the Ordinary General Assembly Meeting held on 20 March 2025, the profit for the year 2024, as presented in the financial statements prepared in accordance with the capital market legislation, has been allocated as follows:

	Amount
1.Primary reserve 5%	-
Dividend	-
2.Secondary reserve	-
Capital increase through bonus shares	-
Transferred to prior years' profits	1,040,766,098
Total	1,040,766,098

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

19. Revenue and cost of sales

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Income from sales of residential units	784,449,048	385,227,050	1,321,816,109	1,310,136,585
Rent income	782,642,442	400,424,621	626,653,258	311,339,255
Income from right of construction	65,983,608	65,983,608	188,563,016	54,558,685
Income fees and service	4,089,345	1,971,818	3,668,005	1,916,790
Other revenue	2,153,461	1,070,744	1,857,854	1,473,346
Total real estate revenues	1,639,317,904	854,677,841	2,142,558,242	1,679,424,661

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Cost of sales of residential units	(652,318,504)	(359,841,150)	(1,079,408,292)	(1,071,467,212)
Cost of administrative expenses	(104,148,423)	(46,776,497)	(95,428,052)	(43,593,343)
Taxes and dues	(15,743,997)	3,141,341	(20,709,243)	(10,232,517)
Insurance expenses	(22,797,879)	(11,172,506)	(25,738,779)	(13,110,117)
Other	(2,650,769)	20,653,957	(5,472,114)	(2,513,176)
Total	(797,659,572)	(393,994,855)	(1,226,756,480)	(1,140,916,36)

20. Administrative expenses / Marketing, selling and distribution expenses

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Administrative expenses				
Personnel expenses	(106,527,348)	(62,186,116)	(101,727,361)	(55,656,702)
Outsourced service expenses	(29,117,416)	(14,464,447)	(13,080,184)	(10,789,965)
Depreciation and amortization	(12,664,839)	(8,120,631)	(12,690,156)	(6,989,392)
Board of Directors fees and expenses	(5,294,123)	(2,647,374)	(5,636,714)	(3,382,985)
Legal expenses	(2,837,614)	(1,988,812)	(11,929,466)	(10,564,304)
Taxes and dues	(740,465)	(112,625)	(1,342,490)	(673,057)
Other	(4,977,688)	(1,090,909)	(1,437,717)	(855,578)
Total	(162,159,493)	(90,610,914)	(147,844,088)	(88,911,983)

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Marketing, selling and distribution expenses				
Advertising expenses	(25,049,844)	(7,833,609)	(23,147,167)	(15,072,086)
Sales commission expenses	(11,570,552)	(672,427)	(7,979,835)	(4,696,487)
Sales office expenses	(986,108)	(543,154)	(885,436)	(722,824)
Other	(19)	634	(364,805)	(37,044)
Total	(37,606,523)	(9,048,556)	(32,377,243)	(20,528,441)

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

21. Other operating income / expense

Other income and expenses from main activities for the periods ending 30 June 2025 and 2024 are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Other operating income				
Revaluation of income of investment property (Note 10)	864,377,306	864,377,306	2,896,481,429	2,896,481,429
Reversal of provision for impairment of inventories (Note 11)	293,843,703	293,843,703	77,119,578	77,119,579
Foreign exchange gains	-	-	6,054,022	(8,435)
Other	8,550,766	1,730,935	4,231,899	3,033,998
Total	1,166,771,775	1,159,951,944	2,983,886,928	2,976,626,571

	1 January - 30 June 2025	1 January - 30 June 2025	1 January - 30 June 2024	1 January - 30 June 2024
Other operating expense				
Investment property sales losses	(301,627,518)	-	-	-
Revaluation loss of financial assets	(583,039,169)	(466,678,890)	(167,927,772)	151,687,189
Foreign exchange loss	(1,978,815)	(775,657)	-	-
Provision for doubtful receivables	(1,458,094)	(1,181,272)	(761,159)	(761,159)
Provision for impairment of inventories (Note 11)	-	111,588,198	-	304,083,161
Other	(13,612,750)	(2,963,491)	(105)	3,803,643
Total	(901,716,346)	(360,011,112)	(168,689,036)	458,812,834

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Investment activity expense				
Dividend income	526,323,872	526,323,872	-	-
Total	526,323,872	526,323,872	-	-

22. Financial income / expense

Financial income and expenses as of 30 June 2025 and 31 December 2024 are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Financial income				
Interest income from bank deposits	381,338,828	230,011,684	85,276,480	28,608,343
Profit from buying and selling securities	59,818,681	-	-	-
Total	441,157,509	230,011,684	85,276,480	28,608,343

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

22. Financial income / expense (continued)

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Finance expense (-)				
Interest expenses	(884,853,456)	(343,365,684)	(1,654,413,594)	(784,035,326)
Commission expenses	(3,973,106)	(28,869)	(8,133,349)	(4,863,837)
Other	-	-	(4,991)	(4,992)
Total	(888,826,562)	(343,394,553)	(1,662,551,934)	(788,904,155)

23. Explanations related to net monetary position gains/(losses)

Net Monetary Position Gains/(Losses) item reported in the statement of profit or loss results from the following monetary/non-monetary financial statement items:

	1 January - 30 June 2025	1 January - 31 December 2024
Non-monetary Items		
Financial Position Statement Items	(6,066,648,278)	(11,619,637,465)
Advances received	(95,808,853)	162,386,531
Equity accounted investees	(44,833)	1,236,651
Tangible assets	236,381	946,846
Intangible assets	1,622,547	3,182,827
Prepaid expenses	74,096,879	(88,600,874)
Inventories	972,831,974	2,171,535,749
Deferred tax liability	(559,898,446)	-
Share capital	(3,559,259,824)	(7,655,392,604)
Share premium	(1,626,766)	(3,498,911)
Other comprehensive income that will not be reclassified to profit or loss	43,012,544	77,732,111
Restricted profit reserves	(143,346,911)	(303,384,523)
Retained earnings	(2,798,462,970)	(5,985,781,268)
Profit or Loss Statement Items	5,471,241,311	13,859,312,453
Revenue	(236,386,795)	(783,590,635)
Cost of sales	10,869,947	925,966,777
Marketing expenses	2,927,838	7,901,402
General administrative expense	8,886,409	35,812,950
Other operating income	5,314,647,632	13,008,559,814
Other operating expense	336,460,702	269,503,171
Share of profit of equity-accounted investees	2,767,259	12,892,686
Financial income	(17,001,075)	(23,709,778)
Financial expenses	48,069,394	405,976,066
Net monetary position gains/(losses)	(595,406,967)	2,239,674,988

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

24. Vergi varlık ve yükümlülükleri

a) Corporate Tax

The corporate tax rate is the rate applied to the legal tax base, which is determined by adding non-deductible expenses according to tax laws to the commercial profit of corporations and subtracting the exemptions specified in the tax laws.

As detailed in Note 2, Law No. 7524 effective as of 1 January 2025, certain conditions have been introduced regarding the corporate tax exemption applicable to the earnings of real estate investment trusts (REITs). According to Article 5(d)(4) of the Corporate Tax Law, the tax exemption granted has been conditioned, by Law No. 7524 dated 2 August 2024, on the distribution of at least 50% of the income derived from real estate as dividends starting from 1 January 2025. Accordingly, if at least 50% of the income from real estate is distributed as dividends, the corporate tax rate applicable to the corporate earnings will be 10%.

	1 January- 30 June 2025	1 January- 31 December 2024
Corporate and income taxes	(151,265,418)	-
Prepaid taxes	151,265,418	-
Tax liabilities (net)	-	-

b) Period tax income/(expense)

	1 January- 30 June 2025	1 January- 30 June 2024
Current period tax expense	(151,265,418)	-
Deferred tax income	121,329,728	-
Total Tax Expense	(29,935,690)	-

c) Tax assets and liabilities

The company recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax-based financial statements and the financial statements prepared in accordance with TFRS. These differences generally arise from the recognition of certain income and expense items in different periods in the tax-based financial statements and the financial statements prepared under TFRS.

A tax rate of 30% used in the calculation of deferred tax assets and liabilities for the year 2025 (31 December 2024: 30%).

	1 January- 30 June 2025	1 January- 31 December 2024
Deferred tax liability	3,800,384,970	3,917,825,646
Deferred tax liability	3,800,384,970	3,917,825,646

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

24. Tax assets and liabilities (continued)

The breakdown of the Company's accumulated temporary differences and deferred tax assets and liabilities, prepared using the current tax rates, is as follows:

Account Name	30 June 2025 Accumulated Temporary Differences	31 December 2024 Accumulated Temporary Differences	30 June 2025 Deferred Tax Assets/(Liabilities)	31 December 2024 Deferred Tax Assets/(Liabilities)
Investment properties	8,841,933,142	9,247,513,234	(2,652,579,943)	(2,774,253,970)
Inventories	3,764,917,586	3,706,957,204	(1,129,475,276)	(1,112,087,161)
Prepaid expenses	170,474,618	112,447,696	(51,142,385)	(33,734,309)
Securities Issued	6,714,655	13,377,940	(2,014,397)	(4,013,383)
Fixed Assets	2,397,547	3,305,640	(719,264)	(991,692)
Severance Pay Provisions	(14,925,279)	(14,020,380)	4,477,584	4,206,114
Unused vacation Provisions	(6,229,144)	(5,254,286)	1,868,743	1,576,286
Doubtful Trade Receivables	(1,484,368)	(1,447,818)	445,310	434,346
Provisions				
Other	(95,848,859)	(3,460,409)	28,754,658	1,038,123
Deferred Tax Assets / (Liabilities), Net			(3,800,384,970)	(3,917,825,646)

	1 January - 30 June 2025
Deferred Tax Assets/(Liabilities) at the Beginning of the Period, Net	(3,917,825,646)
Associated with property, plant and equipment revaluation increases	(3,889,052)
Associated with the profit or loss statement	121,329,728
Deferred Tax Assets/(Liabilities) at the End of the Period, Net	(3,800,384,970)

25. Earnings per share

	1 January - 30 June 2025	1 January - 30 June 2024
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	371,553,341	3,304,116,218
Earnings per share	0.0039	0.0345
Diluted earnings per share	0.0039	0.0345

As of 30 June 2025 the capital of the Company consists of 95,875,000,000 shares that are valued TRY 0.01 for each one.

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Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

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26. 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 2025	31 December 2024
Time deposits	799,521,044	387,277,819
Demand deposits	11,550,777	8,953,346
Other	-	233,348
Total	811,071,821	396,464,513

The Company has letters of guarantee amounting TRY 414,850,509 (31 December 2024: TRY 489,242,279) 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 1 June 2025 and 31 December 2024, the financial assets included in the Company's assets are investment funds established by İş Portföy Yönetimi Anonim Şirketi and Maxis Girişim Sermayesi Portföy Yön. A.Ş.

	30 June 2025			
	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.	54,000	1,366,619	9,090,272	-
Türkiye İş Bankası A.Ş.	-	-	-	63,724
Kanyon Yönetim İşl. Paz. Ltd. Şti.	261,624	-	1,483,920	295,539
Anadolu Anonim Türk Sigorta A.Ş.	60,000	21,286,753	3,126,869	-
İş Net Elektronik Hizmetler A.Ş.	-	-	1,992,083	-
Paşabahçe Mağazacılık A.Ş.	646,447	-	-	-
Tecim Yapı Elemanları A.Ş.	1,968,593	274,099,893	12,921	-
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	-	-	2,275	-
Trakya Yatırım Holding A.Ş.	-	-	427,024	-
Sportive Spor Malzemeleri Tic.A.Ş.	4,198	-	-	202,150
Levent Varlık Kiralama A.Ş.	-	-	8,901	-
Erişim Müşteri Hizmetleri A.Ş.	-	-	62,383	-
Due to shareholders (dividends)	-	-	705	-
Other	-	20,627	3,243,384	-
	2,994,862	296,773,892	19,450,737	561,413

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26. Related party disclosures (continued)

	31 December 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.	-	3,166,869	3,822,987	-
Türkiye İş Bankası A.Ş.	118,023	-	-	76,844
Kanyon Yönetim İşl. Paz. Ltd. Şti.	2,859,922	-	2,252,788	689,635
Anadolu Anonim Türk Sigorta A.Ş.	-	40,253,074	38,339,871	-
İş Net Elektronik Hizmetler A.Ş.	-	-	140,253	-
Paşabahçe Mağazacılık A.Ş.	1,677,035	-	19,150	-
Tecim Yapı Elemanları A.Ş.	7,005,845	105,107,597	10,043,226	-
İş Enerji Yatırımları A.Ş.	21,084	-	-	-
Topkapı Danışmanlık Elektronik Hizmetler	1,328	-	59,989	-
Pazarlama Ve Ticaret A.Ş.	-	-	-	-
Moka Ödeme Kuruluşu A.Ş.	762,765	-	-	-
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	8,870	-	127,574	-
Trakya Yatırım Holding	639,044	-	45,831,843	-
Yüzüncü Yıl Teknoloji Girişimleri A.Ş.	1,169,785	-	-	-
Levent Varlık Kiralama A.Ş.	-	-	67,134	-
Due to shareholders (dividends)	-	-	823	-
Other	-	7,095	1,443,165	-
	14,263,701	148,534,635	102,148,803	766,479

	31 December 2024	
	Financial Borrowings	Interest and Commission Fee
Balances with related parties		
T. İş Bankası A.Ş.	-	397,017,982

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

26. Related party disclosures (continued)

Transactions with related parties	1 January - 30 June 2025				
	Purchases	Interest received	Rent income	Other income	Other expense
Türkiye İş Bankası A.Ş. (*)	2,390,451,570	350,987,802	323,129,721	497,429	1,381,231
Anadolu Anonim Türk Sigorta A.Ş. (**)	25,069,224	-	50,000	1,441,070	-
Anadolu Hayat Emeklilik A.Ş.	1,516,764	-	20,517,854	-	-
İş Merkezleri Yönetim ve İşletim A.Ş. (***)	63,728,525	-	8,379,374	-	-
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	-	3,334,975	-	-
İş Net Elektronik Hizmetler A.Ş.	5,330,484	-	1,624,478	-	412,551
Paşabahçe Mağazacılık A.Ş.	39,179	-	4,660,349	-	-
Softtech Yazılım Teknolojileri A.Ş.	266,355	-	14,669,920	-	4,427
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	-	-	4,079,183	1,109	-
İş Enerji Yatırımları A.Ş.	-	-	5,019,845	-	-
İş Yatırım Menkul Değerler A.Ş.	1,356,076	-	21,556,034	-	-
Tecim Yapı Elemanları A.Ş.	52,154,195	-	-	10,808,189	-
BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş.	-	-	616,484	-	-
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	109,201	-	2,124,328	-	-
Penta Tıp Sağlık Hizmetleri	41,761	-	-	-	-
Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş.	-	-	600,542	-	-
Trakya Yatırım Holding	278,014	-	4,083,036	-	-
Milli Reasürans Türk A.Ş.	-	-	15,634,172	-	-
İş Portföy Yönetimi A.Ş.	-	-	204,102	-	-
Sportive Spor Malzemeleri	-	-	2,609,840	4,881	-
Yüzüncü Yıl Teknoloji Girişimleri A.Ş.	-	-	5,311,712	-	-
Levent Varlık Kiralama A.Ş.	-	-	-	-	21,809,785
Erişim Müşteri Hizmetleri A.Ş.	50,076	-	2,027,164	-	-
Total	2,540,391,424	350,987,802	440,233,113	12,752,678	23,607,994

(*) The purchase amount relates to the acquisition of the İzmir Service Building, İzmir Şehitler Lands, and the İçerenköy Buildings in Istanbul, the ownership of which belongs to Türkiye İş Bankası A.Ş.

(**) The amount of purchases with Türkiye İş Bankası A.Ş. is related to the acquisition of the İzmir Service Building, İzmir Şehitler Lands, and the İçerenköy Buildings in Istanbul, the ownership of which belongs to Türkiye İş Bankası A.Ş.

(***) 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.

In 2025, no revenue share compensation was paid to Türkiye İş Bankası A.Ş. within the scope of the Ege Perla project (30 June 2024: TRY 27,982,164). As of 30 June 2025, a revenue share of TRY 515,641,986 was paid to Tecim A.Ş. within the scope of the Altunizade Litus project (30 June 2024: TRY 149,500,241). As of 30 June 2025, a revenue share of TRY 135,692,676 was paid to Tecim A.Ş. within the scope of the Kasaba Modern project (30 June 2024: none).

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

26. Related party disclosures (continued)

Transactions with related parties	1 January - 30 June 2024				
	Purchases	Interest received	Rental income	Other income	Other expenses
Türkiye İş Bankası A.Ş.	758,765	82,928,971	262,539,723	256,490	600,023
Anadolu Anonim Türk Sigorta A.Ş. (*)	24,838,503	-	-	1,165,274	-
Anadolu Hayat Emeklilik A.Ş.	1,769,765	-	16,097,210	-	-
İş Finansal Kiralama A.Ş.	-	-	217,374	-	-
İş Merkezleri Yönetim ve İşletim A.Ş. (**)	35,389,598	-	7,505,198	47,159	278,528
İş Yatırım Menkul Değerler A.Ş.	4,469,770	-	12,302,800	-	-
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	-	1,292,659	-	-
İş Net Elektronik Hizmetler A.Ş.	1,987,661	-	1,113,937	4,814	663
Paşabahçe Mağazacılık A.Ş.	452,725	-	3,915,830	-	-
Sofitech Yazılım Teknolojileri A.Ş.	-	-	21,998,330	-	-
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	-	-	2,607,649	-	-
İş Enerji Yatırımları A.Ş.	10,432,224	-	4,408,181	-	-
Tecim Yapı Elemanları A.Ş.	48,048,979	-	-	-	-
BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş.	-	-	465,463	-	-
BAYEK Tedavi Sağlık Hizm.ve İşlet.A.Ş.	6,588	-	-	-	-
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	220,082	-	1,606,176	-	-
Penta Tıp Sağlık Hizmetleri	54,344	-	-	-	-
Moka Ödeme Kuruluşu A.Ş.	-	-	1,122,766	-	-
Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş.	-	-	599,393	-	-
Trakya Yatırım Holding	937,421	-	3,224,581	-	-
Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş.	190,181	-	-	-	-
Milli Reasürans Türk A.Ş.	-	-	6,436,762	-	-
Sportive Spor Malzemeleri Tic.A.Ş.	-	-	1,517,877	-	-
Total	129,556,606	82,928,971	348,971,909	1,473,737	879,214

(*) The purchase amount with Anadolu Anonim Türk Sigorta Şirketi is related to the insurance of the Company's immovable properties.

(**) 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 2025 and 31 December 2024, related party balances of issued bonds and commercial papers are as follows.

Balances with related parties	30 June 2025	31 December 2024
Anadolu Hayat Emeklilik A.Ş.	58,374,649	136,192,548
Milli Reasürans Türk A.Ş.	22,281,654	26,092,272
İş Yatırım Menkul Değerler A.Ş.	15,547,381	18,161,243
Levent Varlık Kiralama A.Ş.	-	118,649,031
Total	96,203,684	299,095,094

As of 30 June 2025, and 31 December 2024, related party balances of issued bonds and commercial papers are as follows:

Balances with related parties	30 June 2025	30 June 2024
Anadolu Hayat Emeklilik A.Ş.	14,920,911	32,980,497
Milli Reasürans Türk A.Ş.	5,226,047	-
İş Yatırım Menkul Değerler A.Ş.	3,597,937	5,471,536
Anadolu Anonim Türk Sigorta A.Ş.	-	2,858,667
Total	23,744,895	41,310,700

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

26. Related party disclosures (continued)

Benefits provided to key management personnel:

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

	1 January – 30 June 2025	1 January – 30 June 2024
Salaries and other short-term benefits	24,673,394	29,971,142
Severance pays indemnity	2,239,461	3,366,678
	26,912,855	33,337,820

27. 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 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
Currency	Buying Rates	Selling Rates	Buying Rates	Selling Rates
US Dollar	39.7408	39.8124	41.1629	41.2370
Euro	46.6074	46.6913	42.8616	42.9388

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

27. 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 2025			
	TRY Equivalent (Functional currency)	US Dollar	Euro
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	11,484,663	167,443	103,639
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	11,484,663	167,443	103,639
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON CURRENT ASSETS	-	-	-
9. TOTAL ASSET	11,484,663	167,443	103,639
10. Trade Payables	383,709	726	7,599
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	6,748,011	-	144,524
13. SHORT TERM LIABILITIES	7,131,720	726	152,123
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG TERM LIABILITIES	-	-	-
18. TOTAL LIABILITIES	7,131,720	726	152,123
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	4,352,943	166,717	(48,484)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	11,100,954	166,716	96,040
22. Fair Value of foreign currency hedged financial asset	-	-	-
23. Hedged foreign currency assets	-	-	-
24. Hedged foreign currency liabilities	-	-	-

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

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

Foreign currency risk management (continued)

31 December 2024			
	TRY Equivalent (Functional currency)	US Dollar	Euro
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	8,824,724	118,334	92,244
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	8,824,724	118,334	92,244
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSET	8,824,724	118,334	92,244
10. Trade Payables	33,053,021	117,368	657,054
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	6,340,953	8,400	139,607
13. SHORT TERM LIABILITIES	39,393,974	125,768	796,661
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG TERM LIABILITIES	-	-	-
18. TOTAL LIABILITIES	39,393,974	125,768	796,661
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	(30,569,251)	(7,434)	(704,416)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(24,228,297)	965	(564,809)
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 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

27. 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 2025		
	Appreciation of foreign currency	Devaluation of foreign currency
<u>If US Dollar changes against TRY by 10%</u>		
US Dollar net asset / liability	662,542	(662,542)
Portion hedged against US Dollar risk (-)	-	-
US Dollar net effect	662,542	(662,542)
<u>If Euro changes against TRY by 10%:</u>		
Euro net asset / liability	447,618	(447,618)
Portion hedged against Euro risk (-)	-	-
Euro net effect	447,618	(447,618)
31 December 2024		
	Appreciation of foreign currency	Devaluation of foreign currency
<u>If US Dollar changes against TRY by 10%</u>		
US Dollar net asset / liability	3,973	(3,973)
Portion hedged against US Dollar risk (-)	-	-
US Dollar net effect	3,973	(3,973)
<u>If the Euro changes against TRY by 10%:</u>		
Euro net asset / liability	(2,420,862)	2,420,862
Portion hedged against Euro risk (-)	-	-
Euro net effect	(2,420,862)	2,420,862

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes To The Interim Condensed Financial Statements As Of 30 June 2025 And 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 unless otherwise indicated.)

28. Events after the reporting period

Ankara İş Kule Building, one of the Company's real estates, was sold on 3 July 2025 for a consideration of TRY 1,215,000,000 + VAT. The transaction will be recognized in the statement of profit or loss in the subsequent period.

Parmakkapı Service Building, owned by Türkiye İş Bankası A.Ş., was purchased on 21 July 2025 for a consideration of TRY 600,000,000 + VAT. The transaction will be recognized under investment properties in the subsequent period.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

NOTES TO THE INTERM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND 31 DECEMBER 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 30 June 2025 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 2025	31 December 2024
A Capital and money market instruments	III-48.1. Md. 24 / (b)	1,267,282,223	927,968,410
Real estates, rights supported by real estates and real estate projects. Real estate investment fund			
B 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)	50,647,354,121	53,975,061,619
C Affiliates (*)	III-48.1. Md. 24 / (b)	40,989,161	43,138,203
Due from related parties (other receivables)	III-48.1. Md. 23 / (f)	-	-
Other assets		795,428,867	658,722,079
D Total assets	III-48.1. Md. 3 / (p)	52,751,054,372	55,604,890,311
E Loans and borrowings	III-48.1. Md. 31	2,147,128,652	4,996,745,490
F Other financial liabilities	III-48.1. Md. 31	4,130,572	53,209,426
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	46,013,794,955	45,631,231,473
Other liabilities		4,586,000,193	4,923,703,922
D Total liabilities and equity	III-48.1. Md. 3 / (k)	52,751,054,372	55,604,890,311
Other separate financial information	Related regulation	30 June 2025	31 December 2024
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)	811,071,821	396,823,876
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)	28,630,000	-
C1 Foreign affiliates	III-48.1. Md. 24 / (d)	-	-
C2 Participating to operating company	III-48.1. Md. 28	36,581,861	43,138,203
J Non-cash loans	III-48.1. Md. 31	414,850,509	489,242,280
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)	811,071,821	396,464,512

(*) 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 2025, the Company's participation in Kanyon is TL 500.000 and does not exceed 10% of the total assets.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

NOTES TO THE INTERM CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND 31 DECEMBER 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 30 June 2025 unless otherwise indicated.)

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

	Portfolio restrictions	Related regulation	30 June 2025	31 December 2024	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%	Azami %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)	96%	97%	Asgari %51
3	Capital and money market instruments and subsidiaries	III-48.1. Md. 24 / (b)	2%	2%	Azami %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%	Azami %49
5	Inactive land	III-48.1. Md. 24 / (c)	0%	0%	Azami %20
6	Participating to operating company	III-48.1. Md. 28/1 (a)	0%	0%	Azami %10
7	Borrowings limits	III-48.1. Md. 31	6%	12%	Azami %500
8	Time balances / demand balances TRY / foreign currency	III-48.1. Md. 24 / (b)	2%	1%	Azami %10
9	The sum of investments in money and capital market instruments in a single company	III-48.1 Md. 22 / (1)	2%	1%	Azami %10