

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

As of September 30, 2018 Statement of Financial Position (Balance Sheet)

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
	<i>Notes</i>	September 30, 2018	December 31, 2017
ASSETS			
Current assets		968.088.116	967.988.419
Cash and cash equivalents	5	37.103.817	83.117.592
Trade receivables	8	247.575.539	47.442.849
<i>Trade receivables from related parties</i>	23	1.107.721	1.600.761
<i>Trade receivables from third parties</i>		246.467.818	45.842.088
Other receivables	9	2.216.355	1.078.243
<i>Other receivables from related parties</i>	23	--	--
<i>Other receivables from third parties</i>		2.216.355	1.078.243
Derivatives	6	106.010.953	3.865.901
Inventories	11	508.235.637	757.111.894
Prepaid expenses	16	16.747.057	75.331.788
<i>Prepaid expenses to related parties</i>	23	959.272	2.472.998
<i>Prepaid expenses to third parties</i>		15.787.785	72.858.790
Other current assets	16	50.198.758	40.152
Non-current assets		4.190.162.601	4.343.958.837
Trade receivables	8	47.954.123	16.225.269
<i>Other trade receivables from third parties</i>		47.954.123	16.225.269
Inventories	11	207.350.160	344.153.094
Equity accounted investees	3	2.698.681	2.527.108
Investment properties	10	3.849.454.461	3.834.870.889
Tangible assets	12	30.504.689	31.005.753
Intangible assets	13	973.046	847.706
Prepaid expenses	16	4.775.458	4.240.543
<i>Prepaid expenses to third parties</i>		4.775.458	4.240.543
Other tangible assets	16	46.451.983	110.088.475
TOTAL ASSETS		5.158.250.717	5.311.947.256

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

As of September 30, 2018 Statement of Financial Position (Balance Sheet)

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
		September 30, 2018	December 31, 2017
LIABILITIES			
Short-term liabilities		1.096.586.513	873.322.937
Short term financial liabilities		50.158.680	--
<i>Loans and borrowings to related parties</i>	7	50.158.680	--
Current portion of long term borrowings	7	551.862.154	169.179.394
<i>Loans and borrowings to related parties</i>	23	231.880.920	154.258.179
<i>Loans and borrowings to third parties</i>		319.981.234	14.921.215
Current portion of long term financial leases	7	--	696.316
<i>Financial leasing to related parties</i>	23	--	696.316
Trade payables	8	32.236.623	53.537.218
<i>Trade payables to related parties</i>	23	4.303.001	9.365.703
<i>Trade payables to third parties</i>	8	27.933.622	44.171.515
Other payables	9	27.472.118	44.979.614
Deferred income	16	405.707.536	597.513.536
<i>Deferred income from related parties</i>	23	131.609	493.827
<i>Deferred income from third parties</i>		405.575.927	597.019.709
Short-term provisions		26.058.558	3.921.968
<i>Provisions for employee benefits</i>	15	342.403	317.880
<i>Other short-term provisions</i>	14	25.716.155	3.604.088
Other short-term liabilities	16	3.090.844	3.494.891
Long-term liabilities		757.684.087	1.158.047.332
Loans and borrowings	7	756.093.989	1.015.606.839
<i>Loans and borrowings to related parties</i>	23	467.097.701	518.177.339
<i>Loans and borrowings to third parties</i>		288.996.288	497.429.500
Deferred revenue	16	--	140.667.466
Long term provisions		1.590.098	1.773.027
<i>Provisions for employee benefits</i>	15	1.590.098	1.773.027
EQUITY		3.303.980.117	3.280.576.987
Share capital	17	958.750.000	913.750.000
Inflation restatement difference on share capital	17	240.146.090	240.146.090
Share premium	17	423.981	423.981
Other comprehensive income that will never be reclassified to profit or loss		27.386.467	27.386.467
<i>Revaluation and classification of gains / losses</i>		27.610.009	27.610.009
<i>Other earnings/ losses</i>		(223.542)	(223.542)
Restricted reserves	17	59.561.684	46.188.875
Prior years' profits	17	1.925.777.515	1.872.724.737
Net profit for the period		91.934.380	179.956.837
TOTAL EQUITY AND LIABILITIES		5.158.250.717	5.311.947.256

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Profit or Loss For the Period Ended September 30, 2018

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Reviewed</i>	<i>Reviewed</i>	<i>Not Reviewed</i>	<i>Not Reviewed</i>
		January 1- September 30, 2018	July 1- September 30, 2018	January 1- September 30, 2017	July 1- September 30, 2017
	<i>Notes</i>				
Revenue	18	986.631.970	236.966.748	369.515.971	244.667.446
Cost of revenue (-)	18	(773.469.362)	(172.852.375)	(229.491.422)	(198.668.015)
Gross profit		213.162.608	64.114.373	140.024.549	45.999.431
General administrative expense (-)	19	(18.847.781)	(5.815.858)	(16.299.861)	(4.416.301)
Marketing expenses (-)	19	(14.505.720)	(938.654)	(9.605.504)	(3.671.572)
Other operating income	20	9.904.504	7.268.344	55.578.602	14.036.059
Other operating expense (-)	20	(11.327.968)	(10.277.968)	(48.809.171)	-
Operating profit		178.385.643	54.350.237	120.888.615	51.947.617
Share of profit of equity-accounted investees	3	921.573	143.886	792.807	264.259
Operating Profit Before Finance Expense		179.307.216	54.494.123	121.681.422	52.211.876
Financial income	21	102.019.085	62.089.471	-	-
Financial expenses (-)	21	(189.391.921)	(119.754.470)	(28.654.410)	(11.324.947)
Operating Profit before Tax From Continuing Operations		91.934.380	(3.170.876)	93.027.012	40.886.929
Tax Expense From Continuing Operations					
- Corporate tax charge		--	--	--	--
- Deferred tax benefit		--	--	--	--
Net profit for the period		91.934.380	(3.170.876)	93.027.012	40.886.929
Earnings per share	22	0,0010	0,0000	0,0010	0,0004

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Other Comprehensive Income For the Period Ended September 30, 2018

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Reviewed</i>	<i>Reviewed</i>	<i>Not Reviewed</i>	<i>Not Reviewed</i>
		January 1- September 30, 2018	July 1- September 30, 2018	January 1- September 30, 2017	July 1- September 30, 2017
Net profit for the period	Notes	91.934.380	(3.170.876)	93.027.012	40.886.929
Other comprehensive income					
Other comprehensive income that will never be reclassified to profit or loss					
Revaluation and classification of gains / losses		--	--	--	--
Actuarial gain/(loss) arising from defined benefit plans		--	--	--	--
Other comprehensive income		--	--	--	--
TOTAL COMPREHENSIVE INCOME		91.934.380	(3.170.876)	93.027.012	40.886.929

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Other Comprehensive Income For the Period Ended September 30, 2018

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Other comprehensive income that will never be reclassified to profit or loss										
	Notes	Share capital	Inflation restatement difference on share capital	Share premium	Net change in remeasuremen ts of defined benefit liability	Net change in revaluation of tangible assets	Legal reserves	Prior years' profits	Net profit for the period	Total
Balances at January 1, 2017		850.000.000	240.146.090	423.981	135.339	24.226.634	36.305.282	1.589.596.928	420.511.402	3.161.345.656
Transfers		--	--	--	--	--	9.883.593	410.627.809	(420.511.402)	--
Total comprehensive income		--	--	--	--	--	--	--	93.027.012	93.027.012
Capital Increase (from internal sources)		63.750.000	--	--	--	--	--	(63.750.000)	--	--
Dividends		--	--	--	--	--	--	(63.750.000)	--	(63.750.000)
										--
Balances at September 30, 2017	17	913.750.000	240.146.090	423.981	135.339	24.226.634	46.188.875	1.872.724.737	93.027.012	3.190.622.668
Balances at January 1, 2018		913.750.000	240.146.090	423.981	(223.542)	27.610.009	46.188.875	1.872.724.737	179.956.837	3.280.576.987
Transfers		--	--	--	--	--	13.372.809	166.584.028	(179.956.837)	--
Total comprehensive income		--	--	--	--	--	--	--	91.934.380	91.934.380
Capital Increase (from internal sources)		45.000.000	--	--	--	--	--	(45.000.000)	--	--
Dividends		--	--	--	--	--	--	(68.531.250)	--	(68.531.250)
Balances at September 30, 2018	17	958.750.000	240.146.090	423.981	(223.542)	27.610.009	59.561.684	1.925.777.515	91.934.380	3.303.980.117

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Cash Flow

For the Period Ended September 30, 2018

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Reviewed</i>	<i>Not Reviewed</i>
		January 1- September 30, 2018	January 1- September 30, 2017
	<i>Notes</i>		
A. Cash flows from operating activities			
Net profit for the period		91.934.380	93.027.012
<i>Profit adjustments for:</i>			
Adjustments to depreciation and amortization	12,13	1.341.716	1.187.393
Adjustments to impairment or cancelation		10.790.070	1.290.745
- Adjustments to impairment of receivables	8	512.102	1.290.745
- Adjustments to impairment of inventories	11	10.277.968	--
Adjustments for provisions	15	545.235	741.072
- Adjustments to provision for employee severance indemnity		545.235	741.072
Adjustment for change in fair values		(102.974.074)	(5.582.801)
- Adjustments to change in fair value of investment properties	10	(955.000)	(5.583.357)
- Adjustments to change in fair value of derivatives	21	(102.019.074)	556
Adjustments to retained earnings of investments valued by equity method		(921.573)	(792.807)
Adjustments to retained earnings on subsidiaries	3	(921.573)	(792.807)
Adjustments to loss or gain on sales of non-current assets		2.225.000	(3.999.156)
- Adjustments to loss or gain on sales of tangible assets		--	(88)
- Adjustments to loss or gain on sales of investment properties	18	2.225.000	(3.999.068)
Adjustments to interest income and expense		56.080.574	14.169.685
- Adjustments to interest income	18	(6.890.462)	(7.355.812)
- Adjustments to interest expense	21	62.971.036	21.525.497
Adjustments to foreign exchange differences		52.601	(1.486.916)
Operating profit from before the changes in working capital		59.073.929	98.554.227
<i>Changes in working capital</i>			
Changes in trade receivables		(232.373.646)	(16.314.686)
- Changes in trade receivables from related parties		493.040	(694.450)
- Changes in trade receivables from third parties		(232.866.686)	(15.620.236)
Changes in other receivables related with operations		(388.112)	517.564
- Changes in other receivables related with operations from third parties		(388.112)	517.564
Changes in inventories		375.401.223	(223.606.566)
Changes in derivatives		(125.978)	(9.990)
Changes in prepaid expenses		58.049.816	109.014
Changes in trade payables		(21.300.595)	14.768.914
- Changes in trade payables to related parties		(5.062.702)	4.042.275
- Changes in trade payables to third parties		(16.237.893)	10.726.639
Changes in other payables related with operations		(17.507.496)	6.179.226
- Changes in other payables to third parties related with operations		(17.507.496)	6.179.226
Changes in deferred revenue		(332.473.466)	103.457.000
Other changes in working capital		35.185.906	2.800.281
- Changes in other assets related with operations		13.477.886	(3.364.272)
- Changes in other liabilities related with operations		21.708.020	6.164.553
		(76.458.419)	(13.545.016)
Cash generated from operating activities			
Employee termination benefits paid	15	(703.641)	(177.755)
Interest received	5, 18	7.528.913	7.325.248
Net cash provided by / (used in) operating activities		(69.633.147)	(6.397.523)
B. Cash Flows From Investing Activities			
Cash outflows from the purchase of investment property	10	(67.988.573)	(184.081.101)
Cash inflows from the sale of investment property		52.135.000	187.644.068
Cash outflows from the purchase of tangible and intangible asset	12,13	(965.991)	(494.008)
- Cash outflows from the purchase of tangible asset		(448.263)	(123.993)
- Cash outflows from the purchase of intangible asset		(517.728)	(370.015)
Net cash used in investing activities		(16.819.564)	3.068.959
C. Cash Flows From Financing Activities			
Dividends paid	17	(68.531.250)	(63.750.000)
Borrowings received		274.168.402	225.790.000
Borrowings paid		(106.654.993)	(2.477.924)
Interest paid		(57.852.171)	(81.192.123)
Net cash provided by financing activities		41.129.988	78.369.953
Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates		(45.322.723)	75.041.389
Effect of changes in foreign currency rates over cash and cash equivalents		(52.601)	1.486.916
Net increase / (decrease) in cash and cash equivalents		(45.375.324)	76.528.305
Cash and cash equivalents at the beginning of the period	5	82.425.118	126.768.027
Cash and cash equivalents at the end of the period	5	37.049.794	203.296.332