

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

As of June 30, 2019 Statement of Financial Position

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

		<i>Reviewed</i>	<i>Audited</i>
	<i>Notes</i>	30 June 2019	31 December 2018
ASSETS			
Current assets		724.664.763	752.744.479
Cash and cash equivalents	5	17.271.051	54.236.749
Trade receivables	8	117.556.176	107.442.054
<i>Trade receivables from related parties</i>	24	2.986.556	4.680.762
<i>Trade receivables from third parties</i>		114.569.620	102.761.292
Other receivables	9	9.670.754	718.345
<i>Other receivables from related parties</i>	24	--	35.610
<i>Other receivables from third parties</i>		9.670.754	682.735
Derivatives	6	57.922.954	59.536.713
Inventories	11	441.322.724	307.030.105
Inventories under development	11	31.787.752	209.357.229
Prepaid expenses	16	11.209.647	14.386.026
<i>Prepaid expenses to related parties</i>	24	2.035.051	2.788.312
<i>Prepaid expenses to third parties</i>		9.174.596	11.597.714
Other current assets	16	37.923.705	37.258
Non-current assets		4.425.358.399	4.469.588.445
Trade receivables	8	36.304.987	44.389.008
<i>Other trade receivables from third parties</i>		36.304.987	44.389.008
Inventories	11	175.230.908	174.550.000
Equity accounted investees	3	2.971.960	3.088.133
Investment properties	10	3.910.892.833	3.679.192.500
Investment properties under development	10	257.771.742	474.295.599
Tangible assets	12	33.156.638	33.814.159
Intangible assets	13	1.043.085	1.015.609
Prepaid expenses	16	7.986.246	5.982.425
<i>Prepaid expenses to third parties</i>		7.986.246	5.982.425
Other non-current assets	16	--	53.261.012
TOTAL ASSETS		5.150.023.162	5.222.332.924

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As of June 30, 2019 Statement of Financial Position

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

		<i>Reviewed</i>	<i>Audited</i>
		30 June 2019	31 December 2018
LIABILITIES			
Short-term liabilities			
1.019.907.538			
1.091.581.932			
Short term borrowings	7	314.929.432	--
<i>Loans and borrowings to related parties</i>	24	121.420.249	--
<i>Loans and borrowings to third parties</i>		193.509.183	--
Current portion of long term borrowings	7	438.970.345	742.664.172
<i>Loans and borrowings to related parties</i>	24	215.496.593	235.002.422
<i>Loans and borrowings to third parties</i>		223.473.752	507.661.750
Trade payables	8	21.031.954	34.901.072
<i>Trade payables to related parties</i>	24	11.547.672	16.360.219
<i>Trade payables to third parties</i>	8	9.484.282	18.540.853
Other payables	9	20.106.971	20.833.806
<i>Other payables to third parties</i>	9	20.106.971	20.833.806
Liabilities from contracts with customers		215.953.862	279.436.381
<i>Contractual obligations from sales of goods and services</i>	17	215.953.862	279.436.381
Deferred income (Excluding liabilities from contracts with customers)	16	2.221.578	7.283.080
<i>Deferred income from related parties</i>	24	165.187	257.870
<i>Deferred income from third parties</i>		2.056.391	7.025.210
Short-term provisions		4.719.376	5.205.156
<i>Provisions for employee benefits</i>	15	535.938	390.946
<i>Other short-term provisions</i>	14	4.183.438	4.814.210
Other short-term liabilities	16	1.634.853	1.258.265
Derivatives	6	339.167	--
Long-term liabilities			
591.716.655			
573.811.637			
Loans and borrowings	7	589.922.975	572.183.948
<i>Loans and borrowings to related parties</i>	24	317.407.724	381.929.982
<i>Loans and borrowings to third parties</i>		272.515.251	190.253.966
Long term provisions		1.793.680	1.627.689
<i>Provisions for employee benefits</i>	15	1.793.680	1.627.689
EQUITY			
3.538.398.969			
3.556.939.355			
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		(18.540.386)	341.610.873
TOTAL EQUITY AND LIABILITIES			
5.150.023.162			
5.222.332.924			

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Profit or Loss For the Period Ended June 30, 2019

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

		<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
		1 January - 30 June 2019	1 April - 30 June 2019	1 January - 30 June 2018	1 April - 30 June 2018
	Notes				
Revenue	19	248.537.440	171.958.350	749.665.222	689.059.200
Cost of revenue (-)	19	(131.037.968)	(105.705.145)	(600.616.987)	(579.464.179)
Gross profit		117.499.472	66.253.205	149.048.235	109.595.021
General administrative expense (-)	20	(16.562.857)	(9.584.720)	(13.031.923)	(5.954.116)
Marketing expenses (-)	20	(8.091.432)	(3.976.842)	(13.567.066)	(8.840.310)
Other operating income	21	7.275.515	6.098.020	2.636.160	1.019.680
Other operating expense (-)	21	(1.784)	(1.784)	(1.050.000)	(1.050.000)
Operating profit		100.118.914	58.787.879	124.035.406	94.770.275
Share of profit of equity-accounted investees	3	883.827	275.161	777.687	474.322
Operating Profit Before Finance Expense		101.002.741	59.063.040	124.813.093	95.244.597
Financial income	22	6.582.227	(9.028.552)	39.929.614	32.188.686
Financial expenses (-)	22	(126.125.354)	(62.296.985)	(69.637.451)	(48.233.298)
Operating Profit before Tax From Continuing Operations		(18.540.386)	(12.262.497)	95.105.256	79.199.985
Tax Expense From Continuing Operations					
- Corporate tax charge		--	--	--	--
- Deferred tax benefit		--	--	--	--
Net profit for the period		(18.540.386)	(12.262.497)	95.105.256	79.199.985
Earnings per share	23	(0,0002)	(0,0001)	0,0010	0,0008

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Other Comprehensive Income For the Period Ended June 30, 2019

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

	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
	1 January - 30 June	1 April - 30 June	1 January - 30 June	1 April - 30 June
Notes	2019	2019	2018	2018
Net profit for the period	(18.540.386)	(12.262.497)	95.105.256	79.199.985
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	(18.540.386)	(12.262.497)	95.105.256	79.199.985

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Statement of Other Comprehensive Income For the Period Ended June 30, 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	Net change in remeasuremen ts of defined benefit liability	Net change in revaluation of tangible assets	Legal reserves	Prior years' profits	Net profit/loss for the period	Total Equity
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		--	--	--	--	--	--	--	95.105.256	95.105.256
Share capital increase		45.000.000	--	--	--	--	--	(45.000.000)	--	--
Dividends		--	--	--	--	--	--	(68.531.250)	--	(68.531.250)
Balances at June 30 2018	18	958.750.000	240.146.090	423.981	(223.542)	27.610.009	59.561.684	1.925.777.515	95.105.256	3.307.150.993
Balances at January 1, 2019		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		--	--	--	--	--	--	--	(18.540.386)	(18.540.386)
Balances at June 30, 2019	18	958.750.000	240.146.090	423.981	(383.837)	31.053.049	65.949.792	2.261.000.280	(18.540.386)	3.538.398.969

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi
Statement of Cash Flow For the Period Ended June 30, 2019
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Reviewed</i>	<i>Reviewed</i>
		1 January -	1 January -
	Notes	30 June	30 June
		2019	2018
A. Cash flows from operating activities			
Net profit for the period		(18.540.386)	95.105.256
Profit adjustments for:			
Adjustments to depreciation and amortization	12, 13	986.538	896.852
Adjustments to impairment or cancelation		1.693.881	(391.546)
- <i>Adjustments to impairment of receivables</i>	8	1.693.881	(391.546)
Adjustments for provisions	15	431.188	353.043
- <i>Adjustments to provision for employee severance indemnity</i>		431.188	353.043
Adjustments for (gain)/losses on fair value		(9.322.227)	(40.884.603)
- <i>Adjustments to (gain)/losses on fair value of investment property</i>	10	(2.740.000)	(955.000)
- <i>Adjustments to (gain)/losses on fair value of derivatives</i>	22	(6.582.227)	(39.929.603)
Adjustments for retained earnings of investments valued by equity method		(883.827)	(777.687)
- <i>Adjustments for retained earnings of subsidiaries</i>	3	(883.827)	(777.687)
Adjustments for loss or gain on sales of non-current assets		--	2.225.000
- <i>Adjustments for loss or gain on sales of investment property</i>	19	--	2.225.000
Adjustments to interest income and expense		93.946.270	19.707.670
- <i>Adjustments to interest income</i>	19	(7.005.856)	(4.521.736)
- <i>Adjustments to interest expense</i>	22	100.952.126	24.229.406
Adjustments to foreign exchange differences		23.488.809	44.625.794
Operating profit from before the changes in working capital		91.800.246	120.859.779
Changes in working capital			
Changes in trade receivables		(3.723.982)	(87.377.337)
- <i>Changes in trade receivables from related parties</i>		1.694.136	1.599.480
- <i>Changes in trade receivables from third parties</i>		(5.418.118)	(88.976.817)
Changes in other receivables		(7.952.409)	(926.367)
- <i>Changes in other receivables from related parties</i>		1.035.610	--
- <i>Changes in other receivables from third parties</i>		(8.988.019)	(926.367)
Changes in inventories		50.075.154	331.911.252
Changes in derivative assets		933.877	(12.606)
Changes in prepaid expenses		1.172.558	(3.797.458)
Changes in trade payables		(13.869.118)	(22.486.752)
- <i>Changes in trade payables from related parties</i>		(4.812.547)	(5.898.886)
- <i>Changes in trade payables from third parties</i>		(9.056.571)	(16.587.866)
Changes in other payables		(726.835)	34.678.870
- <i>Changes in other payables from third parties</i>		(726.835)	34.678.870
Changes in derivative liabilities		(778.515)	--
Changes in liabilities from contracts with customers		(63.482.519)	(344.276.670)
- <i>Changes in contractual obligations from sales of goods and services</i>		(63.482.519)	(344.276.670)
Changes in deferred income (Excluding liabilities from contracts with customers)		(5.061.502)	143.310
Other changes in working capital		15.120.382	52.359.371
- <i>Changes in other assets</i>		15.374.565	17.280.146
- <i>Changes in other liabilities</i>		(254.183)	35.079.225
		63.507.337	81.075.392
Cash generated from operating activities			
Employee termination benefits paid	15	(120.206)	(422.704)
Interest received	5, 19	7.735.537	3.621.403
Net cash provided by / (used in) operating activities		71.122.668	84.274.091
B. Cash flows from investing activities			
Cash outflows arising from purchases of investment properties		(6.888.411)	(23.761.578)
Cash inflows arising from sales of investment properties		--	52.135.000
Cash outflows arising from purchases of tangible and intangible assets	12, 13	(356.493)	(459.344)
- <i>Cash outflows arising from purchases of tangible assets</i>		(5.429)	(59.145)
- <i>Cash outflows arising from purchases of intangible assets</i>		(351.064)	(400.199)
Net cash used in investing activities		(7.244.904)	27.914.078
C. Cash flows from financing activities			
Dividends paid	18	--	(68.531.250)
Cash inflows arising from derivatives		8.379.791	--
Borrowings received	7	751.469.000	193.254.000
Borrowings paid	7	(750.975.997)	(79.230.416)
Interest paid	7	(109.177.126)	(76.595.285)
Net cash provided by financing activities		(100.304.332)	(31.102.951)
Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates		(36.426.568)	81.085.218
Effect of changes in foreign currency rates over cash and cash equivalents		190.551	428.521
Net increase / (decrease) in cash and cash equivalents		(36.236.017)	81.513.739
Cash and cash equivalents at the beginning of the period	5	53.467.044	82.425.118
Cash and cash equivalents at the end of the period	5	17.231.027	163.938.857