

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

## Statement of Financial Position (Balance Sheet)

For the Period Ended December 31, 2019

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

		<i>Audited</i>	<i>Audited</i>
	Notes	December 31, 2019	December 31, 2018
<b>ASSETS</b>			
<b>Current assets</b>		<b>1.249.783.479</b>	<b>752.744.479</b>
Cash and cash equivalents	5	388.415.387	54.236.749
Financial investments	6	173.465.888	--
Trade receivables	8	116.530.503	107.442.054
<i>Trade receivables from related parties</i>	25	3.064.499	4.680.762
<i>Trade receivables from third parties</i>		113.466.004	102.761.292
Other receivables	9	5.685.288	718.345
<i>Other receivables from related parties</i>	25	--	35.610
<i>Other receivables from third parties</i>		5.685.288	682.735
Derivatives	6	42.367.396	59.536.713
Inventories	11	381.840.456	307.030.105
Inventories under development	11	121.124.555	209.357.229
Prepaid expenses	16	7.497.215	14.386.026
<i>Prepaid expenses to related parties</i>	25	2.286.461	2.788.312
<i>Prepaid expenses to third parties</i>		5.210.754	11.597.714
Other current assets	16	12.856.791	37.258
<b>Non-current assets</b>		<b>4.466.573.407</b>	<b>4.469.588.445</b>
Financial investments	6	221.249.112	--
Trade receivables	8	32.659.874	44.389.008
<i>Other trade receivables from third parties</i>		32.659.874	44.389.008
Inventories	11	175.000.000	174.550.000
Equity accounted investees	3	3.741.256	3.088.133
Investment properties	10	3.724.396.501	3.679.192.500
Investment properties under development	10	261.537.000	474.295.599
Tangible assets	12	38.460.738	33.814.159
Intangible assets	13	931.084	1.015.609
Prepaid expenses	16	8.597.842	5.982.425
<i>Prepaid expenses to third parties</i>		8.597.842	5.982.425
Other non-current assets	16	--	53.261.012
<b>TOTAL ASSETS</b>		<b>5.716.356.886</b>	<b>5.222.332.924</b>

The accompanying notes form an integral part of these financial statements

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**  
Statement of Financial Position (Balance Sheet)  
For the Period Ended December 31, 2019  
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
	Notes	December 31, 2019	December 31, 2018
<b>LIABILITIES</b>			
<b>Short-term liabilities</b>		<b>1.232.364.908</b>	<b>1.091.581.932</b>
Short term loans and borrowings	7	464.336.466	--
<i>Loans and borrowings to related parties</i>	25	288.256.265	--
<i>Loans and borrowings to third parties</i>		176.080.201	--
Current portion of long term loans and borrowings	7	352.420.787	742.664.172
<i>Loans and borrowings to related parties</i>	25	205.710.355	235.002.422
<i>Loans and borrowings to third parties</i>		146.710.432	507.661.750
Trade payables	8	216.937.006	34.901.072
<i>Trade payables to related parties</i>	25	209.645.274	16.360.219
<i>Trade payables to third parties</i>	8	7.291.732	18.540.853
Other payables	9	12.269.184	20.833.806
<i>Other payables to third parties</i>	9	12.269.184	20.833.806
Liabilities from contracts with customers		149.036.245	279.436.381
<i>Contractual obligations from sales of goods and services</i>	17	149.036.245	279.436.381
Deferred income (Excluding liabilities from contracts with customers)	16	22.831.188	7.283.080
<i>Deferred income from related parties</i>	25	52.091	257.870
<i>Deferred income from third parties</i>		22.779.097	7.025.210
Short-term provisions		5.435.702	5.205.156
<i>Provisions for employee benefits</i>	15	455.484	390.946
<i>Other short-term provisions</i>	14	4.980.218	4.814.210
Other short-term liabilities	16	704.787	1.258.265
Derivatives	6	8.393.543	--
<b>Long-term liabilities</b>		<b>623.764.900</b>	<b>573.811.637</b>
Loans and borrowings	7	621.751.194	572.183.948
<i>Loans and borrowings to related parties</i>	25	368.157.840	381.929.982
<i>Loans and borrowings to third parties</i>		253.593.354	190.253.966
Long term provisions		2.013.706	1.627.689
<i>Provisions for employee benefits</i>	15	2.013.706	1.627.689
<b>EQUITY</b>		<b>3.860.227.078</b>	<b>3.556.939.355</b>
Share capital	18	958.750.000	958.750.000
Inflation restatement difference on share capital	18	240.146.090	240.146.090
Share premium	18	423.981	423.981
Other comprehensive income that will never be reclassified to profit or loss		36.567.156	30.669.212
<i>Revaluation and classification of gains / losses</i>		36.951.956	31.053.049
<i>Other earnings/ losses</i>		(384.800)	(383.837)
Restricted reserves	18	65.949.792	59.561.684
Prior years' profits	18	2.261.000.280	1.925.777.515
Net profit for the period		297.389.779	341.610.873
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5.716.356.886</b>	<b>5.222.332.924</b>

The accompanying notes form an integral part of these financial statements

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

## Statement of Profit or Loss

For the Period Ended December 31, 2019

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

		<i>Audited</i>	<i>Audited</i>
		<b>January 1 - December 31 2019</b>	<b>January 1 - December 31 2018</b>
Revenue	19	1.206.509.521	1.098.332.491
Cost of revenue (-)	19	(955.966.119)	(837.501.802)
<b>Gross profit</b>		<b>250.543.402</b>	<b>260.830.689</b>
General administrative expense (-)	20	(26.958.460)	(24.458.694)
Marketing expenses (-)	20	(14.811.380)	(22.287.736)
Other operating income	22	342.541.290	341.170.105
Other operating expense (-)	22	(12.172.591)	(75.436.309)
<b>Operating profit</b>		<b>539.142.261</b>	<b>479.818.055</b>
Share of profit of equity-accounted investees	3	1.653.123	1.311.025
<b>Operating Profit Before Finance Expense</b>		<b>540.795.384</b>	<b>481.129.080</b>
Financial income	23	--	60.395.502
Financial expenses (-)	23	(243.405.605)	(199.913.709)
<b>Operating Profit before Tax From Continuing Operations</b>		<b>297.389.779</b>	<b>341.610.873</b>
<b>Tax Expense From Continuing Operations</b>			
- Corporate tax charge		--	--
- Deferred tax benefit		--	--
<b>Net profit for the period</b>		<b>297.389.779</b>	<b>341.610.873</b>
Earnings per share	24	0,0031	0,0036

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**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Other Comprehensive Income

For the Period Ended December 31, 2019

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

		<i>Audited</i>	<i>Audited</i>
		<b>January 1 - December 31 2019</b>	<b>January 1 - December 31 2018</b>
	Notes		
<b>Net profit for the period</b>		<b>297.389.779</b>	<b>341.610.873</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income that will never be reclassified to profit or loss</b>		<b>5.897.944</b>	<b>3.282.745</b>
Revaluation and classification of gains / losses	12	5.898.907	3.443.040
Actuarial gain/(loss) arising from defined benefit plans	15	(963)	(160.295)
<b>Other comprehensive income</b>		<b>5.897.944</b>	<b>3.282.745</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>303.287.723</b>	<b>344.893.618</b>

The accompanying notes form an integral part of these financial statements

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Statement of Changes in Equity

For the Period Ended December 31, 2019

(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	Other earnings/losses	Revaluation and classification of gains/losses	Legal reserves	Prior years' profits	Net profit for the period	Total
<b>Balances at January 1, 2018</b>		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		--	--	--	(160.295)	3.443.040	--	--	341.610.873	344.893.618
Capital increase		45.000.000	--	--	--	--	--	(45.000.000)	--	--
Dividends		--	--	--	--	--	--	(68.531.250)	--	(68.531.250)
<b>Balances at December 31, 2018</b>	<b>18</b>	<b>958.750.000</b>	<b>240.146.090</b>	<b>423.981</b>	<b>(383.837)</b>	<b>31.053.049</b>	<b>59.561.684</b>	<b>1.925.777.515</b>	<b>341.610.873</b>	<b>3.556.939.355</b>
<b>Balances at January 1, 2019</b>		958.750.000	240.146.090	423.981	(383.837)	31.053.049	59.561.684	1.925.777.515	341.610.873	3.556.939.355
Transfers		--	--	--	--	--	6.388.108	335.222.765	(341.610.873)	--
Total comprehensive income		--	--	--	(963)	5.898.907	--	--	297.389.779	303.287.723
<b>Balances at December 31, 2019</b>	<b>18</b>	<b>958.750.000</b>	<b>240.146.090</b>	<b>423.981</b>	<b>(384.800)</b>	<b>36.951.956</b>	<b>65.949.792</b>	<b>2.261.000.280</b>	<b>297.389.779</b>	<b>3.860.227.078</b>

The accompanying notes form an integral part of these financial statements

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**  
**Statement of Cash Flow**  
For the Period Ended December 31, 2019  
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Revised (Note 2.2)</i>
		<i>Audited</i>
		<i>Audited</i>
		<b>January 1- December 31 2019</b>
		<b>January 1- December 31 2018</b>
	Notes	
<b>A. Cash flows from operating activities</b>		
<b>Net profit for the period</b>		<b>297.389.779</b>
<b>Profit adjustments for:</b>		
Adjustments to depreciation and amortization	12, 13	2.011.049
Adjustments to impairment or cancelation		2.114.831
- Adjustments to impairment of receivables	8	1.597.600
- Adjustments to impairment of inventories	11	517.231
Adjustments for provisions		1.777.795
- Adjustments to provision for employee severance indemnity	15	569.798
- Adjustments to provision for legal cases	14	1.207.997
Adjustments for (gain)/losses on fair value		(319.510.314)
- Adjustments to (gain)/losses on fair value of investment property	10	(326.897.431)
- Adjustments to (gain)/losses on fair value of derivatives	23	7.387.117
Adjustments for retained earnings of investments valued by equity method		(1.653.123)
- Adjustments for retained earnings of subsidiaries	3	(1.653.123)
Adjustments for loss or gain on sales of non-current assets		(17.872.140)
- Adjustments for loss or gain on sales of tangible assets		1.383
- Adjustments for loss or gain on sales of intangible assets		12.853
- Adjustments for loss or gain on sales of investment property	19	(17.886.376)
Adjustments to interest income and expense		191.374.845
- Adjustments to interest income	19	(11.253.551)
- Adjustments to interest expense	23	202.628.396
Adjustments to foreign exchange differences		29.770.606
<b>Operating profit from before the changes in working capital</b>		<b>185.403.328</b>
<b>Changes in working capital</b>		
Changes in trade receivables		1.043.085
- Changes in trade receivables from related parties		1.616.263
- Changes in trade receivables from third parties		(573.178)
Changes in other receivables		(3.966.943)
- Changes in other receivables from related parties		1.035.610
- Changes in other receivables from third parties		(5.002.553)
Changes in inventories		20.706.304
Changes in derivative assets		(5.438.816)
Changes in prepaid expenses		4.273.394
Changes in trade payables		8.570.046
- Changes in trade payables from related parties		19.819.167
- Changes in trade payables from third parties		(11.249.121)
Changes in other payables		(8.564.622)
- Changes in other payables from third parties		(8.564.622)
Changes in derivative liabilities		8.393.543
Changes in liabilities from contracts with customers		(130.400.136)
- Changes in contractual obligations from sales of goods and services		(130.400.136)
Changes in deferred income (Excluding liabilities from contracts with customers)		15.548.108
Other changes in working capital		38.846.012
- Changes in other assets		40.441.479
- Changes in other liabilities		(1.595.467)
		<b>134.413.303</b>
<b>Cash generated from operating activities</b>		<b>167.931.828</b>
Employee termination benefits paid	15	(120.206)
Interest received	5, 19	10.576.209
<b>Net cash provided by / (used in) operating activities</b>		<b>144.869.306</b>
<b>B. Cash flows from investing activities</b>		
Cash outflows for the acquisition of shares of other entities or funds or debt instruments		(42.500.000)
Cash outflows arising from purchase of investment properties	10	(12.299.508)
Cash inflows arising from sales of investment properties		352.572.964
Cash outflows arising from purchases of tangible and intangible assets	12, 13	(688.432)
- Cash outflows arising from purchases of tangible assets		(95.764)
- Cash outflows arising from purchases of intangible assets		(592.668)
<b>Net cash used in investing activities</b>		<b>297.085.024</b>
<b>C. Cash flows from financing activities</b>		
Dividends paid	18	--
Cash inflows arising from derivatives		15.221.016
Borrowings received	7	1.667.066.244
Borrowings paid	7	(1.569.220.442)
Interest paid	7	(222.098.021)
<b>Net cash provided by financing activities</b>		<b>(109.031.203)</b>
<b>Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates</b>		<b>332.923.127</b>
Effect of changes in foreign currency rates over cash and cash equivalents		578.169
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>333.501.296</b>
Cash and cash equivalents at the beginning of the period	5	53.467.044
<b>Cash and cash equivalents at the end of the period</b>	5	<b>386.968.340</b>
		<b>53.467.044</b>

The accompanying notes form an integral part of these financial statements