

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

As of March 31, 2019 Statement of Financial Position

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

		<i>Reviewed</i>	<i>Audited</i>
	<i>Notes</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>744.884.133</b>	<b>752.744.479</b>
Cash and cash equivalents	5	18.271.515	54.236.749
Trade receivables	8	100.965.288	107.442.054
<i>Trade receivables from related parties</i>	24	3.336.611	4.680.762
<i>Trade receivables from third parties</i>		97.628.677	102.761.292
Other receivables	9	2.505.710	718.345
<i>Other receivables from related parties</i>	24	-	35.610
<i>Other receivables from third parties</i>		2.505.710	682.735
Derivatives	6	74.992.130	59.536.713
Inventories	11	296.370.886	307.030.105
Inventories under development	11	240.438.512	209.357.229
Prepaid expenses	16	11.201.435	14.386.026
<i>Prepaid expenses to related parties</i>	24	2.238.977	2.788.312
<i>Prepaid expenses to third parties</i>		8.962.458	11.597.714
Other current assets	16	138.657	37.258
<b>Non-current assets</b>		<b>4.467.538.994</b>	<b>4.469.588.445</b>
Trade receivables	8	36.864.397	44.389.008
<i>Other trade receivables from third parties</i>		36.864.397	44.389.008
Inventories	11	174.924.148	174.550.000
Equity accounted investees	3	3.696.799	3.088.133
Investment properties	10	3.905.308.678	3.679.192.500
Investment properties under development	10	255.155.985	474.295.599
Tangible assets	12	33.486.642	33.814.159
Intangible assets	13	1.106.617	1.015.609
Prepaid expenses	16	7.044.486	5.982.425
<i>Prepaid expenses to third parties</i>		7.044.486	5.982.425
Other non-current assets	16	49.951.242	53.261.012
<b>TOTAL ASSETS</b>		<b>5.212.423.127</b>	<b>5.222.332.924</b>

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		<i>Reviewed</i>	<i>Audited</i>
		<b>31 March 2019</b>	<b>31 December 2018</b>
<b>LIABILITIES</b>			
<b>Short-term liabilities</b>			
		<b>1.028.308.530</b>	<b>1.091.581.932</b>
Short term borrowings	7	150.626.503	--
<i>Loans and borrowings to related parties</i>	24	150.626.503	--
Current portion of long term borrowings	7	539.655.004	742.664.172
<i>Loans and borrowings to related parties</i>	24	219.921.662	235.002.422
<i>Loans and borrowings to third parties</i>		319.733.342	507.661.750
Trade payables	8	23.374.695	34.901.072
<i>Trade payables to related parties</i>	24	12.904.339	16.360.219
<i>Trade payables to third parties</i>	8	10.470.356	18.540.853
Other payables	9	21.197.649	20.833.806
<i>Other payables to third parties</i>	9	21.197.649	20.833.806
Liabilities from contracts with customers		280.755.246	279.436.381
<i>Contractual obligations from sales of goods and services</i>	17	280.755.246	279.436.381
Deferred income (Excluding liabilities from contracts with customers)	16	3.040.762	7.283.080
<i>Deferred income from related parties</i>	24	196.891	257.870
<i>Deferred income from third parties</i>		2.843.871	7.025.210
Short-term provisions		8.066.074	5.205.156
<i>Provisions for employee benefits</i>	15	500.983	390.946
<i>Other short-term provisions</i>	14	7.565.091	4.814.210
Other short-term liabilities	16	1.592.597	1.258.265
<b>Long-term liabilities</b>			
		<b>633.453.131</b>	<b>573.811.637</b>
Loans and borrowings	7	631.590.479	572.183.948
<i>Loans and borrowings to related parties</i>	24	351.981.913	381.929.982
<i>Loans and borrowings to third parties</i>		279.608.566	190.253.966
Long term provisions		1.862.652	1.627.689
<i>Provisions for employee benefits</i>	15	1.862.652	1.627.689
<b>EQUITY</b>			
		<b>3.550.661.466</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		30.669.212	30.669.212
<i>Revaluation and classification of gains / losses</i>		31.053.049	31.053.049
<i>Other earnings/ losses</i>		(383.837)	(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		(6.277.889)	341.610.873
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>5.212.423.127</b>	<b>5.222.332.924</b>

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Profit or Loss For the Period Ended March 31, 2019

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

		<i>Reviewed</i>	<i>Reviewed</i>
		<b>1 January - 31 March 2019</b>	<b>1 January - 31 March 2018</b>
	<b>Notes</b>		
Revenue	19	76.579.090	60.606.022
Cost of revenue (-)	19	(25.332.823)	(21.152.808)
<b>Gross profit</b>		<b>51.246.267</b>	<b>39.453.214</b>
General administrative expense (-)	20	(6.978.137)	(7.077.807)
Marketing expenses (-)	20	(4.114.590)	(4.726.756)
Other operating income	21	1.177.495	1.616.480
<b>Operating profit</b>		<b>41.331.035</b>	<b>29.265.131</b>
Share of profit of equity-accounted investees	3	608.666	303.365
<b>Operating Profit Before Finance Expense</b>		<b>41.939.701</b>	<b>29.568.496</b>
Financial income	22	15.610.779	7.740.928
Financial expenses (-)	22	(63.828.369)	(21.404.153)
<b>Operating Profit before Tax From Continuing Operations</b>		<b>(6.277.889)</b>	<b>15.905.271</b>
<b>Tax Expense From Continuing Operations</b>			
- Corporate tax charge		--	--
- Deferred tax benefit		--	--
<b>Net profit for the period</b>		<b>(6.277.889)</b>	<b>15.905.271</b>
Earnings per share	23	(0,0001)	0,0002

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Other Comprehensive Income For the Period Ended March 31, 2019

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

	<i>Reviewed</i>	<i>Reviewed</i>
	<b>1 January -</b>	<b>1 January -</b>
	<b>31 March</b>	<b>31 March</b>
Notes	<b>2019</b>	<b>2018</b>
<b>Net profit for the period</b>	<b>(6.277.889)</b>	<b>15.905.271</b>
<b>Other comprehensive income</b>		
<b>Other comprehensive income that will never be reclassified to profit or loss</b>	--	--
Revaluation and classification of gains / losses	--	--
Actuarial gain/(loss) arising from defined benefit plans	--	--
<b>Other comprehensive income</b>	--	--
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(6.277.889)</b>	<b>15.905.271</b>

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Other Comprehensive Income For the Period Ended March 31, 2019

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

	<b>Other comprehensive income that will never be reclassified to profit or loss</b>									
	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
<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		--	--	--	--	--	--	--	15.905.271	15.905.271
Dividends		--	--	--	--	--	--	(68.531.250)	--	(68.531.250)
										--
<b>Balances at March 31, 2018</b>	<b>18</b>	<b>913.750.000</b>	<b>240.146.090</b>	<b>423.981</b>	<b>(223.542)</b>	<b>27.610.009</b>	<b>59.561.684</b>	<b>1.970.777.515</b>	<b>15.905.271</b>	<b>3.227.951.008</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		--	--	--	--	--	--	--	(6.277.889)	(6.277.889)
<b>Balances at March 31, 2019</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>65.949.792</b>	<b>2.261.000.280</b>	<b>(6.277.889)</b>	<b>3.550.661.466</b>

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

		<i>Reviewed</i>	<i>Reviewed</i>
		<b>1 January -</b>	<b>1 January -</b>
	<b>Notes</b>	<b>31 March</b>	<b>31 March</b>
		<b>2019</b>	<b>2018</b>
<b>A. Cash flows from operating activities</b>			
<b>Net profit for the period</b>		<b>(6.277.889)</b>	<b>15.905.271</b>
<b>Profit adjustments for:</b>			
Adjustments to depreciation and amortization	12, 13	496.357	471.581
Adjustments to impairment or cancelation		659.426	(677.791)
- <i>Adjustments to impairment of receivables</i>	8	659.426	(677.791)
Adjustments for provisions	15	344.999	409.724
- <i>Adjustments to provision for employee severance indemnity</i>		344.999	409.724
Adjustments for (gain)/losses on fair value		(15.610.779)	(7.740.917)
- <i>Adjustments to (gain)/losses on fair value of derivatives</i>	22	(15.610.779)	(7.740.917)
Adjustments for retained earnings of investments valued by equity method		(608.666)	(303.365)
- <i>Adjustments for retained earnings of subsidiaries</i>	3	(608.666)	(303.365)
Adjustments to interest income and expense		41.842.155	8.326.980
- <i>Adjustments to interest income</i>	19	(4.167.667)	(1.122.381)
- <i>Adjustments to interest expense</i>	22	46.009.822	9.449.361
Adjustments to foreign exchange differences		(85.595)	(1.062.220)
<b>Operating profit from before the changes in working capital</b>		<b>20.760.008</b>	<b>15.329.263</b>
<b>Changes in working capital</b>			
Changes in trade receivables		13.341.951	(18.455.674)
- <i>Changes in trade receivables from related parties</i>		1.344.151	954.694
- <i>Changes in trade receivables from third parties</i>		11.997.800	(19.410.368)
Changes in other receivables		(1.787.365)	119.096
- <i>Changes in other receivables from related parties</i>		35.610	--
- <i>Changes in other receivables from third parties</i>		(1.822.975)	119.096
Changes in inventories		(20.796.212)	(76.740.345)
Changes in derivatives		155.362	13.563
Changes in prepaid expenses		2.122.530	(2.987.838)
Changes in trade payables		(11.526.377)	(14.608.574)
- <i>Changes in trade payables from related parties</i>		(3.455.880)	(4.583.554)
- <i>Changes in trade payables from third parties</i>		(8.070.497)	(10.025.020)
Changes in other payables		363.843	2.306.201
- <i>Changes in other payables from third parties</i>		363.843	2.306.201
Changes in liabilities from contracts with customers		1.318.865	73.649.531
- <i>Changes in contractual obligations from sales of goods and services</i>		1.318.865	73.649.531
Changes in deferred income (Excluding liabilities from contracts with customers)		(4.242.318)	(182.489)
Other changes in working capital		6.293.585	5.584.332
- <i>Changes in other assets</i>		3.208.371	2.256.891
- <i>Changes in other liabilities</i>		3.085.214	3.327.441
		<b>6.003.872</b>	<b>(15.972.934)</b>
<b>Cash generated from operating activities</b>			
Employee termination benefits paid	15	--	(349.817)
Interest received	5, 19	4.917.400	1.039.394
<b>Net cash provided by / (used in) operating activities</b>		<b>10.921.272</b>	<b>(15.283.357)</b>
<b>B. Cash flows from investing activities</b>			
Cash outflows arising from purchases of investment properties	10	(6.976.564)	(23.386.400)
Cash outflows arising from purchases of tangible and intangible assets	12, 13	(259.848)	(260.695)
- <i>Cash outflows arising from purchases of tangible assets</i>		(5.429)	(30.128)
- <i>Cash outflows arising from purchases of intangible assets</i>		(254.419)	(230.567)
<b>Net cash used in investing activities</b>		<b>(7.236.412)</b>	<b>(23.647.095)</b>
<b>C. Cash flows from financing activities</b>			
Dividends paid	18	--	(68.531.250)
Borrowings received		252.839.826	210.898.111
Borrowings paid		(278.178.284)	(28.846.150)
Interest paid		(13.647.498)	(34.837.498)
<b>Net cash provided by financing activities</b>		<b>(38.985.956)</b>	<b>78.683.213</b>
<b>Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates</b>		<b>(35.301.096)</b>	<b>39.752.761</b>
Effect of changes in foreign currency rates over cash and cash equivalents		85.595	1.062.220
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(35.215.501)</b>	<b>40.814.981</b>
Cash and cash equivalents at the beginning of the period	5	53.467.044	82.425.118
<b>Cash and cash equivalents at the end of the period</b>	5	<b>18.251.543</b>	<b>123.240.099</b>