

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Financial Statements As of and  
For the Year Ended December 31, 2023  
With Independent Auditors' Report**

*(Convenience Translation of Financial Statements And Related  
Disclosures and Footnotes Originally Issued in Turkish)*

23 January 2024

*This report consists of 4 pages independent  
auditor's report and 65 pages financial statements  
and supplementary footnotes*

**İş Gayrimenkul Yatırım Ortaklığı**  
**Anonim Şirketi**

**Table of contents**

Independent Auditor's Report  
Statement of Financial Position (Balance Sheet)  
Statement of Profit or Loss  
Statement of Other Comprehensive Income  
Statement of Changes in Equity  
Statement of Cash Flows  
Notes to the Financial Statements

## **CONTENTS**

## **Page**

Statement of Financial Position (Balance Sheet) .....	1-2
Statement of Profit or Loss.....	3
Statement of Other Comprehensive Income.....	4
Statement of Changes in Equity .....	5
Statement of Cash Flows.....	6
<b>Notes on Financial Statements</b>	
1 Organization and operations of the Company	7
2 Basis of presentation of financial statements	7
3 Equity accounted investees	22
4 Operating segments	22
5 Cash and cash equivalent	25
6 Financial investments / Derivatives	26
7 Loans and borrowings	27
8 Trade receivables and payables	29
9 Other receivables and payables	29
10 Investment properties	30
11 Inventories	32
12 Tangible assets	33
13 Intangible assets	34
14 Provisions, contingent assets and liabilities	35
15 Provisions for employee benefits	36
16 Prepaid expenses, other assets, deferred income, and other liabilities	37
17 Liabilities from contracts with customers	38
18 Shareholders' equity	38
19 Revenue and cost of revenue	40
20 Administrative expenses / Marketing, sales and distribution expenses	40
21 Expenses by nature	41
22 Other operating income / expense	41
23 Finance income /expense	42
24 Earnings per share	42
25 Related party disclosures	42
26 Nature and level of risks arising from financial instruments	48
27 Fair value of financial instruments	57
28 Fees for services received from independent auditor/independent audit firm.	58
29 Events after the reporting period	58
Additional Note: Control compliance with portfolio limitations	59

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### As of December 31, 2023 Statement of Financial Position (Balance Sheet)

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
	<i>Notes</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>4.150.677.643</b>	<b>3.320.400.440</b>
Cash and cash equivalents	5	638.676.694	2.053.268.101
Financial investments	6	403.324.400	212.463.706
Trade receivables	8	234.815.905	238.171.624
<i>Trade receivables from related parties</i>	25	6.323.568	16.795.304
<i>Trade receivables from third parties</i>		228.492.337	221.376.320
Other receivables	9	17.849.017	14.875.762
<i>Other receivables from related parties</i>		17.849.017	14.875.762
Inventories	11	2.494.606.831	324.882.647
Prepaid expenses	16	260.945.649	383.875.270
<i>Prepaid expenses to related parties</i>	25	127.470.986	664.770
<i>Prepaid expenses to third parties</i>		133.474.663	383.210.500
Other current assets	16	100.459.147	92.863.330
<b>Non-current assets</b>		<b>29.004.366.552</b>	<b>26.341.837.437</b>
Financial investments	6	1.029.724.012	915.040.587
Trade receivables	8	1.510.200	193.530
<i>Other trade receivables from third parties</i>		1.510.200	193.530
Inventories	11	3.193.814.087	2.353.865.672
Equity accounted investees	3	22.187.597	15.964.212
Investment properties	10	20.873.021.000	19.900.967.834
Investment properties under development	10	3.568.000.000	2.859.867.980
Tangible assets	12	256.323.753	239.750.433
Intangible assets	13	7.370.372	5.687.277
Prepaid expenses	16	52.415.531	50.499.912
<i>Prepaid expenses to third parties</i>		52.415.531	50.499.912
<b>TOTAL ASSETS</b>		<b>33.155.044.195</b>	<b>29.662.237.877</b>

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

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### As of December 31, 2023 Statement of Financial Position (Balance Sheet)

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
	Notes	December 31, 2023	December 31, 2022
<b>LIABILITIES</b>			
<b>Short-Term Obligations</b>		<b>3.681.882.954</b>	<b>5.766.030.615</b>
Short term loans and borrowings	7	2.356.830.460	4.585.725.710
<i>Loans and borrowings to related parties</i>	25	1.385.180.460	1.499.263.829
<i>Loans and borrowings to third parties</i>		971.650.000	3.086.461.881
Current portion of long term loans and borrowings	7	119.354.925	1.014.061.297
<i>Loans and borrowings to related parties</i>	25	--	202.086.831
<i>Loans and borrowings to third parties</i>		119.354.925	811.974.466
Trade payables	8	241.564.174	30.372.721
<i>Trade payables to related parties</i>	25	36.148.362	12.302.520
<i>Trade payables to third parties</i>		205.415.812	18.070.201
Other payables	9	41.198.322	39.897.706
<i>Other payables to third parties</i>		41.198.322	39.897.706
Liabilities from contracts with customers	17	857.561.573	43.540.349
<i>Contractual obligations from sales of goods and services</i>		857.561.573	43.540.349
Deferred income (Excluding liabilities from contracts with customers)	16	1.417.718	3.333.228
<i>Deferred income from related parties</i>	25	464.600	172.384
<i>Deferred income from third parties</i>		953.118	3.160.844
Short-term provisions		23.951.036	10.503.752
<i>Provisions for employee benefits</i>	15	2.196.660	1.579.891
<i>Other short-term provisions</i>	14	21.754.376	8.923.861
Other short-term liabilities	16	40.004.746	15.180.469
Derivatives	6	--	23.415.383
<b>Long-term liabilities</b>		<b>2.440.000.895</b>	<b>14.335.307</b>
Long term loans and borrowings	7	2.425.965.414	--
<i>Loans and borrowings to related parties</i>	25	153.092.438	--
<i>Loans and borrowings to third parties</i>		2.272.872.976	--
Long term provisions		14.035.481	14.335.307
<i>Provisions for employee benefits</i>	15	14.035.481	14.335.307
<b>EQUITY</b>		<b>27.033.160.346</b>	<b>23.881.871.955</b>
Share capital	18	958.750.000	958.750.000
Inflation restatement difference on share capital	18	13.826.149.090	13.826.149.090
Share premium	18	6.757.466	6.757.466
Other comprehensive income that will never be reclassified to profit or loss		95.205.572	75.183.993
<i>Revaluation and classification of gains / losses</i>		105.742.676	83.179.256
<i>Other earnings/ losses</i>		(10.537.104)	(7.995.263)
Legal reserves	18	567.393.032	535.917.950
Prior years' profits	18	8.447.638.374	(121.791.396)
Net profit for the period		3.131.266.812	8.600.904.852
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33.155.044.195</b>	<b>29.662.237.877</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 December 31, 2023**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated..)

		<i>Audited</i>	<i>Audited</i>
	<i>Notes</i>	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Revenue	19	1.253.517.625	1.452.555.820
Cost of sales (-)	19	(320.284.895)	(642.065.852)
<b>Gross Profit</b>		<b>933.232.730</b>	<b>810.489.968</b>
General administrative expenses (-)	20	(139.230.270)	(97.469.100)
Marketing expenses (-)	20	(41.480.323)	(36.251.354)
Other operating income	22	2.039.943.625	7.566.820.620
Other operating expenses (-)	22	(106.480.258)	(479.815)
<b>Operating profit</b>		<b>2.685.985.504</b>	<b>8.243.110.319</b>
Income from investment activities	22	42.168.852	33.929.363
Expense from investment activities (-)	22	(11.321.090)	-
Share of profit of equity-accounted investees	3	4.591.328	1.278.649
<b>Operating Profit Before Financing Expense</b>		<b>2.721.424.594</b>	<b>8.278.318.331</b>
Financing expenses (-)	23	(1.490.855.180)	(690.390.753)
Monetary position gain/(loss)		1.900.697.398	1.012.977.274
<b>Operating Profit before Tax From Continuing Operations</b>		<b>3.131.266.812</b>	<b>8.600.904.852</b>
<b>Tax Expense From Continuing Operations</b>			
- Corporate tax charge		--	--
- Deferred tax benefit		--	--
<b>Period Profit</b>		<b>3.131.266.812</b>	<b>8.600.904.852</b>
Earnings per share	24	0,0327	0,0897

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

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Statement of Other Comprehensive Income For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

		<i>Audited</i>	<i>Audited</i>
	<i>Notes</i>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
<b>Net profit for the period</b>		<b>3.131.266.812</b>	<b>8.600.904.852</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income that will never be reclassified to profit or loss</b>		<b>20.021.579</b>	<b>75.183.993</b>
Revaluation and classification of gains / losses	12	22.563.420	83.179.256
Actuarial gain/(loss) arising from defined benefit plans	15	(2.541.841)	(7.995.263)
<b>Other comprehensive revenue</b>		<b>20.021.579</b>	<b>75.183.993</b>
<b>TOTAL COMPREHENSIVE REVENUE</b>		<b>3.151.288.391</b>	<b>8.676.088.845</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 December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

	Notes	Share capital	Inflation restatement difference on share capital	Share premium	Other comprehensive income that will never be reclassified to profit or loss		Legal reserves	Prior years' profits	Net profit for the period	Equity
					Other earnings/losses	Revaluation and classification of gains/losses				
Balances as of January 1, 2022		958.750.000	13.826.149.090	6.757.466	-	-	521.366.636	(3.706.958.257)	3.599.718.175	15.205.783.110
Transfers		--	--	--	-	-	14.551.314	3.585.166.861	(3.599.718.175)	-
Total comprehensive income		--	--	--	(7.995.263)	83.179.256	-	-	8.600.904.852	8.676.088.845
<b>Balances as of December 31, 2022</b>	<b>18</b>	<b>958.750.000</b>	<b>13.826.149.090</b>	<b>6.757.466</b>	<b>(7.995.263)</b>	<b>83.179.256</b>	<b>535.917.950</b>	<b>(121.791.396)</b>	<b>8.600.904.852</b>	<b>23.881.871.955</b>
Balances as of January 1, 2023		958.750.000	13.826.149.090	6.757.466	(7.995.263)	83.179.256	535.917.950	(121.791.396)	8.600.904.852	23.881.871.955
Transfers		--	--	--	-	-	31.475.082	8.569.429.770	(8.600.904.852)	--
Total comprehensive income		--	--	--	(2.541.841)	22.563.420	--	--	3.131.266.812	3.151.288.391
<b>Balances as of December 31, 2023</b>	<b>18</b>	<b>958.750.000</b>	<b>13.826.149.090</b>	<b>6.757.466</b>	<b>(10.537.104)</b>	<b>105.742.676</b>	<b>567.393.032</b>	<b>8.447.638.374</b>	<b>3.131.266.812</b>	<b>27.033.160.346</b>

The accompanying notes are an integral part of these financial statements



**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**  
**Statement of Cash Flow For the Year Ended December 31, 2023**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

		<i>Independently Audited</i>	<i>Independently Audited</i>
	<i>Notes</i>	<b>1 January – 31 December 2023</b>	<b>1 January – 31 December 2022</b>
<b>A. Cash flows from operating activities</b>			
Net profit for the period		<b>(988.472.998)</b>	<b>(1.852.238.003)</b>
		<b>3.131.266.812</b>	<b>8.600.904.852</b>
<i>Profit adjustments for:</i>			
Adjustments to depreciation and amortization	12, 13	9.291.344	8.237.929
Adjustments to impairment or cancellation		105.862.551	75.653.704
- Adjustments to impairment of receivables	8	(617.707)	32.722
- Adjustments to impairment of inventories	11	106.480.258	75.620.982
Adjustments for provisions		6.464.253	2.039.123
- Adjustments to provision for employee severance indemnity	15	6.464.253	2.039.123
Adjustments for (gain)/losses on fair value		(1.816.814.996)	(7.368.352.694)
- Adjustments to (gain)/losses on fair value of investment property	10	(1.766.573.064)	(7.228.631.175)
- Adjustments to (gain)/losses on fair value of financial assets	6	(54.250.419)	(168.442.569)
- Adjustments to (gain)/losses on fair value of derivatives	23	4.008.487	28.721.050
Adjustments for retained earnings of investments valued by equity method		(4.591.328)	(1.278.649)
- Adjustments for retained earnings of subsidiaries	3	(4.591.328)	(1.278.649)
Adjustments to interest income and expense		1.360.276.889	568.072.994
- Adjustments to interest income	19,22	(87.970.874)	(65.403.264)
- Adjustments to interest expense		1.448.247.763	633.476.258
Adjustments to foreign exchange differences		(159.758.517)	(79.515.682)
Adjustments to monetary Gain/(loss)		(2.043.803.334)	(2.243.891.021)
<b>Operating profit from before the changes in working capital</b>		<b>588.193.675</b>	<b>(438.129.445)</b>
<i>Changes in working capital</i>			
Changes in trade receivables		8.224.029	66.358.341
- Changes in trade receivables from related parties		10.471.736	(10.381.283)
- Changes in trade receivables from third parties		(2.247.707)	76.739.624
Changes in other receivables		(2.973.255)	175.621
- Changes in other receivables from third parties		(2.973.255)	175.621
Changes in inventories		(2.814.675.331)	(943.190.716)
Changes in prepaid expenses		121.014.002	(164.862.859)
Changes in trade payables		211.191.453	1.816.766
- Changes in trade payables from related parties		23.845.842	634.307
- Changes in trade payables from third parties		187.345.611	1.182.459
Changes in other payables		1.300.616	(3.782.577)
- Changes in other payables from third parties		1.300.616	(3.782.577)
Changes in liabilities from contracts with customers		814.021.224	(287.020.479)
- Changes in contractual obligations from sales of goods and services		814.021.224	(287.020.479)
Changes in deferred income (Excluding liabilities from contracts with customers)		(1.915.510)	(47.210.703)
Other changes in working capital		30.058.972	(88.950.772)
- Changes in other assets		(7.595.817)	(85.724.546)
- Changes in other liabilities		37.654.789	(3.226.226)
		<b>(1.045.560.126)</b>	<b>(1.904.796.822)</b>
<b>Cash generated from operating activities</b>			
Employee termination benefits paid	15	(2.909.182)	(894.186)
Interest received	5, 19	59.996.310	53.453.005
<b>Net cash provided by / (used in) operating activities</b>		<b>(988.472.998)</b>	<b>(1.852.238.003)</b>
<b>B. Cash flows from investment activities</b>			
Cash outflows for the acquisition of shares of other entities or funds or debt instruments		148.706.300	(206.985.996)
Cash outflows from the purchase of financial assets		(400.000.000)	(13.722.285)
Cash outflows arising from purchase of investment properties	10	(215.089.649)	(769.463.606)
Cash outflows arising from purchases of tangible and intangible assets	12, 13	(4.984.334)	(14.302.566)
- Cash outflows arising from purchases of tangible assets		(1.461.325)	(10.243.731)
- Cash outflows arising from purchases of intangible assets		(3.523.009)	(4.058.835)
Dividends received		2.000.000	823.865
<b>Net cash used in investing activities</b>		<b>(469.367.683)</b>	<b>(1.003.650.588)</b>
<b>C. Cash flows from financing activities</b>			
Cash inflows arising from derivatives		272.426.845	3.588.657.962
Cash outflows arising from derivatives		-	70.616.426
Borrowings received	7	(27.423.870)	-
Borrowings paid	7	14.980.939.554	6.036.081.749
Borrowings paid	7	(13.425.406.597)	(1.946.617.529)
Interest paid	7	(1.255.682.242)	(571.422.684)
<b>Net cash provided by financing activities</b>		<b>272.426.845</b>	<b>3.588.657.962</b>
<b>Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates</b>		<b>(1.185.413.836)</b>	<b>732.769.371</b>
Effect of changes in foreign currency rates over cash and cash equivalents		159.758.517	79.515.682
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1.025.655.319)</b>	<b>812.285.053</b>
Net monetary gain/(loss) in cash and cash equivalents		(416.910.652)	853.981.931
Cash and cash equivalents at the beginning of the period	5	2.041.317.843	375.050.859
<b>Cash and cash equivalents at the end of the period</b>	5	<b>598.751.872</b>	<b>2.041.317.843</b>

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

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 1. Organization and operations of the Company

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (“the Company”) was established on August 6, 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 Istanbul/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) (“BIST”) since 1999.

As of December 31, 2023, the Company has 70 employees (December 31, 2022: 72).

Kanyon Yönetim İşletim ve Pazarlama Limited Şirketi (“Kanyon”) was established on October 6, 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 June 5, 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 June 13, 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 December 31, 2023 were approved by the Board of Directors on February 23, 2024 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 October 4, 2022.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.1 Basis of presentation (continued)

##### Functional and presentation currency

The financial position and the results of the Company’s operations have been expressed in Turkish Lira (“TL”) which is the functional currency of the Company and which is the presentation currency of the financial statements.

##### Preparation of financial statements in Hyperinflationary Periods

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23 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 December 31 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 December 31, 2023.

In the application of TMS 29, the entity used the correction coefficients obtained according to the Consumer Price Indexes (CPI) published by the Turkish Statistical Institute in accordance with the guidance given by the KGK. Since January 1, 2005, when the Turkish lira was no longer defined as the currency of a hyperinflationary economy, the CPI and corresponding adjustment coefficients for the current and previous periods are as follows:

Year End	Index	Index %	Adjustment coefficient
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1,00000

In order to make the necessary adjustments in the financial statements in accordance with TAS 29, assets and liabilities were first separated into monetary and non-monetary, and non-monetary assets and liabilities were further separated into those measured at current value and those measured at cost.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.1 Basis of presentation (continued)

Monetary items (except those linked to an index) and non-monetary items measured at their current value at the end of the reporting period are not subject to inflation adjustment as they are currently expressed in the current measurement unit at December 31 2023. Non-monetary items that are not expressed in the measurement unit as of December 31, 2023 are subject to inflation adjustment using the relevant coefficient. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or net realizable value, the book value is reduced by applying the relevant TFRS. In addition, inflation adjustments were made for equity and all items in the statement of profit or loss and other comprehensive income.

Non-monetary items acquired before January 1, 2005, when the Turkish lira ceased to be defined as the currency of a hyperinflationary economy, and equity capital put into operation or formed before this date, has been corrected according to the change in the CPI from January 1, 2005 to December 31, 2023.

The implementation of TAS 29 necessitated adjustments arising from the decrease in the purchasing power of the Turkish lira and presented in the Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and other comprehensive income. As long as the value of monetary assets or liabilities does not depend on changes in the index, during the inflation period, the purchasing power of entities carrying monetary assets in higher amounts than monetary liabilities will weaken, while the purchasing power of entities carrying monetary liabilities in higher amounts than monetary assets will increase. The net monetary position gain or loss is derived from the adjustment differences of non-monetary items, shareholders' equity, items in the statement of profit or loss and other comprehensive income, and index-linked monetary assets and liabilities.

In addition, in the reporting period when TAS 29 is first applied, the provisions of the Standard are applied assuming that there is always high inflation in the relevant economy. Therefore, the statement of financial position dated 1 January 2022 for the beginning of the earliest comparative period has been adjusted for inflation in order to serve as a basis for subsequent reporting periods. The inflation-adjusted amount of the profit/loss item of previous years in the financial status report dated January 1, 2022, was obtained from the balance equality that should be present after adjusting the other items of that table for inflation.

#### 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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.1 Basis of presentation (continued)

##### Foreign currency transactions

Transactions in foreign currencies are translated to TL at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to TL 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 consolidated financial statements as of December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 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 2023 are as follows:**

##### **Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

Such change did not have a material impact on the Company's financial position or performance.

##### **Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term ‘significant’ in TFRS, the POA decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.3 The new standards, amendments and interpretations (continued)

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

Such change did not have a material impact on the Company's financial position or performance.

#### **Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

Such change did not have a material impact on the Company's financial position or performance.

#### **Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

#### **ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Company / the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

#### **Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will assess the effects of such changes after the aforementioned standards have been finalized.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.3 New and revised standards and interpretations (continued)

##### **TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA.

The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

##### **Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

Such change does not apply to the Company and has no effect on its financial position or performance.

##### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

Overall, the Company expects no significant impact on its balance sheet and equity.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

*(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)*

### 2. Basis of presentation of financial statements (continued)

#### 2.3 New and revised standards and interpretations (continued)

##### **Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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

##### **iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

##### **Amendments to IAS 21 - Lack of exchangeability**

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

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



## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 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

Revenue include rent income, revenue from sale of investment properties and income from expenses made for investment properties invoiced to tenants, interests received from banks, income from capital market instruments.

###### *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.

###### *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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

## 2. Basis of presentation of financial statements (continued)

### 2.4 Summary of key accounting policies (more)

#### 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 comprehensive income 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 December, 31 2004 the Company were reflecting tangible assets purchased before January 1 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 September 30, 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”.

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

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.4 Summary of key accounting policies (more)

##### 2.4.3 Tangible assets (continued)

###### 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.

##### 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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

## 2. Basis of presentation of financial statements (continued)

### 2.4 Summary of key accounting policies (more)

#### 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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

## 2. Basis of presentation of financial statements (continued)

### 2.4 Summary of key accounting policies (continued)

#### 2.4.7 Financial instruments (continued)

##### i) Financial assets (continued)

###### *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.

###### *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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

## 2. Basis of presentation of financial statements (continued)

### 2.4 2.4 Summary of significant accounting policies (continued)

#### 2.4.7 Financial instruments (continued)

##### i) Financial assets (continued)

###### *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.

##### 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.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.4 Summary of significant accounting policies (continued)

##### 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 TL 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 TL 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 TL 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.

##### 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 24).

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.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 2. Basis of presentation of financial statements (continued)

#### 2.4 Summary of key accounting policies (continued)

##### 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 Taxes calculated on the basis of the company’s earnings

###### The Company

According to Article 5/1(d) (4) of the New Corporate Tax Law No: 5220, the income of Real Estate Investment Trusts (“REIT”) is exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax.

According to New Corporate Tax Law Article 15/ (3), the income of REITs is subject to 15% withholding tax irrespective of its distribution. The Council of Ministers has the authority to increase the withholding tax rate on REIT income to corporate income tax rate or reduce it to 0% or change it within the limits defined through publication of a Decree based on the Corporate Tax Law Article 15/ (34). In accordance with New Corporate Tax Law Article 15/ (2), income subject to corporate tax is also exempt from withholding tax.



## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

*(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)*

### **2. Basis of presentation of financial statements (continued)**

#### **2.4 Summary of key accounting policies (continued)**

##### **2.4.14 Taxes calculated on the basis of the company’s earnings (continued)**

According to temporary Article (1) of the New Corporate Tax Law, resolutions of the Council of Ministers related with Income Tax Law numbered 193 and Tax Law No: 5422 are valid up to new Decrees published by the Council of Ministers. Determined rates cannot exceed statutory limits defined at New Corporate Tax Law.

Based on the resolution of the Council of Ministers related to the withholding tax rates which were determined as 15% according to the New Corporate Tax Law Article 15/(3) published in the Official Gazette dated 3 February 2009 numbered 27130, the withholding tax rate is determined as 0% and this resolution is effective on the same date. Thereof, in accordance with the Article 5/1(d) (4) of the New Corporate Tax Law, real estate investment company earnings, regardless of the fact they are distributed or not, will be subject to 0% withholding.

Since the Company is exempt from Corporate Income Tax in Turkey in accordance with Article 5 of the Corporate Tax Law, deferred tax is not recognized.

##### **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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

## 2. Basis of presentation of financial statements (continued)

### 2.4 Summary of key accounting policies (continued)

#### 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.

##### 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.

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

## 2. Basis of presentation of financial statements (continued)

### 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 May 28, 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 January 23, 2014, and published in the Official Gazette No. 31269 on October 9, 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*

#### Current account balance

As of 31 December 2023, current assets of the Company are amount to TL 4.150.677.643 and short term liabilities of the Company are amount to TL 3.681.882.953 short term liabilities exceeded current assets TL 468.794.690. In addition, there are advances received are amount to TL 857.561.573 arising from house sales are included to short term liabilities.

The Company does not foresee any shortcomings regarding the fulfilment of these short term liabilities.

The Company anticipates that approximately 1.2 billion TL of rental income will be collected from the investment properties in the following year.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 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 (%)	December 31, 2023	Ownership rate (%)	December 31, 2022
Kanyon	50	22.187.597	50	15.964.212
		<b>22.187.597</b>		<b>15.964.212</b>

The summarized financial statements information of the jointly control entities under the equity method are listed below:

Kanyon	December 31, 2023	December 31, 2022
Current assets	130.175.380	110.470.160
Non-current assets	8.000.039	7.870.667
Short-term liabilities	(87.048.608)	(80.666.389)
Long-term liabilities	(6.751.617)	(5.746.014)
<b>Net assets</b>	<b>44.375.194</b>	<b>31.928.424</b>

Kanyon	2023	2022
Income for the period	371.359.192	296.740.154
Expense for the period (-)	(362.176.536)	(294.182.856)

The Company recognized profit amounting to TL 4.591.328 resulting from consolidation of Kanyon with equity method for the year ended December 31, 2023 (December 31, 2022: TL 1.278.649) 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 Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

### 4. Operating segments (continued)

	Ankara İş Kule Building	Istanbul İş Kuleleri Complex	Maslak Office Building	Mugla Marmaris Mallmarin e Shopping Mall	Istanbul Kanyon Shopping Mall	Istanbul Marmara Park Shopping Mall	Taksim Office Lamartine	Tuzla Technology and Operation Center	Istanbul Tuzla Square Bazaar	Izmir Ege Perla Shopping Mall	Izmir Ege Perla Residence/Office	Eagle Landscape Islands	Topkapi Inistanbul	Litus İstanbul Altunizade	Other Real Estate	Total
December 31, 2022																
<b>Sales revenue</b>																
Income from sales of residential units	-	-	-	-	-	-	-	-	-	-	53.027.208	125.693.250	768.627	85.061.414	-	264.550.499
Rent income	16.167.054	147.798.783	1.223.477	4.266.967	186.185.834	-	10.164.934	301.331.963	4.879.114	24.623.213	1.273.733	88.860	-	-	-	698.003.931
Income from right of construction	-	-	-	-	-	174.201.500	-	-	-	-	-	-	-	-	-	174.201.500
Income fees and service	-	-	283.670	-	427.462	-	-	-	-	3.814.079	-	-	-	-	-	4.525.212
Other income	-	385.906	-	-	1.079.868	-	-	-	5.055	511.101	31.989	11.342	-	-	-	2.025.261
<b>Real estate revenue</b>	<b>16.167.054</b>	<b>148.184.689</b>	<b>1.507.147</b>	<b>4.266.967</b>	<b>187.693.164</b>	<b>174.201.500</b>	<b>10.164.934</b>	<b>301.331.963</b>	<b>4.884.169</b>	<b>28.948.392</b>	<b>54.332.930</b>	<b>125.793.452</b>	<b>768.627</b>	<b>85.061.414</b>	<b>-</b>	<b>1.143.306.403</b>
Cost of sales of residential units	-	-	-	-	-	-	-	-	-	-	23.080.875	64.487.648	1.883.990	58.180.505	-	147.633.018
Administrative expense	-	36.098.653	1.316.692	-	38.023.592	-	506.663	-	4.343.044	37.462.232	281	2.734.367	-	-	508.170	120.993.695
Tax and duty and other charges	1.080.190	8.260.281	707.101	129.446	5.792.593	3.449.350	494.326	4.079.094	255.249	2.470.486	308.812	189.672	90.442	-	12.671	27.319.715
Insurance expense	319.517	2.506.916	215.478	109.457	636.727	-	23.429	5.263.685	401.236	1.859.623	709.752	189.856	-	-	388.189	12.623.865
Other	31.367	47.094	42.575	-	158.806	112.395	-	-	-	143.731	534.107	6.731	10.357.554	-	280.242	11.714.602
<b>Cost of Sales</b>	<b>1.431.074</b>	<b>46.912.944</b>	<b>2.281.847</b>	<b>238.903</b>	<b>44.611.718</b>	<b>3,561.745</b>	<b>1,024.418</b>	<b>9,342.779</b>	<b>4,999.529</b>	<b>41,936.072</b>	<b>24,633.827</b>	<b>67,608.274</b>	<b>12,331.986</b>	<b>58,180.505</b>	<b>1,189.273</b>	<b>320,284.895</b>
<b>Gross Profit</b>	<b>14,735,980</b>	<b>101,271,750</b>	<b>(774,700)</b>	<b>4,028,064</b>	<b>143,081,446</b>	<b>170,639,755</b>	<b>9,140,516</b>	<b>291,989,184</b>	<b>(115,360)</b>	<b>(12,987,680)</b>	<b>29,699,103</b>	<b>58,185,177</b>	<b>(11,563,359)</b>	<b>26,880,909</b>	<b>(1,189,273)</b>	<b>823,021,512</b>
<b>Capital investments</b>	<b>164,333</b>	<b>16,574,475</b>	<b>-</b>	<b>-</b>	<b>9,456,174</b>	<b>-</b>	<b>256,629</b>	<b>-</b>	<b>85,460</b>	<b>16,304,480</b>	<b>-</b>	<b>195,221</b>	<b>-</b>	<b>1,296,106,093</b>	<b>4,120,715,058</b>	<b>5,459,857,923</b>

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

### 4. Operating segments (continued)

	Ankara Business Tower Building	Istanbul Business Towers Complex	Maslak Office Building	Mugla Marmaris Mallmarin e Shopping Mall	Istanbul Kanyon Shopping Center	Istanbul Marmara Park AVM	Taksim Office Lamartine	Tuzla Technology and Operation Center	Istanbul Tuzla Square Bazaar	Izmir Ege Perla Shopping Mall	Izmir Ege Perla Residence/Of fice	Eagle Landscape Islands	Topkapi Inistanbul	Kasaba Houses	Other Real Estate	Total
December 31, 2022																
<u>Sales revenue</u>																
Income from sales of residential units	--	--	--	--	--	--	--	--	--	--	77.327.549	306.430.159	2.420.898	267.669.299	--	653.847.905
Rent income	14.783.992	104.312.749	1.019.466	3.512.869	146.705.412	--	6.446.065	266.837.948	4.405.111	15.641.773	1.265.589	26.922	--	--	--	564.957.896
Income from right of construction	--	--	--	--	--	155.990.370	--	--	--	--	--	--	--	--	--	155.990.370
Income fees and service	--	32.534	273.098	--	274.108	--	--	--	127.792	4.254.848	--	--	--	--	--	4.962.380
Other income	--	151.038	--	--	1.164.166	--	--	--	--	24.626	--	--	--	--	--	1.339.830
<b>Real Estate Revenues</b>	<b>14.783.992</b>	<b>104.496.321</b>	<b>1.292.564</b>	<b>3.512.869</b>	<b>148.143.686</b>	<b>155.990.370</b>	<b>6.446.065</b>	<b>266.837.948</b>	<b>4.532.903</b>	<b>19.921.247</b>	<b>78.593.138</b>	<b>306.457.081</b>	<b>2.420.898</b>	<b>267.669.299</b>	<b>--</b>	<b>1.381.098.381</b>
Cost of sales of residential units	--	--	--	--	--	--	--	--	--	--	44.088.567	180.512.609	3.207.589	229.993.053	--	457.801.818
Administrative expense	--	57.458.453	1.238.765	--	33.775.402	--	1.424.960	--	6.138.528	39.012.542	505.618	2.525.994	--	--	--	142.080.262
Tax and duty and other charges	1.022.163	8.181.365	669.288	116.825	5.452.387	3.261.928	462.993	3.864.322	241.074	456.249	2.248.191	337.470	385.939	--	24.881	26.725.075
Insurance expense	207.442	2.146.934	145.428	78.964	1.139.287	--	59.140	4.117.124	304.589	2.138.937	697.875	147.324	--	--	680.431	11.863.475
Other	1.901	146.745	11.020	--	150.222	--	--	--	--	503.771	--	140.441	2.563.122	--	78.000	3.595.222
<b>Cost of Sales</b>	<b>1.231.506</b>	<b>67.933.497</b>	<b>2.064.501</b>	<b>195.789</b>	<b>40.517.298</b>	<b>3.261.928</b>	<b>1.947.093</b>	<b>7.981.446</b>	<b>6.684.191</b>	<b>42.111.499</b>	<b>47.540.251</b>	<b>183.663.838</b>	<b>6.156.650</b>	<b>229.993.053</b>	<b>783.312</b>	<b>642.065.852</b>
<b>Gross Profit</b>	<b>13.552.486</b>	<b>36.562.824</b>	<b>(771.937)</b>	<b>3.317.080</b>	<b>107.626.388</b>	<b>152.728.442</b>	<b>4.498.972</b>	<b>258.856.502</b>	<b>(2.151.288)</b>	<b>(22.190.252)</b>	<b>31.052.887</b>	<b>122.793.243</b>	<b>(3.735.752)</b>	<b>37.676.246</b>	<b>(783.312)</b>	<b>739.032.529</b>
<b>Capital investments</b>	<b>6.669</b>	<b>3.726.141</b>	<b>--</b>	<b>--</b>	<b>6.636.884</b>	<b>--</b>	<b>115.401</b>	<b>18.266</b>	<b>--</b>	<b>14.222.794</b>	<b>--</b>	<b>733.148</b>	<b>293.932</b>	<b>174.242.133</b>	<b>1.972.615.140</b>	<b>2.172.610.508</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 4. Operating segments (continued)

#### Reconciliations on revenues, assets and liabilities

<b>Sales Revenue</b>	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Segment revenue	1.143.306.403	1.381.098.381
Undistributed revenue	110.211.222	71.457.439
<b>Total Revenue</b>	<b>1.253.517.625</b>	<b>1.452.555.820</b>

<b>Cost of sales</b>	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Segment Costs	(320.284.895)	(642.065.852)
<b>Total cost of sales</b>	<b>(320.284.895)</b>	<b>(642.065.852)</b>

<b>Assets</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Segment assets	30.100.732.133	25.439.584.133
Other assets	236.326.105	238.365.154
Non-segment related assets	2.789.276.172	3.984.288.590
<b>Total assets</b>	<b>33.126.334.410</b>	<b>29.662.237.877</b>

<b>Liabilities</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Segment liabilities	5.801.134.835	5.661.841.054
Other liabilities	320.749.013	118.524.868
<b>Total liabilities</b>	<b>6.121.883.848</b>	<b>5.780.365.922</b>

### 5. Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Time deposits	3.195.339	350.862.740
Demand deposits	635.431.355	1.691.510.777
Mutual funds	-	10.883.049
Other cash equivalents	50.000	11.535
	<b>638.676.694</b>	<b>2.053.268.101</b>
Interest accrued on cash and cash equivalents	(39.924.822)	(11.950.258)
<b>Total cash and cash equivalents in the statement of cash flows</b>	<b>598.751.872</b>	<b>2.041.317.843</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended December 31, 2023  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 5. Cash and cash equivalents (more)

<b>Time Deposits:</b>			
<b>Currency</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>December 31, 2023</b>
TL	38,50 – 43	January 2024	635.431.355
			<b>635.431.355</b>

<b>Time Deposits:</b>			
<b>Currency</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>December 31, 2022</b>
Euro	0,01	January 2023	111.308.251
US Dollar	0,40-0,60	January 2023	375.498.341
TL	17,00-22,00	January-February 2023	1.204.704.185
			<b>1.691.510.777</b>

<b>December 31, 2022</b>	<b>Cost</b>	<b>Fair value</b>
Mutual funds	10.847.830	10.883.048
		<b>10.847.830</b>
		<b>10.883.048</b>

### 6. Financial investments / Derivatives

#### *Short-term financial investments*

<b>Short-term financial investments</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Currency-protected deposits	-	212.463.706
100. Yıl Girişim Sermayesi Yatırım Fonu	403.324.400	-
<b>Total</b>	<b>403.324.400</b>	<b>212.463.706</b>

#### *Long-term financial investments*

<b>Long-term financial investments</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Financial assets at fair value through profit or loss</b>		
İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu	1.029.724.012	915.040.587
<b>Total</b>	<b>1.029.724.012</b>	<b>915.040.587</b>

As of 31 December 2023, the Company is kept the held of financial investments with 245.035.164 shares from İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu (December 31 2022: 227.034.685 shares)



## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 6. Financial investments / Derivative instruments (continued)

The movement of 100. Yıl Girişim Sermayesi Yatırım Fonu is follow;

	December 31, 2023	December 31, 2022
<b>Opening balance, January 1</b>	<b>212.463.706</b>	-
Additions	400.000.000	206.985.996
Fair value difference (Note 22)	3.324.400	5.477.710
Disposals (-)	(212.463.706)	-
<b>December 31 balance</b>	<b>403.324.400</b>	<b>212.463.706</b>

The movement of İş Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu is follow;

	December 31, 2023	December 31, 2022
<b>Opening balance, January 1</b>	<b>915.040.587</b>	<b>738.353.443</b>
Additions	63.757.406	13.722.285
Fair value difference (Note 22)	50.926.019	162.964.859
<b>December 31 balance</b>	<b>1.029.724.012</b>	<b>915.040.587</b>

#### Derivatives

	December 31, 2023	December 31, 2022
<b>Financial liabilities held for trading</b>		
Derivative instruments	-	23.415.383
<b>Total</b>	<b>-</b>	<b>23.415.383</b>

### 7. Loans and borrowings

As of December 31, 2023 and 2022, the details of financial borrowings are as follows:

	December 31, 2023	December 31, 2022
<b>Short-term borrowings</b>		
Short-term bank borrowings	2.356.830.460	3.084.748.048
Issued commercial papers	-	1.500.977.662
<b>Total</b>	<b>2.356.830.460</b>	<b>4.585.725.710</b>

	December 31, 2023	December 31, 2022
<b>Short-term portions of long-term financial borrowings:</b>		
Short-term portions of long-term loans	119.354.925	202.086.831
Issued bonds	-	811.974.466
<b>Total</b>	<b>119.354.925</b>	<b>1.014.061.297</b>

	December 31, 2023	December 31, 2022
<b>Long-term financial borrowings:</b>		
Long-term bank loans	426.230.182	-
Issued bonds	1.999.735.232	-
<b>Total</b>	<b>2.425.965.414</b>	<b>-</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

### 7. Loans and borrowings (continued)

As of December 31, 2023 and 2022, the details of bank loans are as follows:

<b>December 31, 2023</b>				
<b>Currency</b>	<b>Interest rate (%)</b>	<b>Original currency amount</b>	<b>Short term (TL)</b>	<b>Long term (TL)</b>
TL	46,50 - 49,50	2.902.415.567	2.476.185.385	426.230.182
<b>Total</b>		<b>2.902.415.567</b>	<b>2.476.185.385</b>	<b>426.230.182</b>
<b>December 31, 2022</b>				
<b>Currency</b>	<b>Interest rate (%)</b>	<b>Original currency amount</b>	<b>Short term (TL)</b>	<b>Long term (TL)</b>
TL	13,50-33,00	3.286.834.879	3.286.834.879	-
<b>Total</b>		<b>3.286.834.879</b>	<b>3.286.834.879</b>	<b>-</b>

As of December 31 2023, the Company borrowed cash loans amounting to TL 12.629.153.470, some of which expire within the maturity period, with maturities ranging from 6 months to 1 year, with an interest rate of %18,60-%53.( As of December 31 2022, the Company borrowed cash loans amounting to TL 3.439.896.456, some of which expire within the maturity period, with maturities ranging from 6 months to 1 year, with an interest rate of 13,50% to 33,00%.

The details of the securities issued as of December 31, 2023 and 2022 are as follows:

<b>December 31, 2023</b>					
<b>ISIN CODE</b>	<b>Interest rate (%)</b>	<b>Nominal amount issued (TL)</b>	<b>Date of issuance</b>	<b>Amortization date</b>	<b>Registered value</b>
TRSISGY12519	39,00	500.000.000	Aug.1.2023	Jan.22.2025	580.897.338
TRSISGYK2519	48,00	500.000.000	Nov.14.2023	Nov.3.2025	527.696.815
TRSISGY82512	47,00	850.000.000	Nov.22.2023	Aug.13.2025	891.141.079
		<b>1.850.000.000</b>			<b>1.999.735.232</b>
<b>December 31, 2022</b>					
<b>ISIN CODE</b>	<b>Interest rate (%)</b>	<b>Nominal amount issued (TL)</b>	<b>Date of issuance</b>	<b>Amortization date</b>	<b>Registered value</b>
TRSISGY32319	21,20	148.295.627	Feb.25.2022	Mar.2.2023	174.753.666
TRSISGY82314	34,50	166.420.648	Aug.15.2022	Aug.17.2023	185.903.594
TRSISGY82322	34,50	247.159.378	Aug.18.2022	Aug.21.2023	275.391.471
TRSISGYE2319	30,00	164.772.919	Sep.28.2022	Oct.3.2023	175.925.734
TRFISGY22317	30,50	329.545.837	Jun.22.2022	Feb.17.2023	349.069.853
TRFISGY52314	25,00	659.091.674	Oct.19.2022	Apr.17.2023	685.707.600
TRFISGY42315	27,00	444.886.880	Nov.3.2022	May.3.2023	466.200.210
		<b>2.160.172.963</b>			<b>2.312.952.128</b>

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Opening balance, January 1</b>	<b>5.599.787.007</b>	<b>2.823.743.982</b>
Borrowings received	14.980.939.554	6.036.081.749
Borrowings paid	(13.425.406.597)	(1.946.617.529)
Interest paid	(1.255.682.242)	(571.422.684)
Interest accrual	1.486.816.960	774.204.020
Monetary Gain/(Loss)	(2.484.303.882)	(1.516.202.531)
<b>December 31 balance</b>	<b>4.902.150.799</b>	<b>5.599.787.007</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 8. Trade receivables and liabilities

#### *Short-term trade receivables and liabilities*

	December 31, 2023	December 31, 2022
<u>Trade receivables</u>		
Receivables from customers	67.908.558	56.597.398
Income accruals	133.012.061	162.955.606
Notes receivable	27.596.358	1.843.830
Rediscount of notes receivables (-)	(24.640)	(20.514)
Doubtful receivables	8.073.093	14.258.073
Provision for doubtful receivables (-)	(8.073.093)	(14.258.073)
Due from related parties (Note 25)	6.323.568	16.795.304
	<b>234.815.905</b>	<b>238.171.624</b>
<u>Trade payables</u>		
Payables to suppliers	205.415.812	18.070.201
Due to related parties (Note 25)	36.148.362	12.302.520
	<b>241.564.174</b>	<b>30.372.721</b>

(\*) It consists of tenant income accruals.

As of December 31, 2023, the provision for doubtful trade receivables is TL 8.073.093 TL (December 31, 2022: TL 14.258.073). Provision for doubtful receivables is determined based on the historical collection performance.

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

	December 31, 2023	December 31, 2022
<b>Opening balance, 1 January</b>	<b>(14.258.073)</b>	<b>(23.241.993)</b>
Charge for the period	(1.460.190)	(1.979.937)
Provisions released	2.077.897	1.947.215
Monetary Gain/(Loss)	5.567.273	9.016.642
<b>December 31 balance</b>	<b>(8.073.093)</b>	<b>(14.258.073)</b>

#### *Long-term trade receivables*

	December 31, 2023	December 31, 2022
<u>Trade receivables</u>		
Receivables from customers	1.510.200	78.481
Income accruals	-	115.049
	<b>1.510.200</b>	<b>193.530</b>

### 9. Other receivables and payables

	December 31, 2023	December 31, 2022
Other short-term receivables (*)	17.849.017	14.875.762
	<b>17.849.017</b>	<b>14.875.762</b>

(\*) TL 3.500.000 of the amount consists of tax office receivables (31 December 2022: TL 5.767.052).

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 9. Other receivables and liabilities (continued)

	December 31, 2023	December 31, 2022
<u>Other debts – short-term</u>		
Deposits and guarantees given	39.375.453	37.504.908
Other short-term payables (*)	1.822.869	2.392.798
	<b>41.198.322</b>	<b>39.897.706</b>

(\*) The amount is consisting of title deed fees which will be repaid to the customers of Inistanbul Project.

### 10. Investment properties

As of December 31, 2023 and 2022, the details of investment properties are as follows:

	December 31, 2023	December 31, 2022
Investment property that are active	20.873.021.000	19.900.967.834
Investment property under construction	3.568.000.000	2.859.867.980
<b>Sum</b>	<b>24.441.021.000</b>	<b>22.760.835.814</b>

As of 31 December 2023, total insurance amount on investment properties is TL 5.584.940.663 (31 December 2022: TL 4.377.535.996).

	1 January 2023 opening balance	Purchases	Tranfers	Fair value difference	31 December 2023 closing Balance
<b>Investment properties</b>					
Tuzla Technology and Operation Centre	6.456.363.179	-	-	130.766.821	6.587.130.000
Istanbul İş Kuleleri Complex	6.385.263.664	16.312.339	-	360.343.997	6.761.920.000
Kanyon Shopping Mall	2.306.820.860	8.955.193	-	134.223.946	2.450.000.000
Istanbul Marmarapark Shopping Mall	1.507.672.205	-	-	242.327.795	1.750.000.000
Izmir Ege Perla Shopping Mall	611.843.040	13.844.485	-	46.312.475	672.000.000
Ankara İş Kule Building	627.784.820	164.333	-	48.600.848	676.550.000
Maslak Office Building	848.580.531	-	-	258.169.469	1.106.750.000
Taksim Office Lamartine	614.602.986	150.608	-	(16.403.595)	598.350.000
Tuzla Meydan Bazaar	137.750.160	-	-	(5.925.160)	131.825.000
Mugla Marmaris Mallmarine Shopping Mall	105.141.599	-	-	15.189.401	120.331.000
Levent Land	18.536.510	538.996	-	(910.505)	18.165.000
Balmumcu Project	280.608.280	20.869.246	(301.477.526)	-	-
	<b>19.900.967.834</b>	<b>60.835.200</b>	<b>(301.477.526)</b>	<b>1.212.695.492</b>	<b>20.873.021.000</b>
<b>Investment property under construction</b>					
Istanbul Finance Center Project	2.859.867.980	154.254.448	-	553.877.572	3.568.000.000
	<b>2.859.867.980</b>	<b>154.254.448</b>	<b>-</b>	<b>553.877.572</b>	<b>3.568.000.000</b>
<b>Total</b>	<b>22.760.835.814</b>	<b>215.089.648</b>	<b>(301.477.526)</b>	<b>1.766.573.064</b>	<b>24.441.021.000</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023 (Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

#### 10. Investment properties (continued)

As of December 31, 2023, the Company has 1st and 2nd-degree mortgages on the investment properties amounting to USD 136.000.000 and TL 5.250.000.000 which are established in favor of İş Bank. In the current period, the Company obtained rent income amounting to TL 872.205.431 TL (31 December 2022: 616.788.147 TL) from its investment property. Total direct operating expenses related to these properties amount to TL 172.651.877 (December 31, 2022: TL 157.590.322).

The fair values of the Company’s investment properties on December 31, 2023, have been arrived at on the basis of valuations carried out in November and December 2023 by four 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.

	2023	2022
<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	Discounted cash flow approach	Discounted cash flow approach- Sales comparison approach
Izmir Ege Perla Shopping Mall	Discounted cash flow 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
Dikilitaş Building	Sales comparison approach	Sales comparison approach
<b>Investment property under construction</b>		
Istanbul Finance Centre Project	Reconstruction (Replacement) Cost Approach	Reconstruction (Replacement) Cost Approach
	<b>1 January 2022 opening balance</b>	<b>31 December 2022 closing balance</b>
<b>Investment property that are active</b>		
Tuzla Technology and Operation Centre	4.473.249.551	6.456.363.179
Istanbul İş Kuleleri Complex	4.044.524.350	6.385.263.664
Kanyon Shopping Mall	1.872.872.990	2.306.820.860
Istanbul Marmarapark Shopping Mall	946.693.603	1.507.672.205
Izmir Ege Perla Shopping Mall	764.458.393	611.843.040
Ankara İş Kule Building	482.296.565	627.784.820
Maslak Office Building	441.601.058	848.580.531
Taksim Office Lamartine	284.530.207	614.602.986
Tuzla Meydan Bazaar	85.735.296	137.750.160
Mugla Marmaris Mallmarine Shopping Mall	59.980.873	105.141.599
Levent Land	22.555.142	18.536.510
Balmumcu Projesi	-	280.608.280
	<b>13.478.498.028</b>	<b>19.900.967.834</b>
<b>Investment property under construction</b>		
Istanbul Finance Centre Project	1.284.243.004	2.859.867.980
	<b>1.284.243.004</b>	<b>2.859.867.980</b>
<b>Total</b>	<b>14.762.741.032</b>	<b>22.760.835.814</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 11. Inventories

<i>Short-term stocks</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Litus İstanbul Altunizade Project(****)	2.264.050.173	-
Kartal Manzara Adalar (*)	231.298.465	295.786.112
İzmir Ege Perla (**)	3.251.242	26.332.119
Topkapı İnistanbul (***)	2.764.416	2.764.416
Provision for impairment (-)	(6.757.465)	-
<b>Total</b>	<b>2.494.606.831</b>	<b>324.882.647</b>

  

<i>Long-term inventories</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Land of Tuzla	949.674.868	862.431.725
Profilo Mall (*****)	1.579.936.682	-
Litus İstanbul Altunizade Project (****)	-	1.219.325.235
Balmumcu Project(*****)	315.088.096	-
Kasaba Modern Project	448.816.577	331.432.600
Land of Çekmeköy Omerli(*****)	59.344.546	-
Provision for impairment (-)	(159.046.682)	(59.323.889)
<b>Total</b>	<b>3.193.814.087</b>	<b>2.353.865.672</b>

(\*) There are 975 residential units in Kartal Manzara Adalar Project, as of December 31, 2023, 945 residential units has been delivered to the customers. Balance of advances given related with the Project is amounting to TL 82.895 (December 31, 2022: TL 36.284.125) (Note 17).

(\*\*) There are 243 residential units in İzmir Ege Perla Project, as of December 31, 2023, 242 residential units has been delivered to the customers. Balance of advances given related with the Project is amounting to none.

(\*\*\*) There are 2.741 residential units in Topkapı İnistanbul Project, as of December 31, 2023, 2.740 residential units has been delivered to the customers. Balance of advances given related with the Project is amounting to TL 4.403.544 (December 31, 2022: 27.760 TL) (Note 17).

(\*\*\*\*) There are 6 residential units and 1 office units in Litus İstanbul Altunizade project. Balance of advances given related with the Project is amounting to TL 853.075.134 (December 31, 2022: 7.228.464 TL) (Note 17)

(\*\*\*\*\*) Regarding Profilo Shopping Mall, which was included in the company portfolio in 2023, a housing project will be developed by Artaş İnşaat on the land where the said shopping center is located, in accordance with the contract signed with Artaş İnşaat.

(\*\*\*\*\*\*) The Balmumcu Building, which was included in the company portfolio on September 1, 2022, is planned to be demolished and replaced with a residence project.

(\*\*\*\*\*\*) It is planned to develop a project consisting of approximately 165 villas/residences on parcels with a total area of 72,609 m2 located in Çekmeköy-Ömerli.

The Company's transaction table for inventory impairment provision is as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Opening balance, January 1</b>	<b>(59.323.889)</b>	<b>(134.944.870)</b>
Charge for the period (-)	(165.804.147)	(18.718.444)
Provisions released	59.323.889	94.339.425
<b>December 31 balance</b>	<b>(165.804.147)</b>	<b>(59.323.889)</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 12. Tangible assets

	Buildings (*)	Machinery and Equipment	Vehicles	Fixtures	Total
<b>Costs</b>					
1 January 2023 opening balance	247.288.817	1.403.887	8.315.694	38.556.523	295.564.922
Purchases	-	-	-	1.461.325	1.461.325
Fair value difference	22.563.424	-	-	-	22.563.424
<b>Closing balance as of December 31, 2023</b>	<b>269.852.241</b>	<b>1.403.887</b>	<b>8.315.694</b>	<b>40.017.848</b>	<b>319.589.671</b>
<b>Accumulated depreciation</b>					
Opening balance as of January 1, 2023	20.923.782	1.403.887	1.339.832	32.146.986	55.814.488
Current year charge	3.598.460	-	1.663.139	2.189.832	7.451.430
<b>31 December 2023 closing balance</b>	<b>24.522.242</b>	<b>1.403.887</b>	<b>3.002.971</b>	<b>34.336.818</b>	<b>63.265.918</b>
<b>Net book value as of January 1, 2023</b>	<b>226.365.035</b>	<b>-</b>	<b>6.975.862</b>	<b>6.409.537</b>	<b>239.750.434</b>
<b>Net book value as of December 31, 2023</b>	<b>245.330.000</b>	<b>-</b>	<b>5.312.723</b>	<b>5.681.030</b>	<b>256.323.753</b>
<b>Cost value</b>					
1 January 2022 opening balance	164.109.566	1.403.887	4.251.974	34.634.239	204.399.666
Purchases	-	-	5.958.438	4.285.293	10.243.731
Disposals	-	-	(1.894.718)	(363.009)	(2.257.727)
Fair value difference	83.179.251	-	-	-	83.179.251
<b>Closing balance as of December 31, 2022</b>	<b>247.288.817</b>	<b>1.403.887</b>	<b>8.315.694</b>	<b>38.556.523</b>	<b>295.564.921</b>
<b>Accumulated depreciation</b>					
1 January 2022 opening balance	17.738.372	1.403.887	2.366.169	30.778.127	52.286.555
Period expense	3.185.410	-	868.382	1.731.868	5.785.660
Disposals	-	-	(1.894.718)	(363.009)	(2.257.727)
<b>Closing balance as of December 31, 2022</b>	<b>20.923.782</b>	<b>1.403.887</b>	<b>1.339.833</b>	<b>32.146.986</b>	<b>55.814.488</b>
<b>Net book value as of January 1, 2022</b>	<b>146.371.195</b>	<b>-</b>	<b>1.885.805</b>	<b>3.856.112</b>	<b>94.846.168</b>
<b>Net book value as of December 31, 2022</b>	<b>245.329.999</b>	<b>-</b>	<b>6.975.861</b>	<b>6.409.537</b>	<b>239.750.433</b>

(\*) As of December 31, 2023, 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 TL 245.330.000. These areas get share from the mortgages amounting to USD 136 million and TL 2.5 billion established in İş Kuleleri and Kule Çarşısı (December 31, 2022: USD 136 million and TL 4.2 billion).

As of December 31, 2023, the Company has tangible assets which is fully depreciated amounting to TL 30.019.550.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

#### 13. Intangible assets

	Computer Programs	Total
<b>Cost value</b>		
Opening balance as of January 1, 2023	47.105.046	47.105.046
Addition	3.523.009	3.523.009
<b>Closing balance as of December 31, 2023</b>	<b>50.628.055</b>	<b>50.628.055</b>
<b>Accumulated amortization shares</b>		
Opening balance as of January 1, 2023	41.417.769	41.417.769
Current year charge	1.839.914	1.839.914
<b>Closing balance as of December 31, 2023</b>	<b>43.257.683</b>	<b>43.257.683</b>
<b>Net book value as of January 1, 2023</b>	<b>5.687.277</b>	<b>5.687.277</b>
<b>Net book value as of December 31, 2023</b>	<b>7.370.372</b>	<b>7.370.372</b>
	Computer Programs	Total
<b>Cost value</b>		
Opening balance as of January 1, 2022	43.046.212	43.046.212
Additions	4.058.834	4.058.834
<b>Closing balance as of December 31, 2022</b>	<b>47.105.046</b>	<b>47.105.046</b>
<b>Accumulated amortization shares</b>		
Opening balance as of January 1, 2022	38.965.500	38.965.500
Purchases	2.452.269	2.452.269
<b>Opening balance as of January 1, 2022</b>	<b>41.417.769</b>	<b>41.417.769</b>
<b>Net book value as of January 1, 2022</b>	<b>4.080.712</b>	<b>4.080.712</b>
<b>Net book value as of December 31, 2022</b>	<b>5.687.277</b>	<b>5.687.277</b>

As at December 31, 2023 and 2022, the Company has no intangible assets which is capitalized in the business area.

The Company has intangible assets with a cost value of TL 38.193.909 that have expired but have been used as of December 31, 2023.



## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 14. Provisions, contingent assets and liabilities

	December 31, 2023	December 31, 2022
Debt provisions (*)	20.361.945	6.380.227
Litigation provisions	1.392.431	2.543.634
<b>Total</b>	<b>21.754.376</b>	<b>8.923.861</b>

	December 31, 2023	December 31, 2022
Letters of guarantee received (**)	566.369.146	813.638.515
Mortgages received	2.697.040	7.842.629
<b>Sum</b>	<b>569.066.186</b>	<b>821.481.145</b>

(\*) As of December 31, 2023, 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.

(\*\*) 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 December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
A. CPM given for companies own legal personality (*)	9.290.603.143	12.911.564.150
B. CPM given in behalf of fully consolidated companies	--	--
C. CPM given for continuation of its economic activities on behalf of third parties (**)	13.127.260	23.987.182
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>9.303.730.403</b>	<b>12.935.551.332</b>

(\*) CPM given for the Company’s own legal personality consists of letters of guarantee amounting to TL 37.007.943 and pledge amounting to USD 136.000.000 and TL 5.250.000.000. As of December 31, 2023, the investment properties are pledged in favour of İş Bankası amounting to 1st degree USD 136.000.000 and TL 2.500.000.000 and 2nd degree TL 2.500.000.000. (Mortgage was constituted in favour of İş Bankası from investment properties portfolio of the Company, Kule-2 and Kule Çarşısı amounting to USD 136.000.000 as 1st degree mortgage, Kule-3 amounting to TL 2.500.000.000 1st degree mortgage, Kule-2 and Kule Çarşısı amounting to TL 2.500.000.000 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 TL 250.000.000.

(\*\*) 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 December 31, 2023, the ratio of CPM given by the Company to the Company’s shareholders’ equity is 0,049% (December 31, 2022: 0,010%).

As of December 31, 2023, TL 1.392.431 legal case provision is accrued and there are 129 legal cases and 102 enforcement proceedings of the Company is a party. The lawsuit in question are ongoing, and as of 31 December 2023, there is provision for lawsuits amounting to TL 1.207.997 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 Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

**14. Provisions, contingent assets and liabilities (continued)**

**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 December 31, 2023 and 2022 are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Less than 1 year	753.501.194	453.861.622
Between 1-5 years	2.196.775.055	1.357.962.755
More than 5 years	12.956.407.996	8.568.180.804
<b>Total</b>	<b>15.906.684.245</b>	<b>10.380.005.181</b>

**15. Provisions for employee benefits**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unused vacation provisions	2.196.660	1.579.891
<b>Total</b>	<b>2.196.660</b>	<b>1.579.891</b>

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Severance pay indemnity	14.035.481	14.335.307
<b>Total</b>	<b>14.035.481</b>	<b>14.335.307</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 TL 35.058,58 for each period of service as of January 1, 2024 (December 31, 2022: TL 32.926,29).

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 December 31, 2023, 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 19,65% (estimated salary increase rate) and a discount rate of 23,58%, resulting in a real discount rate of approximately 3,28% (December 31, 2022: the provisions have been calculated assuming an annual inflation rate of 19,80% (estimated salary increase rate) and discount rate of 22,45%, resulting in a real discount rate of approximately 2,21% discount rate). The anticipated rate of for features is considered. As the maximum liability is revised semi-annually, the maximum amount of TL 35.058,58 effective from January 1, 2024 has been taken into consideration in calculation of provision from employment termination benefits.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended December 31, 2023  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 15. Provisions for employee benefits (continued)

	December 31, 2023	December 31, 2022
<b>Opening balance at January 1</b>	<b>14.335.307</b>	<b>8.533.982</b>
Service cost	3.942.260	1.613.916
Interest cost	2.526.285	1.555.107
Retirement pay provisions (-)	(2.909.182)	(1.047.210)
Actuarial differences	2.541.841	7.995.263
Monetary Gain/(Loss)	(6.401.031)	(4.315.751)
<b>As of December 31</b>	<b>14.035.481</b>	<b>14.335.307</b>

### 16. Prepaid expenses, other assets, deferred revenue (excluding liabilities from contracts with customers) and other liabilities

<i>Prepaid expenses – short term</i>	December 31, 2023	December 31, 2022
Job advances (*)	131.308.492	382.250.472
Prepaid expenses	2.166.171	960.028
Related party prepaid expenses (Note 25)	127.470.986	664.770
<b>Total</b>	<b>260.945.649</b>	<b>383.875.270</b>

(\*) The amount generally consists of advances given to the contractors of the projects..

<i>Prepaid expenses – long term</i>	December 31, 2023	December 31, 2022
Job advances (*)	52.415.531	50.134.527
Prepaid expenses	-	365.386
<b>Total</b>	<b>52.415.531</b>	<b>50.499.912</b>

(\*) An agreement has signed in order to bought 45% shares of the land registered in Kadikoy, Istanbul, 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>	December 31, 2023	December 31, 2022
VAT transferred	97.360.487	89.698.554
Prepaid taxes and dues payable	2.879.584	2.820.977
Deposits and guarantees given	219.076	343.799
<b>Total</b>	<b>100.459.147</b>	<b>92.863.330</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 16. Prepaid expenses, other assets, deferred income (excluded from obligations arising from customer contracts) and other liabilities (continued)

<i>Other short-term liabilities</i>	December 31, 2023	December 31, 2022
Taxes and funds payable	37.403.291	13.141.716
Payable social security cuts	2.601.454	2.038.753
<b>Total</b>	<b>40.004.745</b>	<b>15.180.469</b>

  

	December 31, 2023	December 31, 2022
<b>Deferred revenues</b>		
Deferred revenue	953.118	3.160.844
Short-term deferred revenue from related parties (Note 25)	464.600	172.384
<b>Total</b>	<b>1.417.718</b>	<b>3.333.228</b>

### 17. Liabilities from contracts with customers

<b>Obligations arising from customer contracts</b>	December 31, 2023	December 31, 2022
Contractual liabilities from sales of goods and services (*)	857.561.573	43.540.349
<b>Total</b>	<b>857.561.573</b>	<b>43.540.349</b>

(\*) The amount consists of advances received from the owners of the residential units sold by Kartal Manzara Adalar Project and Litus İstanbul Altunizade Project (Note 11).

### 18. Shareholder’s equity

#### Share capital

The composition of the paid-in share capital as of December 31, 2023 and 2022 are as follows:

		December 31, 2023		December 31, 2022
<b>İş Gayrimenkul Yat. Ort. A.Ş.</b>	<b>(%)</b>		<b>(%)</b>	
Türkiye İş Bankası A.S.	52,06%	499.138.200	52,06	499.138.183
Anadolu Hayat Emeklilik A.Ş.	7,04%	67.476.714	7,04	67.476.714
Other	40,90%	392.135.086	40,90	392.135.103
<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 TL 958.750.000 (December 31, 2022: TL 958.750.000) shares with a par value of TL 1 per share. All of the shares are issued to name and TL 1.369.642,817 (December 31, 2022: TL 1.369.642.817) of the total amount is Group A and TL 957.380.357,183 (December 31, 2022: TL 957.380.357.183) 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.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 18. Shareholders’ equity (continued)

#### Adjustment to share capital

Adjustment to share capital amount is TL 13.826.149.090 as of December 31, 2023 and 2022. Adjustment to share capital represents the restatement effect of the cash contributions to share capital equivalent to purchasing power of TL.

#### Share premium

As of December 31, 2023 and 2022, share premiums amounting TL 6.757.466 represent excess amount of selling price and nominal value for each share during initial public offering of the Company’s shares.

#### Restricted reserves

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Legal reserves	567.393.032	535.917.950
<b>Total</b>	<b>567.393.032</b>	<b>535.917.950</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.

#### Prior Years Profits

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Prior years’ profits	8.447.638.374	(121.791.396)
<b>Total</b>	<b>8.447.638.374</b>	<b>(121.791.396)</b>

#### Dividend distribution

At the Ordinary General Assembly Meeting held on March 21, 2023; After the Board of Directors' Profit Share Distribution Proposal for the distribution of 2022 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 March 21, 2023, the distribution of 2022 net profit was determined as follows:

	<b>Amount</b>
1. Primary reserve 5% Dividend	31.475.082
2. Secondary reserve	--
Capital increase through bonus shares	--
Transferred to prior years’ profits	8.569.429.770
<b>Total</b>	<b>8.600.904.852</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

### 19. Revenue and cost of sales

	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Rent Income	698.003.931	564.957.896
Income from sales of residential units	264.550.499	653.847.905
Income from right of construction	174.201.500	155.990.370
Income fees and service	4.525.212	4.962.380
Other revenue	2.025.261	1.339.830
<b>Total real estate revenues</b>	<b>1.143.306.403</b>	<b>1.381.098.381</b>
Interest income on bank deposits	87.970.875	65.403.264
Gain on buy/sell of marketable securities	22.240.348	6.054.175
<b>Total debt instruments revenue</b>	<b>110.211.222</b>	<b>71.457.439</b>
<b>Total revenue</b>	<b>1.253.517.625</b>	<b>1.452.555.820</b>
	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Cost of sales of residential units	(147.633.018)	(457.801.818)
Cost of administrative expenses	(120.993.695)	(142.080.262)
Taxes and dues	(27.319.715)	(26.725.075)
Insurance expenses	(12.623.865)	(11.863.475)
Other	(11.714.602)	(3.595.222)
<b>Total</b>	<b>(320.284.895)</b>	<b>(642.065.852)</b>

### 20. Administrative expenses / Marketing, selling and distribution expenses

<b>General administrative expenses</b>	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Personnel expenses	(84.975.081)	(63.935.715)
Outsourced service expenses	(22.895.264)	(16.150.938)
Depreciation and amortization	(9.291.344)	(8.237.929)
Board of Directors fees and expenses	(6.286.547)	(4.266.908)
Provision for doubtful receivables (Note 8)	-	(109.385)
Donations	(11.983.147)	-
Taxes and dues	(846.873)	(2.384.109)
Other	(2.952.014)	(2.384.116)
<b>Total</b>	<b>(139.230.270)</b>	<b>(97.469.100)</b>
	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
<b>Marketing sales and distribution expenses</b>		
Advertising expenses	(28.323.427)	(15.798.843)
Sales commission expenses	(11.660.121)	(16.164.073)
Consultancy expenses	-	(3.169.723)
Sales office expenses	(621.411)	-
Other	(875.364)	(1.118.715)
<b>Total</b>	<b>(41.480.323)</b>	<b>(36.251.354)</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Notes to the Condensed Financial Statements For the Year Ended December 31, 2023  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

### 21. Expenses by nature

	1 January- 31 December 2023	1 January - 31 December 2022
<b>Personnel expenses</b>		
Administrative expenses (Note 20)	(84.975.081)	(63.935.715)
<b>Total</b>	<b>(84.975.081)</b>	<b>(63.935.715)</b>
	1 January- 31 December 2023	1 January - 31 December 2022
<b>Depreciation and amortization</b>		
Administrative expenses (Note 20)	(9.291.344)	(8.237.929)
<b>Total</b>	<b>(9.291.344)</b>	<b>(8.237.929)</b>

### 22. Other income/expenses

	1 January- 31 December 2023	1 January - 31 December 2022
<b>Other income from core activities</b>		
Revaluation income of investment property (Note 10)	1.766.573.064	7.228.631.176
Gain on real estate investment fund (Note 6)	54.250.419	162.964.859
Gain on inventories (Note 11)	-	75.620.980
Foreign exchange gains	210.508.922	94.941.120
Other	8.611.220	4.662.485
<b>Total</b>	<b>2.039.943.625</b>	<b>7.566.820.620</b>
	1 January- 31 December 2023	1 January - 31 December 2022
<b>Other operating expense</b>		
Provision for impairment of inventories (-) (Note 11)	(106.480.258)	-
Other	-	(479.815)
<b>Total</b>	<b>(106.480.258)</b>	<b>(479.815)</b>
	1 January- 31 December 2023	1 January - 31 December 2022
<b>Income from investment activities</b>		
Currency-protected deposits fair value difference	42.168.852	33.929.363
<b>Total</b>	<b>42.168.852</b>	<b>33.929.363</b>
	1 January- 31 December 2023	1 January - 31 December 2022
<b>Expense from investment activities</b>		
Currency-protected deposits fair value difference	(11.321.090)	-
<b>Total</b>	<b>(11.321.090)</b>	<b>-</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 23. Financeman income/expenses

Finance income and expenses as of December 31, 2023 and 2022 are as follows:

<b>Finance expense</b>	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Interest expense	(1.448.247.763)	(633.476.258)
Derivative transaction loss	(4.008.487)	(28.721.050)
Commission expenses	(38.569.197)	(28.152.710)
Other	(29.733)	(40.735)
<b>Total</b>	<b>(1.490.855.180)</b>	<b>(690.390.753)</b>

### 24. Earnings per share

As of December 31, 2022 capital of the Company consists of 95.875.000.000 shares that are valued TL 0,01 for each one.

	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
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	3.131.266.812	8.600.904.852
<b>Earnings per share</b>	<b>0,0327</b>	<b>0,0897</b>
<b>Earnings per diluted share</b>	<b>0,0327</b>	<b>0,0897</b>

### 25. 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. By nature no interest is calculated on these receivables and no guarantees have been received.

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:

<b>Balances at T. İş Bankası</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Time deposits	635.431.355	486.806.594
Demand deposits	3.194.967	202.694
Other literal values	50.000	11.534
<b>Total</b>	<b>638.676.322</b>	<b>487.020.822</b>

The Company has letters of guarantee amounting TL 37.007.943 (December 31, 2022: TL 70.862.012) from İş Bankası. In addition, 1st and 2nd degree mortgage is instituted by the Company in favour İş Bankası amounting to USD 136.000.000 and TL 5.250.000.000 TL on some investment properties.



## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 25. Related party disclosures (continued)

December 31, 2023				
	Short Term Trade Receivables	Short Term Prepaid Expenses	Short Term Trade Payables	Deferred Income
<b>Balances with related parties</b>				
İş Merkezleri Yönetim ve İşletim A.Ş.	-	34.387	2.922.986	-
Türkiye İş Bankası A.Ş.	-	-	1.114	48.410
İş Yatırım Menkul Değerler A.Ş.	2.310	-	-	37.042
İş Girişim Sermayesi Yatırım Ortaklığı	-	-	-	66.000
Kanyon Yönetim İşl. Paz. Ltd. Şti.	3.294.999	-	11.102.804	313.148
Anadolu Anonim Türk Sigorta A.Ş.	-	21.436.209	20.355.428	-
İş Net Elektronik Hizmetler A.Ş.	-	-	35.756	-
Paşabahçe Mağazacılık A.Ş.	1.024.912	-	17.118	-
Tecim Yapı Elemanları A.Ş.	1.968.593	106.000.390	618.000	-
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	-	-	86.057	-
İş Enerji Yatırımları A.Ş.	32.754	-	-	-
Due to shareholders (dividends)	-	-	705	-
Other	-	-	1.008.394	-
<b>Total</b>	<b>6.323.568</b>	<b>127.470.986</b>	<b>36.148.362</b>	<b>464.600</b>

December 31, 2023		
<b>Balances with related parties</b>	<b>Financial Borrowings</b>	<b>Interest and Commission Fee</b>
T. İş Bankası A.Ş.	1.385.180.460	699.758.390

During the year, The company accounted TL 4.008.487 Derivative transaction loss in financial statements from forward transaction which is carried out with Türkiye İş Bankası A.Ş.

Fair value difference of TL 11.321.090 (2022: TL 21.930.892) arising from the Exchange Protected Deposit account held with Türkiye İş Bankası A.Ş. Which was closed as of Feb 14 2023 was accounted in expenses from investment activities. In addition, 42.168.852 TL which was held with Türkiye İş Bankası A.Ş. was shown in income from investment activities for the Exchange Rate Protected Deposits that continued during the period.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 25. Related party disclosures (continued)

	December 31, 2022			
	Trade Receivables Short-term	Prepaid Expenses Short-term	Commercial Debts Short- term	Deferred Revenues
<b>Balances with related parties</b>				
Anadolu Anonim Türk Sigorta A.Ş.	-	664.770	1.965.306	-
İş Merkezleri Yönetim ve İşletim A.Ş.	160.326	-	3.330.059	-
İş Net Elektronik Hizmetler A.Ş.	-	-	388.406	-
Kanyon Yönetim İşl. Paz. A.Ş.	-	-	4.829.326	125.954
Paşabahçe Mağazaları A.Ş.	882.263	-	24.820	-
Milli Reasürans Türk A.Ş.	37.407	-	-	-
Tecim Yapı Elemanları Ltd. Şti.	15.715.308	-	-	-
Türkiye İş Bankası A.Ş.	-	-	-	46.430
Due to shareholders (dividend)	-	-	1.161	-
Other	-	-	1.763.443	-
<b>Total</b>	<b>16.795.304</b>	<b>664.770</b>	<b>12.302.520</b>	<b>172.384</b>

### December 31, 2022

<b>Balances with related parties</b>	<b>Financial Borrowings</b>	<b>Interest and Commission Fee</b>
T. Isbank A.S.	1.614.083.197	359.573.171

The Company has no forward transactions realized during the period by T. İş Bankası A.Ş. as of December 31, 2022. Derivative loss amounting to TL 28.721.049 accounted in the financial statements of the Company.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 25. Related party disclosures (continued)

	1 January - 31 December 2023				
<i>Transactions with related parties</i>	<b>Purchases</b>	<b>Interest received</b>	<b>Rental income</b>	<b>Other income</b>	<b>Other expenses</b>
Türkiye İş Bankası A.Ş.	1.541.572.307	83.912.811	301.360.266	283.670	840.835
Anadolu Anonim Türk Sigorta A.Ş.(*)	16.596.184	-	-	1.805.496	-
Anadolu Hayat Emeklilik A.Ş.	1.325.987	-	17.989.414	-	122.071
İş Finansal Kiralama A.Ş.	-	-	122.567	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.(**)	46.077.831	-	5.767.663	-	-
İş Yatırım Menkul Değerler A.Ş.	8.927.469	-	14.493.983	-	-
İş Portföy Yönetimi A.Ş.	-	-	8.756	-	-
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	-	898.106	-	-
İş Net Elektronik Hizmetler A.Ş.	1.053.947	-	1.706.205	-	4.261
Paşabahçe Mağazacılık A.Ş.	32.071	-	6.224.248	-	-
Softtech Yazılım Teknolojileri A.Ş.	34.398	-	23.677.368	-	-
Maxis Girişim Sermayesi Portföy Yönetim A.Ş.	-	-	2.227.541	-	-
İş Enerji Yatırımları A.Ş.	-	-	1.262.971	395	-
Tecim Yapı Elemanları A.Ş.	822.660	-	-	-	-
BAYEK Ağız Ve Diş Sağlığı Hizm. ve İşl. A.Ş.	-	-	469.924	-	-
BAYEK Tedavi Sağlık Hizm.ve İşlet.A.Ş.	8.679.917	-	-	-	-
Topkapı Danışmanlık Elektrik Hizmetleri Paz. ve Tic. A.Ş.	-	-	2.857.101	16.156	-
Penta Tıp Sağlık Hizmetleri	11.742	-	-	-	-
Moka Ödeme Kuruluşu A.Ş.	-	-	1.301.160	-	-
Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş.	-	-	718.931	1.078	-
Trakya Yatırım Holding	-	-	1.295.023	385	-
Kasaba Gayrimenkul İnşaat Taahhüt ve Tic. A.Ş.	49.863.138	-	-	-	-
Milli Reasürans Türk A.Ş.	-	-	1.512.640	440	-
Toksöz Spor Malzemeleri	-	-	67.932	-	-
<b>Total</b>	<b>1.674.997.651</b>	<b>83.912.811</b>	<b>383.961.799</b>	<b>2.107.621</b>	<b>967.167</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 2023, revenue share compensation is amounting to TL 5.246.576 (2022: 19.848.243 TL) has been paid to Türkiye İş Bankası A.Ş. within the scope of Ege Perla project. Additionally, as of December 31, 2023, there is unpaid revenue share compensation is amounting to TL 19.307.152 TL (31 December 2022: 3.476.070 TL) at debt provisions. As of December 31 2023, a revenue share of TL 203.400.048 was paid to Tecim A.Ş. within the scope of the Altunizade Litus project. (2022: None)

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 25. Related party disclosures (continued)

	1 January - 31 December 2022				
<i>Transactions with related parties</i>	<b>Purchases</b>	<b>Interest received</b>	<b>Rental income</b>	<b>Other income</b>	<b>Other expenses</b>
Anadolu Anonim Türk Sigorta A.Ş. (*)	16.629.382	--	--	1.549.676	--
Anadolu Hayat Emeklilik A.Ş.	574.020.732	--	17.278.654	--	--
BAYEK Ağız ve Diş Sağlığı Hizmetleri ve İşletmeciliği A.Ş.	--	--	390.435	--	--
BAYEK Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	17.333	--	--	--	--
İş Faktoring A.Ş.	--	--	--	--	--
İş Finansal Kiralama A.Ş.	--	--	108.537	--	--
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	--	--	848.045	--	--
İş Merkezleri Yönetim ve İşletim A.Ş.	68.565.058	--	3.728.273	160.326	--
İş Net Elektronik Hizmetler A.Ş.	1.143.525	--	1.393.735	--	8.079
İş Portföy Yönetimi A.Ş.	--	--	76.999	--	--
İş Yatırım Menkul Değerler A.Ş.	5.514.763	--	14.171.276	--	--
Kasaba Gayrimenkul İnş. Taah. Ve Tic. A.Ş.	54.392	--	--	--	22.564
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	--	--	1.900.367	--	--
Moka Ödeme Kuruluşu A.Ş.	--	--	694.251	--	--
Paşabahçe Mağazacılık A.Ş.	59.677	--	4.461.365	41.701	94.005
Maksmarket Danışmanlık Elektronik Hizm. Tic. A.Ş.	--	--	74.672	--	--
Trakya Yatırım Holding	--	--	134.399	--	--
Softtech Yazılım Teknolojileri A.Ş.	--	--	21.066.220	--	--
Tecim Yapı Elemanları A.Ş.	--	--	--	23.800.383	--
Topkapı Danışmanlık Elek. Hiz.Paz. ve Tic A.Ş.	--	--	2.393.654	--	--
Türkiye İş Bankası A.Ş.	--	44.504.490	266.122.221	272.314	1.873.952
<b>Total</b>	<b>666.004.863</b>	<b>44.504.490</b>	<b>334.843.102</b>	<b>25.824.399</b>	<b>1.998.601</b>

(\*) The purchase amount with Anadolu Anonim Türk Sigorta Şirketi is related to the insurance of the Company's immovable properties. The amount of purchases from İş Merkezleri Yönetim ve İşletim Anonim Şirketi is related to the management of İş Kuleleri ve Mallmarine Alışveriş Merkezi, which are investment properties of the Company.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**  
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

### 25. Related party disclosures (continued)

As of December 31, 2023 and 2022, related party balances of issued bonds and commercial papers are as follows:

<b>Related-party balances</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Anadolu Hayat Emeklilik A.Ş.	115.926.613	87.016.995
İş Yatırım ortaklığı A.Ş.	37.165.825	-
<b>Total</b>	<b>153.092.438</b>	<b>87.016.995</b>

As of December 31, 2023 and 2022, coupon payments of issued bonds and commercial papers are as follows:

<b>Transactions with related parties</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Anadolu Hayat Emeklilik A.Ş.	28.281.184	8.261.220
Milli Reasurans A.Ş.	-	1.835.296
İş Girişim Sermayesi A.Ş.	-	127.265
İş Yatırım Ortaklığı A.Ş.	-	256.490
İş Yatırım Menkul Değerler A.Ş.	1.724.651	-
	<b>30.005.835</b>	<b>10.480.270</b>

#### **Benefits provided to key management personnel:**

Benefits provided to board of directors, general manager and assistant general managers are as follows:

	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Salaries and other short term benefits	22.880.621	19.014.231
Employee termination benefits	1.509.721	2.124.770
<b>Total</b>	<b>24.390.342</b>	<b>21.139.001</b>

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**

*(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)*

**26. 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.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

#### 26. Nature and level of risks arising from financial instruments (continued)

##### b.1) Credit risk management

Exposure to maximum credit risk as of reporting date	Receivables						
	Trade Receivables		Other Receivables		Deposits in Banks	Derivative instruments	Other (***)
	Related Party	Other Parties	Related Party	Other Parties			
<b>December 31, 2023</b>							
<b>Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)</b>	<b>6.323.568</b>	<b>230.002.537</b>	--	<b>17.849.017</b>	<b>638.626.694</b>	--	<b>50.000</b>
- The part of maximum risk under guarantee with collateral etc. (**)	--	42.036.172	--	--	--	--	--
A. Net book value of financial assets that are neither past due not impaired	6.323.568	190.249.321	--	17.849.017	638.626.694	--	50.000
B. Net book value of financial assets which are overdue but not impaired	--	39.753.216	--	--	--	--	--
C. Net book value of impaired assets	--	--	--	--	--	--	--
- Past due (gross carrying amount)	--	8.073.093	--	--	--	--	--
- Impairment (-)	--	(8.073.093)	--	--	--	--	--
- 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	--	--	--	--	--	--	--

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

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

(\*\*\*) 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.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

#### 26. Nature and level of risks arising from financial instruments (continued)

##### b.1) Credit risk management (continued)

Exposure to maximum credit risk as of reporting date	Receivables						Derivative instruments	Other (***)
	Trade Receivables		Other Receivables		Deposits in Banks			
December 31, 2022	Related Party	Other Side	Related Party	Other Side				
<b>Maximum credit risk incurred as of the reporting date (A+B+C+D+E) ( *)</b>	<b>16.795.304</b>	<b>221.569.849</b>	--	<b>14.875.762</b>	<b>2.042.373.518</b>	--	<b>223.358.291</b>	
- Guarantee of maximum risk. The part secured by vs (**)	--	154.288.848	--	--	--	--	--	
A. Net book value of financial assets that are neither past due nor impaired	16.795.304	183.401.064	--	14.875.762	2.042.373.518	--	223.358.291	
B. Net book value of financial assets which are overdue but not impaired	--	38.168.785	--	--	--	--	--	
C. Net book value of impaired assets	--	--	--	--	--	--	--	
- Past due (gross carrying amount)	--	14.258.073	--	--	--	--	--	
- Impairment (-)	--	(14.258.073)	--	--	--	--	--	
- 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	--	--	--	--	--	--	--	

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

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

(\*\*\*) 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.



**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

**26. Nature and level of risks arising from financial instruments (continued)**

***b.1) Credit risk management (continued)***

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.

The aging of the overdue but not impaired receivables are as follows:

<b>Receivables</b>			
<b>December 31, 2023</b>	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Total</b>
Past due 1-30 days	14.075.195	--	14.075.195
Past due 1-3 months	12.002.975	--	12.002.975
Past due 3-12 months	13.455.684	--	13.455.684
Past due 1-5 years	219.362	--	219.362
<b>Total overdue receivables</b>	<b>39.753.216</b>	<b>--</b>	<b>39.753.216</b>
<b>Total collateralized portion</b>	<b>23.962.275</b>	<b>--</b>	<b>23.962.275</b>
<b>Receivables</b>			
<b>December 31, 2022</b>	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Total</b>
Past due 1-30 days	14.687.837	--	14.687.837
Past due 1-3 months	12.435.844	--	12.435.844
Past due 3-12 months	10.775.478	--	10.775.478
Past due 1-5 years	269.626	--	269.626
<b>Total overdue receivables</b>	<b>38.168.785</b>	<b>--</b>	<b>38.168.785</b>
<b>Total collateralized portion</b>	<b>38.050.971</b>	<b>--</b>	<b>38.050.971</b>

Collaterals held for trade receivables that are past due but not impaired as of the reporting date are as follows:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Nominal Value</b>	<b>Fair Value</b>	<b>Nominal Value</b>	<b>Fair Value</b>
Letter of guarantee	23.393.328	23.393.328	37.236.096	37.236.096
Cash deposit	508.947	508.947	709.203	709.203
Notes payable	60.000	60.000	105.672	105.672
<b>Total</b>	<b>23.962.275</b>	<b>23.962.275</b>	<b>38.050.971</b>	<b>38.050.971</b>

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

**26. Nature and level of risks arising from financial instruments (continued)**

**b.1) Credit risk management (continued)**

**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.

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.

<b>December 31, 2023</b>					
<b><u>Contractual maturities</u></b>	<b>Book Value</b>	<b>Total cash outflows under the contract (I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3-12 months (II)</b>	<b>1-5 years (III)</b>
<b>Non derivative financial liabilities</b>					
Loans and borrowings	4.902.150.799	7.315.080.699	1.149.656.500	3.015.248.144	3.150.176.055
Trade payables	241.564.174	241.564.174	241.564.174	--	--
Other payables	41.198.322	41.198.322	41.198.322	--	--
<b>Total liabilities</b>	<b>5.184.913.295</b>	<b>7.597.843.195</b>	<b>1.432.418.996</b>	<b>3.015.248.144</b>	<b>3.150.176.055</b>

<b>December 31, 2023</b>					
<b><u>Contractual maturities</u></b>	<b>Book Value</b>	<b>Total cash outflows under the contract (I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3-12 months (II)</b>	<b>1-5 years (III)</b>
<b>Non-derivative financial obligations</b>					
Loans and borrowings	5.599.787.007	6.084.638.068	1.403.121.455	4.681.516.613	--
Trade payables	30.372.720	30.372.721	30.372.721	--	--
Other payables	39.897.706	39.897.709	39.897.709	--	--
<b>Total liabilities</b>	<b>5.670.057.433</b>	<b>6.154.908.498</b>	<b>1.473.391.885</b>	<b>4.681.516.613</b>	<b>--</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 December 31, 2023 and 2022 are as follows:

<b>Currency</b>	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Buying</b>	<b>Sale</b>	<b>Buying</b>	<b>Sale</b>
US Dollar	29,4382	29,4313	30,8097	30,8653
Euro	32,5739	32,6326	32,8473	32,9065

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

#### 26. Nature and level of risks arising from financial instruments (continued)

##### b.3) Market risk management (continued)

##### b.3.1) Foreign currency risk management (continued)

The foreign currency denominated monetary and non-monetary assets and liabilities of the Company as of the reporting date are as follows:

December 31, 2023	TL Equivalent (Functional currency)	US Dollar	Avro
1. Trade Receivables	--	--	--
2a. Monetary Financial Assets	3.118.539	59.750	41.739
2b. Non-Monetary Financial Assets	3.288.241	--	100.947
3. Other	--	--	--
<b>4. CURRENT ASSETS</b>	<b>6.406.780</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>9. TOTAL ASSETS</b>	<b>6.406.780</b>	<b>59.750</b>	<b>142.686</b>
10. Commercial Liabilities	--	--	--
11. Financial Obligations	--	--	--
12a. Other Monetary Liabilities	--	--	--
12b. Other Non-Monetary Liabilities	17.709.702	223.221	340.966
<b>13. SHORT TERM LIABILITIES</b>	<b>17.709.702</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>17.709.702</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	(11.302.922)	(163.471)	(198.280)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10-11-12a-14-15-16a)	3.118.539	59.750	41.739
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 Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

#### 26. Nature and level of risks arising from financial instruments (continued)

##### b.3) Market risk management (continued)

##### b.3.1) Foreign currency risk management (continued)

December 31, 2022			
	TL Equivalent (Functional currency)	US Dollar	Avro
1. Trade Receivables	--	--	--
2a. Monetary Financial Assets	502.211.461	12.687.653	3.388.656
2b. Non-Monetary Financial Assets	12.668.302	--	385.672
3. Other	--	--	--
<b>4. CURRENT ASSETS</b>	<b>514.879.763</b>	<b>12.687.653</b>	<b>3.774.328</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 ASSET</b>	<b>514.879.763</b>	<b>12.687.653</b>	<b>3.774.328</b>
10. Trade Payables	21.925	--	666
11. Financial Liabilities	--	--	--
12a. Other Monetary Liabilities	--	--	--
12b. Other Non-Monetary Liabilities	33.705.691	760.531	310.933
<b>13. SHORT TERM LIABILITIES</b>	<b>33.727.616</b>	<b>760.531</b>	<b>311.599</b>
14. Trade Payables	--	--	--
15. Financial Liabilities	--	--	--
16a. Other Monetary Liabilities	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--
<b>17. LONG TERM LIABILITIES</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. TOTAL LIABILITIES</b>	<b>33.727.616</b>	<b>760.531</b>	<b>311.599</b>
19. Net asset/Liability position of off-balance sheet derivative instruments (19a-19b)	--	--	--
19.a Amount of derivatives denominated in off-balance sheet currencies of an active character	--	--	--
19b. Amount of derivatives denominated in off-balance sheet currencies with passive character	--	--	--
20. Net foreign currency asset liability position	481.152.147	11.927.122	3.462.729
21. Monetary items net foreign currency asset/liability position (1+2a+5+6a-10-11-12a-14-15-16a)	502.189.536	12.687.653	3.387.990
22. Total fair value of financial instruments used for currency hedge	--	--	--
23. Amount of the hedged portion of foreign exchange assets	--	--	--
24. Amount of the hedged part of foreign exchange liabilities	--	--	--

**Notes to the Condensed Financial Statements For the Year Ended December 31, 2023**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

**26. Nature and level of risks arising from financial instruments (continued)**

***b.3) Market risk management (continued)***

***b.3.1) Foreign currency risk management (continued)***

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.

<b>December 31, 2023</b>		
	<b>Appreciation of Foreign Currency</b>	<b>Depreciation of Foreign Currency</b>
<u>If US Dollar changes against TL by 10%</u>		
US Dollar net asset / liability	175.891	(175.891)
Portion hedged against US Dollar risk (-)	--	--
<b>US Dollar net effect</b>	<b>175.891</b>	<b>(175.891)</b>
<u>If the Euro Changes 10% Against the TL:</u>		
Euro net asset / liability	135.960	(135.960)
Portion hedged against Euro risk (-)	--	--
<b>Euro net effect</b>	<b>135.960</b>	<b>(135.960)</b>
<b>December 31, 2022</b>		
	<b>Appreciation of Foreign Currency</b>	<b>Depreciation of Foreign Currency</b>
<u>If US Dollar changes against TL by 10%</u>		
US Dollar net asset / liability	39.090.319	(39.090.319)
Portion hedged against US Dollar risk (-)	--	--
<b>US Dollar net effect</b>	<b>39.090.319</b>	<b>(39.090.319)</b>
<u>If Euro changes against TL by 10%</u>		
Euro net asset/liability	11.128.634	(11.128.634)
Portion hedged against Euro risk (-)	--	--
<b>Euro net effect</b>	<b>11.128.634</b>	<b>(11.128.634)</b>

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

#### 26. Nature and level of risks arising from financial instruments (continued)

##### b.3) Market risk management (continued)

##### 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 December 31, 2023 and 2022.

As of 31 December 2023 and 2022, the Company has no financial liabilities with variable interest rates.

<b>Interest Rate Table</b>		
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Fixed Rate Financial Instruments</b>		
Financial Assets		
<i>Financial assets classified at fair value through profit or loss</i>	--	212.463.708
<i>Time deposits at banks</i>	635.431.355	1.691.510.777
Financial Liabilities	4.902.150.799	5.599.787.007
<b>Floating Interest Rate Financial Instruments</b>		
Investment Funds	--	10.883.049

##### b.3.3) Equity price risk

As of December 31, 2023, company has no equity in their portfolio. Therefore, there is no equity price risk. (December 31, 2022: None)

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of December 31, 2023 unless otherwise indicated.)

#### 27. 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 December 31, 2023, the net book value is TL 4.902.150.799 and its fair value is close to its net book value.(December 31 2022: 5.599.787.008 TL)

December 31, 2023	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	Not
<b><i>Financial assets</i></b>						
Cash and cash equivalents	638.676.694	--	--	--	638.676.694	5
Financial investments	--	1.433.048.412	--	--	1.433.048.412	6
Trade receivables	230.002.537	--	--	--	230.002.537	8
Due from related parties	6.323.568	--	--	--	6.323.568	25
Other financial assets	17.849.017	--	--	--	17.849.017	9
<b><i>Financial Liabilities</i></b>						
Loans and borrowings	--	--	4.902.150.799	--	4.902.150.799	7
Trade payables	--	--	205.415.812	--	205.415.812	8
Trade payables to related parties	--	--	36.148.362	--	36.148.362	25
Other payables	--	--	41.198.322	--	41.198.322	9
Derivative instruments	--	--	--	--	--	6
<b>December 31, 2022</b>						
<b><i>Financial assets</i></b>						
Cash and cash equivalents	2.042.385.051	10.883.049	--	--	2.053.268.100	5
Financial investments	--	1.127.504.293	--	--	1.127.504.293	6
Trade receivables	221.569.850	--	--	--	221.569.850	8
Due from related parties	16.795.304	--	--	--	16.795.304	25
Other financial assets	14.875.762	--	--	--	14.875.762	9
Derivative instruments	--	--	--	--	--	6
<b><i>Financial Liabilities</i></b>						
Loans and borrowings	--	--	5.599.787.006	--	5.599.787.006	7
Trade payables	--	--	18.070.201	--	18.070.201	8
Loans and borrowings from related parties	--	--	12.302.520	--	12.302.520	25
Other payables	--	--	39.897.706	--	39.897.706	9
Derivative instruments	--	--	23.415.383	--	23.415.383	6

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of December 31, 2023 unless otherwise indicated.)

#### 27. Fair value of financial instruments (continued)

##### 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	December 31, 2023	Level 1	Level 2	Level 3
Investment properties	24.441.021.000	--	24.441.021.000	--
Tangible assets	256.323.753	--	256.323.753	--
Financial assets held for trading	1.433.048.412	--	1.433.048.412	--
	<b>26.130.393.165</b>	<b>--</b>	<b>26.130.393.165</b>	<b>--</b>

Assets at fair value	December 31, 2022	Level 1	Level 2	Level 3
Investment properties	22.760.835.814	--	22.760.835.814	--
Tangible assets	239.750.433	--	239.750.433	--
Financial assets held for trading	925.923.635	--	925.923.635	--
	<b>23.926.509.883</b>	<b>--</b>	<b>23.926.509.883</b>	<b>--</b>

Liabilities at fair value	December 31, 2022	Level 1	Level 2	Level 3
Derivative instruments	23.415.383	--	23.415.383	--
	<b>23.415.383</b>	<b>--</b>	<b>23.415.383</b>	<b>--</b>

#### 28. Fees for services received from independent auditor/independent audit firm

As of December 31, 2023, the services and related fees received by the Company from the independent audit company are as follows:

	December 31, 2023	December 31, 2022
Independent audit fee for the reporting period	664.000	346.023
Fees for tax attestation consultancy services	120.000	228.540
Fee for other non-audit services	-	138.409
	<b>784.000</b>	<b>712.972</b>

#### 29. Events after the reporting period

The company issued financial bonds with a total nominal value of 650.000.000 TL in January and February.



# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

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

### Additional Note: Control of compliance with restrictions on the investment portfolio

Unconsolidated (individual) financial statement main account items	Related regulation	December 31, 2023	December 31, 2022
<b>A</b> Capital and money market instruments	III-48.1. Md. 24 / (b)	1.042.001.094	2.265.731.807
<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)	31.415.489.683	26.594.375.153
<b>C</b> Affiliates (*)	III-48.1. Md. 24 / (b)	22.187.597	15.964.212
Due from related parties (other receivables)	III-48.1. Md. 23 / (f)	--	--
Other assets		675.365.821	786.166.705
<b>D Total assets (Total assets)</b>	III-48.1. Md. 3 / (p)	<b>33.155.044.195</b>	<b>29.662.237.877</b>
<b>E</b> Loans and borrowings	III-48.1. Md. 31	4.902.150.798	5.599.787.008
<b>F</b> Other financial liabilities	III-48.1. Md. 31	21.754.376	8.923.811
<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	27.033.160.346	23.881.871.955
Other resources		1.197.978.675	171.655.103
<b>D Total liabilities and equity</b>	III-48.1. Md. 3 / (k)	<b>33.155.044.195</b>	<b>29.662.237.877</b>
<b>Other separate financial information</b>	<b>Related regulation</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>A1</b> Capital and money market instruments amount held for 3-year real estate payments	III-48.1. Md. 24 / (b)	--	--
Foreign Currency Time Deposit / Special Current-Participation Account and TL Time Deposit /		638.626.694	2.022.725.273
<b>A2</b> Participation Account	III-48.1. Md. 24 / (b)	--	--
<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)	18.165.000	18.536.508
<b>C1</b> Foreign affiliates	III-48.1. Md. 24 / (d)	--	--
<b>C2</b> Participating to operating company	III-48.1. Md. 28	22.187.597	15.964.212
<b>J</b> Non-cash loans	III-48.1. Md. 31	37.007.943	70.862.012
<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)	638.676.323	699.484.528

(\*)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 December 31, 2023, the Company's participation in Kanyon is TL 500.000 and does not exceed 10% of the total assets.

## İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

### Notes to the Condensed Financial Statements For the Year Ended December 31, 2023

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

#### Additional Note: Control of compliance with restrictions on the investment portfolio (continued)

			December 31, 2023	December 31, 2022	Minimum / Maximum rate
<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)	95%	90%	Minimum 51%
<b>3</b>	Capital and money market instruments and subsidiaries	III-48.1. Md. 24 / (b)	3%	8%	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	18%	24%	Maximum 500%
<b>8</b>	Foreign Currency Time Deposit / Special Current-Participation Account and TL Time Deposit / Participation Account	III-48.1. Md. 24 / (b)	2%	7%	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)	2%	2%	Maximum 10%