

iş GYO



25<sup>TH</sup>  
YEARS

# SOLID SIGNATURE

Reliable and accurate investments have been  
bearing the same solid signature for 25 years.

## ANNUAL REPORT 2024





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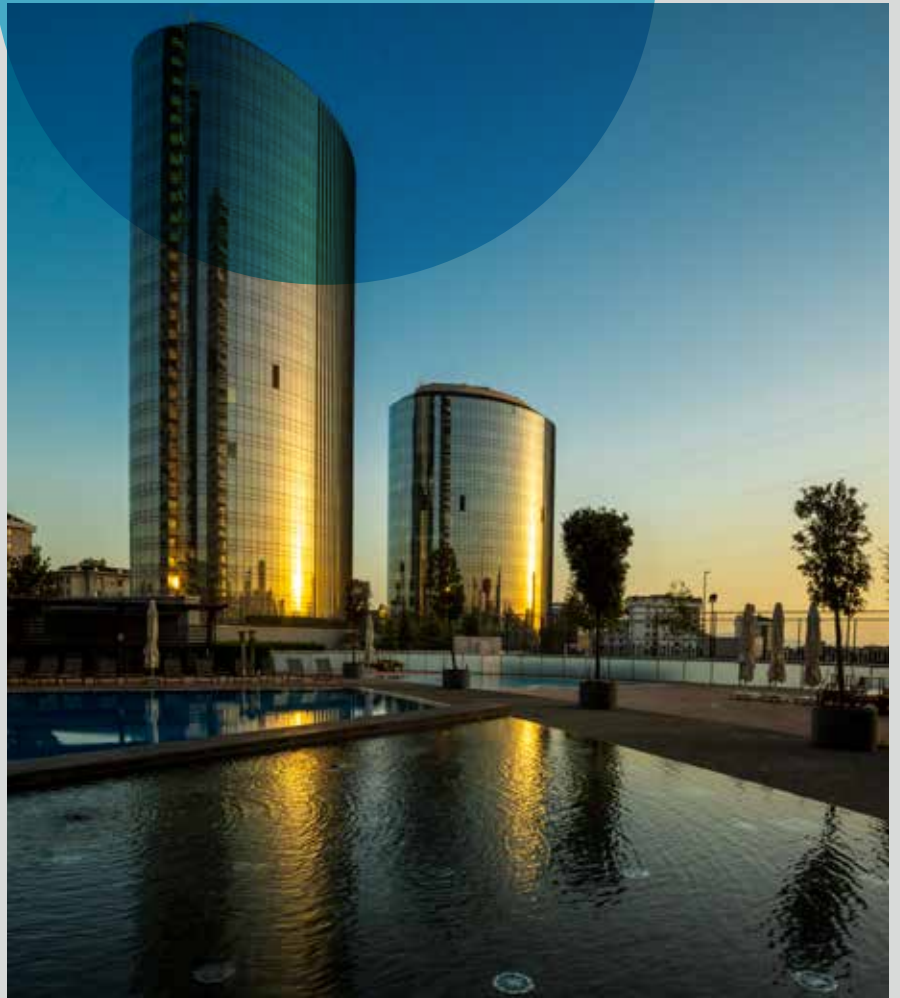




We are aptly

**managing**

our diversified  
and well-balanced  
portfolio.





We are

**preserving**

our solid financial  
performance and  
profitability.





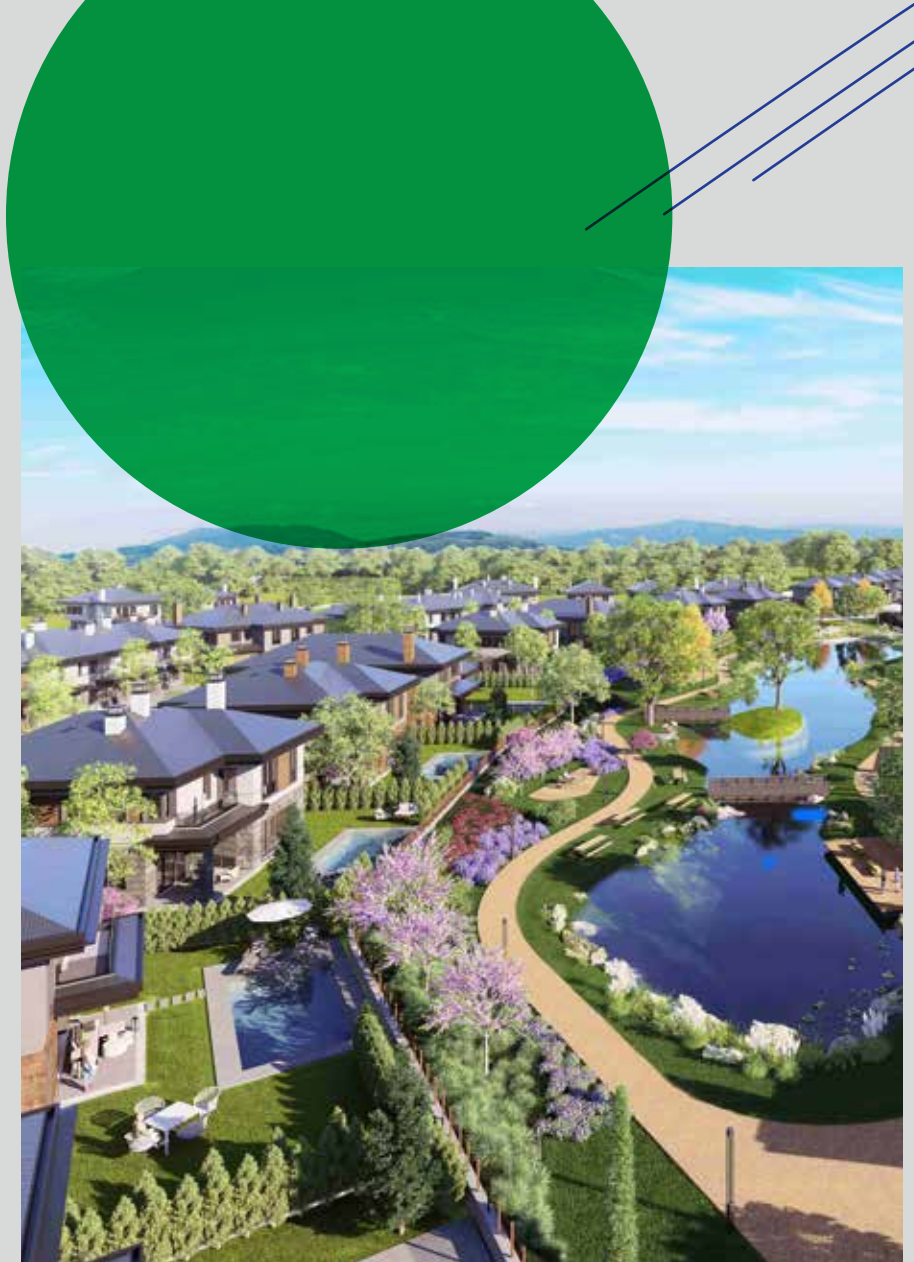


We will

**continue**

to create value relying  
on our business conduct  
philosophy encompassing  
transparency, accountability  
and responsibility principles.







We are

**working**

to increase the shared  
value we generate on  
the back of our quality  
portfolio.







İş Gayrimenkul Yatırım Ortaklığı A.Ş. (İş REIC) was founded through the takeover of Merkez Gayrimenkul Yatırım ve Proje Değerlendirme A.Ş. by İş Gayrimenkul Yatırım ve Proje Değerlendirme A.Ş. on 6 August 1999, which was then transformed into a real estate investment trust.

Blending its market prestige backed by the deep-rooted corporate principles and financial strength of its parent İşbank Group with its sectoral experience and vision, İş REIC develops

distinguished projects and maintains a healthy growth process since the day it was founded.

One of the sector's prominent companies with its diversified and well-balanced portfolio and robust financial structure, İş REIC focuses on providing its investors with an optimal possible risk-return trade-off.

Using its solid shareholders' equity, funding facilities and sustainable

sources generated on regular rental income derived on its high quality portfolio to finance its new investments, İş REIC takes sure-footed steps based on its determination to strengthen its position in the sector.

İş REIC, which invests in real estate properties and real estate projects, carry out its activities in compliance with the requirements of the Capital Markets Board of Türkiye (CMB) laws and regulations.

## İş REIC in Brief

Realizing its new investments uninterruptedly on the back of sustainable rental income derived on its high quality portfolio, solid shareholders' equity, and funding facilities, **İş REIC targets to advance its position in the sector by increasing its growth momentum.**



**Registered Capital**  
TL 7,000,000,000

**Date / Price of IPO**  
1-3 December 1999 - TL 1.4

**BIST Trading Symbol**  
ISGYO

**Date of Trading (BIST)**  
9 December 1999

**BIST Indices**  
BIST 500 / BIST All Shares /  
BIST REIC / BIST Financials / BIST All-  
100  
BIST Stars / BIST Sustainability

**Issued Capital**  
TL 958,750,000

**Tax Office / No**  
İstanbul - Large Taxpayers 4810137715

**Trade Registry Office / No**  
İstanbul / 402908

**Corporate Title**  
İş Gayrimenkul Yatırım Ortaklığı A.Ş.

**Company Headquarters**  
İş Kuleleri Kule 2 Kat: 10-11  
34330 Levent/İstanbul

**Registered e-Mail**  
isgyo@hs02.kep.tr

**MERSİS**  
0481013771500018



# leading

## Vision

To be an exemplary and reliable company in the global sense not only by the projects it undertakes, but also with the way it conducts business, by its organizational structure, corporate values and management approach.

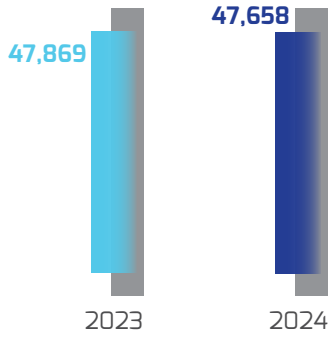
## Mission

To create desirable spaces for contemporary people and contemporary cities. To maximize the collective value of the portfolio for the shareholders through sustainable growth and profitability by utilizing our investments and resources effectively.

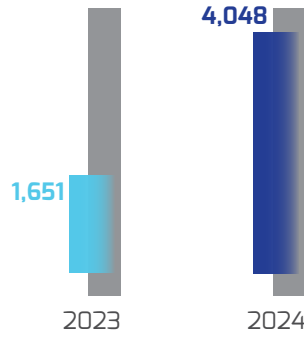
## Objectives

- To ensure sustainable profitability and growth with effective portfolio management.
- To provide high capital gains and dividend yield to shareholders with stable growth and profitability.
- To maintain its leading position in the Turkish real estate sector with its strong capital structure.
- To develop projects that are environmentally friendly, sustainable and focused on customer satisfaction.

## Total Assets (TL million)



## Sales Revenue (TL million)



## Key Financial Highlights

İş REIC booked TL 892 million in net profit in 2024.

Balance Sheet (TL million)	31.12.2023	31.12.2024
Current Assets	5,993	3,085
Non-current Assets	41,877	44,573
<b>Total Assets</b>	<b>47,869</b>	<b>47,658</b>
Short-term Liabilities	5,316	4,936
Long-term Liabilities	3,523	3,613
Shareholders' Equity	39,030	39,110
<b>Total Liabilities</b>	<b>47,869</b>	<b>47,658</b>

TL **4.0** billion

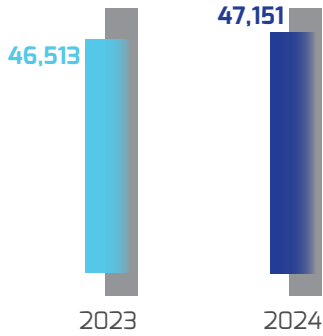
In 2024, İş REIC booked TL 4.0 billion in revenues, up by 145%.

Financial Indicators (TL million)	31.12.2023	31.12.2024
Sales Revenue	1,651	4,048
Cost of Sales	462	2,674
Gross Profit/Loss	1,188	1,374
Net Period Income	4,521	892
Return on Assets (%)	9	2
Return on Equity (%)	12	2

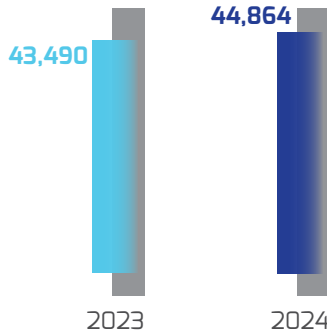
Financial Structure (TL million)	31.12.2023	31.12.2024
Total Liabilities	8,839	8,548
Shareholders' Equity	39,030	39,110
Financial Liabilities	7,078	4,283
Equity Ratio (%)	82	82
Financial Leverage Ratio (%)	18	18
Financial Liabilities/Total Assets (%)	15	9



## Total Portfolio Value (TL million)



## Real Estate Portfolio (TL million)



## Credit Ratings

Saha Kurumsal Yönetim ve Kredi  
Derecelendirme Hizmetleri A.Ş.

**(TR) A1+**

Short-Term National Rating  
Outlook: Stable

**(TR) AA**

Long-Term National Rating  
Outlook: Stable

Portfolio Breakdown - 2024	TL million	% Share
Office	30,775.5	65.3
Shopping Mall	6,351.5	13.5
Project	5,225.2	11.1
Inventory <sup>(*)</sup>	2,334.7	5.0
Land	177.3	0.4
Money & Capital Market Instruments	2,250.3	4.8
Subsidiaries	37.0	0.1
<b>Total</b>	<b>47,151.5</b>	<b>100.0</b>

<sup>(\*)</sup> Reflects the cost of units on sale in Manzara Adalar and Topkapı İnistanbul,

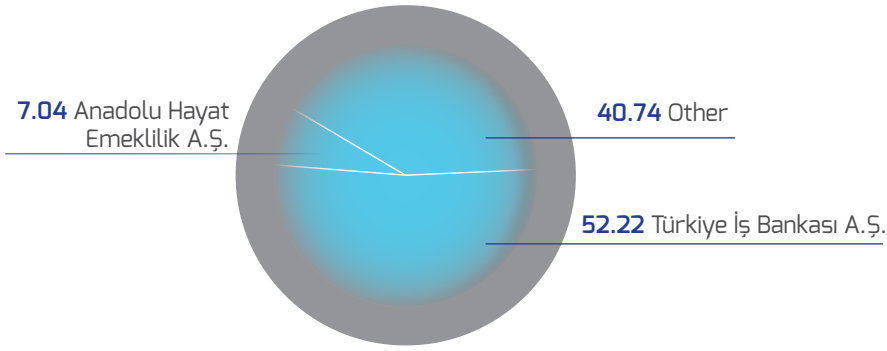
Portfolio Development (TL million)	2023	2024
Real Estate Portfolio	43,490	44,864
Total Portfolio Value	46,513	47,151

TL **47.2** billion

In 2024, İş REIC's total  
portfolio value reached  
TL 47.2 billion.

stable

## Shareholder Structure (%)



## Capital and Shareholder Structure

### Capital Structure

İş REIC's issued capital amounts to TL 958,750,000 of which 52.22% is held by Türkiye İş Bankası A.Ş. (İşbank). İşbank, the Company's shareholder, has management control over the Company; there are no non-corporate shareholders holding directly more than 5% in the capital of the shareholder.

The Company's issued capital is divided into 958,750,000 shares, each with a nominal value of TL 1; out of these shares, the portion corresponding to TL 1,369,642.817 make up Group A shares and the portion corresponding to TL 957,380,357.183 make up Group B shares. Group A shares are entitled to specific preferential rights with

respect to their representation on the Company's Board of Directors: only one seat on the board is filled from among candidates designated by Group B shareholders while all the remaining seats are filled from among candidates designated by Group A shareholders.

**During the reporting period, the Company did not carry out a capital increase through rights or bonus issues.**

Under the existing capital market legislation and the Turkish Commercial Code (TCC), companies are allowed to acquire their own shares. In 2024, the Board of Directors did not pass any decisions regarding the purchasing of the Company stock, and hence, share buyback did not occur during the reporting period.

Article 14 of the CMB Communiqué (III-48.1) on the Principles Regarding Real Estate Investment Companies sets out that real estate investment trusts may issue shares that incorporate the privilege to nominate candidates for election of board of directors members. REICs are not allowed to issue any instrument that incorporates any preferential right other than shares that allow their holders to designate candidates for seats on their boards of directors. The Company's articles of association contain no provisions pertaining to special voting rights, and each share with a nominal value of TL 1 is entitled to one vote.

There were no significant changes in the Company's shareholder structure during the reporting period.

Shareholder Structure	TL	Share (%)
Türkiye İş Bankası A.Ş.	500,638,264.70	52.22
Anadolu Hayat Emeklilik A.Ş.	67,476,714.29	7.04
Other	390,635,021.01	40.74
<b>Total</b>	<b>958,750,000.00</b>	<b>100.00</b>

\*Source: Public Disclosure Platform

The nominal value of the Company's shares in free float is TL 371.1 million, which corresponds to 38.71% of the Company's capital.

### Subsidiaries

Currently, the Company has only one subsidiary: Kanyon Yönetim İşletim ve Pazarlama A.Ş.

There are no companies with which the Company has cross-shareholding relationship.

### Kanyon Yönetim İşletim ve Pazarlama A.Ş. (Kanyon)

Kanyon, in which İş REIC and Eczacıbaşı each holds 50% of the company's

common stock, has been established on 6 October 2004 to engage primarily in the management, operation and marketing activities of the residence, store, commercial or office buildings. The capital of Kanyon is TL 1 million, in which İş REIC currently controls 50% stake.

In 2024, BIST REIC Index gained value by 47%, and İş REIC stock by nearly 21%.

## Stock Performance

With a market capitalization of approximately TL 18 billion as of 31 December 2024, the Company represents approximately 3.51% of the real estate investment trusts sector.

In 2024, BIST 100 Index gained value by 32%, and İş REIC stock by nearly 21% in terms of Turkish lira.

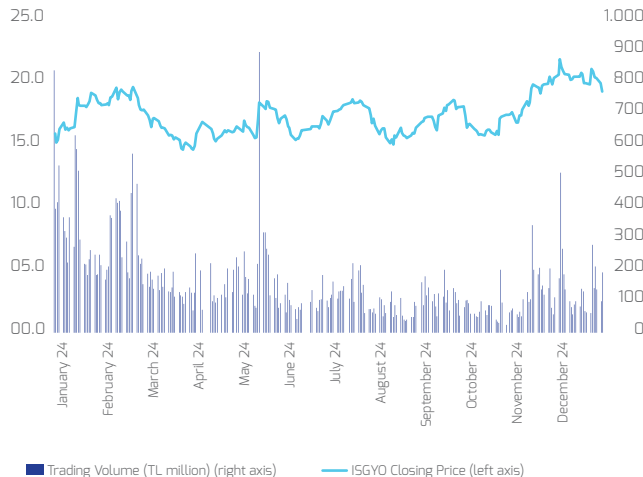
The average daily trading volume of the Company stock, which is traded on the BIST Star Market, was worth nearly TL 160 million in 2024.

Stock Performance	31.12.2023	31.12.2024
Market Capitalization (TL million)	14,870	17,986
Market Share (%)	4.5	3.51
Earnings per Share (TL)	4.72	0.11
P/E Ratio	4.75	6.3
P/BV	0.55	0.54

**BIST 100 Index, BIST REIC Index and ISGYO Comparison**



**ISGYO Trading Volume and Price**





İş REIC went public and its shares began to be traded on the İstanbul Stock Exchange.

**1999**

Kanyon Shopping Mall, Türkiye's first semi-open air shopping mall, opened its doors.

**2006**

İstanbul International Financial Center Project construction began.

**2015**

## Milestones in İş REIC's History

### 1999

- İş REIC went public and its shares began to be traded on the İstanbul Stock Exchange.

### 2004

- The foundations for Kanyon Mixed-Use Project were laid in the most valuable location in İstanbul.

### 2005

- The Company was named the "Best Developer in Türkiye" by Euromoney magazine.

### 2006

- Kanyon Shopping Mall, Türkiye's first semi-open air shopping mall, opened its doors.
- Review Architectural Award was presented to Kanyon.

### 2007

- Esenyurt Hypermarket project developed on a turnkey-delivery basis opened for service.

### 2009

- Marmara Park investment, a regional shopping center, was initiated upon creation of the superficies right in the name of Ece Türkiye for 72 years.

### 2010

- Kapadokya Lodge Hotel and Club Magic Life Kemer Imperial Hotel were added to the portfolio, thus giving momentum to tourism investments.

### 2011

- Sign of the City-award-winner Tuzla Çınarlı Bahçe Residential Project construction and sales began.

### 2012

- The Marmara Park Shopping Mall was opened.

- The foundation was laid for Ege Perla, the first mixed-use project in İzmir.
- Construction work began for Tuzla Technology and Operation Center Project, which was developed on turnkey-delivery model for İşbank, and for the Tuzla mixed-use project.

### 2013

- Taksim Office Lamartine project was completed and opened.

### 2014

- Property was purchased for the collective housing project to be developed in Topkapı, which marked the first step of İş REIC & NEF investment.
- Manzara Adalar project launch took place, which was built in Kartal, the up-and-coming district of İstanbul.

### 2015

- İstanbul Project launch took place.
- İstanbul International Financial Center Project construction began.
- Kartal Manzara Adalar project claimed the bronze award at the Crystal Apple Türkiye Advertising Awards with its advertising film.
- Kartal Manzara Adalar Project was elected the "Premium Project" in the "Best Marketing Campaign" category at the Sign of the City Awards.
- İstanbul Project was awarded in the "Best Architectural Design Concept" category at the Sign of the City Awards.
- İşbank Technology and Operation Center Project and Tuzla Mixed-Use Project were awarded in the "Best Office" category at the Sign of the City Awards.

### 2016

- Tuzla Technology and Operation Center Project and Tuzla Mixed-Use Project were completed and became operational.
- Rental income increased significantly after Tuzla Technology and Operation Center Project and Tuzla Mixed-Use Project became operational.
- A plot was purchased for the planned residential investment development in Tuzla.
- Kartal Manzara Adalar Project received the "Best High-Rise Residence" award at the Sign of the City Awards.
- The Company acquired a 45% stake in the hotel investment project, which is planned to be developed in Kadıköy.

### 2017

- Ege Perla Shopping Mall was opened.
- Ege Perla Project claimed the best office and the best local shopping mall awards at the Sign of the City Awards.

### 2018

- Deliveries started at the Kartal Manzara Adalar project.
- Deliveries of 1<sup>st</sup> and 2<sup>nd</sup> phases started at İnistanbul.

### 2019

- İş REIC was named "The ONE" in 2019 in the Real Estate and Construction Industry category at "The ONE Integrated Marketing Awards".
- Offices and commercial spaces in the Kartal Manzara Adalar project were securitized and transferred to İş Portföy Yönetimi A.Ş. Second Real Estate Investment Fund.

Development work started for the project planned to be built on the plot in Altunizade quarter, Üsküdar district in İstanbul.

**2021**

Our Company has become a signatory to the UN WEPs

**2023**

**The Company qualified to be included in BIST Sustainability Index**

**2024**

- Kapadokya Lodge Hotel was sold.
- Deliveries of the 3<sup>rd</sup> phase were completed at İnistanbul.
- The Office building in Tuzla Mixed Use Project and some commercial spaces in Tuzla Meydan Mall were sold to Türkiye Şişe ve Cam Fabrikaları A.Ş.

#### **2020**

- Plot entailing a license for villa construction located in Ömerli quarter, Çekmeköy district in İstanbul province was purchased.
- Deliveries in the 4<sup>th</sup> phase of İnistanbul Project were completed to a large extent.

#### **2021**

- Development work started for the İş REIC-Tecim Yapı joint project planned to be built on the plot in Altunizade quarter, Üsküdar district in İstanbul.
- Construction commenced for the project comprised of 16 villas built on the plot in Çekmeköy district in İstanbul, which will form part of Kasaba Evleri. The sales process of the project is completed.

#### **2022**

- Deliveries were completed in the 16-villa project forming part of the Kasaba Evleri Project.
- Project plots with an approximate total area of 73 thousand m<sup>2</sup> were included in the portfolio as part of Kasaba Evleri Project.
- Balmumcu building was included in the portfolio.
- The construction of Litus İstanbul Residential project continued.
- Decision was made to acquire Profilo Shopping Mall for the portfolio.

#### **2023**

- Construction and sales activities continued for Litus İstanbul Residential project.
- Development of Balmumcu Project was carried on.
- Project development activities continued for the plot with an approximate area of 53 thousand m<sup>2</sup> in Tuzla that our Company added to its portfolio.
- Development work continued for the project comprised of 165 villas on the plot that our Company acquired for its Kasaba Evleri Project.
- Our Company has become a signatory to the United Nations Women's Empowerment Principles (UN WEPs), a joint initiative by UN Global Compact and UN Women.
- Following the addition of Profilo Shopping Mall to the portfolio, an agreement was signed with Artas İnşaat regarding project development based on revenue sharing for plot interest and construction in return for flat model.
- The construction activities of İstanbul Financial Center Project have been completed to a significant degree.
- Committed to improving its performance in ESG matters and sustainability area, our Company commenced the necessary work during the reporting period in line with its target to be included in Borsa İstanbul's Sustainability Index.

#### **2024**

- Litus İstanbul Residential Project was mostly completed, and housing deliveries started in June 2024. Also

sales activities continued for the project.

- The demolition of the old building existing on the plot of the Balmumcu Project was completed and development work was carried on.
- Construction activities at İstanbul Financial Center Project were brought to completion.
- Strategic partnership was established with MDSap to accelerate digital transformation, and SAP S/4 HANA Rise Project was launched. The project will allow the Company to achieve critical goals such as digitalization and automatization of all work processes.
- The Company qualified to be included in BIST Sustainability Index thanks to its environmental, social and governance (ESG) initiatives within the scope of its sustainability policies.
- Parcel no. 110 (which houses Marmara Park Shopping Mall) and adjacent parcels no. 102 and 103 on Block 21 in Esenyurt district in İstanbul province were sold in October.
- The independent section no. 50 within İş Towers Complex located in Beşiktaş district in İstanbul province was purchased from İşbank and included in the portfolio.
- Developed on a 138-acre land that was included in the portfolio within the scope of the Kasaba Evleri Project and comprising 165 villas, Kasaba Modern Project was launched and 61 villas taking place in the first phase of the project were put on the market.

Ever since our very first day, we have set the course of our activities based on high-quality projects we have completed. **We sustained our balanced and consistent growth in keeping with our approach to create more value for all our stakeholders and our country alike.**

## Message from the Chairman



# solid signature

# growth

Turkish economy sustained its growth in 2024 despite the monetary tightening across the world, economic and geopolitical risks.

**Dear Stakeholders,**

**2024 was overshadowed by global, economic and geopolitical ambiguities.**

2024 has been a year in which elements of recovery and volatility co-existed in the world economy. While reshaped supply chains in the aftermath of the pandemic, geopolitical tensions and turbulences in energy markets repressed global growth, regional couplings became more pronounced. The uncertainty was further backed by the anticipated growth of the world economy that remained elusive, and elections that were held in several countries, especially in the US and European countries that represent Türkiye's main market.

Although inflation is far from targeted levels in many countries, tight monetary policies of major central banks started producing results gradually. As the US Federal Reserve System (the Fed) and the European

Central Bank (ECB) kept interest rates under control, economies such as China continued to pursue balance through policies encouraging growth.

The IMF estimated global growth at 3.2% in 2024. Projections by the IMF and the World Bank indicate that growth rates of countries will remain moderate and developing economies will act as the driving engine in 2025. On another front, the worldwide downtrend in interest rates is anticipated to provide the ground for liquidity to take different turns, especially towards investment. Conversely, differing opinions weigh towards stagnation in global recovery upon the rising of protectionist policies in particular in the new presidential era in the US.

On the other hand, the Turkish economy sustained its growth in 2024 despite the monetary tightening across the world, economic and geopolitical risks. According to the Turkish

Statistical Institute (TURKSTAT) data, the national economy grew by 3.2% in the first nine months of the year. The IMF estimates that our economy will register 3% expansion for the whole year.

For Türkiye, 2024 has been a year of tight monetary policies embraced by the economy administration to fight inflation, followed by gradual outcomes that resulted from these policies. While the Central Bank of the Republic of Türkiye (CBRT)'s target to reduce inflation by increasing policy rates were material with respect to protecting the value of the Turkish currency and ensuring price stability, it brought along several achievements including increased reserve levels by the CBRT, higher country rating, and declined risk premiums.

While inflation started displaying a downward tendency as the result of the economy policies executed particularly lately, the CPI ended the



In 2025, as we carry on with our existing projects, **we will keep working in line with our plans to put our new projects into life.**

## Message from the Chairman

year on the order of 44.4%. Naturally, tightening policies had outcomes that restrained growth as they repressed credit volume and domestic demand; however, we predict that this outcome borne for the sake of ensuring stability is transitory. In this context, we regard 2025 as a year that needs to be made the best of. The stage for the CBRT's transitioning to a cautious rate cutting process, 2025 will be a year of sustained gradual exit from the tight monetary policy, once inflation is taken under control.

### **Real estate will strengthen its position as one of the driving engines of our economy.**

In 2024, the Turkish real estate sector displayed growth despite economic hardships. Housing sales, which exhibited stronger uptrend particularly in the third quarter of the year, peaked in December to end the whole year with increase.

While housing sales picked up, mortgage sales and real residential price index dropped. In addition, the rise in construction costs and economic circumstances negatively influenced the sector.

There was stirred activity also on the office front due to several factors including the growing degree of return-to-office, regional shifts and the tendency to scale down building usage areas. Apart from İstanbul Financial Center region, the occupancy rate was extremely high in the Central Business District (CBD) Europe, especially along Levent-Maslak line, where new supply is very limited. In addition, monthly rents were high in USD terms. As the retail front was also noted for its liveliness, the consumption stir in shopping malls enabled increased rental income in USD terms. However,

it has been a year of restricted new supply in shopping malls, as was the case in office spaces.

### **As we celebrate our 25<sup>th</sup> year...**

Ever since our very first day, we have set the course of our activities based on high-quality projects we have completed. We sustained our balanced and consistent growth in keeping with our approach to create more value for all our stakeholders and our country alike. One hundred years of strength and experience that İşbank possesses are assets of the utmost value for our Company. This knowledge and experience of one hundred years provide a major contribution to our way of doing business.

2024 that marked the 25<sup>th</sup> anniversary of our Company has been an important year for İş REIC. We lived the well-



deserved pride of putting our “solid signature” under initiatives that are accepted as the symbol of quality and trust in our sector as the total area of the projects we have undertaken to date exceeded 1.5 million square meters.

Our highly talented and specialized team, our entire ecosystem spanning our project partners, contractors, companies that provide consultancy services and financial institutions we work with act with the vision of being a “role model and reliable”. We reflect this corporate competency and advantages in our way of doing business.

#### **Signals of revival in the housing market and 2025 outlook**

We consider the upturn in housing sales figures from the second half of 2024 as a promising development for the

sector. It can be suggested that the anticipated rate cuts in 2025 will revive the market. While individual demand is expected to increase, particularly first-home buyers and investors might play an active role in the housing market. As for commercial properties, the course of the market will possibly be affected by technological and environmental factors, as well as economic circumstances.

2025 embodies both opportunities and challenges for the real estate market - globally and locally. It is of the utmost importance to consider economic indicators, sector trends and sustainability criteria when making strategic decisions.

At İş REIC, we will carry on with our projects in the coming period, while analyzing the current environment adeptly. As we carry on with our existing projects, we will keep working in line with our plans to put our new projects into life. We will keep generating added value for our Company and for all our stakeholders.

On behalf of our Board of Directors, I would like to thank all our stakeholders who believe in a better future and contribute towards it.

Sincerely,

Can Yücel  
Chairman

We completed 2024 that marked our 25<sup>th</sup> anniversary posting successful results **by implementing the right strategy and taking the right actions drawing on our market experience and expertise.**

## Message from the CEO



a year of production

# TL 47.2 billion

Total portfolio value of our Company that boasts a well-balanced portfolio reached TL 47.2 billion.

**Dear Stakeholders,**

**We successfully ended 2024 that marked our 25<sup>th</sup> anniversary on track with our targets.**

Monetary tightening that was undergone on global and local scale negatively affected the real estate sector, as it did other sectors. Despite these challenging conditions, we completed 2024 posting successful results by implementing the right strategy and taking the right actions drawing on our market experience and expertise.

In 2024 that marked our 25<sup>th</sup> anniversary, our main focus was on our ongoing projects. Following the previous two years we regard as the incubation period and devoted to the preparations for our new projects and new investments that were the scene to high interest and inflation rates, we used 2024 as a year of production. On the residential front, we have completed our Litus İstanbul Project located in Altunizade to a large extent, and started the delivery of housing units. In 2024, our sales continued at a growing pace alongside the deliveries.

Again in 2024, we completed our İstanbul Financial Center Project. In November 2024, we put on the market 61 villas taking place in the first phase of the 165-villa Kasaba Modern Project that makes the final phase of Kasaba Evleri, a project we realized in Ömerli, İstanbul in collaboration with Tecim that blends life at the heart of nature with a modern style.

In this journey we set out on as İŞ REIC with the goal of creating value for all stakeholders, we have delivered approximately 5 thousand housing units on a total construction area of over 1.5 million square meters on the basis of our investments in the housing sector alone over the course of these 25 years. We continue to work to add new ones to our projects in 2025.

On another note, we sold a land on our portfolio, which housed Marmara Park Shopping Mall, in October 2024 and used part of the proceeds from this sales for expanding real estate assets generating rental income and included a 5954 square meter-property in İŞ Towers Complex in our property portfolio.

Total portfolio value of our Company that boasts a well-balanced portfolio reached TL 47.2 billion as the result of all these actions at year-end 2024. In 2024, our total assets and shareholders' equity remained strong at TL 47.7 billion and TL 39.1 billion, respectively. As at year-end 2024, our portfolio consisted of office spaces by 64.3%, retail by 18.3%, projects by 10.5%, land investments by 0.4% and stock by 6.5%.

**We are included in BIST Sustainability Index.**

In 2024, we have added momentum to our environmental, social and governance (ESG) initiatives within the scope of our sustainability policies and adapted sustainability transformation to all our work processes for the sake of a better world. We are proud to have been placed in the low risk category in the ESG Risk that attests to our efforts in this vein. In our eyes, this is an indication of international recognition of our commitment to our permanent value creation targets. Our ESG



We will keep creating value first and foremost for our planet, and for our country, employees and stakeholders in accordance with **our governance concept encompassing fairness, transparency, accountability and responsibility principles.**

## Message from the CEO

performance that we have continually improved made us one of the three real estate investment companies to be included in BIST Sustainability Index in 2024.

### **We are anticipating the sector's recovery trend to get stronger.**

In 2024, housing sales increased by 20.6% on a year-on-year basis. Having taken an upturn in the third quarter of the year, housing sales gained momentum in the last quarter, driven also by the expected downturn in interest rates and upturn in housing prices at the end of the year.

While real price decrease in housing encourages buyers to a certain extent, first-hand housing sales could be increased at a limited level due to the still-high first-hand housing prices because of increased construction costs, insufficient housing supply, and restrained credit facilities. Second-hand housing sales, on the other hand, accounted for nearly 70% of total sales.

Housing sales to foreigners continued to decline in 2024 for a number of reasons including housing prices that

escalated on foreign currency basis, the ongoing inflationist economic conjuncture and lack of housing loan facilities.

While low level of new office supply caused continued rise in prime rents both in TL and USD terms despite the slowing trend of the rate of increase in inflation and exchange rates, lease of new spaces lost pace. The vacancy rate in the Central Business District (CBD) area saw very low levels in 2024 owing to the lately growing demand for Class-A offices.

In 2024, demand and occupancy rates increased in the retail sector, in turn driving the turnovers as compared to previous years. In addition, footfall also increased. However, it cannot be suggested that the rise in footfall was directly reflected in sales due to new consumer habits and high inflation. Furthermore, investors focused on strategic transformations and carried out structural modifications in the properties in an effort to reduce vacancy rates in the reporting period.

Acting on more than 250 sub-sectors, the real estate sector continues to be one of the key industries contributing

to Türkiye's economic growth. We can say that the 2025 agenda of our sector is headlined by an activity turned towards fulfilling the latent demand. We assume that indicators such as housing loan rates and consumer confidence index will be telling upon the direction the sector will take in 2025.

We suppose that the next two years will be critical for the real estate sector. Signals of decline are being received on the inflation side. We predict the sector will revive from 2026 following 2025 which we regard more as a year of rebalancing as accumulated demand will be unearthed with decreased interest rates and housing loans becoming more accessible.

### **We keep contributing to livable and sustainable cities.**

As İş REIC, we keep working in line with our goal of contributing added value to the Turkish real estate sector, generating sustainable stakeholder benefit and pioneering modern city living.



2025 will once again be a highly active year for our Company. Sales will continue for our Litus Istanbul and Kasaba Modern projects.

We have completed the demolition of the old building taking place on the land on which our boutique Balmumcu Residential project of 70 units will be developed in Gayrettepe, and we will be moving on to the construction phase. Our Tuzla residential project that will comprise approximately 1,100 housing units and 19 commercial units is a major initiative. We are keeping a close eye on the market for this project. For its construction, we are awaiting for the restraint on housing loans to be loosened and also for the buyers' purchasing power to somewhat recover. The project, for which the development work is being carried out within the scope of transformation on the site where the old Profilo Shopping Mall used to stand, is being carried out by Artaş as per the agreement made. We anticipate these projects to generate significant cash inflow in 2025 and 2026.

In the coming period, we will carry on with our activities within our sustainability roadmap with the goal of supporting several UN Sustainable Development Goals (SDGs), namely "Sustainable Cities and Communities", "Responsible Consumption and Production", "Clean Water and Sanitation", and "Climate Action". Possessing globally-recognized green building certifications including LEED and BREEAM in our real estate portfolio, we will carry on with our investments that are both environmentally-sensitive and also generate economic value with our eco-friendly green building projects with high energy efficiency.

On another note, we are speeding up our digitalization processes, thus utilizing technology more effectively in every respect from property management to customer experience. We are planning to expand the

coverage of smart building systems and data analytics applications in our projects.

We will keep creating value first and foremost for our planet, and for our country, employees and stakeholders in accordance with our governance concept encompassing fairness, transparency, accountability and responsibility principles.

I would like to extend my heartfelt thanks to our principal shareholder, our Board of Directors, our shareholders, employees and business partners with whom we share our achievements and our future, for their support and trust.

Sincerely,

Ö. Barlas Ülkü  
CEO

## Board of Directors



### CAN YÜCEL

*Chairman*

Mr. Can Yücel earned his bachelor's degree in economics from the Middle East Technical University, Faculty of Economics and Administrative Sciences in 1999 and started his professional career as an Assistant Inspector Trainee on the Board of Inspectors of İşbank the same year. He worked as Assistant Manager in the SME Loans Allocation Department from 2008, as Assistant Manager in the Corporate Loans Allocation Department from 2009, as Division Manager in the same department from 2011, as Head of Corporate Loans Allocation Department from 2016, and as Başkent Corporate/Ankara Branch Manager from 2020. Having completed the Harvard Business School - Advanced Management Program, Mr. Yücel was appointed as Assistant General Manager on 26 August 2021. Serving on the Board of Directors of İş REIC since 21 March 2023, Mr. Yücel holds in-group positions as the member of the Board of Directors of Türkiye Şişe ve Cam Fabrikaları A.Ş. and as Chairman of the Board of Directors at Joint Stock Company İşbank. Mr. Yücel is a member of the Board of Directors of the Risk Center Management of the Banks Association of Türkiye.



### MURAT KARLUK ÇETİNKAYA

*Vice Chairman*

Mr. Murat Karluk Çetinkaya graduated from Middle East Technical University, Department of Civil Engineering and holds a Master of Engineering degree from the same university. Mr. Çetinkaya worked as a Civil Engineer for various private companies between 1994 and 2000. Mr. Çetinkaya joined İşbank. Construction and Real Estate Management Department as a Civil Engineer in 2000; he was appointed as Assistant Manager of the Construction and Real Estate Management Department in 2011, Unit Manager in the same Department in 2017 and was appointed as Construction and Real Estate Management Manager on 30 June 2020. Mr. Çetinkaya has been serving as a Board Member at İş REIC since 10 July 2020. In addition to being a member and the Vice Chairman of the Board at İş REIC, Mr. Çetinkaya has been serving as a Board Member at İş Portföy A.Ş. since 2017.



### ÖMER BARLAS ÜLKÜ

*Board Member and CEO*

Having graduated from the Middle East Technical University, Faculty of Engineering, Department of Civil Engineering in 1995, Ömer Barlas Ülkü received a graduate (MBA) degree from the METU Faculty of Economics and Administrative Sciences, Department of Business Administration. Ülkü started his career as a research assistant at METU, Department of Civil Engineering between 1995 and 1997, where he also pursued his graduate studies. He worked as an Auditor at the Audit Board of İşbank. between 2000 and 2008 and as a Manager at the Internal Audit and Control Department of İş REIC between 2008 and 2012. In 2012, he took part in the establishment of the Financial Management Department. From 2012 to 2021, he served as the Assistant General Manager responsible for the Business Development Department, Financial Operations and Support Activities Department, Accounting and Finance Department, and Information Technologies Department and was appointed as the General Manager of İş REIC on 31 July 2023. Ülkü is also a Board Member at İş REIC. As an in-group position, he serves as the Chairman of the Board of Directors at Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş. and Kanyon Yönetim İşletme ve Pazarlama A.Ş.



### ÖZCAL KORKMAZ

*Board Member*

Mr. Özcal Korkmaz graduated from Istanbul University Faculty of Economics and started his career at National Productivity Center in 1970. Mr. Korkmaz served at the Ministry of Finance as Assistant Account Specialist between 1972 and 1975, Account Specialist between 1975 and 1980, and Chief Account Specialist between 1980 and 1985, at Ankara Treasurer's Office as Deputy Assistant Treasurer between 1985 and 1987, and Treasurer for Ankara between 1987 and 1989. Mr. Korkmaz served as the General Manager and Chairman of the Board of Directors of the Republic of Turkey State Pension Fund between 1989 and 1994, retired in 1994 and served as the Chairman of the Board of Directors of Bağımsız Denetim ve Danışmanlık A.Ş. between 2009 and 2015. On 31 March 2017, Mr. Korkmaz was elected as a member of the Board of Directors of İşbank. He served as a member of the Board of Directors until 31 March 2020 and served as a member of the Corporate Governance Committee during his term of office. Mr. Korkmaz served as the Chairman of the Board of Directors of Korkmaz Yeminli Mali Müşavirlik A.Ş. between 2016 and 31 July 2024. He graduated from Istanbul University Open Education Faculty, Sociology Undergraduate Department in June 2024. Mr. Korkmaz has been serving as a Board Member at İş REIC since 29 April 2020 and holds no other in-group titles.



### MURAT DOĞAN

*Board Member*

After graduating from Istanbul Technical University, Department of Industrial Engineering in 2000, Mr. Doğan started working as an Assistant Specialist within İşbank Affiliates Department in the same year, and continues his duty as Department Manager in the same department. Mr. Doğan, who served as a Member of the Audit Board at İş REIC between 2010 and 2012 and as a Member of the Board of Directors since 8 December 2014, is also a Member of the Corporate Governance Committee and the Early Detection of Risk Committee. Mr. Doğan holds the following in-group positions: Chairman of the Board of Directors of Batı Karadeniz Elektrik Dağıtım ve Ticaret A.Ş., Casaba Yönetim İşletim İm. İth. İhr. Paz. Tem. Güv. Ulaş. Tic. ve San. A.Ş. and Is Technology Investments B.V., Deputy Chairman of the Board of Directors of Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş., Board Member of İş Enerji Yatırımları A.Ş., İşbank AG, Maxis GSPY Temiz Enerji GSYF Yatırım Komitesi, Trakya Yatırım Holding A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., Türkiye Şişe ve Cam Fabrikaları A.Ş., and Member of İşbank Banking and Commercial Law Research Institute.



### VAHİDE UYAR

*Board Member*

Ms. Vahide Uyar graduated from Bilkent University, Faculty of Business Administration, Department of Business Administration and started her career in 1997 as an Intern Assistant Credit Specialist in the Retail Loans Department of İşbank. Ms. Uyar, who served as Deputy Manager in the Retail Banking Marketing Department in 2007 and as Unit Manager in the Retail Loans Department in 2011, was appointed as the Department Manager in the same department in 2022 and currently serves as the Retail Loans Department Manager. Ms. Uyar has been serving as a Board Member at İş REIC since 26 March 2024, and is also a member of the Corporate Governance Committee and the Early Detection of Risk Committee. Ms. Uyar does not have any in-group positions other than being a member of the Board of Directors at İş REIC.



## Board of Directors



### PROF. DR. OĞUZ CEM ÇELİK

*Independent Board Member*

Having graduated in 1987 from Istanbul Technical University, Faculty of Civil Engineering, Department of Civil Engineering, Prof. Dr. Oğuz Cem Çelik received his MSc degree in 1990 and PhD degree in 1996 from the same university. Between 2001-2003, he was a postdoctoral researcher at the State University of New York (SUNY) at Buffalo, NY on structural earthquake engineering. Having worked as a Research Assistant between 1989-1996, Assistant Professor between 1997-2001, and Associate Professor between 2001-2010 at Istanbul Technical University, Mr. Çelik also worked as a Visiting Professor at Istanbul Bilgi University between 2010-2017 and at Beijing University of Technology between 2019-2021. Mr. Çelik continues teaching full-time as a Lecturer at Istanbul Technical University, Faculty of Architecture, Structural & Earthquake Engineering, and has been serving as a member of the "New Structural Technologies Board" within the scope of the Turkish National Risk Shield Model since March 2023. Mr. Çelik has been serving as a Board Member at İş REIC since 23 March 2022 and is also the Chairman of the Committee for Audit. Mr. Çelik has no other in-group duties other than his Board Membership at İş REIC.



### MEHMET GÖKPINAR

*Independent Board Member*

Mr. Mehmet Gökpınar graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration in 1985. Mr. Gökpınar served as a member of Diyarbakır Administrative Court between 1992-1995, Manisa Administrative Court between 1995-1997 and Aydın Administrative Court between 1997-2000; served as the President of Muğla Administrative Court between 2000-2005 and as the President of Edirne Regional Administrative Court between 2005-2014. Since 2014, he served as a substitute member of the High Council of Judges and Prosecutors for 1 year. Mr. Gökpınar, who served as a Member of the 6<sup>th</sup> Chamber of the Council of State since 15.12.2014, retired as of 20.03.2024. Mr. Gökpınar has been serving as an Independent Board Member at İş REIC since 26 March 2024, and is also the Chairman of the Early Detection of Risk Committee. He does not have any duties within or outside the group other than being a Member of the Board of Directors at İş REIC.



### İLKEY ARIKAN

*Independent Board Member*

Mr. Arıkan graduated from Hacettepe University, Department of Public Administration in 1987 and received his Executive MBA degree from The Wharton School, University of Pennsylvania in 1998. Between 1989 and 2001, he worked in the Supervisory Department of the Capital Markets Board of Turkey and was appointed as a Supervisor in 1992 with a thesis on the establishment of futures exchanges in Turkey. During his tenure, Mr. Arıkan was mainly involved in the supervision and regulation of financial institutions. Between 2001 and 2021, Mr. Arıkan worked at the Turkish Capital Markets Association (TSPB), where he served as the Manager of the Investigation and Legal Affairs Department between 2001 and 2002, as the Assistant Secretary General responsible for the Investigation and Legal Affairs and Administrative and Financial Affairs Departments between 2002 and 2004, and as the Secretary General of TSPB between 2004 and 2021. In 2004, he coordinated the establishment of Vadeli İşlemler ve Opsiyon Borsası A.Ş. in 2004, Gelişen İşletmeler Piyasaları A.Ş. in 2005, Birleşik İpotek Finansmanı A.Ş. in 2019, the establishment of the National Rating Company (Ulusal Derecelendirme Şirketi) in 2019. Mr. Arıkan coordinated the transformation of ISE into Borsa İstanbul A.Ş. in 2013, and the transformation process of TSPAKB into TSPB in 2014. He also took part in the reform of the tax regime of capital market instruments in the Income Tax Law in 2005 and the Istanbul Finance Center since the first preparatory meetings in 2007. Mr. Arıkan was a member of the Board of Directors and Vice Chairman of the Board of Directors of Merkezi Kayıt Kuruluşu A.Ş. between 2004-2006 and Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. between 2011-2021, and served as a member of the TOBB Capital Markets Sector Council between 2006-2021 and as a member of the Tax Council between 2004-2021. The General Assembly meetings of the International Organization of Securities Commissions (IOSCO), the International Council of Securities Associations (ICSA), and the Asia Securities Forum (ASF), of which TSPB has been a member, were held in Istanbul under the coordination of Mr. Arıkan in 2012, 2010, and 2019, respectively. Mr. Arıkan has still works at Aktio Danışmanlık, where he is a Founding Partner. Mr. Arıkan has been serving as a Board Member at İş REIC since 23 March 2022 and is also the Chairman of the Corporate Governance Committee and a member of the Committee for Audit. On 27.04.2022, Mr. Arıkan was elected as an Independent Board Member at Global Menkul Değerler A.Ş. and he holds no other titles within the group other than his Board Membership at İş REIC.

## Board of Directors

### Changes in Management During the Reporting Period

At the General Assembly Meeting held on 26 March 2024, Ms. Vahide Uyar and Mr. Mehmet Gökpinar were elected to serve as Board members until the next General Assembly Meeting, succeeding Board members Mr. Kubilay Aykol and Ms. Arzu Erdem whose terms of office expired. Other seven members whose terms expired were reelected and continued to serve in their existing positions. Under the distribution of tasks within the Board of Directors, Mr. Can Yücel was appointed as the Chair of the Board, and Board member Mr. Murat Karluk Çetinkaya as the Vice Chair of the Board.

Furthermore, Mr. Kaan Özsoy who served as an Assistant General Manager at the Company retired from his position on 31 December 2024 and Mr. Burak Bakkaloğlu was appointed as Assistant General Manager on 09 December 2024 to succeed him.

### Duties and Responsibilities of the Board of Directors

The duties and responsibilities of members of the Board of Directors are spelled out in the Company's articles of association. The Board of Directors is ultimately responsible for the management of the Company and for representing the Company before outside parties. The Board of Directors fulfills the duties incumbent upon it in compliance with the requirements of the Turkish Commercial Law, the Capital Markets Law, and other applicable regulations.

The Board consists of nine members, three of whom are independent board members.

Pursuant to the Corporate Governance Communiqué of the Capital Markets Board of Türkiye (CMB), following the General Assembly Meeting, delegation of duties was realized for the Board of Directors, heads and members of the Committees set up under the Board of Directors were elected and publicly disclosed in the reporting period.

### Board of Directors Terms of Reference

The Board of Directors conducts its activities within the framework of publicly disclosed terms of reference. The Board convenes on such occasions as deemed to be made necessary by the Company's business and affairs upon an invitation by its chair or deputy chair. Under article 13 of the Company's articles of association, it is possible for other members to summon the Board to convene as well.

### Board Meetings

The agendas for Board of Directors meetings are defined by the Chair of the Board. Additionally, the agenda can also be determined based on a decision of the Board of Directors.

During the reporting period, the Board of Directors convened five times physically and passed 168 decisions. During the reporting period, all but one Board of Directors meetings were held with full participation of its members and decisions were passed with the unanimous votes of the attending members. No Board member enjoys any special voting rights or has the power to exercise a veto.

There is a Board of Directors Secretariat at the Company.

### External Positions Held by the Members of the Board of Directors

The permission of the General Assembly of Shareholders must be granted in order for the members of the Board of Directors to carry out the transactions specified in "Article 395 - Dealing with the company, borrowing from the company" and "Article 396 - Non-competition" of the TCC. The Board members were granted the said permission to engage in the said transactions falling under the scope of the said articles at the General Assembly meeting held on 26 March 2024.

There are no set rules governing the Board members' undertaking other duties outside the Company; the same are subject to general rules. No restrictions are imposed on outside positions to be held by Board members in view of the contribution of their business experiences and sectoral experiences to the Board of Directors. If the members of the Board of Directors take on an executive role or hold a seat on the board of directors of, or offer consultancy services to, another company, they act with the awareness that such external role must not cause a conflict of interest, and they also act so as to maintain the independence criteria defined in the principles. The in-group/non-group positions held by Board members outside the Company, their years of service in the Company and distribution of positions are provided in the members' résumés, and the same does not lead to any conflicts of interest.

Within the scope of the Board of Directors structures so far, there were no incidents where Board members skipped their duty as a member of our Company's Board of Directors, failed to exercise the due diligence or to allocate due time because of outside positions held.

The Company's Chairman Mr. Can Yücel serves as a Deputy Chief Executive at İşbank, Chairman of the Board at JSC İşbank, and Board member at Türkiye Şişe ve Cam Fabrikaları A.Ş. and Banks Association of Türkiye Risk Center Management; Vice Chairman of the Board Mr. Murat Karluk Çetinkaya serves as the Head of Construction and Real Estate Management Department at İşbank and Board member at İş Portföy Yönetimi A.Ş.; Board member Mr. Murat Doğan serves as the Head of Subsidiaries Department at İşbank, Chairman of the Board at Batı Karadeniz Elektrik Dağıtım ve Ticaret A.Ş., Casaba Yönetim İşletim İm. İth. İhr. Paz. Tem. Güv. Ulaş. Tic. ve San. A.Ş. and Is Technology Investments B.V., Vice Chairman of the Board at Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş., Board member at İş Enerji Yatırımları A.Ş., İşbank AG, Maxis GSPY Temiz Enerji GSYF Investment Committee, Trakya Yatırım Holding A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., and Türkiye Şişe ve Cam Fabrikaları A.Ş. and member at İşbank Research Institute of Banking and Commercial Law; Board member Ms. Vahide Uyar serves as Head of Retail Banking Product Department at İşbank, and Board member at İş Portföy Yönetimi A.Ş., and the Company's CEO Mr. Ömer Barlas Ülkü serves as the Chairman of the Board at Kanyon Yönetim

İşletim ve Pazarlama A.Ş. and Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş. The external positions held by these individuals do not lead to any conflicts of interest.

#### **Remuneration of the Members of the Board of Directors**

The remuneration of the Board members is determined at the General Assembly meeting as per the relevant provision of the Company's articles of association, and the remuneration principles for all executives and employees are put into writing. The Company's Remuneration Policy has been presented for the information of shareholders at the General Assembly and publicly disclosed.

Remuneration of Board of Directors members are determined by the General Assembly within the frame of the related proposal of the Corporate Governance Committee. At the General Assembly Meeting convened on 26 March 2024, monthly gross remuneration to be paid to each Board member is set as TL 90,750, and all Board members are remunerated equally. The gross value of all remuneration provided to members of the Board of Directors during the reporting period was TL 9,989 thousand.

Besides the remuneration decided upon by the General Assembly of Shareholders, members of the Board of Directors are not granted any rights that will yield financial benefits such as premiums or bonuses. None of the remuneration provided to independent Board members involves any company

stock options or any forms of payment linked to the Company's performance.

During the reporting period, the Company did not lend any sums or extend any credit, or made available any loans under the name personal loan through a third party to its Board members, nor did it stand guarantee for them such as providing suretyship in their favor.

#### **Board of Directors Terms of Reference**

As required both by the Capital Markets Board's corporate governance principles and by the Company's Board of Directors terms of reference, there are three committees within the Board: a Corporate Governance Committee, a Committee for Early Detection of Risk, and a Committee for Audit.

The Corporate Governance Committee fulfills the functions of the Nomination Committee and Remuneration Committee, which need to be established as per the Corporate Governance Principles. The Committee is also assigned with handling the Company's environmental, social and governance (ESG) matters and sustainability initiatives.

Terms of reference have been defined and publicly disclosed for each committee. The Board of Directors Committees perform their functions within the frame of those principles and they may seek third-party expert opinions in relation to matters requiring expertise and deemed to be necessary



## Board of Directors

Each of these committees is headed by an independent board member. As required by law, all of the members of the Committee for Audit are independent Board members. The names and positions of those who serve as heads and members of these committees are presented below.

### Corporate Governance Committee

Head	Member	Member	Member
Kubilay Aykol Board Member (non- executive)	Vahide Uyar Board Member (non- executive)	Murat Doğan Board Member (non- executive)	Ayşegül Şahin Kocameşe (executive*)

(\*) Assistant General Manager Responsible for Investor Relations & Sustainability Department

### Committee for Early Detection of Risk

Head	Member	Member
Mehmet Gökpınar Independent Board Member (non- executive)	Vahide Uyar Board Member (non- executive)	Murat Doğan Board Member (non- executive)

### Committee for Audit

Head	Member
Prof. Oğuz Cem Çelik Independent Board Member (non- executive)	İlkay Arıkan Independent Board Member (non- executive)

A member of the Board of Directors can serve on more than one committee in order to be able to form the Board of Directors committees and to make sure that they function effectively. All due consideration is given to the requirements of Corporate Governance Principles when selecting committee members.

All of the independent Board members are serving on committees. Members serving in more than one committee maintain regular communication with committees working in similar topics and increase opportunities to cooperate and improve decision-making processes.

During the reporting period, the Corporate Governance Committee evaluated the nomination proposals for three independent members for Board of Directors membership and submitted its evaluation to the Board of Directors. The Board of Directors finalized the list of independent member nominees in the light of these evaluations and an application has been filed with the CMB for the list in question as per the applicable capital market requirements. Independent Board member nominees, about whom the CMB did not state any negative opinions, have been presented for the information of all stakeholders through a material event disclosure.

During the year, no events took place that prejudiced the independence of independent Board members.

#### **Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems**

As required by the capital market legislation and other applicable regulations and laws, there are

Corporate Governance Committee, Committee for Early Detection of Risk, and Committee for Audit at İş REIC.

CMB's Corporate Governance Principles were adhered to during the election of the heads and members of the committees. Accordingly;

- Committees are headed by independent board members,
- All members of the Committee for Audit consist of independent board members,
- The senior executive in charge of the Investor Relations and Sustainability Department serves as a member on the Corporate Governance Committee.

Under the Board of Directors decision dated 28 March 2024, the Committees set up and Committee members were publicly disclosed.

When the reports submitted by the Committees to the Board of Directors and advisory decisions passed are examined, it is observed that all of the Committees have efficiently carried out their activities in 2024 within the frame of the espoused terms of reference; they have fulfilled their duties and responsibilities set out in the Corporate Governance Principles, and accordingly, the Company's internal systems function efficiently. Through their activities, the committees contributed to the activities of the Board of Directors, and the Company furthered its compliance with corporate governance practices.

#### **Corporate Governance Committee:**

Corporate Governance Committee, which regularly reviews the Company's corporate governance practices, paid attention to meet prior to each Board meeting in principle. The Committee met ten times during the reporting period. While priority is given to discussing the topics on the agenda in the Committee meetings, the Investor Relations and Sustainability Department's activities during the year, its determinations and evaluations were also addressed, and as such, the Committee fulfilled its function as a bridge between shareholders and the Board of Directors. Decisions adopted in Committee meetings, and the presentations on the topics discussed in meetings were shared with the Board of Directors after the Committee meetings.

The Corporate Governance Committee closely monitors the regulations and requirements regarding corporate governance principles. Within the scope of the activities during the reporting period, in order to oversee the Company's compliance with the principles, the Committee:

- Took the necessary steps to make sure that the Company is in compliance with the applicable requirements, and especially with the Corporate Governance Principles Communiqué,
- Fulfilled the functions of the Nominating Committee and Remuneration Committee,

## Board of Directors

- Effectively supervised the activities of the Investor Relations and Sustainability Department.
- Reviewed the Company's Sustainability Principles Compliance Framework and Sustainability Report, submitted it for the information of the Board of Directors, and oversaw its public disclosure,
- Reviewed the Company's Corporate Governance Compliance Report and Corporate Governance Information Form, and presented them for the approval of the Board of Directors.
- Managed the sustainability activities within the scope of its duties and responsibilities in relation to sustainability and oversaw the integration of sustainability practices in targets, strategy and business processes.

When carrying out these activities, the Corporate Governance Committee adopted advisory decisions to be presented to the Board of Directors regarding the matters for which the Board of Directors needed to take action.

### Committee for Early Detection of Risk:

The Committee for Early Detection of Risk was set up to early detect the risks that may threaten the Company's existence, development and survival, to take necessary action for identified risks, and to manage risks as proactively as possible, in accordance with the CMB's rules and regulations concerning corporate governance, and the relevant provisions of the TCC. The Committee reports to the Board of Directors and carries out its activities as per the Committee for Early Detection of Risks Terms of Reference. The Committee held eight meetings during the reporting period.

Within the frame of the review of the Company's risk management systems, the Committee submitted the following to the Board of Directors;

- A quarterly Company Risk Report covering basic risk types in relation to the Company's activities with a particular focus on operational risk, liquidity risk, credit risk and market risk, which is prepared by the Risk Management, Internal Control and Compliance Activities Unit within the knowledge of the Committee for Early Detection of Risk,
- Pursuant to Article 378 of the TCC and CMB's regulations concerning corporate governance, "Committee for Early Detection of Risk Assessment Report", which is drawn up to include risk detection and management matters, has been presented for the information of the Board of Directors once in every two months.

Through the reports issued and activities carried out during the reporting period, the Committee played an active role in the identification and analysis of important risks inherent in the Company's operations, ensured that the Board of Directors was briefed as necessary with respect to monitoring the regulatory and internal risk limits, and increased the efficiency of the Company's risk systems, while also overseeing the alignment of risk management activities to the Risk Policy.

### Committee for Audit:

The Committee for Audit reports to the Board of Directors and carries out its activities in accordance with the Committee for Audit Terms of Reference. The Committee ensures the auditing and supervision of proper execution of financial and operational activities, and carries on with its activities in relation to public disclosure of the Company's financial statements, execution of independent audits, ensuring effective operation of the Company's internal systems, and

active supervision of all other aspects of the independent auditors' activities. The Committee held nine meetings during the reporting period.

In parallel with its duties set forth in the Terms of Reference, the Committee for Audit, during the reporting period;

- Oversaw the independent audit process including conformity of all aspects of the independent auditor's activities and of the interim and annual financial statements to be publicly disclosed to the accounting principles pursued by the Company, as well as their accuracy and fairness, seeking the opinions of the responsible manager at the Company and of independent auditors in the process,
- Monitored the determination of the annual activity plan of the Company's Internal Audit Unit and execution of audit activities in accordance with the plan,
- Followed up the studies, investigations, examinations and similar activities conducted by the Internal Audit Unit although not included in the annual activity plan of the Company's Internal Audit Unit,
- Received information about audit activities and other activities conducted by the Internal Audit Units in periodic meetings,
- Provided the necessary coordination for sharing the findings identified in the audits with the Board of Directors and the Company's senior management, and for ensuring that necessary remedial actions are taken.

Within this scope, the Committee reviewed the operation of the Company's internal audit system, contributed to identification of processes that presented room for improvement, and supervised that audits were carried out effectively.

# Declaration of Interest by Independent Board Members

**To: Chair of the Board of Directors of İş Gayrimenkul Yatırım Ortaklığı A.Ş.**

Owing to my candidacy for a seat as an Independent Board Member at your Company's ("the Company") General Assembly Meeting, I hereby declare:

- a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, collectively or individually held more than 5% of the capital or voting rights or privileged shares in, or established any commercial interest of a significant nature, with the Company, or with any companies in which the Company has management control or material influence, and with any shareholders having management control or material influence over the Company, or with any corporate entity which are controlled by these shareholders;
- b) Within the most recent five years, I have neither been a shareholder controlling 5% or higher share, or an employee in an executive position involving major duties and responsibilities nor a board member, in any company from/to which the Company purchases/sells significant amount of services or products under the agreements made during such time when services or products were purchased or sold, and particularly in companies involved in the Company's auditing, rating, or consulting;
- c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member;
- d) If elected, I shall not work on full-time basis at any public institution or organization during my term of office, apart from serving as a faculty member, provided that the same does not contradict with the legislation governing such institution;
- e) I am a resident of Türkiye for the purposes of the Income Tax Law;
- f) I possess the ethical standards and professional repute and experience sufficient to enable me to make a positive contribution to the Company's affairs, to maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and to come to decisions freely taking into consideration all stakeholders' rights;
- g) I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and to fully satisfy the requirements of the duties I will be undertaking;
- h) I have not served as a member on the Company's Board of Directors for more than six years within the most recent ten years;
- i) I am not serving as an independent board member in more than three of the companies in which the Company, or shareholders having management control over the Company, have management control, or in more than five companies, in the aggregate, traded on the stock exchange;
- j) I have not been registered and promulgated on behalf of the corporate entity elected as a member of the Board of Directors.

Prof. Dr. Oğuz Cem Çelik  
Independent Board Member

İlkay Arıkan  
Independent Board Member

Mehmet Gökpinar



## Senior Management



### ÖMER BARLAS ÜLKÜ

*Board Member and CEO*

Having graduated from the Middle East Technical University, Faculty of Engineering, Department of Civil Engineering in 1995, Ömer Barlas Ülkü received a graduate (MBA) degree from the METU Faculty of Economics and Administrative Sciences, Department of Business Administration. Ülkü started his career as a research assistant at METU, Department of Civil Engineering between 1995 and 1997, where he also pursued his graduate studies. He worked as an Auditor at the Audit Board of Türkiye İş Bankası A.Ş. between 2000 and 2008 and as a Manager at the Internal Audit and Control Department of İş Gayrimenkul Yatırım Ortaklığı A.Ş. between 2008 and 2012. In 2012, he took part in the establishment of the Financial Management Department. From 2012 to 2021, he served as the Assistant General Manager responsible for the Business Development Department, Financial Operations and Support Activities Department, Accounting and Finance Department, and Information Technologies Department and was appointed as the General Manager of İş Gayrimenkul Yatırım Ortaklığı A.Ş. on 31 July 2023. Ülkü is also a Board Member at İş Gayrimenkul Yatırım Ortaklığı A.Ş. As an in-group position, he serves as the Chairman of the Board of Directors at Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş. and Kanyon Yönetim İşletme ve Pazarlama A.Ş.



### AYŞEGÜL ŞAHİN KOCAMEŞE

*Assistant General Manager*

Ayşegül Şahin Kocameşe got her bachelor's degree in political science and public administration from the Middle East Technical University Faculty of Economics and Administrative Sciences in 1998 and got her Executive MBA degree from İstanbul Technical University. She holds Capital Market Activities Level 3 License, Credit Rating License, Corporate Governance Rating License, and Real Estate Appraisal License from the SPL (Capital Markets Licensing Registry and Training Agency) and Sustainability Expertise Certificate from TCMA-SEGM (Sustainable Learning, Development and Excellence Association). She began her career as an assistant investment specialist at İşbank in 1998. She joined İş REIC in 1999 and personally worked in the incorporation and IPO of the Company. Upon establishment of the Risk Management and Investor Relations Department in 2005, she was brought to the position of manager in this unit. Having worked in the position of Group Head from 2012, Ms. Kocameşe currently serves as Assistant General Manager in charge of Financial Reporting and Budget Division, Human Resources and Training Division, and Investor Relations & Sustainability Division, Legal Division and Board of Directors Reporting Division. In tandem with this position, she also serves as a member on the Company's Corporate Governance Committee and a member of the Board of Directors of Kanyon Yönetim, İşletim ve Pazarlama A.Ş.



#### **BURAK BAKKALOĞLU**

*Assistant General Manager*

Burak Bakkaloğlu graduated from Istanbul Technical University with a degree in Civil Engineering in 1997 and completed the MBA-Finance program at Yeditepe University in 2003. He began his career in 1998 at Türkiye İş Bankası in the Construction and Real Estate Department, where he held various positions. Between 2010 and 2023, he served as the Real Estate Unit Manager, managing the Bank's real estate portfolio, overseeing strategic improvement projects, and leading valuation processes for mortgaged properties.

In 2023, Bakkaloğlu joined Trakya Yatırım Holding A.Ş. as the Real Estate Business Line Managing Director. As of January 2025, he has been appointed as the Assistant General Manager at İş REIC, responsible for the Construction and Architectural Division, Business Development Division, Facility Management, and Maintenance Departments.

He holds a Real Estate Appraisal Specialist license and has expertise in real estate management, appraisal, and value-enhancing projects. In addition to his primary role, he also serves as a Board Member at Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş. and Kanyon Yönetim İşletim ve Pazarlama A.Ş.



#### **GÖKTAY ÖZBEK**

*Assistant General Manager*

Göktay Özbek received his bachelor's degree in international relations from Ankara University, Faculty of Political Sciences in 1996 and started his career in 1997 at İşbank, where he worked as credit specialist, inspector, branch manager and regional manager. Mr. Özbek was appointed as Assistant General Manager of İş REIC as of 1 September 2023, in which role he is responsible for the Accounting, Procurement and Support Activities, Finance, Corporate Communication and Marketing, Sales and Rentals and Information Technologies Departments. Göktay Özbek also holds a member's seat on the Board of Directors of Kanyon Yönetim İşletim ve Pazarlama A.Ş.

The Construction Industry Confidence Index was measured at 85.6 points in December. **The anticipated continuation of tightening measures and rate cuts in the coming period might prove to be supportive of the rise in the confidence index.**

## An Overview of the Real Estate Sector



rising

# 5.8%

The construction industry's share in GDP was 5.8% in the third quarter of 2024.

The construction industry has been maintaining its growth that has been outdoing the overall economy for eight quarters despite the tightening policies implemented since the second half of 2023 and the pressure on domestic demand. The sector achieved annual growth rates of 10.9%, 6.9% and 9.2% respectively owing to the positive effects stemming from the reconstruction of the earthquake-affected region, investments by local governments and urban transformation activities. The construction industry's share in GDP was 5.8% in the third quarter of 2024.

Increased cost of financing in connection with rate hikes for slowing down domestic demand, coupled with selective credit policy and credit restrictions continued to decelerate construction works. While construction, labor, raw material and energy costs that kept rising albeit losing pace complicated cost management of projects, the sector was restrained on the part of public investments as well due to the decision that no new investments would be made apart from the redevelopment of the earthquake-hit region and strictly necessary cases.

Experiencing a more limited growth, the real estate sector registered 2.5%,

3.7% and 2.5% growth in the first three quarters of the year respectively.

The construction cost index (CCI) went up by 35.93% year-on-year in November 2024, whereas materials index and labor index increased by 28.25% and 54.93 % respectively on an annual basis.

The level of existing construction projects and new undertakings will continue to be determined by the activities in the earthquake region and urban transformation, in addition to seasonality and projections.

In the third quarter of 2024, building permits granted by municipalities decreased by 18.8% in terms of the number of buildings, by 17 % in terms of the number of apartments and by 18.9% in terms of area on a year-on-year basis.

The Construction Industry Confidence Index was measured at 85.6 points in December, slightly lower than what it was in November. The anticipated continuation of tightening measures and rate cuts in the coming period might prove to be supportive of the rise in the confidence index.

### Housing Market

Housing sales across Türkiye grew by 20.6% on a year-on-year basis

and reached 1,478,025 in 2024. In December, 212,637 houses were sold, up by 53.4% year-on-year.

The high sales volume of 530,789 houses reached in the fourth quarter of 2024 has been the main enabler of the rise across the whole year. The fundamental reasons underlying the increase in housing sales figures can be suggested as the downturn in the attractiveness of deposit rates, the option to invest the interest income in real property, housing sales prices not increasing in real terms, and rising rental income.

Mortgage sales throughout Türkiye boomed by 285.3% on an annual basis in December to 23,277, whereas mortgage sales throughout the year were down by 10.8% on an annual basis to 158,486. Banks' tendency to extend housing loans at more affordable rates particularly in the last quarter positively backed mortgage sales. Mortgage housing sales accounted for 10.9% of total sales in December and 10.7% of total sales in overall 2024. In 2024, other types of housing sales increased by 25.9% annually and came to 1,319,539.



Having stirred in the second quarter of 2024, İstanbul office market sustained its dynamism through the third quarter **thanks to users changing regions or opting for scaling down building usage areas.**

## An Overview of the Real Estate Sector

First-hand housing sales went up 27.6% annually to 484,461 in 2024 and made up 32.8% of total housing sales. Second-hand housing sales, on the other hand, were up by 17.4% year-on-year to reach 993,564 in 2024.

Housing sales to non-nationals slumped by 32.1% annually and stood at 23,781 in 2024, accounting for 1.6% of total housing sales.

The CBRT Residential Property Price Index (RPPI) value in December 2024 increased by 29.4% annually to 158.5.

The CBRT RPPI for New Dwellings Index value in December 2024, on the other hand, went up by 28.57% annually to 159.54. When adjusted for inflation, the rises in the preceding sentence correspond to declines in real terms.

### Office Market

Overall office market supply in İstanbul was registered as 7.11 million m<sup>2</sup> in the third quarter of 2024.

Having stirred in the second quarter of 2024, İstanbul office market sustained its dynamism through the third quarter

thanks to users changing regions or opting for scaling down building usage areas.

While the lack of increase in supply influenced the rise in list prices, rents averaged 28.68 USD/ m<sup>2</sup>/month for CBD Class-A offices and 14.7 USD/ m<sup>2</sup>/month for CBD Class-B offices, whereas average Class-A office rents on non-CBD European Side and non-CBD Asian Side reached 14.0 USD/m<sup>2</sup>/month and 20.00 USD/m<sup>2</sup>/month, respectively.



# housing sales

# +20.6%



Vacancy rate was 12.2% for CBD Class-A office spaces and 9.7% for CBD Class-B office spaces. Vacancy rates in Class-A office buildings was registered as 7.7% in non-CBD European Side and 9.3% for non-CBD Asian Side.

At the end of the third quarter of 2024, CBD got 27% share out of the existing office stock, non-CBD European Side 17%, non-CBD Asian Side 21%, and Emerging Office Regions 35%.

While there are just a limited number of planned office projects, an increase in supply is expected once İstanbul International Financial Center is fully opened.

### Retail Market

The shopping mall supply in Türkiye is on the order of 14.1 million m<sup>2</sup> consisting of 446 malls as of the fourth quarter of 2024. During the reporting period, 10 new shopping malls with a total leasable area of 232 thousand m<sup>2</sup> were opened and joined the retail market.

While organized retail density is recorded as 166 m<sup>2</sup> of leasable area per 1,000 people across the country, İstanbul has almost two times the

retail density of the country's average with 342 m<sup>2</sup>, and is home to nearly 38.5% of the total leasable area stock. Ankara is also among the leading cities with a retail density of 277 m<sup>2</sup>.

Prime rent figures on the main streets of İstanbul remain unchanged at the peak for the last eight years. While demand from luxurious and global brands remain strong, they tend to slow down. Rate of increase in rents stalled due to weaker demand and high rent figures.

In 2025, five shopping malls with a leasable area of 162 thousand m<sup>2</sup> are slated for opening. Total supply across Türkiye is expected to reach approximately 14.3 million m<sup>2</sup> by the end of 2025.

According to December 2024 results of the Shopping Mall Index co-created by the Council of Shopping Centers – Turkey (AYD) and Akademetre Research Company, the productivity per square meter index was nominally up by 43.8% -close to inflation- year-on-year in December 2024, and reached 4,095 points.

Considering the fourth quarter, turnover per leasable area (in square meters) boosted by 49.7% to

TL 14,763. Turnover per leasable area (in square meters) in shopping malls in December was TL 15,610 in Türkiye, whereas it was registered as TL 19,183 in İstanbul, and TL 13,228 in Anatolia.

A category-based comparison of the increase reveals that food and beverage category took the first spot with 50.9% rise, followed by the clothing category with 49% growth, hypermarket category with 48%, technology category with 42.6%, footwear category with 40.2%, and others with 37.9%.

The number of visitors index declined by 2% on an annual basis in December 2024, whereas it was up by 4% as compared to November 2024.

Sources: TURKSTAT, CBRT, Cushman&Wakefield, Propin, Turkish Contractors Association (TMB), Association of Turkish Construction Material Producers (IMSAD), Council of Shopping Centers -Turkey (AYD), The Association of Real Estate and Real Estate Investment Companies (GYODER)

In 2024 activity year, the Company focused on increasing its rental income and developing projects that will secure value growth, and meticulously evaluated new investments. **Priority was placed on renovation and improvement projects to increase the value of existing properties.**

## Board of Directors Activities in 2024



# profitability



# new

## In 2024 İş GYO added a new commercial property in İş Towers Complex to its property portfolio.

2024 has been a year of new challenges emerging for the global economy and of weak global growth. Monetary tightening policies implemented worldwide to combat global inflation, the ongoing war between Ukraine and Russia, and the tensions in the Middle East exposed the global economy to new problems. Despite all these negative developments, global economic growth in 2024 is estimated to have materialized above the projections. On the part of the Turkish economy that maintained its growth trend in 2024, the inflationary pressure persisted throughout the year and the rise in CPI was recorded as 44.38% for 2024.

The pursuit for real returns stemming from the inflationist environment persisted in 2024; however, the anticipated slackening in financing conditions remained elusive, thereby the said pursuit for real returns did not reflect positively on the demand for real estate. Hyper inflation and surged housing prices, combined with the contracted credit mechanism, and reduced amount of savings negatively affected housing sales. The ongoing issue of credit access as the result of the interest rates that did not show a downtrend but instead remained stable due to the economy policies

introduced accelerated the decline in mortgage housing sales. Despite all these challenges in the housing sector, housing sales increased by 20.6% on a year-on-year basis in 2024 to reach 1,478,025 in total. Mortgage housing sales, on the other hand, were down by 10.8% annually to 158,486, with mortgage sales accounting for 10.72% of total housing sales.

In 2024, our Company carried on with its activities adhering to a diversified and well-balanced portfolio management strategy in line with its sustainable and profitable growth target, and focused on bringing its ongoing projects to completion and growing its sales revenues and rental income. Hence, the Company maintained strong levels reaching TL 47.2 billion in portfolio value, TL 47.7 billion in total assets and TL 39.1 billion in shareholders' equity at year-end 2024.

The office market was dynamic in 2024, with rental figures going up particularly in the CBD. With further reduction in vacancy rates as of the third quarter, rental figures floated high due to the shrank stock of quality offices on the market (owing also to the earthquake) and inflationist environment. There was an upswing in

companies' search for office spaces in the last quarter of 2024 as back-to-office move gained momentum after 2024 summer season and some companies returned to office-based working format from the hybrid working system.

Accordingly, the occupancy rates in the Company's office portfolio reached maximum levels and new tenants were added to the portfolio. With the escalated office occupancy rates, the Company's rental income (including income from the right of construction) were up by 6% as compared to the year before. It is anticipated that the effects of these positive results attained will persist in 2025 and will contribute to the Company's financial results for 2025 and following years.

In November 2024, the Company sold a land on its portfolio, which housed Marmara Park Shopping Mall, and derived approximately TL 3 billion including VAT on this transaction. Part of the proceeds from this sales was used for expanding the real estate portfolio generating rental income and the Company added a new commercial property in İş Towers Complex to its property portfolio at the price of TL 900 million + VAT.



## Board of Directors Activities in 2024

Sixty-one villas comprising the first phase of the 165-villa Kasaba Modern Project, which is the continuation of our Company's Kasaba Evleri Project in Ömerli and is being co-developed with Tecim Yapı Elemanları İnşaat Servis ve Yön. Hizm. A.Ş. on a land of 138 thousand m<sup>2</sup>, were put on the market in November 2024. Our Company will have nearly 44% share in this project that has a projected total development cost of approximately USD 210 million, including the plot price. The ratio of sold units in the first phase of the project reached 11% and the sales of other phases will be commenced in 2025 depending on the demand.

The housing market is kept under close watch for the superstructure tender proceedings and sales process in relation to the Tuzla Residential Project where infrastructure works were completed in the reporting period. The project will be commenced after the restraint in housing loans is slackened and purchasing power of buyers recovers somewhat.

The construction of Litus İstanbul Residential Project, which is included in our portfolio and equally owned by our Company and Tecim, has been

completed and deliveries of housing units started in June 2024. The housing sales continue for the project comprised of six residential blocks and one office block. The rate of sales in Litus İstanbul Project reached 57%.

Within the scope of the residence project our Company is intending to realize in Balmumcu in Şişli district, the demolition of the building on the project plot was completed and the building permit for the project to be developed was obtained by the end of the year. The project construction and sales are targeted to be initiated in 2025.

As for the housing project planned to be built on the land that used to house Profilo Shopping Mall in Mecidiyeköy in Şişli District, the process for obtaining regulatory permits continued in the reporting period.

In order to align itself with current requirements and in line with its mission to ensure the permanence of stakeholder value, our Company carried on with its environmental, social and governance (ESG) initiatives in 2024. With ever-growing importance, the sustainability concept,

climate change and its effects, energy efficiency and requirements are becoming more and more telling in the investors' decisions. Acting with the goal of achieving sustainability transformation in its own processes with this awareness, our Company has been regularly reporting its GHG emissions.

Having been one of the three real estate investment trusts to be included in BIST Sustainability Index in 2024 on the back of sustainability efforts, our Company is also placed in the low-risk category in the Risk Rating table prepared by Sustainalytics based on businesses' ESG data on the international scale.

In the period ahead, İş REIC will mainly focus on the sales and lease of its existing projects, and keep contributing to the flourishing of its sector and creating value for all its stakeholders. Possessing globally-recognized green building certifications including LEED and BREEAM in its real estate portfolio, İş REIC will carry on with its investments that are both environmentally-sensitive and generate economic value with its eco-friendly green building projects with high energy efficiency.



# ESG-focused

## Strategy

İş REIC pursues a portfolio management strategy that seeks to ensure the balance between revenues and expenses within a well-balanced portfolio structure in the real estate sector, in line with its growth target focused on sustainable profitability and based on a balanced risk-return understanding. Maintaining a diversified real estate portfolio covering offices, retail and residential spaces in line with this strategy, the Company aims to invest in viable properties and property-backed projects with a high return and value-generation potential.

In 2024 that marked the 25<sup>th</sup> anniversary of İş REIC, this strategy once again acted as the main foothold that allowed the Company to reach its goals and keep taking its financial and institutional competencies even further, as it did in previous years.

In 2024 activity year, the Company focused on increasing its rental income and developing projects that will secure value growth, and meticulously evaluated new investments. Priority was placed on renovation and improvement projects to increase the value of existing properties. İş REIC targeted to achieve high occupancy rates and consistent/continued income

flow by establishing solid and long-lived relationships with the tenants. The Company made it a priority to achieve sales targets to secure optimum profitability in projects in construction phase as well as in completed ones. Housing sales were carried on along this line for Litus Istanbul Project, currently on the market with deliveries initiated in June 2024, and for Kasaba Modern Project, put on the market in November 2024.

The Company's long-term priority financial targets within the frame of its defined strategy is to make optimum use of the leverage effect from outsourcing while looking out for costs and returns. In this framework, potential risks arising from the operating environment are taken into consideration, an exchange and interest rate risk-averse attitude is adopted in investment and funding decisions, and proactive measures are taken with respect to financial risk management. The Company's long-term targets also include maximizing rental and sales revenues on existing portfolio and near completion projects, reducing costs, and in turn, increasing profitability and generating added value for stakeholders.

İş REIC's top priority in 2025 will be to closely monitor investment opportunities in projects and properties that will enable growth and revenue increase in line with its main strategy; to accurately identify and manage risks through every step; to maximize return on all investments; and achieve its lease and sales targets. In addition, it is a matter of the same degree of priority for the Company to carry on with the development of contemporary, robust, ethical and sustainable projects that are aligned with the current demand conditions and to focus on creating permanent value for all stakeholders.

# always further

The Investor Relations and Sustainability Department efficiently manages all investor relations activities, **with a particular focus on the exercise of shareholder rights, public disclosure, information sharing activities, and the general assembly process.**

## Activities of the Investor Relations and Sustainability Department

Since the “Investor Relations Department” set up at the Company in 2005 as per the related requirements of the Capital Markets Board of Türkiye (CMB) is also responsible for coordinating the Company’s sustainability activities, it carries on with its activities as the “Investor Relations and Sustainability Department”. The Department reports to the Assistant General Manager in charge of “Financial Reporting and Budget Unit”, “Human Resources and Education Unit” and “Legal Unit” and the Board of Directors Reporter.

The Department efficiently manages all investor relations activities, with a particular focus on the exercise of shareholder rights, public disclosure, information sharing activities, and the general assembly process.

Prior to each Board meeting, the Department prepares a report to be submitted to the Board of Directors about the Department’s activities during the period. The Department manager physically participates in the Board of Directors meetings.

The Department takes on an active role for establishing the communication between shareholders and the Company, whereas the Corporate Governance Committee, which serves as a bridge between the Department

and the Board of Directors, actively oversees the Department’s activities during the year, and meets regularly.

The senior manager responsible for the Department, being a member of the Corporate Governance Committee, participated in the Committee meetings held during the year, and provided information to the Committee about the Department’s activities, material developments that took place during the reporting period, and the assessments and analyses of shareholders in particular, and investment companies in general. The documents prepared in relation to the decisions passed in Committee meetings and the topics discussed were shared with the Board of Directors following the meetings.

Besides the regular reports presented to the Board of Directors, the Department draws up the “Annual Investor Relations and Sustainability Department Activity Report”, which is then submitted for the information of the Board of Directors.

Additionally, the Department also handles the secretarial tasks of the Corporate Governance Committee as indicated in the Committee terms of reference.

### Public Disclosure and Provision of Information

During 2024, the Department responded to all queries falling under the investor relations domain, which were received from stakeholders such as analysts, portfolio managers and public institutions, in addition to those received from shareholders.

During the year, the Department responded to nearly 100 verbal and written queries. Information requests from local and foreign shareholders or investment companies were responded to with careful observation of all matters with respect to public disclosure, and particularly the legislation and the Company’s Information Policy. The Department kept records of verbal and written queries received and the answers given thereto as necessary.

Shareholders request information by directly contacting the Department employees, or by sending an e-mail either to the Department’s e-mail address or using the communication form available on the website.

All information requests and queries related to the scope of investor relations, which are received from stakeholders such as analysts,



# efficiently

portfolio managers, and public & private sector institutions, as well as from shareholders, are responded and support is given for questionnaires and academic studies as much as possible.

Besides the information requests received by the Company, the Department also regularly monitors the reports and bulletins published by brokerages in which any mention of the Company is made, while providing the necessary support to brokerages for their reporting or model updating processes.

The Company website is actively used to facilitate public disclosure and exercise of shareholder rights. Quarterly investor presentations in Turkish and English, as well as balance sheets, income statements and other financial tables prepared within the scope of financial statements, along with material event disclosures made through the Public Disclosure Platform (PDP) are posted on the corporate website within the same day. Moreover, those sections of the Company's corporate website that are subject to updates, particularly the information with a potential impact on the exercise of shareholder rights, are regularly updated. Thereby, access to accurate and up-to-date information is made

available especially to shareholders and investment companies in addition to various individuals or institutions that require information about the Company and its activities.

Shareholders can access the Central Securities Depository of Türkiye (MKK) portal via the "Information Society Services Section" on the website where they can get basic information about the Company; the currency of the information posted on the Information Society Services Section is followed up and updated as necessary.

Additionally, regular messages concerning public disclosures made, financial results and so on were sent to shareholders or investment company employees who are registered in the "Distribution List" of the Department.

### General Assembly Process

The Company's 2023 Ordinary General Assembly Meeting was carried out in accordance with the provisions of Corporate Governance Principles and TCC, and the meeting took place on 26 March 2024 with 71% attendance representing TL 680.7 million in capital.

The documents related to the General Assembly were made available for review by shareholders 21 days in

advance of the meeting date on PDP (Public Disclosure Platform), e-GKS (Electronic General Meeting System of the Central Registry Agency - MKK), and the Company's website. The "General Assembly Information Document" has been prepared so that shareholders can have prior information about the topics to be discussed in the general assembly meeting and all General Assembly documents were posted on the Company website. Furthermore, all General Assembly documents except for the list of attendants were prepared also in English language and made available for the information of all foreign shareholders via the Company's website.

After the General Assembly Meeting, the meeting minutes and the list of meeting attendants were publicly disclosed on PDP and Company websites, and the meeting minutes were also uploaded to the Companies Information Portal. Material event disclosures and notifications made during the general assembly process were also shared with the domestic and foreign shareholders or investment companies included in the Department's Public Disclosure Distribution List.



# Activities of the Internal Systems Department

The establishment and operation of the Company's Internal Systems Department, its administrative organization, scope of activities, roles and responsibilities of its employees are set out in "İş REIC Internal Systems Department Terms of Reference" that stipulates the Department's operating procedures and principles. Established in November 2008, the Internal Systems Department is structured separately from and independent of other Company units. The Department has been reporting directly to, and responsible towards, the Board of Directors since June 2012. All activities falling under the scope of the duties and responsibilities of the Internal Systems Department are handled by Risk Management, Internal Control and Compliance Activities Unit and the Internal Audit Unit organized under the Department.

## Internal Audit Activities

Audit and control systems at the Company have been organized in accordance with international practices, principles and organization framework. The Internal Audit Unit monitors, examines and reviews all of the business processes and activities of Company departments, conducts various analyses depending on the outcomes of its reviews, and makes preventive, corrective and/or improvement suggestions in areas it deems necessary according to its risk-focused audits.

The activities of the Internal Audit Unit during a given year are carried out in accordance with the "Annual Audit Schedule" approved by the Audit Committee and enforced upon approval by the Board of Directors.

Internal audit activities that are carried out independently and impartially are targeted at keeping under control the

risks associated with the Company's operations; establishing and fostering an audit culture across the Company; and additionally providing assurance to the Board of Directors through evaluating the effectiveness and adequacy of the internal control, risk management and corporate governance systems.

On the other hand, the Internal Audit Unit also offers consultancy such as making recommendations and providing guidance without undertaking any administrative responsibility with the aim of improving and adding value to the Company's operations, as and when needed and as an extension of audit activities.

Periodic and risk-based internal audits are run so as to contribute to the efficiency and productivity of risk management and corporate governance systems and processes, and to effective, economic and productive use of the Company's resources.

## Risk Management, Internal Control and Compliance Activities

Risk management functions and activities at İş REIC have been placed under the responsibility of Risk Management, Internal Control and Compliance Activities Unit. As part of its risk management function, the Unit identifies, monitors and measures the risks inherent in the Company's operations and reports them to the Company's senior management within the frame of the Company's Risk Policy and associated internal guidelines. In addition, documents related to the company's risk management are reviewed in line with the Company's altered needs and updated as needed. The Board of Directors and the Committee for Early Detection of Risk are kept informed

about the Company's risk exposure by means of a comprehensive "Company Risk Report" that is prepared and submitted every three months. This report includes, among other things, information about the Company's business sector, key financial indicators, and the results of the unit's analysis and assessment of the risks which are inherent in the Company's activities. Detailed information is provided about business environment risk, a category of operational risk that the Company is particularly exposed to. In this context, it is ensured that the Board of Directors is informed about current risk assessments related to the Company's activities.

Furthermore, within the risk detection and management duties and responsibilities charged to the Committee for Early Detection of Risk and the Board of Directors under Article 378 of the Turkish Commercial Code no. 6102 and the CMB's regulations concerning corporate governance, an "Assessment Report of the Committee for Early Detection of Risk" is prepared on a bimonthly basis and submitted to the Board of Directors for its information.

The internal control system is run to make the maximum contribution towards the achievement of the Company's targets that are aligned with its vision, mission and strategies. Internal control activities are conducted within the frame of generally accepted COSO (Committee of Sponsoring Organizations) internal control practices, and the results are reported to the Board of Directors.

Compliance activities are carried out to ensure that the compliance risk is managed and kept under control duly and effectively at the Company within the frame of the severity-

and risk-based approach, and to make the maximum contribution for handling of the Company's operations at all times in conformity to the applicable legislation, regulations and standards. Working also on Regulatory Compliance, Financial Crimes, Sanctions and International Obligations, the function also handles the necessary research, review, monitoring, assessment, briefing, guidance, coordination and reporting activities for compliance-related matters. Quarterly "Compliance Reports" are prepared and submitted to the Board of Directors.

#### **Committee for Early Detection of Risk:**

The Committee for Early Detection of Risk was set up to early detect the risks that may threaten the Company's existence, development and survival, to take necessary action for identified risks, and to manage risks as proactively as possible, in accordance with the CMB's rules and regulations concerning corporate governance, and the relevant provisions of the TCC. The Committee reports to the Board of Directors and carries out its activities as per the Committee for Early Detection of Risks Terms of Reference. The Committee held eight meetings during the reporting period.

Within the frame of the review of the Company's risk management systems, the Committee submitted the following to the Board of Directors;

A quarterly Company Risk Report covering basic risk types in relation to the Company's activities with a particular focus on operational risk, liquidity risk, credit risk and market risk, which is prepared by the Risk Management, Internal Control and Compliance Activities Unit within the knowledge of the Committee for Early Detection of Risk,

Pursuant to Article 378 of the TCC and CMB's regulations concerning corporate governance, "Committee for Early Detection of Risk Assessment Report", which is drawn up to include risk detection and management matters, has been presented for the information of the Board of Directors once in every two months.

Through the reports issued and activities carried out during the reporting period, the Committee played an active role in the identification and analysis of important risks inherent in the Company's operations, ensured that the Board of Directors was briefed as necessary with respect to monitoring the regulatory and internal risk limits, and increased the efficiency of the Company's risk systems, while also overseeing the alignment of risk management activities to the Risk Policy.

#### **Committee for Audit:**

The Committee for Audit reports to the Board of Directors and carries out its activities in accordance with the Committee for Audit Terms of Reference. The Committee ensures the auditing and supervision of proper execution of financial and operational activities, and carries on with its activities in relation to public disclosure of the Company's financial statements, execution of independent audits, ensuring effective operation of the Company's internal systems, and active supervision of all other aspects of the independent auditors' activities. The Committee held nine meetings during the reporting period.

In parallel with its duties set forth in the Terms of Reference, the Committee for Audit, during the reporting period;

Oversaw the independent audit process including conformity of all aspects of the independent auditor's activities and of the interim and annual financial statements to be publicly disclosed to the accounting principles pursued by the Company, as well as their accuracy and fairness, seeking the opinions of the responsible manager at the Company and of independent auditors in the process,

Monitored the determination of the annual activity plan of the Company's Internal Audit Unit and execution of audit activities in accordance with the plan,

Followed up the studies, investigations, examinations and similar activities conducted by the Internal Audit Unit although not included in the annual activity plan of the Company's Internal Systems Unit,

Received information about audit activities and other activities conducted by the Internal Audit Unit in periodic meetings,

Provided the necessary coordination for sharing the findings identified in the audits with the Board of Directors and the Company's senior management, and for ensuring that necessary remedial actions are taken.

Within this scope, the Committee reviewed the operation of the Company's internal audit system, contributed to identification of processes that presented room for improvement, and supervised that audits were carried out effectively.

İş REIC embraced it as essential elements of its corporate culture to offer the necessary training, development and upskilling activities to attract the human resource sharing the common values of the Company and to achieve competitive advantage.

## Human Resources



# shared values

İş REIC recognizes the participation of human resources who share common values in the Company and providing such human resources with training and progression opportunities that will support their personal and professional development as essential elements of its corporate culture.

İş REIC's Human Resources & Education Unit that takes a proactive, innovative, systematic, and open-communication approach, is aware of its impact on the Company's strategic decisions, and cooperates with all related parties. Strategic human resources functions at İş REIC consist primarily of talent acquisition, performance management, career planning, organizational development, compensation and benefits management, training, development, and communication. The Company's human resources practices are carried out with the aims of increasing employee performance and productivity and of improving the quality of the workplace environment. Steering its efforts so as to increase productivity and enhance the quality of working life, İş REIC carries on with talent acquisition (recruitment) activities in line with the principle of "placing the right individual in the right position" from amongst high-potential candidates who are compatible with the corporate culture and values, professionally competent, and open to development.

With the support of the Human Resources & Education Unit, employees who are interested in their own professional progression take part in discussions about how their own career paths are to be managed. This approach is embodied in İş REIC's belief that every employee should be a potential leader.

During 2024, when talent acquisition and matters associated with supporting the financial and emotional wellbeing of employees made the highlights with respect to HR management, Human Resources and Education Unit correctly analyzed the needs and expectations, responding to

them with the necessary actions and implementations.

#### Human Resources Policy

The main objective of İş REIC is to recruit qualified personnel in order to carry out Company activities in the most effective manner and to ensure employee motivation so as to maintain constant success, as well as improve financial and social rights of employees, create a fair and professional work environment and determine the training needs of personnel.

In line with the goals and strategies set out in the Human Resources Policy, the human resource that embraces the same shared values with the Company are selected, necessary training, and development and education activities aimed at creating a competitive advantage are carried out, with the ultimate goal of creating a shared corporate culture. Carrying out all its activities in conformity with the United Nations Global Compact principles, the Company exercises due care to fulfill the requirements of the UN Universal Declaration of Human Rights and those of international covenants to which our country is a party, notably the basic tenets of the International Labor Organization such as employee rights, human rights and social justice. Respectful of human rights and employee rights and embracing equal opportunities, the Company aims to

maintain long-lived cooperation with employees and pursues employee satisfaction.

İş REIC aims to incorporate every segment of the society in working life with the target of ensuring a fair, egalitarian and contemporary working environment and decent working rights. In terms of talent acquisition, the Company hired 13 new employees in 2024, and eight people were promoted at the Company. In keeping with the great importance attached to women work force, the Company provides equal opportunities to increase women's participation in business life.

Employees are informed about decisions and developments that concern them. When making any decisions concerning its employees, İş REIC does so without discriminating on the basis of race, religion, language, ethnicity or any faith, gender, age, marital status, orientation, affinity or difference. There is not a trade union set up under the Company organization. Supporting the recognition of the right to association and the right to collective bargaining, the Company does not have in place any rules hampering the said rights; the Company management did not receive any such demands from the employees to date.

Employees' job descriptions were developed based on business analyses.

# equality

The Company offers equal opportunities to promote women's participation in work life.



## Human Resources

Employees are expected to embrace the performance-driven management concept and recognize that their individual involvement will contribute to customers and shareholders. Evaluation criteria and their results are shared with the employees within the frame of transparency principle. During 2024, employees who participated in the performance evaluation process and their line managers held “feedback interviews”.

The personal dignity of each employee and all of their legally recognized rights are protected within the framework of the Company’s Code of Ethics. All necessary measures have been taken to ensure a safe and healthy working environment. During the reporting period, the Human Resources and Education Unit received no complaints on account of discrimination.

İş REIC adopts equal pay for equal work principle without discriminating on the basis of sex. All employees of İş REIC are compensated above the minimum wage. Employees are informed of recruitment, career guidance and promotion requirements, compensation and fringe benefits.

Advocating a proactive and innovative perspective in human resources management, the Company strives for employee satisfaction. To this end, the Company provides comprehensive and hybrid institutional health insurance for its employees and their dependent spouses and children, purchases life insurance policies for all employees against possible negative developments that life might offer, and offers employer contribution for employees participating in the private pension system for the employees to lead a healthy life together with their families. In addition, all employees receive daily meal benefits, have access to Company-supplied transportation means or commuting benefit.

To maintain and improve employees’ emotional wellbeing, the Company offers the “Employee Support

Program”, which can be benefited by the employees and their family members sharing the same house with them. The Employee Support Program covers dietitian support, psychological consultancy and other areas that employees can seek advice from in any topic they may need. The Company also offers free gym membership at two different locations on the Asian and European sides of the city, which they can use any day of the week.

The Company applies the “Hybrid Working Format” that covers remote working model to help its employees build the work-life balance and to enhance employee satisfaction.

The Company grants all paid/unpaid maternity, paternity and breastfeeding leaves in full as legally stipulated by the Turkish Labor Law, and also offers leave of absence in addition to legally permitted ones for various situations that may come up in the natural flow of life. It is important to ensure the wellbeing, safety and welfare of all employees without discriminating on the basis of sex, and women employees’ diverse demands and needs are taken into consideration. In this framework, a nursing room at the Company has been allocated for use by women employees returning from maternity leave. In addition, welcome gift kits are presented to

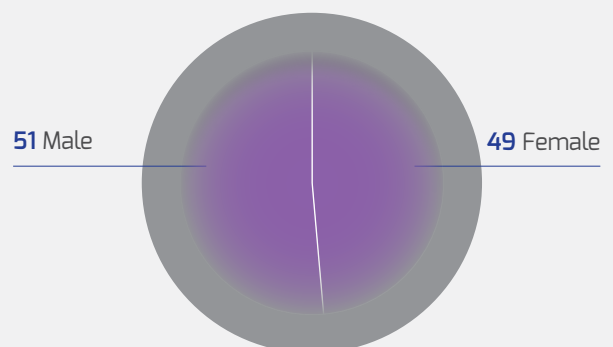
new colleagues joining our company to make their first day at work a memorable one. Family relationships are heeded in the work-life balance that makes a part of our corporate culture, and our employees with children are entitled to a leave of absence to spend quality time with their children on the day they receive their report cards. Furthermore, all the employees get together on the office day that falls on the last business day of each month to celebrate joyful occasions collectively.

Targeting to maintain long-lived cooperation with its employees and seeking to ensure employee satisfaction, the Company had an employee engagement survey conducted during the reporting period with the aim of identifying the strengths and improvement areas. The Company will be steering its HR practices taking the results of the said survey into account as well, and will continue to work without compromising from business continuity and employee health and welfare in the light of its corporate culture and values.

### Training at İş REIC

The training programs designed according to employees’ needs are intended to bring about changes in their knowledge, skills and attitudes,

Gender Breakdown (%)



# engagement

to drive their advancement in their careers, to increase their motivation and job satisfaction, and to align corporate goals and personal targets. İş REIC's priority is to make training programs available for all Company employees within the frame of equality of opportunity.

In 2024, "Earthquake Awareness" and "Drama" training programs were held, which covered all the employees. The earthquake awareness training was designed to equip the employees with the right actions to be taken before, during and after the disaster. The drama training, on the other hand, involved interactive participation of all

employees and was intended to provide the employees with the competencies to handle differences and develop communication skills in the business world.

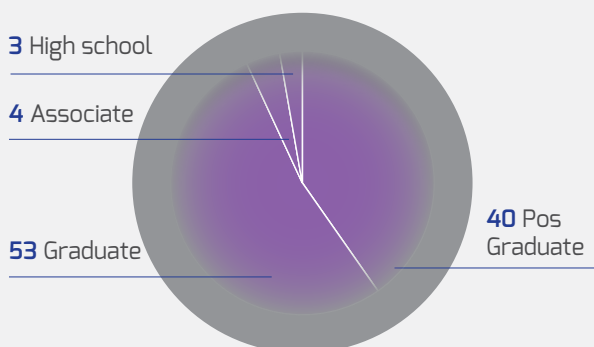
Intended to strengthen team spirit and share the Company's annual vision targets with the employees, the Motivation Training organized in the reporting period was held in Antalya and attended by all employees. The event has been a productive and unifying experience as it presented pleasant pastime opportunity away from the office.

Furthermore, employees attended technical and professional training programs, seminars and summits that deal with various topics specific to their respective fields in parallel with the Company's administrative strategies.

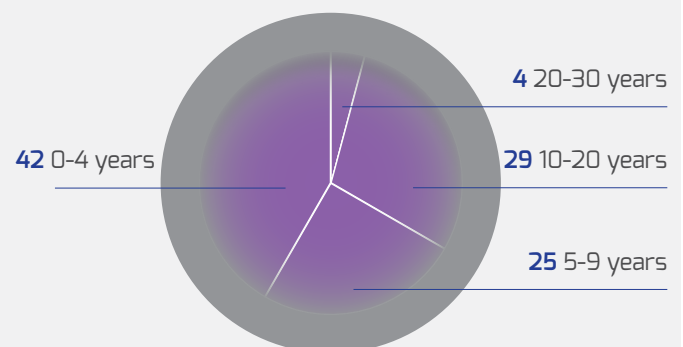
## Organizational Structure

No changes occurred in the Company's organizational structure in the reporting period, and the conduct of our business affairs was carried on maintaining the effectiveness and sustainability of the existing organization.

## Educational Status Breakdown (%)



## Company Tenure Breakdown (%)



# Additional Information Required by CMB Regulations

## Information on Related Party Transactions

İş REIC regularly engages in related-party transactions with its principal shareholder İşbank and with other members of the İşbank Group. These are ordinary transactions carried out as part of the Company's normal business activities. They consist primarily of:

Letting, purchasing and selling transactions of properties, project development activities, and accounting for revenues, expenditures, and receivables associated therewith;

Borrowings, mortgagings, and collateralizations related to the conduct of the Company's ordinary business activities;

Insurance, banking, and non-banking services procured in the conduct of the Company's ordinary operations;

Other goods and services procurements.

Rental income makes up a substantial part of İş REIC's business revenues. In 2024, the Company received a total of TL 588,957,965 as rental income from related parties. In 2024, the company purchased real estate from its related party Türkiye İş Bankası A.Ş. in the amount of TL 900,000,000 plus VAT

As of the end of the reporting period (31 December 2024), total cash and cash equivalents belonging to İş REIC and held in accounts with İşbank amounted to TL 339,805,569 in value. As of the same date, İş REIC had received, from İşbank, a letter of guarantee worth TL 419,324,418. İş REIC's accounts as of the end of the period show that the portion of TL 256,351,263 of the borrowing instruments issued is placed with the group companies.

Further detailed information about related party transactions, which İş REIC was involved in during 2024, is provided in footnote 27 ("Related Party Disclosures") to the Company's financial statements provided elsewhere in this annual report.

In the "Conclusions" section of the "Affiliated Companies Report" published in compliance with the requirements of article 199 of the

Turkish Commercial Code no. 6102, which went into effect on 1 July 2012, the following statement is made:

"All of the Company's dealings with its principal shareholder İşbank and with other members of the İşbank Group in 2024 are in the nature of ordinary transactions which are carried out on an arm's-length basis as part of the Company's normal business activities. The Company was adequately and appropriately compensated for each and every such transaction that it entered into at the time the transaction occurred. The conclusion reached is that there were no measures taken or refrained from which might have caused the Company to suffer a loss."

## Lawsuits Initiated Against the Company during the Reporting Period

There were no lawsuits brought against the Company during the reporting period, which were of a nature to affect the Company's financial position and operations.

## Administrative or Judicial Sanctions Imposed against the Company and the Members of the Governing Body

During the reporting period, no administrative or judicial sanctions were imposed against the Company and the members of the governing body, which were of a nature to affect the Company's financial position and operations.

## Legal Proceedings Concerning the Group of Companies

İş Gayrimenkul Yatırım Ortaklığı A.Ş. (İş REIC) is a company affiliated to the Türkiye İş Bankası A.Ş. (İşbank) group of companies. Both companies are publicly-floated and traded on the stock exchange, and as such, both are subject to auditing. İşbank is audited both by the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board of Türkiye (CMB). Similarly, İş REIC is audited by the CMB. Therefore, the actions and activities of both companies are legitimate. At present, laws preclude any decisions to be taken to the benefit of the controlling company or its affiliated company. For this reason, there has been no need to adopt an additional measure apart from the existing rules in place. The Company did not

suffer any loss for not having adopted additional measures.

## Disclosure under Principles 1.3.6 and 1.3.7 of Corporate Governance Principles

Neither shareholders having management control, nor the Board Members, nor executives with administrative responsibility or their spouses or relatives by marriage unto the second degree engaged in any transaction that our Company became aware of and needs to be reported under principle 1.3.6 of the Corporate Governance Principles.

The Company's Chairman Mr. Can Yücel serves as a Deputy Chief Executive at İşbank, Chairman of the Board at JSC İşbank, and Board member at Türkiye Şişe ve Cam Fabrikaları A.Ş. and Banks Association of Türkiye Risk Center Management; Vice Chairman of the Board Mr. Murat Karluk Çetinkaya serves as the Head of Construction and Real Estate Management Department at İşbank and Board member at İş Portföy Yönetimi A.Ş.; Board member Mr. Murat Doğan serves as the Head of Subsidiaries Department at İşbank, Chairman of the Board at Batı Karadeniz Elektrik Dağıtım ve Ticaret A.Ş., Casaba Yönetim İşletim İm. İth. İhr. Paz. Tem. Güv. Ulaş. Tic. ve San. A.Ş. and Is Technology Investments B.V., Vice Chairman of the Board at Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş., Board member at İş Enerji Yatırımları A.Ş., İşbank AG, Maxis GSPY Temiz Enerji GSYF Investment Committee, Trakya Yatırım Holding A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., and Türkiye Şişe ve Cam Fabrikaları A.Ş. and member at İşbank Research Institute of Banking and Commercial Law; Board member Ms. Vahide Uyar serves as Head of Retail Banking Product Department at İşbank, and Board member at İş Portföy Yönetimi A.Ş., and the Company's CEO Mr. Ömer Barlas Ülkü serves as the Chairman of the Board at Kanyon Yönetim İşletim ve Pazarlama A.Ş. and Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş. The external positions held by these individuals do not lead to any conflicts of interest.





Some of the Company executives with administrative responsibility serve on the Board of Directors of Kanyon Yönetim İşletim ve Pazarlama A.Ş., a subsidiary of the Company. The said situation is specified in the resumés of these executives. These roles undertaken by the said executives with administrative responsibility do not lead to any conflict of interest.

No shareholder having management control over the Company, nor any Member of the Company's Board or of its senior management with administrative responsibility, nor any other person with privileged access to Company information save for any of their spouses or their relatives by blood or by marriage unto the second degree informed the Board of Directors on any matter for incorporation in the agenda for provision of information at the General Assembly about transactions they were engaged in on their own behalf, which fall within the Company's object and scope.

#### **Financial Benefits Provided to Board Members and Senior Management**

Financial benefits provided to the members of the Board of Directors consist of their salaries, and added up to TL 9,989 thousand gross in 2024.

The financial benefits provided to the senior management consist of salaries and bonuses. The financial rights provided to the senior management during the reporting period amounted to TL 32,953 thousand gross.

During the reporting period, the total amount of allowances, travel, accommodation and representation expenses, facilities in kind and in cash, insurance and similar guarantees made available to Board of Directors members and senior executives was TL 4,367 thousand.

During the reporting period, the Company did not lend any sums or extend any credit, or made available any loans under the name personal loan through a third party to its board members and senior managers, nor did it stand guarantee for them such as providing suretyship in their favor.

#### **Changes in Legislation during the Reporting Period**

The following regulations were published during the reporting period, which may have potential implications with respect to the Company's activities:

"Regulation Amending the Zoning Regulation for Planned Areas"

published in the Official Gazette issue 32428 dated 13 January 2024

"Communiqué (Serial No: 50) Amending the Communiqué on Value Added Tax General Implementation" published in the Official Gazette issue 32456 dated 10 February 2024

"Law no. 7524 Amending Tax Laws and Certain Other Laws and the Decree no. 375" published in the Official Gazette issue 32620 dated 02 August 2024

"Regulation Amending the Regulation on Green Certificates for Buildings and Settlements" published in the Official Gazette issue 32699 dated 21 October 2024

"Communiqué (Serial No: 52) Amending the Communiqué on Value Added Tax General Implementation" published in the Official Gazette issue 32708 dated 31 October 2024

The above mentioned changes to the regulatory framework are being assessed with respect to the operations of İş REIC and all necessary work for achieving compliance with the legislation has been, or is being, undertaken



# Main Service Providers

## Main Service Providers

### Tax consultant

PwC Yeminli Mali Müşavirlik A.Ş.

### Independent auditor

**PwC Bağımsız Den.ve Serbest Muhasebeci Mali Müş. A.Ş.**

### Credit rating agency

Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.

### Asset Management Companies

İş Portföy Yönetimi A.Ş.

Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.

### Brokerage house

İş Yatırım Menkul Değerler A.Ş.

### Asset Leasing Company

Levent Varlık Kiralama A.Ş.

## Real estate appraisal firms from which services were procured in 2024

Reel Gayrimenkul Değerleme A.Ş.

Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.

Bilgi Gayrimenkul Değerleme A.Ş.

Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.

Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.

Vera Gayrimenkul Değerleme ve Danışmanlık A.Ş.

## Management companies from which services were procured in 2024

İş Merkezleri Yönetim ve İşletim A.Ş. (İŞMER)

Kanyon Yönetim İşletim ve Pazarlama A.Ş.

Tepe Emlak Yatırım İnş. ve Tic. A.Ş.

## Disclosure of any Conflicts of Interest Between the Company and Its Service Providers

In the selection of its service providers, the Company complies with applicable capital market regulations and takes all necessary measures to prevent potential conflicts of interest.

There were no conflicts of interest between the Company and the service providers identified above either during the course of service procurement or subsequently.

# Corporate Social Responsibility

As it progresses towards generating high returns for its shareholders that represents one of its main goals, the Company carries out various activities within the frame of its corporate social responsibility understanding in order to contribute to social life and the environment. In line with our policy to realize social investments that will serve as an example for all the segments of the society, the sector and the business world and will create concrete benefits, our Corporate Social Responsibility Policy has been established, which places children's equal access to educational, cultural, environmental and social means in our focal point and targets to better equip the children within the scope of our material issues. The said Policy was disclosed on the Public Disclosure Platform (PDP) and on the Company website. Our Corporate Social Responsibility Policy is erected upon our influence and power to change and transform our circle as a result of our efforts carried out in keeping with our mission to create desirable spaces for contemporary people and cities. When fulfilling our responsibility to the world

we live in, to our society we live within, and our people, we make use of our solution generation competencies in line with our priority to create value before all our stakeholders and with our employees' sensitivity regarding social problems; along this line, we embrace it as a principle to generate social value that will create change in the areas we focus and have influence on.

## DONATION POLICY

The Company may make charitable donations that are in line with its sense of social responsibility and that comply with applicable principles and procedures laid down by the Capital Markets Board.

The Company may make charitable donations related to the matters listed below with the aim of contributing favorably towards public perception of its sensitivity about the fulfillment of its social responsibilities and on condition that it shall do so without seeking any financial or commercial benefit therefrom.

Education, health, culture, law, art, scientific and scholarly research, environmental protection, sport, and similar social endeavors; or natural disasters that have occurred in Türkiye or elsewhere.

## Donations in the Reporting Period

The upper limit for the Company's donations for 2024 set by the General Assembly of Shareholders is TL 1,402,500. During the reporting period, the Company donated TL 100,000 each to The Hope Foundation for Children with Cancer (KAÇUV) and TOHUM Autism Foundation, adding up to TL 200,000. The shareholders will be informed about the donations made in the General Assembly Meeting.



# responsible

## Portfolio Information

### Real Estate Portfolio



#### Offices

- İstanbul İş Towers Complex (Tower 1 - Tower 2 - Tower 3)
- İstanbul Financial Center
- İstanbul Tuzla Technology & Operation Center
- Ankara İş Tower
- Maslak Office Building
- Taksim Office Lamartine



#### Shopping Malls

- Ege Perla Shopping Mall
- Marmara Park Shopping Mall
- İstanbul İş Towers Shopping Mall
- Marmaris Mallmarine Shopping Mall
- Tuzla Meydan Shopping Mall

well-balanced  
portfolio



## Inventory

- Kartal Manzara Adalar (25 residential units)
- Litus İstanbul (51 residential units)



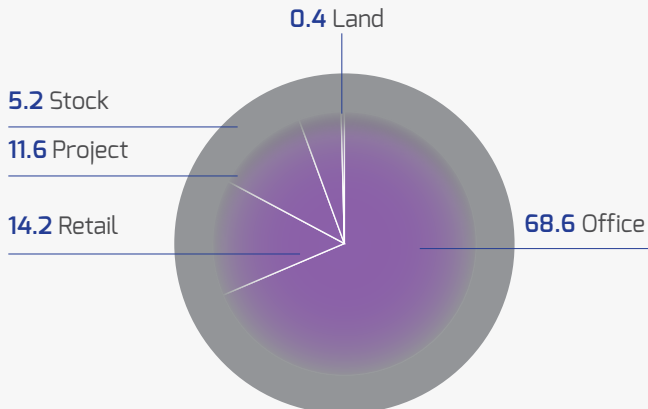
## Lands

- İstanbul Levent İş Towers lands (7,613 m<sup>2</sup>)
- İstanbul Çekmeköy lands (7,751.1 m<sup>2</sup>)

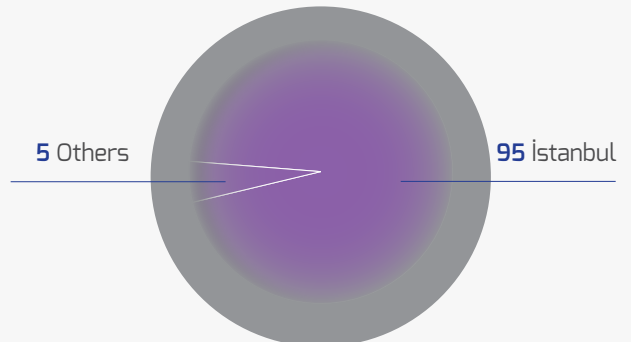
## Real Estate Projects

- Kasaba Modern Project
- Balmumcu Project
- Tuzla Residential Project
- Profilo Shopping Mall Land Residential Project

Value of the Portfolio - Breakdown by Type (%)



Value of the Portfolio - Breakdown by Region (%)





## Portfolio Information

**Location:**

İstanbul-Beşiktaş, Levent

**Acquisition Date:**

1999

**Total Saleable/Leasable Area (m<sup>2</sup>):**

65,781

**Appraisal Value (TL):**

11,449,226,000

**Location:**

İstanbul-Tuzla

**Completion Date:**

2015

**Total Gross Area (m<sup>2</sup>):**

184,653

**Appraisal Value (TL):**

10,450,077,000

### İş Towers Complex

(Tower 1 - Tower 2 - Tower 3 - Kule Çarşı Shopping Mall)



### Tuzla Technology and Operation Center



# innovative


**Location:**

İstanbul-Şişli, Levent

**Opening Date:**

2006

**Total Leasable Area (m<sup>2</sup>):**

42,210\*

**Appraisal Value (TL):**

4,017,500,000\*\*


**Location:**

İzmir-Konak

**Opening Date:**

2017

**Total Saleable/Leasable Area (m<sup>2</sup>):**

23,096

**Appraisal Value (TL):**

1,250,095,000

## Kanyon Shopping Mall



**BREEAM®**

\* Total gross leasable area in the shopping mall.

\*\* İş REIC has 50% ownership and the appraisal value represents İş REIC's share.

## Ege Perla Shopping Mall



## Portfolio Information

**Location:**

Ankara-Çankaya

**Acquisition Date:**

1999

**Total Gross Area (m<sup>2</sup>):**

28,998

**Appraisal Value (TL):**

1,150,760,000

**Location:**

İstanbul-Sarıyer, Maslak Ayazağa

**Acquisition Date:**

2001

**Total Gross Area (m<sup>2</sup>):**

13,559

**Appraisal Value (TL):**

1,658,515,000

Ankara İş Tower

Maslak Office Building



# modern

## ofis Lamartine

### Location:

İstanbul-Beyoğlu

### Completion Date:

2013

### Total Saleable/Leasable Area (m<sup>2</sup>):

3,948

### Appraisal Value (TL):

973,944,000

### Location:

İstanbul-Ümraniye

### Completion Date:

2024

### Total Saleable/Leasable Area (m<sup>2</sup>):

35,386

### Appraisal Value (TL):

5,751,045,000

## Taksim Office Lamartine



## İstanbul Financial Center Project





## Portfolio Information


**Location:**

İstanbul-Üsküdar, Altunizade

**Appraisal Value (TL):**

1,691,816,500\*

**Total Saleable/Leasable Area (m²):**

17,444


**Location:**

Çekmeköy/ Ömerli

**Investment Value (USD):**

210,000,000\*

**Appraisal Value (TL):**

1,352,309,687\*\*

### Litus İstanbul

### Kasaba Modern Project



\* İş REIC has shared ownership right in the property and the appraisal value reflects İş REIC's share in 53 independent sections present in the stock on the appraisal date.



\*The cost of the entire investment, including the land, excluding financing and VAT.

\*\* İş REIC has 44% ownership and the appraisal value represents İş REIC's share.

# visionary

**Location:**

Beşiktaş

**Investment Value (USD):**

30,000,000\*

**Appraisal Value (TL):**

400,002,000

## Balmumcu Project



\* Excluding financing costs and VAT, and including land.

# Independent Auditor's Report on the Annual Report of the Board of Directors

## CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

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

### 1. Opinion

We have audited the annual report of İş Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") for the period 1 January - 31 December 2024.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

### 2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report 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") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that 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. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 14 February 2025 on the full set financial statements for the period 1 January - 31 December 2024.

### 4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Company's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

#### **5. Independent Auditor's Responsibility in the Audit of the Annual Report**

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

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

Burak Özpoyraz, SMMM  
Independent Auditor  
Istanbul, 21 February 2025



# 2024 Ordinary General Assembly Meeting of Shareholders Agenda

## İş Gayrimenkul Yatırım Ortaklığı A.Ş.

### 2024 Ordinary General Assembly Meeting of Shareholders Agenda

1. Opening, establishment of the Presiding Council,
2. The reading and discussion of the Annual Report of the Board of Directors on the Company's activities in 2024 and the reading of the Auditor's Report,
3. The reading, discussion and approval of the financial statements of the year 2024,
4. Acquittal of the members of the Board of Directors of their activities in 2024,
5. Discussion and decision of the Board of Directors' proposal on the distribution of the profit in 2024,
6. Determining the number and the term of duty of the Board members and election of the members base on the determined number,
7. Determining the remuneration of the Board Members,
8. Election of the Auditor,
9. Authorization of the Board Members to conduct the transactions provided under the Articles 395 and 396 of the Turkish Commercial Law,
10. Providing information to shareholders about the donations and grants made in 2024, determining the limit for 2025 donations,
11. Informing the General Assembly within the frame of principle numbered 1.3.6. of the Corporate Governance Principles,
12. Informing the shareholders pursuant to Article 37 of the CMB Communiqué No. III-48.1.
13. Wishes and closing.

# Summary Board of Directors' Report

Dear Shareholders

2024 has been a year in which elements of recovery and volatility co-existed in the world economy. While reshaped supply chains in the aftermath of the pandemic, geopolitical tensions and turbulences in energy markets repressed global growth, regional couplings became more pronounced. The uncertainty was further backed by the anticipated growth of the world economy that remained elusive, and elections that were held in several countries, especially in the US and European countries that represent Türkiye's main market.

Although inflation is far from targeted levels in many countries, tight monetary policies of major central banks started producing results gradually.

The IMF estimated global growth at 3.2% in 2024. Projections by the IMF and the World Bank indicate that growth rates of countries will remain moderate and developing economies will act as the driving engine in 2025.

For Türkiye, 2024 has been a year of tight monetary policies embraced by the economy administration to fight inflation, followed by gradual outcomes that resulted from these policies. While the Central Bank of the Republic of Türkiye (CBRT)'s target to reduce inflation by increasing policy rates were material with respect to protecting the value of the Turkish currency and ensuring price stability, it brought along several achievements including increased reserve levels by the CBRT, higher country rating, and declined risk premiums.

According to the Turkish Statistical Institute (TURKSTAT) data, the national economy grew by 3.2% in the first nine months of the year. The CPI ended the year on the order of 44.4%.

In 2024, housing sales increased by 20.6% on a year-on-year basis. Having taken an upturn in the third quarter of the year, housing sales gained momentum in the last quarter, driven also by the expected downturn in interest rates and upturn in housing prices at the end of the year.

While real price decrease in housing encourages buyers to a certain extent, first-hand housing sales could be increased at a limited level due to the still-high first-hand housing prices because of increased construction costs, insufficient housing supply, and restrained credit facilities. Second-hand housing sales, on the other hand, accounted for nearly 70% of total sales.

First-hand housing sales went up 27.6% annually to 484,461 in 2024 and made up 32.8% of total housing sales. Second-hand housing sales, on the other hand, were up by 17.4% year-on-year to reach 993,564 in 2024.

Acting on more than 250 sub-sectors, the real estate sector continues to be one of the key industries contributing to Türkiye's economic growth. We can say that the 2025 agenda of our sector is headlined by an activity turned towards fulfilling the latent demand. We assume that indicators such as housing loan rates and consumer confidence index will be telling upon the direction the sector will take in 2025.

In 2024, our Company carried on with its activities adhering to a diversified and well-balanced portfolio management strategy in line with its sustainable and profitable growth target, and focused on bringing its ongoing projects to completion and growing its sales revenues and rental income.

In order to align itself with current requirements and in line with its mission to ensure the permanence of stakeholder value, our Company carried on with its environmental, social and governance (ESG) initiatives in 2024.

İş REIC's top priority in 2025 will be to closely monitor investment opportunities in projects and properties that will enable growth and revenue increase in line with its main strategy; to accurately identify and manage risks through every step; to maximize return on all investments; and achieve its lease and sales targets.

As at 31 December 2024, İş REIC registered;

- TL 47,658 million in total assets,
- TL 39,110 million in shareholders' equity,
- TL 47,151 million in total portfolio value and
- TL 44,864 million in total real estate portfolio.
- Our Company's net profit for the period was TL 892 million.
- We would like to thank all our shareholders for their support and confidence.

Sincerely,

İş Gayrimenkul Yatırım Ortaklığı A.Ş.

Board of Directors

## Dividend Policy

The dividend distribution proposal of the Board of Directors is discussed at the General Assembly and it is decided whether to pay out dividends, as well as its manner and timing. The Company's articles of association stipulate that first dividends in the rate and amount determined by the CMB are to be distributed from the distributable profit.

The Board of Directors adopted a dividend distribution policy based on the principle of proposing to distribute at least 30% of the distributable profit in bonus shares or in cash to the General Assembly, giving due consideration to:

maintaining the delicate balance between shareholders' expectations and the Company's need to grow, and the Company's profitability.

There are no privileges regarding distribution of profit, and dividend distribution is carried out within the legally prescribed period of time. In the event that the Board of Directors proposes against distribution of profit to the General Assembly, information on the reasons therefor and the usage manner of retained earnings will be presented to the shareholders at the General Assembly, incorporated in the annual report, and disclosed publicly. The Company's articles of association address distribution of advances on profit share, and advances on dividends may be distributed to shareholders subject to capital market requirements and regulations.

### Information about the Profit for the Period in 2024

In the Company's General Assembly Meeting held on 26 March 2024, the Board of Directors' proposal for the distribution of the profit for the period in 2023 that suggests retaining the profit instead of distributing dividends in order to optimize the cash flows of the Company which is in the process of making investments and transferring the remaining amounts from the profits prepared according to the Tax Procedure Law and the CMB regulations to extraordinary reserves and retained earnings respectively, after the allocation of the primary legal reserve pursuant to the regulation from the profits prepared according to the Tax Procedure Law and the CMB regulations, was approved.

# Profit Distribution Proposal by the Board of Directors for 2024

Since no net distributable profit for the period arises in the Company's inflation-adjusted financial statements drawn up according to the Tax Procedural Law within the frame of the dividend distribution proposal created in view of the Capital Market legislation, the Turkish Commercial Code, the Company's Articles of Association, and the Company's Dividend Policy, it will be laid down for the approval of our shareholders not to distribute dividends at the General Assembly.

## İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. Profit Distribution Table for the Year 2024 (TL)

1,	Paid-in/Issued Capital	958,750,000	
2,	General Legal Reserve (based on legal records)	135,917,062.85	
Information regarding privileges in profit distribution according to the Articles of Association, if any. information on such privileges		There are no privileges in profit distribution	
		Based on CMB	Based on Legal Records
3,	Profit for the Period	3,407,711,709.00	-1,149,722,944.35
4,	Taxes (-)	-2,572,391,287.00	0.00
5,	Net Profit for the Period (=)	835,320,422.00	-1,149,722,944.35
6,	Prior Period Losses (-)	0.00	0.00
7,	Primary Legal Reserve (-)	0.00	0.00
8,	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	835,320,422.00	0.00
9,	Donations Made within the Year (+)	200,000.00	
10,	Net Distributable Current-Year Profit Including Donations	835,520,422.00	
11,	First Dividend to Shareholders	0.00	
	- Cash	0.00	
	- Bonus	0.00	
	- Total	0.00	
12,	Dividends for Preferred Shareholders	0.00	
13,	Dividends for Others	0.00	
	- Board Members	0.00	
	- Employees	0.00	
	- Other than Shareholders	0.00	
14,	Dividend to Owner of Redeemed Shares	0.00	
15,	Second Dividend to Shareholders	0.00	
16,	Secondary Legal Reserves	0.00	
17,	Statutory Reserves	0.00	
18,	Special Reserves	0.00	
19,	EXTRAORDINARY RESERVES	835,320,422.00	0.00
20,	Other Distributable Sources	0.00	0.00

\* Inflation adjusted

## İş Gayrimenkul Yatırım Ortaklığı A.Ş. Dividend Ratio Table for 2024

GROUP	TOTAL DIVIDENDS		TOTAL DIVIDENDS/NET DISTRIBUTABLE PERIOD PROFIT	OF TL 1 NOMINAL VALUE DISTRIBUTED PROFIT	
	CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
A	0.00	0.00	0.0%	0.00	0.0%
NET B	0.00	0.00	0.0%	0.00	0.0%
TOTAL	0.00	0.00	0.0%	0.00	0.0%



# Statement of Compliance with Corporate Governance Principles

Believing in the importance of Corporate Governance Principles and observing compliance with them, the Company espouses the four main elements of Corporate Governance Principles, which are equality, transparency, accountability and responsibility, in its activities.

In this context, the Company acts in line with the applicable regulations with respect to exercising of shareholding rights and public disclosure, makes sure that its relations with all stakeholders are carried out within the frame of publicly disclosed "Code of Ethics", and the Company's Board of Directors carries out its activities in compliance with the principles through the Committees and mechanisms set up.

The Company's Investor Relations and Sustainability Department efficiently managed the processes associated with the exercising of shareholder rights, public disclosure and information sharing activities in particular, as well as General Assembly formalities. The Department actively took part in the public disclosure of the matters related to the said processes, ensured that the sections of the Company website that concerns shareholders are kept up-to-date, and oversaw the exercising of shareholder rights.

The Company's Board of Directors is formed of nine members, three of which are independent members and one is an executive director. Board members are elected for a one year term-of-office; two new members were elected at the General Assembly

meeting convened during the reporting period while the other seven members whose terms expired were re-elected and carried on in their respective positions. Information such as the number of years Board of Directors members have been serving on the Company's Board, and the external positions they hold is provided in their resumés.

Carrying out its activities as per the terms of reference that have been made public, the Board of Directors met five times in 2024. All but one of the board meetings were held with the full participation of Board members, and decisions were passed with the unanimous votes of the attending members in the reporting period. The table below presents the attendance rates to the Board meetings held in 2024 activity period.

01 January 2024-31 December 2024	
Attendance Rates:	
Can Yücel	100%
Murat Karluk Çetinkaya	80%
Özcal Korkmaz	100%
Ömer Barlas Ülkü	100%
Murat Doğan	100%
Vahide Uyar	100%
Oğuz Cem Çelik	80%
İlkay Arıkan	100%
Mehmet Gökpınar	100%

The Committee for Audit, the Committee for Early Detection of Risk and the Corporate Governance Committee have been set up under the Board of Directors, and the

Committees efficiently carried out their activities according to the accepted terms of reference and within the scope of their duties and responsibilities defined in the Corporate Governance Principles. The Committees contributed to the activities of the Board of Directors with the reports produced and advisory decisions taken.

The Company displays the required sensitivity for compliance with Corporate Governance Principles; the Corporate Governance Committee was set up at the Company in 2007, and as part of its principal duties, the Committee follows up corporate governance activities, monitors the Company's compliance with the principles, identifies improvement areas, takes necessary actions and makes proposals to the Board of Directors, thus playing an active role in continuously improving the corporate governance system.

Also functioning as the Nomination Committee and the Remuneration Committee, the Corporate Governance Committee has evaluated proposed independent membership nominees for seats on the Board of Directors taking into consideration whether they satisfy the independence criteria, presented them in a report, and submitted it to the Board of Directors. Moreover, the Committee passed advisory decisions for determining the remuneration to be paid to Board of Directors members and managers with administrative responsibility, and made suggestions to the Board of Directors.

The Corporate Governance Committee is also assigned with handling the Company's environmental, social and governance (ESG) matters and sustainability initiatives. To this end, the Committee managed the sustainability activities, oversaw the integration of sustainability practices in targets, strategy and business processes, and reported the ESG-related activities it has carried out during the reporting period to the Board of Directors.

The Board of Directors reviewed the effectiveness of the risk management and internal control systems, and produced a report on the operation and efficiency of the Company's internal systems during the reporting period.

The Company implements all of the compulsory Corporate Governance Principles, takes care to maximize its compliance with optional principles that are not compulsory to be implemented, and complies with the majority of optional principles.

From out of the non-compulsory principles, the Company partially complies with the principles numbered 3.2.2, 3.3.5., 4.2.8., 4.4.2., 4.4.7., 4.6.1., 4.6.5 whereas it does not comply with the principles numbered 1.5.2., 3.2.1., 4.3.9. and 4.5.5. During the year, no conflicts of interest arose due to optional principles that it has achieved partial or no compliance with.

Explanations about the Company's compliance level with the principles and partially complied or non-complied optional principles are provided in detail in the Corporate Governance Principles Compliance Report. Partially complied or non-complied optional principles mostly relate to matters that necessitate extensive arrangements, that are not widely implemented in our country, or not subjected to additional arrangements given the Company's existing scale or Board of Directors organization. The Company does not have any short-term plans to achieve compliance with the relevant principles.

Publicly disclosed on the Public Disclosure Platform ([www.kap.org.tr](http://www.kap.org.tr)), the Corporate Governance Compliance Report and the Corporate Governance Information Form for 2024 are also posted under the Corporate Governance Heading of the Investor Relations tab on the Company website for the information of all stakeholders.

# Corporate Governance Compliance

	Company Compliance Status				Explanation
	Yes	Partial	No	Exempted	Not Applicable
<b>Corporate Governance Compliance Report</b>					
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>					
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X				
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>					
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X				
<b>1.3. GENERAL ASSEMBLY</b>					
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X				
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X The Board of Directors was not informed regarding Principle 1.3.7
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X				
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X				
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X				
<b>1.4. VOTING RIGHTS</b>					
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X				
1.4.2 - The company does not have shares that carry privileged voting rights.	X				
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X There are no companies with which the Company has cross-shareholding relationship.
<b>1.5. MINORITY RIGHTS</b>					
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X				

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.						Other than the current legal arrangements, as it is the case across the country, Articles of Association provide no additional arrangements regarding the minority rights. On the other hand, our Company's Codes of Ethic stipulates that each shareholder is given the same value and treated equally regardless of their share. All relevant regulations governing the use of the shareholders' rights are observed. There are no plans for amending the Articles of Association so that it covers the minority rights in greater detail.
			X			
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					

## Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.				X		Participation of employees in management has not been regulated by the Articles of Association or the internal regulations. Under the present organization of the Company, the executives of the Company participate in the meetings of the Board of Directors. Other than that, the Company keeps all channels of communication open for the participation of the employees in management, and it establishes platforms and mechanisms for the employees' communication of their opinions and suggestions. Adoption of additional regulations is not considered on this subject, because the present practices of the Company under its organizational structure are believed to satisfy the needs.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.				X		Although the views of the stakeholders are taken into consideration in important decisions that have consequences for the stakeholders, the aforementioned methods cannot be applied on the basis of all stakeholders within the scope of the Company's business processes.
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.				X		Decisions and regulations that may affect employees are informed to them. There are no employee representatives or an assigned union, and no communication has been established with other unions.



	Company Compliance Status				Explanation
	Yes	Partial	No	Exempted	Not Applicable
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X				
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X				
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X				
3.3.9 - A safe working environment for employees is maintained.	X				
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>					
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X				
3.4.2 - Customers are notified of any delays in handling their requests.	X				
3.4.3 - The company complied with the quality standards with respect to its products and services.	X				
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X				
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>					
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X				
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X				
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>					
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X				
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X				
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>					
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X				
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X				
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X				

## Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.						Our Company's Board Members are insured within the scope of the umbrella liability insurance policy, which includes the companies in our group as insured, against the risk of loss caused by their faults during their duties, but the insurance cost is not determined as an amount exceeding 25% of the capital.
				X		
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.						Although the Company has so far not set a certain target ratio and timeframe for the number of female directors in the board of directors and so no policy has been adopted to this end, the Company cares to include people with sufficient competence to the Company's executive positions and the Board without any discrimination, and shows maximum efforts to have women take active roles in the board of directors. On the other hand, while selecting the board members, priority is given to the selection of candidates with due quality and experience as required by the Company's activity area, and we do not prefer to adopt a binding policy that sets a certain number for female directors. There have been female directors in the Company's board of directors since 2012, while there is one female director in the current board of directors (female directors ratio 11%). There are no immediate plans to take action for adopting a target or setting a policy regarding the number of the female directors.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

Company Compliance Status					Explanation
Yes	Partial	No	Exempted	Not Applicable	
4.4. BOARD MEETING PROCEDURES					
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X				
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.					Board meetings are held in accordance with the Company's Articles of Association and working principles of the Board of Directors, and none of these regulations set a minimum time by which information and documents relevant to the board meetings should be delivered to the board members. There is a Board of Directors Secretariat in the Company responsible for preparing and delivering the information and documents related with the board meetings to the Board of Directors; and as a rule under the general practices of the Company, care is taken to send the information and documents relevant to the agenda of the board meetings to all board members at least one week in advance. We are planning to insert a minimum time to the working principles on this subject, when updating the Board of Directors' Working Principles comes to the agenda.
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					No written opinions received from the board members that could not attend the board meetings.
4.4.4 - Each member of the board has one vote.	X				
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X				
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X				

## Corporate Governance Compliance Report

Company Compliance Status					Explanation
Yes	Partial	No	Exempted	Not Applicable	
					<p>4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.</p> <p>Assumption of external commitments by the Board members has been subject to the general provisions and the board members are required to get the permission of the General Assembly for having transactions with the Company and borrowing from the Company under the Article 395 of Turkish Code of Commerce (TTK) and noncompetition with the Company under the Article 396 of TTK. Assumption of external commitments by the Board members hasn't been limited given the contribution of the work experiences and industry experiences of the Board members. Board Members are required to consider during their appointment as an executive or a Board member or a consultant for another company that this appointment should not lead to conflicts of interest, while Independent Board Members - in addition to this fact - should further consider that their such assignments should not violate the independence criteria as provided under the working principles. Furthermore, relevant regulations are observed in assessment of the candidates for Board memberships. The résumés of the board members include their external commitments and information about Board Members is submitted to the shareholders at the General Shareholders' meeting. There are no intentions to restrict the external commitments of the Board members, because until now there has been no case in our Company where a Board member neglected his/ her duty as a Board member in our Company or failed to show the due diligence and time for the Company due to an assumption of an external commitment.</p>
		X			
<b>4.5. BOARD COMMITTEES</b>					
					<p>4.5.5 - Board members serve in only one of the Board's committees.</p> <p>Board members may serve in more than one Board committee to enable the establishment of Board committees and their functioning efficiently. All of our independent Board members have a role in our Board committees. The Board members who serve in more than one committee both help increase the possibilities of cooperation between the committees having similar work areas and improve the decision-making processes as they ensure a good communication between these committees.</p>
				X	

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No external consultancy services are used by the Committees in 2024.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.						No Board performance evaluation is conducted in our Company. However, Board members participate actively in the negotiation and decision-making processes of both the Board of Directors and the Committees established under it by joining in person to the meetings of both the Board of Directors and the Committees, and also identify the strategic targets of the Company by preparing the Company's strategy paper. Board of Directors reviews and reports the efficiency of the Committees on an annual basis. There is no need for another separate application for the Board performance evaluation, given the scale of the Company and the functioning of its Board of Directors.
				X		
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.						The benefits offered to the Board members and the top management are collectively disclosed to the public via Financial Statements issued every three months, and in the Annual Report the benefits are disclosed separately for the Board of Directors and the top management. The remuneration of the Board members are decided at the General Shareholders' meetings, so the salary of the Board members are known by the public because all Board members are paid equal salaries. The remunerations paid to the executives with administrative responsibility are preferred not to be disclosed given the current general practice in the country and the competitive conditions in the labor market.
				X		



# Corporate Governance Information Form

## 1. SHAREHOLDERS

### 1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	11 investor meetings in total were held with analysts and fund managers and around 100 information requests via mail and call were responded.
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### 1.2. Right to Obtain and Examine Information

The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0

### 1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/tr/Bildirim/1254508">https://www.kap.org.tr/tr/Bildirim/1254508</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	All General Assembly Documents (invitation, agenda, power of attorney, informative document, profit distribution proposal, board members nominees and resolutions of the general assembly), except list of attendants are disclosed at the same time.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	-
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/tr/Bildirim/1360908">https://www.kap.org.tr/tr/Bildirim/1360908</a> <a href="https://www.kap.org.tr/tr/Bildirim/1362545">https://www.kap.org.tr/tr/Bildirim/1362545</a>
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/tr/Bildirim/1251954">https://www.kap.org.tr/tr/Bildirim/1251954</a>
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations/Corporate Governance/Policies
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/tr/Bildirim/192006">https://www.kap.org.tr/tr/Bildirim/192006</a>
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 22
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Besides shareholders and their representatives, Board Members and the representative of the independent audit firm attended the 2023 General Assembly Meeting. Also, by informing the Company, Company employees participated in the General Assembly Meeting without the right to take the floor.

### 1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Our Company Articles of Association contains no privileges with regard to use of votes. But, the Group A shareholders have the privilege to nominate candidates to become members of the Board of Directors. One of the Board of Directors members is elected among the nominees of Group B shareholders and the remaining members are elected from the nominees of Group A shareholders.
The percentage of ownership of the largest shareholder	52.22%

### 1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

No

If yes, specify the relevant provision of the articles of association.

-

### 1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

Investor Relations/Corporate Governance/Policies

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.

Board of Directors' proposal concerning the distribution of 2023 net period income were approved exactly as it was. The proposal suggests; not distributing dividends aiming to optimize the cash flows since the Company is in investment period and transferring the remaining amounts from the profits prepared according to the Tax Procedure Law and the CMB regulations to extraordinary reserves and retained earnings respectively, after the allocation of the primary legal reserve pursuant to the regulation from the profits prepared according to the Tax Procedure Law and the CMB regulations.

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

<https://www.kap.org.tr/tr/Bildirim/1262587>

#### General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations received by insiders by the board of directors	The link to the related PDP general shareholder meeting notification
26/03/2024	0	70.99%	0.00%	70.00%	Investor Relations/General Assembly/ Resolutions Made In The Annual General Assembly	Investor Relations/General Assembly/ Resolutions Made In The Annual General Assembly	-	230	<a href="https://www.kap.org.tr/tr/Bildirim/1262587">https://www.kap.org.tr/tr/Bildirim/1262587</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

"Corporate" and "Investor Relations" sections.

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

We have no real person shareholder who directly own more than 5% of the shares. Shareholder structure of the Company is provided in "Corporate>Shareholder Structure" section of the website

List of languages for which the website is available

Turkish and English

## Corporate Governance Information Form

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	"Board of Directors", "Senior Management" and "Declaration of Independent by Independent Board Members"
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Board of Directors/Working Principles of Board of Directors Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Boards of Directors/Board Meetings
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Changes in Legislation During the Reporting Period
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Additional Information Required by CMB Regulations / Lawsuits Initiated Against the Company during the Reporting Period
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Main Service Providers/Disclosure of Any Conflicts of Interest Between the Company and Its Service Providers
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no cross ownership subsidiaries.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	"Human Resources" and "Corporate Social Responsibility"

### 3. STAKEHOLDERS

#### 3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations/Corporate Governance/Policies
The number of definitive convictions the company was subject to in relation to breach of employee rights	1
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Committee for Audit
The contact detail of the company alert mechanism	<a href="https://www.isgyo.com.tr/contact/ethic-line-contact-form/">https://www.isgyo.com.tr/contact/ethic-line-contact-form/</a>

#### 3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	-

#### 3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Company's organizational chart and the current promotion application require that employees are placed under each management who are trained and regarded as the manager candidates while promotions to key positions are under the authority of the Board of Directors.
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The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	"Human Resources" and "Corporate/Sustainability"
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership program.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	"Human Resources" and "Corporate/Sustainability"
The number of definitive convictions the company is subject to in relation to health and safety measures	-
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations/Corporate Governance/Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	The Company does not have Corporate Social Responsibility Report. The Company has formed environmental, social and corporate governance policies and disclosed them. The ESG Policies and Company's Sustainability Principles Compliance Report are available in "Corporate>Sustainability" section of the Corporate web site
Any measures combating any kind of corruption including embezzlement and bribery	An Ethical Hotline has been established for the stakeholders to report the transactions considered to be contradictory to the laws and the Company's ethical values. The Company's Code of Ethics regulates this subject. Internal regulations of the Company also stipulates a ban to offer benefits regarding the employees. All of these factors are scrutinized by the current supervision activities of the Company. The Company's Gifts & Hospitality Policy and Anti-Bribery and Anti-Corruption Policy are submitted to the information of all stakeholders.
<b>4. BOARD OF DIRECTORS-I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes

## Corporate Governance Information Form

Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	According to the assignment of duties and responsibilities; Board Members Mr. Can Yücel and Mr. Murat Karluk Çetinkaya were elected as the Chairman of the Board of Directors and as the Vice Chairman, respectively. Also, elections to committee seats were held as required by CMB Corporate Governance Communiqué and working principles of the Committees. Independent Board Member Mr. Mehmet Gökpınar was elected as the Head of the Committee for Early Detection of Risk, Independent Board Member Prof. Oğuz Cem Çelik was elected as the Head of the Audit Committee; Independent Board Member Mr. İlkey Arıkan was elected as the Head of the Corporate Governance Committee and the member of the Audit Committee; Board Members Mrs. Vahide Uyar and Mr. Murat Doğan were elected as members of the Corporate Governance Committee and Committee for Early Recognition of Risk. There is no delegation of authority other than the distribution of tasks. Neither a Nominating Committee nor a Remuneration Committee has been set up. The functions of these committees are performed by the Corporate Governance Committee. The Corporate Governance Committee is also appointed within the scope of the Company's Environmental, Social and Corporate Governance issues and sustainability practices
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	7
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Internal System Unit
Name of the Chairman	Can Yücel
Name of the CEO	Ömer Barlas Ülkü
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	The Company has insurance for any damage that may be caused by the members of the board of directors during the discharge of their duties but the amount of the insurance does not exceed 25% of the capital. No PDP notification is made regarding this issue.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	There is 1 female Board Member in the Board. The ratio is 11%.



Board Members							
Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
CAN YÜCEL	Non-Executive	Dependent Member	21/03/2023				Yes
MURAT KARLUK ÇETİNKAYA	Non-Executive	Dependent Member	10/7/2020				Yes
ÖMER BARLAS ÜLKÜ	Executive	Dependent Member	31/07/2023				Yes
ÖZCAL KORKMAZ	Non-Executive	Dependent Member	29/04/2020				Yes
MURAT DOĞAN	Non-Executive	Dependent Member	8/12/2014				Yes
VAHİDE UYAR	Non-Executive	Dependent Member	26/03/2024				Yes
OĞUZ CEM ÇELİK	Non-Executive	Independent Member	23/03/2022	<a href="https://www.kap.org.tr/tr/Bildirim/1257954">https://www.kap.org.tr/tr/Bildirim/1257954</a>	Considered	No	No
İLKAY ARIKAN	Non-Executive	Independent Member	23/03/2022	<a href="https://www.kap.org.tr/tr/Bildirim/1257954">https://www.kap.org.tr/tr/Bildirim/1257954</a>	Considered	No	Yes
MEHMET GÖKPINAR	Non-Executive	Independent Member	26/03/2024	<a href="https://www.kap.org.tr/tr/Bildirim/1257954">https://www.kap.org.tr/tr/Bildirim/1257954</a>	Considered	No	No

#### 4. BOARD OF DIRECTORS-II

##### 4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period	The Board of Directors convened 5 times during this year.
Director average attendance rate at board meetings	95.50%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	As a rule under the general practices of the Company, care is taken to send the information and documents relevant to the agenda of the board meetings to all board members at least one week in advance.
The name of the section on the corporate website that demonstrates information about the board charter	"Investor Relations/Corporate Governance/Articles of Association" and "Corporate/Board of Directors/Board of Directors Working Principles"
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no policy covering the number of external duties held by directors. Assumption of external commitments by the Board members has been subject to the general provisions and the board members are required to get the permission of the General Assembly for having transactions with the Company and borrowing from the Company under the Article 395 of Turkish Code of Commerce (TTK) and noncompetition with the Company under the Article 396 of TTK.

##### 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Board of Directors/Operating Principles of the Board of Directors and Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems sections and "Committee for Audit Report" section.
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/tr/Bildirim/363253">https://www.kap.org.tr/tr/Bildirim/363253</a> <a href="https://www.kap.org.tr/tr/Bildirim/1074633">https://www.kap.org.tr/tr/Bildirim/1074633</a>

## Corporate Governance Information Form

### Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Corporate Governance Committee	-	İlkay Arıkan	Yes	Board member
Corporate Governance Committee	-	Murat Doğan	No	Board member
Corporate Governance Committee	-	Vahide Uyar	No	Board member
Corporate Governance Committee	-	Ayşegül Şahin Kocameşe	No	Not board member
Committee of Early Detection of Risk	-	Mehmet Gökpınar	Yes	Board member
Committee of Early Detection of Risk	-	Vahide Uyar	No	Board member
Committee of Early Detection of Risk	-	Murat Doğan	No	Board member
Audit Committee	-	Prof. Dr. Oğuz Cem Çelik	Yes	Board member
Audit Committee	-	İlkay Arıkan	No	Board member

### 4. BOARD OF DIRECTORS-III

#### 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors/Working Principles of Board of Directors Committees" and "Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems" sections and "Committee for Audit Report" section.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors/Working Principles of Board of Directors Committees" and "Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems" sections
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors/Working Principles of Board of Directors Committees" and "Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems" sections
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors/Working Principles of Board of Directors Committees" and "Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems" sections

Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors/Working Principles of Board of Directors Committees" and "Board of Directors' Assessment of the Efficiency of Board of Directors Committees and the Company's Internal Systems" sections
<b>4.6. Financial Rights</b>	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Board of Directors Activities in 2024
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	The remuneration of Board of Directors is regulated in the Article 15 of Company's Article of Association. The remunerations of the Members of the Board of Directors are proposed by the Corporate Governance Committee and the remuneration to be paid is determined by the General Assembly. Company's Remuneration Policy comprising all executives and employees of the Company at every levels, is disclosed in the Company's web site in "Investor Relations/ Corporate Governance/Policies" section.
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	"Board of Directors/Remuneration of the Members of the Board of Directors" and "Additional Information Required by CMB Regulations/Remuneration of the Board of Directors and Senior Management"

Composition of Board Committees-II					
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Corporate Governance Committee	-	75%	25%	The Committee met 10 times during the year and no physical meetings were held.	12
Committee of Early Detection of Risk	-	100%	33%	The Committee met 8 times during the year and no physical meetings were held.	8
Audit Committee	-	100%	100%	The Committee met 9 times during the year and no physical meetings were held.	8

## Statement of Compliance with Sustainability Principles

Environmental, Social and Governance (ESG) Policies and guidelines describing the Company's approach to sustainability have been established based on the Board of Directors decision and made available for the information of all stakeholders via the Company website. The Company's ESG issues, risks, opportunities and targets have been set out in respective policies and publicly disclosed.

The Corporate Governance Committee has been designated as the highest body responsible for ESG matters at the Company, and it oversees the implementation of sustainability policies. The Investor Relations and Sustainability Department, on the other hand, is responsible for the internal coordination of sustainability efforts and activities.

The Company's 2024 activities within the frame of ESG policies have been presented to the Board of Directors in a report drawn up by the Corporate Governance Committee as stipulated in the Committee's terms of reference. The Company presented intelligible, accurate and adequate information regarding the sustainability performance, goals and actions in its 2024 Annual Report.

From out of optional sustainability principles, the Company achieves partial compliance with the principles numbered B13, B14, B15, B20, C1.9, D1, D2; however, the Company does not comply with the principles no. A2.3, and B4.

"Sustainability Compliance Report" describing the Company's compliance status with optional sustainability principles is publicly disclosed via the Public Disclosure Platform – PDP ([www.kap.org.tr](http://www.kap.org.tr)). The said report provides detailed explanations about the principles that the Company achieves partial and no compliance with in the "Sustainability Principles Compliance Framework".

The "Sustainability Compliance Report" and "Sustainability Principles Compliance Framework" for 2024 are made available for the information of shareholders and all stakeholders in the Annual Report and under the "Corporate/Sustainability" tab on the Company website.

# Sustainability Compliance Report

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Explanation					
Yes	Partial	No	Not Applicable		
Sustainability Compliance Report					
A. GENERAL PRINCIPLES					
A1. Strategy, Policy and Goals					
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.		X	The Company's material ESG issues, risks and opportunities have been set out specifically in the "Sustainability Policies" and Environmental and Social Impact Policy" approved by the Board of Directors and publicly disclosed, and in other guidelines that are made public.		<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.		X	The Company has in place a Sustainability Policy, Environmental and Social Impact Policy, Human Rights and Human Resources Policy, Anti-Bribery Policy, Gifts and Entertainment Policy, Supplier Management Principles, Gender Equality Policy, Occupational Health and Safety Policy, and Customer Satisfaction Policy, which have been approved by the Board of Directors decision and publicly disclosed.		<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.		X	The Company's ESG targets have been set out under the related Policies and publicly disclosed.		<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
A2. Implementation/Monitoring					
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.		X	The Corporate Governance Committee has been designated as the highest body responsible for ESG matters at the Company, and it oversees the implementation of sustainability policies. The Investor Relations and Sustainability Department, on the other hand, is responsible for the internal coordination of sustainability efforts and activities. This point has been announced by way of a PDP (Public Disclosure Platform) disclosure.		<a href="https://www.kap.org.tr/tr/Bildirim/1074632">https://www.kap.org.tr/tr/Bildirim/1074632</a>
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.		X	The Corporate Governance Committee presented 2022 activities in a report it has drawn up to the Board of Directors.		<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.		X	The Company developed implementation and action plans in line with ESG targets and publicly disclosed the same.		<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.		X	Determination of ESG key performance indicators will be considered in the future.		



# Sustainability Compliance Report

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Explanation					
Yes	Partial	No	Not Applicable		
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.					<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
A3. Reporting					
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.					<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.					<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/ or will significantly affect the Company’s activities, have been disclosed to the public.					<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
A4. Verification					
A4.1. The Company’s Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.					
B. ENVIRONMENTAL PRINCIPLES					
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.					<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
				Explanation	
Yes	Partial	No	Not Applicable		
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.					
X				These matters have been disclosed in the "GHG Report" for the period 1 January – 31 December 2024, and posted on the Company website.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).					
		X		Environmental targets are not included in rewarding criteria under the performance incentive systems.	
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.					
X				The Company reviews its business targets within the frame of the "Environmental and Social Impacts Policy" principles and environmental issues prioritized accordingly, and takes into account these matters when devising its investment strategies.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.					
	X			Targeting to develop environment-friendly, sustainable projects that focus on customer satisfaction within the frame of its publicly disclosed strategic goals, the Company has developed the "Customer Satisfaction Policy" and "Supplier Management Principles" in relation to its customers and suppliers that make two of the most important stakeholders of its value chain based on the Board of Directors decision when developing its ESG policies, and made them available for the information of all stakeholders on its Company website. If/when deemed necessary, the Company will carry out initiatives to raise further awareness of environmental and social issues of its customers and suppliers, and thus make sure its customers and suppliers are involved in the Company's Environmental and Social Impacts Policy.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.					
		X		In the reporting period, the Company was not involved in environment-related policy making processes of concerned organizations and NGOs engaged in environmental issues.	

## Sustainability Compliance Report

Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Yes	Partial	No	Not Applicable		
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.				The Company is aware of the impacts of climate change on our daily lives, takes responsibility in this respect, and reports its GHG inventory. 2024 GHG Report commissioned in this scope has been publicly disclosed, and presents GHG emissions in comparison with previous periods.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
	X				
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.				2024 GHG Report incorporates such information as the standard, protocol, methodology and so on employed for collecting and calculating data. The report has been publicly disclosed.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
	X				
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.				Environmental indicators have been disclosed comparatively for the years 2023 and 2024.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
	X				
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.				The Company has set its short- and long-term goals under the main targets defined in its policies to mitigate its environmental impact.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
		X			
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.				Works are being carried out to include the climate crisis risk in the Company Risk Policy adopted by the Board of Directors and to define it in the Company Risk Catalog.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
		X			
B14. The programs/ procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.				The Company has publicly disclosed the fundamental practices put in place or planned to avoid or minimize the potential negative effects of its property portfolio on the environment.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
	X				

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
				Explanation	
Yes	Partial	No	Not Applicable		
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.				The Company contributes to reduction of GHG emissions of its suppliers and customers that it services by way of its properties and its implementations for carbon footprint reduction and securing energy and water efficiency on the back of green building certification processes for its existing properties and those under development.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
	X				
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.				The Company publicly disclosed environmental benefits/gains and cost savings secured by the equipment used within the scope of IT employed for environmental impact mitigation purposes.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
	X				
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.				Energy consumption data have been disclosed within the GHG Report.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
	X				
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.				There was no such generation during the reporting period.	
			X		
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.				The Company aims to qualify for I-REC and eco-energy labelling to help with increasing its renewable energy consumption and its transition to zero- or low-carbon electricity. I-REC certification is being obtained at the Company Head Office from 2021, and is obtained also in 2024 for the electricity consumed at the Company's Head Office.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
	X				
B19. The renewable energy production and usage data has been publicly disclosed.				With I-REC certificates obtained in 2023 and 2024, İŞ GYO has certified that 100% of the electricity consumed by its Headquarters, Kanyon A.Ş., and Kanyon AVM locations was supplied from renewable electricity sources. Additionally, in 2024, an I-REC certificate was obtained for the Office Lamartine building, ensuring that electricity consumption for all locations was supplied from 100% renewable electricity sources.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
	X				

# Sustainability Compliance Report

Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Yes	Partial	No	Not Applicable		
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.				The Company takes care to use environment-friendly energy consuming systems for increased energy efficiency, and plans buildings with maximum energy efficiency by utilizing heat insulation systems that classify energy needs and consumption of buildings, and reduce GHG emission levels.	<a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a> <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>
	X				
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.				The Company's total water consumption in 2024 was 25,756 cubic meters and it was disclosed in the GHG Report. The Company uses the mains water supplied by local administrations for its water consumption. Water waste is discharged into treatment facilities and similar infrastructures as defined by local administrations.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
	X				
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				The Company is not included in any carbon pricing system by reason of its operations or activities.	
			X		
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				No carbon credits were saved or purchased in the reporting period.	
			X		
B24. If carbon pricing is applied within the Company, the details have been disclosed.				The Company does not implement carbon pricing.	
			X		
B25. The platforms where the Company discloses its environmental information have been disclosed.				The Company discloses its environmental data in the Annual Reports and under the "Corporate/Sustainability" tab on its Company website. Additionally, in the case of EIA report or similar applications for the projects developed, the related reports are publicly disclosed by the relevant regulatory authorities.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
	X				



Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Explanation					
Yes	Partial	No	Not Applicable		
C. SOCIAL PRINCIPLES					
C1. Human Rights and Employee Rights					
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.		X		The Company has devised its “Human Rights and Human Resources Policy” that incorporates the Universal Declaration of Human Rights, the International Labor Organization (ILO) covenants that Türkiye ratified, and other applicable legislation, which was approved by the Board of Directors, and the Assistant General Manager to whom the HR function reports is responsible for the implementation of the said Policy. The Human Rights and Human Resources Policy and the people in charge of them are made available for the information of all stakeholders on the Company website.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women’s employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.		X		The Human Rights and Human Resources Policy covers various principles including non-discrimination between employees on any basis including race, religion, language, sect or any faith, gender, age, cultural or social class; respecting human rights, ensuring equal opportunities in all kinds of HR management processes, protecting employees from internal physical, mental and/or emotional abuse, implementation of a fair and competitive remuneration policy, establishment of necessary mechanisms for employee feedbacks and complaints; and the importance attached to training, development and talent management, as well as occupational health and safety.	<a href="https://www.isgyo.com.tr/corporate/sustainability/">https://www.isgyo.com.tr/corporate/sustainability/</a>
C1.3. The measures taken for the minority rights/ equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.		X		Looking out for certain economically, environmentally and socially-vulnerable segments, the Company aims to include all segments of the society in business life with the aim of a fair, egalitarian and modern working environment; and adheres to the principle of “equal pay for equal work” without discriminating on the basis of race, religion, language, gender, disability, etc. The Company offers equal opportunities for increasing employment of economically, environmentally and socially-vulnerable segments through various implementations such as supporting the engagement of employees with disabilities, provision of equal promotion opportunities to women employees, etc.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>

## Sustainability Compliance Report

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
				Explanation	
Yes	Partial	No	Not Applicable		
	X			<p>C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.</p> <p>Adhering to the principle of respecting human rights and employee rights in its operations, the Company takes necessary measures against any indecent violation of rights. Forced labor, child labor, hazardous labor, etc. are out of the question at İş REİC. The Company employs people above the age of 18 and the said age limit is also incorporated in the Company's internal guidelines as a criterion for hiring. Suppliers are also expected to act accordingly pursuant to the Company's Human Rights and Human Resources Policy.</p>	<p><a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>  <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a></p>
	X			<p>C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.</p> <p>Fringe benefits and/or benefits provided by the Company to its employees are determined by internal regulations and employees are informed about the management of wages and fringe benefits. The Company's Compensation Policy has been disclosed to the public and the Policy can be accessed from the "Investor Relations/Corporate Governance/Policies" section of the Company's website.</p>	<p><a href="https://www.isgyo.com.tr/en/investor-relations/corporate-governance#policies">isgyo.com.tr/en/investor-relations/corporate-governance#policies</a>  <a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a></p>
	X			<p>C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.</p> <p>The Company employs open, transparent and cordial communication channels for employees to convey their opinions, suggestions, complaints and feedbacks, and mechanisms for resolution of conflicts. Conflict resolution processes are addressed in the Company's implementations and employees have been informed on the same.</p>	<p><a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a>  <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a></p>

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Explanation					
Yes	Partial	No	Not Applicable		
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.				<p>The Company aims to maintain long-lived cooperation with employees and strives to ensure employee satisfaction. The Company organizes annual motivational events intended for the participation of all employees, prior to which employees' opinions are sought. During the 2024 reporting period, the Company organized events for employees such as breakfast organization, new year dinner, 25<sup>th</sup> anniversary ceremony, motivation event, hello summer event, service memory ceremony, birthday celebrations and waffle day. Pursuing employees' work-life balance, the Company makes its employees feel that it stands by them at all times with the employee support service offered to all employees, and through fringe benefits and supports provided for special occasions such as childbirth, marriage and special days. In addition, employees completing certain tenures with the Company receive a memento of service. The Company supports a proactive and innovative perspective in the management of human resources, and takes into account employee satisfaction. The Company implements the "Hybrid Working Model", which includes a remote working model throughout the year, taking into account the expectations of employees in this regard. The Company initiated a project in the field of organizational development and career architecture by making action plans in 2024 according to the results of the survey conducted in the previous period in order for employees to evaluate the Company in terms of corporate culture and values, management practices, communication environment and similar areas, as well as to identify the strong and areas open to improvement in the Company's policies and practices. Translated with DeepL.com (free version)</p>	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
C1.6. The occupational health and safety policies have been established and disclosed.	X			<p>The Company established its "Occupational Health and Safety Policy" which has been made available for the information of all stakeholders.</p>	<a href="https://www.isgyo.com.tr/en/corporate/sustainability/">https://www.isgyo.com.tr/en/corporate/sustainability/</a>
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.		X		<p>The Company discloses such data in its Annual Reports and Sustainability Principles Compliance Framework.</p>	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
C1.7. The personal data protection and data security policies have been established and disclosed.	X			<p>The Company established its Personal Data Protection and Privacy Policy.</p>	<a href="https://www.isgyo.com.tr/en/corporate/protection-of-personal-data">https://www.isgyo.com.tr/en/corporate/protection-of-personal-data</a>

# Sustainability Compliance Report

Company Compliance Status					Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Yes	Partial	No	Not Applicable	Explanation	
	X			C1.8. The ethics policy have been established and disclosed.	<a href="https://www.isgyo.com.tr/en/investor-relations/corporate-governance#code-of-ethics">https://www.isgyo.com.tr/en/investor-relations/corporate-governance#code-of-ethics</a>
	X			C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
	X			C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
<b>C2. Stakeholders, International Standards and Initiatives</b>					
	X			C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability/">https://www.isgyo.com.tr/en/corporate/sustainability/</a>
	X			C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
			X	C2.3. The international reporting standards that adopted in reporting have been explained.	There is not an international reporting standard that the Company espoused in relation to sustainability.
	X			C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>

Company Compliance Status				Report Information on Publicly Disclosed Information (Page number, menu name on the website)
Yes	Partial	No	Not Applicable	
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.				
	X			Seeking to improve its performance on ESG issues and sustainability, the Company was included in Borsa Istanbul's Sustainability Index
				<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>				
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.				
	X			The structure of the "Sustainability Working Group" set up for effective and inclusive execution of sustainability activities that represents customers and suppliers, e.g. other important stakeholders of the Company, as well as employees allows being informed about the stakeholders' opinions about the sustainability issues being discussed, and hence, stakeholders' opinions are taken into consideration in determining the sustainability measures and strategies. Furthermore, the Company pays regard to the rights and interests of customers, suppliers or business partners and the public interest when adopting medium- and long-term strategies, as set out also in its Sustainability Policy.
				<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.				
	X			During the year, new practices were introduced in the office in order to increase the individual awareness of employees on sustainability.
				<a href="https://www.isgyo.com.tr/en/corporate/sustainability">https://www.isgyo.com.tr/en/corporate/sustainability</a> <a href="https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations">https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations</a>



# Sustainability Principles Compliance Framework

## A. GENERAL PRINCIPLES

The Company's priority Environmental, Social and Governance (ESG) issues, risks and opportunities are determined particularly in the "Sustainability Policy" and "Environmental and Social Impacts Policy" that have been approved by the Board of Directors and publicly disclosed, and in other applicable and publicly disclosed guidelines. The risks associated with these issues are regularly monitored and analyzed by the Committee for Early Detection of Risk. Furthermore, ESG processes and associated risks are assessed as part of the Company's risk management, internal control and audit activities.

ESG factors make the focal point of the Company's activities; combating climate change, employee and customer satisfaction, supplier relationship management, occupational health and safety, stakeholder communication, gender equality, compliance with the code of conduct and transparent corporate governance practices and so on take to the forefront. ESG policies and related guidelines that represent the Company's approach to sustainability are provided below:

- Sustainability Policy
- Environmental and Social Impact Policy
- Human Rights and Human Resources Policy
- Anti-Bribery and Anti-Corruption Policy
- Gifts and Entertainment Policy
- Supplier Management Principles
- Gender Equality Policy
- Occupational Health and Safety Policy
- Customer Satisfaction Policy

The said guidelines have been established based on Board of Directors decisions and made available for the information of all stakeholders via the Company website. The guidelines can be found on the company website, under the tab Corporate/Sustainability/Policies. The Company's ESG targets are determined within the scope of relevant policies and disclosed publicly.

The Corporate Governance Committee has been designated as the highest body responsible for ESG matters at the Company, and it oversees the implementation of sustainability policies. The Investor Relations and Sustainability Department, on the other hand, is responsible for the internal coordination of sustainability efforts and activities.

The Corporate Governance Committee is formed of three Board members one of whom is independent member, and the Assistant General Manager responsible for Investor Relations and Sustainability function; the Committee's terms of reference were updated to incorporate environmental, social and governance management and sustainability practices. The afore mentioned have been made available to all stakeholders via the PDP and Company websites.

A "Sustainability Working Group" was set up which is led by the Assistant General Manager to whom Investor Relations and Sustainability Department reports and in which the Company's all key functions are represented for ensuring effective and inclusive execution of the Company's sustainability efforts.

Activities carried out under the Company's ESG policies are reported at least annually to the Board of Directors, as stated also in the terms of reference of the Corporate Governance Committee. The Corporate Governance Committee presented its 2024 activities in its report to the Board of Directors.



The Company has created implementation and action plans for the ESG targets it has set. The Company undertakes initiatives to improve its sustainability performance associated with its business processes, products and services. Basic steps implemented or planned for preventing or minimizing potential negative impact of the Company's property portfolio on the environment are described in the "Environmental Principles" section, and its plans concerning other matters in the "Social Principles" section. Determination of ESG key performance indicators will be considered in the future.

The Company presented intelligible, accurate and adequate information regarding the sustainability performance, goals and actions in its 2024 Annual Report and under the "Corporate/Sustainability" tab on its Company website.

With the activities it undertakes, the Company supports the UN 2030 Sustainable Development Goals (SDGs). The SDGs that are associated with the Company activities are addressed in the "Environmental Principles" and "Social Principles" sections.

There are no lawsuits in relation to ESG matters which are filed or concluded against the Company, or are material with respect to ESG policies or may have a material impact on operations.

Verification service is not applicable since the Company's ESG Key Performance criteria are not yet determined.

## **B. ENVIRONMENTAL PRINCIPLES**

Adhering to the principles set out in the "Environmental and Social Impacts Policy" and acting in an environmentally-sensitive manner in the conduct of its activities, the Company aims to achieve improvement in energy and water efficiency, GHG emissions, waste generation and recycling under the said Policy, and disclosed its existing and planned actions in this respect.

In keeping with these goals and implementations, actions that can be taken in the short- and long-term both for the existing properties in the Company's portfolio and for projects that are being or will be developed by the Company are evaluated with respect to their qualifications for each property and project, and are implemented in view of the fitness of the property or development phases of projects.

## Sustainability Principles Compliance Framework

Described below are the basic steps taken or planned for preventing or minimizing the potential negative environmental impact of the property portfolio of the Company that pursues -activities in a manner to support the UN SDGs titled “Sustainable Cities and Communities”, “Responsible Consumption and Production”, “Clean Water and Sanitation” and “Climate Action”.

- Care is taken to align the properties in the portfolio with the criteria of worldwide-accepted green building certifications such as LEED and BREEAM, and necessary work is undertaken accordingly on the basis of each property. LEED-EBOM application process for İş Towers Complex Tower 2 where the Company is headquartered is in progress and the green building certification process is envisaged to be completed in 2025.
- The Company considers obtaining the International Renewable Energy Certificate (I-REC) or eco energy label for the electricity consumption at the Company Head Office for carbon footprint offsetting or minimization.
- Zero Waste Certificate was obtained for Kule Çarşı Shopping Mall located in the İş Towers Complex (Tower 2, Tower 3 and Kule Çarşı Shopping Mall) where the Company is headquartered, and Zero Waste Management process is ongoing for Tower 2 and Tower 3.
- For energy efficiency purposes, the heating and cooling system is set at a certain temperature using the central automation system in the immovable properties, thus avoiding unnecessary energy consumption due to overheating or overcooling in buildings. For instance, central automation systems are used at İş Towers Complex (Tower 2, Tower 3 and Kule Çarşı Shopping Mall), Tuzla Technology and Operations Center (TUTOM), Ege Perla Shopping Mall and Ankara İş Tower.
- The water collected by the rainwater harvesting system is used across the İş Towers Complex and for irrigation of green areas in TUTOM.
- Work was commenced for gradually replacing the common area lighting in the properties in the portfolio with LED fixtures for energy efficiency purposes. Implementations securing energy efficiency are targeted to be spread across the entire portfolio. To this end, photovoltaic (PV) panel use in new project developments has been detailed in projects and implementation is in progress.
- Project design discussions are held for solar power generation for self-consumption at each property within the scope of renewable energy generation.

Below are examples of the Company’s actions for assessing the environmental impact of the projects that are being developed.

- The Company obtains energy identification certificates to ensure energy efficiency for the projects it develops, and seeks to reduce electricity consumption. Energy identification certificates exist for all of the Company’s existing properties, which are renewed once in every 10 years.
- An energy identification document has been obtained for each project developed since 2011 for measurement and documentation of energy consumption in an effort to ensure efficient energy consumption. With respect to planned projects, the Company designs buildings with maximum energy efficiency by utilizing heat insulation systems that classify energy needs and consumption of buildings, and reduce GHG emission levels for the purposes of reducing wasted energy and preserving the nature, correct and beneficial use of energy and energy resources.

The following measures are taken to reduce electricity consumption in developed projects:

The following measures are taken to reduce electricity consumption in developed projects:

- Equipment and devices in A energy class are envisaged to be used.
- Care is taken to select energy-saving LED bulbs for lighting and solar-powered luminaires for outdoor lighting.
- Care is taken to use energy-saving EC-class motors in HVAC equipment.
- Lighting automation and movement sensors are installed in buildings to contribute to reduced electricity consumption and preclude unnecessary lighting.

In addition;

- Green building certification is targeted to be obtained in projects under development to devise and spread environmentally-sensitive design, implementation and operation standards.
- Importance is attached to systems that ensure environment-friendly energy consumption for increasing energy efficiency and reducing air pollution and carbon emissions. Accordingly, care is taken to using photovoltaic systems, a renewable energy source, for common area energy consumption. For instance, photovoltaic panels were used in Manzara Adalar Project. Project has been detailed regarding the use of PV systems in Ömerli and Balmumcu projects to be developed by the Company, and implementation is in progress.
- Care is taken to allocate indoor and outdoor spaces for as many electric vehicles and bicycles as possible, and specific access is provided in related spots in the project to encourage the residents of the project to use mass transportation.
- Care is taken to keep driving routes under the ground and to increase green spaces depending on the size of the projects. Çınarlı Bahçe Project developed in Tuzla has such a design, and a similar course is followed for Litus İstanbul Residential Project in development phase.
- EV charging stations are included in projects for reducing carbon emissions. For instance, such stations are included in the İstanbul Financial Center Project and Litus İstanbul Residential Project. Installation of EV charging stations is being planned in Kasaba Modern and Balmumcu projects as well.
- Rainwater harvesting system is employed in projects in development phase. Additionally, care is taken to using greywater treatment system that contribute significantly to environmental protection by reducing unnecessary depletion of natural water resources, and also supports reducing wastewater generation and mains water consumption. For instance, both systems were used in Litus İstanbul Residential Project. Thus, treated greywater and rainwater are used for garden irrigation and/or flush tanks.
- Care is taken to using oil-water separator systems in projects to prevent water pollution. The said systems have been used in Manzara Adalar and İstanbul residential projects. Kasaba Modern project entails a waste water treatment system; treated water is used for landscape irrigation purposes under the project.
- Attention is paid to selecting locally-sourced and natural and/or recyclable materials and care is taken to using water-efficient plumbing fixtures and built-in reservoirs, as well as to procuring the materials from points of extraction/purchase that are near the project site.
- Drought-resistant plants that require minimum watering are included in projects' landscaping; the ecosystem is supported by choosing species that break solar radiation and develop the green texture quickly, and whose leaves, flowers and seeds can be used. Rooftop gardens are created to minimize environmental impact. In addition, rainwater storage system is employed at Litus İstanbul and Kasaba Modern projects, and the collected water is used for landscape irrigation.

## Sustainability Principles Compliance Framework

- For conservation of water resources, rainwater and greywater treatment systems are used depending on the characteristics of a given project, solutions designed to reduce water consumption are preferred for projects, and increasing and improving the use of these solutions is promoted. In this context, greywater system has been installed in Litus Istanbul project, which treats the water from lavatories and showers to be reused in flush tanks.
- It is aimed to help conserve water resources by adding technologies that reduce water consumption such as water efficiency, wastewater treatment, water recycling and reuse technologies, and additionally, developing projects that embody these technologies.
- Attention is paid to engaging management companies that adopt technologies and methods that reduce wastewater ratio by reducing pollution and increase the safety of recycling.

The Company reviews its business goals within the frame of “Environmental and Social Impacts Policy” principles and of environmental matters prioritized accordingly, and pays regard also to these points when formulating its investment strategies.

Targeting to develop environment-friendly, sustainable projects that focus on customer satisfaction within the frame of its publicly disclosed strategic goals, the Company has developed the “Customer Satisfaction Policy” and “Supplier Management Principles” in relation to its customers and suppliers that make two of the most important stakeholders of its value chain based on the Board of Directors decision, and made them available for the information of all stakeholders on its Company website.

If/when deemed necessary, the Company will carry out initiatives to raise further awareness of environmental and social issues of its customers and suppliers, and thus make sure its customers and suppliers are involved in the Company’s Environmental and Social Impacts Policy.

Achieving alignment with the criteria of globally-recognized green building certifications such as LEED, BREEAM takes place among the Company’s existing targets. The Company devised a strategy for obtaining LEED certification during the development phase of its future property projects and in renovations of its existing properties or within the scope of additional investments. During the execution of these certification processes, carbon footprint reduction, ensuring water and energy efficiency, waste management and recycling requirements are fulfilled.

The majority of the Company’s property portfolio consist of properties that have received or applied for a certificate.

### **Certified properties:**

Tuzla Technology and Operation Center - LEED Gold

Tuzla Mixed-Use Project - LEED Gold

Manzara Adalar (Residential) - LEED Gold

Kanyon Shopping Mall - BREEAM Outstanding

Istanbul Financial Center Project – LEED Gold

Work in relation to LEED certification for TUTOM, an important property in the Company’s portfolio, is detailed under the “Corporate/Sustainability” tab on the Company website.





**Properties for which approval process is in progress:**

İş Towers Tower -2 - LEED - EBOM

İş Towers Tower -3 - LEED - CS

Ankara İş Tower - LEED - CS

55% of the Company's leasable portfolio is comprised of investments with green building certification. This ratio will surpass 85% as and when the properties, for which application process is underway, are granted certification.

Furthermore, the Company targets to get LEED certification for the Balmumcu Project that is being developed.

Recognizing the effects of climate change on our daily life, the Company takes responsibility in this respect and reports its GHG inventory. The "GHG Report" for 2023 is posted on the Company's website, under the "Corporate/Sustainability" tab.

The said report's scope covered the Company Head Office, Kanyon Yön. İşl. ve Paz. A.Ş. (Kanyon A.Ş.) owned by 50%, and Kanyon Shopping Mall managed by Kanyon A.Ş. and Office Lamartine, and the reporting scope, period, data, limitations and other information including the standard, protocol, methodology etc. employed in reporting are described within the GHG Report.

Covering the period from 1 January 2024 through 31 December 2024, the report includes energy and water consumption data and GHG emissions also for the years 2023 and 2024, and increases or decreases in these environmental indicators as compared to previous years are made available for the information of all stakeholders.

The report presents the Company's total energy consumption in 2023 and 2024 in MWh and GJ units. Total energy consumption in 2024 is 3,417 MWh (12,301 GJ).

## Sustainability Principles Compliance Framework

In 2024, total GHG emission was 554.01 tCO<sub>2</sub>e, down by 5.45% year-on-year. In 2024, Scope 1 emissions accounted for 47.43% of total GHG emissions, whereas Scope 2 and Scope 3 emissions made up 0% and 52.57% thereof respectively.

Scope 2 emissions calculation took into account I-REC renewable energy procurement certifications; I-REC certifications obtained in 2024 for the Company Head Office, Kanyon A.Ş., Kanyon Shopping Mall and Office Lamartine building certified that electricity consumption at these locations are totally supplied from renewables.

The Company's total water consumption in 2024 is 25,476 cubic meters. The Company uses the mains water supplied by local administrations for its water consumption. Wastewater is discharged into treatment facilities and similar infrastructures as defined by local administrations.

For water efficiency purposes, tap aerators in all common area washrooms at İş Towers Complex (Tower 2, Tower 3 and Tower Shopping Mall) were replaced with water-saving types. Solutions that serve to water efficiency are intended to be spread across the entire portfolio.

Maximum compliance with specifications, regulations, protocols and standards applicable in Türkiye and in the world is sought to be attained in projects in development phase and in existing properties. Accordingly, the aim is to conserve natural resources, establish structures and systems that support sustainability through reduced energy use and emissions, and create value for the end users of projects and for future generations.

The Company does not directly undertake the construction works in its development projects or existing properties, but procures the construction service from construction companies that operate within certain quality standards and are capable of satisfying the Company's expectations in relation to quality standards. When selecting these companies, the Company takes into account the service criteria that will ensure qualification as a "green building" and/or similar quality in development projects and properties subject to renovation. In addition, the Company oversees the interaction of the companies that will offer construction service with all the stakeholders that might be potentially impacted by the project or property with the aim of avoiding or minimizing potential environmental impacts of existing projects or those in development phase. Relationships with all suppliers and particularly with companies offering construction service are handled in accordance with the publicly disclosed "Supplier Management Principles" and "Code of Ethics".

The Company targets to develop projects that will be eligible for "Environmental Impact Assessment (EIA) Not Required" certificate. The Company gets EIA introductory files prepared for assessing the environmental impacts of its planned projects of a specific scale as per the "Environmental Impact Assessment (EIA) Regulation" of the Ministry of Environment, Urbanization and Climate Change. In the EIA introductory files, the Company undertakes to abide by the applicable regulations in relation to the quantity of wastewater, solid waste, excavation waste, construction waste, packaging waste, hazardous waste, medical waste, gas waste generation quantity; waste batteries and accumulators, waste mineral oil, vegetable oil waste, exhaust emissions, noise generation quantity; environmental impacts of dust emissions from vegetal soil and excavation waste, and soil pollution, and the measures to be adopted therefor. Projects are evaluated by the related Ministry within this context, and projects, which are concluded to not have significant impacts upon the environment as a result of this assessment, receive an "Environmental Impact Assessment Not Required" certificate.

The Company also follows up the policies and regulations (e.g. ISO 14001) that management companies abide by within the framework of sustainability principles during the operation of the buildings in its portfolio, and encourages management companies to align themselves with new standards. Hence, the tenants in the properties serviced by management companies are prompted with regard to fundamental environmental issues such as carbon footprint reduction, and ensuring energy and water efficiency.

Major properties in the Company's portfolio such as İş Towers Complex, TUTOM and Kanyon Shopping Mall are operated by management companies holding ISO 14001 certification, and related environmental management system standards are observed in matters such as energy and water management, waste management and so on. In this context, approximately 75% of the Company's properties generating rental income are operated by management companies possessing ISO 14001 certification.

Zero Waste Certificate was obtained for Kule Çarşı Shopping Mall located in the İş Towers Complex (Tower 2, Tower 3 and Kule Çarşı Shopping Mall) where the Company is headquartered, and the Zero Waste Management process is ongoing for Tower 2 and Tower 3. The total quantity of waste from the Company's Headquarters in 2024 was 7.23 tonnes, all of which is being sent for recycling. The ratio of recycled waste is 5.1%.

Zero waste management system was established at TUTOM, Kanyon Shopping Mall and Ege Perla Shopping Mall covered in the Company's portfolio and that fall under the scope of the "Zero Waste Regulation", and "Zero Waste Certificates" were obtained.

As part of its long-term goals, the Company will consider obtaining a Zero Waste Certificate and ISO 14001 Certification for the Company Head Office in the coming period.

As stated in its Sustainability Policy approved by the Board of Directors and publicly disclosed, the Company assesses risks and opportunities within the scope of the combat against climate change, strives to minimize its impacts resulting from its operations, and determines the actions that need to be taken therefor. The Company attaches the necessary importance to combating climate change, and carries out work for inclusion of climate crisis risk within the Company Risk Policy approved by the Board of Directors, and for its description in the Company Risk Catalogue.

The Company strives to regularly measure GHG emissions that act as the main cause of climate change and to conduct mitigation activities. Accordingly, controls are performed and monitoring is undertaken to reduce consumption values.

The measures adopted for reducing carbon footprint, and the steps taken at the Head Office and existing properties and those under development have been defined together with the Company's environmental targets. Furthermore, the target of obtaining green building certification for existing projects and those under development takes place among the actions for reduction of GHG emissions. The Company contributes to reduction of GHG emissions of its suppliers and customers that it services by way of its properties and its implementations for carbon footprint reduction and securing energy and water efficiency as well as green building certification processes. In 2022, the Company started reporting on environmental factors including carbon footprint, water and energy consumption, and publicly disclosed its practices and plans for reduction of those factors. The Company plans to continue measuring the said environmental indicators and to set and disclose numeric targets for the reduction of measurement results in the future. The Company also targets to gradually replace the vehicles in its fleet with hybrid vehicles. At present, 54% of the vehicles in the Company's fleet are hybrid cars; in the future, it is targeted to gradually replace the vehicles in the fleet with hybrid cars. Furthermore, the employees are offered the chance to use Company-provided service bus for commuting to minimize the potential environmental impact stemming from employee commuting. The cost arising for the employees due to this service is borne entirely by the Company for incentivization purposes. The Company provides commuting benefit to employees who do not use the Company-provided transformation means for commuting to/from work.

Supporting the UN SDG no. 7 "Affordable and Clean Energy", the Company aims to qualify for I-REC and eco-energy labelling to help with increasing its renewable energy consumption and its transition to zero- or low-carbon electricity. I-REC certification is being obtained at the Company Head Office since 2021. In this framework, the Company consumed 0.08 GW/h of I-REC certified green electricity in 2024 at its Head Office. I-REC certification is intended to be obtained also in 2025 for the electricity consumed at the Company's Head Office.

## Sustainability Principles Compliance Framework

Kanyon Shopping Mall, TUTOM and Office Lamartine, three of the Company's major properties that represent approximately 41% of the leasable portfolio in terms of value, also consume I-REC certified green electricity. In addition, some of the tenants in İş Towers Tower 2 & 3 also get I-REC certification.

The Company promotes environment-friendly technologies, and strives to minimize the harmful effects any IT equipment has on the environment throughout their lifecycles. The work undertaken in this respect is described below:

- The number of physical servers existing at the Company was decreased from 20 to 3 within the scope of virtualization initiatives, and the annual energy consumption was reduced from 172,800 KW/h to 45,360 KW/H.
- Conference rooms were set up in each construction site and sales office to enable online meetings instead of physical ones in view of the fact that the Company's construction sites and sales offices can be located in different places. Thus, carbon emission reduction was achieved in CO<sub>2</sub> per kilometer value, enabled by the elimination of vehicle use for transportation.
- Paper consumption was minimized thanks to "Incoming and Outgoing Invoices" and "Incoming Documents" processes developed within the scope of digital transformation.
- Card readers are used for printing out documents at the Company, which prevents unnecessary printing, in a bid to protect the nature. Reduced quantity of print-outs and the Ysoft software on printers saved 841 liters of water (2023: 983 liters of water), 131 KW/h of energy (2023: 146 KW/h of energy) and 8.6 kg CO<sub>2</sub> (2023: 3.42 kg CO<sub>2</sub>) in 2024.

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The Company started taking steps to encourage its employees to delete large-capacity email that are not necessary to be kept on Outlook and online archives, with the aim of reducing the database disk dimension on its email server. The said digital cleaning is intended to eradicate the need for replacing the data storage devices and to limit the Company's energy consumption. In addition, elimination of a new purchase will also contribute to offsetting the energy items spent for the production of the relevant device.

To reduce its environmental impact, the Company has set its short- and long-term targets within the scope of the main targets set out in the Company's policies and the progress achieved towards the targets is made available for the information of all stakeholders via this report.

The Company is not included in any carbon pricing system by reason of its operations or activities, and does not implement carbon pricing. Additionally, the Company is not currently using carbon credits; the Company firstly targets to reduce its direct and indirect emissions (Scope 1 and Scope 2) and carbon credit purchasing might be considered in the future.

The Company takes pains to follow-up the latest developments in Türkiye and in the world in contact and cooperation with various stakeholders, particularly NGOs, universities and public agencies. In the reporting period, the Company was not involved in environment-related policy making processes of concerned organizations and NGOs engaged in environmental issues, nor engaged in any cooperation with such organizations and agencies.

The Company discloses its environmental data in the Annual Reports and under the "Corporate/Sustainability" tab on its Company website. Additionally, in the case of EIA report or similar applications for the projects developed, the related reports are publicly disclosed by the relevant regulatory authorities.





### C. SOCIAL PRINCIPLES

The Company has devised its “Human Rights and Human Resources Policy” that incorporates the Universal Declaration of Human Rights, the International Labor Organization (ILO) covenants that Türkiye ratified, and other applicable legislation, which was approved by the Board of Directors, and the Assistant General Manager to whom the HR function reports is responsible for the implementation of the said Policy. The Human Rights and Human Resources Policy and the people in charge of them are made available for the information of all stakeholders on the Company website. The Company complies with the principles of United Nations Global Compact in the performance of all its activities.

The “Human Rights and Human Resources Policy” that is created in a complementary nature and an integral part of the Company’s Sustainability Policy are regularly reviewed by the Corporate Governance Committee in line with the necessities and the changes in operating conditions, and updated and revised as necessary upon the suggestion of the Committee, which are enforced following the approval of the Board of Directors. The Internal Systems Unit audits compliance with the provisions of the Human Rights and Human Resources Policy.

Erected on various principles including non-discrimination between employees on any basis including race, religion, language, sect or any faith, gender, age, cultural or social class; respecting human rights, ensuring equal opportunities in all HR management processes, protecting employees from internal physical, mental and/or emotional abuse, implementation of a fair and competitive remuneration policy, establishment of necessary mechanisms for employee feedbacks and complaints; and the importance attached to training, development and talent management, as well as occupational health and safety, the Human Rights and Human Resources Policy can be accessed on the Company website under the “Corporate/Sustainability/ Policies” tab. Suppliers from which the Company purchases goods or services are also anticipated to abide by the Policy principles in their business dealings.



## Sustainability Principles Compliance Framework

Adhering to the said Policy principles in HR management, the Company strives to provide the necessary support to keep employees motivated, to constantly improve financial and social rights offered to employees, to create a fair, egalitarian and modern working environment, and to identify and satisfy training needs of employees in a bid to recruit the qualified human resource that will enable maximum efficiency in the conduct of the Company's activities and to maintain its success. Human Resources management activities are described in the "Human Resources Section" of the Annual Report.

Looking out for certain economically, environmentally and socially-vulnerable segments or minority rights, the Company aims to include all segments of the society in business life with the aim of a fair, egalitarian and modern working environment; and adheres to the principle of "equal pay for equal work" without discriminating on the basis of race, religion, language, gender, disability, etc. The Company offers equal opportunities for increasing employment of economically, environmentally and socially-vulnerable segments through various implementations such as supporting the participation of employees with disabilities, provision of equal promotion opportunities to women employees, and so on. Requirements for promotion for all employees are set forth in documented internal rules. Decisions concerning the promotion of an employee is made by the Personnel Committee taking into consideration permanent staffing, seniority and performance results.

The Company established and disclosed its "Gender Equality Policy", which supports the UN SDG no. 5 "Gender Equality" in line with the principles of equal opportunity and diversity set out in its Human Rights and Human Resources Policy. The Company aims to become a signatory to the statements of initiatives championing gender equality on national and international platforms, that are aligned with the Company's purpose and strategies, have a large sphere of influence and offer opportunities for development, and has taken action to become a signatory to the WEPs (Women's Empowerment Principles) in the reporting period. The Company is a signatory of WEPs as of 2024. The Company carried on with its activities for raising increased awareness of its employees about gender equality.

In addition, the Company seeks to procure products/services from women entrepreneurs. In this context, the Company allocated free-of-charge spaces in the reporting period to Maya Farm, Mardin Bir Dünya Üreten Kadınlar Kooperatifi and KAÇUV that support women's cooperatives for them to set up stands to sell products, thus supporting their revenue generation.

Relying on a female labor-intensive workforce since its inception, the Company assigns women to managerial positions. The ratio of women employees is 35% at the Company that has 72 employees on its payroll as of 2024 year-end. While the ratio of women in senior executive positions is 40% and in middle-level managers is 36%, the ratio of women in all the managers of the Company is 48%. The distribution of employees by gender, age and educational background is provided in the "Human Resources" section of the Annual Report.

Pursuant to the governing legislation, the Company attaches priority to selecting nominees possessing the necessary qualifications and experience associated with the field of activity when selecting the Board of Directors members, and also pursues diversity in the composition of the Board of Directors. Experience, skills and perspectives associated with corporate challenges for effective leadership, qualifications required in the composition of the Board of Directors are addressed in accordance with the Capital Markets Board of Türkiye (CMB)'s Communiqué on Real Estate Investment Funds, Turkish Commercial Code and other applicable capital market legislation.

Board of Directors members have been selected so as to complement one another in terms of their backgrounds, professional experience and expertise, and this approach is aimed at capitalizing on diverse resources.

construction, architecture and accounting and finance.

İş REIC abides by the provisions of the Company's Articles of Association and the Turkish Commercial Code when composing the Board of Directors. According to Articles 11 and 21 of the Company's Articles of Association, the Board of Directors is elected by the General Assembly, and the meeting and decision quorums at the General Assembly are subject to the provisions of the Turkish Commercial Code and the Capital Market Law.

The Company accords importance to making sure that individuals with the necessary competencies take place in the execution and on the Board of Directors of the Company, without discriminating on the basis of gender; accordingly, maximum care is taken to ensure that women actively take place on the Board of Directors. There is one woman member on the Board of Directors.

The ratio of women in new hires in 2024 is 47%, and the average age of new recruits is 37. The turnover rate, on the other hand, is 21% in 2024, including our employees who were retired (11%) and employees who left for other reasons (10%). 27% of the employees who left the Company in 2024 are women and average age of employees who left the Company is 44.

At the Company that offers equal promotion opportunities to women employees, the ratio of female employees promoted to all promoted employees during the reporting period is 38%. The Company also briefs women employees about all their rights available under the law prior to and after childbirth and looks out for employees' rights. There is a nursery room at the Company Head Office which can be used by women employees returning to active work after childbirth. Return-to-work and retention ratio after childbirth among women employees is 100%.

All maternity and paternity leaves granted to employees are arranged in parallel with the regulatory framework, and made available for the information of all employees within the Company's Human Resources Bylaws. Women employees are regularly notified of the 16-week paid maternity leave granted in case of maternity, along with other available leaves including part-time maternity leave, part-time working, 6-month unpaid leave and breastfeeding leave. The Company grants 5 days of paternity leave.

The Company takes necessary measures for respecting human rights and for protecting Company employees from any internal physical, psychological and emotional abuse. Employees refrain from any abuse, discrimination or abusive acts at the work place. In such cases, employees are obliged to report the incident through the communication channels made available, notably the Human Resources Portal Suggestion and Complaint section and the Whistleblowing Line. In 2023, employees did not report any complaints regarding discrimination or abuse.

Adhering to the principle of respecting human rights and employee rights in its activities, the Company takes necessary measures against any indecent violation of rights. Forced labor, child labor, hazardous labor, etc. are out of the question at İŞ REIC in support of the UN SDG no. 8 "Decent Work and Economic Growth". The Company employs people above the age of 18 and the said age limit is also incorporated in the Company's internal guidelines as a criterion for hiring. Suppliers are also expected to act accordingly pursuant to the Company's Human Rights and Human Resources Policy.

The Company employs open, transparent and cordial communication channels for employees to convey their opinions, suggestions, complaints and feedback, and mechanisms for resolution of conflicts. Conflict resolution processes are addressed in the Company's implementations and employees have been informed on the same.

All employees can convey their opinions, suggestions, complaints and feedback either via their line managers or the Human Resources and Education Unit. Also, the Company created a channel on the Human Resources Portal for the employees to convey their opinions, suggestions and satisfaction, and express themselves for the resolution of their complaints and disputes. In addition, methods including questionnaires/consultation are employed regarding decisions that produce a result affecting the Company employees.

In the prior reporting period, an employee engagement questionnaire was administered to seek employees' assessment of the Company with respect to corporate culture and values, management actions, communication environment and similar areas, and to identify the weaknesses and improvement areas of the Company policies and practices. Based on questionnaire results, actions were planned and a project was initiated in relation to organizational development and career architecture in 2024.

Fundamental HR processes such as recruitment, career planning, salary and fringe benefits management, performance management and rewarding, resignation and compensation, etc. are shared with all employees; briefing meetings are held upon demand by the employee or as and when the need arises.

## Sustainability Principles Compliance Framework

Targeting increased productivity in the Company's activities and enhancing the quality of work life, the human resources management conducts recruitment and placement activities informed by the principle of "placing the right individual in the right position" from among candidates who are compatible with İş REIC's corporate culture and values, are professionally competent, are open to development, and have strong potential without discriminating on whatsoever basis including race, religion, language, gender, disability etc. Conducting a fair recruitment process offering equal opportunities, the stages of recruitment and all the tools used in talent acquisition are made known to candidates.

İş REIC adopts the principle of offering equal opportunities for training and development of the qualified workforce needed for all managerial and specialist positions in different levels. In case of a vacant position at the Company, such position is firstly attempted to be filled from internal sources depending on the relevant position, by pursuing equal opportunities.

İş REIC adopts a fair and competitive remuneration and rewarding concept aligned with its ethical values and strategic goals, and embraces the principle of "equal pay for equal work" without any discrimination including gender. The Company employs a salary cascade system based on employees' job and position-based weight in determining the remunerations. Job descriptions for the position and title, and implementation principles for the performance have been documented and announced to employees.

The Remuneration Policy in place was approved by the Board of Directors and presented for the information of shareholders in the first General Assembly convened. Refusing all sorts of discrimination in processes and practices encompassing its employees within the frame of the Human Rights and Human Resources Policy, İş REIC compensates all employees in accordance with the principles of the Remuneration Policy, Human Rights and Human Resources Policy, and Human Resources Bylaws. All employees on the Company's payroll are compensated above the minimum wage.

The Company's publicly disclosed Remuneration Policy applies to managers and employees working at any level; the basic principle is to ensure alignment of the remuneration to be paid to managers and employees at any level are in harmony with the Company's ethical values, internal balances and strategic goals, and not linked solely to the Company's short-term performance. Performance-based incentive payments are determined depending on objective conditions and in a manner to positively influence the Company's corporate values, taking into account the maturity of the risks taken and without guaranteeing the amounts in advance. Performance-based incentive payments criteria are determined and communicated to employees; the set criteria are regularly reviewed. Full wording of the Company Remuneration Policy can be accessed on the website, under the "Investor Relations/Corporate Governance/Policies" tab.

The Corporate Governance Committee is charged with and responsible for determining the principles, criteria and practices to be employed in the remuneration of executives with administrative responsibility and to present suggestions to the Board of Directors on these matters.

Fringe benefits and/or rights the Company provides to employees are determined in internal regulations; employees are familiar with salary and fringe benefits management. The Company's Compensation Policy is publicly disclosed and can be accessed on the Company website, under the "Investor Relations/Corporate Governance/Policies" tab.

Company health insurance is provided to company employees and their dependent spouses and children in a manner that supports UN SDG no. 3 "Good Health and Well-Being"; all employees have life insurance, and employer contribution is granted for employees participating in the private pension system. The Company offers "Employee Support Program" that can be used by employees and family members residing in the same household with the purpose of helping them establish the work-life balance and enhancing employee satisfaction. The Employee Support Program covers dietitian support, psychological consultancy and other areas that employees can seek advice from in any topic they may need. The Company also offers free gym membership at two different locations on the Asian and European sides of the city, which they can use any day of the week.

In addition, practices providing income support for a fixed period of time were introduced in 2024 with the aim of supporting employees' purchasing power.

The Company grants a paid leave of absence for the first day of school to all employees who have children at preschool and primary school age. Additionally, all employees who have children attending preschool, primary school, middle school or high school are entitled to half-day paid leave of absence on report card days.



The Company aims to maintain long-lived cooperation with employees and strives to ensure employee satisfaction. The Company organizes annual motivational events intended for the participation of all employees, prior to which employees' opinions are sought. In 2024 reporting period, the Company organized a number of events for employees, including breakfast, New Year's Eve dinner party, motivational events, memento of service ceremony, and birthday celebrations. Pursuing employees' work-life balance, the Company makes its employees feel that it stands by them at all times with the employee support service offered to all employees, and fringe benefits and supports provided for special occasions such as childbirth, marriage and special days. In addition, employees completing certain tenures with the Company receive a memento of service.

Championing a proactive and innovative perspective to HR management and seeking to ensure employee satisfaction, the Company transitioned to the "Hybrid Working Model" during the reporting period, which incorporates the remote working format in response to the employees' expectations in this regard.

The Company bases employee training and development on "Performance and Competence Building System". This competence-based system clarifies the attitudes and behaviors expected of employees for achievement of targets in their respective areas of responsibility, lets them see their contribution to the Company as a whole, and aims to reinforce job satisfaction and motivation. The outputs of this system in which all employees actively take part and which is regarded as kind of a development journey for employees are used as an instrument in revealing employee potential. Furthermore, training programs supporting employees' improvement areas are organized based on the system's outputs. In 2024 reporting period, feedback meetings were held with all employees subject to performance evaluation (66 people), which were attended by the relevant senior manager that they report to.

Within the scope of learning and development activities carried out based on lifelong learning notion, it is aimed to align training programs planned according to employee needs with the Company goals and to let employees reflect the outcomes of the training in their business and personal lives. The Company strives to ensure that all employees participate in training within the frame of equal opportunities.

In keeping with this approach, the Company continued to facilitate employee participation in training programs in parallel with its governance strategies. Training activities in the reporting period were in the form of technical and professional training programs, extramural training for individual participation, seminars, e-learning platform and compulsory protective training sessions. In 2024, 4.5 hours of training per employee were provided on average. During the reporting period, the

## Sustainability Principles Compliance Framework

employees participated in training programs on various topics for their professional development and career progress, including taxation and accounting, CPA license eligibility, budget management, and media management. The Company also organized two programs for the entire employee body: "Earthquake Awareness" training designed to equip the employees with the right actions to be taken before, during and after the disaster, and the "Drama" training intended to provide the employees with the competencies to handle differences and develop communication skills in the business world. Having a proactive and innovative perspective to HR management, İş REIC adopts a fair working manner erected on employee participation and entailing cooperation with all units. The Company promotes innovation and creativity in all HR processes.

Giving importance to digital transformation, İş REIC uses an HR portal which all HR functions can be run on, provides ease of use to employees, and is flexible and adaptable to needs. Through this portal, employees can transparently reach HR processes, and access the cloud-based application from anywhere with an Internet connection. Furthermore, it is aimed to execute existing HR practices in a manner to leave as much digital trail as possible and conservation of nature is pursued by reducing the number of hard-copies.

Employees are informed of the decisions made in relation to them or of developments that concern them. There is not an employee representative, nor is there a trade union due to the scale of the Company; the employees did not so far submit such a demand to the Company management. Similarly, collective bargaining agreement is not needed, given the Company's scale. In 2023 reporting period, there were no employees represented by trade union organizations or covered by a collective bargaining agreement. On the other hand, the Company respects the right to unionization and collective bargaining. All employees are free to unionize and act of their own free will.

The Company does not have any regulations prohibiting the freedom of association and the right to collective bargaining.

At the İş Towers Complex that houses the Head Office of the Company that pursues a healthy and peaceful working environment for the employees, there are physicians and healthcare personnel that employees can refer to for a medical examination when they need it.

Occupational health and safety is an important element of HR policies and practices.

Under the applicable legislation and practices associated with occupational health and safety, the Company provides a healthy and safe working environment to its employees and constantly improves its related processes with preventive, corrective and protective approaches. The Company offers regular occupational health and safety training to employees, provides necessary information and raises awareness of the topic. Within this scope, refresher training on Occupational Health and Safety is given to employees once in every three years in accordance with the regulatory requirements. Refresher training was given to 15 employees in the reporting period. On the other hand, new employees hired during the reporting period received 96 hours of occupational health and safety training. The Company's Human Resources and Education Unit periodically sends awareness e-mails to employees in relation to occupational health and safety, emergencies, earthquake, first aid and so on.

The Company devised its "Occupational Health and Safety Policy" and made it available for the information of all stakeholders. The said Policy can be accessed on the Company website, under the "Corporate/Sustainability/Policies" tab.

Encompassing all employees, customers, visitors and service providers of İş REIC, the Policy has been created to establish a safe and healthy working environment and to promote protective healthcare practices. The Policy sets out the Company's implementation principles, structuring and obligations on the basis of each responsible party in relation to occupational health and safety.

The Policy is implemented by the Occupational Health and Safety Board in charge of coordinating internal occupational health and safety practices under the supervision of the Corporate Governance Committee. The Occupational Health and Safety Board comprises of the Company's various employees, workplace physician and OHS expert and regularly holds quarterly meetings.

The Policy is reviewed in view of needs, changes in operating conditions and legal regulations at least once a year. It is updated and modified as necessary upon the suggestion of the Corporate Governance Committee and enforced following the approval of the Board of Directors.



To prevent workplace accidents and to protect health:

- Employee training and briefing activities are carried out;
- Workplace physicians perform initiation and periodic health examinations of employees as part of health supervision; risk analyses and field observation are regularly conducted and renewed, led by the occupational safety expert and workplace physician at the workplace;
- Emergency action plans are created;
- Occupational Health and Safety Board meetings are held regularly;
- Accident analysis is performed in case of incidents such as workplace accidents and professional diseases, and related improvement procedures are devised;
- Regulatory and preventive activities are organized with the relevant business units in line with the data and findings from field observations, near-misses and accident analyses at the Company.

The Company reports the measures adopted for workplace accidents and for protecting health, workplace accidents, and accident statistics to the Joint Health and Safety Unit (OSGB) from which service is provided, workplace physician and related authorities. In 2024, no employees suffered an injury or a condition leading to a graver result such as death by reason of a workplace accident in terms of 1 million hours. On the other hand, there were no lost workdays of employees resulting from the activities carried out. Under the existing regulatory framework, all employees bound by a labor contract must receive occupational health and safety training, and employers must report workplace accidents, accident statistics and the measures adopted to related authorities. Accordingly, all suppliers from which the Company procures goods or services are expected to adhere to the principles set out in the Company's publicly disclosed "Human Rights and Human Resources Policy", specifically with those related to respecting human rights and occupational health and safety matters, as stipulated in the "Supplier Management Principles".

The Company established its Personal Data Protection and Privacy Policy, which can be accessed on the Company website under the "Corporate/Personal Data Protection" tab. The Company also established and disclosed its Code of Ethics, which can be accessed on the Company website under the "Investor Relations/Corporate Governance/Code of Ethics" tab. Pursuant to the Company's Governance Principle concerning stakeholders, the Company takes necessary measures to ensure that human rights are respected and Company employees are protected from any internal physical, psychological and emotional abuse. Employees refrain from any abuse, discrimination or abusive act at the work place. Company employees avoid any act that might lead to abuse, discrimination or mobbing at the work place. In such cases, employees are obliged to report the incident through the communication channels made available,

Conducting its activities in a manner to support UN SDG no. 16 "Peace, Justice and Strong Institutions", the Company set up a Whistleblowing Line for the so-called stakeholders consisting of shareholders, customers, creditors, suppliers and personnel to report any deeds they consider to be illegal or unethical to the Audit Committee composed of Independent Board Members. Whistleblowing Contact Form can be accessed on the Company website. This line enables handling major issues such as ethical violations, cases of corruption and so on. Complaints received via the Whistleblowing Line are carefully reviewed by the Audit Committee and necessary actions are taken. Set up with the purposes of encouraging sustainable management functions and enabling a more transparent and fair organization, the Whistleblowing Line offers solutions for all the concerns and problems of related stakeholders wishing to report nonconformities and ethical violations. An additional channel has been created on the HR Portal for employees to communicate their opinions, suggestions and satisfaction and to express themselves in search for a solution for their complaints and conflicts. During 2024, no complaints on account of discrimination or mistreatment were received from the employees.

## Sustainability Principles Compliance Framework

Furthermore, employees acting within the frame of integrity and transparency principles and reporting in good faith deeds or attempts in violation of the Anti-Bribery and Anti-Corruption Policy posted on the Company website do not face a penalty and/or retribution for doing so. The Company's Anti-Bribery and Anti-Corruption Policy can be accessed on the Company website, under the "Corporate/Sustainability/Policies" tab. . During the reporting period, employees were given "Anti-Bribery and Anti-Corruption" training to further increase their awareness of the issue.

Established by the Corporate Governance Committee within the frame of ESG factors and enforced based on the Board of Directors decision, ESG Policies were shared with the employees in writing; additionally, briefing meetings were held with the employees regarding ESG policies and practices. In line with short-term targets, Company employees were given training related to sustainability with the aim of supporting their development in ESG matters.

The Company established its "Customer Satisfaction Policy" for customer complaints handling and resolution, and made it available for the information of all stakeholders on the Company website. The said Policy can be accessed on the Company website, under the "Corporate/Sustainability/Policies" tab.

The Company takes care to effectively maintain its communication with all stakeholders that are directly or indirectly affected by its activities in keeping with accountability and transparency concepts. The Company's main stakeholders that it is in contact with include employees, customers, suppliers and shareholders.

The Company maintains a communication that employs open, transparent and cordial communication channels with its employees that represent its most important stakeholder group. Furthermore, various socialization opportunities are taken advantage of to get together with the employees including annual performance feedback assessments and motivational events, mementos of service and monthly birthday celebrations.

The Company is in contact with tenants, home buyers and real estate agents within the scope of its rental and sales activities. Regular contact is maintained with these stakeholders in the form of face-to-face contacts, emails, telephone and video calls and digital platforms (website, social network accounts, complaint websites etc.).

The Company is in constant communication with suppliers within the frame of its project development activity; although it varies on project basis, regular supplier contacts happen mostly in the form of face-to-face contacts, as well as by email, telephone and video calls.

Oral and written contact is established with stakeholders requesting information about the Company's operations such as shareholders, analysts, portfolio managers etc., and sometimes meetings are organized with the said parties upon demand. These stakeholders can contact the Company's Investor Relations and Sustainability Department any time. Stakeholder queries increase at times that coincide with the general assembly meetings, announcement of financial results and so on.

Maintaining contact also with stakeholders such as public and private sector institutions as called for by its operations or in response to the requests from the related parties, the Company provides feedback on draft regulations concerning capital markets and the sector, and extends support to questionnaires and academic studies to the extent possible.

The Company did not embrace any sustainability reporting standard; the Company is a signatory to the Women's Empowerment Principles (WEPs). Adoption of international reporting standards and/or affiliating to other international principles or initiatives will be considered in the future.

Seeking to improve its ESG and sustainability performance, the Company completed the necessary work in the reporting period towards its goal of qualifying for Borsa İstanbul Sustainability Index and was included in the said index in the October-December 2024 period.



#### D. Corporate Governance Principles

Set up in a manner to encompass all key functions in the Company so that sustainability activities can be carried out effectively and inclusively, the “Sustainability Working Group” represents mainly employees, and customers and suppliers that make up two other important stakeholder groups of the Company. Its structure enabling representation of different types of stakeholder groups allows being informed about the stakeholders’ opinions about the sustainability issues being discussed, and hence, stakeholders’ opinions are taken into consideration in determining the sustainability measures and strategies. Furthermore, the Company pays regard to the rights and interests of customers, suppliers or business partners and the public interest when adopting medium- and long-term strategies, as set out also in its Sustainability Policy.

At present, the Company does not have an active social responsibility project running. However, the Company prioritizes creating stakeholder value while fulfilling its responsibility to our world, society and our people. Within the scope of the Company’s publicly disclosed Corporate Social Responsibility Policy, education, environment and nature, culture & arts, and gender equality are the topics that are given priority. The Company’s Corporate Social Responsibility Policy can be accessed on the Company website, under the “Corporate/Corporate Social Responsibility and Donations Policy” tab.

Briefing meetings and training programs for employees are organized for raising increased awareness of sustainability and its significance.

Believing in the vitality of increasing the awareness of customers and suppliers in relation to environmental and social issues, the Company will be considering the potential actions to be taken for raising increased awareness of stakeholders other than employees.

## Report by the Committee for Audit

Report by the Committee for Audit has been drawn up to disclose our commitment to our responsibilities as the Committee for Audit and how we have performed our duty throughout the year.

### Main Purpose:

The main purpose of the Committee for Audit is to oversee that the Company's financial reports are drawn up in accordance with the applicable legislation, regulations and standards, and to supervise the effectiveness and adequacy of the Company's internal systems in accordance with the applicable legislation and the Company's policies.

### Committee Members

Committee members are designated by the Board of Directors and disclosed on the Public Disclosure Platform (in Turkish: KAP). As set out in the CMB's Corporate Governance Communiqué, the members of the Committee for Audit are independent Board members and the Committee is composed of two members. The Committee for Audit is constituted by İlkey Arıkan and Prof. Oğuz Cem Çelik who have been elected according to the criteria set out in the Working Guidelines of the Committee for Audit, and it is headed by Prof. Oğuz Cem Çelik. The Committee members have been designated to secure their contribution to the Committee with their rich commercial and financial experiences acquired within the frame of their other professional activities.

### Responsibilities:

The duties and responsibilities of the Committee for Audit have been set out in the Committee's Working Guidelines, and are summarized below:

The Committee for Audit oversees the operation and efficiency of the Company's accounting system, public disclosure of financial information, independent audit and internal control and internal audit system;

Designation of the independent audit firm, preparation of the independent audit contracts and inception of the independent audit process, and the activities of the independent audit firm at every stage are carried out under the supervision of the Committee for Audit;

The independent audit firm from which the Company will procure service and the services to be procured from these entities are determined by the Committee for Audit and submitted for the approval of the Board of Directors;

The Committee for Audit establishes the methods and criteria applicable to the handling and concluding of complaints received by the Company in relation to the Company's accounting, internal control and internal audit systems, as well as their independent auditing, and to the assessment of the Company's accounting and independent audit-related issues reported by the employees within the confidentiality principle;

The Committee for Audit presents its assessments regarding the conformity of the annual and interim financial statements to be publicly disclosed with the accounting principles pursued by the Company, as well as their accuracy and fairness, by also incorporating the opinions of the Company's responsible managers and independent auditors in writing to the Board of Directors;

The Committee for Audit fulfills the other duties and responsibilities to be assigned by the Board of Directors.

The Committee for Audit Terms of Reference can be found on the Company website at the address [www.isgyo.com.tr](http://www.isgyo.com.tr).

### Assessment of the Committee Performance:

As part of the review of the operation and efficiency of the Company's internal systems, the Board of Directors also evaluated the performance of the Committee for Audit. Accordingly, it has been concluded that the Committee worked effectively with respect to public disclosure of the Company's financial data, conduct of independent audit, ensuring efficient operation of internal systems, and actively overseeing the works of the independent auditor through every step.

**Meetings:**

During the reporting period, the Committee met eight times and made eight written notifications to the Board of Directors. The meetings were held prior to the Board of Directors meetings so that information could be presented to the Board about the Committee's activities and the Company's financial statements.

One more Committee meeting was held after the end of the calendar year and before the date of this writing.

Provided the necessary coordination for the submission of the findings from the audit activities to the Board of Directors and the Company's Senior Management, and for ensuring that actions are taken for remedying the findings.

**Activities:**

During the reporting period, the Committee's activities dealt with financial reporting, internal audit, internal control and external audit.

The Committee:

Oversaw the works of the independent audit firm through every step and the independent audit process through to the evaluation of the annual and interim financial statements to be made public with respect to their fairness, accuracy and conformity to the accounting principles adopted by the Company,

Approved the annual audit plan of the Company's Internal Audit Unit, oversaw that audits are conducted in accordance with the plan, and received information about audits and other activities carried out by the Internal Audit Unit in regularly held meetings.

Provided the necessary coordination for the submission of the findings from the audit activities to the Board of Directors and the Company's Senior Management, and for ensuring that actions are taken for remedying the irregularities.

**Auditor's Efficiency:**

The efficiency of the independent audit process relies on the accurate determination of the key audit topics at the start of the audit cycle. Every year, independent auditors present the detailed audit plan covering an assessment of the key audit topics to the Committee.

Every year, the Committee holds private meetings with the independent auditors in the absence of the executive level, thus offering an additional opportunity for feedback. In general, the topics discussed include the auditor's assessment of business risk and the efficiency of the management, transparency and openness of the mutual communications with the management, whether there exists any restriction imposed by the management, and how they practice professional skepticism.

The Company's independent audit activities have been conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the 2020, 2021, 2022 and 2023 reporting periods and by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the 2024 reporting period in accordance with the CMB legislation.



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)

## Independent Auditor's Report

### 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.

#### 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.

## Independent Auditor's Report

### 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
<p><b>Valuation work related to determining the fair value of investment properties (Note 10)</b></p> <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"> <li>- 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,</li> <li>- The competence, capability and objectivity of the independent valuation experts assigned by the Company were evaluated,</li> <li>- Valuation methods applied in the valuation reports and comparables used in the valuation reports were evaluated,</li> <li>- 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,</li> <li>- Suitability of comparable benchmarks used in valuation studies was evaluated,</li> <li>- Values determined by the independent valuation experts were evaluated whether if they have been within a reasonable range,</li> <li>- 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.</li> </ul>

#### 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.

## Independent Auditor's Report

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.

### A. 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 31 December 2024.

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

Burak Özpoyraz, SMMM  
Independent Auditor  
Istanbul, 14 February 2025



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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
<b>ASSETS</b>			
<b>Current assets</b>		<b>3,085,043,360</b>	<b>5,992,697,387</b>
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
<b>Non-current assets</b>		<b>44,573,323,932</b>	<b>41,876,148,086</b>
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
<b>TOTAL ASSETS</b>		<b>47,658,367,292</b>	<b>47,868,845,473</b>

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

**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.)

		<b>Audited</b>	<b>Audited</b>
	<b>Notes</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>LIABILITIES</b>			
<b>Short-Term Obligations</b>		<b>4,935,532,623</b>	<b>5,315,857,376</b>
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
<b>Non-current liabilities</b>		<b>3,612,785,580</b>	<b>3,522,843,315</b>
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	—
<b>EQUITY</b>		<b>39,110,049,089</b>	<b>39,030,144,782</b>
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
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,658,367,292</b>	<b>47,868,845,473</b>

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>
	<b>Notes</b>	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Revenue	19	4,047,859,179	1,650,691,738
Cost of sales (-)	19	(2,673,820,327)	(462,423,396)
<b>Gross Profit</b>		<b>1,374,038,852</b>	<b>1,188,268,342</b>
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)
<b>Operating Profit</b>		<b>3,971,675,637</b>	<b>3,718,871,263</b>
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
<b>Operating Profit Before Financing Income</b>		<b>3,979,351,234</b>	<b>3,770,037,785</b>
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
<b>Operating Profit Before Tax From Continuing Operations</b>		<b>3,407,711,709</b>	<b>4,520,884,552</b>
<b>Tax Expense From Continuing Operations</b>			
- Current tax expense		--	--
- Deferred tax expense	25	(2,515,682,021)	--
<b>Profit For The Period</b>		<b>892,029,688</b>	<b>4,520,884,552</b>
Earnings per share	26	0.0093	0.0472

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

**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
<b>Net profit for the period</b>		<b>892,029,688</b>	<b>4,520,884,552</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income that will never be reclassified to profit or loss</b>		<b>(26,589,468)</b>	<b>28,906,910</b>
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)	—
<b>Other comprehensive income</b>		<b>(26,589,468)</b>	<b>28,906,910</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>865,440,220</b>	<b>4,549,791,462</b>

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.)

	Notes	Share capital	Adjustments to share capital	Share premium
<b>Balances as of 1 January 2023</b>		<b>958,750,000</b>	<b>20,387,505,662</b>	<b>9,756,346</b>
Transfers		--	--	--
Total comprehensive income		--	--	--
<b>Balances as of 31 December 2023</b>	<b>18</b>	<b>958,750,000</b>	<b>20,387,505,662</b>	<b>9,756,346</b>
<b>Balances as of 1 January 2024</b>		<b>958,750,000</b>	<b>20,387,505,662</b>	<b>9,756,346</b>
Transfers		--	--	--
Total comprehensive income		--	--	--
Deferred tax effect from previous periods (Note 2.4.14)		--	--	--
<b>Balances as of 31 December 2024</b>	<b>18</b>	<b>958,750,000</b>	<b>20,387,505,662</b>	<b>9,756,346</b>

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

Other comprehensive income that will never be reclassified to profit or loss						
Other earnings/losses	Revaluation and classification of gains/losses	Legal reserves	Retained earning	Net profit for the period	Equity	
(11,543,462)	120,093,188	773,751,752	(175,840,921)	12,417,880,756	34,480,353,321	
--	--	45,443,337	12,372,437,419	(12,417,880,756)	--	
(3,669,879)	32,576,788	--	--	4,520,884,552	4,549,791,461	
<b>(15,213,341)</b>	<b>152,669,976</b>	<b>819,195,089</b>	<b>12,196,596,498</b>	<b>4,520,884,552</b>	<b>39,030,144,782</b>	
<b>(15,213,341)</b>	<b>152,669,976</b>	<b>819,195,089</b>	<b>12,196,596,498</b>	<b>4,520,884,552</b>	<b>39,030,144,782</b>	
--	--	40,511,696	4,480,372,856	(4,520,884,552)	--	
904,405	(27,493,873)	--	--	892,029,688	865,440,220	
--	--	--	(785,535,913)	--	(785,535,913)	
<b>(14,308,936)</b>	<b>125,176,103</b>	<b>859,706,785</b>	<b>15,891,433,441</b>	<b>892,029,688</b>	<b>39,110,049,089</b>	

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.)

		Audited 2024	Audited 2023
	Notes		
<b>A. Cash flows from operating activities</b>		<b>2,264,066,319</b>	<b>3,860,544,495</b>
Net profit for the period		892,029,688	4,520,884,552
<b>Profit adjustments for:</b>			
Adjustments to depreciation and amortization	12, 13	20,995,457	13,414,728
Adjustments to impairment or cancelation		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)	(2,550,555,486)
- 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)
<b>Operating profit from before the changes in working capital</b>		<b>645,441,111</b>	<b>849,226,804</b>
<b>Changes in working capital</b>			
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
		<b>726,595,520</b>	<b>(1,509,566,861)</b>
<b>Cash generated from operating activities</b>			
Employee termination benefits paid	15	(7,933,139)	(4,200,241)
Interest received	5, 19	206,897,804	86,621,935
<b>Net cash provided by/(used in) operating activities</b>		<b>925,560,185</b>	<b>(1,427,145,167)</b>
<b>B. Cash flows from investment activities</b>			
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
<b>Net cash used in investing activities</b>		<b>1,800,752,266</b>	<b>(677,667,296)</b>
<b>C. Cash flows from financing activities</b>			
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)
<b>Net cash provided by financing activities</b>		<b>(3,308,874,646)</b>	<b>393,326,531</b>
<b>Increase/(decrease) in cash and cash equivalents before effect of changes in foreign currency rates</b>		<b>(582,562,195)</b>	<b>(1,711,485,932)</b>
Effect of changes in foreign currency rates over cash and cash equivalents		7,557,451	230,657,384
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(575,004,744)</b>	<b>(1,480,828,548)</b>
Cash and cash equivalents at the beginning of the period	5	864,470,597	2,947,229,622
<b>Net monetary gain/(loss) in cash and cash equivalents</b>		<b>50,212,580</b>	<b>(601,930,477)</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>339,678,433</b>	<b>864,470,597</b>

The accompanying notes are an integral part of these 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.)

### 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) ("BİST") 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.

### 2. Basis of presentation of financial statements

#### 2.1 Basis of presentation

##### Statement of compliance

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

The financial statements as 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.

## 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.)

### 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.

## 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.)

- 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.

### **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.



## 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.)

**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.

### 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.

## 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.)

**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.

**TFRS 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.

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

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

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

## Notes to the 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.)

### 2.4 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:

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

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 distinct good or service (a bundle of goods or services), or
- 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:

- Each distinct good or service in the series constitutes a performance obligation that will be satisfied over time by meeting the necessary conditions, and
- 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.

## 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.)

### *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.

### *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".

## 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.)

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.

### 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.

## 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.)

### 2.4.6 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.

### 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.

##### *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.



## 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.)

### *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.

### *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.

## 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.)

### 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.

### 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.

## 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.)

### 2.4.11 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.

### 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.

## 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.)

### *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.

### **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.

## 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.)

### 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.

### **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

## 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.)

### 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.

### 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
		<b>36,973,301</b>		<b>32,034,180</b>

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)
<b>Net assets</b>	<b>73,946,602</b>	<b>64,068,360</b>

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 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.)

	Ankara İş Kule Building	İstanbul İş Kuleleri Complex	Maslak Office Building	Mugla Marmaris Mallmarine Shopping Mall	İstanbul Kanyon Shopping Mall	İstanbul Marmara Park Shopping Mall	Taksim Office Lamartine
<b>31 December 2024</b>							
<u>Sales revenue</u>							
Income from sales of residential units	-	-	-	-	-	-	-
Rent income	18,598,504	293,297,293	2,694,150	6,033,946	295,418,286	-	34,166,741
Income from right of construction	-	-	-	-	-	216,113,744	-
Income fees and service	-	149,930	673,321	-	461,119	-	-
Other income	4,873	772,877	-	16,212	3,895,796	-	34,775
<b>Real estate revenues</b>	<b>18,603,377</b>	<b>294,220,100</b>	<b>3,367,471</b>	<b>6,050,158</b>	<b>299,775,201</b>	<b>216,113,744</b>	<b>34,201,516</b>
Cost of sales of residential units	-	-	-	-	-	-	-
Administrative expense	-	45,031,539	1,955,292	-	63,449,327	-	139,420
Tax and duty and other charges	1,241,964	10,168,693	813,000	175,529	6,638,710	60,371,203	568,721
Insurance expense	683,349	7,974,545	404,973	211,815	5,115,900	-	-
Other	148,207	181,046	80,403	44,533	1,003,648	284,062	-
<b>Cost of Sales</b>	<b>2,073,520</b>	<b>63,355,823</b>	<b>3,253,668</b>	<b>431,877</b>	<b>76,207,585</b>	<b>60,655,265</b>	<b>708,141</b>
<b>Gross Profit</b>	<b>16,529,857</b>	<b>230,864,277</b>	<b>113,803</b>	<b>5,618,281</b>	<b>223,567,616</b>	<b>155,458,479</b>	<b>33,493,375</b>
<b>Capital investments</b>	<b>781,171</b>	<b>1,000,134,067</b>	<b>160,414</b>	<b>-</b>	<b>8,334,503</b>	<b>-</b>	<b>-</b>

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
-	-	-	8,092,735	97,407,352	2,596,438,989	226,760	<b>2,702,165,836</b>
416,244,376	7,219,659	40,117,639	319,347	676,717	-	-	<b>1,114,786,658</b>
-	-	-	-	-	-	-	<b>216,113,744</b>
-	-	5,128,322	2,577,479	-	-	-	<b>8,990,171</b>
-	3,802	1,072,357	-	1,390	-	688	<b>5,802,770</b>
<b>416,244,376</b>	<b>7,223,461</b>	<b>46,318,318</b>	<b>10,989,561</b>	<b>98,085,459</b>	<b>2,596,438,989</b>	<b>227,448</b>	<b>4,047,859,179</b>
-	-	-	4,694,103	50,272,441	2,299,614,860	4,307,552	<b>2,358,888,956</b>
-	7,927,997	54,411,293	54,362	3,143,188	4,454,594	31,630	<b>180,598,642</b>
320,393	4,679,257	2,997,327	72,344	517,750	500,769	101,106	<b>89,166,766</b>
15,473,463	871,744	2,257,779	6,468,942	313,678	-	216,068	<b>39,992,256</b>
-	-	254,429	144,701	23,627	-	3,009,051	<b>5,173,707</b>
<b>15,793,856</b>	<b>13,478,998</b>	<b>59,920,828</b>	<b>11,434,452</b>	<b>54,270,684</b>	<b>2,304,570,223</b>	<b>7,665,407</b>	<b>2,673,820,327</b>
<b>400,450,520</b>	<b>(6,255,537)</b>	<b>(13,602,510)</b>	<b>(444,891)</b>	<b>43,814,775</b>	<b>291,868,766</b>	<b>(7,437,959)</b>	<b>1,374,038,852</b>
<b>1,689,785</b>	<b>-</b>	<b>3,415,272</b>	<b>-</b>	<b>1,501,003</b>	<b>1,096,536,782</b>	<b>842,785,421</b>	<b>2,955,338,418</b>

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.)

	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
<b>31 December 2023</b>							
<u>Sales revenue</u>							
Income from sales of residential units	-	-	-	-	-	-	-
Rent income	23,341,794	213,390,066	1,766,441	6,160,595	268,812,820	-	14,676,007
Income from right of construction	-	-	-	-	-	251,509,985	-
Income fees and service	-	-	409,559	-	617,166	-	-
Other income	-	557,167	-	-	1,559,100	-	-
<b>Real estate revenues</b>	<b>23,341,794</b>	<b>213,947,233</b>	<b>2,176,000</b>	<b>6,160,595</b>	<b>270,989,086</b>	<b>251,509,985</b>	<b>14,676,007</b>
Cost of sales of residential units	-	-	-	-	-	-	-
Administrative expense	-	52,118,792	1,901,024	-	54,897,995	-	731,514
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
Insurance expense	461,315	3,619,455	311,104	158,033	919,299	-	33,827
Other	45,287	67,994	61,469	-	229,282	162,275	-
<b>Cost of Sales</b>	<b>2,066,167</b>	<b>67,732,332</b>	<b>3,294,501</b>	<b>344,925</b>	<b>64,409,850</b>	<b>5,142,404</b>	<b>1,479,042</b>
<b>Gross Profit</b>	<b>21,275,627</b>	<b>146,214,901</b>	<b>(1,118,501)</b>	<b>5,815,670</b>	<b>206,579,236</b>	<b>246,367,581</b>	<b>13,196,965</b>
<b>Capital investments</b>	<b>237,262</b>	<b>23,930,023</b>	<b>-</b>	<b>-</b>	<b>12,929,398</b>	<b>-</b>	<b>217,445</b>

Tuzla Technology and Operation Center	Istanbul Tuzla Square Bazaar	Izmir Ege Perla Sgeçmiş rhopping Mall	Izmir Ege Perla Residence/ Office	Eagle Landscape Islands	Litus İstanbul Altunizade	Other Real Estate	Total
-	-	-	76,560,031	181,474,370	122,810,624	1,109,734	<b>381,954,760</b>
435,059,386	7,044,405	35,550,692	1,839,000	128,295	-	-	<b>1,007,769,500</b>
-	-	-	-	-	-	-	<b>251,509,985</b>
-	-	5,506,720	-	-	-	-	<b>6,533,445</b>
-	7,298	737,921	46,185	16,375	-	-	<b>2,924,048</b>
<b>435,059,386</b>	<b>7,051,703</b>	<b>41,795,334</b>	<b>78,445,217</b>	<b>181,619,040</b>	<b>122,810,624</b>	<b>1,109,734</b>	<b>1,650,691,738</b>
-	-	-	33,323,884	93,106,474	84,000,298	2,720,082	<b>213,150,738</b>
-	6,270,434	54,087,510	407	3,947,845	-	733,690	<b>174,689,210</b>
5,889,346	368,525	3,566,857	445,859	273,849	-	148,873	<b>39,443,869</b>
7,599,644	579,300	2,684,901	1,024,731	274,112	-	560,463	<b>18,226,181</b>
-	-	207,517	771,137	9,718	-	15,358,719	<b>16,913,398</b>
<b>13,488,990</b>	<b>7,218,259</b>	<b>60,546,786</b>	<b>35,566,018</b>	<b>97,611,998</b>	<b>84,000,298</b>	<b>19,521,826</b>	<b>462,423,396</b>
<b>421,570,396</b>	<b>(166,556)</b>	<b>(18,751,452)</b>	<b>42,879,199</b>	<b>84,007,042</b>	<b>38,810,326</b>	<b>(18,412,092)</b>	<b>1,188,268,342</b>
-	-	<b>19,998,497</b>	-	<b>281,858</b>	<b>1,871,302,053</b>	<b>5,949,437,774</b>	<b>7,878,334,310</b>

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**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.)

**Reconciliations on revenues, assets and liabilities**

	1 January - 31 December 2024	1 January - 31 December 2023
<b>Sales Revenue</b>		
Segment revenue	4,047,859,179	1,650,691,738
<b>Total Revenue</b>	<b>4,047,859,179</b>	<b>1,650,691,738</b>
<b>Cost of sales</b>		
Segment costs	(2,673,820,327)	(462,423,396)
<b>Total cost of sales</b>	<b>(2,673,820,327)</b>	<b>(462,423,396)</b>
<b>Assets</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
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
<b>Total assets</b>	<b>47,658,367,292</b>	<b>47,868,845,473</b>
<b>Liabilities</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Segment liabilities	8,312,345,459	8,375,607,206
Other liabilities	235,972,744	463,093,485
<b>Total liabilities</b>	<b>8,548,318,203</b>	<b>8,838,700,691</b>

**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
	<b>340,113,575</b>	<b>922,113,564</b>
Interest accrued on cash and cash equivalents	(435,142)	(57,642,967)
<b>Total cash and cash equivalents in the statement of cash flows</b>	<b>339,678,433</b>	<b>864,470,597</b>

## 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.)

<b>Time Deposits:</b>			
Currency	Interest rate	Maturity	31 December 2024
TRY	46.75-48.00%	January 2025	332,239,385
			<b>332,239,385</b>
<b>Time Deposits:</b>			
Currency	Interest rate	Maturity	31 December 2023
TRY	38.50-43.00%	January 2024	917,427,984
			<b>917,427,984</b>

### 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
<b>Total</b>	<b>-</b>	<b>582,314,814</b>

#### Long-term financial investments

Long-term financial investments	31 December 2024	31 December 2023
<b>Financial assets at fair value through profit or loss</b>		
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	-
<b>Total</b>	<b>1,910,172,252</b>	<b>1,486,702,878</b>

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 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.)

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:

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

**7. Loans and borrowings**

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

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

(\*) 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.

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

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

**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.)

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
<b>Total</b>			<b>191,037,013</b>	<b>242,841,660</b>

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
<b>Total</b>			<b>3,575,086,036</b>	<b>615,385,900</b>

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
TRISISGY12519	39.00%	500,000,000	1 August 2023	22 January 2025	583,483,709
TRISISGYK2519	48.00%	500,000,000	14 November 2023	3 November 2025	532,277,377
TRISISGY82512	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
		<b>3,550,000,000</b>			<b>3,848,779,390</b>

31 December 2023					
ISIN CODE	Interest rate (%)	Nominal amount issued (TRY)	Date of issuance	Amortization date	Registered value
TRISISGY12519	39.00%	721,893,857	1 August 2023	22 January 2025	838,692,440
TRISISGYK2519	48.00%	721,893,857	14 November 2023	3 November 2025	761,882,178
TRISISGY82512	47.00%	1,227,219,557	22 November 2023	13 August 2025	1,286,618,541
		<b>2,671,007,271</b>			<b>2,887,193,160</b>

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.)

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

	31 December 2024	31 December 2023
<b>Opening balance as of 1 January</b>	<b>7,077,665,096</b>	<b>8,084,903,683</b>
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)
<b>Closing balance as of 31 December</b>	<b>4,282,658,063</b>	<b>7,077,665,096</b>

**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
	<b>83,649,009</b>	<b>339,024,319</b>
<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
	<b>143,542,875</b>	<b>348,767,387</b>

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.

## 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.)

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

	31 December 2024	31 December 2023
<b>Opening balance as of 1 January</b>	(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
<b>Closing balance as of 31 December</b>	<b>(8,703,297)</b>	<b>(11,655,832)</b>

### Long-term trade receivables

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

### 9. Other receivables and payables

	31 December 2024	31 December 2023
Other short-term receivables <sup>(*)</sup>	12,056,587	25,770,191
	<b>12,056,587</b>	<b>25,770,191</b>

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

	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
	<b>30,304,516</b>	<b>59,481,631</b>

### 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
<b>Total</b>	<b>36,781,687,000</b>	<b>35,287,645,842</b>

## 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.)

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
<b>Investment properties</b>					
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
Istanbul 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
Izmir 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
<b>Total</b>	<b>35,287,645,842</b>	<b>1,082,886,090</b>	<b>(2,818,216,394)</b>	<b>3,229,371,462</b>	<b>36,781,687,000</b>

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
<b>Investment properties that are active</b>		
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

**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 January 2023 opening balance	Purchases	Transfers	Fair value difference	31 December 2023 closing balance
<b>Investment property that are active</b>					
Tuzla Technology and Operation Centre	9,321,617,836	-	-	188,799,530	9,510,417,366
Istanbul İş Kuleleri Complex	9,218,965,230	23,551,557	-	520,260,234	9,762,777,021
Istanbul Kanyon Shopping Mall	3,330,559,616	12,929,398	-	193,790,886	3,537,279,900
Istanbul Marmarapark Shopping Mall	2,176,758,607	-	-	349,869,893	2,526,628,500
Maslak Office Buildingı	1,225,170,145	-	-	372,741,908	1,597,912,053
Izmir Ege Perla Shopping Mall	883,371,464	19,988,497	-	66,865,382	970,225,344
Ankara İş Kule Building	906,388,010	237,262	-	70,169,307	976,794,579
Maslak Office Building	887,356,240	217,445	-	(23,683,309)	863,890,376
Istanbul Tuzla Meydan Bazaar	198,881,989	-	-	(8,554,673)	190,327,315
Mugla Marmaris Mallmarine Shopping Mall	151,802,149	-	-	21,930,271	173,732,419
Levent Land	26,762,783	778,197	-	(1,314,576)	26,226,405
Balmumcu Project	405,138,787	30,130,761	(435,269,548)	-	-
	<b>28,732,772,856</b>	<b>87,833,117</b>	<b>(435,269,548)</b>	<b>1,750,874,853</b>	<b>30,136,211,278</b>
<b>Investment property under construction</b>					
Istanbul Finance Centre Project	4,129,042,254	222,710,677	-	799,681,634	5,151,434,564
	<b>4,129,042,254</b>	<b>222,710,677</b>	<b>-</b>	<b>799,681,634</b>	<b>5,151,434,564</b>
<b>Total</b>	<b>32,861,815,110</b>	<b>310,543,794</b>	<b>(435,269,548)</b>	<b>2,550,556,486</b>	<b>35,287,645,842</b>



## 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.)

### 11. Inventories

<i>Short-term stocks</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
Litus İstanbul Altunizade Project <sup>(1)</sup>	2,050,019,969	3,268,807,824
Kartal Manzara Adalar <sup>(2)</sup>	284,639,428	333,945,882
İzmir Ege Perla <sup>(3)</sup>	-	4,694,103
Topkapı İnistanbul <sup>(4)</sup>	-	3,991,230
Provision for impairment (-)	-	(9,756,345)
<b>Total</b>	<b>2,334,659,397</b>	<b>3,601,682,694</b>

<i>Uzun vadeli stoklar</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
Tuzla Housing Project <sup>(5)</sup>	1,692,017,833	1,371,128,907
Profilo Mall <sup>(6)</sup>	2,291,343,328	2,281,093,171
Balmumcu Project <sup>(7)</sup>	472,821,027	454,920,322
Kasaba Modern Project <sup>(8)</sup>	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)
<b>Total</b>	<b>5,310,942,322</b>	<b>4,611,189,540</b>

<sup>(1)</sup> 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)

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

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

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

<sup>(5)</sup> 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.

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

<sup>(7)</sup> 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.

<sup>(8)</sup> 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:

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

## 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.)

### 12. Tangible Assets

	Buildings <sup>(*)</sup>	Machinery and Equipment	Vehicles	Fixtures	Total
<b>Costs</b>					
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
<b>Closing balance as of 31 December 2024</b>	<b>418,437,141</b>	<b>2,026,915</b>	<b>8,622,995</b>	<b>58,701,335</b>	<b>487,788,386</b>
<b>Accumulated depreciation</b>					
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)
<b>Closing balance as of 31 December 2024</b>	<b>49,607,141</b>	<b>2,026,915</b>	<b>4,019,239</b>	<b>52,899,416</b>	<b>108,552,711</b>
<b>Net book value as of 1 January 2024</b>	<b>354,204,438</b>	<b>--</b>	<b>7,670,444</b>	<b>8,202,203</b>	<b>370,077,085</b>
<b>Net book value as of 31 December 2024</b>	<b>368,830,000</b>	<b>--</b>	<b>4,603,756</b>	<b>5,801,919</b>	<b>379,235,675</b>
	Buildings <sup>(*)</sup>	Machinery and Equipment	Vehicles	Fixtures	Total
<b>Cost value</b>					
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
<b>Closing balance as of 31 December 2023</b>	<b>389,609,350</b>	<b>2,026,915</b>	<b>12,006,097</b>	<b>57,777,280</b>	<b>461,419,642</b>
<b>Accumulated depreciation</b>					
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
<b>Closing balance as of 31 December 2023</b>	<b>35,404,912</b>	<b>2,026,915</b>	<b>4,335,653</b>	<b>49,575,077</b>	<b>91,342,557</b>
<b>Net book value as of 1 January 2023</b>	<b>326,823,062</b>	<b>--</b>	<b>10,071,664</b>	<b>9,254,009</b>	<b>346,148,735</b>
<b>Net book value as of 31 December 2023</b>	<b>354,204,438</b>	<b>--</b>	<b>7,670,444</b>	<b>8,202,203</b>	<b>370,077,085</b>

<sup>(\*)</sup> 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.

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.)

**13. Intangible assets**

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

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.

## 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.)

### 14. Provisions, contingent assets and liabilities

	31 December 2024	31 December 2023
Debt provisions <sup>(*)</sup>	44,330,324	29,398,326
Litigation provisions	1,274,916	2,010,375
<b>Total</b>	<b>45,605,240</b>	<b>31,408,701</b>

	31 December 2024	31 December 2023
Letters of guarantee received <sup>(**)</sup>	1,049,665,820	817,716,815
Mortgages received	1,047,040	3,893,953
<b>Total</b>	<b>1,050,712,860</b>	<b>821,610,768</b>

<sup>(\*)</sup> 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.

<sup>(\*\*)</sup> 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 <sup>(*)</sup>	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 <sup>(**)</sup>	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	--	--
<b>Total</b>	<b>10,477,909,128</b>	<b>13,432,611,652</b>

<sup>(\*)</sup> 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.

<sup>(\*\*)</sup> 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.

## 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.)

### 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
<b>Total</b>	<b>9,304,855,663</b>	<b>22,965,875,286</b>

### 15. Provisions for employee benefits

	31 December 2024	31 December 2023
Unused vacation provisions	4,503,393	3,171,511
<b>Total</b>	<b>4,503,393</b>	<b>3,171,511</b>

	31 December 2024	31 December 2023
Severance pay indemnity	12,016,720	20,264,255
<b>Total</b>	<b>12,016,720</b>	<b>20,264,255</b>

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.

**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.)

	31 December 2024	31 December 2023
<b>Opening balance as of 1 January 2024</b>	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)
<b>As of 31 December</b>	<b>12,016,720</b>	<b>20,264,255</b>

**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
<b>Total</b>	<b>296,803,002</b>	<b>376,750,123</b>

(\*)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	-
<b>Total</b>	<b>113,206,128</b>	<b>75,676,900</b>

(\*) An agreement has signed in order to bought 45% shares of the land registered in Kadıkoy, İstanbul, 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
<b>Total</b>	<b>17,761,790</b>	<b>145,041,682</b>



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.)

<b>Other short-term liabilities</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Taxes and funds payable	27,971,861	54,002,412
Payable social security cuts	2,607,813	3,755,951
<b>Total</b>	<b>30,579,674</b>	<b>57,758,363</b>

<b>Deferred revenues</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Deferred revenue	2,511,150	1,376,100
Short-term deferred revenue from related parties (Note 27)	656,941	670,784
<b>Total</b>	<b>3,168,091</b>	<b>2,046,884</b>

**17. Liabilities from contracts with customers**

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

<sup>(\*)</sup> 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:

	<b>31 December 2024</b>		<b>31 December 2023</b>	
<b>İş Gayrimenkul Yat. Ort. A.Ş.</b>	<b>(%)</b>		<b>(%)</b>	
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
<b>Total</b>	<b>100</b>	<b>958,750,000</b>	<b>100</b>	<b>958,750,000</b>

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.

## 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.)

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)
<b>Total</b>	<b>35,699,916,772</b>	<b>21,256,968,793</b>	<b>(14,442,947,979)</b>

### 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)
<b>Total</b>	<b>35,658,424,569</b>	<b>21,216,457,097</b>	<b>(14,441,967,472)</b>

#### 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
<b>Total</b>	<b>859,706,785</b>	<b>819,195,089</b>

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 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.)

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:

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

<sup>(\*)</sup> 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:

	<b>Amount</b>
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
<b>Total</b>	<b>4,520,884,552</b>

## 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.)

### 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
<b>Total revenue</b>	<b>4,047,859,179</b>	<b>1,650,691,738</b>
	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)
<b>Total</b>	<b>(2,673,820,327)</b>	<b>(462,423,396)</b>

### 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 <sup>(*)</sup>	(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)
<b>Total</b>	<b>(245,763,424)</b>	<b>(201,018,953)</b>

<sup>(\*)</sup> 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)
<b>Total</b>	<b>(69,098,980)</b>	<b>(59,888,781)</b>

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.)

**21. Expenses by nature**

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Personnel expenses</b>		
Administrative expenses (Note 20)	(160,228,084)	(122,685,978)
<b>Total</b>	<b>(160,228,084)</b>	<b>(122,685,978)</b>

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Depreciation and amortization</b>		
Administrative expenses (Note 20)	(20,995,457)	(13,414,728)
<b>Total</b>	<b>(20,995,457)</b>	<b>(13,414,728)</b>

**22. Other income/expenses**

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Other income from core activities</b>		
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
<b>Total</b>	<b>3,315,556,613</b>	<b>2,945,245,543</b>

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Other operating expense</b>		
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)	-
<b>Total</b>	<b>(403,057,424)</b>	<b>(153,734,888)</b>

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Income from investment activities</b>		
Currency-protected deposits fair value difference	-	60,882,870
<b>Total</b>	<b>-</b>	<b>60,882,870</b>

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Expense from investment activities</b>		
Currency-protected deposits fair value difference	-	(16,345,251)
<b>Total</b>	<b>-</b>	<b>(16,345,251)</b>

## 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.)

### 23. Financing income/(expenses)

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

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

Finance expense	1 January- 31 December 2024	1 January- 31 December 2023
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)
<b>Total</b>	<b>(2,706,034,989)</b>	<b>(2,152,478,393)</b>

### 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
<b>Financial Position Statement Items</b>	<b>(9,959,069,191)</b>
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)
<b>Profit or Loss Statement Items</b>	<b>11,878,671,094</b>
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
<b>NET MONETARY POSITION GAINS/(LOSSES)</b>	<b>1,919,601,904</b>



## 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.)

### 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)	-
<b>Total Tax Expense</b>	<b>(2,515,682,021)</b>	<b>-</b>

#### 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	-
<b>Deferred tax liabilities</b>	<b>3,357,927,200</b>	<b>-</b>

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
<b>Deferred Tax Assets/(Liabilities), Net</b>		<b>(3,357,927,200)</b>

## 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 January- 31 December 2024
<b>Deferred Tax Assets/(Liabilities) at the Beginning of the Period, Net</b>	--
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)
<b>Deferred Tax Assets/(Liabilities) at the End of the Period, Net</b>	<b>(3,357,927,200)</b>

### 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	--	--
<b>Number of shares in circulation as of year end</b>	<b>95,875,000,000</b>	<b>95,875,000,000</b>
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
<b>Earnings per share</b>	<b>0.0093</b>	<b>0.0472</b>
<b>Earnings per diluted share</b>	<b>0.0093</b>	<b>0.0472</b>

### 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
<b>Total</b>	<b>339,805,569</b>	<b>922,113,027</b>

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 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.)

	31 December 2024			
	Short Term Trade Receivables	Short Term Prepaid Expenses	Short Term Trade Payables	Deferred Income
<b><i>Balances with related parties</i></b>				
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	--
<b>Total</b>	<b>12,225,268</b>	<b>127,307,475</b>	<b>87,550,666</b>	<b>656,941</b>

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

**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.)

	31 December 2023			
	Short Term Trade Receivables	Short Term Prepaid Expenses	Short Term Trade Payables	Deferred Income
<b><i>Balances with related parties</i></b>				
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	--
<b>Total</b>	<b>9,129,890</b>	<b>184,041,044</b>	<b>52,190,561</b>	<b>670,784</b>
	31 December 2024			
	Financial Borrowings		Interest and Commission Fee	
<b><i>Balances with related parties</i></b>				
T. İş Bankası A.Ş.	1,999,906,530		1,010,302,566	

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.)

<i>Transactions with related parties</i>	1 January - 31 December 2024				
	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. <sup>(*)</sup>	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. <sup>(**)</sup>	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
	<b>1,811,075,403</b>	<b>206,267,528</b>	<b>588,957,965</b>	<b>472,466,237</b>	<b>2,619,387</b>

(\*) 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.

**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.)

<i>Transactions with related parties</i>	1 January - 31 December 2023				
	Purchases	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. <sup>(*)</sup>	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. <sup>(**)</sup>	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	--	--
<b>Total</b>	<b>2,418,341,030</b>	<b>121,152,286</b>	<b>554,359,328</b>	<b>3,042,956</b>	<b>1,396,384</b>

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

<b>Related-party balances</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
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	--
<b>Total</b>	<b>256,351,263</b>	<b>221,032,981</b>



**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.)

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	--
	<b>71,012,245</b>	<b>43,322,056</b>

**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
	<b>50,010,062</b>	<b>35,214,476</b>

**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.

## 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.)

### b.1) Credit risk management

Exposure to maximum credit risk as of reporting date	Receivables				Deposits in Banks	
	Trade Receivables		Other Receivables			
	Related Party	Other Parties	Related Party	Other Parties	Other <sup>(***)</sup>	
31 December 2024						
Maximum net credit risk as of the reporting date (A+B+C+D+E) <sup>(*)</sup>	12,225,268	100,035,123	--	12,056,587	339,913,575	200,000
- The part of maximum risk under guarantee with collateral etc. <sup>(**)</sup>	--	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	--	--	--	--	--	--

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

<sup>(\*\*)</sup> The guarantees consist of collateral bonds received from customers, collateral checks and mortgages.

<sup>(\*\*\*)</sup> 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.

## 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.)

Exposure to maximum credit risk as of reporting date	Receivables				Deposits in Banks	Other <sup>(***)</sup>
	Trade Receivables		Other Receivables			
	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) <sup>(*)</sup>	9,129,890	332,074,837	--	25,770,191	922,041,375	72,189
- Guarantee of maximum risk. The part secured by vs <sup>(**)</sup>	--	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	--	--	--	--	--	--

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

<sup>(\*\*)</sup> The guarantees consist of collateral bonds received from customers, collateral checks and mortgages.

<sup>(\*\*\*)</sup> 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.

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.

**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.)

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

31 December 2023	Receivables		Total
	Trade Receivables	Other Receivables	
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
<b>Total overdue receivables</b>	<b>22,559,732</b>	<b>--</b>	<b>22,559,732</b>
<b>Total collateralized portion</b>	<b>19,122,534</b>	<b>--</b>	<b>19,122,534</b>

31 December 2023	Receivables		Total
	Trade Receivables	Other Receivables	
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
<b>Total overdue receivables</b>	<b>57,395,205</b>	<b>--</b>	<b>57,395,205</b>
<b>Total collateralized portion</b>	<b>34,596,438</b>	<b>--</b>	<b>34,596,438</b>

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
<b>Total</b>	<b>19,122,534</b>	<b>19,122,534</b>	<b>34,596,438</b>	<b>34,596,438</b>

**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.

## 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.)

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					
Contractual maturities	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)
<b>Non derivative financial liabilities</b>					
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	—	—
<b>Total liabilities</b>	<b>4,456,505,454</b>	<b>5,535,414,346</b>	<b>1,324,382,180</b>	<b>3,906,672,868</b>	<b>304,359,298</b>

31 December 2023					
Contractual maturities	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)
<b>Non derivative financial obligations</b>					
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	—	—
<b>Total liabilities</b>	<b>7,485,914,114</b>	<b>10,969,672,659</b>	<b>2,068,108,948</b>	<b>4,353,378,226</b>	<b>4,548,185,486</b>

### **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

## 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.)

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

<b>31 December 2024</b>				
	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	--	--	--	
<b>4. CURRENT ASSETS</b>	<b>7,563,578</b>	<b>118,334</b>	<b>92,244</b>	
5. Trade Receivables	--	--	--	
6a. Monetary Financial Assets	--	--	--	
6b. Non-Monetary Financial Assets	--	--	--	
7. Other	--	--	--	
<b>8. NON CURRENT ASSETS</b>	--	--	--	
<b>9. TOTAL ASSETS</b>	<b>7,563,578</b>	<b>118,334</b>	<b>92,244</b>	
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	
<b>13. SHORT TERM LIABILITIES</b>	<b>33,764,161</b>	<b>125,768</b>	<b>796,661</b>	
14. Commercial Liabilities	--	--	--	
15. Financial Obligations	--	--	--	
16a. Other Monetary Obligations	--	--	--	
16b. Other Non-Monetary Obligations	--	--	--	
<b>17. LONG TERM LIABILITIES</b>	-	-	--	
<b>18. TOTAL LIABILITIES</b>	<b>33,764,161</b>	<b>125,768</b>	<b>796,661</b>	
19. Net asset/liability position of off balance sheet derivatives (19a-19b)	--	--	--	
19a. 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 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.)

<b>31 December 2023</b>			
	<b>TRY Equivalent (Functional currency)</b>	<b>US Dollar</b>	<b>Euro</b>
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	--	--	--
<b>4. CURRENT ASSETS</b>	<b>9,250,030</b>	<b>59,750</b>	<b>142,686</b>
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
<b>8. NON CURRENT ASSETS</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. TOTAL ASSETS</b>	<b>9,250,030</b>	<b>59,750</b>	<b>142,686</b>
10. Commercial Liabilities	--	--	--
11. Financial Obligations	--	--	--
12a. Other Monetary Liabilities	--	--	--
12b. Other Non-Monetary Liabilities	25,569,050	223,221	340,966
<b>13. SHORT TERM LIABILITIES</b>	<b>25,569,050</b>	<b>223,221</b>	<b>340,966</b>
14. Commercial Liabilities	--	--	--
15. Financial Obligations	--	--	--
16a. Other Monetary Obligations	--	--	--
16b. Other Non-Monetary Obligations	--	--	--
<b>17. LONG TERM LIABILITIES</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. TOTAL LIABILITIES</b>	<b>25,569,050</b>	<b>223,221</b>	<b>340,966</b>
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 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.)

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

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.)

**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
<b>Fixed Rate Financial Instruments</b>		
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
<b>Floating Interest Rate Financial Instruments</b>		
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.

## 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.)

### 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)

31 December 2024	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
<b><u>Financial assets</u></b>						
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
<b><u>Financial Liabilities</u></b>						
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
<b>31 December 2023</b>						
<b><u>Financial assets</u></b>						
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
<b><u>Financial Liabilities</u></b>						
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

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.)

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	--
	<b>39,071,094,927</b>	<b>--</b>	<b>39,071,094,927</b>	<b>--</b>

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	--
	<b>37,726,740,619</b>	<b>--</b>	<b>37,726,740,618</b>	<b>--</b>

**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
	<b>2,028,880</b>	<b>1,131,930</b>

## 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.)

### 31. Events after the reporting period

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

#### 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
<b>A</b>	Capital and money market instruments	III-48.1. Md. 24/(b)	795,351,975	1,504,428,378
<b>B</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
<b>C</b>	Affiliates <sup>(*)</sup>	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
<b>D</b>	<b>Total assets (Total assets)</b>	III-48.1. Md. 3/(p)	<b>47,658,367,292</b>	<b>47,868,845,473</b>
<b>E</b>	Loans and borrowings	III-48.1. Md. 31	4,282,658,063	7,077,665,095
<b>F</b>	Other financial liabilities	III-48.1. Md. 31	45,605,240	31,408,701
<b>G</b>	Leasing obligations	III-48.1. Md. 31	—	—
<b>H</b>	Due to related parties (other payables)	III-48.1. Md. 23/(f)	—	—
<b>I</b>	Equity	III-48.1. Md. 31	39,110,049,089	39,030,144,783
	Other resources		4,220,054,900	1,729,626,894
<b>D</b>	<b>Total liabilities and equity</b>	III-48.1. Md. 3/(k)	<b>47,658,367,292</b>	<b>47,868,845,473</b>
Other separate financial information		Related regulation	31 December 2024	31 December 2023
<b>A1</b>	Capital and money market instruments amount held for 3-year real estate payments	III-48.1. Md. 24/(b)	—	—
<b>A2</b>	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
<b>A3</b>	Foreign capital market instruments	III-48.1. Md. 24/(d)	—	—
<b>B1</b>	Foreign real estates, rights supported by real estates and real estate projects	III-48.1. Md. 24/(d)	—	—
<b>B2</b>	Inactive land	III-48.1. Md. 24/(c)	23,500,000	26,226,404
<b>C1</b>	Foreign affiliates	III-48.1. Md. 24/(d)	—	—
<b>C2</b>	Participating to operating company	III-48.1. Md. 28	36,973,301	32,034,180
<b>J</b>	Non-cash loans	III-48.1. Md. 31	419,324,418	53,431,613
<b>K</b>	Mortgage amounts of the mortgaged lands that the project will be developed on without ownership	III-48.1. Md. 22/(e)	—	—
<b>L</b>	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

<sup>(\*)</sup>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.



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.)

	<b>Portfolio restrictions</b>	<b>Related regulation</b>	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>Minimum/Maximum rate</b>
<b>1</b>	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%
<b>2</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). (b)	97%	95%	Minimum 51%
<b>3</b>	Capital and money market instruments and subsidiaries	III-48.1. Md. 24/(b)	2%	3%	Maximum 49%
<b>4</b>	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%
<b>5</b>	Inactive land	III-48.1. Md. 24/(c)	0%	0%	Maximum 20%
<b>6</b>	Participating to operating company	III-48.1. Md. 28/1 (a)	0%	0%	Maximum 10%
<b>7</b>	Borrowings limits	III-48.1. Md. 31	12%	18%	Maximum 500%
<b>8</b>	Foreign Currency Time Deposit/Special Current-Participation Account and TRY Time Deposit/Participation Account	III-48.1. Md. 24/(b)	1%	2%	Maximum 10%
<b>9</b>	The sum of investments in money and capital market instruments in a single company	III-48.1 Md. 22/(1)	1%	2%	Maximum 10%

## APPENDIX 1: Summary Appraisal Reports

<b>Subject of Appraisal</b>	<b>İstanbul İş Towers Complex</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Reel Gayrimenkul Değerleme A.Ş.
<b>Report Date and Report No</b>	30.12.2024/ ISGY-2410095
<b>Appraisal Date</b>	27.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Reinforced concrete business center of with an area of 25,909 m2 registered at İstanbul Province, Beşiktaş District, Rumelihisarı Neighborhood, Sheet No: 81, Block No: 1420, Parcel No: 1
<b>Appraisal Value</b>	TL 11,449,226,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Ankara İş Tower</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Vera Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	26.12.2024 / 2024_ÖZ_1974
<b>Appraisal Date</b>	23.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land with an area of 6,287 m2 and reinforced concrete building on it registered at Ankara Province, Çankaya District, Kavaklıdere Neighborhood, Block No: 5708, Parcel No: 63
<b>Appraisal Value</b>	TL 1,150,760,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Maslak Office Building</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Bilgi Gayrimenkul Değerleme A.Ş.
<b>Report Date and Report No</b>	26.12.2024 / ISGYO-202400010
<b>Appraisal Date</b>	23.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Reinforced concrete business center with an area of 4,469.5 m2 registered at İstanbul Province, Sarıyer District, M. Ayazağa Neighborhood, Sheet No: 2, Parcel No: 10, Block No: 10
<b>Appraisal Value</b>	TL 1,658,515,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Kanyon Shopping Mall</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	27.12.2024/ 2024/3240
<b>Appraisal Date</b>	23.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Reinforced concrete building with an area of 29,427.34 m2 registered at İstanbul Province, Şişli District, Mecidiyeköy Neighborhood, Sheet No: 303, Block No: 1946, Parcel No: 136. İş REIC's share is 50%.
<b>Appraisal Value</b>	TL 4,017,500,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Mallmarine Shopping Mall</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Bilgi Gayrimenkul Değerleme A.Ş.
<b>Report Date and Report No</b>	26.12.2024/ ISGYO-202400006
<b>Appraisal Date</b>	23.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	6-storeyed building located in Muğla Province, Marmaris District, Kemeraltı Neighborhood, Atatürk Boulevard, on a land with an area of 1,143.55 m2 registered at Parcel No: 7
<b>Appraisal Value</b>	TL 205,365,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Tuzla Technology &amp; Operation Center</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	27.12.2024/ Özel 2024-664
<b>Appraisal Date</b>	27.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Building and office with an area of 44,395.35 m2 registered at İstanbul Province, Tuzla District, Merkez Neighborhood, Sheet No: G22B17A1C, Block No: 7301, Parcel No: 1
<b>Appraisal Value</b>	TL 10,450,077,000 (excluding VAT)

## APPENDIX 1: Summary Appraisal Reports

<b>Subject of Appraisal</b>	<b>Tuzla Meydan Shopping Mall</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	27.12.2024/ Özel 2024-663
<b>Appraisal Date</b>	27.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	A total of 39 independent units in İstanbul Province, Tuzla District, Merkez Neighborhood, Block No: 7301, Parcel No: 2
<b>Appraisal Value</b>	TL 220,490,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>İzmir Ege Perla Shopping Mall</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	27.12.2024/ 2024/3238
<b>Appraisal Date</b>	23.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Reinforced concrete office with an area of 18,392 m2 registered at İzmir Province, Konak District, Mersinli Neighborhood, Sheet No: 296, Block No: 3324, Parcel No: 106
<b>Appraisal Value</b>	TL 1,250,095,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Taksim Office Lamartine</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	26.12.2024/ Özel 2024-662
<b>Appraisal Date</b>	26.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Building with an area of 578.72 m2 registered at İstanbul Province, Beyoğlu District, Şehitmuhtar Neighborhood, Lamartin and Cumhuriyet Avenue, Sheet No: 11, Block No: 408, Parcel No: 24
<b>Appraisal Value</b>	TL 973,944,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Litus İstanbul Residential Project</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	19.12.2024/ 2024/3239
<b>Appraisal Date</b>	16.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	53 residential independent units (İş REIC's share) registered at İstanbul Province, Üsküdar District, Burhaniye Neighborhood, Block No: 725, Parcel No: 212 and 213
<b>Appraisal Value</b>	TL 1,691,816,500 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Kartal Manzara Adalar</b>
<b>Application Date</b>	15.10.2024
<b>Report Prepared by</b>	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	23.12.2024/ 2024/İŞGYO/007
<b>Appraisal Date</b>	19.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	31 residential independent units registered at İstanbul Province, Kartal District, Yukarı Neighborhood, Sheet No: G22A14B2B, Block No: 10047, Parcel No: 6
<b>Appraisal Value</b>	TL 342,810,000 (excluding VAT)

<b>Subject of Appraisal</b>	<b>Levent Lands</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Reel Gayrimenkul Değerleme A.Ş.
<b>Report Date and Report No</b>	30.12.2024/ ISGY-2410094
<b>Appraisal Date</b>	27.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land with an area of 7,613 m2 registered at İstanbul Province, Beşiktaş District, Levent Neighborhood, Sheet No: 81, Block No: 916, Parcel No: 572, Rumelihisarı Neighborhood, Block No: 916, Parcel No: 630, 631 and Block No: 1779, Parcel No: 629
<b>Appraisal Value</b>	TL 23,500,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>İstanbul Financial Center Project</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	27.12.2024/ 2024/3237
<b>Appraisal Date</b>	23.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Real estate in İstanbul Province, Ümraniye District, Küçükbakkalköy Neighborhood, Sheet No: F22D23D4D, Block No: 3328, Parcel No: 9
<b>Appraisal Value</b>	TL 5,751,045,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Tuzla Residential Project</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Bilgi Gayrimenkul Değerleme A.Ş.
<b>Report Date and Report No</b>	24.12.2024/ ISGYO-202400007
<b>Appraisal Date</b>	20.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land with an area of 59,901.78 m2 registered at İstanbul Province, Tuzla District, Merkez Neighborhood, Parcel No: 8557
<b>Appraisal Value</b>	TL 2,229,830,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Kadıköy Land</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	31.12.2024/ Özel 2024-512
<b>Appraisal Date</b>	31.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land with an area of 8,292.72 m2 registered at İstanbul Province, Kadıköy District, İbrahimağa Neighborhood, Block No: 1421 Parcel No: 4
<b>Appraisal Value</b>	TL 283,340,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Ömerli Kasaba Modern Project</b>
<b>Application Date</b>	15.10.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	25.10.2024/ Özel 2024-511
<b>Appraisal Date</b>	25.10.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	65,416.60 m2 land located in İstanbul Province, at Çekmeköy District, Ömerli Neighborhood, Block No: 1, Parcel No: 65, 75, 78, 79, 80, 81, 82
<b>Appraisal Value</b>	TL 1,352,309,687 (excluding VAT)

## APPENDIX 1: Summary Appraisal Reports

<b>Subject of Appraisal</b>	<b>Çekmeköy/ Ömerli Store</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	24.12.2024/ Özel 2024-660
<b>Appraisal Date</b>	24.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Store with land located in Istanbul Province, Çekmeköy District, Ömerli Neighborhood, Block No: 1, Parcel No: 71
<b>Appraisal Value</b>	TL 49,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Beşiktaş/ Balmumcu Land</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	20.12.2024/ Özel 2024 - 661
<b>Appraisal Date</b>	20.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land located in Istanbul Province, Beşiktaş District, Dikilitaş Neighborhood, Block No: 1342, Parcel No: 8
<b>Appraisal Value</b>	TL 400,002,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Çekmeköy/ Ömerli Lands</b>
<b>Application Date</b>	15.10.2024
<b>Report Prepared by</b>	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
<b>Report Date and Report No</b>	23.12.2024/ 2024/İSGYO/004
<b>Appraisal Date</b>	17.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land registered in İstanbul Province, Çekmeköy District, Ömerli Neighborhood, Block No: 56 Parcel No: 5 and Block No: 110 Parcel No: 2 and 3
<b>Appraisal Value</b>	TL 153,765,000 (excluding VAT)
<b>Subject of Appraisal</b>	<b>Profilo Shopping Mall</b>
<b>Application Date</b>	01.11.2024
<b>Report Prepared by</b>	Bilgi Gayrimenkul Değerleme A.Ş.
<b>Report Date and Report No</b>	24.12.2024 / ISGYO-202400008
<b>Appraisal Date</b>	21.12.2024
<b>Appraisal Method Used</b>	Market Value Method
<b>Registry of Deeds</b>	Land registered in İstanbul Province, Şişli District, Mecidiyeköy Neighborhood, Block No: 2410 Parcel No: 246 and Block No: 9221 Parcel No: 1
<b>Appraisal Value</b>	TL 2,069,739,000 (excluding VAT)

# Contact

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