

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONDENSED STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 MARCH 2023**

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INDEX	PAGE
STANDALONE STATEMENT OF FINANCIAL POSITION	1-2
STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
STANDALONE STATEMENT OF CHANGES IN EQUITY.....	4
STANDALONE STATEMENT OF CASH FLOWS.....	5
NOTES TO THE STANDALONE FINANCIAL STATEMENTS.....	6-34
NOTE 1 ORGANIZATION AND OPERATION OF THE COMPANY.....	6
NOTE 2 BASIS OF PRESENTATION OF THE STANDALONE FINANCIAL STATEMENTS.....	7-8
NOTE 3 ACCOUNTING POLICIES.....	8-9
NOTE 4 CASH AND CASH EQUIVALENTS.....	10
NOTE 5 FINANCIAL INVESTMENTS.....	11
NOTE 6 FINANCIAL LIABILITIES.....	12
NOTE 7 TRADE RECEIVABLES AND PAYABLES	13
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	14
NOTE 9 INVENTORIES.....	15-18
NOTE 10 INVESTMENT PROPERTIES	19-20
NOTE 11 PROPERTY, PLANT AND EQUIPMENT.....	20
NOTE 12 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	21-23
NOTE 13 OTHER ASSETS.....	24
NOTE 14 DEFERRED INCOME AND PREPAID EXPENSES.....	24
NOTE 15 SHAREHOLDERS' EQUITY.....	25
NOTE 16 REVENUE AND COST OF SALES.....	26
NOTE 17 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES.....	27
NOTE 18 OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES	28
NOTE 19 FINANCIAL INCOME / EXPENSES.....	28
NOTE 20 RELATED PARTY DISCLOSURES.....	29-31
NOTE 21 COMMITMENTS.....	31
NOTE 22 EVENTS AFTER THE REPORTING PERIOD.....	32
ADDITIONAL NOTE CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS.....	33-34

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2023

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

	Notes	Unaudited 31 March 2023	Audited 31 December 2022
ASSETS			
Current assets		46,073,470	41,553,748
Cash and cash equivalents	4	8,546,776	6,006,675
Trade receivables	7	3,161,254	3,130,618
<i>Trade receivables due from related parties</i>	20	47	-
<i>Trade receivables due from third parties</i>		3,161,207	3,130,618
Other receivables	8	891,125	567,790
<i>Other receivables due from third parties</i>		891,125	567,790
Inventories	9	30,362,548	28,686,220
Prepaid expenses		1,918,537	2,338,899
<i>Prepaid expenses to related parties</i>	20	684,499	1,433,207
<i>Prepaid expenses to third parties</i>	14	1,234,038	905,692
Other current assets	13	1,193,230	823,546
Non-current assets		4,963,700	5,204,151
Trade receivables	7	3,686,771	3,669,554
<i>Trade receivables due from third parties</i>		3,686,771	3,669,554
Other receivables	8	1,014	1,014
Financial investments	5	648,637	648,037
<i>Investments in subsidiaries, joint operations and associates</i>		648,637	648,037
Investment properties	10	545,157	813,086
Property, plant and equipment	11	78,369	68,194
Intangible assets		3,752	4,266
Total assets		51,037,170	46,757,899

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONDENSED STANDALONE STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME AS OF 31 MARCH 2023**

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

		<i>Unaudited</i> 31 March 2023	<i>Audited</i> 31 December 2022
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		29,629,448	24,978,679
Short-term borrowings	6	2,342,046	1,190,213
Short-term portions of long-term borrowings	6	2,065,607	1,734,722
Trade payables	7	1,924,720	2,894,484
<i>Trade payables due to related parties</i>	20	976,954	1,774,954
<i>Trade payables due to third parties</i>		947,766	1,119,530
Other payables	8	1,278,846	489,131
<i>Other payables to third parties</i>		409,289	489,131
Deferred income	14	21,737,660	18,398,307
<i>Deferred income from related parties</i>	20	2,009,307	1,004,342
<i>Deferred income from third parties</i>		19,728,353	17,393,965
Short-term provisions		280,569	271,822
<i>Short-term provisions for employee benefits</i>		34,098	29,077
<i>Other short-term provisions</i>	12	246,471	242,745
Non-current liabilities		2,977,922	3,236,585
Long-term borrowings	6	2,753,335	3,076,021
Trade payables	7	-	20
<i>Trade payables to third parties</i>		-	20
Other payables	8	180,046	117,382
<i>Other payables to third parties</i>		180,046	117,382
Deferred income	14	4,738	4,738
<i>Deferred income from third parties</i>		4,738	4,738
Long-term provisions		39,803	38,424
<i>Long-term provisions for employee benefits</i>		39,803	38,424
Shareholders' equity		18,429,800	18,542,635
Paid-in capital	15	3,800,000	3,800,000
Treasury shares (-)		(535,604)	(296,231)
Share premium (discounts)		2,366,895	2,366,895
Other comprehensive income (expense) not to be reclassified to profit or loss		(42)	(42)
<i>Gain (loss) on revaluation and remeasurement</i>		(42)	(42)
Restricted reserves appropriated from profit		986,494	885,383
Retained earnings		10,815,962	8,745,237
Net profit for the period		925,367	3,041,393
Total liabilities and equity		51,037,170	46,757,899

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 MARCH 2023

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

	Notes	Unaudited 1 January- 31 March 2023	Unaudited 1 January- 31 March 2022
Profit or loss			
Revenue	16	3,986,916	2,172,232
Cost of sales (-)	16	(1,914,150)	(1,174,945)
Gross profit		2,072,766	997,287
General administrative expenses (-)	17	(1,013,640)	(110,114)
Marketing expenses (-)	17	(47,324)	(26,293)
Other income from operating activities	18	161,967	96,803
Other expenses from operating activities (-)	18	(255,101)	(181,961)
Operating profit		918,668	775,722
Income from investing activities		-	-
Operating profit before financial income / (expense)		918,668	775,722
Financial income	19	255,235	129,750
Financial expenses (-)	19	(248,536)	(134,319)
Profit for the period		925,367	771,153
Other comprehensive income		-	-
Items that will be reclassified to profit or loss			
<i>Actuarial gains/losses related to employee benefit liabilities</i>		-	-
Total comprehensive income		925,367	771,153
Earnings per share (in full TL)		0.0023	0.0021

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STANDALONE FINANCIAL STATEMENT OF CHANGES IN EQUITY FOR 31 MARCH 2023

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

						Other Accumulated Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss			Total equity
	Share capital	Treasury shares	Share premium/ discounts	Other Equity Shares	Restricted reserves appropriated from profit	Gain/loss on reevaluation and remeasurement	Prior years' profit	Net profit for the period	
1 January 2022	3,800,000	(296,231)	2,366,895	-	794,629	(42)	7,777,801	1,434,187	15,877,239
Transfers	-	-	-	-	-	-	1,434,187	(1,434,187)	-
Total comprehensive income	-	-	-	-	-	-	-	771,153	771,153
31 March 2022	3,800,000	(296,231)	2,366,895	-	794,629	(42)	9,211,988	771,153	16,648,392
1 January 2023	3,800,000	(296,231)	2,366,895	-	885,383	(42)	8,745,237	3,041,393	18,542,635
Transfers	-	-	-	-	101,111	-	2,940,282	(3,041,393)	-
Dividend (Note 15) (*)	-	-	-	-	-	-	(869,557)	-	(869,557)
Increases/(Decreases) Related to the Acquisition of Treasury Shares(**)	-	(239,373)	-	-	-	-	-	-	(239,373)
Increase (decrease) related to share-based transactions	-	-	-	70,728	-	-	-	-	70,728
Total comprehensive income	-	-	-	-	-	-	-	925,367	925,367
31 March 2023	3,800,000	(535,604)	2,366,895	70,728	986,494	(42)	10,815,962	925,367	18,429,800

(*) At the Ordinary General Assembly Meeting held on 31 March 2023, the decision to distribute a cash dividend of TL 869,557 (31 March 2022: None) from the profits of 2022 was approved by majority vote. Since the Company 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 Company is netted off from the amount of dividends to be distributed. The dividend payment was made on 14 April 2023.

(**) As of 31 March 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 standalone financial statements.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

	Notes	Unaudited 31 March 2023	Unaudited 31 March 2022
Cash flows from operating activities			
Profit for the period		925.367	771.153
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	17	5.447	5.779
Adjustments related to (reversal of) impairments (net)		249.915	81.705
<i>Adjustments related to impairment loss (reversal of) / cost provision of inventories (net)</i>	9, 18	249.915	81.705
Adjustments related to provisions		13.178	79.482
<i>Adjustments related to (reversal of) provisions related with employee benefits</i>		7.529	3.289
<i>Adjustments related to (reversal of) lawsuit and/or penalty provisions</i>	12, 18	3.726	75.883
<i>Adjustments related to (reversal of) provisions for possible risks</i>	18	1.923	310
Adjustments related to interest (income) and expenses		(101.428)	(55.861)
<i>Adjustments related to interest income</i>	18, 19	(349.854)	(190.146)
<i>Adjustments related to interest expense</i>	18, 19	248.426	134.285
Net cash from operations before changes in assets and liabilities		1.092.479	882.258
Changes in net working capital:			
Adjustments related to (increase)/decrease in trade receivables		22.651	409.895
<i>Decrease (increase) in trade receivables from related parties</i>		(47)	13.628
<i>Decrease (Increase) in trade receivables from third parties</i>		22.698	396.267
Adjustments related to decrease/(increase) in inventories		(1.486.254)	(4.773.811)
Adjustments related to increase/(decrease) in trade payables		(1.146.706)	4.150.402
<i>Increase (decrease) in trade payables to related parties</i>		(972.775)	4.251.574
<i>Increase (decrease) in trade payables to third parties</i>		(173.931)	(101.172)
Adjustments related to (decrease) in other receivables from operating activities		(322.450)	(547.931)
Adjustments related to increase (decrease) in other payables from operating activities		4.960.045	1.096.962
Other adjustments related to other increase in working capital		(150.647)	62.349
Net cash flows from operating activities			
Interest received		26.558	13.059
Payments related with provisions for employee benefits		(1.129)	(243)
Tax payments		(768.313)	(256.291)
Cash flows from operating activities		2.226.234	1.036.649
Cash outflows used in obtaining control of subsidiaries or other businesses	0	(600)	(25.000)
Purchases of investment properties, property, plant and equipment and intangible assets		(12.393)	(4.794)
Returns of financial assets		-	500
Other cash inflows (outflows)		-	556
Cash flows from investing activities		(12.993)	(28.738)
Payments to acquire entity's shares or other equity instruments		(239.373)	-
Proceeds from borrowings		2.259.728	655.000
<i>Proceeds from loans</i>		1.100.000	155.000
<i>Proceeds from issue of debt instruments</i>		1.159.728	500.000
Repayments of borrowings		(1.059.405)	(1.265.113)
<i>Loan repayments</i>		(475.155)	(765.113)
<i>Payments of issued debt instruments</i>		(584.250)	(500.000)
Interest paid		(207.940)	(246.243)
Dividends paid	15	(869.557)	-
Interest received		252.792	104.783
Cash flow from financing activities		136.245	(751.573)
Net (decrease) increase in cash and cash equivalents		2.349.486	256.338
Cash and cash equivalents at the beginning of the period	4	5.183.773	2.993.647
Cash and cash equivalents at the end of the period	4	7.533.259	3.249.985

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“Emlak Konut GYO” or the “Company”) was established on 26 December 1990 as a subsidiary of Türkiye Emlak Bankası A.Ş. The Company 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 Company has been registered and started its activities on 6 March 1991. The Company’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 Company is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 31 March 2023, the number of employees of the Company is 437 (31 December 2022 - 445).

The objective and operating activity of the Company 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 standalone financial statements at 31 March 2023 have been approved by the Board of Directors on 9 May 2023.

The ultimate parent of the company 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 GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these standalone financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 International Financial Reporting Standards (IFRS).

The interim condensed standalone 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 prepared its condensed standalone financial statements for the interim period ended 31 March 2023 in accordance with the TAS 34 “Interim Financial Reporting Standard” within the framework of the Communiqué Serial: XII No. 14.1 and announcements regarding this Communiqué published by CMB.

The Companies are free to prepare their interim financial statements as full or condensed in accordance with TAS 34. In this context, the Company preferred to prepare its interim financial statements as condensed.

The Company maintains its books of account and prepares its 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 standalone 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.

Preparation of financial statements in hyperinflationary periods

With the decision numbered 11/367 taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with TFRS, the application of inflation accounting is no longer required. Accordingly, the Company has not applied “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) in its financial statements for the accounting periods starting 1 January 2005.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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

Functional and Presentation Currency

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

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 standalone financial statements as of 31 March 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 year ended 31 December 2022. Therefore, interim condensed financial statements should be read together with the end-of-year financial statements in order to create coherence.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 3 – ACCOUNTING POLICIES (Continued)

a) Standards, amendments, and interpretations applicable as of 31 March 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.
- **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.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 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.

The possible effects of these standards, amendments and improvements on the Company's summary financial position and performance are being evaluated.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	31 March 2023	31 December 2022
Cash on hand	87	4
Banks	8.266.362	5.781.466
- Demand deposit	23.212	12.087
- Time deposits with maturities less than 3 months	8.243.150	5.769.379
Other cash and cash equivalents	280.327	225.205
	8.546.776	6.006.675

Maturities of cash and cash flows are as follows:

	31 March 2023	31 December 2022
Demand	23.212	12.087
Up to 3 month	8.243.150	5.769.379
	8.266.362	5.781.466

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

	31 March 2023	31 December 2022
	(%)	(%)
	%27,45	%23,46

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

	31 March 2023	31 December 2022
Cash and cash equivalents	8.546.776	6.006.675
Less: Interest accruals on deposits	(64.656)	(22.765)
Less: LSRSA project deposits (*)	(956.392)	(805.745)
Add: the effect of provisions released under TFRS 9	7.531	5.608
	7.533.259	5.183.773

(*) 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 Company is kept in deposits accounts in the name of the related projects under the control of the Company as stated in the agreement. There is no blocked deposit accounts of TL 956,392 (31 December 2022: TL 805,745) project accounts (31 December 2022: None).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 5 – FINANCIAL INVESTMENTS

Subsidiaries

As of 31 March 2023 and 31 December 2022, the carrying values of the subsidiaries of the Company on the balance sheet are as follows:

	31 March 2023		31 December 2022	
	Share (%)	TL	Share (%)	TL
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	373.000	100	373.000
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	275.000	100	125.000
Total		648.000		648.000

Interests in joint ventures

As of 31 March 2023 and 31 December 2022, the carrying value of the Company's interest in joint ventures in the balance sheet is as follows:

	31 March 2023		31 December 2022	
	Share (%)	TL	Share (%)	TL
İstmarina AVM Adi Ortaklığı	40	-	40	-
Büyükyalı Tesis Yönetim A.Ş.	37	37	37	37
Merkez Cadde Yönetim A.Ş.	30	600		
Total		637		37

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 6 – FINANCIAL LIABILITIES

	31 March 2023	31 December 2022
Short-term financial liabilities		
Issued debt instruments (*)	1,098,938	594,188
Short-term bank borrowings	1,243,108	596,025
Short-term portion of long-term borrowings	2,065,607	1,734,722
	4,407,653	2,924,935

(*) The Company made 4 different lease certificate issuance transactions; on 4 January 2023, TL 350,000 with a maturity date of 5 April 2023 and 20,75% profit share; on 2 February 2023, TL 180,000 with a maturity date of 10 May 2023 and a profit share of 20.75%; on 28 February 2023, TL 59,000 with a maturity date of 1 June 2023 and a profit share of 21.25% on 17 March 2023, a nominal amount of TL 500,000 with 22,50% profit share and with a maturity date of 16 June 2023.

	31 March 2023	31 December 2022
Long-term financial liabilities		
Long-term borrowings	2,753,335	3,076,021
	2,753,335	3,076,021

Borrowings used as of 31 March 2023 are denominated in TL and the weighted average interest rate is 15.89% (31 December 2022: 15.25%).

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

	31 March 2023	31 December 2022
2024	1.490.006	1.870.879
2025	1.263.329	1.205.142
	2.753.335	3.076.021

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

	31 March 2023	31 December 2022
Less than 3 months	599.669	554.668
Between 3 - 12 months	2.709.046	1.776.079
Between 1 - 5 years	2.753.335	3.076.021
	6.062.050	5.406.768

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

	31 March 2023	31 December 2022
Short-term trade receivables		
Receivables from sale of residential and commercial units	1.857.482	1.737.760
Receivables from contractors of the lands invoiced under LSRSA	866.315	945.063
Receivables from land sales	522.352	534.878
Receivables from related parties (Note 20)	39.788	43.221
Receivables from lessees	47	-
Other	15.838	6.611
Unearned finance income	(140.568)	(136.915)
	3.161.254	3.130.618
Doubtful receivables	1.837	1.837
Less: Provision for doubtful receivables	(1.837)	(1.837)
	3.161.254	3.130.618

	31 March 2023	31 December 2022
Long-term trade receivables		
Receivables from sale of residential and commercial units	3,836,701	3,842,220
Receivables from land sales	586,165	586,454
Unearned finance income	(736,095)	(759,120)
	3,686,771	3,669,554

	31 March 2023	31 December 2022
Short-term trade payables		
Payables to related parties (Note 20)	976.954	1.774.954
Payables to contractors according to revenue sharing basis	633.640	435.100
Trade payables	260.154	614.728
Interest accruals on time deposits of contractors (*)	53.972	69.702
	1.924.720	2.894.484

(*) 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 Company is kept in deposits accounts in the name of the related projects under the control of the Company as stated in the agreement. The Company 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.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

	31 March 2023	31 December 2022
Short-term other receivables		
Advances given to contractor firms	583.048	505.962
Receivables from the authorities	31.843	29.536
Other	276.234	32.292
	891.125	567.790
	31 March 2023	31 December 2022
Long-term other receivables		
Deposits and guarantees given	1.014	1.014
	1.014	1.014
	31 March 2023	31 December 2022
Short-term other payables		
Payables to shareholders	869.557	-
Taxes and funds payable	268.096	27.861
Payables to contractors (*)	88.752	88.752
Other	52.441	64.077
	1.278.846	180.690

(*) 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 31 March 2023, other long-term payables are TL 180,046 and consist of deposits and guarantees received (31 December 2022: TL 117,382).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 9 – INVENTORIES

	31 March 2023	31 December 2022
Lands	10,978,224	10,826,160
<i>Cost</i>	10,981,137	10,828,190
<i>Impairment</i>	(2,913)	(2,030)
Planned land by LSRSA	6,132,830	6,270,226
Planned land by turnkey project	7,646,251	8,066,794
<i>Planned land by turnkey project</i>	9,226,205	9,397,716
<i>Impairment(*)</i>	(1,579,954)	(1,330,922)
Residential and commercial units ready for sale	5,605,243	3,523,040
<i>Cost</i>	5,605,243	3,523,040
	30,362,548	28,686,220

(*) As of 31 March 2023, the valuation reports prepared by Atak Gayrimenkul Değerleme A.Ş., Net Kurumsal Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Reel Gayrimenkul Değerleme 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:

	2023	2022
Opening balance at 1 January	1.332.952	295.170
Impairment on inventories within the current period (Note 18)	249.915	102.671
Reversal of impairment on inventories within the current period	-	(20.966)
Closing balance at 31 March	1.582.867	376.875

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 9 – INVENTORIES (Continued)

As of 31 March 2023 and 31 December 2022 the details of land and residential inventories of the Company are as follows:

Lands	31 March 2023	31 December 2022
Muğla Bodrum Lands	2.709.607	2.709.607
İstanbul Esenler Lands	2.400.885	2.400.885
İstanbul Başakşehir Lands	1.289.568	769.331
İstanbul Küçükçekmece Lands	998.973	1.192.509
İstanbul Avcılar Lands	826.668	826.641
İstanbul Sarıyer Lands	608.731	608.709
İstanbul Çekmeköy Lands	535.963	535.963
İzmir Çeşme Lands	439.076	439.076
İstanbul Şişli Lands	350.000	350.000
İzmir Urla Lands	201.394	201.394
İstanbul Arnavutköy Lands	191.290	171.408
Muğla Milas Lands	79.476	79.281
İzmir Seferihisar Lands	79.473	79.473
Denizli Merkez Efendi Lands	56.254	56.081
Ankara Çankaya Lands	51.295	51.295
Kocaeli Lands	32.074	32.074
İstanbul Esenyurt Lands	29.314	29.314
İstanbul Kartal Lands	28.174	28.174
İstanbul Tuzla Lands	26.192	26.192
Balıkesir Lands	13.073	13.633
İzmir Konak Umurbey Lands	13.051	13.051
İstanbul Eyüp Lands	9.657	169.445
Tekirdağ Çorlu Lands	6.153	6.153
İzmir Dikili Lands	1.810	10.986
İstanbul Ataşehir Lands	13	13
Antalya Aksu Lands	-	25.411
Other	60	61
	10.978.224	10.826.160

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by LSRSA	31 March 2023	31 December 2022
Nişantaşı Koru Project	641.732	645.636
Nidapark İstinye Project	567.635	567.635
Yeni Levent Project	435.993	436.264
İstanbul Tuzla Merkez Project	400.150	400.150
Bizim Mahalle 2. Etap 2. Kısım Project	348.476	348.476
Nidapark Küçükyalı Project	335.421	335.556
Batıyakası 2. Etap Project	324.320	324.320
Merkez Ankara Project	322.038	321.698
Ümraniye İnkılap Project	306.023	306.023
Next Level İstanbul Project	262.395	262.395
Batıyakası 1. Etap Project	209.660	210.245
Meydan Başakşehir Project	203.629	203.623
İstanbul Kayabaşı 8. Etap Project	203.550	202.853
Bizim Mahalle 2. Etap 1. Kısım Project	203.064	203.064
İstanbul 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	145.854	145.854
Antalya Aksu Project	134.705	134.705
Avrasya Konutları Project	132.747	142.238
Ankara Çayyolu 2. Etap Project	84.723	84.723
Düşler Vadisi Project	69.801	138.130
Barbaros 48 Project	68.419	68.419
İstanbul Ataşehir Küçükbakkalköy Project	62.762	62.582
Nezihpark Project	50.177	50.177
Köy 4. Etap Project	49.554	49.554
Nidapark Kayaşehir Project	35.761	35.761
Ebruli Ispartakule Project	28.161	28.161
Cer İstanbul Project	14.787	14.648
Allsancak Project	10.812	7.545
İdealist Cadde Project	6.011	6.019
Evora İzmir Project	65	64
Ormanköy Project	-	219.091
	6.132.830	6.270.226

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 9 - INVENTORIES (Continued)

Planned lands by turnkey project	31 March 2023	31 December 2022
Çekmeköy Çınarköy Project	3.743.858	2.734.646
Ankara Saraçoğlu Project	954.788	615.141
Köy Project	845.495	679.019
İstanbul Avcılar Firuzköy Project	441.704	326.642
Bizim Mahalle Project	400.613	1.251.522
Emlak Konut Vadi Evleri Project	372.564	372.564
Denizli Merkez Efendi İkmal İşi Project	351.771	346.587
Merkez Ankara Project O Blok Project	244.848	70.754
Balıkesir Altıeylül Project	243.902	176.466
Kayabaşı Emlak Konutları Project	46.708	46.706
Emlak Konut Florya Evleri Project	-	1.165.221
Ümraniye Kentsel Dönüşüm Project	-	281.526
	7.646.251	8.066.794

Residential and commercial units completed	31 March 2023	31 December 2022
Bizim Mahalle 1. Etap 2. Kısım Project	1.599.610	-
Bizim Mahalle 1. Etap 1. Kısım Project	1.264.652	1.264.652
Merkez Ankara Project	1.259.542	1.259.542
Maslak 1453 Project	334.601	334.601
Komşu Finans Houses	303.634	-
Kuzey Yakası Project	287.789	287.789
Emlak Konut Florya Houses	146.851	-
Düşler Vadisi Projesi	102.555	108.696
Sarphan Finanspark Projesi	100.647	-
Karat 34 Project	34.543	34.543
Semt Bahçekent 1. Etap 2. Kısım Project	27.067	27.067
Köy Project	22.698	42.603
Temaşehir Project	20.593	20.592
Nidapark İstinye Project	18.445	40.156
Denizli Merkez Efendi İkmal İşi Project	18.222	18.222
Avangart İstanbul Project	15.381	15.381
Avrupark Hayat Project	13.919	13.919
Büyükyalı Project	9.905	14.656
Evora Denizli Project	7.194	7.194
Semt Bahçekent 1. Etap 1. Kısım Project	5.411	5.411
Kocaeli Körfezkent Emlak Houses	4.778	10.670
Metropol İstanbul Project	3.448	3.448
Validebağ Konakları Project	2.594	2.594
Göl Panorama Project	674	674
Başakşehir Ayazma Emlak Houses	490	490
Koordinat Çayyolu Project	-	7.604
Yeniköy Konakları İstanbul Project	-	2.536
	5.605.243	3.523.040

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 10 – INVESTMENT PROPERTIES

Lease income is generated from investment properties, and the expertise used in the calculation of impairment is made through peer comparison and income reduction.

The movements of investment properties as of 31 March 2023 and 2022 are as follows :

Cost Value	Lands, residential and commercial	Atasehir general management building A block	Total
Opening balance as of 1 January 2023	845,969	40,922	886,891
Transfers to commercial units and land inventories	(268,673)	-	(268,673)
Transfers from residential and commercial unit inventories	3,460	-	3,460
Closing balance as of 31 March 2023	580,755	40,922	621,677
Accumulated Depreciation			
Opening balance as of 1 January 2022	66,089	7,716	73,805
Charge for the period	2,459	256	2,715
Closing balance as of 31 March 2023	68,548	7,972	76,520
Carrying value as of 31 March 2023	512,207	32,950	545,157
Cost Value			
Opening balance as of 1 January 2022	898,617	40,922	939,539
Transfers to commercial units and land inventories	(55,014)	-	(55,014)
Transfers from residential and commercial units inventories	21,044	-	21,044
Closing balance as of 31 March 2022	864,647	40,922	905,569
Accumulated Depreciation			
Opening balance as of 1 January 2022	52,349	6,694	59,043
Charge for the period	3,539	317	3,856
Closing balance as of 31 March 2022	55,888	7,011	62,899
Carrying value as of 31 March 2022	808,759	33,911	842,670

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 10 – INVESTMENT PROPERTIES (Continued)

Reports prepared by Net Kurumsal Değerleme ve Danışmanlık A.Ş. and Form Gayrimenkul Değerleme ve Danışmanlık A.Ş., valuation firms authorized by CMB, have been taken into consideration when determining the fair values of investment properties as of 31 March 2023. The fair values of the investment property determined by independent valuation experts are as follows:

	31 March 2023	31 December 2022
Atasehir general management building 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, residential and commercial units	544.730	1.430.628
	3.043.843	3.929.741

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

31 March 2023	Buildings	Motor vehicles	Furniture, equipment and fixtures	Construction in progress	Total
Net carrying value as of 1 January 2023	56,001	532	11,564	97	68,194
Additions	-	11,267	1,126	-	12,393
Depreciation expense (-)	(547)	(638)	(1,033)	-	(2,218)
Net carrying value 31 March 2023	55,454	11,161	11,657	97	78,369
Cost	70,578	16,492	38,350	97	125,517
Accumulated depreciation (-)	(15,124)	(5,331)	(26,693)	-	(47,148)
Net carrying value 31 March 2023	55,454	11,161	11,657	97	78,369

31 March 2022	Buildings	Motor vehicles	Furniture, equipment and fixtures	Construction in progress	Total
Net carrying value as of 1 January 2022	65,088	1,575	11,514	97	78,274
Additions	-	-	540	-	540
Depreciation expense (-)	(600)	(323)	(404)	-	(1,327)
Net carrying value 31 March 2022	64,488	1,252	11,650	97	77,487
Cost	77,265	4,793	35,063	97	117,218
Accumulated depreciation (-)	(12,777)	(3,541)	(23,413)	-	(39,731)
Net carrying value 31 March 2022	64,488	1,252	11,650	97	77,487

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

The expencted useful lives of property, plant and equipment are as follows:

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
Provisions		
Provision for lawsuits	246.471	242.745
	246.471	242.745

According to the opinions of the Company's lawyers, provisions amounting to TL 246,471 have been made as of 31 March 2023 (31 December 2022: TL 153,905). As of 31 March 2023, there are 3 cases of defect, 10 cases of loss of rent, 8 cases of cancellation of title deeds and registration, 3 cases of business and 35 other cases. The movements of provision for lawsuits as of 31 March 2023 and 2022 are as follows:

	2023	2022
Opening balance at 1 January	242.745	153.905
Provision added within the current period (Note 18)	3.726	75.883
Closing balance at 31 March	246.471	229.788

12.1 Continuing Lawsuits and Provisions

12.1.1 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 Company 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 Company as in Turnkey projects.

The contractor filed a lawsuit against the Company 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 Company filed an extra lawsuit of TL 34,100 on 7 July 2011, requesting the collection, without prejudice to surplus rights.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

12.1 Continuing Lawsuits and Provisions (Continued)

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. The Company made provision amounting to TL 139,770 as of 31 March 2023.

12.1.2 The 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 31 March 2023 a provision amounting to TL 8,032 has been made.

12.1.3 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. Provision amounting to TL 11,969 has been made as of 31 March 2023.

12.1.4 The contractor of the Revenue Sharing in return for the Land Sale of Istanbul Ümraniye 1st Stage, the contractor of the Yeni Sarp-Özarak Ordinary Partnership, amounting to TL 34,135 remaining from the letter of assignment by Şekerbank T.A.Ş. It is a lawsuit filed by the claim that the assignment receivable was not paid to him unjustly. 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 October 15, 2020, the court decided to dismiss the case. The plaintiff requested an appeal and the appeal court overturned the decision. As of March 31, 2023, a provision has been made in the amount of TL 69.000, including interest and litigation costs.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

12.2 Contingent Liabilities of Emlak Konut

In the financial statements prepared as of 31 March 2023, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Company Management and its lawyers, no provision has been made in the financial statements prepared as of 31 March 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 Company in order to fulfill its obligation.

12.2.1 Concerning the İzmir Mavişehir 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 company lawyer, no liability is expected to arise as a result of the related lawsuit.

12.2.2 It is a receivable lawsuit filed based on the assignments given by the contractor firm in favor of the plaintiff in the business of Revenue Sharing in return for the Land Sale in the 2nd Stage of the Mavişehir Kuzey Üst Region in İzmir. The trial continues. According to the opinion received from the company's lawyer, no liability is expected as a result of the relevant lawsuit.

12.3 Contingent Assets of Emlak Konut

12.3.1 As of 31 March 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:

31 March 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	2.379.834	5.641.270	8.021.104
2 year	1.559.212	4.066.318	5.625.530
3 year	1.106.902	1.881.660	2.988.562
4 year	487.531	795.229	1.282.760
5 year and above	1.269.221	706.692	1.975.913
	6.802.700	13.091.169	19.893.869

31 December 2022	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	2.272.638	5.986.070	8.258.708
2 year	1.319.606	3.666.731	4.986.337
3 year	989.771	1.640.467	2.630.238
4 year	653.450	685.734	1.339.184
5 year and above	1.465.847	238.686	1.704.533
	6.701.312	12.217.689	18.919.001

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 13 – OTHER ASSETS

	31 March 2023	31 December 2022
Other current assets		
Deferred VAT	1.082.511	716.609
Progress payments to contractors	67.017	68.313
Receivables from tax office	43.702	33.293
Income accruals	-	5.331
	1.193.230	823.546

NOTE 14 – DEFERRED INCOME AND PREPAID EXPENSES

	31 March 2023	31 Aralık 2022
Short-term deferred income		
Advances taken from turnkey project sales	9.543.402	8.665.740
Advances taken from LSRSA contractors(**)	5.496.690	4.668.859
Deferred income from LSRSA projects(*)	4.434.442	3.727.965
Advances received from related parties (Note 20)	2.009.307	1.004.342
Deferred income related to sales of independent units	253.819	331.401
	21.737.660	18.398.307

(*) 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 LSRSA 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.

	31 March 2023	31 Aralık 2022
Prepaid expenses		
Advances given for inventory(*)	1,232,520	904,382
Prepaid expenses to related parties (Note 20)	684,499	1,433,207
Prepaid expenses	1,518	1,310
	1,918,537	2,338,899

(*) A protocol has been signed between the Company 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 Company has also provided an inventory advance amounting to TL 480,460 (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 Ankara Yenimahalle Station, Nidapark Küçükyalı, Nidapark İstinye and Nidapark Kayaşehir projects.

	31 March 2023	31 Aralık 2022
Long-term deferred income		
Other advances received	4,738	4,738
	4,738	4,738

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 15 – SHAREHOLDERS' EQUITY

The Company'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 Company's shareholders and their shareholding percentages as of 31 March 2023 and 31 December 2022 is as follows:

Shareholders	31 March 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 "TOKİ"	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
Total paid-in capital	100	3,800,000	100	3,800,000

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 Company'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 "Prior Years' Profit/Loss". Other equity items should be revaluated in accordance with the CMB standards .

As of March 31, 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 16 – REVENUE AND COST OF SALES

	1 January- 31 March 2023	1 January- 31 March 2022
Sales income		
Land sales	2,184,794	1,264,546
<i>Sales of planned lands by way of LSRSA</i>	441,275	661,897
<i>Land sales income</i>	1,743,519	602,649
Residential and commercial units sales	1,559,960	853,836
Consultancy income	223,236	44,163
Rent income	20,391	9,687
	3,988,381	2,172,232
Sales returns	(1,465)	-
Net sales income	3,986,916	2,172,232
Cost of sales		
Cost of lands	(667,922)	(341,289)
<i>Cost of lands planned by way of LSRSA</i>	(249,527)	(173,522)
<i>Cost of lands sold</i>	(418,395)	(167,767)
Cost of residential and commercial units sold	(1,246,228)	(833,656)
	(1,914,150)	(1,174,945)
Gross Profit	2,072,766	997,287

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 17 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 31 March 2023	1 January- 31 March 2022
General administrative expenses		
Donations(*)	(700,000)	-
Taxes, duties and fees	(94,630)	(6,474)
Personnel expenses	(91,477)	(43,483)
Consultancy expenses	(71,738)	(24,170)
Security and cleaning expenses	(19,281)	(11,042)
Information technologies expenses	(7,717)	(1,553)
Due and contribution expenses	(5,937)	(2,678)
Depreciation and amortization	(5,447)	(5,779)
Travel expenses	(4,360)	(4,253)
Maintenance and repair expenses	(4,116)	(3,882)
Lawsuit and notary expenses	(1,480)	(903)
Communication expenses	(764)	(218)
Other	(6,693)	(5,679)
	(1,013,640)	(110,114)

(*) 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.

	1 January- 31 March 2023	1 January- 31 March 2022
Marketing and sales expenses		
Advertising expenses	(35,865)	(20,469)
Personnel expenses	(7,065)	(3,013)
Consultancy expenses	(3,673)	(2,387)
Office expenses	-	(106)
Other	(721)	(318)
	(47,324)	(26,293)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 18 – OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 March 2023	1 January- 31 March 2022
Other income from operating activities		
Financial income from forward sales	70.504	47.631
Income from transfer commissions	62.657	13.583
Default interest income from projects	26.558	13.059
Income from tender contract sales	627	139
Impairment provisions released (Note 9)	-	20.966
Other	1.621	1.425
	161.967	96.803

	1 January- 31 March 2023	1 January- 31 March 2022
Other expenses from operating activities		
Provision for impairment of land and residential inventories (Note 9)	(249.915)	(102.671)
Provision for lawsuits (Note 12)	(3.726)	(75.883)
Provisions for possible risks	-	(310)
Other	(1.460)	(3.097)
	(255.101)	(181.961)

NOTE 19 – FINANCIAL INCOME / EXPENSES

	1 January- 31 March 2023	1 January- 31 March 2022
Financial income		
Interest income from time deposits	252.792	129.426
Foreign exchange gains	2.443	30
Interest income from land acquisition	-	294
	255.235	129.750

	1 January- 31 March 2023	1 January- 31 March 2022
Financial expenses		
Borrowings interest and lease certificate expenses	(238.377)	(122.763)
Interest discount on pay off debt	(7.902)	(1.066)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expenses (*)	(2.147)	(10.357)
Foreign exchange losses	(110)	(34)
Assigned receivables and commission expenses	-	(99)
	(248.536)	(134.319)

(*) This amount consists of interest expense accrued as of 31 March 2023 for the Company's debt in return for the land purchased from The Ministry of Environment, Urbanisation and Climate Change.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 20 – RELATED PARTY DISCLOSURES

The main shareholder of the Company 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 Company are as listed below.

1. T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)
2. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. (“EPP”)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi
9. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Ortak Girişimi
10. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
11. Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi – Emlak Konut GYO A.Ş. (“an affiliate of İstmarina AVM”)
12. Türkiye Emlak Katılım Bankası A.Ş.
13. T.C. The Ministry of Environment, Urbanisation and Climate Change, General Directorate of Infrastructure and Urban Transformation Services
14. İller Bankası A.Ş.
15. Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.
16. Emlak Basın Yayın A.Ş.
17. Büyükyalı Tesis Yönetimi A.Ş.
18. T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Milli Emlak Genel Müdürlüğü
19. Merkez Cadde Yönetim A.Ş.

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 Company 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 Company keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 31 March 2023, the Company has deposits amounting to TL 6,974,598 in state banks (31 December 2022: TL 4.909.788). Average effective interest rates of time deposits of the Company as of 31 March 2023 are explained in Note 4.

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

Trade receivables from related parties	31 March 2023	31 December 2022
Emlak Konut GYO A.Ş. - DAP Yapı - Yüzyıl Mimarlık - İstmarina AVM Adi Ortaklığı	25	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş.	22	-
	47	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 20 – RELATED PARTY DISCLOSURES (Continued)

Trade payables to related parties	31 March 2023	31 December 2022
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”) (*)	976.954	1.774.954
	976.954	1.774.954
(*) 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.		
Deferred income from related parties	31 March 2023	31 December 2022
Türkiye Emlak Katılım Bankası A.Ş.	2.009.307	1.004.342
	2.009.307	1.004.342
Deposits at related parties	31 March 2023	31 December 2022
Türkiye Emlak Katılım Bankası A.Ş.	554.178	57.516
	554.178	57.516
Prepaid expenses to related parties	31 March 2023	31 December 2022
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	684.499	1.433.207
	684.499	1.433.207
Purchases from related parties	1 January- 31 March 2023	1 January- 31 March 2022
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	24.157	-
Emlak Basın Yayın A.Ş.	481	309
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	-	1.297.744
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	3.910.323
	24.638	5.208.376
Sales to related parties	1 January- 31 March 2023	1 January- 31 March 2022
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	174.775	-
GEDAŞ Gayrimenkul Değerleme A.Ş.	32.076	-
İller Bankası A.Ş.	-	743.256
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	2.509
	206.851	745.765

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 20 – RELATED PARTY DISCLOSURES (Continued)

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 Company 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:

Compensation to key management	1 January- 31 March 2023	1 January- 31 March 2022
Salaries and other short-term benefits	5,874	3,251
	5,874	3,251

NOTE 21 - COMMITMENTS

Company’s mortgage and guarantees received as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Guarantees received (*)	13,458,187	9,857,022
Mortgages received (**)	323,718	330,977
	13,781,905	10,187,999

(*) 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 Company as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Total amount of CPM given on behalf of the Company's own legal entity	388.734	384.502
Total amount of CPM given against the subsidiaries included in full consolidation	-	-
Total amount of CPM given to maintain operations and collect payables from third parties	-	-
Total amount of other CPM given	-	-
i) In the name of the parent Company	-	-
ii) In the name of other group companies that are not included in the scope of item B and C	-	-
iii) In the name of third parties that are not included in the scope of item C	-	-
	388.734	384.502

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

NOTE 22 – EVENTS AFTER THE BALANCE SHEET DATE

The highest bid in the İstanbul Başakşehir Ayazma 4th Stage Revenue Sharing for Land Sales tender held on 06.04.2023 was given by Fuzul Yapı İnşaat Paz. A.Ş. with a Total Sales Revenue of 4,125,000, a Company Share income of TL 1,650,000 and a Company Share Revenue Ratio of 40%.

The highest bid in the İstanbul Beşiktaş Akat Revenue Sharing for Land Sales tender held on 14.04.2023 was given by Yiğit Enerji İnş. San. Ve Tic. A.Ş. with a Total Sales Revenue of 7,052,500, a Company Share income of TL 2,821,000 and a Company Share Revenue Ratio of 40%.

Within the framework of share repurchase, the Company carried out a total of 3,720,000 share buyback transactions on 02.05.2023. The total number of the Company's repurchased shares reached 165,450,291 shares and the ratio of the repurchased shares in the Company's capital reached 4.35%.

The highest bid in the İstanbul Kayabaşı 10th Revenue Sharing for Land Sales tender held on 04.05.2023 was given by İsrâ 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%.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Non-Consolidated (Standalone) Financial Statements Main Account Items	Related Regulation	31 March 2023 (TL)	31 December 2022 (TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	7,533,259	5,183,773
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	33,471,475	32,063,076
C	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		9,383,799	8,863,013
D	Total Assets	Series:III-No:48, Art,3/(k)	51,037,170	46,757,899
E	Financial Liabilities	Series:III-No:48, Art,31	7,160,988	6,000,956
F	Other Financial Liabilities	Series:III-No:48, Art,31	-	-
G	Due from Financial Leases	Series:III-No:48, Art,31	-	-
H	Due to Related Parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
I	Shareholders' equity	Series:III-No:48, Art,31	18,429,800	18,542,635
	Other Resources		25,446,382	22,214,308
D	Total Resources	Series:III-No:48, Art,3/(k)	51,037,170	46,757,899
	Non-Consolidated (Standalone) Financial Statements Other Account Items	Related Regulation	31 March 2023 (TL)	31 December 2022 (TL)
A1	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)	7,533,259	5,183,773
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	8,546,776	6,006,675
A3	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
B1	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
B2	Idle Lands	Series:III-No:48, Art,24/(c)	3,178,328	2,604,293
C1	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
C2	Affiliates for Operating Company	Series:III-No:48, Art,28	648,000	648,000
J	Non-cash Loans	Series:III-No:48, Art,31	388,734	384,502
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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

	Portfolio restrictions	Related regulation	31 March 2023 (%)	31 December 2022 (%)	Minimum/Maximum Rate
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)	80.34	79.66	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art,24/(b)	1.27	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)	6.23	5.57	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art,28	1.27	1.39	<10%
7	Borrowing Limit	Series:III-No:48, Art,31	40.96	34.44	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art,22/(e)	1.99	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.

.....