

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2023**

**(CONVENIENCE TRANSLATION OF THE REPORT  
AND THE FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH)**



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT  
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

To the General Assembly of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of review*

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.



*Other Matter*

The consolidated financial statements of the Group as of 31 December 2022 were audited and the interim condensed consolidated interim financial information as of 30 June 2022 and for the six-month period then ended were reviewed by another audit firm whose audit report dated 7 March 2023 expressed an unqualified opinion and whose review report dated 17 August 2022 expressed a conclusion that nothing has come to their attention that not compliance with TAS 34.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read 'B. Özpoyraz', is written over the printed name.

Burak Özpoyraz, SMMM  
Partner

Istanbul, 16 August 2023

## EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

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**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>		<b>50,078,823</b>	<b>42,141,914</b>
Cash and cash equivalents	4	12,450,809	6,107,609
Trade receivables	6	3,895,310	3,268,382
<i>Trade receivables due from third parties</i>		3,895,310	3,268,382
Other receivables		983,491	577,700
<i>Other receivables due from third parties</i>	7	983,491	577,700
Inventories	8	28,556,033	28,955,350
Prepaid expenses		2,725,625	2,374,680
<i>Prepaid expenses to related parties</i>	20	-	1,433,207
<i>Prepaid expenses to third parties</i>	13	2,725,625	941,473
Other current assets	12	1,467,449	852,225
Current tax assets		106	5,968
<b>Non-current assets</b>		<b>6,139,541</b>	<b>4,817,265</b>
Trade receivables	6	5,227,085	3,730,187
<i>Trade receivables due from third parties</i>		5,227,085	3,730,187
Other receivables	7	22,572	21,650
<i>Other receivables due from third parties</i>		22,572	21,650
Investments accounted for using equity method		1,351	841
Investment properties	9	441,587	742,683
Right-of-use assets		42,592	17,721
Property, plant and equipment	10	370,169	285,862
Intangible assets		22,253	7,965
Deferred tax assets	19	11,932	10,356
<b>Total assets</b>		<b>56,218,364</b>	<b>46,959,179</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>		<b>33,849,283</b>	<b>25,293,981</b>
Short-term borrowings	5	1,797,889	1,300,263
Short-term portions of long-term borrowings	5	2,211,860	1,814,145
Short-term portion of long-term borrowings from related parties	5		
Lease liabilities	5	14,265	3,823
Short-term portion of long-term borrowings from third parties			
Bank Loans	5	2,197,595	1,810,322
Trade payables	6	2,282,528	2,956,858
Trade payables due to related parties	20	-	1,774,954
Trade payables due to third parties		2,282,528	1,181,904
Other payables	7	733,229	516,169
Other payables to related parties	20	595	593
Other payables to third parties		732,634	515,576
Deferred income	13	26,517,441	18,423,670
Deferred income from related parties	20	2,408,775	1,004,341
Deferred income from third parties		24,108,666	17,419,329
Short-term provisions		306,336	282,876
Short-term provisions for employee benefits		47,415	35,536
Other short-term provisions	11	258,921	247,340
<b>Non-current liabilities</b>		<b>2,628,603</b>	<b>3,297,175</b>
Long-term borrowings		2,371,500	3,103,650
Long-term borrowings from related parties			
Lease liabilities		16,858	11,837
Long-term borrowings from third parties			
Lease liabilities		15,202	15,792
Long-term borrowings from third parties			
Bank Loans	5	2,339,440	3,076,021
Trade payables	6	86	20
Trade payables due to third parties		86	20
Other payables	7	138,617	117,382
Other payables to third parties		138,617	117,382
Deferred income	13	4,738	4,738
Deferred income from third parties		4,738	4,738
Long-term provisions		89,412	48,753
Long-term provisions for employee benefits		89,412	48,753
Deferred tax liability	19	24,250	22,632
<b>Shareholders' equity</b>		<b>19,740,478</b>	<b>18,368,023</b>
<b>Total equity attributable to equity holders of the Company</b>		<b>19,740,478</b>	<b>18,368,023</b>
Paid-in capital	14	3,800,000	3,800,000
Treasury shares (-)		(719,411)	(296,231)
Share premium (discounts)		2,366,895	2,366,895
Other equity reserves		70,728	-
Other comprehensive income (expense) not to be reclassified to profit or loss		(42)	(42)
Gain (loss) on revaluation and remeasurement		(42)	(42)
Restricted reserves appropriated from profit		984,440	882,670
Retained earnings		10,643,404	8,617,598
Net profit for the year		2,594,464	2,997,133
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total liabilities and equity</b>		<b>56,218,364</b>	<b>46,959,179</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR  
THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira ("TL") unless otherwise stated.)

	Notes	Reviewed 1 January- 30 June 2023	Not Reviewed 1 April- 30 June 2023	Reviewed 1 January- 30 June 2022	Not Reviewed 1 April- 30 June 2022
Revenue	15	10,280,213	6,243,174	4,726,660	2,496,077
Cost of sales (-)	15	(6,561,963)	(4,594,837)	(2,276,122)	(1,061,379)
<b>Gross profit</b>		<b>3,718,250</b>	<b>1,648,337</b>	<b>2,450,538</b>	<b>1,434,698</b>
General administrative expenses (-)	16	(1,366,783)	(326,641)	(374,933)	(246,826)
Marketing expenses (-)	16	(204,728)	(146,885)	(63,833)	(35,686)
Other income from operating activities	17	987,536	816,989	345,272	245,267
Other expenses from operating activities (-)	17	(777,416)	(514,921)	(766,127)	(562,535)
<b>Operating profit</b>		<b>2,356,859</b>	<b>1,476,879</b>	<b>1,590,917</b>	<b>834,918</b>
Income from investing activities		-	-	26,202	26,202
<b>Operating profit before financial income / (expense)</b>		<b>2,356,859</b>	<b>1,476,879</b>	<b>1,617,119</b>	<b>861,120</b>
Financial income	18	977,214	716,199	224,733	94,379
Financial expenses (-)	18	(739,567)	(479,292)	(405,165)	(261,201)
<b>Profit from continuing operations, before tax</b>		<b>2,594,506</b>	<b>1,713,786</b>	<b>1,436,687</b>	<b>694,298</b>
Tax (expense)/income from continuing operations		(42)	(442)	431	5,023
<i>Current period tax expense</i>	19	-	-	(10,140)	(2,987)
<i>Deferred tax income</i>	19	(42)	(442)	10,571	8,010
<b>Net profit for the period</b>		<b>2,594,464</b>	<b>1,713,344</b>	<b>1,437,118</b>	<b>699,321</b>
<b>Profit for the period is attributable to:</b>					
Non-controlling interests		-	-	-	-
<b>Owners of the Company</b>		<b>2,594,464</b>	<b>1,713,344</b>	<b>1,437,118</b>	<b>699,321</b>
<b>Total comprehensive income for the period</b>		<b>2,594,464</b>	<b>1,713,344</b>	<b>1,437,118</b>	<b>699,321</b>
<b>Total comprehensive income is attributable to:</b>					
Non-controlling interests		-	-	-	-
<b>Owners of the Company</b>		<b>2,594,464</b>	<b>1,713,344</b>	<b>1,437,118</b>	<b>699,321</b>
<b>Earnings per share (in full TL)</b>		<b>0.0068</b>	<b>0.0045</b>	<b>0.0039</b>	<b>0.0019</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

	Share capital	Treasury shares (-)	Share premium/ discounts	Other equity reserves	Restricted reserves appropriated from profit	Other Accumulated Comprehensive Income and Expense not to be Reclassified to Profit or Loss	Retained Earnings				Total equity
						Gain/Loss on remeasurement of defined benefit plans	Prior years' profit	Net profit for the period	Equity attributable to the parent	Non-controlling interests	
<b>1 January 2022</b>	<b>3,800,000</b>	<b>(296,231)</b>	<b>2,366,895</b>	<b>-</b>	<b>789,174</b>	<b>(42)</b>	<b>7,754,768</b>	<b>1,332,323</b>	<b>15,746,887</b>	<b>-</b>	<b>15,746,887</b>
Transfers	-	-	-	-	90,754	-	1,241,569	(1,332,323)	-	-	-
Dividend	-	-	-	-	-	-	(375,997)	-	(375,997)	-	(375,997)
Total comprehensive income/(expense)	-	-	-	-	-	-	-	1,437,118	1,437,118	-	1,437,118
<b>30 June 2022</b>	<b>3,800,000</b>	<b>(296,231)</b>	<b>2,366,895</b>	<b>-</b>	<b>879,928</b>	<b>(42)</b>	<b>8,620,340</b>	<b>1,437,118</b>	<b>16,808,008</b>	<b>-</b>	<b>16,808,008</b>
<b>1 January 2023</b>	<b>3,800,000</b>	<b>(296,231)</b>	<b>2,366,895</b>	<b>-</b>	<b>882,670</b>	<b>(42)</b>	<b>8,617,598</b>	<b>2,997,133</b>	<b>18,368,023</b>	<b>-</b>	<b>18,368,023</b>
Transfers	-	-	-	-	101,770	-	2,895,363	(2,997,133)	-	-	-
Dividend (Note 14) (*)	-	-	-	-	-	-	(869,557)	-	(869,557)	-	(869,557)
Increase/(decrease) due to share buy back transactions	-	(423,180)	-	-	-	-	-	-	(423,180)	-	(423,180)
Increase/(decrease) due to share based transactions	-	-	-	70,728	-	-	-	-	70,728	-	70,728
Total comprehensive income/(expense)	-	-	-	-	-	-	-	2,594,464	2,594,464	-	2,594,464
<b>30 June 2023</b>	<b>3,800,000</b>	<b>(719,411)</b>	<b>2,366,895</b>	<b>70,728</b>	<b>984,440</b>	<b>(42)</b>	<b>10,643,404</b>	<b>2,594,464</b>	<b>19,740,478</b>	<b>-</b>	<b>19,740,478</b>

(\*) At the Ordinary General Assembly Meeting held on 31 March 2023, the decision to distribute a cash dividend of TL 869,557 (30 June 2022: 375,997) from the profits of 2022 was approved by majority vote. Since the Group owns its own shares with a nominal value of TL 1 at a rate of 4.26% as of 31 March 2023, the date of the profit distribution decision, the dividend related to the shares owned by the Group is netted off from the amount of dividends to be distributed. The dividend payment was made on 14 April 2023.

(\*\*) As of 30 June 2023, the net effect of buying/selling shows when the matching orders for the repurchased shares during the period.

The accompanying notes form an integral part of these condensed consolidated financial statements.



**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

Notes	Reviewed 1 January- 30 June 2023	Reviewed 1 January- 30 June 2022
<b>Cash flows from operating activities</b>		
Profit for the period	2,594,464	1,437,118
<b>Adjustments related to reconcile of net profit for the period</b>		
Adjustments related to depreciation and amortization expenses	16 29,798	21,315
Adjustments related to tax expense (income)	19 42	(431)
Adjustments related to (reversal of) impairments (net)	339,041	627,593
<i>Adjustments related to (reversal of) impairment of inventories (net)</i>	8, 17 339,041	627,593
Adjustments related to provisions	68,236	100,624
<i>Adjustments related to (reversal of) provisions for employee benefits</i>	56,606	13,846
<i>Adjustments related to (reversal of) provision for lawsuit and/or penalty</i>	11, 17 11,581	85,109
<i>Adjustments related to (reversal of) provisions for possible risks</i>	17 49	1,669
Adjustments for interest (income) and expenses	(688,707)	(38,977)
<i>Adjustments for interest income</i>	17, 18 (1,720,005)	(442,902)
<i>Adjustments for interest expense</i>	17, 18 1,031,298	403,925
Adjustments related to (gain) loss on disposal of property	-	(25,531)
<i>(Gain)/loss on sale of property, plant and equipment</i>	-	(8,567)
Adjustments related to (gain) loss on disposal of investment property	-	(16,964)
<b>Net cash from operations before changes in assets and liabilities</b>	<b>2,342,874</b>	<b>2,121,711</b>
<b>Changes in net working capital:</b>		
Adjustments related to (increase)/decrease in trade receivable	(3,189,503)	(438,277)
<i>Decrease/(increase) in trade receivables from related parties</i>	-	15,261
<i>Decrease/(Increase) in trade receivables from third parties</i>	(3,189,503)	(453,538)
Adjustments related to decrease/(increase) in inventories	649,105	(4,865,037)
Adjustments related to increase/(decrease) in trade payables	(985,160)	2,594,082
<i>Increase/(decrease) in trade payables to related parties</i>	(2,059,097)	2,447,027
<i>Increase/(decrease) in trade payables to third parties</i>	1,073,937	147,055
Adjustments related to decrease/(increase) in other receivables related to operations	(415,838)	(98,398)
Adjustments related to increase/(decrease) in other payables related to operations	9,114,337	3,410,455
Adjustments related to other increase/(decrease) in working capital	(938,918)	(1,797,836)
<b>Net cash flows from operating activities</b>		
Interest received	329,634	23,290
Payments related to provisions for employee benefits	(4,068)	(484)
Income taxes paid	(768,313)	(521,664)
<b>Cash flows from operating activities</b>	<b>6,134,150</b>	<b>427,842</b>
<b>Cash flows from investing activities</b>		
Purchases of investment properties, property, plant and equipment and intangible assets	9, 10 (61,140)	(96,166)
Sale of investment properties, property, plant and equipment and intangible assets	-	36,887
Returns of financial assets	-	500
<b>Cash flows from investing activities</b>	<b>(61,140)</b>	<b>(58,779)</b>
<b>Cash flows from financing activities</b>		
Payments for acquisition of treasury shares	(423,180)	-
Proceeds from Borrowings	3,119,728	3,066,733
<i>Proceeds from Loans</i>	1,100,000	1,814,133
<i>Proceeds from Issue of Debt Instruments</i>	2,019,728	1,252,600
Repayments of borrowings	(2,955,173)	(2,292,103)
<i>Loan Repayments</i>	(1,281,923)	(1,292,103)
<i>Payments of Issued Debt Instruments</i>	(1,673,250)	(1,000,000)
Cash outflow from debt payments for lease contracts	(1,740)	(3,212)
Interest paid	(538,873)	(375,814)
Dividends paid	14 (869,557)	(375,997)
Interest received	875,369	186,387
<b>Cash flow from financing activities</b>	<b>(793,426)</b>	<b>205,994</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,279,584</b>	<b>575,057</b>
Cash and cash equivalents at the beginning of the period	4 5,284,707	3,087,548
<b>Cash and cash equivalents at the end of the period</b>	<b>4 10,564,291</b>	<b>3,662,605</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

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**NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP**

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“Emlak Konut GYO” or the “Group”) was established on 26 December 1990 as a subsidiary of Türkiye Emlak Bankası A.Ş. The Group is governed by its articles of association, and is also subject to the terms of the decree law about Public Finances Enterprises No. 233, in accordance with the statute of Türkiye Emlak Bankası A.Ş. The Group has been registered and started its activities on 6 March 1991. The Group’s articles of association were revised on 19 May 2001 and it became an entity subject to the Turkish Commercial Code No. 4603.

The Company was transformed into a Real Estate Investment Company with Senior Planning Committee Decree No. 99/T-29, dated 4 August 1999, and according to Statutory Decree No. 588, dated 29 December 1999. According to Permission No. 298, dated 20 June 2002, granted by the Capital Markets Board (“CMB”) regarding transformation of the Company into a Real Estate Investment Company and permission No. 5320, dated 25 June 2002, from the Republic of Turkey Ministry of Industry and Trade and amendment draft for the articles of association of the Company was submitted for the approval of the Board and the amendment draft was approved at the Ordinary General Shareholders Committee meeting of the Company convened on 22 July 2002, changing the articles of association accordingly.

The articles of association of the Company were certified by Istanbul Trade Registry Office on 29 July 2002 and entered into force after being published in Trade Registry Gazette dated 1 August 2002. As the result of the General Shareholders committee meeting of the Company convened on 28 February 2006, the title of the Company “Emlak Gayrimenkul Yatırım Ortaklığı A.Ş.” was changed to “Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.”

By the decision of the Board of Directors of Istanbul Stock Exchange Market on 26 November 2010, 25% portion of the Company’s class B shares with a nominal value of TL 625,000 has been trading on the stock exchange since 2 December 2010.

The registered address of the Group is Barbaros Mah. Mor Sümül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 30 June 2023, the number of employees of the Group is 1.119 (31 December 2022 - 987).

The objective and operating activity of the Group is coordinating and executing real estate property projects mostly housing, besides, commercial units, educational units, social facilities, and all related aspects, controlling and building audit services of the ongoing projects, marketing and selling the finished housing. Due to statutory obligation to be in compliance with the Real Estate Investment Companies decrees and related CMB communiqués, The Company cannot be a part of construction business, but only can organize it by auctioning between the contractors.

The consolidated consolidated financial statements at 30 June 2023 have been approved by the Board of Directors on 16 August 2023.

The ultimate parent and ultimate controlling party of the Group is T.C. Toplu Konut İdaresi Başkanlığı (the Housing Development Administration of Turkey, “TOKİ”). TOKİ is a state institution under the control of Republic of Turkey Ministry of Environment and Urbanisation.

Emlak Konut GYO will be referred to as the “Group” with its subsidiaries and interests in joint ventures.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP (fthContinued)**

**Subsidiaries**

Subsidiaries of Emlak Konut GYO operate in Turkey and their main operations are as follows:

<b>Subsidiaries</b>	<b>Main Operations</b>			
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. (“EPP”) Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	Real Estate Investments Production, Sales and Marketing			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Direct and indirect ownership rate (%)</b>	<b>Effective ownership rate (%)</b>	<b>Direct and indirect ownership rate (%)</b>	<b>Effective ownership rate (%)</b>
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.(*)	100	100	100	100
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş. (**)	100	100	100	100

(\*)In parallel with the Company’s growing strategy, Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş. was fully owned by the Company with the decision of Board of Directors dated 9 November 2018 and numbered 62/163.

(\*\*) It is a subsidiary established with the aim of creating a domestic brand with the potential to compete with the important actors of the global market, the main field of activity of which is elevator systems, taking into account the needs of the construction and real estate industry.

**Investments valued by equity method (Affiliates)**

Affiliates of Emlak Konut GYO operate in Turkey and their main operations are as follows:

<b>Investments valued by equity method (Affiliates)</b>	<b>Main Operation</b>			
Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Joint Venture – Emlak Konut GYO A.Ş. (“ İstmarina AVM Ordinary Partnership”) Büyükyalı Tesis Yönetimi A.Ş. Merkez ve Cadde Yönetimi A.Ş.	Mall and Office Management Mall and Office Management Mall and Office Management			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Direct and indirect ownership rate (%)</b>	<b>Effective ownership rate (%)</b>	<b>Direct and indirect ownership rate (%)</b>	<b>Effective ownership rate (%)</b>
Merkez Cadde Yönetim A.Ş.	30	30	-	-
İstmarina AVM Adi Ortaklığı	40	40	40	40
Büyükyalı Tesis Yönetimi A.Ş.	37	37	37	37

# **EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES**

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

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### **NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

#### **2.1. Basis of Presentation**

The accompanying standalone financial statements of the Company have been prepared in accordance with the communiqué numbered II-14,1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) which is published on Official Gazette numbered 28676 dated 13 June 2013 and Turkish Financial Reporting Standards and appendices and interpretations related to them adopted by the Public Oversight Accounting and Auditing Standards Authority (“POA”) have been taken as basis. TFRS is updated through communiqués in order to comply with the changes in the Turkish Financial Reporting Standards (TFRS).

The interim condensed consolidated financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 15 April 2019 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

The Company and its subsidiaries maintain their books of account and prepares their statutory financial statements in accordance with the principals issued by CMB, the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements have been prepared on the basis of historical cost, with the necessary adjustments and classifications reflected in the statutory records in accordance with TFRS.

#### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has the ability to use its power to affect its returns
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements

Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

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**NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS  
(Continued)**

**2.1. Basis of Presentation (continued)**

**Basis of Consolidation (continued)**

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

*Changes in the Group’s ownership interests in existing subsidiaries*

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

*Changes in the Group’s ownership interests in existing subsidiaries (continued)*

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

*Investments in associates and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

# **EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES**

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

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### **NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)**

#### **2.1. Basis of Presentation (continued)**

##### **Basis of Consolidation (continued)**

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with TFRS 5. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Group’s share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate) are not recognized. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Gains and losses arising from transactions between the Group and an associate of the Group are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

##### Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

##### **Preparation of financial statements in hyperinflationary periods**

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” for entities adopting Turkish Financial Reporting Standards (“TFRS”) in 2022 financial reporting periods. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 – Financial Reporting in Hyperinflationary Economies. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements dated 30 June 2023 in accordance with TAS 29.

##### **Functional and Presentation Currency**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of the Group is TL and the reporting currency is thousand TL.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
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**NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS  
(Continued)**

**2.1. Basis of Presentation (continued)**

**Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**2.2. Changes in accounting policies, accounting estimates and errors**

Significant changes in accounting policies and significant accounting errors are applied retrospectively and the financial statements of the previous periods are restated if the financial position, performance or cash flow effects of transactions and events are presented in a more appropriate and reliable manner.

**2.3. Conformity with the Portfolio Limitations**

The information presented in Additional Note of this report, regarding control of conformity with the portfolio limitations, is a summary information extracted from financial statements in accordance with Article 16 of Communiqué No: II-14.1, “Principles of Financial Reporting in Capital Markets” and is prepared in accordance with the provisions of the control of portfolio limitations of Communiqué No: III-48.1, “Principles Regarding Real Estate Investment Companies”.

**NOTE 3 – ACCOUNTING POLICIES**

Interim condensed consolidated financial statements as of 30 June 2023 have been prepared by applying accounting policies that are consistent with the accounting policies applied in the preparation of the financial statements for the period ended 30 June 2023. Therefore, interim condensed financial statements should be read together with the end-of-year financial statements in order to create coherence.

**3.1 New and Revised Turkish Financial Reporting Standards**

a) Standards, amendments, and interpretations applicable as of 30 June 2023:

**Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

**Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
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**NOTE 3 – ACCOUNTING POLICIES (Continued)**

**3.1 New and Revised Turkish Financial Reporting Standards (Continued)**

**IFRS 17, “Insurance Contracts”**; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**Amendment to IAS 12 - International tax reform - pillar two model rules**; The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2023:

**Amendment to IAS 1 – Non current liabilities with covenants**; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

**Amendment to IFRS 16 – Leases on sale and leaseback**; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

**Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements**; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

**IFRS S1, ‘General requirements for disclosure of sustainability-related financial information**; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.

**IFRS S2, ‘Climate-related disclosures’**; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.



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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 4 – CASH AND CASH EQUIVALENTS**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash on hand	130	8
Banks	12,152,568	5,881,812
- <i>Demand deposit</i>	55,546	19,158
- <i>Time deposits with maturities less than 3 months</i>	12,097,022	5,862,654
Other cash and cash equivalents	298,111	225,789
	<b>12,450,809</b>	<b>6,107,609</b>

Average effective annual interest rates on time deposits in TL on the balance sheet date:

	<b>30 June 2023</b>	<b>31 December 2022</b>
	(%)	(%)
	33,65	18,16

The calculation of cash and cash equivalents of the Group for the use in statements of cash flows is as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash and cash equivalents	12,450,809	6,107,609
Less: Interest accruals on deposits	(162,022)	(22,765)
Less: LSRSA project deposits (*)	(1,744,663)	(805,745)
Add: the effect of provisions released under TFRS 9	20,167	5,608
	<b>10,564,291</b>	<b>5,284,707</b>

(\*) The contractors’ portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. There is no blocked deposit (31 December 2022: None) for the project accounts amounting to TL 1,774,663 (31 December 2022: TL 805,745).

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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 5 – FINANCIAL LIABILITIES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Short-term financial liabilities</b>		
Issued debt instruments (*)	887,133	594,188
Short-term bank loans	910,756	706,075
Short-term portion of long-term borrowings	2,197,595	1,810,322
Lease obligation	14,265	3,823
	<b>4,009,749</b>	<b>3,114,408</b>

(\*) The Company made 2 different lease certificate issuance transactions; on 5 April 2023, TL 360,000 with a maturity date of 6 July 2023 and 23% profit share; on 16 June 2023, TL 500,000 with a maturity date of 22 August 2023 and a profit share of 36%.

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Long-term financial liabilities</b>		
Long-term borrowings	2,339,440	3,076,021
Lease obligation	32,060	27,629
	<b>2,371,500</b>	<b>3,103,650</b>

Borrowings used as of 30 June 2023 are denominated in TL and the weighted average interest rate is 17.51% (31 December 2022: 15.39%)

The redemption schedules of the borrowings as of 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
2024	1,076,111	1,870,879
2025	1,263,329	1,205,142
	<b>2,339,440</b>	<b>3,076,021</b>

The maturity distributions of the remaining time of borrowings to repricing are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Less than 3 months	1,541,630	694,818
Between 3 - 12 months	1,566,721	1,821,579
Between 1 - 5 years	2,339,440	3,076,021
	<b>5,447,791</b>	<b>5,592,418</b>

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**NOTE 6 – TRADE RECEIVABLES AND PAYABLES**

<b>Short-term trade receivables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Receivables from contractors of the lands invoiced under LSRSA	1,047,392	945,063
Receivables from sale of residential and commercial units	2,142,845	1,876,417
Receivables from land sales	953,974	534,878
Receivables from lessees	61,925	50,984
Notes of receivables	1,857	962
Other	10,517	9,918
<b>Unearned finance income</b>	<b>(323,200)</b>	<b>(149,840)</b>
	<b>3,895,310</b>	<b>3,268,382</b>
Doubtful receivables	5,599	3,835
Less: Provision for doubtful receivables	(5,599)	(3,835)
	<b>3,895,310</b>	<b>3,268,382</b>
	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Long-term trade receivables</b>		
Receivables from sale of residential and commercial units	4,219,198	3,902,853
Receivables from land sales	1,973,547	586,454
Unearned finance income	(965,660)	(759,120)
	<b>5,227,085</b>	<b>3,730,187</b>
	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Short-term trade payables</b>		
Payables to LSRSA contractors invoiced	1,305,942	435,100
Trade payables	836,583	677,102
Interest accruals on time deposits of contractors (*)	140,003	69,702
Payables to related parties (Note 20)	-	1,774,954
	<b>2,282,528</b>	<b>2,956,858</b>

(\*) The contractors’ portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. The Group tracks the contractor's share of the interest obtained from the advances accumulated in these accounts in short-term payables.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
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**NOTE 7 – OTHER RECEIVABLES AND PAYABLES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Short-term other receivables</b>		
Advances given to contractor firms	838,963	505,962
Receivables from the authorities	31,843	29,536
Other	112,685	42,202
	<b>983,491</b>	<b>577,700</b>
	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Long-term other receivables</b>		
Other receivables from third parties	21,558	20,636
Deposits and guarantees given	1,014	1,014
	<b>22,572</b>	<b>21,650</b>
	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Short-term other payables</b>		
Other payables to related parties (Note 20)	595	593
Taxes and funds payable	547,029	327,272
Payables to contractors (*)	88,752	88,752
Other	96,853	99,552
	<b>733,229</b>	<b>516,169</b>

(\*) The amount includes the unissued invoice by the contractor amount of TL 88,752 regarding to the units received as a result of revenue allocation at İzmir Mavisehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2022: TL 88,752).

As of 30 June 2023, long-term other payables are TL 138,617 and consist of deposits and guarantees received (31 December 2022: TL 117,382).

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 8 – INVENTORIES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Lands	8,902,579	11,014,960
<i>Cost</i>	8,905,499	11,016,990
<i>Impairment</i>	(2,920)	(2,030)
Planned land by LSRSA	7,027,380	6,270,226
Planned land by turnkey project	9,589,419	8,092,958
<i>Planned land by turnkey project</i>	11,256,433	9,423,880
<i>Impairment (*)</i>	(1,667,014)	(1,330,922)
Residential and commercial units ready for sale	2,871,163	3,530,887
<i>Cost</i>	2,873,222	3,530,887
<i>Impairment</i>	(2,059)	-
Inventories of Emlak Konut Asansör	165,492	46,319
	<b>28,556,033</b>	<b>28,955,350</b>

As of 30 June 2023, 31 December 2022 dated valuation reports prepared by Atak Gayrimenkul Değerleme A.Ş., Reel Gayrimenkul Değerleme A.Ş., GEDAŞ Gayrimenkul Değerleme A.Ş. and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. have taken into consideration in the valuation of assets classified as “Inventories” and in the calculation on impairment, if any.

The movements of impairment on inventories are as follows:

	<b>2023</b>	<b>2022</b>
<b>Opening balance at 1 January</b>	<b>1,332,952</b>	<b>295,170</b>
Impairment on inventories within the current period (Note 17)	363,061	658,498
Reversal of impairment on inventories within the current period (Note 17)	(24,020)	(30,905)
<b>Closing balance at 30 June</b>	<b>1,671,993</b>	<b>922,763</b>

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 8 – INVENTORIES (Continued)**

As of 30 June 2023 and 31 December 2022 the details of land and residential inventories of the Group are as follows:

<b>Lands</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Istanbul Esenler Lands	2,400,885	2,400,885
Muğla Bodrum Lands	2,186,272	2,709,607
Istanbul Küçükçekmece Lands	998,973	1,192,509
Istanbul Başakşehir Lands	887,972	838,067
Istanbul Avcılar Lands	826,668	826,641
Istanbul Sarıyer Lands	608,731	608,709
Izmir Urla Lands	201,394	201,394
Istanbul Çekmeköy Lands	161,327	535,963
İzmir Aliağa Lands	116,067	-
Istanbul Resneli Lands	106,986	109,231
Muğla Milas Lands	79,476	79,281
Izmir Seferihisar Lands	79,473	79,473
Istanbul Arnavutköy Lands	74,831	171,408
Istanbul Esenyurt Lands	29,314	29,314
Istanbul Kartal Lands	28,174	28,174
Istanbul Tuzla Lands	26,732	26,732
Denizli Merkez Efendi Lands	16,191	56,081
Kocaeli Lands	14,684	32,074
Balıkesir Lands	13,073	13,633
Izmir Konak Umurbey Lands	13,051	13,051
Istanbul Eyüp Lands	9,657	169,445
Tekirdağ Çorlu Lands	6,153	6,153
Sakarya Sapanca Lands	5,905	5,345
Yalova Lands	3,985	3,985
Ankara Çankaya Lands	3,758	51,295
Izmir Dikili Lands	1,810	10,986
Istanbul Ataşehir Lands	417	417
Izmir Çeşme Lands	-	439,076
Istanbul Şişli Arsaları	-	350,000
Antalya Aksu Lands	-	25,411
Other	620	620
	<b>8,902,579</b>	<b>11,014,960</b>

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**NOTE 8 – INVENTORIES (Continued)**

<b>Planned lands by LSRSA</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Nişantaşı Koru Project	651,534	645,636
Nidapark İstinye Project	567,635	567,635
Istanbul Kayabaşı 9. Etap Project	448,553	-
Yeni Levent Project	435,993	436,264
Istanbul Tuzla Merkez Project	400,150	400,150
Çekmeköy Çınarköy Project	374,635	-
Bizim Mahalle 2. Etap 1. Kısım Project	348,476	348,476
Nidapark Küçükyalı Project	335,506	335,556
Batıyakası 2. Etap Project	324,320	324,320
Merkez Ankara Project	321,584	321,698
Umraniye İnkılap Project	306,023	306,023
Next Level Istanbul Project	262,395	262,395
Bodrum Türkbükü Project	250,000	-
Batıyakası 1. Etap Project	212,516	210,245
Meydan Başakşehir Project	204,381	203,623
Istanbul Kayabaşı 8. Etap Project	203,550	202,853
Bizim Mahalle 2. Etap 1. Kısım Project	203,064	203,064
Istanbul Eyüpsultan Kemerburgaz Project	159,788	-
Avcılar Firüzköy 1. Etap 2. Kısım Project	158,514	158,514
Avcılar Firüzköy 2. Etap Project	156,103	156,103
Avcılar Firüzköy 1. Etap 1. Kısım Project	146,832	145,854
Antalya Aksu Project	134,705	134,705
Ankara Çayyolu 2. Etap Project	84,723	84,723
Düşler Vadisi Project	71,875	138,130
Barbaros 48 Project	68,414	68,419
İstanbul Ataşehir Küçükbakkalköy Project	62,762	62,582
Nezihpark Project	50,649	50,177
Köy 4. Etap Project	49,554	49,554
Cer Istanbul Project	14,787	14,648
Allsancak Project	12,283	7,545
Idealist Cadde Project	6,011	6,019
Evora Izmir Project	65	64
Avrasya Konutları Project	-	142,238
Nidapark Kayaşehir Project	-	35,761
Ebruli Ispartakule Project	-	28,161
Ormanköy Project	-	219,091
	<b>7,027,380</b>	<b>6,270,226</b>

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**NOTE 8 – INVENTORIES (Continued)**

<b>Residential and commercial units completed</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Merkez Ankara Project	1,262,879	1,259,542
Maslak 1453 Project	334,601	334,601
Komşu Finans Project	303,169	-
Kuzey Yakası Project	287,789	287,789
Denizli Merkez Efendi İkmal İşİ Project	169,855	18,222
Bizim Mahalle 1. Etap 1. Kısım Project	145,796	1,264,652
Sarphan Finanspark Project	76,674	108,696
Bizim Mahalle 1. Etap 2. Kısım Projesi	75,925	-
Emlak Konut Florya Evleri	42,527	-
Karat 34 Project	34,543	34,543
Semt Bahçekent 1. Etap 1. Kısım Project	27,067	27,067
Köy Project	23,661	42,603
Temaşehir Project	20,593	20,592
Avangart İstanbul Project	15,381	15,381
Avrupark Hayat Project	13,919	13,919
Yalova Armutlu Project	7,845	7,845
Nidapark İstinye Project	7,164	40,156
Semt Bahçekent 1. Etap 1. Kısım Project	5,411	5,411
Evora Denizli Project	5,110	7,194
Kocaeli Körfezkent Emlak Konutları	4,778	10,670
Metropol İstanbul Project	3,448	3,448
Büyükyalı Project	1,437	14,656
Göl Panorama Project	674	676
Başakşehir Ayazma Emlak Konutları	490	490
Nidapark Kayaşehir Project	427	-
Validebağ Konakları Project	-	2,594
Koordinat Çayyolu Project	-	7,604
Yeniköy Konakları İstanbul Project	-	2,536
	<b>2,871,163</b>	<b>3,530,887</b>



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**NOTE 8 – INVENTORIES (Continued)**

<b>Planned lands by turnkey project</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Çekmeköy Çınarköy Project	4,834,926	2,734,646
Ankara Saraçoğlu Project	1,127,820	615,141
Köy Project	926,622	679,019
Bizim Mahalle Project	824,774	1,251,522
Emlak Konut Vadi Evleri Project	549,366	372,564
Istanbul Avcılar Firuzköy Project	483,497	326,642
Balıkesir Altıeylül Project	336,425	176,466
Merkez Ankara Projesi O Blok Yapım İşİ Project	256,380	70,754
Arnavutköy Yenişehir Project	174,175	-
Kayabaşı Emlak Konutları Project	46,707	46,706
Denizli Merkez Efendi İkmal İşİ Project	-	346,587
Ümraniye Kentsel Dönüşüm Project	-	281,526
Emlak Konut Florya Evleri Project	-	1,165,221
Other	28,727	26,164
	<b>9,589,419</b>	<b>8,092,958</b>

**NOTE 9 – INVESTMENT PROPERTIES**

Rent income is obtained in investment properties and the appraisal used in calculation of low value is made through a precedent comparison and income reduction. As of 30 June 2023, the Group evaluated that there is no situation that would lead to low value in investment properties.

The movements of investment properties as of 30 June 2023 and 2022 are as follows:

	<b>Lands, residential and commercial</b>	<b>Atasehir general management building A block</b>	<b>Total</b>
<b>Cost Value</b>			
Opening balance as of 1 January 2023	769,162	40,922	810,084
Transfers to commercial units and land inventories	(315,686)	-	(315,686)
Transfers from residential and commercial unit inventories	21,505	-	21,505
Closing balance as of 30 June 2023	<u>474,981</u>	<u>40,922</u>	<u>515,903</u>
<b>Accumulated Depreciation</b>			
Opening balance as of 1 January 2023	59,685	7,716	67,401
Charge for the year	6,404	511	6,915
Closing balance as of 30 June 2023	<u>66,089</u>	<u>8,227</u>	<u>74,316</u>
Carrying value as of 30 June 2023	<b><u>408,892</u></b>	<b><u>32,695</u></b>	<b><u>441,587</u></b>

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**NOTE 9 – INVESTMENT PROPERTIES (Continued)**

	<b>Lands, residential and commercial units</b>	<b>Atasehir general management building A block</b>	<b>Total</b>
<b>Cost Value</b>			
Opening balance as of 1 January 2022	857,787	40,922	898,709
Transfers from commercial units and land inventories	(80,015)	-	(80,015)
Transfers to residential and commercial unit inventories	21,044	-	21,044
Disposal (-)	(4,669)	-	(4,669)
Closing balance as of 30 June 2022	<u>794,147</u>	<u>40,922</u>	<u>835,069</u>
<b>Accumulated Depreciation</b>			
Opening balance as of 1 January 2022	48,340	6,694	55,034
Charge for the year	7,222	1,022	8,244
Disposals	(1,905)	-	(1,905)
Closing balance as of 30 June 2022	<u>53,657</u>	<u>7,716</u>	<u>61,373</u>
Carrying value as of 30 June 2022	<u><b>740,490</b></u>	<u><b>33,206</b></u>	<u><b>773,696</b></u>

31 December 2022 dated faReports prepared by Atak Gayrimenkul Değerleme A.Ş. ve Reel Gayrimenkul Değerleme A.Ş., valuation firms authorized by CMB, have been taken into consideration when determining the fair values of investment properties as of 30 June 2023. The fair values of the investment property determined by independent valuation experts are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Atasehir General Management Office A Block	1,101,695	1,101,695
Independent commercial units of Büyükyalı AVM	717,418	717,418
Independent commercial units of Istmarina AVM	680,000	680,000
Lands and completed units	544,730	1,430,628
	<u><b>3,043,843</b></u>	<u><b>3,929,741</b></u>

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**NOTE 10 – PROPERTY, PLANT AND EQUIPMENT**

30 June 2023	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net carrying value as of 1 January 2023	118,154	-	41,987	36,644	23,144	65,933	285,862
Additions	4,554	13,146	16,246	9,032	1,754	-	44,732
Transfers from constructions in progress, (net)	-	-	(1,338)	-	-	1,338	-
Disposal, (net) (-)	-	-	-	-	(720)	-	(720)
Transfers from investment property (net)	53,186	-	-	-	-	-	53,186
Depreciation expense(-)	(2,973)	(198)	(3,290)	(4,915)	(1,515)	-	(12,891)
<b>Net carrying value 30 June 2023</b>	<b>172,921</b>	<b>12,948</b>	<b>53,605</b>	<b>40,761</b>	<b>22,663</b>	<b>67,271</b>	<b>370,169</b>
Cost	196,859	17,915	65,800	77,842	26,058	67,271	451,745
Accumulated depreciation (-)	(23,938)	(4,967)	(12,195)	(37,081)	(3,395)	-	(81,576)
<b>Net carrying value 30 June 2023</b>	<b>172,921</b>	<b>12,948</b>	<b>53,605</b>	<b>40,761</b>	<b>22,663</b>	<b>67,271</b>	<b>370,169</b>

30 June 2022	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net carrying value as of 1 January 2022	104,120	882	-	18,442	-	29,169	152,613
Additions	-	-	5,267	4,316	-	77,973	87,556
Transfers from completed units	-	-	38,788	2,733	-	(41,521)	-
Disposal, (net) (-)	(6,687)	-	-	-	-	-	(6,687)
Transfers from investment property (net)	29,054	-	-	-	-	-	29,054
Depreciation expense(-)	(3,352)	(646)	(4,639)	(1,532)	-	-	(10,169)
<b>Net carrying value 30 June 2022</b>	<b>123,135</b>	<b>236</b>	<b>39,416</b>	<b>23,959</b>	<b>-</b>	<b>65,621</b>	<b>252,367</b>
Cost	141,850	4,355	44,055	51,242	-	65,621	307,123
Accumulated depreciation (-)	(18,715)	(4,119)	(4,639)	(27,283)	-	-	(54,756)
<b>Net carrying value 30 June 2022</b>	<b>123,135</b>	<b>236</b>	<b>39,416</b>	<b>23,959</b>	<b>-</b>	<b>65,621</b>	<b>252,367</b>

All of the depreciation expenses are included in the general administrative expenses.

The expected useful lives for property, plant and equipment are as follows:

	Years
Buildings	50
Motor vehicles	5
Furniture, equipment and fixtures	4-5
Machinery and equipment	5

**NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

	30 June 2023	31 December 2022
<b>Provisions</b>		
Provision for lawsuits	258,921	247,340
	<b>258,921</b>	<b>247,340</b>

According to the opinions of the Group’s lawyers, provisions amounting to TL 258,921 have been made as of 30 June 2023 (31 December 2022: TL 247,340). As of 30 June 2023 there are 3 cases of defect, 10 cases of loss of rent, 7 cases of cancellation of title deeds and registration, 3 cases of business and 36 other cases.

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**NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

The movements of provision for lawsuits as of 30 June 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
<b>Balance at 1 January</b>	<b>247,340</b>	<b>156,150</b>
Provision added within the current period (Note 17)	11,581	85,109
<b>Closing balance at 31 December</b>	<b>258,921</b>	<b>241,259</b>

**11.1 Continuing Lawsuits and Provisions**

**11.1.1** The LSRSA Project Agreement dated 21 December 2005 regarding 750 units in İzmir Mavisehir Upper North Area 2. Phase was abolished on 21 December 2009 since the contractor did not meet the requirements of the provisions in the agreement. Following the cancellation of the agreement, the project was transferred to the Group and the remaining part of the project was completed by another construction company which was assigned in accordance with Public Tender Law. The related units have been completed and are sold by the Group as in Turnkey projects.

The contractor filed a lawsuit against the Group claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. İzmir Karsiyaka Commercial Court of First Instance issued an expert report and determine that the level of work was at around 83%, and that the legal relationship of the parties were not related to construction right in return of the flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. As a result of the examination of the additional report at the hearing on 11 June 2014, the second expert committee was examined however, since the expert report was not received, the date of the case was not finalized. In addition, the file was transferred to the delegation, as the Commercial Courts turned into Delegation Judges.

In the expert report dated 19 January 2016, it has been determined that the related cancellation is unfair, and alternative calculations has been realized over the possibility of whether the cancellation is right and over the effects on forward and backward. The expert report has been contested and it has been requested from the court that the expert report is declared “null and void” and that to receive a report that contains the objections of parties by creating a new comitee. The Group filed an extra lawsuit of TL 34,100 on 7 July 2011, requesting the collection, without prejudice to surplus rights.

According to the various expert reports submitted to the file, the complainant increased the lawsuit cost to TL 65,596 with the claim that the lawsuit was terminated unfairly by Emlak Konut during the prosecution process of the compensation lawsuit filed by the contractor for the detection of invalidity of termination on condition that the surplus rights are reserved. As of 30 June 2023, a provision has been made in the amount of TL 139,770 including interest and litigation costs.

**11.1.2** The lawsuit filed by the contractor firm is action of debt, deed cancellation and registration case. The decision of the contractor's contract was terminated unfairly, passing through degrees. Lawsuits filed by the company and amounting to TL 2,071 have been partially accepted and the decision was appealed by the parties, the trial is ongoing at the Istanbul 16th Commercial Court of First Instance. As of 30 June 2023, a provision has been made in the amount of TL 8,077, including interest and litigation costs.

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**NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**11.1 Continuing Lawsuits and Provisions (Continued)**

**11.1.3** Within the scope of Revenue Sharing in Return for Riva Land Sale Tender for immovables parcel numbered 3201, 3202, 3203 located in Istanbul Province, Beykoz/Riva District as per the Article 14 of Bidding Specification of the aforementioned tender, bid bonds have been submitted to the client company by the Joint Venture, in the second session of the tender held on 15 June 2017, it was decided to leave the tender under the responsibility of the Joint Venture, which gave the most economically advantageous bid however, companies that have applied to the client company and invited for signature were requested to revise the terms and criteria of the tender, with the justification that the Planned Areas Type Zoning Regulation by the Ministry of Environment and Urbanization published on Official Gazette No. 30113 dated 3 July 2017 contains regulations that cause a significant reduction in the construction area subject to the tender, with the entry into force of the provisions of the said Regulation, the revision requests of the plaintiff companies were rejected on the grounds that there would be no change in the construction field based on the precedent and the Company gave a deadline until 15 August 2017 for the signing of the contract, as the client company did not come to sign the contract at the end of the period, the bid bonds submitted by the plaintiff companies within the scope of the Revenue Sharing in Return for Riva Land Sale Tender were registered as revenue and the tender was awarded to the non-litigated contractor who submitted the second most appropriate bid for the subject matter and there are pecuniary and non-pecuniary damages lawsuits filed on the grounds that the claimant's revision requests regarding the conditions and criteria of the aforementioned tender were rejected and that the recognition of the letters of guarantee as revenue was unfair. As of 30 June 2023, a provision has been made in the amount of TL 12,145, including interest and litigation costs.

**11.1.4** This is a lawsuit filed by Şekerbank T.A.Ş. who has been assigned a receivable of TL 46,000, which has arisen and will arise from the Istanbul Ümraniye 1st Stage Revenue Sharing Work contractor Yeni Sarp-Özarak Ordinary Partnership's Emlak Konut GYO A.Ş. alleging that TL 34,135 of the assignment receivable remaining from the assignment has not been unfairly paid to him. At the same time with this lawsuit, the plaintiff requested to place a mortgage equal to the amount of the lawsuit to some of the immovables within the scope of the project in order to constitute the guarantee of the receivable subject to the lawsuit. On 15 October 2020, the court decided to reject the case. The plaintiff requested an appeal and the appeal court overturned the decision. As of 30 June 2023, a provision has been made in the amount of TL 70,197 including interest and litigation costs.

**11.2 Contingent Liabilities of the Group**

In the financial statements prepared as of 30 June 2023, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Group Management and its lawyers, no provision has been made in the financial statements prepared as of 30 June 2023 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Group in order to fulfill its obligation.

**11.2.1** Concerning the İzmir Mavisehir Upper North Area Phase 2 LSRSA project, a lawsuit was filed based on the assignments given by the contractor in favor of the complainant. The case is proceeding. According to the opinion of the Group lawyer, no liability is expected to arise as a result of the related lawsuit.

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**NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**11.2 Contingent Liabilities of the Group (Continued)**

**11.2.2** In case it is not possible to register on behalf of the plaintiff with the reversal of the responsibility of TOKİ ¼ share (65,122.35 m2) of the parcel with an area of 260,489.41 m2 in Istanbul province, Tuzla district, Orhanlı Mah. 120 Island 1, which is still registered to TOKİ, and in case the immovable share value of TL 117,220 is not possible from the date of transfer for now, the lawsuit (total amount including interest TL 140,775) filed against our Company by the plaintiff of 2021/740 E. Anadolu Yakası Ticaret Lojistik ve Yapı A.Ş. of Istanbul Anadolu 1st Commercial Court of First Instance, is seen in the file numbered 2021/740 of the Istanbul Anadolu 1st Commercial Court of First Instance and has a hearing on 08.11.2023.

**11.3 Contingent Assets of the Group**

**11.3.1** As of 30 June 2023 and 31 December 2022, breakdown of nominal commercial receivables from residential and commercial unit sales by maturities and based on the residential and commercial units that are under construction or completed but not yet delivered within the scope of the sales promise contract that is not yet included in the balance sheet as it does not meet the TFRS 15 criteria, expected collection times of nominal installments that are not due or collected by maturities are as follows:

<b>30 June 2023</b>	<b>Trade Receivables</b>	<b>Off-balance sheet deferred revenue</b>	<b>Total</b>
1 year	3,190,237	7,207,509	10,397,746
2 year	2,343,025	4,704,663	7,047,688
3 year	1,815,459	2,426,684	4,242,143
4 year	547,525	981,915	1,529,440
5 year and above	1,486,736	581,656	2,068,392
	<b>9,382,982</b>	<b>15,902,427</b>	<b>25,285,409</b>

<b>31 December 2022</b>	<b>Trade Receivables</b>	<b>Off-balance sheet deferred revenue</b>	<b>Total</b>
1 year	2,411,295	5,986,070	8,397,365
2 year	1,405,578	3,666,731	5,072,309
3 year	964,431	1,640,467	2,604,898
4 year	653,450	685,734	1,339,184
5 year and above	1,465,848	238,686	1,704,534
	<b>6,900,602</b>	<b>12,217,688</b>	<b>19,118,290</b>

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**NOTE 12 – OTHER ASSETS AND LIABILITIES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Other current assets</b>		
Deferred VAT	1,102,247	735,509
Progress payments to contractors	263,880	68,313
Income accruals	52,161	8,154
Receivables from tax office	41,508	33,293
Prepaid income tax	3,796	4,178
Other	3,857	2,778
	<b>1,467,449</b>	<b>852,225</b>

**NOTE 13 – DEFERRED INCOME AND PREPAID EXPENSES**

<b>Short-term deferred income</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Advances taken from turnkey project sales	11,000,223	8,732,212
Advances taken from LSRSA contractors (**)	6,843,959	4,658,983
Deferred income from LSRSA projects (*)	5,890,916	3,696,732
Advances received from related parties (Note 20)	2,408,775	1,004,342
Deferred income related to sales of independent units	373,568	331,401
	<b>26,517,441</b>	<b>18,423,670</b>

(\*) The balance is comprised of deferred income of future land sales regarding the related residential unit’s sales under LSRSA projects.

(\*\*) Before the contract is signed with the contractor companies in the ASKGP projects, the company collects the first payment of the total income corresponding to the share of the company from the total sales income in advance at the determined rates.

<b>Long-term deferred income</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Other advances given	4,738	4,738
	<b>4,738</b>	<b>4,738</b>

<b>Prepaid expenses</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Advances given for inventory (*)	2,648,336	904,677
Prepaid expenses	65,070	28,053
Advances given (**)	12,219	8,743
Prepaid expenses to related parties (Note 20)	-	1,433,207
	<b>2,725,625</b>	<b>2,374,680</b>

(\*) A protocol has been signed between the Group and the Tariş Cooperatives Union to develop revenue sharing project on a total of 143,366-m2 land, which belongs to the Tariş Cooperatives Union, located within the borders of Kuruçay/Umurbey, Konak district of İzmir and an inventory advance amounting to TL 289,459 (31 December 2022: TL 289,459) has been made. The Group has also provided an inventory advance amounting to TL 784,056 (31 December 2022: TL 391,337) to the contractors for the residential and commercial units which it will acquire based on preliminary sales contract from ongoing Nidapark Küçükalyalı and Nidapark Büyükalyalı projects.

(\*\*) Order advances given as of 30 June 2023 consist of order advances of Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.

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**NOTE 14 – SHAREHOLDERS’ EQUITY**

The Group’s authorized capital amount is TL 3,800,000 (31 December 2022: TL 3,800,000) and consists of 380,000,000,000 (31 December 2022: 380,000,000,000) authorized number of shares with a nominal value of TL 0.01 each.

The Group’s shareholders and their shareholding percentages as of 30 June 2023 and 31 December 2022 is as follows:

Shareholders	30 June 2023		31 December 2022	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,119	50.66	1,925,119
T.C. Toplu Konut İdaresi Başkanlığı	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	48	0.00	48
Other	0.00	2	0.00	2
<b>Total paid-in capital</b>	<b>100</b>	<b>3,800,000</b>	<b>100</b>	<b>3,800,000</b>

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve balance reaches 20% of the Group’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with the Communiqué Serial: II, No: 14,1 which became effective as of 13 June 2013 and according to the CMB's announcements clarifying the said Communiqué, “Share Capital”, “Restricted Reserves Appropriated from Profit” and “Share Premiums” need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of “Paid-in Capital” and not yet been transferred to capital should be classified under the “Inflation Adjustment to Share Capital”;
- If the difference is arising from valuation of “Restricted Reserves Appropriated from Profit” and “Share Premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained Earnings”. Other equity items should be revaluated in accordance with the CMB standards.

As of June 30, 2023, the General Assembly decided to distribute a dividend of TL 908,200 TL 38,643 of this dividend is related to repurchased shares and is netted under equity.

There is no any use of the adjustment to share capital except adding it to the share capital.



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**NOTE 15 – REVENUE AND COST OF SALES**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Sales income</b>				
Land sales	6,169,800	3,971,145	2,765,590	1,501,044
<i>Sales of planned lands by way of     LSRSA</i>	<i>1,244,985</i>	<i>789,849</i>	<i>2,025,930</i>	<i>1,364,033</i>
<i>Land sales income</i>	<i>4,924,815</i>	<i>3,181,296</i>	<i>739,660</i>	<i>137,011</i>
Residential and commercial units sales	3,592,562	2,003,468	1,751,095	847,169
Consultancy income	445,120	214,880	166,115	121,952.00
Elevator sales	32,903	32,903	-	-
Rent income	45,679	24,268	49,806	29,944
	<b>10,286,064</b>	<b>6,246,664</b>	<b>4,732,606</b>	<b>2,500,109</b>
Sales returns	(5,837)	(3,730)	(5,667)	(4,032)
Sales discounts	(14)	240	(279)	-
<b>Net sales income</b>	<b>10,280,213</b>	<b>6,243,174</b>	<b>4,726,660</b>	<b>2,496,077</b>
<b>Cost of sales</b>				
Cost of lands	(2,076,976)	(1,409,054)	(810,487)	(469,198)
<i>Cost of lands planned by way of     LSRSA</i>	<i>(458,238)</i>	<i>(208,711)</i>	<i>(602,839)</i>	<i>(429,317)</i>
<i>Cost of lands sold</i>	<i>(1,618,738)</i>	<i>(1,200,343)</i>	<i>(207,648)</i>	<i>(39,881)</i>
Cost of residential and commercial units sold	(4,484,987)	(3,185,783)	(1,465,635)	(592,181)
	<b>(6,561,963)</b>	<b>(4,594,837)</b>	<b>(2,276,122)</b>	<b>(1,061,379)</b>
<b>Gross Profit</b>	<b>3,718,250</b>	<b>1,648,337</b>	<b>2,450,538</b>	<b>1,434,698</b>

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**NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>General administrative expenses</b>				
Donations (*)	(715,276)	(15,276)	(4,750)	(4,750)
Personnel expenses	(293,010)	(167,747)	(133,191)	(77,143)
Taxes, duties and fees	(153,959)	(59,329)	(68,326)	(61,594)
Security and cleaning expenses	(46,622)	(27,341)	(30,560)	(19,518)
Depreciation and amortization	(29,798)	(20,231)	(13,071)	(10,890)
Consultancy expenses	(51,359)	(3,778)	(64,488)	(38,564)
Dues and contribution expenses	(11,380)	(5,443)	(7,697)	(4,819)
Information technologies expenses	(10,918)	(3,201)	(3,222)	(1,669)
Travel expenses	(8,614)	(4,254)	(9,589)	(5,099)
Maintenance and repair expenses	(7,541)	(3,425)	(7,022)	(3,116)
Lawsuit and notary expenses	(2,273)	(793)	(2,701)	(1,762)
Communication expenses	(1,438)	(674)	(1,271)	(1,048)
Insurance expenses	(145)	(145)	(2,680)	(2,656)
Other	(34,450)	(15,004)	(26,365)	(14,198)
	<b>(1,366,783)</b>	<b>(326,641)</b>	<b>(374,933)</b>	<b>(246,826)</b>

(\*) Decision of the Board of Directors dated February 15, 2023, it has been decided to donate 1,000,000 TL in cash and in kind to the aid campaign launched due to the earthquakes, the epicenter of which was Kahramanmaraş and affecting eleven provinces. 700.000 TL of the determined aid amount was realized as of the end of the interim period.

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Marketing and sales expenses</b>				
Advertising expenses	(143,903)	(108,038)	(43,375)	(22,846)
Personnel expenses	(30,595)	(19,432)	(13,776)	(8,969)
Consultancy expenses	(7,825)	(4,152)	(5,100)	(2,713)
Other	(22,405)	(15,263)	(1,582)	(1,158)
	<b>(204,728)</b>	<b>(146,885)</b>	<b>(63,833)</b>	<b>(35,686)</b>

**NOTE 17 – OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Other income from operating activities</b>				
Financial income from forward sales	417,629	347,125	199,512	151,881
Default interest income from projects	329,634	303,077	23,290	10,231
Income from transfer commissions	87,892	25,235	48,402	33,736
Impairment provisions released	24,020	21,237	30,905	9,939
Income from tender contract sales	1,017	390	1,953	1,814
Reversal of unaccrued financial income, net	-	-	24,849	24,849
Other	127,344	119,925	16,361	12,817
	<b>987,536</b>	<b>816,989</b>	<b>345,272</b>	<b>245,267</b>

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**NOTE 17 – OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES (Continued)**

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
<b>Other expenses from operating activities</b>				
Reversal of unaccrued financial expense, net	(383,848)	(383,848)	-	-
Provision for impairment of land and residential inventories (Note 8)	(363,061)	(113,146)	(658,498)	(555,827)
Provision for lawsuits (Note 11)	(11,581)	(5,415)	(85,109)	(9,226)
Investment properties				
amortisation expenses (Note 9)	-	-	(8,244)	(4,245)
Provisions for possible risks	(49)	-	(1,669)	(1,359)
Other	(18,877)	(12,512)	(12,607)	8,122
	<b>(777,416)</b>	<b>(514,921)</b>	<b>(766,127)</b>	<b>(562,535)</b>

**NOTE 18 – FINANCIAL INCOME / EXPENSES**

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
<b>Financial expenses</b>				
Borrowings interest and lease certificate expenses	(608,279)	(360,944)	(326,213)	(196,686)
Foreign exchange losses	(92,117)	(90,966)	(1,240)	(1,142)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expenses (*)	(26,753)	(24,606)	(17,876)	(7,519)
Interest discount on pay off debt	(10,678)	(2,776)	(54,572)	(53,506)
Interest expense on lease liabilities	(1,740)	-	(5,165)	(2,348)
Assigned receivables and commission expense	-	-	(99)	-
	<b>(739,567)</b>	<b>(479,292)</b>	<b>(405,165)</b>	<b>(261,201)</b>

(\*) This amount consists of the interest expense accrued as of 30 June 2023 for the Company's debt arising from the land purchased from T.C. Ministry of Environment, Urbanization and Climate Change.

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
<b>Financial income</b>				
Interest income from time deposits	909,051	650,540	220,070	90,246
Interest income from land acquisitions	63,691	61,248	3,638	3,608
Foreign exchange gains	4,472	4,411	324	26
Interest income related to leases	-	-	701	499
	<b>977,214</b>	<b>716,199</b>	<b>224,733</b>	<b>94,379</b>

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**NOTE 19 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

Corporate Tax

The Emlak Konut GYO is exempt from Corporate Tax in accordance with the paragraph 4-d of Article 8 of the Corporate Tax Law. According to the paragraph 6-a of Article 94 of the Income Tax Law the earnings of real estate investment companies are subject to withholding and withholding tax rate is determined as "0" according to the Council of Ministers Decision, No: 93/5148. The Group's subsidiaries, associates and joint operations are is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

Corporate Tax (continued)

Pursuant to the temporary article added to the Corporate Tax Law with Article 11 of the Law No. 7316 published in the Official Gazette dated 22 April 2021 and numbered 31462; the corporate tax rate for corporate earnings for the 2023 taxation period is 23% (31 December 2022: 23%).

The Law numbered 7061 on “Amendment of Certain Taxes and Laws and Other Acts” was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

	<b>30 June</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
Current tax assets		
Prepaid taxes and funds	106	5,968
	<b>106</b>	<b>5,968</b>

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from the differences between its consolidated financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

The tax rate used in the calculation of deferred tax assets and liabilities is 20% over the temporary timing differences that are expected to reverse in 2023, and 20% over the temporary timing differences that are expected to reverse after 2022 (2022: 23%)

In Turkey, the companies cannot declare a tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

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**NOTE 19 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)  
(Continued)**

	<b>30 June</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
<u>Deferred tax (assets)/liabilities:</u>		
Fair value adjustment to inventories in acquired associates	22,632	22,632
Effect of amortized cost method on receivables	(6,637)	(9,648)
Depreciation / amortization differences of property, plant and equipment and other intangible assets	2,178	928
Provision for employment termination benefits	(5,855)	(1,636)
	<b>12,318</b>	<b>12,276</b>

The movements of deferred tax (asses)/ liabilities for the periods ended 30 June 2023 and 2022 are as follows:

	<b>1 January- 30 June</b>	<b>1 January- 30 June</b>
	<b>2023</b>	<b>2022</b>
<u>Movement of deferred tax (assets)/liabilities:</u>		
Opening balance as of 1 January	(12,276)	(20,160)
Charged to profit or loss	(42)	10,571
Closing balance at 30 June	<b>(12,318)</b>	<b>(9,589)</b>
	<b>1 January- 30 June</b>	<b>1 January- 30 June</b>
	<b>2023</b>	<b>2022</b>
<u>Tax (expense) / income comprises:</u>		
Current tax expense	-	(10,140)
Deferred tax income	(42)	10,571
Total tax income	<b>(42)</b>	<b>431</b>

*The reconciliation of the period tax expense with the profit for the period is as follows:*

	<b>1 January- 30 June</b>	<b>1 January- 30 June</b>
	<b>2023</b>	<b>2022</b>
<u>Reconciliation of tax provision:</u>		
Profit from operations before tax	2,594,506	1,436,687
Tax at the domestic income tax rate 2022: 20% (2022: 23%)	(518,901)	(330,438)
Tax effects of:		
- revenue that is exempt from taxation	525,886	333,318
- other	(7,027)	(2,449)
Income tax expense recognised in profit	<b>(42)</b>	<b>431</b>

# EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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### NOTE 20 – RELATED PARTY DISCLOSURES

The main shareholder of the Group is T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”). TOKİ is a state institution under the control of Republic of Turkey Ministry of Environment and Urbanisation. Related parties of the Group are as listed below.

1. T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)
2. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (TOKİ affiliate)
3. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (TOKİ affiliate)
4. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (TOKİ affiliate)
5. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (TOKİ affiliate)
6. Emlak-Toplu Konut İdaresi Spor Kulübü
7. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Joint Venture
8. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Joint Venture
9. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Joint Venture
10. Emlak Konut Spor Kulübü Derneği
11. Türkiye Emlak Katılım Bankası A.Ş.
12. T.C. Ministry of Environment, Urbanization and Climate Change, General Directorate of Urban Transformation Services
13. İller Bankası A.Ş.
14. Emlak Basın Yayın A.Ş.
15. T.C. Ministry of Environment, Urbanization and Climate Change General Directorate General of National Property

According to the revised TAS 24 – “Related Parties Transactions Standard”, exemptions have been made to the related party disclosures of state institutions and organizations. The Group has transactions with state banks (T.C.Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş.) and Republic of Turkey Undersecretariat of Treasury.

- The Group keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 30 June 2023, the Group has deposits amounting to TL 10,083,673 in state banks (31 December 2022: TL 4,909,788). Average effective interest rates of time deposits of the Group as of 30 June 2023 are explained in Note 4.

The transactions between the Group and the related parties are as follows:

	30 June 2023	31 December 2022
<b>Borrowings to related parties</b>		
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	31,123	15,660
	<b>31,123</b>	<b>15,660</b>
	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Trade payables to related parties</b>		
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	-	1,774,954
	<b>-</b>	<b>1,774,954</b>

(\*) Represents the payable amount regarding the acquisition of 22 parcels purchased by the Company in the protocol signed with T.C. Toplu Konut İdaresi Başkanlığı on 9 March 2022.

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**NOTE 20 – RELATED PARTY DISCLOSURES (Continued)**

<b>Short-term other payables from related parties</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	595	593
	<b>595</b>	<b>593</b>
<b>Deferred revenue from related parties</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Türkiye Emlak Katılım Bankası A.Ş. T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	2,009,931 398,844	1,004,342 -
	<b>2,408,775</b>	<b>1,004,342</b>
<b>Deposits at related parties</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Türkiye Emlak Katılım Bankası A.Ş.	1,369,127	57,516
	<b>1,369,127</b>	<b>57,516</b>
<b>Prepaid expenses to related parties</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	-	1,433,207
	<b>-</b>	<b>1,433,207</b>

<b>Purchases from related parties</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Emlak Basın Yayın A.Ş. T.C. Çevre ve Şehircilik Bakanlığı T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	1,157 - -	676 - -	638 1,297,744 3,910,323	329 - -
	<b>1,157</b>	<b>676</b>	<b>5,208,705</b>	<b>329</b>

<b>Sales to related parties</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
T.C. Çevre ve Şehircilik Bakanlığı Gedaş Gayrimenkul Değerleme A.Ş. T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”) İller Bankası A.Ş.	347,834 32,076 7,362 -	173,059 - - -	135,000 - 5,834 743,256	135,000 - - -
	<b>387,272</b>	<b>173,059</b>	<b>884,090</b>	<b>135,000</b>

Key management personnel are those who have the authority and responsibility to plan, manage and control the activities (administrative or other) directly or indirectly of the Group including any manager. Salaries and other short-term benefits provided to the key management personnel, General Manager of the Board of Directors, Assistant General Managers and General Manager Consultant, are as follows:

<b>Compensation to key management</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Salaries and other short-term benefits	19,341	11,321	9,334	4,188
	<b>19,341</b>	<b>11,321</b>	<b>9,334</b>	<b>4,188</b>

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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 21 – EARNING PER SHARE**

In Turkey, companies can increase their share capital by making a pro rata distribution of shares “bonus shares” to existing shareholders from retained earnings. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. Accordingly, the weighted average number of shares used in these calculations is determined by taking into consideration the retroactive effects of these share distributions. Earnings per share is calculated by considering the total number of new shares when there is an increase in issued shares because of distribution of bonus shares after the balance sheet date but before the preparation of financial statements.

The earnings per share stated in income statement are calculated by dividing net income for the period by the weighted average number of the Company’s shares for the period.

The Company can withdraw the issued shares. The weighted average number of shares taken back changes the calculation of earnings per share in line with the number of shares.

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Net income attributable to equity holders of the parent in full TL	2,594,464	1,713,344	1,437,118	699,321
Weighted average number of ordinary shares	3,800,000,000	3,800,000,000	3,800,000,000	3,800,000,000
<b>Earnings per share in full TL</b>	<b>0.0068</b>	<b>0.0045</b>	<b>0.0039</b>	<b>0.0019</b>

**NOTE 22 – COMMITMENTS**

The Group’s mortgage and guarantees received as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Guarantees received (*)	20,906,354	9,927,314
Mortgages received (**)	302,689	330,977
	<b>21,209,043</b>	<b>10,258,291</b>

(\*) Guarantees received consist of letters of guarantee given by contractors for construction projects and temporary guarantee letters received during the tender process.

(\*\*) Mortgages received consist of mortgaged independent sections and lands sold but not yet collected.

The collaterals, pledges and mortgages (“CPM”) of the Group as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
A. CPM given on behalf of the Company's legal personality	186,242	413,684
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of majority shareholder	-	-
ii) Total amount of CPM given on behalf of other companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
	<b>186,242</b>	<b>413,684</b>



**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE INTERIM PERIOD ENDED 30 JUNE 2023**

(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 22 - EVENTS AFTER THE REPORTING PERIOD**

The highest bid in the İstanbul Kayabaşı 10th Stage Revenue Sharing for Land Sales tender held on 24.07.2023 was given by İSRA Group İnş. A.Ş. & Kırlangıç Proje Elek. İnş. San. ve Tic. Ltd. Şti. İş Ortaklığı with a Total Sales Revenue of 3,755,000, a Company Share income of TL 1,502,000 and a Company Share Revenue Ratio of 40%.

According to “A Law on the Establishment of an Additional Motor Vehicle Tax to Compensate for the Economic Losses Caused by the Earthquakes Occurred” published in the Official Gazette on July 15, 2023, The Corporate Tax Rate Law increased from 20% to 25%. The new rate is effective as of the July 2023 payment period. The Group continues to assess the potential impact of the law on its consolidated financial statements as of the date of publication of these financial statements.

**ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO  
LIMITATIONS**

	<b>Non-Consolidated (Standalone) Financial Statements</b>		<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>Main Account Items</b>	<b>Related Regulation</b>	<b>(TL)</b>	<b>(TL)</b>
<b>A</b>	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	10,202,182	5,183,773
<b>B</b>	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	31,181,771	32,063,076
<b>C</b>	Affiliates	Series:III-No:48, Art,24/(b)	648,637	648,037
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		13,388,675	8,863,013
<b>D</b>	<b>Total Assets</b>	<b>Series:III-No:48, Art,3/(k)</b>	<b>55,421,265</b>	<b>46,757,899</b>
<b>E</b>	Financial Liabilities	Series:III-No:48, Art,31	6,093,424	6,000,956
<b>F</b>	Other Financial Liabilities	Series:III-No:48, Art,31	-	-
<b>G</b>	Due from Financial Leases	Series:III-No:48, Art,31	-	-
<b>H</b>	Due to Related Parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
<b>I</b>	Shareholders' equity	Series:III-No:48, Art,31	19,950,054	18,542,635
	Other Resources		29,377,787	22,214,308
<b>D</b>	<b>Total Resources</b>	<b>Series:III-No:48, Art,3/(k)</b>	<b>55,421,265</b>	<b>46,757,899</b>
	<b>Non-Consolidated (Standalone) Financial Statements</b>		<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>Other Account Items</b>	<b>Related Regulation</b>	<b>(TL)</b>	<b>(TL)</b>
<b>A1</b>	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series:III-No:48, Art,24/(b)	10,202,182	5,183,773
<b>A2</b>	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	12,088,700	6,006,675
<b>A3</b>	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
<b>B1</b>	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
<b>B2</b>	Idle Lands	Series:III-No:48, Art,24/(c)	2,760,142	2,604,293
<b>C1</b>	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
<b>C2</b>	Affiliates for Operating Company	Series:III-No:48, Art,28	648,000	648,000
<b>J</b>	Non-cash Loans	Series:III-No:48, Art,31	144,538	384,502
<b>K</b>	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

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(Amounts are expressed in thousand Turkish Lira (“TL”) unless otherwise stated.)

**ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO  
LIMITATIONS (Continued)**

	<b>Portfolio restrictions</b>	<b>Related regulation</b>	<b>30 June 2023 (%)</b>	<b>31 December 2022 (%)</b>	<b>Minimum/ Maximum Rate</b>
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)(b)	74.67	80	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	1.17	1.39	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art,24/(c)	4.98	6	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	1.169	1.386	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	31.27	34	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	3.40	1.76	<10%

The information in the table of Control of Compliance with the Portfolio Limitations is condensed information derived from financial statements as per Article 16 of Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” and is prepared within the frame of provisions related to compliance to portfolio limitations stated in the Communiqué Serial III No 48.1 “Principles Regarding Real Estate Investment Trusts” published in the Official Gazette No. 28660 on 28 May 2013.

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