

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Financial Statements As of and
For the Year Ended 31 December 2024
With Independent Auditors' Report**

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

14 February 2025

*This report consists of 5 pages independent
auditor's report and 65 pages financial statements
and supplementary footnotes*

Sınıflandırma: GENEL / Classification: PUBLIC



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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of İş Gayrimenkul Yatırım Ortaklığı A.Ş. (the “Company”) which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters	How the key audit matter was addressed in the audit
Valuation work related to determining the fair value of investment properties (Note 10)	
<p>As of 31 December 2024, the Company's investment properties with a carrying value of TRY 36,781,687,000, which have a significant share in its total assets, consist of shopping malls, land and business centers.</p> <p>As of 31 December 2024, the fair values of investment properties determined independent valuation experts have been evaluated by management and these values were used as the fair values of the investment properties in the financial statements.</p> <p>“Market approach” method is used in determining the fair value of investment properties.</p> <p>The valuation of the Company's investment properties involves significant areas of judgment and requires subjective assumptions. Important reasoning and assumptions can be directly affected by factors such as capitalization rate, discount rate, occupancy rates of leasable areas, rental income, and comparable sales prices per square meter.</p> <p>The fair values of investment properties have been determined by using the market value that determined by independent valuation experts with professional qualifications.</p> <p>Valuation of investment properties is determined as a key audit matter, since investment properties constitute a significant portion of assets and the valuation methods applied include significant estimates and assumptions.</p>	<p>During our audit, the following audit procedures have been applied with respect to the fair value of investment properties;</p> <ul style="list-style-type: none"> - Design and implementation of the controls conducted by the Company management regarding the valuation reports prepared by independent valuation experts, assigned by the Company were understood, - The competence, capability and objectivity of the independent valuation experts assigned by the Company were evaluated, - Valuation methods applied in the valuation reports and comparables used in the valuation reports were evaluated, - Reasonableness of the important judgments and assumptions used in the valuation reports by independent valuation experts assigned by the Company were evaluated together with the independent appraisers assigned by us as the independent auditors by applying the following procedures, - Suitability of comparable benchmarks used in valuation studies was evaluated, - Values determined by the independent valuation experts were evaluated whether if they have been within a reasonable range, - The fair values in the valuation reports were compared to the disclosures, the consistency with the valuation reports and the adequacy in accordance with TFRS were checked with the amounts in the disclosures and financial statements.



4. Responsibilities of management and those charged with governance for the financial statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 14 February 2025

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

A handwritten signature in blue ink, appearing to read "B. Özpoyraz", with a stylized flourish at the end.

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 14 February 2025

İş Gayrimenkul Yatırım Ortaklığı

Anonim Şirketi

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İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

As of 31 December 2024 Statement of Financial Position (Balance Sheet)

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets		3,085,043,360	5,992,697,387
Cash and cash equivalents	5	340,113,575	922,113,564
Financial investments	6	--	582,314,814
Trade receivables	8	83,649,009	339,024,319
<i>Trade receivables from related parties</i>	27	12,225,268	9,129,890
<i>Trade receivables from third parties</i>		71,423,741	329,894,429
Other receivables	9	12,056,587	25,770,191
<i>Other receivables from related parties</i>		12,056,587	25,770,191
Inventories	11	2,334,659,397	3,601,682,694
Prepaid expenses	16	296,803,002	376,750,123
<i>Prepaid expenses to related parties</i>	27	127,307,475	184,041,044
<i>Prepaid expenses to third parties</i>		169,495,527	192,709,079
Other current assets	16	17,761,790	145,041,682
Non-current assets		44,573,323,932	41,876,148,086
Financial investments	6	1,910,172,252	1,486,702,878
Trade receivables	8	28,611,382	2,180,408
<i>Other trade receivables from third parties</i>		28,611,382	2,180,408
Inventories	11	5,310,942,322	4,611,189,540
Investments accounted for using the equity method	3	36,973,301	32,034,180
Investment properties	10	36,781,687,000	30,136,211,278
Investment properties under development	10	--	5,151,434,564
Property, plant and equipment	12	379,235,675	370,077,085
Intangible assets	13	12,495,872	10,641,253
Prepaid expenses	16	113,206,128	75,676,900
<i>Prepaid expenses to third parties</i>		113,206,128	75,676,900
TOTAL ASSETS		47,658,367,292	47,868,845,473

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

As of 31 December 2024 Statement of Financial Position (Balance Sheet)

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
	Notes	31 December 2024	31 December 2023
LIABILITIES			
Short-Term Obligations		4,935,532,623	5,315,857,376
Short term loans and borrowings	7	1,832,954,379	3,402,762,862
<i>Loans and borrowings to related parties</i>	27	124,056,250	1,999,906,530
<i>Loans and borrowings to third parties</i>		1,708,898,129	1,402,856,332
Short term portion of long term loans and borrowings	7	2,206,862,024	172,323,174
<i>Loans and borrowings to related parties</i>	27	132,295,013	--
<i>Loans and borrowings to third parties</i>		2,074,567,011	172,323,174
Trade payables	8	143,542,875	348,767,387
<i>Trade payables to related parties</i>	27	87,550,666	52,190,561
<i>Trade payables to third parties</i>		55,992,209	296,576,826
Other payables	9	30,304,516	59,481,631
<i>Other payables to third parties</i>		30,304,516	59,481,631
Liabilities from contracts with customers	17	638,012,431	1,238,136,863
<i>Contractual obligations from sales of goods and services</i>		638,012,431	1,238,136,863
Deferred income (Excluding liabilities from contracts with customers)	16	3,168,091	2,046,884
<i>Deferred income from related parties</i>	27	656,941	670,784
<i>Deferred income from third parties</i>		2,511,150	1,376,100
Short-term provisions		50,108,633	34,580,212
<i>Provisions for employee benefits</i>	15	4,503,393	3,171,511
<i>Other short-term provisions</i>	14	45,605,240	31,408,701
Other short-term liabilities	16	30,579,674	57,758,363
Non-current liabilities		3,612,785,580	3,522,843,315
Long term loans and borrowings	7	242,841,660	3,502,579,060
<i>Loans and borrowings to related parties</i>	27	--	221,032,981
<i>Loans and borrowings to third parties</i>		242,841,660	3,281,546,079
Long term provisions		12,016,720	20,264,255
<i>Provisions for employee benefits</i>	15	12,016,720	20,264,255
Deferred tax liabilities	25	3,357,927,200	--
EQUITY		39,110,049,089	39,030,144,782
Share capital	18	958,750,000	958,750,000
Adjustment to share capital	18	20,387,505,662	20,387,505,662
Share premium	18	9,756,346	9,756,346
Other comprehensive income that will never be reclassified to profit or loss		110,867,167	137,456,635
<i>Revaluation and classification of gains / losses</i>		125,176,103	152,669,976
<i>Other earnings/ losses</i>		(14,308,936)	(15,213,341)
Restricted profit reserves	18	859,706,785	819,195,089
Retained earnings	18	15,891,433,441	12,196,596,498
Net profit for the period		892,029,688	4,520,884,552
TOTAL EQUITY AND LIABILITIES		47,658,367,292	47,868,845,473

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**Statement of Profit or Loss For the Year Ended 31 December 2024**

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”)
as of 31 December 2024 unless otherwise indicated..)

		<i>Audited</i>	<i>Audited</i>
		1 January -	1 January -
	Notes	31 December	31 December
		2024	2023
Revenue	19	4,047,859,179	1,650,691,738
Cost of sales (-)	19	(2,673,820,327)	(462,423,396)
Gross Profit		1,374,038,852	1,188,268,342
General administrative expenses (-)	20	(245,763,424)	(201,018,953)
Marketing expenses (-)	20	(69,098,980)	(59,888,781)
Other operating income	22	3,315,556,613	2,945,245,543
Other operating expenses (-)	22	(403,057,424)	(153,734,888)
Operating Profit		3,971,675,637	3,718,871,263
Income from investment activities	22	--	60,882,870
Expense from investment activities (-)	22	--	(16,345,251)
Income from investments accounted by equity method	3	7,675,597	6,628,903
Operating Profit Before Financing Income		3,979,351,234	3,770,037,785
Financial income	23	214,793,560	159,121,608
Financial expenses (-)	23	(2,706,034,989)	(2,152,478,393)
Net monetary position gain/(loss)	24	1,919,601,904	2,744,203,552
Operating Profit Before Tax From Continuing Operations		3,407,711,709	4,520,884,552
Tax Expense From Continuing Operations			
- Current tax expense		--	--
- Deferred tax expense	25	(2,515,682,021)	--
Profit For The Period		892,029,688	4,520,884,552
Earnings per share	26	0.0093	0.0472

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Other Comprehensive Income For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
		1 January -	1 January -
	Notes	31 December 2024	31 December 2023
Net profit for the period		892,029,688	4,520,884,552
Other comprehensive income			
Other comprehensive income that will never be reclassified to profit or loss		(26,589,468)	28,906,910
Revaluation and classification of gains / (losses)	12	28,827,791	32,576,789
-Tax effect	25	(56,321,664)	--
Actuarial gain/(loss) arising from defined benefit plans	15	1,292,007	(3,669,879)
-Tax effect	25	(387,602)	--
Other comprehensive income		(26,589,468)	28,906,910
TOTAL COMPREHENSIVE INCOME		865,440,220	4,549,791,462

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Changes in Equity For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 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 2023		958,750,000	20,387,505,662	9,756,346	(11,543,462)	120,093,188	773,751,752	(175,840,921)	12,417,880,756	34,480,353,321
Transfers		--	--	--	--	--	45,443,337	12,372,437,419	(12,417,880,756)	--
Total comprehensive income		--	--	--	(3,669,879)	32,576,788	--	--	4,520,884,552	4,549,791,461
Balances as of 31 December 2023	18	958,750,000	20,387,505,662	9,756,346	(15,213,341)	152,669,976	819,195,089	12,196,596,498	4,520,884,552	39,030,144,782
Balances as of 1 January 2024		958,750,000	20,387,505,662	9,756,346	(15,213,341)	152,669,976	819,195,089	12,196,596,498	4,520,884,552	39,030,144,782
Transfers		--	--	--	--	--	40,511,696	4,480,372,856	(4,520,884,552)	--
Total comprehensive income		--	--	--	904,405	(27,493,873)	--	--	892,029,688	865,440,220
Deferred tax effect from previous periods (Note 2.4.14)		--	--	--	--	--	--	(785,535,913)	--	(785,535,913)
Balances as of 31 December 2024	18	958,750,000	20,387,505,662	9,756,346	(14,308,936)	125,176,103	859,706,785	15,891,433,441	892,029,688	39,110,049,089

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Cash Flow For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

	Notes	Audited 2024	Audited 2023
A. Cash flows from operating activities		2,264,066,319	3,860,544,495
Net profit for the period		892,029,688	4,520,884,552
<i>Profit adjustments for:</i>			
Adjustments to depreciation and amortization	12, 13	20,995,457	13,414,728
Adjustments to impairment or cancellation		55,760,726	152,843,050
- Adjustments to impairment of receivables	8	723,362	(891,838)
- Adjustments to impairment of inventories	11	55,037,364	153,734,888
Adjustments for provisions		7,455,985	9,333,009
- Adjustments to provision for employee severance indemnity	15	7,455,985	9,333,009
Adjustments for (gain)/losses on fair value		(3,055,526,026)	(2,623,095,171)
- Adjustments to (gain)/losses on fair value of investment property	10	(3,229,371,462)	(2,550,556,486)
- Adjustments to (gain)/losses on fair value of financial assets	6	173,845,436	(78,326,089)
- Adjustments to (gain)/losses on fair value of derivatives	23	--	5,787,404
Adjustments for retained earnings of investments valued by equity method		(7,675,597)	(6,628,903)
- Adjustments for retained earnings of subsidiaries	3	(7,675,597)	(6,628,903)
Adjustments for tax income/(expense)	25	3,301,217,934	--
Other adjustments for non-cash items		(785,535,913)	--
Adjustments for losses/(gains) due to disposal of investment properties	22	(77,815,394)	--
Adjustments to interest income and expense		2,543,177,733	1,963,951,060
- Adjustments to interest income	23	(149,689,979)	(127,011,267)
- Adjustments to interest expense	23	2,692,867,712	2,090,962,327
Adjustments to foreign exchange differences		(7,557,451)	(230,657,384)
Adjustments to monetary gain/(loss)		(2,241,086,031)	(2,950,818,137)
Operating profit from before the changes in working capital		645,441,111	849,226,804
<i>Changes in working capital</i>			
Changes in trade receivables		231,896,871	11,873,752
- Changes in trade receivables from related parties		(3,095,378)	15,118,964
- Changes in trade receivables from third parties		234,992,249	(3,245,212)
Changes in other receivables		13,713,604	(4,292,749)
- Changes in other receivables from third parties		13,713,604	(4,292,749)
Changes in inventories		512,233,151	(4,063,793,662)
Changes in prepaid expenses		42,417,893	174,718,529
Changes in trade payables		(205,224,512)	304,915,625
- Changes in trade payables from related parties		35,360,105	34,428,334
- Changes in trade payables from third parties		(240,584,617)	270,487,291
Changes in other payables		(29,177,115)	1,877,813
- Changes in other payables from third parties		(29,177,115)	1,877,813
Changes in liabilities from contracts with customers		(600,124,432)	1,175,273,842
- Changes in contractual obligations from sales of goods and services		(600,124,432)	1,175,273,842
Changes in deferred income (Excluding liabilities from contracts with customers)		1,121,207	(2,765,590)
Other changes in working capital		114,297,742	43,398,775
- Changes in other assets		127,279,892	(10,966,747)
- Changes in other liabilities		(12,982,150)	54,365,522
		726,595,520	(1,509,566,861)
Cash generated from operating activities			
Employee termination benefits paid	15	(7,933,139)	(4,200,241)
Interest received	5, 19	206,897,804	86,621,935
Net cash provided by / (used in) operating activities		925,560,185	(1,427,145,167)
B. Cash flows from investment activities			
Cash inflows for the acquisition of shares of other entities or funds or debt instruments		--	306,752,489
Other cash outflows	6	(14,999,996)	(669,567,246)
Cash inflows arising from sales of investment properties		2,896,031,788	--
Cash outflows arising from purchase of investment properties	10	(1,082,886,090)	(310,543,794)
Cash inflows arising from sales of tangible and intangible assets		1,361,352	--
- Cash inflows arising from sales of tangible assets		1,361,352	--
Cash outflows arising from purchases of tangible and intangible assets	12, 13	(4,542,227)	(7,196,323)
- Cash outflows arising from purchases of tangible assets		(944,332)	(2,109,846)
- Cash outflows arising from purchases of intangible assets		(3,597,895)	(5,086,477)
Dividends received		5,787,439	2,887,578
Net cash used in investing activities		1,800,752,266	(677,667,296)
C. Cash flows from financing activities			
Cash outflows arising from derivatives		--	(39,594,247)
Borrowings received	7	4,132,165,355	21,629,296,475
Borrowings paid	7	(4,809,674,309)	(19,383,437,103)
Interest paid	7	(2,631,365,692)	(1,812,938,594)
Net cash provided by financing activities		(3,308,874,646)	393,326,531
Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates		(582,562,195)	(1,711,485,932)
Effect of changes in foreign currency rates over cash and cash equivalents		7,557,451	230,657,384
Net increase / (decrease) in cash and cash equivalents		(575,004,744)	(1,480,828,548)
Cash and cash equivalents at the beginning of the period	5	864,470,597	2,947,229,622
Net monetary gain/(loss) in cash and cash equivalents		50,212,580	(601,930,477)
Cash and cash equivalents at the end of the period	5	339,678,433	864,470,597

The accompanying notes are an integral part of these summary financial statements.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 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 to the CMB's regulations and related legislation are taken as a basis for the Company's operations, portfolio investment policies and management limitations.

The company's shares have been traded on the Borsa İstanbul Anonim Şirketi (formerly known as the Istanbul Stock Exchange) ("BIST") since 1999.

As of 31 December 2024, the Company has 72 employees (31 December 2023: 70).

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

1. 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 of 31 December 2024 were approved by the Board of Directors on 14 February 2025 and signed on behalf of the Board of Directors. The General Assembly and the legal authorities have the authority to amend the statutory financial statements and these financial statements.

Additional paragraph for convenience translation into English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries.

Preparation of financial statements

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 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.

Principles of measurement

The financial statements have been prepared based on historical cost except for assets that are measured at fair value.

Preparation of financial statements in Hyperinflationary Periods

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

The accompanying financial statements are prepared on the historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts. The previously mentioned financial statements and all comparative amounts from previous periods have been adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with TMS 29 and are finally expressed in terms of the purchasing power of the Turkish lira as of 31 December 2024.

The restatements made in accordance with TMS 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	Indexes	Cumulative three-year inflation rate	Adjustment coefficient
31 December 2024	2,684.55	291%	1.00000
31 December 2023	1,859.38	268%	1.44379
31 December 2022	1,128.45	156%	2.37897

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.
- 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.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.1 Basis of presentation (continued)

- 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 recognised directly in the equity of the jointly controlled entities, the Company recognises its share of any changes and discloses this based on IAS 28 “Investment in Associate and Joint Ventures”, when applicable, in the statement of changes in equity.

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

Foreign currency transactions

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

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

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 31 December 2024 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 2024 and thereafter. The effects of these standards and interpretations on The Company's financial position and performance have been disclosed in the related paragraphs.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.3 The new standards, amendments and interpretations (continued)

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

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

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

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

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

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

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

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

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

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

Additionally, it has been announced in the Board Decision published in the Official Gazette on 29 December 2023, that certain enterprises will be subject to mandatory sustainability reporting starting from 1 January 2024. Within the scope of the "Board Decision on the Application of Turkey Sustainability Reporting Standards (TSRS)" dated 5 January 2024, enterprises that fall under the scope of sustainability practices are listed to identify those subject to sustainability reporting. On the other hand, according to the "Board Decision on the Application of Turkey Sustainability Reporting Standards (TSRS)" dated 16 December 2024, changes have been made regarding the enterprises subject to sustainability reporting.

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

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.3 The new standards, amendments and interpretations (continued)

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

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 standard is not applicable for the Company and will not have an impact on the 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 solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

Annual improvements to TFRS – Volume 11; 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 its 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 financial position or performance of the Company.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.3 The new standards, amendments and interpretations (continued)

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 financial position or performance of the Company.

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

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

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

2.4 Summary of significant accounting policies

Significant accounting policies applied for the preparation of the accompanying financial statements are as follows:

2.4.1 Accounting for income and expenses

Revenue

The company recognizes revenue in the financial statements when it satisfies a performance obligation by transferring a promised good or service to the customer, or as the obligation is satisfied. The asset is considered transferred when control of the asset passes to the customer (or as control is passed).

The company recognizes revenue in the financial statements in accordance with the following 5 key principles:

- a) Identification of contracts with customers,
- b) Identification of performance obligations in the contracts,
- c) Determination of the transaction price in the contracts,
- d) Allocation of the transaction price to the performance obligations in the contracts,
- e) Recognition of revenue when each performance obligation is satisfied.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

The company recognizes a contract with its customer as revenue when all of the following conditions are met. The parties to the contract have approved the contract (in writing, orally, or in accordance with other commercial customs) and have committed to performing their obligations:

- The company is able to identify each party's rights regarding the goods or services to be transferred,
- The company is able to identify the payment terms for the goods or services to be transferred,
- The contract is commercial in nature,
- It is probable that the company will collect the amount of consideration to be received for transferring the goods or services to the customer.

When evaluating the collectability of an amount, the company considers only the customer's ability and intention to pay the amount when due. At the start of the contract, the company evaluates the goods or services promised in the contract with the customer and defines each promise to transfer goods or services to the customer as a performance obligation.

At the start of the contract, the company evaluates the goods or services promised in the contract with the customer and defines each promise to transfer goods or services to the customer as a performance obligation in the following way:

- a) A distinct good or service (a bundle of goods or services), or
- b) A series of distinct goods or services that are substantially the same and are transferred to the customer in the same manner.

A series of distinct goods or services is subject to the same transfer method when all of the following conditions are met:

- a) Each distinct good or service in the series constitutes a performance obligation that will be satisfied over time by meeting the necessary conditions, and
- b) In accordance with the relevant paragraphs of the standard, the company uses the same method to measure progress towards complete satisfaction of the performance obligation for each distinct good or service in the series.

Rent income from investment properties under operating leases

Rent income generated during the period from investment properties is recognized on an accrual basis. Revenue can only be realized if the amount is reliably measured and the inflow of the economic benefits related with the transaction to the Company is probable. Revenue is recognized as the fair value of the consideration amount received or receivable.

Income from expenses made for investment properties invoiced to tenants is recognized in the period when the service is provided by the Company.

Revenue from sale of investment property

Revenue is recognized when the significant risks and rewards of ownership of the investment property are transferred to the buyer and the amount is reliably measured. Revenue is recognized when and only when the Company transfers the significant risks and rewards of ownership of the goods to the buyer, retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue and cost of sales are recognized once the sales contracts of the projects are in line with the above stated criteria.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

Interest income and expenses

Interest income is recognized through profit or loss on accrual basis by using the effective interest method.

If borrowing costs are totally related with an investment property in progress, these borrowing costs are included in the cost of mentioned investment property. Other borrowing costs are recognized through profit or loss by using the effective interest rate.

Other income and expenses

Other income and expenses are recognized on an accrual basis.

2.4.2 Investment property

The investment properties that the Company owns are measured by fair value in accordance with TMS 40 “Investment Property”.

Terrains and buildings which hired to use for production of goods and services or administrative use or to be sold or rented in the ordinary course of business or in the purpose of appreciation, or for both are classified as investment properties and are evaluated by fair value measurement. Profit or loss that inflicting by a change in the fair value of an investment property, is included to the profit and loss statement in its consisting time (Note 22).

Investment properties are registered as asset if and only the economic benefits in the future are likely to enter the firm and the cost of investment properties are dependably measurable.

Management considers level of completion of construction, comparability of constructional project in market, identifiability of cash flows credibly which are following completion of construction, risks of real estate property, backgrounds and reconstruction permits of other construction which has same qualifications for faithfully evaluation of fair value of real estate properties which are under construction.

2.4.3 Tangible assets

As of 31 December 2004 the Company were reflecting tangible assets purchased before 1 January 2005 on cost restated for the effects of inflation. In the following period were reflecting purchase cost, after allocating accumulated depreciation and permanent impairment provisions to the financial statements. Due to the changes in accounting policies since 30 September 2015, valuation of real estate in use recorded under tangible fixed assets was amended from cost model to the revaluation model in accordance with “TAS 16- Tangible Assets”.

Offices held for administrative purposes are expressed at their revalued amounts. The increase resulting from the revaluation of the buildings in question is recorded in the revaluation fund in equity. The increase in value resulting from revaluation is recorded in the statement of profit or loss in the event of a decrease in the value of the property, plant and equipment previously shown in the statement of profit or loss, in proportion to the said decrease in value. The decrease in the book value resulting from the revaluation of the mentioned buildings is recorded in the statement of profit or loss if the asset exceeds the balance in the revaluation fund related to the previous revaluation.

Depreciation of revalued buildings is included in the statement of profit or loss. Unless the asset is derecognized, no transfer is made from the revaluation fund to undistributed profits.

Property, plant and equipment other than buildings are shown at cost, less accumulated depreciation and accumulated impairment losses.

Cost of a tangible asset represents all cash outflows directly attributable to purchase of an asset and includes capitalized borrowing costs if any.

If the components of a tangible asset have different useful lives, these components (essential parts) must be recognized separately.

Gains and losses of sale of a tangible asset is determined by offsetting the carrying value with recovered amount and recognized through profit or loss in the other operating income / loss account.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.3 Tangible assets (continued)

Depreciation

Tangible assets are depreciated principally on a straight-line basis considering estimated useful lives, acquisition and assembly dates. Estimated useful lives are summarized below:

Buildings	50 years
Machinery and equipment	4-5 years
Vehicles	4-5 years
Assets	3-5 years

Subsequent costs

Expenditures incurred to replace a component of tangible assets that is accounted for separately, including major inspection and overhaul costs, are capitalized. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

2.4.4 Intangible assets

Intangible assets acquired before 1 January 2005 are carried at restated cost; and subsequent purchases are carried at cost, less accumulated amortization and impairment.

Amortization

Intangible assets are amortized principally on a straight-line basis considering the estimated useful lives. Related intangible assets are amortized when they are ready to use. The expected useful lives of intangible assets are 3-5 years.

2.4.5 Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If an asset’s or cash generating unit’s recoverable amount is less than its carrying value, the value of this asset or cash generating unit is discounted to recoverable amount. Impairments are recognized through profit or loss.

2.4.6 Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories comprise of construction costs of housing units (completed and in-progress) and the costs of land used for these housing projects. Cost elements included in inventory are purchase costs, conversion costs and other costs necessary to prepare the asset for its intended use. Unit costs of the inventories are valued at the lower of cost or net realizable value. Housing units which are completed and ready for delivery to customers together with work-in progress costs for housing units which will be completed within a year are classified as short term inventories, and which will not be completed within a year are classified as long term inventories in the financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.7 Financial instruments

i) Financial assets

Classification

The Company classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The classification of financial assets is determined considering the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Recognition and Measurement

“Financial assets measured at amortized cost”, are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Company’s financial assets measured at amortized cost comprise “cash and cash equivalents”, “trade receivables” and “other receivables”. Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of nonderivative financial assets measured at amortized cost are accounted for under the statement of income.

“Financial assets measured at fair value through other comprehensive income”, are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings. The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under statement of income.

“Financial assets measured at fair value through profit or loss”, are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.7 Financial instruments (continued)

i) Financial assets (continued)

Derecognition

The Company derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Company was recognized as a separate asset or liability.

Impairment

- Impairment of the financial and contractual assets measured by using “Expected credit loss model” (ECL). The impairment model applies for amortized financial and contractual assets. Provision for loss measured as below;
 - 12- Month ECL: results from default events that are possible within 12 months after reporting date.
 - Lifetime ECL: results from all possible default events over the expected life of financial instrument. Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12 month ECL measurement if it has not.

The Company may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing

Trade Receivables

Trade receivables are carried at amortized rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. The Company has preferred to apply “simplified approach” for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, the Company measures the loss allowances regarding its trade receivables at an amount equal to “lifetime expected credit losses” except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the writedown, the release of the provision is credited to general administrative expenses.

Unearned finance income/expense due to commercial transactions are accounted for under “Other Operating Income/Expenses” in the statement of income or loss.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.7 Financial instruments (continued)

i) Financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, bank deposits with maturity periods of less than three-months and other highly liquid short-term investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. The carrying values of these assets are close to their fair values.

Reverse repurchase agreements

Marketable securities held as part of resale agreement commitments (“reverse repo”) are accounted for under cash and cash equivalents in the statement of financial position. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

ii) Financial liabilities

Financial liabilities are recognized with fair values in initial registration date. Financial liabilities are recognized with their acquisition costs including transaction costs and evaluated through amortized costs depending on the method of active interest rate. In case of enforcing, cancelling or abolishing the obligations based on the agreement; the Company deducts aforesaid financial obligations from registrations.

iii) Non-derivative financial obligations

Trade and other payables

Trade and other payables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Short-term debts that do not have a set interest rate are shown at cost values, if the effect of the original effective interest rate is not too large.

iv) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. If these derivatives do not qualify for hedge accounting and are accounted for as trading instruments, changes in their fair value are accounted in profit or loss. Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted in profit or loss.

v) Paid-in capital

Ordinary shares

Ordinary shares are classified as paid in capital. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.8 Offsetting

Financial assets and liabilities are offset when the Company has a legally enforceable right to set off, and when the Company has the intention of collecting or paying the net amount of related assets and liabilities or when the Company has the right to offset the assets and liabilities simultaneously.

2.4.9 Effects of foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates on the dates of the transactions. The Company’s financial statements and operation results are presented in TRY which is effective currency and presentation currency of the Company.

Monetary assets and liabilities based on foreign currency included in the statement of financial position have been converted to TRY using spot exchange rates at the end of the reporting period. Foreign exchange income or expenses arising from the translation of transactions denominated in foreign currencies into TRY or the expression of monetary items are reflected in the profit or loss statement for the relevant period.

2.4.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, such as investment property, are capitalized as part of the cost of that asset.

All other borrowing costs are recorded in the profit or loss in the period in which they are incurred.

2.4.11 Earnings per share

Earnings per share is calculated by dividing profit or loss by the weighted average number of ordinary shares outstanding during the period. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held (Note 26).

In Turkey, companies can raise their share capital by distributing “bonus shares” to shareholders from retained earnings. In computing earnings per share, such “bonus share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.12 Events after the reporting period

Events after the reporting period represent the events that occur against or on behalf of the Company between the reporting date and the date when statement of financial position was authorized for the issue. There are two types of events after the reporting period:

- those that provide evidence of conditions that existed as of the reporting period (adjusting events after the reporting date) and

- those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting date).

If there is evidence of such events as of reporting date or if such events occur after reporting date and if adjustments are necessary, the Company's financial statements are adjusted according to the new situation. The Company discloses the post-balance sheet events that are not adjusting events but material.

2.4.13 Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. If the related criteria not met, obligations must be disclosed in the notes to the financial statements.

If there is a probable cash inflow for an economic benefit, contingent asset must be disclosed in the notes to the financial statements. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.4.14 Taxation

Corporate tax

According to Article 5/1(d) (4) of the New Corporate Tax Law No. 5520 ("CTV"), the income of Real Estate Investment Trusts ("REIT") is exempt from Corporate Tax in Türkiye.

With the Law No. 7524, certain conditions have been introduced for the exemption from corporate tax on the profits of REITs starting from 1 January 2025. Accordingly, when at least 50% of the gains derived from real estate are distributed as dividends, a tax rate of 10% will be applied to the corporate profit. Therefore, a tax rate of 30% will be used for the calculation of current taxes and deferred tax assets and liabilities for undistributed profits.

Deferred tax

Due to tax regulations, as of 31 December 2024, taxable or deductible temporary differences recognized in the financial statements have been multiplied by the 30% tax rate effective from 1 January 2025, to calculate the deferred tax liability or asset. In accordance with the letter titled 'Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds' sent to Real Estate Investment Trusts by the KGK on 12 February 2025, the deferred tax liability arising from the legislative change in the financial statements as of 31 December 2024, is reflected as follows: the effect related to the years 2023 and prior is recorded under equity as retained earnings or losses from previous years, while the effect related to 2024 is reflected in the profit or loss statement.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.15 Employee benefits / Retirement pay provisions

In accordance with TAS 19 all actuarial gains and losses are recognized in other comprehensive income.

The most important change in new TAS 19 is related to the accounting for the defined benefit obligations effective from 31 December 2012.

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 Employee Benefits.

The retirement benefit obligation recognized in the financial statements represents the present value of the defined benefit obligation. All actuarial gains and losses have been recognized in the statement of other comprehensive income.

2.4.16 Share capital and dividends

Common shares are classified as equity. Expenses directly attributable to the issuance of common shares and share options are recognized in equity with net of tax. Dividends on common shares are recognized in equity in the period in which they are approved and announced.

2.4.17 Related parties

For the purpose of the accompanying financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and investments are considered and referred to as the related parties. Shareholders and the Company’s management are also included in the related parties. Related party transactions include the transfer of the assets and liabilities between institutions with or without a charge.

2.4.18 Leasing

Finance leasing is a leasing method which most of the risks and rewards transferred to lessee. All other leasing activities are classified as operational leasing.

The Company, as lessor in the operational lease transactions

Operational lease income is recognized in the profit or loss on a straight-line basis for the whole lease period in the agreement.

The Company, as lessee in the operational lease transactions

Operating lease expenses are recorded in the profit or loss statement by linear method during the lease period. The direct initial costs incurred in the realization and negotiation of the lease are likewise included in the cost of the leased asset and are amortized for the duration of the lease by the linear method.

The Company, as lessee in the finance lease transactions

Tangible assets acquired by finance leasing are recognized both as an asset and liability in the statement of financial position of the Company. The value of these assets is determined as lower of fair value or present value of future lease payments. Financial costs arising from leasing transactions are distributed in a fixed rate through the lease agreement period.

2.4.19 Statement of cash flows

The Company presents statement of cash flows as an integral part of other financial statements to inform the users of financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions. Cash and cash equivalents are comprised of cash, receivables from reverse repos and time deposits with maturity shorter than three months.

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

2.4 Summary of key accounting policies (continued)

2.4.20 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are regularly reviewed by the Company Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.5 Restrictions on the investment portfolio of real estate investment trusts

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

2.6 Accounting estimates

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

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

Current account balance

As of 31 December 2024, current assets of the Company are amount to TRY3,085,043,360 and short term liabilities of the Company are amount to TRY4,935,532,623. Short term liabilities exceeded current assets by TRY1,850,489,263. In addition, there are advances received are amount to TRY638,012,431 arising from house sales are included to short term liabilities.

It is anticipated that cash inflows from ongoing residential projects will be sufficient to meet the financing needs for the upcoming period. The company has open borrowing channels and available limits for both credit usage and debt issuance. In this context, The Company does not foresee any shortcomings regarding the fulfilment of these short term liabilities.

The Company anticipates that approximately 1.5 billion TRY of rental income will be collected from the investment properties in the following year.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

3. Equity accounted investees

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

	Ownership rate (%)	31 December 2024	Ownership rate (%)	31 December 2023
Kanyon	50	36,973,301	50	32,034,180
		36,973,301		32,034,180

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

Kanyon	31 December 2024	31 December 2023
Current assets	166,676,330	187,945,614
Non-current assets	2,814,004	11,550,358
Short-term liabilities	(84,107,188)	(125,679,711)
Long-term liabilities	(11,436,544)	(9,747,902)
Net assets	73,946,602	64,068,360

Kanyon	2024	2023
Income for the period	901,351,498	536,163,839
Expense for the period (-)	(886,000,304)	(522,906,033)

The Company recognized profit amounting to TRY7,675,597 resulting from consolidation of Kanyon with equity method for the year ended 31 December 2024 (31 December 2023: TRY6,628,903) in the accompanying statement of profit and loss.

4. Operating segments

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

4. Operating segments (continued)

	Ankara İş Kule Building	Istanbul İş Kuleleri Complex	Maslak Office Building	Mugla Marmaris Mallmarine Shopping Mall	Istanbul Kanyon Shopping Mall	Istanbul Marmara Park Shopping Mall	Taksim Office Lamartine	Tuzla Technology and Operation Center	Istanbul Tuzla Square Bazaar	Izmir Ege Perla Shopping Mall	Izmir Ege Perla Residence/ Office	Eagle Landscape Islands	Litus İstanbul Altunizade	Other Real Estate	Total
31 December 2024															
<u>Sales revenue</u>															
Income from sales of residential units	-	-	-	-	-	-	-	-	-	-	8,092,735	97,407,352	2,596,438,989	226,760	2,702,165,836
Rent income	18,598,504	293,297,293	2,694,150	6,033,946	295,418,286	-	34,166,741	416,244,376	7,219,659	40,117,639	319,347	676,717	-	-	1,114,786,658
Income from right of construction	-	-	-	-	-	216,113,744	-	-	-	-	-	-	-	-	216,113,744
Income fees and service	-	149,930	673,321	-	461,119	-	-	-	-	5,128,322	2,577,479	-	-	-	8,990,171
Other income	4,873	772,877	-	16,212	3,895,796	-	34,775	-	3,802	1,072,357	-	1,390	-	688	5,802,770
Real estate revenues	18,603,377	294,220,100	3,367,471	6,050,158	299,775,201	216,113,744	34,201,516	416,244,376	7,223,461	46,318,318	10,989,561	98,085,459	2,596,438,989	227,448	4,047,859,179
Cost of sales of residential units	-	-	-	-	-	-	-	-	-	-	4,694,103	50,272,441	2,299,614,860	4,307,552	2,358,888,956
Administrative expense	-	45,031,539	1,955,292	-	63,449,327	-	139,420	-	7,927,997	54,411,293	54,362	3,143,188	4,454,594	31,630	180,598,642
Tax and duty and other charges	1,241,964	10,168,693	813,000	175,529	6,638,710	60,371,203	568,721	320,393	4,679,257	2,997,327	72,344	517,750	500,769	101,106	89,166,766
Insurance expense	683,349	7,974,545	404,973	211,815	5,115,900	-	-	15,473,463	871,744	2,257,779	6,468,942	313,678	-	216,068	39,992,256
Other	148,207	181,046	80,403	44,533	1,003,648	284,062	-	-	-	254,429	144,701	23,627	-	3,009,051	5,173,707
Cost of Sales	2,073,520	63,355,823	3,253,668	431,877	76,207,585	60,655,265	708,141	15,793,856	13,478,998	59,920,828	11,434,452	54,270,684	2,304,570,223	7,665,407	2,673,820,327
Gross Profit	16,529,857	230,864,277	113,803	5,618,281	223,567,616	155,458,479	33,493,375	400,450,520	(6,255,537)	(13,602,510)	(444,891)	43,814,775	291,868,766	(7,437,959)	1,374,038,852
Capital investments	781,171	1,000,134,067	160,414	-	8,334,503	-	-	1,689,785	-	3,415,272	-	1,501,003	1,096,536,782	842,785,421	2,955,338,418

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

4. Operating segments (continued)

	Ankara İş Tower Building	İstanbul Business Towers Complex	Maslak Office Building	Mugla Marmaris Mallmarine Shopping Mall	İstanbul Kanyon Shopping Center	İstanbul Marmara Park Shopping Mall	Taksim Office Lamartine	Tuzla Technology and Operation Center	İstanbul Tuzla Square Bazaar	İzmir Ege Perla Sığışmış rhopping Mall	İzmir Ege Perla Residence/Office	Eagle Landscape Islands	Litus İstanbul Altunizade	Other Real Estate	Total
31 December 2023															
<u>Sales revenue</u>															
Income from sales of residential units	-	-	-	-	-	-	-	-	-	-	76,560,031	181,474,370	122,810,624	1,109,734	381,954,760
Rent income	23,341,794	213,390,066	1,766,441	6,160,595	268,812,820	-	14,676,007	435,059,386	7,044,405	35,550,692	1,839,000	128,295	-	-	1,007,769,500
Income from right of construction	-	-	-	-	-	251,509,985	-	-	-	-	-	-	-	-	251,509,985
Income fees and service	-	-	409,559	-	617,166	-	-	-	-	5,506,720	-	-	-	-	6,533,445
Other income	-	557,167	-	-	1,559,100	-	-	-	7,298	737,921	46,185	16,375	-	-	2,924,048
Real estate revenues	23,341,794	213,947,233	2,176,000	6,160,595	270,989,086	251,509,985	14,676,007	435,059,386	7,051,703	41,795,334	78,445,217	181,619,040	122,810,624	1,109,734	1,650,691,738
Cost of sales of residential units	-	-	-	-	-	-	-	-	-	-	33,323,884	93,106,474	84,000,298	2,720,082	213,150,738
Administrative expense	-	52,118,792	1,901,024	-	54,897,995	-	731,514	-	6,270,434	54,087,510	407	3,947,845	-	733,690	174,689,210
Tax and duty and other charges	1,559,565	11,926,092	1,020,904	186,893	8,363,275	4,980,129	713,702	5,889,346	368,525	3,566,857	445,859	273,849	-	148,873	39,443,869
Insurance expense	461,315	3,619,455	311,104	158,033	919,299	-	33,827	7,599,644	579,300	2,684,901	1,024,731	274,112	-	560,463	18,226,181
Other	45,287	67,994	61,469	-	229,282	162,275	-	-	-	207,517	771,137	9,718	-	15,358,719	16,913,398
Cost of Sales	2,066,167	67,732,332	3,294,501	344,925	64,409,850	5,142,404	1,479,042	13,488,990	7,218,259	60,546,786	35,566,018	97,611,998	84,000,298	19,521,826	462,423,396
Gross Profit	21,275,627	146,214,901	(1,118,501)	5,815,670	206,579,236	246,367,581	13,196,965	421,570,396	(166,556)	(18,751,452)	42,879,199	84,007,042	38,810,326	(18,412,092)	1,188,268,342
Capital investments	237,262	23,930,023	-	-	12,929,398	-	217,445	-	-	19,998,497	-	281,858	1,871,302,053	5,949,437,774	7,878,334,310

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

4. Operating segments (continued)

Reconciliations on revenues, assets and liabilities

Sales Revenue	1 January – 31 December 2024	1 January – 31 December 2023
Segment revenue	4,047,859,179	1,650,691,738
Total Revenue	4,047,859,179	1,650,691,738
Cost of sales	1 January – 31 December 2024	1 January – 31 December 2023
Segment costs	(2,673,820,327)	(462,423,396)
Total cost of sales	(2,673,820,327)	(462,423,396)
Assets	31 December 2024	31 December 2023
Segment assets	44,427,288,719	43,500,518,076
Other assets	108,224,348	341,204,727
Non-segment related assets	3,122,854,225	4,027,122,670
Total assets	47,658,367,292	47,868,845,473
Liabilities	31 December 2024	31 December 2023
Segment liabilities	8,312,345,459	8,375,607,206
Other liabilities	235,972,744	463,093,485
Total liabilities	8,548,318,203	8,838,700,691

5. Cash and cash equivalents

	31 December 2024	31 December 2023
Time deposits	332,239,385	917,427,984
Demand deposits	7,674,190	4,613,391
Other cash equivalents	200,000	72,189
	340,113,575	922,113,564
Interest accrued on cash and cash equivalents	(435,142)	(57,642,967)
Total cash and cash equivalents in the statement of cash flows	339,678,433	864,470,597

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

5. Cash and cash equivalents (continued)

Time Deposits:			
Currency	Interest rate	Maturity	31 December 2024
TRY	46.75-48.00%	January 2025	332,239,385
			332,239,385

Time Deposits:			
Currency	Interest rate	Maturity	31 December 2023
TRY	38.50-43.00%	January 2024	917,427,984
			917,427,984

6. Financial investments

Short-term financial investments

Short-term financial investments	31 December 2024	31 December 2023
100. Yıl Girişim Sermayesi Yatırım Fonu	-	582,314,814
Total	-	582,314,814

Long-term financial investments

Long-term financial investments	31 December 2024	31 December 2023
Financial assets at fair value through profit or loss		
İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu	1,454,933,852	1,486,702,878
100. Yıl Girişim Sermayesi Yatırım Fonu	455,238,400	-
Total	1,910,172,252	1,486,702,878

As of 31 December 2024, the Company is kept the held of financial investments with 247,585,439 shares from İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu (31 December 2023: 245,035,164 shares).

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

6. Financial investments (continued)

The movement of İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu and Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. 100. Yıl Girişim Sermayesi Yatırım Fonu is as follows:

Short-term	31 December 2024	31 December 2023
Opening balance as of 1 January	582,314,814	306,752,488
Additions	-	577,515,086
Fair value difference (Note 22)	-	4,799,728
Transfers	(582,314,814)	-
Disposals (-)	-	(306,752,488)
Closing balance as of 31 December	-	582,314,814

Long-term	31 December 2024	31 December 2023
Opening balance as of 1 January	1,486,702,878	1,321,124,357
Additions	14,999,996	92,052,160
Fair value difference (Note 22)	(173,845,436)	73,526,361
Transfers	582,314,814	-
Disposals (-)	-	-
Closing balance as of 31 December	1,910,172,252	1,486,702,878

7. Loans and borrowings

As of 31 December 2024 and 2023, the details of financial borrowings are as follows:

	31 December 2024	31 December 2023
Short-term borrowings		
Short-term bank borrowings	-	3,402,762,862
Issued commercial papers	1,731,261,541	-
Issued debt instruments(*)	101,692,838	-
Total	1,832,954,379	3,402,762,862

(*) On 16 December 2024, the Company issued a lease certificate with a maturity of 17 March 2025 and a nominal amount of TRY100,000,000 with a 43% profit share rate.

	31 December 2024	31 December 2023
Short-term portions of long-term financial borrowings:		
Short-term portions of long-term loans	191,037,013	172,323,174
Issued bonds	2,015,825,011	-
Total	2,206,862,024	172,323,174

	31 December 2024	31 December 2023
Long-term financial borrowings:		
Long-term bank loans	242,841,660	615,385,900
Issued bonds	-	2,887,193,160
Total	242,841,660	3,502,579,060

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

7. Loans and borrowings (continued)

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

31 December 2024				
Currency	Interest rate (%)	Original currency amount	Short term (TRY)	Long term (TRY)
TRY	49.50	433,878,673	191,037,013	242,841,660
Total			191,037,013	242,841,660

31 December 2023				
Currency	Interest rate (%)	Original currency amount	Short term (TRY)	Long term (TRY)
TRY	46.50 - 49.50	4,190,471,936	3,575,086,036	615,385,900
Total			3,575,086,036	615,385,900

As of 31 December 2024, the Company borrowed cash loans amounting to TRY1,050,000,000 (As of 31 December 2023, the Company borrowed cash loans amounting to TRY18,233,816,620).

The Company issued TRY2,550,000,000 worth of debt instruments in the accounting period ending on 31 December 2024.

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

31 December 2024					
ISIN CODE	Interest rate (%)	Nominal amount issued (TRY)	Date of issuance	Amortization date	Registered value
TRSISGY12519	39.00%	500,000,000	1 August 2023	22 January 2025	583,483,709
TRSISGYK2519	48.00%	500,000,000	14 November 2023	3 November 2025	532,277,377
TRSISGY82512	47.00%	850,000,000	22 November 2023	13 August 2025	900,063,925
TRFISGY52512	52.22%	200,000,000	17 May 2024	16 May 2025	212,763,703
TRFISGY62511	50.67%	400,000,000	13 June 2024	12 June 2025	410,003,712
TRFISGY72510	52.93%	500,000,000	11 July 2024	10 July 2025	559,085,296
TRFISGY42513	52.89%	350,000,000	16 July 2024	11 April 2025	390,793,891
TRFISGY82519	51.59%	150,000,000	20 August 2024	19 August 2025	158,614,939
TRDLVNT32513	43.00%	100,000,000	16 December 2024	17 March 2025	101,692,838
		3,550,000,000			3,848,779,390

31 December 2023					
ISIN CODE	Interest rate (%)	Nominal amount issued (TRY)	Date of issuance	Amortization date	Registered value
TRSISGY12519	39.00%	721,893,857	1 August 2023	22 January 2025	838,692,440
TRSISGYK2519	48.00%	721,893,857	14 November 2023	3 November 2025	761,882,178
TRSISGY82512	47.00%	1,227,219,557	22 November 2023	13 August 2025	1,286,618,541
		2,671,007,271			2,887,193,160

The statement of movement of financial borrowings for the years ended 31 December is as follows:

	31 December 2024	31 December 2023
Opening balance as of 1 January	7,077,665,096	8,084,903,683
Borrowings received	4,132,165,355	21,629,296,475
Borrowings paid	(4,809,674,309)	(19,383,437,103)
Interest paid	(2,631,365,692)	(1,812,938,594)
Interest accrual	2,706,034,989	2,146,648,060
Monetary gain/(loss)	(2,192,167,376)	(3,586,807,425)
Closing balance as of 31 December	4,282,658,063	7,077,665,096

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

8. Trade receivables and payables

Short-term trade receivables and liabilities

	31 December 2024	31 December 2023
<u>Trade receivables</u>		
Receivables from customers	69,567,624	98,045,542
Income accruals	-	192,041,180
Notes receivable	1,856,117	39,843,282
Rediscount of notes receivables (-)	-	(35,575)
Doubtful receivables	8,703,297	11,655,832
Provision for doubtful receivables (-)	(8,703,297)	(11,655,832)
Due from related parties (Note 27)	12,225,268	9,129,890
	83,649,009	339,024,319
<u>Trade payables</u>		
Payables to suppliers	55,992,209	296,576,826
Due to related parties (Note 27)	87,550,666	52,190,561
	143,542,875	348,767,387

As of 31 December 2024, the provision for doubtful trade receivables is TRY8,703,297 (31 December 2023: TRY11,655,832). Provision for doubtful receivables is determined based on the historical collection performance.

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

	31 December 2024	31 December 2023
Opening balance as of 1 January	(11,655,832)	(20,585,631)
Charge for the period	(1,996,798)	(2,108,204)
Provisions released	1,273,436	3,000,042
Monetary gain/(loss)	3,675,897	8,037,961
Closing balance as of 31 December	(8,703,297)	(11,655,832)

Long-term trade receivables

	31 December 2024	31 December 2023
<u>Trade receivables</u>		
Receivables from customers	28,611,382	2,180,408
	28,611,382	2,180,408

9. Other receivables and payables

	31 December 2024	31 December 2023
Other short-term receivables (*)	12,056,587	25,770,191
	12,056,587	25,770,191

(*) TRY3.500.000 of the amount consists of tax office receivables (31 December 2023: TRY5.053,257).

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

9. Other receivables and payables (continued)

	31 December 2024	31 December 2023
Other debts – short-term		
Deposits and guarantees given	30,145,117	56,849,795
Other short-term payables	159,399	2,631,836
	30,304,516	59,481,631

10. Investment properties

As of 31 December 2024 and 2023, the details of investment properties are as follows:

	31 December 2024	31 December 2023
Investment property that are active	36,781,687,000	30,136,211,278
Investment property under construction	-	5,151,434,564
Total	36,781,687,000	35,287,645,842

As of 31 December 2024, total insurance amount on investment properties is TRY11,610,416,771 (31 December 2023: TRY8,063,468,714).

	1 January 2024 opening balance	Purchases	Transfers	Fair value difference	31 December 2024 closing balance
Investment properties					
Istanbul İş Kuleleri Complex	9,762,777,020	998,138,752	-	319,480,228	11,080,396,000
Tuzla Technology and Operation Centre	9,510,417,366	1,689,785	-	937,969,849	10,450,077,000
İstanbul Finance Center	5,151,434,564	70,366,193	-	529,244,243	5,751,045,000
Kanyon Shopping Mall	3,537,279,900	8,334,503	-	471,885,597	4,017,500,000
İstanbul Marmarapark Shopping Mall	2,526,628,500	-	(2,818,216,394)	291,587,894	-
Maslak Office Building	1,597,912,053	160,414	-	60,442,533	1,658,515,000
İzmir Ege Perla Shopping Mall	970,225,344	3,415,272	-	276,454,384	1,250,095,000
Ankara İş Kule Building	976,794,578	781,171	-	173,184,251	1,150,760,000
Taksim Office Lamartine	863,890,379	-	-	110,053,621	973,944,000
Tuzla Meydan Bazaar	190,327,315	-	-	30,162,685	220,490,000
Mugla Marmaris Mallmarine Shopping Mall	173,732,419	-	-	31,632,581	205,365,000
Levent Land	26,226,404	-	-	(2,726,404)	23,500,000
Total	35,287,645,842	1,082,886,090	(2,818,216,394)	3,229,371,462	36,781,687,000

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

10. Investment properties (continued)

As of 31 December 2024, the Company has 1st and 2nd-degree mortgages on the investment properties amounting to USD136,000,000 and TRY5,250,000,000 which are established in favor of İş Bank. In the current period, the Company obtained rent income amounting to TRY1,330,900,402 (31 December 2023: TRY1,259,279,485) from its investment property. Total direct operating expenses related to these properties amount to TRY314,931,371 (31 December 2023: TRY249,272,658).

The fair values of the Company's investment properties on 31 December 2024, have been arrived at on the basis of valuations carried out in December 2024 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.

	2024	2023
Investment properties that are active		
Tuzla Technology and Operation Center	Sales comparison approach	Sales comparison approach
Istanbul Business Towers Complex	Sales comparison approach	Sales comparison approach
Kanyon Shopping Center	Sales comparison approach	Discounted cash flow approach
Izmir Ege Perla Shopping Mall	Sales comparison approach	Discounted cash flow approach
İstanbul Marmara Park AVM	Sales comparison approach	Sales comparison approach
Ankara Business Tower 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 Square Bazaar	Sales comparison approach	Sales comparison approach
Mugla Marmaris Mallmarine Shopping Mall	Sales comparison approach	Sales comparison approach
Levent Land	Fair value based on estate tax	Fair value based on estate tax
İstanbul Finance Centre Project	Sales comparison approach	Reconstruction (Replacement) Cost Approach
	1 January 2023 opening balance	31 December 2023 closing balance
Investment property that are active		
Tuzla Technology and Operation Centre	9,321,617,836	9,510,417,366
Istanbul İş Kuleleri Complex	9,218,965,230	9,762,777,021
Istanbul Kanyon Shopping Mall	3,330,559,616	3,537,279,900
Istanbul Marmarapark Shopping Mall	2,176,758,607	2,526,628,500
Maslak Office Buildingı	1,225,170,145	1,597,912,053
Izmir Ege Perla Shopping Mall	883,371,464	970,225,344
Ankara İş Kule Building	906,388,010	976,794,579
Maslak Office Building	887,356,240	863,890,376
Istanbul Tuzla Meydan Bazaar	198,881,989	190,327,315
Mugla Marmaris Mallmarine Shopping Mall	151,802,149	173,732,419
Levent Land	26,762,783	26,226,405
Balmumcu Project	405,138,787	-
	28,732,772,856	30,136,211,278
Investment property under construction		
Istanbul Finance Centre Project	4,129,042,254	5,151,434,564
	4,129,042,254	5,151,434,564
Total	32,861,815,110	35,287,645,842

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11. Inventories

<i>Short-term stocks</i>	31 December 2024	31 December 2023
Litus İstanbul Altunizade Project(1)	2,050,019,969	3,268,807,824
Kartal Manzara Adalar (2)	284,639,428	333,945,882
İzmir Ege Perla (3)	-	4,694,103
Topkapı İnistanbul (4)	-	3,991,230
Provision for impairment (-)	-	(9,756,345)
Total	2,334,659,397	3,601,682,694
<i>Uzun vadeli stoklar</i>	31 December 2024	31 December 2023
Tuzla Housing Project (5)	1,692,017,833	1,371,128,907
Profilo Mall (6)	2,291,343,328	2,281,093,171
Balmumcu Project (7)	472,821,027	454,920,322
Kasaba Modern Project (8)	1,063,474,403	647,995,860
Land of Çekmeköy Omerli	85,709,086	85,680,926
Provision for impairment (-)	(294,423,355)	(229,629,646)
Total	5,310,942,322	4,611,189,540

(1) There are 98 residential units in Litus İstanbul Altunizade project. as of 31 December 2024, 47 residential units has been delivered to the customers. Balance of advances given related with the Project is amounting to TRY468,909,776 (31 December 2023: TRY1,231,659,398)

(2) There are 975 residential units in Kartal Manzara Adalar Project, as of 31 December 2024, 953 residential units has been delivered to the customers.

(3) There are 243 residential units in İzmir Ege Perla Project, as of 31 December 2024, all residential units has been delivered to the customers.

(4) There are 2,741 residential units in Topkapı İnistanbul Project, as of 31 December 2024, all residential units has been delivered to the customers.

(5) The excavation and shoring works of the Tuzla Housing Project have been completed and a project consisting of 1,115 houses is planned to be developed.

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

(7) The Balmumcu Building, which was included in the company portfolio on 1 September 2022, is planned to be demolished and replaced with a residence project.

(8) The project includes a total of 165 villas/houses, and the first phase is planned to consist of 61 villas/houses.

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

	31 December 2024	31 December 2023
Opening balance as of 1 January 2024	(239,385,991)	(85,651,102)
Charge for the period (-)	(72,819,027)	(239,385,990)
Provisions released	17,781,663	85,651,102
Closing balance as of 31 December 2024	(294,423,355)	(239,385,991)

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

12. Tangible Assets

	Buildings (*)	Machinery and Equipment	Vehicles	Fixtures	Total
Costs					
Opening balance as of 1 January 2024	389,609,350	2,026,915	12,006,097	57,777,280	461,419,642
Purchases	--	--	20,277	924,055	944,332
Disposals	--	--	(3,403,379)	--	(3,403,379)
Fair value difference	28,827,791	--	--	--	28,827,791
Closing balance as of 31 December 2024	418,437,141	2,026,915	8,622,995	58,701,335	487,788,386
Accumulated depreciation					
Opening balance as of 1 January 2024	35,404,912	2,026,915	4,335,653	49,575,077	91,342,557
Current year charge	14,202,229	--	1,725,613	3,324,339	19,252,181
Disposals	--	--	(2,042,027)	--	(2,042,027)
Closing balance as of 31 December 2024	49,607,141	2,026,915	4,019,239	52,899,416	108,552,711
Net book value as of 1 January 2024	354,204,438	--	7,670,444	8,202,203	370,077,085
Net book value as of 31 December 2024	368,830,000	--	4,603,756	5,801,919	379,235,675
	Buildings (*)	Machinery and Equipment	Vehicles	Fixtures	Total
Cost value					
Opening balance as of 1 January 2023	357,032,562	2,026,915	12,006,097	55,667,434	426,733,007
Purchases	--	--	--	2,109,846	2,109,846
Fair value difference	32,576,789	--	--	--	32,576,789
Closing balance as of 31 December 2023	389,609,350	2,026,915	12,006,097	57,777,280	461,419,642
Accumulated depreciation					
Opening balance as of 1 January 2023	30,209,499	2,026,915	1,934,433	46,413,425	80,584,272
Current year charge	5,195,412	--	2,401,220	3,161,653	10,758,285
Closing balance as of 31 December 2023	35,404,912	2,026,915	4,335,653	49,575,077	91,342,557
Net book value as of 1 January 2023	326,823,062	--	10,071,664	9,254,009	346,148,735
Net book value as of 31 December 2023	354,204,438	--	7,670,444	8,202,203	370,077,085

- (*) As of 31 December 2024, İş Kuleleri Kule:2 10th and 11th floor offices are the most important tangible assets item of the Company which are currently used for registered address with amounting to TRY368,830,000. These areas get share from the mortgages amounting to USD 136 million and TRY 2.5 billion established in İş Kuleleri and Kule Çarşı (31 December 2023: USD 136 million and TRY 4.2 billion).

As of 31 December 2024, the Company has tangible assets which is fully depreciated amounting to TRY43,774,872.

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

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13. Intangible assets

	Computer Programs	Total
Cost value		
Opening balance as of 1 January 2024	73,096,164	73,096,164
Addition	3,597,895	3,597,895
Closing balance as of 31 December 2024	76,694,059	76,694,059
Accumulated amortization shares		
Opening balance as of 1 January 2024	62,454,911	62,454,911
Current year charge	1,743,276	1,743,276
Closing balance as of 31 December 2024	64,198,187	64,198,187
Net book value as of 1 January 2024	10,641,253	10,641,253
Net book value as of 31 December 2024	12,495,872	12,495,872
	Computer Programs	Total
Cost value		
Opening balance as of 1 January 2023	68,009,687	68,009,687
Additions	5,086,477	5,086,477
Closing balance as of 31 December 2023	73,096,164	73,096,164
Accumulated amortization shares		
Opening balance as of 1 January 2023	59,798,466	59,798,466
Purchases	2,656,445	2,656,445
Opening balance as of 1 January 2023	62,454,911	62,454,911
Net book value as of 1 January 2023	8,211,221	8,211,221
Net book value as of 31 December 2023	10,641,253	10,641,253

As at 31 December 2024 and 2023, the Company has no intangible assets which is capitalized in the business area.

The Company has intangible assets with a cost value of TRY59,122,131 that have expired but have been used as of 31 December 2024.

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

14. Provisions, contingent assets and liabilities

	31 December 2024	31 December 2023
Debt provisions (*)	44,330,324	29,398,326
Litigation provisions	1,274,916	2,010,375
Total	45,605,240	31,408,701
	31 December 2024	31 December 2023
Letters of guarantee received (**)	1,049,665,820	817,716,815
Mortgages received	1,047,040	3,893,953
Total	1,050,712,860	821,610,768

(*) As of 31 December 2024, debt provisions consists of title deed fee accruals of delivered residential units and accrued residential unit taxes to be paid to T. İş Bankası A.Ş. related with Ege Perla project home and office sales.

(**) 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 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
A. CPM given for companies own legal personality (*)	10,467,445,218	13,413,658,675
B. CPM given in behalf of fully consolidated companies	--	--
C. CPM given for continuation of its economic activities on behalf of third parties (**)	10,463,910	18,952,976
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	10,477,909,128	13,432,611,652

(*) CPM given for the Company's own legal personality consists of letters of guarantee amounting to TRY419,324,418 and pledge amounting to USD136.000.000 and TRY5.250.000.000. As of 30 September 2024, the investment properties are pledged in favour of İş Bankası amounting to 1st degree USD 136.000.000 and TRY2.500.000.000 and 2nd degree TRY2.500.000.000. (Mortgage was constituted in favour of İş Bankası from investment properties portfolio of the Company, Kule-2 and Kule Çarşı amounting to USD 136.000.000 as 1st degree mortgage, Kule-3 amounting to TRY2.500.000.000 1st degree mortgage, Kule-2 and Kule Çarşı amounting to TRY2.500.000.000 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 TRY250.000.000.

(**) 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 31 December 2024, the ratio of CPM given by the Company to the Company's shareholders' equity is 0.03% (31 December 2023: 0.05%).

As of 31 December 2024, TRY1,274,916 legal case provision is accrued and there are 114 legal cases and 91 enforcement proceedings of the Company is a party. The lawsuit in question are ongoing, and as of 31 December 2024, there is provision for lawsuits amounting to TRY1.207.997 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.

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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 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 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Less than 1 year	1,186,894,434	1,087,895,767
Between 1-5 years	2,936,713,068	3,171,676,835
More than 5 years	5,181,248,160	18,706,302,685
Total	9,304,855,663	22,965,875,286

15. Provisions for employee benefits

	31 December 2024	31 December 2023
Unused vacation provisions	4,503,393	3,171,511
Total	4,503,393	3,171,511

	31 December 2024	31 December 2023
Severance pay indemnity	12,016,720	20,264,255
Total	12,016,720	20,264,255

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

The amount payable consists of one month’s salary limited to a maximum of TRY46,655.43 for each period of service as of 1 January 2025 (31 December 2023: TRY35,058.58).

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

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated assuming an annual inflation rate of %21,85 (estimated salary increase rate) and a discount rate of 26.70%, resulting in a real discount rate of approximately 3.98% (31 December 2023: the provisions have been calculated assuming an annual inflation rate of 19,65% (estimated salary increase rate) and discount rate of 23.58%, resulting in a real discount rate of approximately 3.28% discount rate). The anticipated rate of for features is considered. As the maximum liability is revised semi-annually, the maximum amount of TRY46,655.43 effective from 1 January 2025 has been taken into consideration in calculation of provision from employment termination benefits.

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

15. Provisions for employee benefits (continued)

	31 December 2024	31 December 2023
Opening balance as of 1 January 2024	20,264,255	20,697,140
Service cost	3,416,202	5,691,787
Interest cost	3,682,751	3,647,419
Retirement pay provisions (-)	(7,933,139)	(4,200,241)
Actuarial differences	(1,292,007)	3,669,879
Monetary gain/(loss)	(6,121,342)	(9,241,729)
As of 31 December	12,016,720	20,264,255

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

<i>Prepaid expenses – short term</i>	31 December 2024	31 December 2023
Job advances (*)	166,277,410	189,581,588
Related party prepaid expenses (Note 27)	127,307,475	184,041,044
Prepaid expenses	3,218,117	3,127,491
Total	296,803,002	376,750,123

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

<i>Prepaid expenses – long term</i>	31 December 2024	31 December 2023
Job advances (*)	100,539,001	75,676,900
Prepaid expenses	12,667,127	-
Total	113,206,128	75,676,900

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

<i>Other current assets</i>	31 December 2024	31 December 2023
Prepaid taxes and dues payable	16,674,741	4,157,504
Deposits and guarantees given	1,087,049	316,303
VAT transferred	-	140,567,875
Total	17,761,790	145,041,682

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

16. Prepaid expenses, other assets, deferred income (excluded from obligations arising from customer contracts) and other liabilities (continued)

<i>Other short-term liabilities</i>	31 December 2024	31 December 2023
Taxes and funds payable	27,971,861	54,002,412
Payable social security cuts	2,607,813	3,755,951
Total	30,579,674	57,758,363
Deferred revenues	31 December 2024	31 December 2023
Deferred revenue	2,511,150	1,376,100
Short-term deferred revenue from related parties (Note 27)	656,941	670,784
Total	3,168,091	2,046,884

17. Liabilities from contracts with customers

Obligations arising from customer contracts	31 December 2024	31 December 2023
Contractual liabilities from sales of goods and services (*)	638,012,431	1,238,136,863
Total	638,012,431	1,238,136,863

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

18. Shareholder's equity

Share capital

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

		31 December 2024		31 December 2023
İş Gayrimenkul Yat. Ort. A.Ş.	(%)		(%)	
Türkiye İş Bankası A.Ş.	52.22	500,638,265	52.06	499,138,200
Anadolu Hayat Emeklilik A.Ş.	7.04	67,476,714	7.04	67,476,714
Other	40.74	390,635,021	40.90	392,135,086
Total	100	958,750,000	100	958,750,000

The total number of ordinary shares consists of TRY958,750,000 (31 December 2023: TRY958,750,000) shares with a par value of TL 1 per share. All of the shares are issued to name and TRY1,369,642,817 (31 December 2023: TRY1,369,642,817) of the total amount is Group A and TRY957,380,357,183 (31 December 2023: TRY957,380,357,183) of the total amount is Group B shares. Group A shareholders have the privilege to nominate candidates during the Board of Directors member elections. One member of Board of Directors is selected among the candidates nominated by Group B shareholders while the rest is selected among the candidates nominated by Group A shareholders. There is no other privilege given to the Group A shares.

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

18. Shareholders' equity (continued)

The explanation regarding the Company's equity accounts adjusted in accordance with TAS 29, prepared pursuant to the Capital Markets Board Bulletin published on 7 March 2024, is as follows;

31 December 2024

Equity	Producer Price Index (PPI) indexed legal adjustments	Consumer Price Index (CPI) indexed amounts	Differences to be followed in retain earnings
Adjustment to share capital	34,362,418,312	20,387,505,662	(13,974,912,650)
Share Premiums	13,229,207	9,756,346	(3,472,861)
Restricted reserves	1,324,269,253	859,706,785	(464,562,468)
Total	35,699,916,772	21,256,968,793	(14,442,947,979)

31 December 2023

Equity	Producer Price Index (PPI) indexed legal adjustments	Consumer Price Index (CPI) indexed amounts	Differences to be followed in retain earnings
Adjustment to share capital	34,362,418,312	20,387,505,662	(13,974,912,650)
Premiums/discounts on shares	13,229,207	9,756,346	(3,472,861)
Restricted reserves	1,282,777,050	819,195,089	(463,581,961)
Total	35,658,424,569	21,216,457,097	(14,441,967,472)

Adjustment to share capital

Adjustment to share capital amount is TRY20,387,505,662 as of 31 December 2024 and 2023. Adjustment to share capital represents the restatement effect of the cash contributions to share capital equivalent to purchasing power of TRY.

Share premium

As of 31 December 2024 and 2023, share premiums amounting TRY9,756,346 represent excess amount of selling price and nominal value for each share during initial public offering of the Company's shares.

Restricted reserves

	31 December 2024	31 December 2023
Legal reserves	859,706,785	819,195,089
Total	859,706,785	819,195,089

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

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

18. Shareholders' equity (continued)

Prior Years Profits

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

Prior Years Profits/Losses	Amount Before Inflation Accounting	Amount After Inflation Accounting
31 December 2022	4,142,968,926	(175,840,920)
1 January 2022	2,819,651,274	(5,352,060,789)
	31 December 2024	31 December 2023
Prior years' profits (*)	15,891,433,441	12,196,596,498
Total	15,891,433,441	12,196,596,498

(*) The Company's prior years' profits as of 31 December 2024 are TRY16,676,969,354, of which TRY785,535,913 is included as a prior period deferred tax effect.

Dividend distribution

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

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

	Amount
1. Primary reserve 5%	40,511,696
Dividend	--
2. Secondary reserve	--
Capital increase through bonus shares	--
Transferred to prior years' profits	4,480,372,856
Total	4,520,884,552

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

19. Revenue and cost of sales

	1 January- 31 December 2024	1 January - 31 December 2023
Income from sales of residential units	2,702,165,836	381,954,760
Rent Income	1,114,786,658	1,007,769,500
Income from right of construction	216,113,744	251,509,985
Income fees and service	8,990,171	6,533,445
Other revenue	5,802,770	2,924,048
Total revenue	4,047,859,179	1,650,691,738
	1 January- 31 December 2024	1 January - 31 December 2023
Cost of sales of residential units	(2,358,888,956)	(213,150,738)
Cost of administrative expenses	(180,598,642)	(174,689,210)
Taxes and dues	(89,166,766)	(39,443,869)
Insurance expenses	(39,992,256)	(18,226,181)
Other	(5,173,707)	(16,913,398)
Total	(2,673,820,327)	(462,423,396)

20. Administrative expenses / Marketing, selling and distribution expenses

General administrative expenses	1 January- 31 December 2024	1 January - 31 December 2023
Personnel expenses	(160,228,084)	(122,685,978)
Outsourced service expenses	(36,889,329)	(33,055,901)
Depreciation and amortization	(20,995,457)	(13,414,728)
Legal expenses (*)	(11,022,602)	(2,803,251)
Board of Directors fees and expenses	(9,988,651)	(9,076,439)
Taxes and dues	(1,805,442)	(1,222,705)
Donations	(237,341)	(17,301,120)
Other	(4,596,518)	(1,458,831)
Total	(245,763,424)	(201,018,953)

(*) TRY8,903,965 in compensation and other expenses were paid due to a consumer lawsuit concluded in the current period.

Marketing sales and distribution expenses	1 January- 31 December 2024	1 January - 31 December 2023
Advertising expenses	(51,015,668)	(40,893,016)
Sales commission expenses	(16,187,124)	(16,834,739)
Sales office expenses	(1,608,749)	(897,186)
Other	(287,439)	(1,263,840)
Total	(69,098,980)	(59,888,781)

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

21. Expenses by nature

	1 January- 31 December 2024	1 January - 31 December 2023
Personnel expenses		
Administrative expenses (Note 20)	(160,228,084)	(122,685,978)
Total	(160,228,084)	(122,685,978)
	1 January- 31 December 2024	1 January - 31 December 2023
Depreciation and amortization		
Administrative expenses (Note 20)	(20,995,457)	(13,414,728)
Total	(20,995,457)	(13,414,728)

22. Other income/expenses

Other income from core activities	1 January- 31 December 2024	1 January - 31 December 2023
Revaluation income of investment property (Note 10)	3,229,371,462	2,550,556,486
Investment property sales profits	77,815,394	-
Foreign exchange gains	5,284,402	303,930,195
Gain on real estate investment fund (Note 6)	-	78,326,089
Other	3,085,355	12,432,773
Total	3,315,556,613	2,945,245,543
Other operating expense	1 January- 31 December 2024	1 January - 31 December 2023
Revaluation loss of financial assets	(173,845,436)	-
Provision for impairment of inventories (-) (Note 11)	(55,037,364)	(153,734,888)
Other	(174,174,624)	-
Total	(403,057,424)	(153,734,888)
Income from investment activities	1 January- 31 December 2024	1 January - 31 December 2023
Currency-protected deposits fair value difference	-	60,882,870
Total	-	60,882,870
Expense from investment activities	1 January- 31 December 2024	1 January - 31 December 2023
Currency-protected deposits fair value difference	-	(16,345,251)
Total	-	(16,345,251)

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

23. Financing income/(expenses)

Finance income and expenses as of 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Finance income		
Interest income from bank deposits	206,897,804	127,011,267
Profit from buying and selling securities	7,895,756	32,110,341
Total	214,793,560	159,121,608

	1 January - 31 December 2024	1 January - 31 December 2023
Finance expense		
Interest expense	(2,692,867,712)	(2,090,962,327)
Commission expenses	(13,167,277)	(55,685,733)
Derivative transaction loss	-	(5,787,404)
Other	-	(42,929)
Total	(2,706,034,989)	(2,152,478,393)

24. 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:

Non-monetary Items	1 January - 31 December 2024
Financial Position Statement Items	(9,959,069,191)
Advances received	139,179,790
Equity accounted investees	1,059,921
Tangible assets	811,532
Intangible assets	2,727,968
Prepaid expenses	(75,938,878)
Inventories	1,861,200,476
Share capital	(6,561,356,572)
Share premium	(2,998,880)
Other comprehensive income that will not be reclassified to profit or loss	66,623,376
Restricted profit reserves	(260,027,687)
Retained earnings	(5,130,350,237)
Profit or Loss Statement Items	11,878,671,094
Revenue	(671,607,301)
Cost of sales	793,636,396
Marketing expenses	6,772,209
General administrative expenses	30,694,903
Other operating income	11,149,499,947
Other operating expenses	230,988,336
Share of profit of equity-accounted investees	11,050,186
Financing income	(20,321,402)
Financing expenses	347,957,821
NET MONETARY POSITION GAINS / (LOSSES)	1,919,601,904

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

25. Tax assets and liabilities

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.

The corporate tax rate applied to Capital Markets Companies in Turkey in 2024 is 30%.

b) Period tax income/(expense)

	1 January - 31 December 2024	1 January - 31 December 2023
Deferred Tax Expense	(2,515,682,021)	-
Total Tax Expense	(2,515,682,021)	-

c) Deferred 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.

As detailed in Note 2, the tax exemption granted to real estate investment trusts under Article 5, paragraph d-4 of the Corporate Tax Law is conditional upon at least 50% of the gains derived from real estate being distributed as dividends, starting from January 1, 2025, as per Law No. 7524 dated 2 August 2024.

Since the profit distribution decision is under the responsibility of the general assembly, the tax rate used in the calculation of deferred tax assets and liabilities for 2024 is 30% (31 December 2023: 0%).

	1 January - 31 December 2024	1 January - 31 December 2023
Deferred tax liabilities	3,357,927,200	-
Deferred tax liabilities	3,357,927,200	-

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

31 December 2024	Accumulated Temporary Differences	Deferred Tax Assets/(Liabilities)
Investment Properties	7,925,946,437	(2,377,783,931)
Inventories	3,177,194,074	(953,158,222)
Prepaid Expenses	96,377,739	(28,913,322)
Securities Issued	11,466,092	(3,439,828)
Fixed Assets	2,833,229	(849,969)
Severance Pay Provisions	(12,016,720)	3,605,016
Unused vacation Provisions	(4,503,393)	1,351,018
Doubtful Trade Receivables Provisions	(1,240,910)	372,273
Other	(2,965,880)	889,765
Deferred Tax Assets / (Liabilities), Net		(3,357,927,200)

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

25. Tax assets and liabilities (continued)

	1 January - 31 December 2024
Deferred Tax Assets/(Liabilities) at the Beginning of the Period, Net	--
Associated with other comprehensive income statement	(387,602)
Associated with property, plant and equipment revaluation increases	(56,321,664)
Associated with retained earnings	(785,535,913)
Associated with the profit or loss statement	(2,515,682,021)
Deferred Tax Assets/(Liabilities) at the End of the Period, Net	(3,357,927,200)

26. Earnings per share

As of 31 December 2024 capital of the Company consists of TRY95,875,000,000 shares that are valued TRY0.01 for each one.

	1 January - 31 December 2024	1 January - 31 December 2023
Period opening of number of shares in circulation	95,875,000,000	95,875,000,000
Bonus shares due to capital increase	--	--
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 period profit	892,029,688	4,520,884,552
Earnings per share	0.0093	0.0472
Earnings per diluted share	0.0093	0.0472

27. 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.

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 T. İş Bankası	31 December 2024	31 December 2023
Time deposits	331,931,750	917,427,984
Demand deposits	7,673,819	4,612,854
Other literal values	200,000	72,189
Total	339,805,569	922,113,027

The Company has letters of guarantee amounting TRY419,324,418 (31 December 2023: TRY53,431,613) from İş Bankası. In addition, 1st and 2nd degree mortgage is instituted by the Company in favour İş Bankası amounting to USD136,000,000 and TRY5,250,000,000 on some investment properties.

As of 31 December 2024 and 31 December 2023, 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.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

27. 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.	--	2,714,290	3,276,642	--
Türkiye İş Bankası A.Ş.	101,156	--	--	65,863
Kanyon Yönetim İşl. Paz. Ltd. Şti.	2,451,208	--	1,930,841	591,078
Anadolu Anonim Türk Sigorta A.Ş.	--	34,500,487	32,860,700	--
İş Net Elektronik Hizmetler A.Ş.	--	--	120,210	--
Paşabahçe Mağazacılık A.Ş.	1,437,369	--	16,413	--
Tecim Yapı Elemanları A.Ş.	6,004,636	90,086,617	8,607,944	--
İş Enerji Yatırımları A.Ş.	18,071	--	--	--
Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş.	1,138	--	51,416	----
Moka Ödeme Kuruluşu A.Ş.	653,758	--	--	--
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	7,602	--	109,342	--
Trakya Yatırım Holding	547,718	--	39,281,991	--
Yüzüncü Yıl Teknoloji Girişimleri A.Ş.	1,002,612	--	--	--
Levent Varlık Kiralama A.Ş.	--	--	57,540	--
Due to shareholders (dividends)	--	--	705	--
Other	--	6,081	1,236,922	--
Total	12,225,268	127,307,475	87,550,666	656,941

31 December 2024		
Balances with related parties	Financial Borrowings	Interest and Commission Fee
T. İş Bankası A.Ş.	--	340,279,941

31 December 2023				
	Short Term Trade Receivables	Short Term Prepaid Expenses	Short Term Trade Payables	Deferred Income
Balances with related parties				
İş Merkezleri Yönetim ve İşletim A.Ş.	--	49,648	4,220,171	--
Türkiye İş Bankası A.Ş.	--	--	1,608	69,894
İş Yatırım Menkul Değerler A.Ş.	3,335	--	--	53,481
İş Girişim Sermayesi Yatırım Ortaklığı	--	--	--	95,290
Kanyon Yönetim İşl. Paz. Ltd. Şti.	4,757,279	--	16,030,092	452,119
Anadolu Anonim Türk Sigorta A.Ş.	--	30,949,335	29,388,917	--
İş Net Elektronik Hizmetler A.Ş.	--	--	51,624	--
Paşabahçe Mağazacılık A.Ş.	1,479,755	--	24,715	--
Tecim Yapı Elemanları A.Ş.	2,842,230	153,042,061	892,261	--
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	--	--	124,248	--
İş Enerji Yatırımları A.Ş.	47,290	--	--	--
Due to shareholders (dividends)	--	--	1,018	--
Other	--	--	1,455,907	--
Total	9,129,890	184,041,044	52,190,561	670,784

31 December 2024		
Balances with related parties	Financial Borrowings	Interest and Commission Fee
T. İş Bankası A.Ş.	1,999,906,530	1,010,302,566

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024
(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

27. Related party disclosures (continued)

1 January - 31 December 2024					
Transactions with related parties	Purchases	Interest received	Rental income	Other income	Other expenses
Türkiye İş Bankası A.Ş.	1,055,435,730	206,267,528	421,630,890	655,462	1,733,173
Anadolu Anonim Türk Sigorta A.Ş. (*)	39,378,193	--	--	4,546,244	--
Anadolu Hayat Emeklilik A.Ş.	3,226,339	--	31,106,754	--	--
İş Finansal Kiralama A.Ş.	--	--	319,347	--	--
İş Merkezleri Yönetim ve İşletim A.Ş. (**)	77,095,143	--	13,132,465	207,696	220,611
İş Yatırım Menkul Değerler A.Ş.	6,553,356	--	27,691,339	--	--
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	--	--	3,393,461	--	--
İş Net Elektronik Hizmetler A.Ş.	2,008,463	--	2,302,770	3,813	3,586
Paşabahçe Mağazacılık A.Ş.	421,406	--	9,916,494	22,755	277,919
Softtech Yazılım Teknolojileri A.Ş.	--	--	32,692,562	--	--
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	--	--	4,584,478	--	125,505
İş Enerji Yatırımları A.Ş.	8,262,928	--	6,112,067	--	--
Tecim Yapı Elemanları A.Ş.	577,689,566	--	--	467,030,267	--
BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş.	--	--	693,742	--	--
BAYEK Tedavi Sağlık Hizm.ve İşlet.A.Ş.	5,217	--	--	--	--
Topkapı Dan. Elektrik Hizm. Paz. ve Tic. A.Ş.	351,102	--	3,645,274	--	--
Moka Ödeme Kuruluşu A.Ş.	--	--	5,753,807	--	--
Maksmarket Dan. Elektronik Hizm. Tic. A.Ş.	--	--	975,898	--	--
Trakya Yatırım Holding	40,497,325	--	9,017,275	--	--
Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş.	150,634	--	--	--	--
Milli Reasürans Türk A.Ş.	--	--	10,266,928	--	--
İş Portföy Yönetimi A.Ş.	--	--	109,175	--	--
Sportive Spor Malzemeleri	--	--	2,993,620	--	--
Yüzüncü Yıl Teknoloji Girişimleri A.Ş.	--	--	2,619,619	--	--
Levent Varlık Kiralama A.Ş.	--	--	--	--	258,593
	1,811,075,403	206,267,528	588,957,965	472,466,237	2,619,387

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

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

In 2024, revenue share compensation is amounting to TRY26,361,786 (2023: TRY7,574,942) has been paid to Türkiye İş Bankası A.Ş. within the scope of Ege Perla project. As of 31 December 2024, a revenue share of TRY295,763,844 was paid to Tecim A.Ş. within the scope of the Altunizade Litus project. (31 December 2023: TRY293,666,490). As of 31 December 2024, a revenue share of TRY93,330,632 was paid to Tecim A.Ş. within the scope of the Kasaba Modern project.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024 (Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

27. Related party disclosures (continued)

Transactions with related parties	Purchases	1 January - 31 December 2023			
		Interest received	Rental income	Other income	Other expenses
Türkiye İş Bankası A.Ş.	2,225,703,157	121,152,286	435,100,250	409,559	1,213,987
Anadolu Anonim Türk Sigorta A.Ş. (*)	23,961,367	--	--	2,606,753	--
Anadolu Hayat Emeklilik A.Ş.	1,914,444	--	25,972,895	--	176,245
İş Finansal Kiralama A.Ş.	--	--	176,961	--	--
İş Merkezleri Yönetim ve İşletim A.Ş. (**)	66,526,606	--	8,327,281	--	--
İş Yatırım Menkul Değerler A.Ş.	12,889,370	--	20,926,235	--	--
İş Portföy Yönetimi A.Ş.	--	--	12,642	--	--
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	--	--	1,296,674	--	--
İş Net Elektronik Hizmetler A.Ş.	1,521,676	--	2,463,398	--	6,152
Paşabahçe Mağazacılık A.Ş.	46,304	--	8,986,493	--	--
Softtech Yazılım Teknolojileri A.Ş.	49,663	--	34,185,093	--	--
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	--	--	3,216,096	--	--
İş Enerji Yatırımları A.Ş.	--	--	1,823,462	570	--
Tecim Yapı Elemanları A.Ş.	1,187,746	--	--	--	--
BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş.	--	--	678,470	--	--
BAYEK Tedavi Sağlık Hizm.ve İşlet.A.Ş.	12,531,958	--	--	--	--
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	--	--	4,125,047	23,326	--
Penta Tıp Sağlık Hizmetleri	16,953	--	--	--	--
Moka Ödeme Kuruluşu A.Ş.	--	--	1,878,599	--	--
Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş.	--	--	1,037,984	1,556	--
Trakya Yatırım Holding	--	--	1,869,738	556	--
Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş.	71,991,786	--	--	--	--
Milli Reasürans Türk A.Ş.	--	--	2,183,931	635	--
Toksöz Spor Malzemeleri	--	--	98,079	--	--
Total	2,418,341,030	121,152,286	554,359,328	3,042,956	1,396,384

(*) 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 İş Merkezleri Yönetim ve İşletim Anonim Şirketi is related to the operation of the Business Towers and Tuzla Meydan Bazaar, which are the Company's investment properties.

The related party balances of debt instruments issued as of 31 December 2024 and 2023 are as follows:

Related-party balances	31 December 2024	31 December 2023
Anadolu Hayat Emeklilik A.Ş.	116,729,202	167,373,420
İş Yatırım Menkul Değerler A.Ş.	15,565,811	53,659,562
Milli Reasürans Türk A.Ş.	22,363,412	--
Levent Varlık Kiralama A.Ş.	101,692,838	--
Total	256,351,263	221,032,981

Coupon interests paid for debt instruments issued as of 31 December 2024 and 2023 are as follows:

Transactions with related parties	31 December 2024	31 December 2023
Anadolu Hayat Emeklilik A.Ş.	52,456,220	40,832,026
İş Yatırım Menkul Değerler A.Ş.	7,667,177	2,490,030
Anadolu Anonim Türk Sigorta A.Ş.	5,066,155	--
Milli Reasürans Türk A.Ş.	5,822,694	--
Total	71,012,245	43,322,056

Benefits provided to key management personnel::

As of 31 December 2024 and 31 December 2023, the total amount of wages and similar benefits provided in the current period to the Company's Chairman and members of the Board of Directors, general manager and deputy general managers, etc., are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Short-term employee benefits	50,010,062	35,214,476
Total	50,010,062	35,214,476

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

28. Nature and level of risks arising from financial instruments

a) Capital risk management

The Company's purpose in capital management is; to ensure the continuity of the group as an income-generating enterprise, to observe the benefit of shareholders and corporate partners, and at the same time to ensure the continuity of the most efficient capital structure in order to reduce the cost of capital.

The Company's capital and funding structure consists of cash and cash equivalents, share capital and retained earnings.

The Company management evaluates the cost of capital and the risk associated with each class of equity.

b) Financial risk factors

The risks of the Company, resulting from operations, include market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management program generally seeks to minimize the effects of uncertainty in financial markets on the financial performance of the Company.

Risk management is implemented according to the policies approved by the Board of Directors. According to the policy, once a risk is identified, it has been evaluated by each operating unit which is responsible to coordinate the work to minimize the exposure to that risk. The Board of Directors is in charge of forming written procedures in order to manage the foreign currency risk, interest risk, credit risk, and use of derivative and non-derivative financial instruments and the assessment of excess liquidity.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.1) Credit risk management

Exposure to maximum credit risk as of reporting date	Receivables					
	Trade Receivables		Other Receivables		Deposits in Banks	Other (***)
31 December 2024	Related Party	Other Parties	Related Party	Other Parties		
Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)	12,225,268	100,035,123	--	12,056,587	339,913,575	200,000
- The part of maximum risk under guarantee with collateral etc. (**)	--	17,193,484	--	--	--	--
A. Net book value of financial assets that are neither past due not impaired	12,225,268	60,281,907	--	12,056,587	339,913,575	200,000
B. Net book value of financial assets which are overdue but not impaired	--	22,559,732	--	--	--	--
C. Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	8,703,297	--	--	--	--
- Impairment (-)	--	(8,703,297)	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
D. Off-balance sheet items with credit risk	--	--	--	--	--	--

(*) In determining the amount, factors that provide an increase in credit reliability, such as the guarantees taken, were not taken into account.

(**) The guarantees consist of collateral bonds received from customers, collateral checks and mortgages.

(***) Mutual funds shown in cash and cash equivalents, receivables from government bond reverse repo transactions with a maturity of less than 3 months, other ready values and currency-protected deposits in financial investments are included.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.1) Credit risk management (continued)

Exposure to maximum credit risk as of reporting date	Receivables					
	Trade Receivables		Other Receivables		Deposits in Banks	Other (***)
	Related Party	Other Parties	Related Party	Other Parties		
31 December 2023						
Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)	9,129,890	332,074,837	--	25,770,191	922,041,375	72,189
- Guarantee of maximum risk. The part secured by vs (**)	--	60,691,309	--	--	--	--
A. Net book value of financial assets that are neither past due not impaired	9,129,890	274,679,632	--	25,770,191	922,041,375	72,189
B. Net book value of financial assets which are overdue but not impaired	--	57,395,205	--	--	--	--
C. Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	11,655,832	--	--	--	--
- Impairment (-)	--	(11,655,832)	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
D. Off-balance sheet items with credit risk	--	--	--	--	--	--

(*) In determining the amount, factors that provide an increase in credit reliability, such as the guarantees taken, were not taken into account.

(**) The guarantees consist of collateral bonds received from customers, collateral checks and mortgages.

(***) Mutual funds shown in cash and cash equivalents, receivables from government bond reverse repo transactions with a maturity of less than 3 months, and other ready values are included.

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.1) Credit risk management (continued)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure to credit risks is monitored on a continuous basis.

The aging of the overdue but not impaired receivables are as follows:

Receivables			
31 December 2023	Trade Receivables	Other Receivables	Total
Past due 1-30 days	6,627,315	--	6,627,315
Past due 1-3 months	3,200,413	--	3,200,413
Past due 3-12 months	2,703,167	--	2,703,167
Past due 1-5 years	4,911,169	--	4,911,169
Past due more than 5 years	5,117,667	--	5,117,667
Total overdue receivables	22,559,732	--	22,559,732
Total collateralized portion	19,122,534	--	19,122,534

Receivables			
31 December 2023	Trade Receivables	Other Receivables	Total
Past due 1-30 days	20,321,594	--	20,321,594
Past due 1-3 months	17,329,748	--	17,329,748
Past due 3-12 months	19,427,151	--	19,427,151
Past due 1-5 years	316,712	--	316,712
Total overdue receivables	57,395,205	--	57,395,205
Total collateralized portion	34,596,438	--	34,596,438

Collaterals held for trade receivables that are past due but not impaired as of the reporting date are as follows:

	31 December 2024		31 December 2023	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Letter of guarantee	18,767,339	18,767,339	33,775,000	33,775,000
Cash deposit	105,195	105,195	734,811	734,811
Notes payable	250,000	250,000	86,627	86,627
Total	19,122,534	19,122,534	34,596,438	34,596,438

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.1) Credit risk management (continued)

b.2) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. On the other hand, derivative financial liabilities are presented based on their gross cash inflows and outflows which have not been discounted. Derivative instruments are settled and realized on a net basis based on their respective gross cash inflows and outflows which have not been discounted. When the receivables and payables are not fixed, the amount disclosed is calculated via an interest rate derived from yield curves as of the reporting date.

31 December 2024					
<u>Contractual maturities</u>	Book Value	Total cash outflows under the contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Loans and borrowings	4,282,658,063	5,361,566,955	1,150,534,789	3,906,672,868	304,359,298
Trade payables	143,542,875	143,542,875	143,542,875	--	--
Other payables	30,304,516	30,304,516	30,304,516	--	--
Total liabilities	4,456,505,454	5,535,414,346	1,324,382,180	3,906,672,868	304,359,298

31 December 2023					
<u>Contractual maturities</u>	Book Value	Total cash outflows under the contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial obligations					
Loans and borrowings	7,077,665,096	10,561,423,641	1,659,859,929	4,353,378,226	4,548,185,486
Trade payables	348,767,387	348,767,387	348,767,387	--	--
Other payables	59,481,631	59,481,631	59,481,631	--	--
Total liabilities	7,485,914,114	10,969,672,659	2,068,108,948	4,353,378,226	4,548,185,486

b.3) Market risk management

b.3.1) 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 31 December 2024 and 2023 are as follows:

Currency	31 December 2024		31 December 2023	
	Buying	Selling	Buying	Selling
US Dollar	35,2803	35,3438	42,5025	42,4925
Euro	36,7362	36,8024	47,0298	47,1145

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.3) Market risk management (continued)

b.3.1) 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:

31 December 2024			
	TRY Equivalent (Functional currency)	US Dollar	Euro
1. Trade Receivables	--	--	--
2a. Monetary Financial Assets	7,563,578	118,334	92,244
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. CURRENT ASSETS	7,563,578	118,334	92,244
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. NON CURRENT ASSETS	--	--	--
9. TOTAL ASSETS	7,563,578	118,334	92,244
10. Commercial Liabilities	28,329,397	117,368	657,054
11. Financial Obligations	--	--	--
12a. Other Monetary Liabilities	--	--	--
12b. Other Non-Monetary Liabilities	5,434,764	8,400	139,607
13. SHORT TERM LIABILITIES	33,764,161	125,768	796,661
14. Commercial Liabilities	--	--	--
15. Financial Obligations	--	--	--
16a. Other Monetary Obligations	--	--	--
16b. Other Non-Monetary Obligations	--	--	--
17. LONG TERM LIABILITIES	--	--	--
18. TOTAL LIABILITIES	33,764,161	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	(26,200,583)	(7,434)	(704,416)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10-11-12a-14-15-16a)	(20,765,819)	965	(564,809)
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 Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.3) Market risk management (continued)

b.3.1) Foreign currency risk management (continued)

31 December 2023			
	TRY Equivalent (Functional currency)	US Dollar	Euro
1. Trade Receivables	--	--	--
2a. Monetary Financial Assets	4,502,508	59,750	41,739
2b. Non-Monetary Financial Assets	4,747,522	--	100,947
3. Other	--	--	--
4. CURRENT ASSETS	9,250,030	59,750	142,686
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. NON CURRENT ASSETS	--	--	--
9. TOTAL ASSETS	9,250,030	59,750	142,686
10. Commercial Liabilities	--	--	--
11. Financial Obligations	--	--	--
12a. Other Monetary Liabilities	--	--	--
12b. Other Non-Monetary Liabilities	25,569,050	223,221	340,966
13. SHORT TERM LIABILITIES	25,569,050	223,221	340,966
14. Commercial Liabilities	--	--	--
15. Financial Obligations	--	--	--
16a. Other Monetary Obligations	--	--	--
16b. Other Non-Monetary Obligations	--	--	--
17. LONG TERM LIABILITIES	--	--	--
18. TOTAL LIABILITIES	25,569,050	223,221	340,966
19. Net asset/liability position of off balance sheet derivatives (19a-19b)	--	--	--
19.a Off-balance sheet foreign currency derivative assets	--	--	--
19b. Off-balance sheet foreign currency derivative liabilities	--	--	--
20. Net foreign currency asset / liability position	(16,319,020)	(163,471)	(198,280)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10-11-12a-14-15-16a)	4,502,508	59,750	41,739
22. Fair Value of foreign currency hedged Financial asset	--	--	--
23. Hedged foreign currency assets	--	--	--
24. Hedged foreign currency liabilities	--	--	--

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

b.3) Market risk management (continued)

b.3.1) 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.

31 December 2024		
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
<u>If US Dollar changes against TRY by 10%</u>		
US Dollar net asset / liability	3,405	(3,405)
Portion hedged against US Dollar risk (-)	--	--
US Dollar net effect	3,405	(3,405)
<u>If the Euro Changes 10% Against the TRY by 10%:</u>		
Euro net asset / liability	(2,074,895)	2,074,895
Portion hedged against Euro risk (-)	--	--
Euro net effect	(2,074,895)	2,074,895
31 December 2023		
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
<u>If US Dollar changes against TRY by 10%</u>		
US Dollar net asset / liability	253,949	(253,949)
Portion hedged against US Dollar risk (-)	--	--
US Dollar net effect	253,949	(253,949)
<u>If Euro changes against TRY by 10%</u>		
Euro net asset / liability	196,297	(196,297)
Portion hedged against Euro risk (-)	--	--
Euro net effect	196,297	(196,297)

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2024 unless otherwise indicated.)

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

b.3) Market risk management

b.3.2) Interest rate risk management

Interest rate risk represents the risk of fair value decrease in the Company’s interest rate sensitive assets due to market fluctuations.

Mutual funds classified as financial asset at fair value through profit or loss in accompanying financial statements is subject to price risk depending on price changes.

There are no debt securities of the Company classified as financial asset at fair value through profit or loss in accompanying financial statements as of 31 December 2024 and 2023.

As of 31 December 2024 and 2023, the Company has no financial liabilities with variable interest rates.

Interest Rate Table		
	31 December 2024	31 December 2023
Fixed Rate Financial Instruments		
Financial Assets		
<i>Financial assets classified at fair value through profit or loss</i>	--	--
<i>Time deposits at banks</i>	332,239,385	917,427,984
Financial Liabilities	4,282,658,063	7,077,665,096
Floating Interest Rate Financial Instruments		
Investment Funds	--	--

b.3.3) Equity price risk

As of 31 December 2024, company has no equity in their portfolio. Therefore, there is no equity price risk.

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

29. Fair value of financial assets and liabilities

Financial assets

Financial investments recognized in financial statements are reflected at fair values. The Company assumes that the carrying values of the cash and cash equivalents are close to their fair value because of their short-term nature.

Financial liabilities

The Company assumes that the carrying values of the floating interest rate banks loans are close to their fair value, since floating interest rate banks loans are re-priced recently. The Company assumes that the carrying values of the fixed interest rate banks loans are close to their fair value, since the opening date of the bank loan is close to the reporting period and there is no significant change in the market interest rates. The estimated fair value of fixed rate financial liabilities is calculated by using discounted cash flows using current market interest rates. As of 31 December 2024, the net book value is TRY4,282,658,063 and its fair value is close to its net book value.(31 December 2023: TRY7,077,655,096)

	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Carrying value	Note
31 December 2024						
<i>Financial assets</i>						
Cash and cash equivalents	340,113,575	--	--	--	340,113,575	5
Financial investments	--	1,910,172,252	--	--	1,910,172,252	6
Trade receivables	100,035,123	--	--	--	100,035,123	8
Due from related parties	12,225,268	--	--	--	12,225,268	27
Other financial assets	12,056,587	--	--	--	16,092,630	9
<i>Financial Liabilities</i>						
Loans and borrowings	--	--	4,282,658,063	--	4,282,658,063	7
Trade payables	--	--	55,992,209	--	55,992,209	8
Trade payables to related parties	--	--	87,550,666	--	87,550,666	27
Other payables	--	--	30,304,516	--	30,304,516	9
Derivative instruments	--	--	--	--	--	6
31 December 2023						
<i>Financial assets</i>						
Cash and cash equivalents	922,113,564	--	--	--	922,113,564	5
Financial investments	--	2,069,017,692	--	--	2,069,017,692	6
Trade receivables	332,074,838	--	--	--	332,074,838	8
Due from related parties	9,129,890	--	--	--	9,129,890	27
Other financial assets	25,770,191	--	--	--	25,770,191	9
Derivative instruments	--	--	--	--	--	6
<i>Financial Liabilities</i>						
Loans and borrowings	--	--	7,077,665,096	--	7,077,665,096	7
Trade payables	--	--	296,576,826	--	296,576,826	8
Loans and borrowings from related parties	--	--	52,190,561	--	52,190,561	27
Other payables	--	--	59,481,631	--	59,481,631	9

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

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29. Fair value of financial assets and liabilities (continued)

Fair Value of Financial Instruments

The fair value of financial assets and liabilities are determined as below:

Level I: Financial assets and liabilities are carried at quoted prices in an active market which are used for similar financial assets and liabilities.

Level II: Other than quoted prices specified in Level I, financial assets and liabilities are carried at inputs used to determine direct or indirect observable market prices.

Level III: Financial assets and liabilities are carried at inputs which are used in determining fair value of financial assets and liabilities but not based on any observable market data.

The levels of the financial assets and liabilities presented in fair values are as follows:

Assets at fair value	31 December 2024	Level 1	Level 2	Level 3
Investment properties	36,781,687,000	--	36,781,687,000	--
Tangible assets	379,235,675	--	379,235,675	--
Financial assets held for trading	1,910,172,252	--	1,910,172,252	--
	39,071,094,927	--	39,071,094,927	--
Assets at fair value	31 December 2023	Level 1	Level 2	Level 3
Investment properties	35,287,645,842	--	35,287,645,842	--
Tangible assets	370,077,085	--	370,077,085	--
Financial assets held for trading	2,069,017,692	--	2,069,017,691	--
	37,726,740,619	--	37,726,740,618	--

30. Fees for services received from independent auditor/independent audit firm

As of 31 December 2024, the services and related fees received by the Company from the independent audit company are as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	1,272,500	958,675
Fee for other non-audit services	506,380	--
Fees for tax attestation consultancy services	250,000	173,255
	2,028,880	1,131,930

31. Events after the reporting period

The company issued financial bonds with a total nominal value of TRY750,000,000 in January and February.

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

(Amounts are expressed in TRY based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024 unless otherwise indicated.)

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

	Unconsolidated (individual) financial statement main account items	Related regulation	31 December 2024	31 December 2023
A	Capital and money market instruments	III-48.1. Md. 24 / (b)	795,351,975	1,504,428,378
B	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)	46,261,458,246	45,357,298,039
C	Affiliates (*)	III-48.1. Md. 24 / (b)	36,973,301	32,034,180
	Due from related parties (other receivables)	III-48.1. Md. 23 / (f)	--	--
	Other assets		564,583,770	975,084,876
D	Total assets (Total assets)	III-48.1. Md. 3 / (p)	47,658,367,292	47,868,845,473
E	Loans and borrowings	III-48.1. Md. 31	4,282,658,063	7,077,665,095
F	Other financial liabilities	III-48.1. Md. 31	45,605,240	31,408,701
G	Leasing 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	39,110,049,089	39,030,144,783
	Other resources		4,220,054,900	1,729,626,894
D	Total liabilities and equity	III-48.1. Md. 3 / (k)	47,658,367,292	47,868,845,473
	Other separate financial information	Related regulation	31 December 2024	31 December 2023
A1	Capital and money market instruments amount held for 3-year real estate payments	III-48.1. Md. 24 / (b)	--	--
A2	Foreign Currency Time Deposit / Special Current-Participation Account and TL Time Deposit /Participation Account	III-48.1. Md. 24 / (b)	340,113,575	922,041,375
A3	Foreign capital market instruments	III-48.1. Md. 24 / (d)	--	--
B1	Foreign real estates, rights supported by real estates and real estate projects	III-48.1. Md. 24 / (d)	--	--
B2	Inactive land	III-48.1. Md. 24 / (c)	23,500,000	26,226,404
C1	Foreign affiliates	III-48.1. Md. 24 / (d)	--	--
C2	Participating to operating company	III-48.1. Md. 28	36,973,301	32,034,180
J	Non-cash loans	III-48.1. Md. 31	419,324,418	53,431,613
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)	339,805,568	922,113,028

(*)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 31 December 2024, the Company's participation in Kanyon is TRY500.000 and does not exceed 10% of the total assets.

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Notes to the Condensed Financial Statements For the Year Ended 31 December 2024

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

Portfolio restrictions	Related regulation	31 December 2024	31 December 2023	Minimum / Maximum rate
1 Mortgage amounts of the mortgaged lands that the project will be developed on without ownership	III-48.1. Md. 22 / (e)	0%	0%	Maximum 10%
2 Real estates, rights supported by real estates and real estate projects. Real estate investment fund of the first paragraph of article 28, in which they have 100% participation in their participation shares and capital.	III-48.1. Md. 24 / (a). (b)	97%	95%	Minimum 51%
3 Capital and money market instruments and subsidiaries	III-48.1. Md. 24 / (b)	2%	3%	Maximum 49%
4 Foreign real estates, rights supported by real estates and real estate projects, affiliates and capital market instruments	III-48.1. Md. 24 / (d)	0%	0%	Maximum 49%
5 Inactive land	III-48.1. Md. 24 / (c)	0%	0%	Maximum 20%
6 Participating to operating company	III-48.1. Md. 28/1 (a)	0%	0%	Maximum 10%
7 Borrowings limits	III-48.1. Md. 31	12%	18%	Maximum 500%
8 Foreign Currency Time Deposit / Special Current-Participation Account and TRY Time Deposit / Participation Account	III-48.1. Md. 24 / (b)	1%	2%	Maximum 10%
9 The sum of investments in money and capital market instruments in a single company	III-48.1 Md. 22 / (1)	1%	2%	Maximum 10%

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