

**AKFEN GAYRİMENKUL YATIRIM  
ORTAKLIĞI ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS WITH  
LIMITED AUDITORS' REPORT FOR THE PERIOD  
JANUARY 1– JUNE 30, 2024**



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## **Independent Auditor's Report on Review of Interim Financial Statements**

To the Board of Directors of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

### *Introduction*

We have reviewed the accompanying consolidated statement of financial position of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") and its subsidiary (together "the Group") as at 30 June 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Turkish Accounting Standard 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of consolidated interim financial statements 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 consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be 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 believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the entity as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the six month period then ended in accordance with in accordance with TAS 34.

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



H.Nesrin Tuncer, SMMM  
Partner  
22 August 2024  
İstanbul, Türkiye

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI

TABLE OF CONTENT	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	1-2
CONSOLIDATED COMPREHENSIVE INCOME .....	3
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.....	4
CONSOLIDATED STATEMENT OF CASH FLOWS .....	5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	6-78
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP .....	6-8
NOTE 2 BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS .....	8-25
NOTE 3 SHARE PURCHASES OF SUBSIDIARIES /SALES OF ASSETS HELD FOR SALE.....	25-29
NOTE 4 SEGMENT REPORTING .....	30-31
NOTE 5 RELATED PARTY DISCLOSURES .....	32-33
NOTE 6 CASH AND CASH EQUIVALENTS .....	34
NOTE 7 FINANCIAL LIABILITIES .....	34-38
NOTE 8 TRADE RECEIVABLES AND PAYABLES .....	38
NOTE 9 OTHER RECEIVABLES AND PAYABLES .....	38-39
NOTE 10 INVESTMENT PROPERTY .....	39-41
NOTE 11 TANGIBLE ASSETS .....	41
NOTE 12 INTANGIBLE ASSETS .....	42
NOTE 13 INVENTORIES .....	42
NOTE 14 GOVERNMENT GRANTS AND INCENTIVES .....	42
NOTE 15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	43
NOTE 16 COMMITMENT AND CONTINGENCIES .....	43-47
NOTE 17 EMPLOYEE BENEFITS .....	48
NOTE 18 PREPAID EXPENSES AND DEFERRED REVENUE .....	49
NOTE 19 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD .....	50
NOTE 20 OTHER CURRENT/NON-CURRENT ASSETS .....	51
NOTE 21 EQUITY .....	51-53
NOTE 22 REVENUE AND COST OF SALES .....	54
NOTE 23 GENERAL ADMINISTRATIVE EXPENSES.....	54-55
NOTE 24 OTHER OPERATING INCOME/EXPENSES.....	55
NOTE 25 INVESTMENT ACTIVITY INCOME/EXPENSES .....	56
NOTE 26 FINANCIAL INCOME .....	56
NOTE 27 FINANCIAL EXPENSES .....	57
NOTE 28 TAX ASSETS AND LIABILITIES .....	57-59
NOTE 29 EARNINGS PER SHARE .....	60
NOTE 30 FAIR VALUE EXPLANATIONS.....	60-63
NOTE 31 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS .....	64-75
NOTE 32 SUBSEQUENT EVENTS .....	76
APPENDIX COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS.....	77-78

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

		<i>Reviewed</i>	<i>Audited</i>
		<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>	<b>Notes</b>		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	2,153,597,488	2,713,432,701
Trade receivables		317,487,422	299,800,277
- <i>Trade receivables from related parties</i>	5,8	10,227,415	14,238,315
- <i>Trade receivables from third parties</i>	8	307,260,007	285,561,962
Other receivables		18,034	101,997
- <i>Other receivables from third parties</i>	9	18,034	101,997
Prepaid expenses		190,443,583	253,444,318
- <i>Prepaid expenses from third parties</i>	18	190,443,583	253,444,318
Other current assets	20	6,762,987	1,245,336
<b>SUBTOTAL</b>		<b>2,668,309,514</b>	<b>3,268,024,629</b>
Assets classified as held for sale	3	-	3,337,649,941
<b>NON-CURRENT ASSETS</b>		<b>2,668,309,514</b>	<b>6,605,674,570</b>
<b>DURAN VARLIKLAR</b>			
Other receivables		1,665,067	1,549,628
- <i>Other receivables from third parties</i>	9	1,665,067	1,549,628
Investment property	10	22,016,159,846	21,260,278,160
Inventories	13	1,396,153,589	1,099,934,835
Property, plant and equipment	11	1,455,110	1,644,825
Intangible assets	12	313,854	319,760
Prepaid expenses	18	62,655,259	56,240,693
Deferred tax assets	28	34,086,547	32,625,839
Other non-current assets	20	148,107,842	105,234,446
<b>TOTAL NON-CURRENT ASSETS</b>		<b>23,660,597,114</b>	<b>22,557,828,186</b>
<b>TOTAL ASSETS</b>		<b>26,328,906,628</b>	<b>29,163,502,756</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

		<i>Reviewed</i>	<i>Audited</i>
		<b>June 30,</b>	<b>December 31,</b>
<b>LIABILITIES</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>CURRENT LIABILITIES</b>			
Current portion of non-current borrowings		599,216,490	788,663,603
- Bank loans	7	513,299,259	678,825,865
- Lease liabilities	7	85,917,231	109,837,738
Trade payables		99,747,652	73,333,504
- Trade payables to related parties	5,8	68,341,263	51,169,227
- Trade payables to third parties	8	31,406,389	22,164,277
Other payables		36,422,237	1,056,400,048
- Other payables to related parties	5,9	-	989,058,232
- Other payables to third parties	9	36,422,237	67,341,816
Deferred revenue	18	4,908,719	5,546,542
Current provisions		4,029,062	2,516,458
- Current provisions for employee benefits	17	4,029,062	2,516,458
<b>SUBTOTAL</b>		<b>744,324,160</b>	<b>1,926,460,155</b>
Liabilities related to asset groups classified as held for sale	3	-	716,559,701
<b>TOTAL CURRENT LIABILITIES</b>		<b>744,324,160</b>	<b>2,643,019,856</b>
<b>NON-CURRENT LIABILITIES</b>			
Non current borrowings		3,077,237,426	5,440,093,721
- Bank loans	7	2,949,280,354	5,265,838,342
- Lease liabilities	7	127,957,072	174,255,379
Deferred revenue	18	210,024,196	49,672,463
Non current provisions		2,611,858	2,465,370
- Non current provisions for employee benefits	17	2,611,858	2,465,370
Deferred tax liabilities	28	1,549,500,158	1,341,460,552
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,839,373,638</b>	<b>6,833,692,106</b>
<b>EQUITY</b>		<b>20,745,208,830</b>	<b>19,686,790,794</b>
<b>Equity attributable to owners of parent</b>		<b>20,586,091,353</b>	<b>19,531,838,464</b>
Issued capital	21	3,900,000,000	3,890,703,214
Inflation adjustments on capital	21	6,342,967,007	6,341,395,988
Share Premium	21	1,404,183,408	1,398,165,214
Other accumulated comprehensive income that will be reclassified in profit or loss		(904,137,755)	(811,604,529)
- Exchange differences on translation		(904,137,755)	(811,604,529)
Restricted reserves appropriated from profits		14,001	14,001
- Legal reserves	21	14,001	14,001
Other equity shares	3, 21	(205,075,463)	(205,075,463)
Retained earnings		8,918,240,039	8,012,150,463
Net profit for the period		1,129,900,116	906,089,576
<b>Non controlling interests</b>		<b>159,117,477</b>	<b>154,952,330</b>
<b>TOTAL LIABILITIES</b>		<b>26,328,906,628</b>	<b>29,163,502,756</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

PROFIT OR LOSS	Not es	Reviewed	Not Reviewed	Reviewed	Not Reviewed
		January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Revenue	22	474,200,700	276,445,811	619,032,028	376,712,395
Cost of sales (-)	22	(20,566,656)	(10,760,484)	(27,544,461)	(14,632,107)
<b>GROSS PROFIT</b>		<b>453,634,044</b>	<b>265,685,327</b>	<b>591,487,567</b>	<b>362,080,288</b>
General administrative expenses (-)	23	(38,468,130)	(18,570,434)	(33,855,182)	(16,047,230)
Other operating income from operating activities	24	584,292,584	582,883,629	4,534,592,178	4,533,455,347
Other operating expenses from	24	(2,123,926)	(82,402)	(3,432,312)	(2,947,744)
<b>PROFIT FROM OPERATING ACTIVITES</b>		<b>997,334,572</b>	<b>829,916,120</b>	<b>5,088,792,251</b>	<b>4,876,540,661</b>
Share of profit from investments accounted using the equity method	19	-	-	63,918,271	53,047,514
Income from investment activities	25	8,959,680	-	739,088	739,088
Expenses from investment activities	25	(25,101,930)	(4,345,510)	(486,771,929)	(486,771,929)
<b>PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>		<b>981,192,322</b>	<b>825,570,610</b>	<b>4,666,677,681</b>	<b>4,443,555,334</b>
Finance income	26	428,905,966	228,068,909	136,840,473	99,178,624
Finance expense (-)	27	(279,498,260)	(83,470,962)	(3,125,054,733)	(2,645,716,451)
Monetary gain		226,322,237	32,457,687	754,756,000	304,436,197
<b>PROFIT BEFORE TAX</b>		<b>1,356,922,265</b>	<b>1,002,626,244</b>	<b>2,433,219,421</b>	<b>2,201,453,704</b>
Tax income/(expense)		(223,606,925)	(151,648,092)	(277,717,348)	(276,836,405)
- Current tax expense	28	(2,559,178)	(2,164,477)	(4,566,066)	(2,882,224)
- Deferred tax income/(expense)	28	(221,047,747)	(149,483,615)	(273,151,282)	(273,954,181)
<b>PROFIT FOR THE PERIOD</b>		<b>1,133,315,340</b>	<b>850,978,152</b>	<b>2,155,502,073</b>	<b>1,924,617,299</b>
<b>Profit for the period attributable to</b>					
Non controlling interests		3,415,224	3,337,449	5,520,989	5,634,589
Owners of the Group		1,129,900,116	847,640,703	2,149,981,084	1,918,982,710
<b>Net profit for the period</b>		<b>1,133,315,340</b>	<b>850,978,152</b>	<b>2,155,502,073</b>	<b>1,924,617,299</b>
Profit per share (Full TRY)	29	0,29	0,22	1,66	1,48
Diluted earnings per share (Full TRY)	29	0,29	0,22	1,66	1,48
<b>PROFIT FOR THE PERIOD</b>		<b>1,133,315,340</b>	<b>850,978,152</b>	<b>2,155,502,073</b>	<b>1,924,617,299</b>
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME</b>		<b>(91,783,303)</b>	<b>58,204,794</b>	<b>(77,864,056)</b>	<b>266,603,407</b>
<b>Other comprehensive income/(expense) that will be reclassified to profit or loss</b>		<b>(91,783,303)</b>	<b>58,204,794</b>	<b>(77,864,056)</b>	<b>266,603,407</b>
Losses on exchange differences on translation		(91,783,303)	58,204,794	(77,864,056)	266,603,407
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,041,532,037</b>	<b>909,182,946</b>	<b>2,077,638,017</b>	<b>2,191,220,706</b>
<b>Income for the period attributable to</b>					
Non-controlling interest		1,037,366,890	904,394,772	2,068,143,080	2,179,927,738
Owners of the parent		4,165,147	4,788,174	9,494,937	11,292,968

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

CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

	Issued Capital	Inflation adjustment on capital	Treasury shares	Share premiumi	Exchange differences on translation	Other comprehensive income and items to be reclassified to profit or loss	Accumulated profits					
						Restricted reserves appropriated from profits	Other equity shares	Retained earnings Retained	Net Profit for the period	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<b>Balance as at January 1, 2023</b>	<b>1,300,000,000</b>	<b>5,700,596,197</b>	-	<b>1,360,860,550</b>	<b>(387,489,133)</b>	<b>14,001</b>	-	<b>6,349,662,385</b>	<b>1,662,488,077</b>	<b>15,986,132,077</b>	<b>270,422,405</b>	<b>16,256,554,482</b>
Transfers	-	-	-	-	-	-	-	1,662,488,077	(1,662,488,077)	-	-	-
Total comprehensive (expense)/income	-	-	-	-	(81,838,004)	-	-	-	2,149,981,084	2,068,143,080	9,494,937	2,077,638,017
Increase/(decrease) due to share repurchase transactions	-	-	(182,382,519)	-	-	182,382,519	-	(182,382,519)	-	(182,382,519)	-	(182,382,519)
Transactions with non-controlling shareholders	-	-	-	-	-	-	(157,816,341)	-	-	(157,816,341)	(173,425,673)	(331,242,014)
<b>Balance as of June 30, 2023</b>	<b>1,300,000,000</b>	<b>5,700,596,197</b>	<b>(182,382,519)</b>	<b>1,360,860,550</b>	<b>(469,327,137)</b>	<b>182,396,520</b>	<b>(157,816,341)</b>	<b>7,829,767,943</b>	<b>2,149,981,084</b>	<b>17,714,076,297</b>	<b>106,491,669</b>	<b>17,820,567,966</b>
<b>Balance as of January 1, 2024</b>	<b>3,890,703,214</b>	<b>6,341,395,988</b>	-	<b>1,398,165,214</b>	<b>(811,604,529)</b>	<b>14,001</b>	<b>(205,075,463)</b>	<b>8,012,150,463</b>	<b>906,089,576</b>	<b>19,531,838,464</b>	<b>154,952,330</b>	<b>19,686,790,794</b>
Transfers	-	-	-	-	-	-	-	906,089,576	(906,089,576)	-	-	-
Total comprehensive (expense)/income	-	-	-	-	(92,533,226)	-	-	-	1,129,900,116	1,037,366,890	4,165,147	1,041,532,037
Capital increase	9,296,786	1,571,019	-	6,018,194	-	-	-	-	-	16,885,999	-	16,885,999
<b>Balance as of June 30, 2024</b>	<b>3,900,000,000</b>	<b>6,342,967,007</b>	-	<b>1,404,183,408</b>	<b>(904,137,755)</b>	<b>14,001</b>	<b>(205,075,463)</b>	<b>8,918,240,039</b>	<b>1,129,900,116</b>	<b>20,586,091,353</b>	<b>159,117,477</b>	<b>20,745,208,830</b>

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

	<i>Reviewed</i>	<i>Reviewed</i>
Notes	January 1- June 30, 2024	January 1- June 30, 2023
<b>A. Cash flows from operating activities</b>		
<b>Profit from continuing operations</b>	<b>1,133,315,340</b>	<b>2,155,502,073</b>
<b>Adjustments to reconcile profit:</b>		
Adjustments for depreciation and amortisation expense	22,23 375,575	4,270,540
Adjustments for impairment loss	-	83,219
Adjustment for provisions related with employee benefits	17 2,818,239	949,353
Adjustments related to losses arising from the disposal of fixed assets held for sale or distribution to partners	3,25 20,756,420	-
Adjustments for interest income and expense	26,27 (252,356,478)	571,374,348
Adjustments for unrealised foreign exchange losses	86,575,235	1,760,782,234
Adjustments for fair value gains	(582,748,008)	(3,915,235,619)
- <i>Adjustments to fair value gains of investment properties</i>	24 (582,748,008)	(4,532,759,480)
- <i>Adjustments for fair value gains of derivative financial instruments</i>	26,27 -	617,523,861
Adjustments to undistributed profits of investments valued by the equity method	19 -	(63,918,271)
Adjustments for tax expenses	28 223,606,925	277,717,348
Adjustments for monetary gain	(318,310,316)	(272,245,710)
	<b>314,032,932</b>	<b>519,279,515</b>
<b>Changes in working capital:</b>		
Adjustments for decrease in trade accounts receivable	(82,773,213)	(117,574,817)
Adjustments for increase in other receivables related with operations	(59,343)	(837,903)
Adjustments for increase in inventories	13 (296,218,754)	(102,694,106)
Adjustments for increase in trade accounts payable	43,948,651	29,440,531
Adjustments for (decrease)/increase in other operating payables	(680,149,725)	84,829,188
Other adjustments for other (decrease)/increase in working capital	(79,189,454)	(65,330,490)
<b>Cash flows from operations</b>	<b>(780,408,906)</b>	<b>347,111,918</b>
Payments related with provisions for employee benefits	17 -	(261,508)
Tax (payments)/refund	(3,857,068)	1,477,343
<b>Net cash flows from operating activities</b>	<b>(784,265,974)</b>	<b>348,327,753</b>
<b>B. Cash flows from investing activities</b>		
Cash outflow from purchase of property, plant, equipment, and intangible assets	11,12 (179,954)	(309,865)
Cash outflows from acquisition of investment property	10 (338,914,651)	(1,347,050)
Cash inflows resulting from the sale of non-current assets held for sale	3 2,604,516,549	-
Cash outflows related to additional share purchases in subsidiaries	-	(28,619,211)
<b>Cash flows used in investing activities</b>	<b>2,265,421,944</b>	<b>(30,276,126)</b>
<b>C. Cash flows from financing activities</b>		
Cash inflows from capital advances	21 16,885,999	-
Cash inflows from borrowing	7 1,852,276,627	-
Cash outflows for loan repayments	7 (3,350,099,531)	(278,054,551)
Cash outflows for payments of lease liabilities	7 (22,438,062)	(25,333,955)
Türev araçlardan nakit girişleri	-	309,959,853
Interest received	96,184,075	3,862,821
Interest paid	7 (246,958,784)	(191,346,475)
Other outflows	-	(17,328)
Cash outflows from the business own acquisition of shares	-	(182,382,519)
<b>Net cash flows obtained/(used) in financing activities</b>	<b>(1,654,149,676)</b>	<b>(363,312,154)</b>
<b>Net decrease in cash and cash equivalents before the effect of currency translation differences</b>	<b>(172,993,706)</b>	<b>(45,260,527)</b>
Effect of foreign currency translation differences on cash and cash equivalents	151,025,932	101,652,782
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(21,967,774)</b>	<b>56,392,255</b>
Cash and cash equivalents at the beginning of the period	6 2,713,699,465	239,534,413
Inflation effect on cash and cash equivalents	(538,120,511)	(39,545,801)
<b>Cash and cash equivalents at the end of the period</b>	<b>6 2,153,611,180</b>	<b>256,380,867</b>

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

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company" or "Akfen GYO") was restructured as a real estate investment trust by transforming Aksel Turizm Yatırımları ve İşletmecilik AŞ ("Aksel"). Aksel was originally established on June 25, 1997 for the purpose of undertaking investments in domestic tourism sector under the partnership of Hamdi Akın and Yüksel İnşaat A.Ş. Subsequently, Akfen Holding AŞ, ("Akfen Holding") purchased shares of Yüksel İnşaat A.Ş. in 2006 and the Company became a subsidiary of Akfen Holding.

The restructuring was completed subsequent to the Board of Directors resolution dated April 25, 2006 and Capital Markets Board of Turkey's ("CMB") approval numbered 31/894 and dated July 14, 2006 with the result of the Company's conversion to "Real Estate Investment Trust" registered on August 25, 2006. The change of title and activities was published on Official Trade Gazette on August 31, 2006.

On August 6, 2018, 1000 A group and 1000 D group privileged shares of Akfen GYO belonging to Akfen Holding were transferred to Hamdi Akın, who is the indirect final owner of the management control of these shares.

The Company's main operations and activities are investing in real estates, real estate projects and other capital markets instruments, as described on CMB Communiqué Series: III No: 48.1, Clause 5, 23 and 25 regulating Real Estate Investment Trusts. The Company has signed a framework agreement with ACCOR S.A., one of the world's leading hotel chains, in 2005 to develop hotel projects in Turkey under the Novotel and Ibis Hotel brands. The Company is mainly developing hotels with Ibis Hotel and Novotel trademarks and leasing the hotels to Tamaris Turizm A.Ş. which is a 100% owned subsidiary of ACCOR S.A. operating in Turkey.

The Group was enlisted on Istanbul Stock Exchange (ISE) on May 11, 2011. The Group" phrase will be used for Akfen GYO and its subsidiaries in this report.

On February 21, 2007, the shares of Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. ("Akfen GT"), a subsidiary of Akfen Holding, have been transferred to the Company with a nominal value. Akfen GT's main operations are also investing in real estates, forming real estate portfolio and develop real estate projects. Akfen GT which is 100% owned subsidiary of Akfen GYO has 286 rooms Merit Park Hotel operating in the Turkish Republic of Northern Cyprus (TRNC). Pursuant to the decision of the Board of Directors of the Company dated April 13, 2023, a transfer agreement was signed between the Company and Merit Kıbrıs Turizm Ltd Şirket on April 13, 2023 regarding the transfer of the hotel, whose investment was completed in the TRNC and operated under Merit Park Hotel & Casino. Since the most appropriate transfer of the aforementioned hotel for the Company is to make the transaction in the form of a share transfer by turning the Company's subsidiary Akfen GT into a special purpose company related to the aforementioned hotel, Akfen GT has been rendered to have no activities or assets except the hotel. As a result of the fulfillment of the terms of the contract and the receipt of all necessary legal permissions, the transfer of all shares belonging to Akfen GT, a subsidiary of the Company, was completed on January 17, 2024. In this context, as of August 28, 2023, the division of Akfen GT in such a way that only the hotel will remain within its structure has been completed, and the shares of Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat Anonim Şirketi ("Akfen Karaköy"), which is 78.83% owned by Akfen GT, have been transferred to the newly established Akfen Güney Gayrimenkul İşletme Anonim Şirketi ("Akfen Güney") through a partial division. In addition, as a result of the aforementioned division process; while Akfen GT had 97,8 % shares of YaroslavlInvest Limited Company ("YaroslavlInvest"), Samstroykom Limited Company ("Samstroykom") and KaliningradInvest Limited Company ("KaliningradInvest"), which has hotel investments in Russia, and 96,17% shares of Volgastroykom Limited Company ("Volgastroykom"), where the office investment in Russia is located, and 100% shares of Severnyi Avtovokzal Limited Company ("Severnyi"), which has a hotel investment in Moscow, these shares of subsidiaries have been transferred to the newly established Akfen Kuzey Gayrimenkul İşletme Anonim Şirketi (Akfen Kuzey). The main activities of Akfen Güney and Akfen Kuzey companies, which were registered on August 28, 2023 and are 100% owned, are to invest based on real estate, create and develop a real estate portfolio.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

The Company has established a subsidiary, Akfen Karaköy Otel Yatırımları A.Ş. ("Akfen Karaköy"), to develop a hotel project in Istanbul Karaköy on May 31, 2011. After the capital increase on May 18, 2018, the Company's direct and indirect ownership interest in Akfen Karaköy increased from 69.99% to 91.47%. As of February 16, 2023, 85.16% of Akfen Karaköy's 8.53% shares (7.26% of total shares) owned by third parties were taken over by Akfen GT as a deduction for the existing receivables of Akfen GT from the other partners of Akfen Karaköy together with the accrued interest until the share transfer date, and 14.84% of the remaining shares (1.27% of the total shares) by Akfen Holding. On May 2, 2023, the Company purchased the 1.27% Akfen Karaköy shares belonging to Akfen Holding for TRY 22,944,086 and with the aforementioned share transfer, Akfen Karaköy became a 100% subsidiary of the Company. After the said share purchase, Akfen GYO's direct and indirect ownership in Akfen Karaköy was 100% As of December 31, 2023.

The transfer of Bulvar Loft agreement signed with İller Bankası A.Ş. ("İller Bankası") and Akfen İnşaatrelated to the Land Sales Counterpart Revenue Sharing Work of the 120573 Island 1 Parcel in the size of 36,947 m2 at the Kızılcaşar Quarter of the Ankara Province Gölbaşı District, to the joint venture (Akfen GYO 99% - Akfen İnşaat 1%) established by Akfen GYO and Akfen İnşaat has been approved by İller Bankası. Within this scope, incorporation of Akfen İnşaat Turizm ve Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. joint venture ("Joint Venture") was completed on November 9, 2017 and all rights and liabilities regarding to Bulvar Loft project has been transferred to the Joint Venture. All sales of the Bulvar Loft project, which consists of 6 blocks, 822 independent sections and social facilities, have been completed as of the reporting date. The Ordinary Partnership was liquidated on November 30, 2023.

As of February 9, 2021, all shares of Masanda Turizm Yatırım A.Ş. ("Masanda Turizm") belonging to Akfen Altyapı Holding A.Ş. ("Akfen Altyapı") registered in Muğla province, Bodrum district, Göl Mahallesi, block 112, parcel 4 to make and operate tourism investments and in Bodrum with the right of construction from the Ministry of Culture and Tourism, which has a tourism operation certificate and a 5-Star Holiday Village investment with a capacity of 92 rooms and 184 beds, on the allocated land, were purchased and Isparta Yurt Yatırımları A.Ş. ("Isparta Yurt") shares, which has dormitory investments registered in Isparta City Central Province, in İstiklal 2 District, island 9, parcel 112 with a bed capacity of 4032, and registered in Kütahya City Central District in Civli District, 102 island, 2 parcel with 3200 bed capacity, were purchased from Akfen İnşaat. At the Company's Board of Directors meeting as of June 1, 2021, in accordance with Capital Markets Law No. 6362, Communiqué No. II-23.3 on Common Principles and Separation Rights of the Capital Markets Board ("CMB") on Significant Transactions, Communiqué on Mergers and Divisions No. II-23.2 and relevant regulations of the CMB, Turkish Commercial Code No. 6102, Corporate Tax Law No. 5520 and other relevant legislation; it has been decided that Isparta Yurt and Masanda Turizm of which it is the sole shareholder, by being taken over as a whole with all its assets and liabilities, will be merged within the company in a simplified approach. Pursuant to the provisions of the relevant legislation, the Merger Agreement and Announcement Text were prepared, and an application was made to the CMB on June 3, 2021 for the approval of the Announcement Text and the application was approved by the CMB on June 24, 2021. The merger was registered on June 30, 2021 and the process was completed and Isparta Yurt and Masanda Turizm was taken over by Akfen GYO with all its assets and liabilities.

Akfen GYO has purchased 51% shares of Fıratcan İnş. Turz. Tic. A.Ş. ("Fıratcan Turizm") on June 30, 2021. With this purchase, the Company, with reference to the Lease Agreement for Areas Containing Buildings signed between Fıratcan Turizm and TCDD on 5 July 2018; Söğütlüçeşme train station located in Kadıköy, Istanbul, has the right to carry out the work within the scope of the High Speed Train Station project, 2 years permit-license, 2 years construction period and 28 years operating lease. In this context, the Company has undertaken the Söğütlüçeşme High Speed Train Station Project to TCDD, and viaduct, train station, commercial area and parking lot will be built within the scope of the project. September 6, 2022, the contract was renewed and its term was extended until 2051. The remaining 49% of Fıratcan Turizm's shares were purchased on July 18, 2023. After the acquisition, Fıratcan Turizm became a 100% subsidiary of the Company.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

On September 15, 2022, Akfen GYO purchased a land of 22,197 square meters in Bodrum Yalıkavak, for which all licenses and permits are ready, and started the construction of the villa project planned to be sold on the land. The Company has purchased 100% shares of Gökliman Yatırım İnşaat Turizm ve Jeotermal Tic. A.Ş. ("Gökliman") from Akfen Gayrimenkul Portföy Yönetim A. Ş. 1. Gayrimenkul Yatırım Fonu ("Akfen GPYŞ 1. GMY Fonu") on December 29, 2022 for a consideration of TRY 785,966,822. Gökliman's main field of activity is to make and operate tourism investments, and there is a total of 83,624.59 m2 of land in Muğla province, Milas district, Kıyıkışlacık Neighborhood, Gökliman Locality. On April 3, 2023, Akfen Bafra Gayrimenkul Ticareti ve İnşaat A.Ş. ("Akfen Bafra"), a new 100% owned subsidiary, was established. The main activity of the Company is to invest in real estate in Cyprus, to create and develop a real estate portfolio. The Company is registered in Levent Loft, Büyükdere Caddesi, C Blok No: 201, Kat: 8, Daire: 150, Levent-İstanbul address.

As of June 30, 2024, the number of employees of the company is 42 (December 31, 2023: 43).

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

##### 2.1. Basis of preparation

###### a *Statement of compliance*

The Group and its subsidiaries/affiliates, Akfen GT, Akfen Karaköy, Ordinary Partnership, Gökliman, Akfen Bafra, Akfen Güney, Akfen Kuzey and Fıratcan Tourism head offices maintain its legal books of account and prepare its statutory financial statements in accordance with accounting principles set out in the Turkish Commercial Code ("TTC"), tax legislation and uniform chart of account. Akfen GT, is also operating in Turkish Republic of Northern Cyprus ("Northern Cyprus"), its branch has been registered on September 2, 2002 by the decision of the Cabinet of Northern Cyprus as a foreign company under the limited liability companies Code Article 346, with the registry number YŞ00148, Chapter 113 of Northern Cyprus Corporate Registration Office. Akfen GT's branch operating in Northern Cyprus maintains its legal books of account and prepares its statutory financial statements in accordance with accounting principles set out in the Commercial Code accepted in Northern Cyprus. The Group's foreign entities Yaroslavinvest, Kalingradinvest, Samstroykom, Volgastroykom and Severnyi maintain their records and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

###### b *Measurement principles*

These financial statements are prepared on a historical cost basis, adjusted for the effects of inflation on the Turkish Lira at the reporting date, excluding monetary assets and liabilities and assets and liabilities measured at fair value, in accordance with Turkish Accounting Standard ("TAS") 29 "Financial Reporting in Hyperinflationary Economies".

As of January 1, 2023, within the scope of TAS 29, the amount of "Retained Earnings" without inflation adjustment is TRY 2,464,970,287, and TRY 3,700,330,784 after inflation adjustment. The amount of "Retained Earnings" dated 1 January 2022 is TRY 6,349,662,385 as brought to the purchasing power of June 30, 2024.

#### Financial Reporting in Hyperinflationary Economies

With the "Announcement on the implementation of TAS 29 Financial Reporting in Economies with High Inflation and FRS for LMSE Chapter 25 Financial Reporting in Economies with High Inflation" made on 23 November 2023 by POA, the financial statements of the enterprises applying TFRS for the reporting periods ending on or after 31 December 2023 will be subject to "Turkish Accounting Standard 29 Financial Reporting in High Inflation Economies" standard. POA explained that it should be presented in accordance with the principles of inflation and adjusted for the effect of inflation. In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, CMB decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting comply with the provisions of TAS 29. The implementation will start with the annual financial reports for the accounting periods ending as of December 31, 2023.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.1. Basis of preparation (cont’d)

###### *b Measurement principles (cont’d)*

As a result, the financial statements of enterprises whose functional currency is TRY are adjusted in accordance with TAS 29 according to the changes in the general purchasing power of the Turkish Lira as of June 30, 2024. The correction is calculated with the consumer price index correction coefficients published by Turkish Statistical Institute, derived from Turkey in general.

The indices and adjustment coefficients for June 30, 2024, December 31, 2023 and June 30, 2023 used in the restatement of consolidated financial statements are as follows:

<b>Date</b>	<b>Index</b>	<b>Conversion factor</b>
June 30, 2024	2,319.29	1.000
December 31, 2023	1,859.38	1.2473
June 30, 2023	1,351.59	1.7160

In accordance with the POA's "Implementation Guide on Financial Reporting in Economies with High Inflation", the financial statements dated 1 January 2021, which are the opening amounts of the comparative financial table for the consolidated financial statements of the enterprises ending on June 30, 2024, are accepted as the opening statement of financial position.

TFRS requires that the financial statements of an entity whose functional currency is hyperinflationary, whether prepared according to the historical cost or current cost approach, be restated in accordance with the requirements of TAS 29 and applied retrospectively, assuming that there has always been high inflation in the economy in which the currency is located. The basic principle in TAS 29 is that the financial statements of an entity reporting in the currency of a hyperinflationary economy must be reported in the measurement unit current at the reporting date. Comparative figures for the previous period are rearranged to the same current unit of measurement.

#### **Financial Reporting in Hyperinflationary Economies**

The main procedures applied for the restatements mentioned above are as follows:

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of shareholders’ equity are restated by applying the relevant conversion factors from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date.
- Property, plant and equipment are restated by applying the change in the index from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date. Depreciation is based on the restated amounts.
- All items in the income statement except for the depreciation charges explained above and deferred tax charges, are restated by applying the monthly conversion factors of the transactions to the reporting date.
- The effects of inflation on the net monetary positions of the Company, is included in the profit or loss statement as “monetary gain / (loss)”.
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.
- All amounts for comparative periods have been rearranged by applying the index change from the relevant comparative period to June 30, 2024.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.1. Basis of preparation (cont’d)

###### *b Measurement principles (cont’d)*

In a reporting period in which the Group determines that the functional currency is the currency of a hyperinflationary economy and there was no hyperinflation in the previous period, the Group applies the requirements of TAS 29 as if the economy had always been hyperinflation. Therefore, in respect of non-monetary items measured at historical cost, the opening statement of financial position at the beginning of the earliest period presented in the Group's consolidated financial statements should be restated to reflect the effects of inflation from the date on which assets were acquired and from the date on which liabilities were recognized or assumed. For non-monetary items shown at their current amounts in the opening statement of financial position, this adjustment should reflect the effect of inflation from the date their current values were determined to the end of the reporting period.

The Group applied TAS 29 in the opening statement of financial position dated 1 January 2021 and rearranged the relevant amounts to reflect the effect of inflation from the date the assets were acquired and liabilities and equity were assumed, excluding retained earnings/losses, until the end of the reporting period.

###### *c Compliance with Turkish Accounting Standards (“TAS”)*

The individual financial statement has been prepared in accordance with the Turkish Accounting Standards (“TAS”) published and entered into force by the Public Oversight Accounting and Auditing Standards Authority (“KGK”) which is in accordance with the provisions of the CMB's Communiqué Serial II–14.1 on “Principles of Financial Reporting in the Capital Markets” (“Communiqué”) published in the Official Gazette dated 13 June 2013 and numbered 28676. The financial statements are presented in accordance with “Announcement regarding with TFRS Taxonomy” which was published on 15 April 2019 by POA and templates defined in the Illustrative Financial Statements and User Guide published by Capital Markets Board of Turkey (“CMB”). TAS is composed of Turkish Accounting Standards, Turkish Financial Reporting Standards, appendixes, and interpretations.

The Group's financial statements as of June 30, 2024 were approved by the Board of Directors of the Company on August 22, 2024. The General Assembly and the relevant legal institutions have the right to amend the financial statements prepared in accordance with the legal regulations and these financial statements.

###### *d Functional and presentation currency*

The presentation currency of the accompanying financial statements is TRY. The table below shows the functional currency of each Company:

<b>The Company</b>	<b>Functional currency</b>
Akfen GYO	TRY
Akfen Karaköy	TRY
Adi Ortaklık	TRY
Fıratcan Turizm	TRY
Gökliman	TRY
Akfen Bafra	TRY
Akfen Kuzey	TRY
Akfen Güney	TRY
Akfen GT (*)	TRY
Samstryokom, Yaroslavlinvest, KaliningradInvest	RUB
Volgastroikom	RUB
Severnyi	RUB

(\*) It was sold on January 17, 2024.

All financial information presented in TRY unless otherwise stated. All other currencies are stated full unless otherwise stated.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.1. Basis of preparation (cont’d)

###### *e Basis of consolidation*

###### **Subsidiaries**

Affiliated companies refer to the companies over which Akfen GYO is exposed to variable returns due to its relationship with the invested business, and in which it also has ownership rights in these returns. Additionally, the company has control over these affiliated companies, as it has the ability to influence the financial and operational policies of these companies. Consequently, the company receives a share of the affiliated company's operating results. This control power is determined based on current and convertible voting rights. The financial statements of the subsidiaries are consolidated from the beginning of the control power over the affiliate to end of that power.

Financial statements of the subsidiaries are prepared in line with the financial statements of the Group in the same accounting period using uniform accounting policies. Financial statements of the subsidiaries are consolidated based on full consolidation method.

The table below shows Akfen GYO’s ownership ratio in subsidiaries as of June 30, 2024 and December 31, 2023:

<b>The Company</b>	<b>Direct or indirect shares of the Company (%)</b>	
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen Karaköy	100.00	100.00
Severnyi	100.00	100.00
Gökliman	100.00	100.00
Fıratcan Turizm	100.00	100.00
Akfen Kuzey	100.00	100.00
Akfen Güney	100.00	100.00
Akfen Bafra	100.00	100.00
Yaroslavl Invest, KalingradInvest, Samstroykom	97.80	97.80
Volgastroykom	96.17	96.17
Akfen GT (*)	-	100.00

(\*) It was sold on January 17, 2024.

###### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Transactions in foreign currencies are translated to the functional currencies of the Group entities at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognized in the consolidated statement of comprehensive income.

The Group entities use TRY or RUB, as functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substances of the underlying events and circumstances relevant to these entities.

All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.1 Basis of preparation (cont’d)

Assets and liabilities of the Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. Equity items are presented at their historical costs. The foreign currency differences are recognized directly in equity, under “Foreign Currency Translation Reserve” (FCTR). When the related Group entity is disposed of, in part of in full, the relevant amount in the FCTR is transferred to profit or loss.

##### Joint ventures

Joint ventures have been established under a contract to undertake an economic activity to be jointly managed by one or more enterprising partners of the Company and its Subsidiaries. Joint ventures have been established under a contract to undertake an economic activity to be jointly managed by one or more enterprising partners of the Company and its Subsidiaries. “TFRS 11 Joint Arrangement’s standard”, which became effective as of the annual accounting periods that started on or after January 1, 2013 and repealed “TAS 31 Standard of Shares in Joint Ventures”, requires that the shares in joint ventures be accounted for according to the equity method in accordance with “TAS 28 Investments in Subsidiaries and Joint Ventures”.

According to the equity method, the joint venture investment is initially recognized at the acquisition cost. After the acquisition date, the share of the investor in the profit or loss of the investee is reflected in the financial statements by increasing or decreasing the book value of the investment. The share that the investor receives from the profit or loss of the invested enterprise is recognized as the investor's profit or loss. Distributions (dividends, etc.) received from an invested enterprise reduce the book value of the investment. The book value of the investee needs to be adjusted in proportion to the investor's share of changes in the company's other comprehensive profit.

As of March 29, 2021, The Company has been purchased 51% shares of Fıratcan Turizm which has the right to lease the Söğütlüçeşme train station in Istanbul, Kadıköy, within the scope of the High-Speed Train Station Project for 2 years of permission and license, 2 years of construction period and 25 years to operate according to the Lease Contract for Construction Containing Areas signed with TCDD. According to the share transfer agreement, management of Fıratcan Tourism will be carried out jointly by Akfen GYO and Fıratcan Tourism companies, and decisions regarding Fıratcan Tourism's activities that significantly affect its returns require unanimity of the parties. For this reason, Fıratcan Tourism has been accounted for using the equity method. The remaining 49% of Fıratcan Turizm's shares were purchased on July 18, 2023. After the acquisition, Fıratcan Turizm became a 100% subsidiary of the Company and was accounted for with the full consolidation method as of June 30, 2024 and December 31, 2023.

##### *e Comparative information and restatement of prior periods’ financial statements*

The accompanying consolidated financial statements are prepared in comparison with the previous period in order to determine trends in the Group's financial position, performance and cash flow. In order to ensure comparability when the display or classification of the items of the consolidated financial statements changes, the consolidated financial statements of the previous period are also reclassified accordingly and explanations are made regarding these matters.

##### *f Going Concern*

Consolidated financial statements have been prepared according to the continuity of the business.



# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.2. Accounting estimates and evaluations

The preparation of consolidated financial statement requires the use of assumptions and estimates that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues, expenses which are reported throughout the period. Even though, these assumptions and estimates rely on the best estimates of the Group management, the actual may differ from them.

The estimates are used particularly in the following notes:

##### *Not 10 Fair value measurement of investment property*

The fair value of the investment real estate of the Group as of the balance sheet date has been obtained according to the valuation carried out by a real estate valuation Group which is not related with the Group. The evaluation made according to the International Valuation Standards has been identified with the revenue reduction methods and various estimations and assumptions (discount rates, occupancy rates, etc.) are being used in these calculations. Any possible future changes in these estimations and assumptions may lead to significant impact on the Group financial statements.

##### *Not 18 Long Term VAT receivables*

The Group classifies its VAT receivables which will be recovered more than one year based on its current operations, to non-current asset (Note 22).

##### *Derivative Instruments*

Financial assets at fair value through profit or loss also include “derivatives” items in the statement of financial position. Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative.

In addition, the Group provides hedging on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts to be realized in the future within the scope of the agreements it has made. Within the scope of the currency risk management strategy it has determined, the Group applies hedge accounting for the purpose of hedging the foreign currency risk component of the unrecorded firm commitment fair value risk, and provides a healthier income statement presentation by netting out the foreign exchange rate fluctuations that have occurred on the hedged item and the hedging instrument but have not yet been realized.

Derivative instruments of the Group reflected in profit or loss consist of interest rate fixing agreements and currency risk management strategies explained above.

The fair value of financial instruments arising from transactions for exchange rate and interest rate clearing transactions is evaluated within the scope of level 2 according to the discounted cash flow approach method, which is one of the valuation method techniques.

##### 2.3. Changes in accounting policies

Accounting policies taken as basis for the preparation of consolidated financial statements for the accounting period of January 1 - June 30, 2024 are applied in consistence with the financial statements prepared as of December 31, 2023 except for the new and amended TAS/IFRS standards stated below which are valid as of January 1, 2024 and the interpretations of the Turkish Financial Reporting Interpretation Committee (“TFRIC”).

If the changes in accounting estimates are related to only one period, they are applied prospectively in the current period in which the change is made and if they are related to future periods, to cover future periods. There are no changes in accounting estimates in the current period. Significant accounting errors are applied retrospectively, and prior period financial statements are restated. There are no significant accounting errors detected in the current period.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.3. Changes in accounting policies (cont’d)

**The new standards, amendments, and interpretations that effective on 30 June 2024 are as follows:**

##### ***Changes that have entered into force and have been implemented***

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2024:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Group.

##### **Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024**

- Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates

***The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”)***

- IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

#### 2.4. Summary of significant accounting policies

The important accounting principles used in the preparation of financial statements are explained below.

##### 2.4.1. Revenue

Revenue includes rental income and real estate inventory sales.

##### Rental income

Rental income from investment property is recognized on accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Income is realized when the economic benefits obtained by the Group and amount of the related income is measured confidently.

##### Sale of real estate stock (independent section)

Real estate inventories are projects developed for sale purposes and presented under inventories. Revenue from sales of real estate inventories is recognized only if the following conditions are met:

- Transfer of all control of the Group's ownership to the buyer (transfer of the risks and gains of the independent segments sold to the buyer usually occurs by the final delivery of the dwellings and/or the delivery of title deeds),
- the Group's right to collection of goods or services,
- the customer's legal ownership of the goods or services,
- transfer of possession of goods or services,
- the customer's control over the ownership of the goods or services,
- the conditions for the customer to accept the goods or services.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)

##### 2.4. Summary of significant accounting policies (cont'd)

###### Income from real estate sales

Sales revenue is recognised significant risks and rewards associated with ownership of the real estate, have been transferred to the buyer, the entity is not related to the management of the properties sold as required by the ownership and there is no effective control over the properties in question, the amount of sales revenue can be measured reliably, it is probable that the economic benefit related to the transaction will be obtained by the entity. It is recorded when the costs incurred and to be incurred in connection with the transaction can be measured securely.

Sales revenue and cost are reflected in the financial statements when the contract conditions regarding the projects that the Group sells comply with the conditions explained above.

###### **2.4.2. Statement of cash flows/ Cash and cash equivalents**

The cash flow statements for the period are classified and reported in the cash flow statement on the basis of investment and financing activities. The cash flows arising from the operating activities represent the cash flows arising from the Company activities. The cash flows related to investment activities represent the cash flows the Company uses and obtains in its investment activities (fixed investments and financial investments). The cash flows regarding the financing activities represent the resources used by the Company in its financing activities and repayments of those resources.

Cash and cash equivalents are cash in hand, demand deposits and other short-term investments with a maturity of 3 months or less than 3 months, which are easily convertible into cash and do not carry a significant risk of change in value. Bank deposits with a maturity of longer than 3 months and less than 1 year are classified as short-term financial investments.

###### **2.4.3. Investment property**

###### **Operating investment properties**

Investment properties are properties held to earn rental income, capital gains or both. Investment properties are initially recognized at cost, including transaction costs, and subsequently measured at fair value. Fair value is the price to be paid in a transaction, sale of an asset or transfer of debt between market participants at the measurement date.

The fair value of the investment properties is determined by adding the present values of the free cash flows to be generated by the investment properties in the following years. Fair valuation studies have been made considering the credibility of the tenants or those responsible for making the activity payments, the distribution of the maintenance and insurance of the investment property between the lessor and the lessee and the economic life of the investment property. The fair value of the investment properties owned by the Group in Turkey is calculated by a real estate appraisal company included in the list of "Real Estate Appraisal Firms" registered with the CMB, and the fair value of the investment properties owned by the Group in Russia is calculated by a licensed real estate appraisal company in Russia..

Gains or losses arising from changes in the fair value of investment properties are recognized in profit or loss in the period in which they arise. Accounting of rental income from investment properties is disclosed in Note 2.4.1.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.4 Summary of significant accounting policies (cont’d)

###### 2.4.3. Investment property (cont’d)

###### Operating investment properties (cont’d)

###### *Right to use assets*

The Group classifies its rights to the land it leases to develop investment property as investment property. In such a case, the right for the land in question is accounted for in the same way as in the financial lease and in addition, the fair value method is used for the land in question. Since the fair values of investment properties developed on the leased lands of the Group have been made by deducting the estimated cash flows of the land to be paid for these lands, the discounted values of the related land and related lease amounts are mutually accounted in the investment properties and other liabilities accounts.

###### *Lease liabilities*

The Group measures its lease liability at the present value of unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease liability on the date that the lease actually commences, consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the date the lease actually starts:

- (a) Fixed payments,
- (b) Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease.
- (c) Amounts expected to be paid by the Group under residual value commitments
- (d) the use price of this option and if the Group is reasonably certain that it will use the
- (e) fines for termination of the lease if the lease shows that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred.

The revised discount rate for the remainder of the lease term of the Group is determined as; if it is not easily determined, the Group determines the alternative borrowing interest rate at the date of the revaluation.

After the effective date of the lease, the Group measures the lease liability as follows:

- (a) increase the carrying amount to reflect the interest on the lease obligation; and
- (b) Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

###### **Lands**

The lands that are held for the purpose of earning capital gains in the long term rather than being sold in the short term in the normal course of business and the lands whose future use has not been determined are recognised for as investment property in the consolidated financial statements and gains or losses arising from changes in the fair value of these assets are included in profit or loss in the period in which they occur.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4.4. Property, plant and equipment**

Tangible assets acquired before January 1, 2005 are carried at restated cost for the effects of inflation in TRY units current at the December 31, 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after January 1, 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

**Depreciation**

Depreciation on the tangible assets is provided on straight-line method according to their useful lives from the date of recognition or assembly of the related assets.

The estimated useful lives of the related assets are as follows:

Equipment	5-10 years
Furniture and fixture	3-10 years
Motor vehicles	3- 5 years

**Subsequent expenditures**

Expenditures incurred to replace a component of tangible assets that is accounted for separately, including major inspection and overhaul costs, are capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of tangible assets. All other expenditures are recognized in the income statement as expense as incurred.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

**Intangible assets**

Intangible assets consists the software programmes. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the related assets of 3 or 5 years.

**2.4.5. Impairment of non-financial assets**

At each balance sheet date, the carrying of Group’s assets, other than investment property is reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of the asset (or cash generating unit) is less than its book value, the book value of the asset (or cash generating unit) is reduced to its recoverable amount. In this case, impairment losses are recognized in profit or loss. The increase in the registered value of the asset (or cash-generating unit) due to the reversal of the impairment should not exceed the book value (net amount remaining after depreciation) that would occur if the impairment was not included in the financial statements in previous years. Cancellation of impairment is recorded in profit or loss.

# CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

## AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.4.6. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories consist of the assets held by the Group for the purpose of building residential buildings for sale and the costs of the ongoing residential construction on these land. The cost of inventories includes all procurement costs, conversion costs and other costs incurred to bring the inventories to their present state and position. The unit cost of inventories is determined using either the cost of acquisition or the net realizable value. Inventories are classified as short term considering the probable end date of the constructions.

##### 2.4.7. Financial assets

###### *Classification*

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase. Financial assets are not reclassified after initial recognition unless the business model that the Group uses in the management of financial assets has changed; In the event of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

###### *Recognition and Measurement*

“Financial assets measured at amortized cost” are non-derivative financial assets that are held within the scope of a business model aimed at collecting contractual cash flows and that only include interest and cash flows arising from the principal and principal balance on certain dates. The Group's financial assets accounted for at amortized cost are “cash and cash equivalents”, “trade receivables”, “other receivables” and “financial investments”. Related assets are measured at fair value at initial recognition; in subsequent recognition, it is measured at amortized cost using the effective interest method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

“Financial assets at fair value through other comprehensive income” are non-derivative financial assets that are held as part of a business model aimed at collecting contractual cash flows and selling financial assets, and which only include interest payments arising from principal and principal balances on certain dates on contract terms. Gains or losses arising from the related financial assets are recognized in other comprehensive income except for impairment, gains and losses and foreign exchange differences. If the assets are sold, the valuation differences that are classified in other comprehensive income are reclassified to retained earnings. For investments made in equity instruments, the Group may irrevocably choose to reflect the subsequent changes in fair value on other comprehensive income for the first time. In case of making such preference, dividends obtained from related investments are accounted in consolidated income statement.

“Financial assets at fair value through profit or loss” consist of financial assets other than financial assets measured at amortized cost and fair value difference reflected to other comprehensive income. Gains and losses arising from the valuation of such assets are recognized in the consolidated income statement.

Financial assets at fair value through profit or loss also include “derivatives” items in the statement of financial position. Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Group reflected in profit or loss consist of interest rate fixing contracts.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

### 2.4.7 Financial assets (cont’d)

#### *Derecognition*

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

#### *Impairment*

Impairment of financial assets and contractual assets is calculated using “the expected credit loss” (ECL) model. The depreciation model is applied to amortized cost financial assets and contract assets. Provision for losses is measured based on the following: 12-month ECLs: the ECLs resulting from possible default events within 12 months of the reporting date. Lifetime ECLs: ECLs that arise from all possible default events over the expected life of a financial instrument. Lifetime ECL measurement is applied when the credit risk associated with a financial asset increases significantly after the initial recognition at the reporting date. In all other cases where there was no increase, the 12-month ECL calculation was applied.

The Company may determine that the credit risk of the financial asset does not increase significantly if the credit risk of the financial asset has a low credit risk at the reporting date. However, the lifetime ECL measurement (simplified approach) is always valid for trade receivables and contract assets without significant funding.

### 2.4.8. Financial liabilities

Financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the burden of the related financial liability are also added to the fair value.

Financial liabilities are classified as equity instruments and other financial liabilities.

#### **Financial liabilities and borrowing cost**

Financial liabilities are initially recognized at the value received by deducting transaction costs from the amount of financial liability on the borrowing date. Financial liabilities are measured in the consolidated financial statements from their amortised cost using effective interest rate on subsequent dates.

Financial liabilities are removed from the accounts when the debts arising from these liabilities are raised, cancelled and expired.

### 2.4.9. Share capital

#### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.4.10. *Earnings per share and diluted earnings per share*

Earnings per share, which is stated income statement, is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the period. The number of common share available during the period is the sum of number of common shares at the beginning of the period and the product of number of common shares exported during the period and a time weighted factor (Note 29).

In the calculation of diluted earnings per share presented in the comprehensive income statement, the profit or loss in the share of the ordinary shareholders of the parent company and the weighted average number of shares are adjusted according to the effects of dilutive potential ordinary shares. The profit or loss in the share of the parent shareholders of the parent company is increased by the amount of the post-tax dividend and interest accrued in the period with respect to the potential ordinary shares that are dilutive effects and by any other change resulting from the conversion of potential ordinary shares with dilutive effects and the weighted average number of existing ordinary shares is increased by the weighted average of the number of additional ordinary shares based on the assumption that all potential ordinary shares with dilution effects have been converted (Note 29).

##### 2.4.11. *Subsequent events*

Events after the balance sheet date are those events, favorable and unfavorable, that occur between the balance sheet date and the date when the financial statements are authorized for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed on the financial position date (adjusting events after the balance sheet date); and
- those that are indicative of conditions that arose after the financial position date (non-adjusting events after the balance sheet date).

If there is evidence of such events as of balance sheet date or if such events occur after balance sheet date and if adjustments are necessary, Group’s financial statements are adjusted according to the new situation. The Group discloses the post-balance sheet events that are not adjusting events but material.

##### 2.4.12. *Provisions, contingent liabilities and contingent assets*

A provision is recognized when the Group has a present implicit or legal obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes.

If the inflow of economic benefits is probable contingent assets have been disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur such asset and income statement effect has been recognized in the financial statements at the relevant period that income change effect occurs.

##### 2.4.13. *Leases*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4.13. Leases (cont’d)**

***Group as a lessee***

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

### 2.4.13. Leases (cont’d)

#### *Group as a lessee (cont’d)*

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *The Group as a lessor*

The Group allocates the price in the contract on the basis of the relative stand-alone price for a contract that includes a lease component and one or more additional lease components or non-lease components, at the inception of the contract or when the contract containing the lease component is modified.

When the Group is in the position of lessor, it classifies each of the leases as operating leases or finance leases. To classify each lease, the Group makes an overall assessment of whether the lease essentially transfers all the risks and rewards of ownership of the asset. A lease is a finance lease when it transfers risks and rewards; otherwise, it is an operating lease. As part of this assessment, the Group considers some other indicators, such as whether the lease term covers most of the economic life of the underlying asset.

When the Group is an intermediate lessor, it considers the main lease and the sublease separately. It evaluates the lease classification of a sublease by referring to the right-of-use asset arising from the lease, not by reference to the underlying asset. If a lease is a short-term lease to which the Group applies the exemption described above, it classifies the sublease as an operating lease.

### 2.4.14 Related parties

For the purpose of the accompanying consolidated financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties.

A related party is a person or entity that is related to the Group that is preparing its financial statements:

- a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

##### 2.4.14 Related parties (cont’d)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

##### 2.4.15. Segment reporting

There are three operational divisions that contain information used by Group Management to evaluate performance and make decisions regarding resource allocation. Despite providing the same service, these strategic divisions are regularly reviewed by Group Management based on resource allocation and performance, as they are affected by different economic conditions and geographical locations. The operational divisions of the Group operate in the real estate investment sector in Turkey, Northern Cyprus, and Russia.

##### 2.4.16. Government grants and incentives

Investment incentives with government incentives are accounted for on an accrual basis at fair value when approved by the authorities in relation to Group’s incentive requests. The government grants related to the expenses, the government incentives for the period in which the group becomes eligible, and the government expenditures related to the investment expenditures are shown as deferred income on the balance sheet and are linearly associated with the consolidated income statement over the estimated useful life of the asset.

##### 2.4.17 Taxation

The Group is exempt from corporate income taxes in accordance with paragraph d-4 of Article 5 of the Corporate Income Tax Law. In accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the real estate investment trusts are subject to withholding taxes, with Council of Ministers decision No, 93/5148, the withholding rate is determined as "0". Therefore, the Group has no tax obligation over its earnings for the related period.

Ordinary Partnerships are not considered as an independent unit in terms of tax legislation. Therefore, as the main addressee in tax application, the partners of the ordinary company are considered severally liable. Since Akfen GYO is exempt from Corporate Tax, it does not have any tax liability arising from the earnings of the Ordinary Partnership.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax. Since Akfen GYO has corporate tax exemption, it does not have any deferred tax assets and liabilities.

Inflation accounting application with the “Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law” adopted on the agenda of the Turkish Grand National Assembly on January 20, 2021. It has been deferred starting from the balance sheet dated 31 December 2023.

Akfen GT's headquarters in Turkey, including Akfen Karaköy, Fıratcan İnşaat, Gökliman, Akfen Bafra, Akfen Güney, and Akfen Kuzey, are subject to a corporate tax rate of 25% (2023: 25%) According to Article 21 of the Law published in the Official Gazette dated July 15, 2023 and numbered 32249, which addresses the compensation for economic losses caused by earthquakes occurring on February 6, 2023, amendments were made to Article 32 of the Corporate Tax Law No 5520 As a result, the general corporate tax rate has been increased from 20% to 25%, and for banks and financial institutions, the rate has been raised from 25% to 30%. The same provision of the mentioned law (Article 21) ensures that the corporate income tax rate, which is currently applied at a discounted rate of 1 point for institutions engaged in exports to encourage exports, is now applied at a discounted rate of 5 points.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

### 2.4.17 *Taxation (cont’d)*

The aforementioned change will be applicable to the profits of institutions starting from the tax returns to be submitted from October 1, 2023, and for the tax periods of 2023 and subsequent years. For institutions subject to a special accounting period, the tax rate of 25% will be in effect for the special accounting period starting in the 2023 calendar year and subsequent tax periods. Therefore, in the tax calculations for the relevant companies, a tax rate of 25% has been used as of the reporting period.

The branch of Akfen GT operating in Northern Cyprus is subject to a corporate tax rate of 23.5%, and companies located in Russia are subject to a corporate tax rate of 20% according to Russian legislation.

The deferred tax assets or liabilities are determined by calculating the tax effects according to the balance sheet method for temporary differences between the values of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base. Deferred tax is calculated based on the expected tax rates applicable at the end of the reporting period, taking into account the current or newly enacted tax rates and tax legislation.

The deferred tax assets or liabilities are reflected in the accompanying consolidated financial statements at the estimated rate of increase and decrease in the amount of tax payable in future periods when such temporary differences will disappear. The deferred tax receivable is set aside in cases where it is possible to provide a tax advantage in future periods. To the extent that it is understood that this receivable can no longer be used, it is deleted from the relevant asset. The applicable tax rates are used in calculating the deferred tax.

Subject to the tax legislation of the same country and if there is a legally enforceable right to deduct current tax assets from current tax liabilities, deferred tax assets and deferred tax liabilities are mutually offset from each other.

### 2.4.18. *Non-current assets and liabilities held for sale*

The non-current assets, or a group of assets and liabilities that are likely to be disposed of primarily rather than continuing to be used, are classified as selling or distributing them. Such assets or group of assets to be disposed of shall be measured by the lesser of the fair value deducted from the value of the record and the cost of sale. The impairment in the group of assets to be disposed of is first allocated to goodwill and then allocated proportionally to the remaining assets and liabilities, provided that no impairment loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties or live assets valued in accordance with the Group's accounting policies. As non-current assets held for sale or distribution, impairments on the date of the first classification and gains and losses in subsequent measurements are recognized as profit or loss.

Once intangible assets or tangible fixed assets are classified as held for sale or distribution, they are not subject to depreciation or amortization.

### 2.4.19. *Employee termination benefits*

#### *Provision for severance pay*

In accordance with the existing labour code in Turkey, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Company calculated the severance pay liability for the retirement of its employees by discounting the future liabilities to their present values, by using actuarial method and reflected to the financials.

#### *Vacation pay provision*

The vacation pay provision accrued on the financial statements represent the estimated total liability for future probable obligation of the employees.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont’d)

### 2.4.20. Offsetting

Every item that has importance due to its nature an amount is reflected in the financial statements separately even if they are similar. Unimportant amounts are reflected by adding to each other based on their principles and functions. As a result of a requirement for offsetting due to nature of the transactions and events, reflection of such transactions and events from their net values or following up from their amount after deducting impaired value shall not be considered as violation of the rule of no offset.

### 2.5. Investment portfolio limitations on real estate investment trust

As of June 30, 2024 and December 31, 2023, in accordance with Capital Markets Board’s Communiqué Serial: II, No: 14.1 “Financial Reporting in Capital Markets” Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board’s Communiqué Serial: III, No: 48.1 “Real Estate Investment Company” published in the Official Gazette dated May 28, 2013 numbered 28660. In addition since the information given “Restrictions on the Investment Portfolio of Real Estate Investment” comprise unconsolidated data; such information may not match with the information disclosed in the consolidated financial statements.

The information in the footnotes may not correspond with the data in the consolidated tables due to the fact that the footnotes contain non-consolidated data.

### 2.6. Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair value, according to valuation techniques used is classified into the following levels:

Level 1: For identical assets or liabilities in active markets (unadjusted) prices;

Level 2: 1st place other than quoted prices and asset or liability, either directly (as prices) or indirectly (i.e. derived from prices) observable data;

Level 3: Asset or liability is not based on observable market data in relation to the data (non- observable data).

The fair value of the investment real estates is at Level 2 and Level 3 according to the revenue reduction method that is one of the valuation techniques.

## 3. SHARE PURCHASES OF SUBSIDIARIES / SALES OF ASSETS HELD FOR SALE

### a) Share purchases of Subsidiaries

#### Akfen Karaköy

As of February 16, 2023, 85.16% (7.25% of total shares) of 8.53% of Akfen Karaköy's shares owned by 3rd parties were taken over by Akfen GT, Akfen GT was taken over by Akfen Holding as a set-off against its existing receivables from other shareholders of Akfen Karaköy, together with interest accrued until the share transfer date, and 14.84% of the remaining shares (1.27% of total shares) were taken over by Akfen Holding. Following the share purchase, The Company's direct and indirect ownership ratio in Akfen Karaköy became 98.73%.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**3. SHARE PURCHASES OF SUBSIDIARIES / SALES OF ASSETS HELD FOR SALE (Cont’d)**

**a) Share purchases of Subsidiaries (cont’d)**

The details of the share purchase transaction described above are as follows:

<b>Akfen Karaköy</b>	
The total acquisition price (A)	302,576,337
The value of Akfen Karaköy at the time of acquisition	1,480,017,165
The acquisition share ratio	%7,26
The value of the acquired shares (B)	107,449,248
Other equity item (A-B)	195,127,089

On May 2, 2023, the Company acquired 1.27% of Akfen Karaköy shares belonging to Akfen Holding for TRY 28,619,211, and with the said share transfer, Akfen Karaköy became a 100% subsidiary of the Company. As of December 31, 2023, Akfen GYO's direct and indirect ownership of Akfen Karaköy has reached 100%.

The details of the share purchase transaction described above are as follows:

<b>Akfen Karaköy</b>	
The total acquisition price (A)	28,619,211
The value of Akfen Karaköy at the time of acquisition	1,470,144,703
The acquisition share ratio	%1,27
The value of the acquired shares (B)	18,670,837
Other equity item (A-B)	9,948,374

**Fıratcan Turizm**

Fıratcan Turizm's 49% of shares were purchased on July 18, 2023, and after the acquisition, Fıratcan Turizm became a 100% subsidiary of the Company and was fully consolidated in the consolidated financial statements as of December 31, 2023. Fıratcan Turizm's profit or loss and other comprehensive income items were accounted for in the shares account from the profits of investments valued by the equity method by the ownership ratio until June 30, 2023, which is the reporting period closest to the acquisition date, and by the full consolidation method in the consolidated financial statements after June 30, 2023.

The details of the share purchase transaction described above are as follows:

<b>Fıratcan Turizm</b>	
The total acquisition price	472,984,139
Discounted Total acquisition price (A)	468,853,074
The value of Fıratcan Turizm at the time of acquisition	1,093,414,922
Proportion of shares acquired	%49
Value of shares acquisition (B)	535,773,312
Negotiated acquisition earnings (A-B)	66,920,238

As of June 30, 2023, the reporting period closest to the acquisition date, TRY 66,920,238, which is the difference between the value of Fıratcan Turizm and the cost of the acquisition, was recognized as negotiated acquisition gain in the item of income from investment activities in the Group's consolidated profit or loss and other comprehensive income statement for the year ended December 31, 2023.

The details of the cash outflow from the acquisitions are as follows:

<b>Fıratcan Turizm</b>	
Total purchase price – cash	468,853,074
Cash and cash equivalents – acquired	(3,219,779)
<b>Cash outflow from purchasing (net)</b>	<b>465,633,295</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**3. SHARE PURCHASES OF SUBSIDIARIES / SALES OF ASSETS HELD FOR SALE (Cont’d)**

**a) Share purchases of Subsidiaries (cont’d)**

As of June 30, 2023, the reporting period closest to the date of acquisition, the summary financial statement of Fıratcan Turizm is as follows:

<b>Assets</b>	<b>June 30, 2023</b>
<b>Current assets</b>	<b>157,563,419</b>
Cash and cash equivalents	3,219,779
Short term financial investments	39,480,498
Other receivables	28,749
Prepaid expenses	114,834,187
Other current assets	206
<b>Non-current assets</b>	<b>2,586,450,537</b>
Other receivables	199,201,548
Investment properties	2,311,418,873
- <i>Investment properties</i>	2,081,782,376
- <i>Assets arising from financial leases</i>	205,916,587
- <i>Rents</i>	23,719,910
Other non-current assets	75,830,116
<b>Total Assets</b>	<b>2,744,013,956</b>
<b>Liabilities</b>	<b>June 30, 2023</b>
<b>Current liabilities</b>	<b>165,445,480</b>
Short-term portions of long-term borrowings	153,555,486
- <i>Bank loans</i>	76,452,397
- <i>Financial lease liabilities</i>	74,680,604
- <i>Operational lease liabilities</i>	2,422,485
Trade payables	7,210,479
Other payables	3,029,703
Payables within the scope of employee benefits	726,603
Current provisions	923,209
<b>Non-current liabilities</b>	<b>1,485,153,546</b>
Non-current borrowings	1,209,729,888
- <i>Bank loans</i>	1,046,024,688
- <i>Financial lease liabilities</i>	132,069,816
- <i>Operational lease liabilities</i>	31,635,384
Non current provisions	902,835
Deferred tax liabilities	274,520,823
<b>Total liabilities</b>	<b>1,650,599,026</b>
<b>Equity attributable to owners of parent</b>	<b>1,093,414,922</b>
<b>Total liabilities</b>	<b>2,744,013,948</b>

**b) Sales of assets held for sale**

Pursuant to the decision of the Board of Directors of the Company dated April 13, 2023, a transfer agreement was signed between the Company and Merit Kıbrıs Turizm Ltd Company on April 13, 2023 regarding the transfer of the hotel, whose investment was completed in the TRNC and operated under the title of Merit Park Hotel & Casino. Since the most appropriate transfer of the hotel in question for the Company was to make the transaction in the form of share transfer by turning the Company's subsidiary Akfen GT into a special purpose company related to the hotel in question, Akfen GT was made to have no activities or assets other than the hotel, and Akfen GT was transferred to the buyer on January 17, 2024 with a variable price of 73,000,000 USD + variable.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**3. SHARE PURCHASES OF SUBSIDIARIES / SALES OF ASSETS HELD FOR SALE (Cont’d)**

**b) Sales of assets held for sale (cont’d)**

As of December 31, 2023 and June 30, 2023, all assets related to the Akfen GT TRNC branch, where Merit Park Hotel is located, and Akfen GT company are listed in the liabilities related to the assets held for the purpose of sale, and the liabilities are shown in the liabilities related to the assets held for the purpose of sale. As of December 31, 2023 and June 30, 2023, the assets held for sale are as follows::

Assets	Akfen GT December 31, 2023	Akfen GT June 30, 2023
<b>Current assets</b>	<b>14,104,972</b>	<b>30,011,249</b>
Cash and cash equivalents	434	17,328
Trade receivables		11,176,289
Inventories	69,014	475,497
Prepaid expenses	2,093,452	1,913,447
Other current assets	11,942,072	16,428,688
<b>Non-current assets</b>	<b>3,323,544,969</b>	<b>4,572,100,028</b>
Other receivables	183,234	183,234
- <i>Other receivables from third parties</i>	183,234	183,234
Investment properties	3,319,523,456	4,566,639,399
Prepaid expenses	60,204	112,457
Other non-current assets	3,778,075	5,164,938
<b>Total Assets</b>	<b>3,337,649,941</b>	<b>4,602,111,277</b>
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>312,263</b>	<b>44,776,491</b>
Short-term portions of long-term borrowings (Note 7)	312,263	256,152
Other payables		6,518
Deferred revenues		44,513,821
<b>Non-current liabilities</b>	<b>716,247,438</b>	<b>968,743,494</b>
Non-current borrowings	1,460,400	2,009,069
Deferred tax liabilities	714,787,038	966,734,425
<b>Total liabilities</b>	<b>716,559,701</b>	<b>1,013,519,985</b>
<b>Equity</b>	<b>2,621,090,240</b>	<b>3,588,591,292</b>
<b>Total liabilities</b>	<b>3,337,649,941</b>	<b>4,602,111,277</b>



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**3. SHARE PURCHASES OF SUBSIDIARIES / SALES OF ASSETS HELD FOR SALE (Cont’d)**

**b) Sales of assets held for sale (cont’d)**

As of June 30, 2024, the assets and liabilities held by Akfen GT for the purpose of sale due to the sale on January 17, 2024 are not included in the Group's consolidated financial statements, but the transaction details for the aforementioned sale are as follows:

<b>Akfen GT</b>	<b>June 30, 2023</b>
The total acquisition price (A)	3,101,819,362
The value of Akfen GT at the time of acquisition	3,588,591,292
The acquisition share ratio	%100
The value of the acquired shares (B)	3,588,591,292
Other equity item (A-B)	(486,771,930)

As of June 30, 2023, the difference between Akfen GT's net asset value and sales price of TRY 486,771,930 was recognized as the company's current fair impairment provision under expenses from investment activities in Note 25.

<b>Akfen GT</b>	<b>As of the date of sale</b>
The total acquisition price (A)	2,604,516,549
The value of Akfen GT at the time of acquisition	2,625,272,969
The acquisition share ratio	%100
The value of the acquired shares (B)	2,625,272,969
Losses arising from the disposal of non-current assets held for sale (A-B) (Not 25)	(20,756,420)

The difference between the value of Akfen GT as of the sale date and the selling price, which amounts to TRY 20,756,420, has been accounted for as losses arising from the disposal of long-term assets held for sale in the consolidated income statement for the interim accounting period ending on June 30, 2024, in the Group's financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**4. SEGMENT REPORTING**

The Group has three reporting segments, which are the Group’s strategic business units. The Group management evaluates the performance and determines allocation of resources based on these business units. The Group management reviews the business units based on resource allocation and performance results regularly, since they are affected from different economic conditions and geographical locations each of the strategic business units, although the strategic business units offer same services. Since the Group operates only in real estate investments in Turkey, Northern Cyprus and Russia, operating segments are provided in geographical segment. Operating performances are measured at period profit /(loss).

**June 30, 2024:**

	<b>Turkey</b>	<b>TRNC</b>	<b>Russia</b>	<b>Elimination</b>	<b>Total</b>
Revenue	372,349,024	-	101,851,676	-	474,200,700
Cost of sales	(12,438,241)	(90,841)	(8,037,574)	-	(20,566,656)
<b>GROSS PROFIT/(LOSS)</b>	<b>359,910,783</b>	<b>(90,841)</b>	<b>93,814,102</b>	<b>-</b>	<b>453,634,044</b>
General administrative expenses	(29,774,053)	(94,865)	(8,599,212)	-	(38,468,130)
Other operating income from operating activities	164,895,891	-	419,396,693	-	584,292,584
Other operating expenses from operating activities	(85,553)	(2,038,214)	(159)	-	(2,123,926)
<b>PROFIT/(LOSS) FROM OPERATING ACTIVITES</b>	<b>494,947,068</b>	<b>(2,223,920)</b>	<b>504,611,424</b>	<b>-</b>	<b>997,334,572</b>
Income from investment activities	8,959,680	-	-	-	8,959,680
Expense from investment activities	(25,101,930)	-	-	-	(25,101,930)
<b>PROFIT/(LOSS) BEFORE FINANCE INCOME</b>	<b>478,804,818</b>	<b>(2,223,920)</b>	<b>504,611,424</b>	<b>-</b>	<b>981,192,322</b>
Financial income	426,771,069	-	2,134,897	-	428,905,966
Financial expenses	(265,231,294)	(194,401)	(14,072,565)	-	(279,498,260)
Monetary gain	206,784,436	19,537,801	-	-	226,322,237
<b>PROFIT BEFORE TAX</b>	<b>847,129,029</b>	<b>17,119,480</b>	<b>492,673,756</b>	<b>-</b>	<b>1,356,922,265</b>
Tax expense	(120,826,415)	(8,134,488)	(94,646,022)	-	(223,606,925)
- Current tax expense	-	-	(2,559,178)	-	(2,559,178)
- Deferred tax expense	(120,826,415)	(8,134,488)	(92,086,844)	-	(221,047,747)
<b>PROFIT FOR THE PERIOD</b>	<b>726,302,614</b>	<b>8,984,992</b>	<b>398,027,734</b>	<b>-</b>	<b>1,133,315,340</b>
Reportable segment assets	31,395,765,762	-	3,502,973,213	(8,569,832,347)	<b>26,328,906,628</b>
Reportable segment liabilities	5,450,872,331	-	1,127,921,404	(995,095,937)	<b>5,583,697,798</b>
Investment and inventory expenditures, net (*)	632,554,531	-	2,758,828	-	<b>635,313,359</b>
Depreciation and amortization expenses	317,968	-	57,607	-	<b>375,575</b>

(\*) In accordance with the decision of the Company's Board of Directors dated April 13, 2023, a transfer agreement was signed between the Company and Merit Cyprus Tourism Ltd. Company on April 13, 2023, for the transfer of the company where the completed investment in Northern Cyprus operates under the name of Merit Park Hotel & Casino. The transfer was completed on January 17, 2024. The revenue/(expenses) in the relevant section are the amounts realized up to the transfer date.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**4. SEGMENT REPORTING (cont'd)**

**June 30, 2023:**

	<b>Türkiye</b>	<b>KKTC</b>	<b>Rusya</b>	<b>Eliminasyon</b>	<b>Total</b>
Revenue	430,114,013	93,734,200	95,183,815	-	619,032,028
Cost of sales	(13,413,584)	(2,261,497)	(11,869,380)	-	(27,544,461)
<b>GROSS PROFIT</b>	<b>416,700,429</b>	<b>91,472,703</b>	<b>83,314,435</b>	<b>-</b>	<b>591,487,567</b>
General administrative expenses	(23,996,860)	(2,569,759)	(7,288,563)	-	(33,855,182)
Increase in the value of investment properties under construction	3,590,890,418	508,191,268	433,677,792	-	4,532,759,478
Other operating income from operating activities	1,277,380	552,541	2,779	-	1,832,700
Other operating expenses from operating activities	(3,135,472)	(223,510)	(73,330)	-	(3,432,312)
<b>PROFIT FROM OPERATING ACTIVITES</b>	<b>3,981,735,895</b>	<b>597,423,243</b>	<b>509,633,113</b>	<b>-</b>	<b>5,088,792,251</b>
Shares of profits on investments accounted using the equity method	63,918,271	-	-	-	63,918,271
Income from investment activities	739,088	-	-	-	739,088
Expense from investment activities	-	-	-	(486,771,929)	(486,771,929)
<b>PROFIT BEFORE FINANCE INCOME/(LOSS)</b>	<b>4,046,393,254</b>	<b>597,423,243</b>	<b>509,633,113</b>	<b>(486,771,929)</b>	<b>4,666,677,681</b>
Financial income	106,173,052	29,521,273	1,146,148	-	136,840,473
Financial expenses	(2,822,010,302)	(259,214,207)	(43,830,224)	-	(3,125,054,733)
Monetary gain	731,382,189	23,373,811	--	-	754,756,000
<b>PROFIT BEFORE TAX</b>	<b>2,061,938,193</b>	<b>391,104,120</b>	<b>466,949,037</b>	<b>(486,771,929)</b>	<b>2,433,219,421</b>
Tax (expense)/income	(242,536,074)	60,386,665	(95,567,939)	-	(277,717,348)
- Current tax expense	(2,216,111)	--	(2,349,955)	-	(4,566,067)
- Deferred tax (expense)/income	(240,319,963)	60,386,665	(93,217,984)	-	(273,151,281)
<b>PROFIT FOR THE PERIOD</b>	<b>1,819,402,119</b>	<b>451,490,784</b>	<b>371,381,098</b>	<b>(486,771,929)</b>	<b>2,155,502,075</b>

**December 31, 2023**

Reportable segment assets	31,768,544,877	3,337,649,941	3,189,196,586	(9,131,888,648)	<b>29,163,502,759</b>
Reportable segment liabilities	7,946,206,415	888,293,582	1,156,249,109	(514,037,144)	<b>9,476,711,962</b>
<b>June 31, 2023</b>					
Investment and inventory expenditures, net (*)	102,769,389	-	1,581,632	-	<b>104,351,021</b>
Depreciation and amortization expenses	4,270,540	-	-	-	<b>4,270,540</b>

(\*) Investments related to the purchase of subsidiary and affiliate shares are excluded.

The Group Revenue for the interim accounting period ending on June 30, 2024 is derived as follows: 85% from Tamaris, the operator of Ibis and Novotel branded hotels; 9% from Kredi Yurtlar Kurumu ("KYK"), the lessee of the Company's portfolio of dormitories; and 2% from Akfen Turizm, the operator of Bodrum Loft (June 30, 2023: Tamaris: 69%, Merit Kıbrıs Turizm Limited: 15%, KYK: 7%, Akfen Turizm: 7%).

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**5. RELATED PARTY DISCLOSURES**

**5.1. Trade receivables from related parties / trade and other debts to related parties**

*Current trade receivables from related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen Turizm Yat. Ve İşl. A.Ş. (“Akfen Turizm”) <sup>(*)</sup>	10,227,415	14,238,315
	<b>10,227,415</b>	<b>14,238,315</b>

<sup>(\*)</sup> It consists of trade receivables related to the Bodrum Loft project.

*Current trade payables to related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen İnşaat <sup>(*)</sup>	67,952,013	47,285,142
Isparta Şehir Hastanesi	363,000	-
Akfen Holding	26,250	3,883,677
Akfen Danışmanlık	-	408
	<b>68,341,263</b>	<b>51,169,227</b>

<sup>(\*)</sup> As of June 30, 2024 and December 31, 2023, the balance of trade payables to related parties to Akfen Construction consists of the Company's balance of debts related to the Yalıkavak project.

*Other non-current payables to related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen International BV <sup>(*)</sup>	-	989.058.232
	<b>-</b>	<b>989.058.232</b>

<sup>(\*)</sup> It is the partners of the Group. As of December 31, 2023, the balance of other debts owed to Akfen International BV consists of the debts received by the Group within the scope of the Gökliman share purchase, and the said debt has been closed as of June 30, 2024.

**5.2. Related party transactions**

**a) Rent expenses**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Isparta Şehir Hastanesi (Isparta Yurt)	1,813,705	1,359,785	2,064,617	1,034,252
Akfen GPYŞ 1. GMY Fonu (Merkez Ofis)	1,126,037	563,018	1,201,437	582,051
	<b>2,939,742</b>	<b>1,922,803</b>	<b>3,266,054</b>	<b>1,616,303</b>

**b) Rent income**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Akfen Turizm	8,355,302	8,355,302	40,958,964	40,958,964
	<b>8,355,302</b>	<b>8,355,302</b>	<b>40,958,964</b>	<b>40,958,964</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**5. RELATED PARTY DISCLOSURES (cont’d)**

**5.2. Related party transactions (cont’d)**

**c) Interest income**

	January 1 - June 30, 2024	April 1 - June 30, 2024	January 1 - June 30, 2023	April 1 - June 30, 2023
Akfen International	-	-	26,941,803	16,700,610
	-	-	<b>26,941,803</b>	<b>16,700,610</b>

**d) Interest expense**

	January 1 - June 30, 2024	April 1 - June 30, 2024	January 1 - June 30, 2023	April 1 - June 30, 2023
Akfen Holding	202,651	202,651	-	-
	<b>202,651</b>	<b>202,651</b>	-	-

**Ongoing construction progress**

	January 1 - June 30, 2024	April 1 - June 30, 2024	January 1 - June 30, 2023	April 1 - June 30, 2023
Akfen İnşaat (*)	260,399,051	66,298,403	101,877,431	43,225,644
	<b>260,399,051</b>	<b>66,298,403</b>	<b>101,877,431</b>	<b>43,225,644</b>

(<sup>1</sup>) Ongoing construction progress payments belonging to Akfen İnşaat consist of progress payment invoices received by the Company within the scope of the Yalıkavak project.

**e) Share purchases**

	January 1 - June 30, 2024	April 1 - June 30, 2024	January 1 - June 30, 2023	April 1 - June 30, 2023
Akfen İnşaat (*)	-	-	28,619,211	28,619,211
	-	-	<b>28,619,211</b>	<b>28,619,211</b>

(<sup>1</sup>) Ongoing construction progress payments belonging to Akfen İnşaat consist of progress payment invoices received by the Company within the scope of the Yalıkavak project.

**g) Remuneration of top management**

	January 1 - June 30, 2024	April 1 - June 30, 2024	January 1 - June 30, 2023	April 1 - June 30, 2023
Remuneration of top management (*)	13,947,623	5,343,852	13,951,074	7,507,350
	<b>13,947,623</b>	<b>5,343,852</b>	<b>13,951,074</b>	<b>7,507,350</b>

(\*) Top management of the Company includes Independent Members of the Board of Directors, General Manager and Deputy General Managers.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**6. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Cash on hand	241,423	233,483
Cash at banks	777,642,819	2,550,662,627
- Demand deposits	187,078,306	165,674,802
- Time deposits	590,564,514	2,384,987,825
Other cash and cash equivalents (*)	1,375,726,938	162,803,356
Impairment	(13,693)	(266,765)
<b>Cash and cash equivalents</b>		
Impairment	<b>2,153,597,488</b>	<b>2,713,432,701</b>
<b>Cash and cash equivalents in cash flow statement</b>	<b>13,693</b>	<b>266,765</b>
Cash on hand	<b>2,153,611,181</b>	<b>2,713,699,466</b>

(\*) As of June 30, 2024 and December 31, 2023, all other cash and cash equivalents consist of daily mutual funds and repo assets owned by the Company.

**Demand deposits**

As of June 30, 2024 and December 31, 2023, demand deposits are comprised of the following currencies:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Euro	128,960,207	8,653,607
US Dollar	51,341,271	5,348,842
TRY	6,492,552	151,668,056
Ruble	284,276	4,297
<b>Total demand deposits</b>	<b>187,078,306</b>	<b>165,674,802</b>

**Time deposits**

As of June 30, 2024 and December 31, 2023, time deposits are comprised of the following currencies:

<b>Currency</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2024</b>
US Dollar	July 2024	4.5%	509,127,222
Ruble	July 2024	9.6%	45,976,342
Euro	July 2024	1%	24,529,052
TRY	July 2024	20%-46%	10,931,898
<b>Total</b>			<b>590,564,514</b>

<b>Currency</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>December 31, 2023</b>
TRY	January 2024	20%-44%	1,206,650,276
US Dollar	January 2024	0.75%	1,152,995,998
Ruble	January 2024	9.5%	25,341,551
<b>Total</b>			<b>2,384,987,825</b>

**7. FINANCIAL LIABILITIES**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Short term financial liabilities</b>	<b>599,216,490</b>	<b>788,663,603</b>
Current portion of long term secured financial liabilities	513,299,259	678,825,865
Current portion of long term secured financial lease liabilities	62,490,865	78,003,860
Current portion of long term secured operational lease liabilities	23,426,366	31,833,878
<b>Long term financial liabilities</b>	<b>3,077,237,426</b>	<b>5,440,093,721</b>
Non-current portion of long term secured financial liabilities	2,949,280,354	5,265,838,342
Non-current portion of long term secured financial lease liabilities	42,536,051	76,262,973
Non-current portion of long term secured operational lease liabilities	85,421,021	97,992,406
<b>Total financial liabilities</b>	<b>3,676,453,916</b>	<b>6,228,757,324</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**7. FINANCIAL LIABILITIES (cont’d)**

As of June 30, 2024 and December 31, 2023, the summary information on the book and nominal values of the Company's bank loans is as follows:

**June 30, 2024**

**Book value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR <sup>(1)</sup>	4.40% + euribor <sup>(*)</sup>	53,082,022	391,225,936	1,476,820,642	1,868,046,578
Ruble <sup>(4)</sup>	6.00%	1,990,360,149	65,141,462	697,857,905	762,999,367
USD <sup>(5)</sup>	7.00%	25,285,878	56,931,861	774,601,808	831,533,669
TRY <sup>(6)</sup>	31.5%	105,026,915	62,490,865	42,536,050	105,026,915
			<b>575,790,124</b>	<b>2,991,816,405</b>	<b>3,567,606,529</b>

**Nominal value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
Avro <sup>(1)</sup>	4.40% + euribor <sup>(*)</sup>	53,166,145	267,286,720	1,603,720,322	1,871,007,042
Ruble <sup>(5)</sup>	6.00%	1,822,766,671	5,556,454	693,196,390	698,752,844
USD <sup>(6)</sup>	7.00%	23,361,545	-	822,132,500	822,132,500
TRY <sup>(7)</sup>	31.5%	102,844,905	46,034,534	56,810,371	102,844,905
			<b>318,877,708</b>	<b>3,175,859,584</b>	<b>3,494,737,291</b>

**December 31, 2023**

**Book value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR <sup>(2)</sup>	6.00% + euribor <sup>(*)</sup>	56,057,910	282,172,609	1,999,616,397	2,281,789,006
EUR <sup>(3)</sup>	6.00% + euribor <sup>(*)</sup>	32,198,453	193,896,160	1,116,714,160	1,310,610,320
EUR <sup>(4)</sup>	6.00% + euribor <sup>(*)</sup>	13,171,626	68,622,774	467,516,921	536,139,695
Ruble <sup>(5)</sup>	6.00%	2,165,031,737	70,449,510	815,511,955	885,961,465
USD <sup>(6)</sup>	7.00%	25,285,910	63,684,811	866,478,912	930,163,723
TRY <sup>(7)</sup>	31.5%	154,266,831	78,003,861	76,262,970	154,266,831
			<b>756,829,725</b>	<b>5,342,101,315</b>	<b>6,098,931,040</b>

**Nominal value**

Book value	Nominal interest rate	Original amount	Short term	Long term	Total
EUR <sup>(2)</sup>	6.00% + euribor <sup>(*)</sup>	49,453,586	91,006,790	1,921,958,859	2,012,965,649
EUR <sup>(3)</sup>	6.00% + euribor <sup>(*)</sup>	28,756,152	79,622,681	1,090,871,751	1,170,494,432
EUR <sup>(4)</sup>	6.00% + euribor <sup>(*)</sup>	11,737,195	23,513,617	454,238,790	477,752,407
Ruble <sup>(5)</sup>	6.00%	2,007,607,707	3,750,694	817,790,641	821,541,335
USD <sup>(6)</sup>	7.00%	22,593,434	-	919,646,297	919,646,297
TRY <sup>(7)</sup>	31.5%	147,186,815	45,386,838	101,799,977	147,186,815
			<b>243,280,620</b>	<b>5,306,306,315</b>	<b>5,549,586,935</b>

<sup>(\*)</sup> As of June 30, 2024, the Euribor interest rate is 3.823% (December 31, 2023: 3.956%).

<sup>(1)</sup> All of the loans belonging to Akfen GYO and Akfen Karaköy were refinanced on May 23, 2024, and the refinancing of these loans was carried out by Akfen GYO. The interest rate of the newly used loan is 4.4%+euribor (3 months) and the maturity date of the loan is April 25, 2031. The loans used within the scope of the contract are secured within the following issues:

- Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and land, building and equipment of Ankara Esenboğa, EsenDormitory and Adana and the land on which hotel is being built in Tuzla are pledged in favor of the creditors,
- Rent revenue of related hotels is alienated in favor of the creditor,

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 7. FINANCIAL LIABILITIES (cont’d)

- (2) The loans to be used within the scope of the contract are secured within the following issues:
- Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and land, building and equipment of Tuzla, Ankara Esenboğa, Esenyurt and Adana and the land on which hotel is being built in Tuzla are pledged in favor of the creditors.
  - Rent revenue of related hotels is alienated in favor of the creditor,
  - The bank accounts opened in bank and financial corporations under related projects are pledged to the favor of creditor,
  - Some of the non-public shares of Akfen Holding, one of the shareholders of the Company have been pledged in favor of the lender.
- The entire amount of the mentioned credit has been paid off on May 23, 2024.
- (3) The loans used within the scope of the contract are secured within the following issues:
- Some portion of the shares which are non-public shares , of Akfen Holding – shareholder of the Group has been pledged to the favor of creditor,
  - Akfen GYO's shares in Akfen GT and all shares in Akfen Karaköy are pledged in favor of the creditor, and Akfen GYO has corporate guarantee in amount of the loan,
  - Rent revenue of Merit Park Hotel is alienated in favor of the creditor,
  - Right of tenancy of Merit Park Hotel is pledged in favor of the creditors in the 1st degree.
- The entire amount of the mentioned loan has been paid off on January 17, 2024.
- (4) The Group has agreed with its existing creditors on the restructuring of its existing loan debt with a maturity of 10 years. An agreement was reached on 18 December 2020 and the relevant transactions were carried out as of 11 April 2021 in this context as planned and agreed with the creditors. In general, the loan term is the same as the previous contract, and the loan maturity has been extended to December 30, 2030.
- The loans used within the scope of the contract are secured within the following issues:
- Some portion of the shares which are not publicly open, of Akfen Holding – shareholder of the Group has been pledged to the favor of creditor and right of tenancy of Merit Park Hotel are pledged in favor of the creditors in the 2nd degree,
- Rent revenue of Novotel İstanbul Bosphorus, Karaköy is alienated in favor of the creditor.
- (5) The Group has reached an agreement with its existing creditors on the restructuring of the existing loan debt until 2030 (2033 with 3 year extension option) on December 18, 2020, and the related transactions as of September 3, 2021 in this scope of the loan agreements have been carried out as planned and agreed with the creditors. EUR 9,500,000 of the loans of companies in Russia were transferred to Akfen GT and all loans in Russian companies were converted from Euro to Ruble. The interest rate of the loan in ruble basis was determined as 6% for the first 2 years, 9.8% for the next 8 years and mosprime (3 months) + 5% for the remaining periods, and the loan maturity was extended until October 28, 2033.
- Bank borrowings obtained with this agreement is secured by the followings:
- Some of Akfen Holding's non-public shares in Akfen GYO are pledged in favor of the lender, and Akfen GT has given a guarantee equal to the loan amount used.
  - The shares and operating rental income of Russian companies are pledged in favor of the lender. The lands and hotel buildings belonging to the Group on which Ibis Hotel Yaroslavl, Ibis Hotel Samara, Samara Ofis, Ibis Hotel Kaliningrad and Ibis Hotel Moscow are built have also been given as mortgages in favor of the lenders.
- (6) On November 1, 2021, Fıratcan Tourism used a project loan of USD 25,000,000. The interest rate of the loan in question is 7%, the term is 5 years, and the principal will be paid at the end of the term. Akfen International is the guarantor for the loan.
- (7) On June 2, 2023, Fıratcan Turizm used a leasing loan of TRY 120,000,000, with a maturity of 3 years, with a down payment of TRY 2,000,000 and a 6-month non-refundable interest rate of 31.5% after a down payment of TRY 2,000,000 for the Söğütluçeşme Project investment. Akfen Construction has a guarantee for the borrowing in question.



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**7. FINANCIAL LIABILITIES (cont’d)**

The repayment schedule of book value of bank loans and lease payment is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Less than 1 year	575,790,124	756,829,725
1 - 2 years	454,467,157	635,816,990
2 - 3 years	1,040,548,600	1,327,867,434
3 - 4 years	287,424,903	496,568,500
4 - 5 years	342,504,766	515,493,918
5 years and over	866,870,979	2,366,354,473
<b>Total financial liabilities</b>	<b>3,567,606,529</b>	<b>6,098,931,040</b>

The repayment schedule of nominal value of bank loans is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Less than 1 year	318,877,708	243,280,620
1 - 2 years	334,015,852	296,922,837
2 - 3 years	1,106,709,170	1,233,286,636
3 - 4 years	295,828,958	343,361,199
4 - 5 years	404,661,566	428,598,694
5 years and over	1,034,644,037	3,004,136,949
<b>Total financial liabilities</b>	<b>3,494,737,291</b>	<b>5,549,586,935</b>

The movements of the financial liabilities in the period of January 1- June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
<b>January 1</b>	6,098,931,040	5,509,193,441
<i>Loans received</i>	1,852,276,627	-
<i>Cash outflows from debt repayment</i>	(3,350,099,531)	(278,054,551)
<i>Interest paid</i>	(246,958,784)	(191,346,475)
<i>Accrual</i>	160,767,266	544,887,121
<i>Adjustments related to loan restructuring (*)</i>	(348,969,552)	-
<i>Foreign exchange loss</i>	264,076,719	1,350,045,209
<i>Foreign exchange difference</i>	113,708,625	120,107,243
<i>Monetary gain</i>	(976,125,881)	(963,423,165)
<b>June 30</b>	<b>3,567,606,529</b>	<b>6,091,408,823</b>

(\*)It includes the revenues arising from the cancellation of amortized cost adjustments of TRY 348,969,552 of the Company's loans, which were closed in the first half of 2024.

**Operational lease liabilities**

The Group started to implement the IFRS 16 standard as of January 1, 2019, and since the fair value determinations of the investment properties developed on the Group's leased lands were made by deducting the rental prices to be paid for these lands from the estimated cash flows, the discounted values of the rental prices to be paid in relation to the relevant lands were recognized as investment properties and operating lease borrowings.

Details of operational lease borrowings are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Less than 1 year	25,787,307	32,146,140
1 - 5 years	99,845,213	113,794,789
5 years and over	876,922,047	1,055,112,022
Less: Financial expense for future periods	(893,707,180)	(1,071,226,667)
<b>Total operational lease liabilities</b>	<b>108,847,387</b>	<b>129,826,285</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**7. FINANCIAL LIABILITIES (cont’d)**

The movements of the lease liabilities in the periods of June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
<b>January 1</b>	129,826,284	151,654,893
<i>Interest expense</i>	15,378,423	15,466,016
<i>Foreign exchange loss</i>	9,467,329	5,920,616
<i>Payments</i>	(22,438,062)	(25,333,955)
<i>Arrangements</i>	2,937,731	6,321,508
<i>Effects of liabilities held for sale (Note 22)</i>	-	(2,265,221)
<i>Monetary gain</i>	(26,324,318)	(25,214,345)
<b>June 30</b>	<b>108,847,387</b>	<b>126,549,512</b>

**8. TRADE RECEIVABLES AND PAYABLES**

**a) Short term trade receivables**

As of June 30, 2024 and December 31, 2023, short-term trade receivables comprised the followings:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Trade receivables from related parties (Note 5)	10,227,415	14,238,315
Trade receivables from third parties (*)	307,260,007	285,561,962
	<b>317,487,422</b>	<b>299,800,277</b>

(\*) As of June 30, 2024 and December 31, 2023, the majority of trade receivables from non-related parties consist of receivables based on hotel rental income, and the average maturity of trade receivables is approximately 45 days.

**b) Short term trade payables**

As of June 30, 2024 and December 31, 2023, short-term trade payables comprise the followings:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Trade payables to related parties (Note 5)	68,341,263	51,169,227
Trade payables to third parties	31,406,389	22,164,277
- <i>Other trade payables</i>	26,661,324	14,028,544
- <i>Other expense accruals</i>	4,745,065	8,135,733
	<b>99,747,652</b>	<b>73,333,504</b>

**9. OTHER RECEIVABLES AND PAYABLES**

**a) Other short term receivables**

As of June 30, 2024 and December 31, 2023, short term receivables comprise the followings:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Other receivables from third parties	18,034	101,997
- <i>Other</i>	18,034	101,997
	<b>18,034</b>	<b>101,997</b>

**b) Other long term receivables**

As of June 30, 2024 and December 31, 2023, long term receivables comprise the followings:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Deposits and guarantees given	1,665,067	1,549,628
	<b>1,665,067</b>	<b>1,549,628</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**9. OTHER RECEIVABLES AND PAYABLES (cont’d)**

**c) Other short term payables**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Other payables to related parties (Note 5)	-	989,058,232
Other payables to third parties	36,422,237	67,341,816
- Taxes and funds payable	35,214,903	66,372,390
- Social security premiums payable	903,887	948,693
- Other	303,447	20,733
	<b>36,422,237</b>	<b>1,056,400,048</b>

**10. INVESTMENT PROPERTY**

***Operating investment properties***

As of June 30, 2024 and December 31, 2023, the details of investment properties are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Operating investment properties	17,623,146,845	17,317,395,581
Investment properties under construction	4,297,250,000	3,824,649,387
Land leases	95,763,001	118,233,192
<b>Total</b>	<b>22,016,159,846</b>	<b>21,260,278,160</b>

As of June 30, 2024, and 2023 movements in operating and under construction investment property are as follows:

	<b>2024</b>	<b>2023</b>
January 1	21,142,044,968	21,828,672,550
Additions	338,914,651	1,347,050
Fair value increase	584,487,668	4,534,492,794
Effects of assets held for sale (Note 22)	-	(4,564,707,424)
Foreign exchange differences	(145,050,442)	(146,951,405)
<b>June 30</b>	<b>21,920,396,845</b>	<b>21,652,853,565</b>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the fair values of the investment properties owned by the Group in Turkey are determined by a real estate appraisal company included in the list of "Real Estate Appraisal Firms" registered with the CMB, and the fair values of the investment properties owned by the Group in Russia are determined by a real estate appraisal company licensed in Russia as of June 30, 2024, December 31, 2023 and June 30, 2023 calculated. As of June 30, 2024 and December 31, 2023, the fair value of investment properties consists of the valuation report values dated June 30, 2024 and December 31, 2023. The fair values of the operating investment properties of which right of buildings are held, are determined as the present value of aggregate of the estimated cash flows expected to be received from renting out the property and the fair values of the investment properties which the Group owns, are determined as the present value of aggregate of the estimated cash flows for the period of lease agreement made with Tamaris/ACCOR S.A. In the valuation process, a projection period which fits to the lease term for right of tenancy of each hotels is taken into consideration. The fair value is calculated by discounting the estimated cash flows at a rate which is appropriate for the risk level of the economy, market and the business to determine its present value.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**10. INVESTMENT PROPERTIES (cont’d)**

As of June 30, 2024 and December 31, 2023, the fair values of operating investment properties are as follows:

Property	June 30, 2024		December 31, 2023	
	Date of appraisal report	Fair value	Date of Appraisal report	Fair value
Novotel İstanbul Bosphorus, Karaköy <sup>(1)</sup>	June 30, 2024	3,782,450,000	December 31, 2023	3,831,696,890
Ibis Otel ve Novotel Zeytinburnu <sup>(1)</sup>	June 30, 2024	2,598,625,000	December 31, 2023	2,581,082,955
Söğütluçeşme Projesi <sup>(1)</sup>	June 30, 2024	2,534,350,000	December 31, 2023	2,290,413,943
Kıyıkışla Arsası <sup>(2)</sup>	June 30, 2024	1,762,900,000	December 31, 2023	1,534,235,444
Bodrum Loft <sup>(1)</sup>	June 30, 2024	1,517,240,000	December 31, 2023	1,500,058,167
Ibis Otel Moskova <sup>(1)</sup>	June 30, 2024	1,344,381,678	December 31, 2023	1,146,037,339
Novotel Trabzon <sup>(1)</sup>	June 30, 2024	1,106,370,000	December 31, 2023	1,101,506,208
Ibis Otel Tuzla <sup>(2)</sup>	June 30, 2024	906,840,000	December 31, 2023	885,144,085
Ibis Otel Kaliningrad <sup>(1)</sup>	June 30, 2024	735,454,999	December 31, 2023	688,316,295
Ibis Otel ve Novotel Gaziantep <sup>(1)</sup>	June 30, 2024	608,075,000	December 31, 2023	589,957,185
Ibis Otel Alsancak İzmir <sup>(1)</sup>	June 30, 2024	587,875,000	December 31, 2023	588,132,318
Ibis Otel Adana <sup>(2)</sup>	June 30, 2024	557,663,000	December 31, 2023	550,341,480
Ibis Otel Yaroslavl <sup>(1)</sup>	June 30, 2024	538,243,667	December 31, 2023	504,261,214
Isparta Yurt <sup>(1)</sup>	June 30, 2024	533,270,000	December 31, 2023	536,608,202
Ibis Otel Esenyurt <sup>(2)</sup>	June 30, 2024	481,259,000	December 31, 2023	501,792,283
Ibis Otel ve Novotel Kayseri <sup>(1)</sup>	June 30, 2024	462,640,000	December 31, 2023	444,092,557
Ibis Otel Samara <sup>(1)</sup>	June 30, 2024	453,880,112	December 31, 2023	426,820,484
Kütahya Yurt <sup>(1)</sup>	June 30, 2024	401,740,000	December 31, 2023	396,456,418
Ibis Otel Ankara Airport <sup>(2)</sup>	June 30, 2024	380,441,000	December 31, 2023	372,991,347
Ibis Otel Bursa <sup>(1)</sup>	June 30, 2024	315,804,000	December 31, 2023	318,749,263
Samara Ofis <sup>(1)</sup>	June 30, 2024	152,759,389	December 31, 2023	182,662,984
Fabrika Binası <sup>(2)</sup>	June 30, 2024	115,980,000	December 31, 2023	124,774,352
Ibis Otel Eskişehir <sup>(1)</sup>	June 30, 2024	42,155,000	December 31, 2023	45,913,555
<b>Total</b>		<b>21,920,396,845</b>		<b>21,142,044,968</b>

<sup>(1)</sup> It consists of real estate on land leased by the Company.

<sup>(2)</sup> It consists of real estate on land owned by the Company.

As of June 30, 2024, total insurance amount on operating investment properties is TRY 19,077,187,474 (December 31, 2023: TRY 19,613,604,506).

As of June 30, 2024, the pledge amount on operating investment property is TRY 8,483,036,179 (December 31, 2023: TRY 9,811,821,758).

As of June 30, 2024 in the calculation of the fair values of investment properties, the discount rates for the assets valued in EUR used in the valuation report prepared according to the operating model and leasing model are in the range of 9%-11% (December 31, 2023: 9.75%-12%), and the discount rate for the assets valued in TRY are in the range of 25%-26% (December 31, 2023: 27%), and the discount rate for the assets valued in Ruble is in the range of 13%-16% (December 31, 2023: 13%-15%). Sensitivity analysis regarding the fair values of investment properties is explained in Note 30.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**10. INVESTMENT PROPERTIES (cont’d)**

*Right of use lands*

The Group classifies its rights for the lands that are rented to develop investment real estate as investment real estates. In such a case, the rights to the related land are recognized as if it were a financial lease. The fair values of the investment properties developed on the leased land have been deducted from the estimated cash flows to be paid for the rents and therefore the discounted values of rentable rentals related to the related land are accounted for in the investment property and other liabilities accounts.

As of June 30, 2024 and 2023, the movement table of the land leases is as follows:

	2024	2023
January 1	118,233,192	142,697,177
Arrangements	(20,730,531)	(17,600,426)
Fair value decrease, net	(1,739,660)	(1,733,314)
Effects of assets held for sale (Not 22)		(1,931,975)
<b>June 30</b>	<b>95,763,001</b>	<b>121,431,462</b>

**11. TANGIBLE ASSETS**

As of June 30, 2024, and 2023, the movement of tangible asset is as follows:

	Equipment	Vehicles	Furniture& fixture	Total
<b>Cost value</b>				
Balance on January 1, 2023	50,235	4,112,117	23,526,011	27,688,363
Additions	-	235,047	-	235,047
Merger effect		(38,876)	(53,353)	(92,229)
<b>Balance on June 30, 2023</b>	<b>50,235</b>	<b>4,308,288</b>	<b>23,472,658</b>	<b>27,831,181</b>
<b>Cost value</b>				
Balance on January 1, 2024	50,235	4,863,609	23,526,011	28,439,855
Additions	-	143,329	-	143,329
<b>Balance on June 30, 2024</b>	<b>50,235</b>	<b>5,006,938</b>	<b>23,526,011</b>	<b>28,583,184</b>
<b>Accumulated depreciation</b>				
Balance on January 1, 2023	(50,235)	(2,920,151)	(16,994,815)	(19,965,201)
Period expense	-	(255,009)	(3,962,186)	(4,217,195)
Merger effect		38,876	10,026	48,902
<b>Balance on June 30, 2023</b>	<b>(50,235)</b>	<b>(3,136,284)</b>	<b>(20,946,975)</b>	<b>(24,133,494)</b>
Balance on January 1, 2024	(50,235)	(3,309,580)	(23,435,216)	(26,795,031)
Period expense	-	(310,756)	(22,287)	(333,043)
<b>Balance on June 30, 2024</b>	<b>(50,235)</b>	<b>(3,620,336)</b>	<b>(23,457,503)</b>	<b>(27,128,074)</b>
<b>Net carrying value</b>				
January 1, 2023	-	1,191,966	6,531,196	7,723,162
<b>June 30, 2023</b>	<b>-</b>	<b>1,172,004</b>	<b>2,525,683</b>	<b>3,697,687</b>
January 1, 2024	-	1,554,029	90,795	1,644,824
<b>June 30, 2024</b>	<b>-</b>	<b>1,386,602</b>	<b>68,508</b>	<b>1,455,110</b>

As of June 30, 2024, there is no pledge on property and equipment (December 31, 2023: None). As of June 30, 2024, depreciation expenses amounting to TRY 22,287 has been recognized in cost of sales and TRY 310,756 (December 31, 2023: TRY 3,952,326 cost of sales and TRY 264,869 general administrative expenses).

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**12. INTANGIBLE ASSETS**

30 As of June 30, 2024, and 2023, the movement of intangible assets is as follows:

	<b>Software</b>
<b>Cost value</b>	
Balance on January 1, 2023	624,900
Additions	74,818
Merger effect	(7,117)
<b>Balance on June 30, 2023</b>	<b>692,601</b>
Balance on January 1, 2024	821,577
Additions	36,625
<b>Balance on June 30, 2024</b>	<b>858,202</b>
<b>Accumulated amortization</b>	
Balance on January 1, 2023	(428,509)
Charge for the period	(53,345)
<b>Balance on June 30, 2023</b>	<b>(481,854)</b>
Balance on January 1, 2024	(501,816)
Charge for the period	(42,532)
<b>Balance on June 30, 2024</b>	<b>(544,348)</b>
<b>Net carrying value</b>	
January 1, 2023	196,391
June 30, 2023	<b>210,747</b>
January 1, 2024	319,761
<b>June 30, 2024</b>	<b>313,853</b>

As of June 30, 2024, amortization expenses amounting to TRY 42,532 has been recognized in administrative expenses (June 30, 2023: TRY 53,345).

**13. INVENTORIES**

As of June 30, 2024, and 2023, the movement of inventories is as follows:

	<b>2024</b>	<b>2023</b>
January 1	1,099,934,835	842,718,281
Additions, net	296,218,754	102,694,106
Effects of asset held for sale (Note 22)	-	(475,497)
<b>June 30</b>	<b>1,396,153,589</b>	<b>944,936,890</b>

On September 15, 2022, Akfen GYO purchased a land of 22,197 square meters in Bodrum Yalıkavak, with all licenses and permits ready. It is planned to develop and build a villa project on the relevant land and to sell the completed villas. As of June 30, 2024 and December 31, 2023, inventories are related to the purchase of land and other costs incurred within the scope of the Company's villa project in Bodrum Yalıkavak. As of June 30, 2024 and December 31, 2023, additions are related to the purchase of land and other costs incurred within the scope of the Company's villa project in Bodrum Yalıkavak.

As of June 30, 2024 and December 31, 2023, there is no pledge on the inventories.

**14. GOVERNMENT GRANTS AND INCENTIVES**

According to the Investment Incentive Law numbered 47/2000, the Group has a 100% of investment allowance on capital expenditures made until December 31, 2008 in TRNC. In this context, the Group recognised this tax advantage as a deferred tax asset in the financial statements. The deferred tax asset is classified as assets held for sale due to the sale of Akfen GT/TRNC (Note 3). As of June 30, 2024, the Group does not have government incentives and assistance after the sale of Akfen GT/TRNC.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The number of cases in which the Group is a party to the lawsuit as of June 30, 2024 is 11 (December 31, 2023: 13) There is no significant lawsuit expected to result out of countenance of the Company.

#### 16. COMMITMENT AND CONTINGENCIES

##### 16.1. CPM are given by the Company

As of June 30, 2024 and December 31, 2023, Company’s position related to commitments, pledges, and mortgages (“CPM”) are as follows:

<b>CPM are given by the Company</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
A. Total amount of CPM is given on behalf of own legal personality	9,112,140,550	11,850,494,213
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	1,019,752,845	3,724,973,127
C. Total amount of CPM is given for assurance of third party’s debts to conduct of usual business activities	-	-
D. Total Amount of other CPM	-	-
i. Total amount of CPM is given in favor of parent company	-	-
ii. Total amount of CPM is given in favor of other company companies, which B and C doesn't include	-	-
iii. The amount of CPM is given in favor of third party which C doesn't include	-	-
	<b>10,131,893,395</b>	<b>15,575,467,340</b>

As of June 30, 2024, the balances of the CPMs issued by the Group on behalf of its legal entity in EUR and USD were EUR 251,357,185 and USD 770,424 (December 31, 2023: EUR 283,052,185 and USD 770,424). As of June 30, 2024, the foreign currency balance of the CPMs issued by the Group in favor of the partnerships included in the scope of full consolidation is EUR 19,855,615 (December 31, 2023: EUR 81,676,585).

Within the scope of the loans used for each project used from Credit Europe for projects in Russia (Ibis Hotel Samara, Ibis Hotel Yaroslavl, Ibis Hotel Kaliningrad), Akfen GT and Cüneyt Baltaoğlu own 97.8% and 2.2% shares, respectively pledged to lenders.

As of June 30, 2024 and December 31, 2023, the CPMs issued by Akfen GYO in favor of the subsidiaries included in the scope of full consolidation consist only of the CPMs issued in favor of its 100% subsidiaries. As of June 30, 2024, EUR 7,918,983 of the CPMs issued by the Group in favor of the partnerships included in the scope of full consolidation consist of the guarantee provided by Severnyi as collateral for the loans used by Severnyi (December 31, 2023: Akfen GT, EUR 28,756,152 and Severnyi, EUR 7,592,451), TRY 321,000,000 (December 31, 2023: TRY 321,000,000) of the share pledges given by Akfen GT as collateral for the loan used. The portions of the outstanding loan amount of 11,936,632 Euros are provided as collateral: (as of December 31, 2023: Russia, 11,737,194 Euros; Karaköy, 12,590,787 Euros). Additionally, the portion of 21,000,000 Euros (June 30, 2024: None) is secured by a second-degree mortgage on the Merit Park Hotel, which Akfen Karaköy has used as collateral for its loan. The CPMs provided by the Group are related to the credit facilities used for the Group's project financing.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 16. COMMITMENT AND CONTINGENCIES (cont’d)

##### 16.2. The Group as lessee

As of June 30, 2024, the Group's operating lease agreements as lessee are as follows;

- The Group signed a rent agreement with Finance Ministry of Turkish Republic of Northern Cyprus to lease a land for constructing a hotel in Girne and establishing right of tenancy on July 15, 2003. The lease payments started in 2003 and the payments are made annually. The lease term is 49 years starting from agreement date.
- On December 4, 2003, the Group signed a land lease agreement with the Treasury Treasury for 49 years, starting from November 18, 2002, in order to establish a property right and build a hotel in Zeytinburnu, Istanbul. The lease amount consists of the annual fixed rent to be paid as determined by the Treasury of the Treasury and the rental fee of the facility built on it and 1% of the total annual revenue obtained by the Group from this facility. The final allocation period of the Treasury land has been extended to 49 years as of December 22, 2018, with the approval of the Company's application to the Ministry of Culture and Tourism.
- The Company signed a rent agreement with Municipality of Eskişehir on August 8, 2005 to lease an incomplete hotel construction site located at Eskişehir for 22 years starting from February 8, 2007. Related lease agreement is expounded in land registry office. The hotel started to be operated in 2007 after the construction was completed. The lease payment is the annually fixed lease amount determined by the agreement and 5% of the total annually revenue generated by the hotel constructed on the land.
- The Company signed a rent agreement with Trabzon Dünya Ticaret Merkezi A.Ş. on October 30, 2006 to lease a land and to construct a hotel in Trabzon. The lease term is 49 years starting from August 27, 2008.
- The Group, with the Kayseri Chamber of Industry on November 4, 2006, with the purpose of establishing the upper usage right and building a hotel in Kayseri, with the lease term starting from March 3, 2010.
- The Group signed a land lease agreement with Gaziantep Metropolitan Municipality on May 31, 2007, for a 30-year lease term, starting from December 3, 2009, in order to establish a property right and build a hotel in Gaziantep.
- The Group signed a rent agreement with Bursa International Textile Trading Centre Business Cooperative on May 9, 2008 to lease a land and to construct a hotel in Bursa. The lease term is 30 years starting from October 6, 2010.
- The Company signed a rent agreement with Prime Ministry General Directorate of Foundations on September 16, 2010 to lease a land and to construct a hotel in İzmir for 49 years starting from the agreement date. The relevant lease agreement was annotated in the Land Registry Office.
- The Group has signed a lease agreement for the land located in Beyoğlu District of Istanbul, within the framework of the 49-year build-operate-transfer model, starting from the date of the lease agreement signed on September 1, 2009 between the 1st Regional Directorate of Foundations and Hakan Madencilik ve Elektrik Üretim Sanayi Ticaret Anonim Şirketi, and took over on June 22, 2011.



## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 16. COMMITMENT AND CONTINGENCIES (cont’d)

##### 16.2. The Group as lessee (cont’d)

- Group signed a lease agreement with Moscow City Administration on April 20, 2010 valid till 24 September 2056 related to land on which Ibis Hotel Moscow was constructed and all object is projected as hotel. An additional lease agreement has been signed on June 2, 2011 related to aforesaid lease agreement.
- The Company signed a land rent agreement with State Treasury on December 1, 2013, to establish the right of use and to construct a 5-star holiday village and units in Muğla Province, Bodrum District, Göltürkbükü neighbourhood for 49 years starting from October 1, 2012 to October 1, 2061, for Bodrum Loft Hotel, which the Company added to its portfolio in 2021. The rental amount consists of the fixed rent to be paid annually, determined by the State Treasury, and the rent amounting to 1% of the facility built on it and the total annual revenue of the Company from this facility. This rental agreement was renewed with the Official Deed on March 6, 2019 and extended the rental period until December 21, 2067.
- On December 25, 2020, an agreement with Isparta City Hospital for constructing student dormitory with a gross indoor area of 67.000 m2, a social life center and a car park on the 178,651.12 m2 part of the immovable property belonging to Isparta City Hospital in Isparta Province, İstiklal 2 District 9 block, 112 parcel, which the Group added to its portfolio as of February 9, 2021. According to the agreement, the rental period is until July 1, 2042.
- The lease agreement was signed on July 22, 2016 for the purpose of establishing easement rights in order to make the Private Student Dormitory with a closed area of at least 30,000 m2 and the Social Life Center of at least 2,500 m2, parking lot and landscaping on the 24,878 m2 immovable property located in Kütahya province, Merkez Civli neighborhood 25.I.1-2 section, 15 volumes, 102 island, 2 parcel of which top right belongs to the Dumlupınar University and which the Group has added to its portfolio as of February 9, 2021. The right of easement is 29 years starting from December 16, 2016, and the rental amount consists of the fixed rent to be paid annually as determined by Dumlupınar University and the rent amounting to 1% of the total annual revenue obtained by the facility built on it and the Group from this facility.

##### 16.3. The Group as lessor

Other guarantees given by the shareholders and the alienation of rent revenue which will be generated from the hotels are presented at Note 7.

The operating lease agreements of the Group as lessor as of June 30, 2024 are as follows;

- The Company signed a rent agreement with ACCOR S.A. on November 18, 2005 to lease a hotel which was completed in 2007 and started operations in Eskişehir.
- The Company signed a rent agreement with ACCOR S.A. on December 12, 2005 to lease two hotels which were completed in 2007 and started operations in Istanbul.
- The Company signed a rent agreement with ACCOR S.A. on July 26, 2006 to lease a hotel which was completed and started operations in 2008 in Trabzon.
- The Company signed a rent agreement with ACCOR S.A. on March 24, 2008 to lease two hotels which was completed and started operations in 2010 in Kayseri.
- The Company signed a rent agreement with ACCOR S.A. on March 24, 2008 to lease two hotels which was completed and started operations in 2010 in Gaziantep.
- The Company signed a rent agreement with ACCOR S.A. on July 31, 2009 to lease a hotel which is completed and started operations in 2010 in Bursa.
- The Company signed a rent agreement with ACCOR S.A. on September 7, 2010 to lease a hotel which is completed and start its operations in 2012 in Adana.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 16. COMMITMENT AND CONTINGENCIES (cont’d)

##### 16.3. The Group as lessor (cont’d)

- The Group signed a rent agreement with ACCOR S.A. on August 16, 2010 to lease a hotel which was completed at the end of 2012 and starts its operations in beginning of 2013 in Esenyurt.
- The Group signed a rent agreement with ACCOR S.A. on February 2, 2011 to lease a hotel which was completed and starts its operations in 2013 in Izmir.
- The Group signed a rent agreement with ACCOR S.A. on December 19, 2012 to lease a hotel which was completed and starts its operations in 2016 in Karaköy.
- The Group signed a rent agreement with ACCOR S.A. on March 28, 2013 to lease a hotel which was completed and starts its operations in 2014 in Ankara Esenboğa.
- The Group signed a rent agreement with ACCOR S.A. on March 1, 2014 to lease a hotel which is planned to complete and starts its operations on April 1, 2017 in Tuzla.

All of the twelve agreements have similar clauses described below;

The agreements are signed with Tamaris Turizm operating in Turkey and owned 100% by ACCOR S.A. and ACCOR S.A. has 100% guarantees over these agreements.

The lease term is sum of the period between the opening date of the hotel and the end of that calendar year plus, twenty five full calendar years with an optional extension of ten years. ACCOR S.A. has the right to terminate the agreement at the end of the fifteenth full fiscal year upon by their mutual agreement.

Yearly rent amount to be paid by lessee to lessor:

- In Ibis Hotel Zeytinburnu, Ibis Hotel Eskişehir, Ibis Hotel Kayseri, Ibis Hotel Gaziantep, Ibis Hotel Bursa, Ibis Hotel Adana, Ibis Hotel Esenyurt, Ibis Hotel Alsancak İzmir, Ibis Hotel Tuzla, and Ibis Hotel Ankara Airport, Tamaris Tourism A.Ş. pays rent income to Akfen GYO for 25% of the turnover or 95% of Adjusted Gross Operating Profit (AGOP).
- In Novotel Zeytinburnu, Novotel Trabzon, Novotel Kayseri, and Novotel Gaziantep, Novotel İstanbul Bosphorus, Karaköy Tamaris Turizm A.Ş. pays Akfen GYO rental income for turnover exceeds 22% or 95% of Adjusted Gross Operating Profit (AGOP).

AGOP is calculated as deduction of the Gross Operating Profit (“GOP”) corresponds to operational costs borne by ACCOR S.A. and costs corresponding to furniture, fixture, and equipment (FF&E) reserve fund from GOP.

Annual rent is paid quarterly (January, April, July, and October) based on the higher of AGOP ratio or gross revenue ratio actualized in related quarter.

Details of the operational agreements signed by the Group as lessor in addition to operating lease agreements signed with ACCOR S.A. in Russia as below:

- Samstroykom signed a lease agreement for IBIS Hotel building located in Samara, Russia, with Russian Management Hotel Company, a company which ACCOR S.A. operates in Russia. The lease term is 25 years with right of 10 years’ of prolongation of ACCOR S.A. The rent shall be equal to 95% of the Adjusted Gross Operating Revenue. ACCOR S.A. has the right to cancel the lease agreement at the end of fifteenth year of the lease agreement.

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 16. COMMITMENT AND CONTINGENCIES (cont'd)

##### 16.3. The Group as lessor (cont'd)

- On January 29, 2014, a lease agreement was signed with the Russian Management Hotel Company, in which ACCOR S.A. operates in Russia through Severnyi, for the 317-room Ibis Hotel in Moscow, which was opened for operation on July 16, 2015. According to the contract, the lease is valid for a period of 25 years and the tenant has the right to extend the lease period for 10 years. The annual rent is set at 95% of the turnover or the higher of 85% of the AGOP. ACCOR S.A. has the right to terminate the lease at the end of the fifteenth year.
- LLC Yaroslavl Otel Invest signed a lease agreement for IBIS Hotel building located in Yaroslavl, Russia, with Russian Management Hotel Company, a company which ACCOR S.A. operates in Russia. The lease term is 25 years with right of 10 years' of prolongation of ACCOR S.A. The rent shall be equal to 95% of the Adjusted Gross Operating Revenue. ACCOR S.A. has the right to cancel the lease agreement at the end of 15th year of the lease agreement.
- LLC KaliningradInvest signed a lease agreement for IBIS Hotel building located in Kaliningrad, Russia Russian Management Hotel Company, a company which ACCOR S.A. operates in Russia. The lease term is 25 years with right of 10 years' of prolongation of ACCOR S.A. The rent shall be equal to 95% of the Adjusted Gross Operating Revenue. ACCOR S.A. has the right to cancel the lease agreement at the end of the fifteenth year.

The details of the operating lease agreements signed by the Group, in its capacity as lessor, in addition to the above-mentioned lease agreements signed with ACCOR S.A. for hotels in Turkey and Russia, are given below:

- The lease agreement for the 20-year lease of the 5-star Merit Park Hotel, located in the TRNC/Girne, in the portfolio of Akfen GT, together with the casino and all its outbuildings, was signed between the parties on May 15, 2012 and the beginning of the contract was determined as January 2013. In first 5 year, the rent amount will not increase, from 6<sup>th</sup> year, the rent will increase if yearly Euribor is less than 2%, in ratio of Euribor, if yearly Euribor is higher than 2%, in ratio of 2%, additional to previous year's rent amount. In the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> years, the new rental amount will be determined by applying an annual Euribor rate increase to the previous year's rental amount. At the end of the 10<sup>th</sup> year, the parties will discuss the new lease amount and if no agreement is reached, the new lease amount will be determined by applying an annual Euribor rate increase to the previous year's lease amount.
- The Group signed a rent agreement for a bar/café and a restaurant in Eskişehir İbis Hotel on at May 11, 2007 and February 1, 2019.
- Volgastroykom leased 1,562 square meters of a total leasable area of 4,637 square meters of the Samara Office in its portfolio through its subsidiary Volgastroykom with an agreement signed to OAO Bank VTB on 1 March 2013. With the additional contract signed on May 1, 2019, the rental period was extended until April 30, 2024. 1,205 square meters of the areas in the same building will be transferred to Hilti Group until September 30, 2025 with the contract signed on August 31, 2018 and the supplemental contract dated July 19, 2022, and the 1,246 square meters section will be transferred to Benchmark company with the contract signed on March 1, 2020 and the supplemental contract dated July 19, 2022 until February 28, 2025, the remaining 624 square meter section was leased to AVITO company until September 30, 2025 with the contract signed on October 1, 2022.
- YaroslavlOtelInvest has signed a lease agreement on August 2, 2014 for use of the shop located in the basement of Ibis Hotel Yaroslavl as a gym, and the lease expires on September 30, 2020. Additionally, Ibis Hotel Yaroslavl signed a lease agreement on March 1, 2015 for the use of the shop on the ground floor as a flower shop and the lease term is extended for 11 months each year.
- 3 shops (5 independent sections) in Novotel Istanbul Bosphorus (Karaköy) were rented on October 10, 2018, January 31, 2019 and July 1, 2020, respectively
- A commercial area in Kütahya Dormitory was rented for 4 years with the contract signed in October 2019, and a commercial area for 2 years with the contract signed in December 2021.
- As of July 2023, the factory building, which has been purchased by Akfen Karaköy and is included in the Group's portfolio as of December 31, 2023, has been leased for a period of 10 years.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**17. EMPLOYEE TERMINATION BENEFITS AND PROVISIONS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Provision for vacation pay liability-short term	4,029,062	2,516,458
Provision for employee termination benefits-long term	2,611,858	2,465,370
	<b>6,640,920</b>	<b>4,981,828</b>

In accordance with existing social legislation in Turkey, leaving due to retirement or resignation and the end of the job for reasons other than misconduct staff is obliged to pay a certain amount of severance pay. These indemnities are calculated based on the wage on the date of the termination of the employment and the salary of 30 days for each year worked (As of June 30, 2024 and December 31, 2023, the ceiling of severance payments is TRY 41,828/year and TRY 23,490/year, respectively).

In accordance with TAS 19 “Employee Benefits”, it is required to use actuarial valuation methods in estimating the liability related with current retirement plans of the Company. The Company has calculated the provision for employee termination indemnity using the “Projected Unit Cost Method” in accordance with TAS 19 and based on its experience in the personnel service period completion and obtaining the termination indemnity right and reflected in the financial statements. Provision for employee termination indemnity is calculated by considering the net present value of the total amount of the liability arising due to retirement of all employees.

As of June 30, 2024 and December 31, 2023, the liability is calculated using the following assumptions:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Net discount rate	%3.49	%3.00
Anticipated retirement turnover rate	%100.00	%100.00

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied reflects the expected realization of the inflation rate. As the termination indemnity provision is issued every six months, is calculated over the ceiling amounting to TRY 41,828 which is effective from July 1, 2024. (December 31, 2023: TRY 35,059 effective from January 1, 2023).

The severance pay provision is calculated based on the present net value of the future liabilities arising from the retirement of all employees and is reflected in the accompanying financial statements..

Movement of provision for employee termination benefits is as follows:

	<b>2024</b>	<b>2023</b>
January 1	2,465,370	1,858,488
Increase in current period	690,276	456,257
Monetary gain	(543,788)	(338,370)
<b>June 30</b>	<b>2,611,858</b>	<b>1,976,375</b>

Movement of vacation pay liability is as follows:

	<b>2024</b>	<b>2023</b>
January 1	2,516,458	1,740,129
Increase in current period	2,127,963	493,096
Payments	-	(261,508)
Monetary loss	(615,359)	(307,411)
<b>June 30</b>	<b>4,029,062</b>	<b>1,664,306</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**18. PREPAID EXPENSES AND DEFERRED REVENUE**

**a) Short term prepaid expenses**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Prepaid expenses to third parties	190,443,583	253,444,318
- Advances given to suppliers <sup>(1)</sup>	172,216,409	247,137,739
- Prepaid expenses <sup>(2)</sup>	18,144,328	5,766,376
- Advance payments	82,846	540,203
	<b>190,443,583</b>	<b>253,444,318</b>

**b) Long term prepaid expenses**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Advances given to related parties <sup>(2)</sup>	62,655,259	56,240,693
	<b>62,655,259</b>	<b>56,240,693</b>

<sup>(1)</sup> As of June 30, 2024 and December 31, 2023, a significant part of the order advances consist of advances related to the construction works of the Söğütlüçeşme project..

<sup>(2)</sup> As of June 30, 2024, the expenses related to future months and years amount to TRY 52,933,651 (December 31, 2023: TRY 52,522,637). This sum includes the upfront lease payments made for the transfer of the land lease agreement of Akfen Karaköy's Novotel Istanbul Bosphorus, Karaköy, with the remaining amount primarily consisting of expenses related to insurance policies belonging to the Group and prepaid land lease expenses for future periods.

**c) Short-term deferred revenue**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Domitory income	2,679,679	3,171,987
Other <sup>(*)</sup>	2,229,040	2,374,555
	<b>4,908,719</b>	<b>5,546,542</b>

<sup>(\*)</sup> As of June 30, 2024 and December 31, 2023, all other deferred income consists of advances collected in advance related to the office project in Russia.

**d) Long-term deferred revenue**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Real estate revenue	210,024,196	49,672,468
	<b>210,024,196</b>	<b>49,672,468</b>

As of June 30, 2024 and December 31, 2023 long-term deferred income is related with the sales amounts collected in advance for the months after the reporting period for the Yalıkavak project.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**19. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

Pursuant to the Lease Agreement for Areas Containing Construction signed with TCDD, the company has the right to lease for 2 years permit, license, 2 years construction period and 28 years of operation within the scope of the Söğütlüçeşme train station High Speed Train Station project in Kadıköy, Istanbul. It purchased 51% of the shares of Turz.Tic.A.Ş ("Fıratcan Turizm") on June 30, 2021, and the contract was renewed within the scope of the project change on September 6, 2022 and the lease period was extended until 2051. According to the share transfer agreement, the management of Fıratcan Turizm will be jointly carried out by Akfen GYO and Fıratcan Turizm Şirketi Decisions related to Fıratcan Turizm's significant activities require unanimous approval from both parties Therefore, as of June 30, 2023, Fıratcan Turizm has been accounted for through the equity method The remaining 49% stake in Fıratcan Turizm was acquired on July 18, 2023 Following this acquisition, Fıratcan Turizm became a wholly-owned subsidiary of the company and has been consolidated using the full consolidation method as of December 31, 2023 (Note 3). Therefore, as of June 30, 2024 and December 31, 2023, the Group does not have investments valued by the equity method.

The movement table of the Group's share in Fıratcan Turizm's net assets for period ended on 30 June 2023 is as follows:

	<b>2023</b>
January 1	493,723,344
Net profit per Group share	63,918,271
<b>June 30</b>	<b>557,641,615</b>

Summary financial information of Fıratcan Tourism as of June 30, 2023 is as follows:

**Summary income statement information:**

	<b>January 1 – June 30, 2023</b>
<b>Fıratcan Turizm</b>	
<b>PROFIT OR LOSS</b>	
Revenue	-
Cost of sales (-)	(30,400)
<b>GROSS LOSS</b>	<b>(30,400)</b>
General administrative expenses (-)	(1,506,494)
Other operating income from operating activities, net	323,732,305
<b>PROFITFROM OPERATING ACTIVITES</b>	<b>322,195,411</b>
Financial expenses, net (-)	(238,516,304)
Monetary gain	80,628,805
<b>PROFIT BEFORE TAX</b>	<b>164,307,912</b>
Tax expense	(38,977,970)
- <i>Deferred tax expenses</i>	(38,977,970)
<b>PROFIT FOR THE PERIOD</b>	<b>125,329,942</b>
<b>NET PROFIT FOR THE PERIOD PER GROUP SHARE</b>	<b>63,918,271</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**20. OTHER CURRENT AND NON-CURRENT ASSETS**

**a) Other current assets**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Deferred VAT	6,131,451	377,338
Prepaid taxes and funds	631,536	798,169
Other	-	69,829
	<b>6,762,987</b>	<b>1,245,336</b>

**b) Other non-current assets**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Deferred VAT	148,107,842	105,234,446
	<b>148,107,842</b>	<b>105,234,446</b>

**21. EQUITY**

**21.1. Paid in capital**

The capital structure as of June 30, 2024 and December 31, 2023 is as follows:

<b>Shareholders</b>	<b>(%)</b>	<b>June 30, 2024</b>	<b>(%)</b>	<b>December 31, 2023</b>
Publicly trade <sup>(1)</sup>	44,54	1,736,971,208	44,41	1,727,674,422
Akfen International BV	31,32	1,221,670,260	31,40	1,221,670,260
Akfen Holding	13,94	543,715,754	13,97	543,715,754
Hamdi Akın	10,18	397,150,364	10,21	397,150,364
Akfen Turizm	<0,001	492,391	<0,001	492,391
Akfen İnşaat	<0,001	23	<0,001	23
<b>Total</b>		<b>3,900,000,000</b>		<b>3,890,703,214</b>
Inflation adjustments		6,342,967,007		6,341,395,988
<b>Adjusted equity</b>		<b>10,242,967,007</b>		<b>10,232,099,202</b>

<sup>(1)</sup> Except for publicly traded shares, there are also publicly traded shares on the other partners listed in the table.

The share company of A, C, D owning 1,000-unit share for each, has the privilege to select 2 nominees for each for the board of directors’ member selection. On August 6, 2018, Akfen GYO's 1000 Group A and 1000 Group D shares of Akfen Holding were transferred to Hamdi Akın, the indirect owner of the management control of these shares. On January 12, 2021, TRY 238,627,431.84 of the Convertible Bond was paid off, and because of the allocated capital increase in accordance with the decision of our Board of Directors dated December 30, 2020 and the approval of the CMB dated January 7, 2021, 59,066,196 new Group B shares were issued, and the Company The capital of Turkey has been increased to TRY 243,066,196. On February 9, 2021, during the acquisitions of the companies, by providing TRY 450,000,002 of funds, 101,580,136 B group shares (tradable on stock exchange) with a nominal value of TRY 101,580,136 allocated to Hamdi Akın has been issued and the issued capital of the company in amount of TRY 243,066,196 increased to TRY 344,646,332. The process of increasing the Company's issued capital from TRY 344,646.332 to TRY 900,000,000 by using the preferred rights of the existing shareholders by TRY 555,353,668, all in cash, was completed as on August 20, 2021. With this, the process of increasing the Company's paid-in capital from TRY 900,000,000 to TRY 1,300,000,000 by increasing TRY 400,000,000 to be covered by emission premiums was published in the trade registry gazette numbered 10467 on December 7, 2021. As of June 30, 2023, the Company's capital consists of 1,300,000,000 shares(December 31, 2022: 1,300,000,000,TRY 1),each with a nominal value of TRY 1. The transaction to increase the issued capital of the Company, which is TRY 1,300,000,000 within the registered capital ceiling of TRY 6,500,000,000, to TRY 3,900,000,000 with a 200% increase of TRY 2,600,000,000, completely in cash, was approved in the CMB meeting dated December 7, 2023 and numbered 76/1684. As of June 30, 2024, the Company's capital consists of 3,900,000,000 shares issued with a nominal value of TRY 1 each (December 31, 2023: TRY 1 3,900,000,000) and its paid-in capital as of June 30, 2024 is TRY 3,900,000,000 (December 31, 2023: TRY 3,890,703,214). On January 4, 2024, the unpaid capital with amount of TRY 9,296,786 was contributed to the company.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**21. EQUITY (cont’d)**

**21.1. Paid in capital (cont’d)**

Capital Markets Board approval was received on December 30, 2021 to increase the registered capital ceiling from TRY 1,000,000,000 to TRY 6,500,000,000, which was decided at the Company's Board of Directors Meeting on December 14, 2021 and the Extraordinary General Assembly Meeting held on January 27, 2022 regarding the aforementioned capital ceiling increase was registered on February 1, 2022 by the Istanbul Trade Registry Office.

With the Tax Procedure Law dated December 30, 2023 and numbered 32415, according to the relevant Communiqué published in the Official Gazette No. 30, 2024, the balance sheet dated June 30, 2024, prepared in accordance with the Tax Procedure Law, has been adjusted by using the Producer Price General Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting practice. The attached financial statements were adjusted for inflation using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with IAS 29, and ultimately the amounts for the current and previous reporting period were expressed in terms of purchasing power as of June 30, 2024. Due to the use of different indices in the Tax Procedure Law and IAS 29 inflation accounting application and the correction of the amounts of the previous reporting periods in the IAS 29 application and bringing them to the purchasing power of 30 June 2024; There were differences between the amounts in the balance sheet prepared in accordance with the Tax Procedure Law regarding the items "Capital Adjustment Differences", "Premiums for Shares" and "Restricted Reserves Separated from Profits" and the amounts included in the financial statements prepared pursuant to IAS/IFRS. These differences are reflected in the "Profits or Losses of Previous Years" item in the TMS/IFRS financial statements, and these differences are detailed below:

	<b>Inflation-adjusted amounts included in financial statements prepared in accordance with Law No. 6102 and other legislation</b>	<b>Amounts adjusted according to TAS 29 requirements in accordance with TFRS</b>	<b>Difference classified in retained earnings/(loss)</b>
<b>June 30, 2024</b>			
Share capital adjustments	8,816,436,704	6,342,967,007	(2,473,469,697)
Share premiums	1,238,724,400	1,404,183,408	165,459,007
Restricted reserves appropriated from profits	130,961	14,001	(116,960)

<b>Retained Earnings</b>	<b>Amount Before Inflation Accounting</b>	<b>Amount After Inflation Accounting</b>
December 31, 2022s	2,464,970,287	6,349,662,385
January 1, 2022	381,217,086	(2,242,987,901)

**21.2. Foreign currency translation reserves**

The translation reserve comprise of foreign exchange difference arising from the translation of the financial statements of Yaroslavlinvest, Kalingradinvest, Samstroykom, Volgastroykom and Severnyi from their functional currency to the presentation currency TRY which is recognized in equity.



## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

#### 21. EQUITY (cont'd)

##### 21.3. Share Premiums

The surplus of sales price over the nominal value of the shares amounted to TRY 58,880,000 during the initial public offering of the shares on May 11, 2011 were accounted as share premium. In addition, the difference in the amount of TRY 528,088,895 due to the addition of the Convertible Bond to the capital in 2021 and the effect of the capital increases made for the acquisitions of the companies, was also accounted as share premiums, and taxes, duties, fees, etc. related to capital increases amounting to TRY 3,803,787 have also been deducted from this item. In addition, the difference of TRY 16,437,579 resulting from the sale of repurchased shares amounting to TRY 9,991,969 on March 29, 2021 for TRY 26,429,548 has been accounted for in this item. The premium amount for the shares amounting to TRY 25,050,000 was taken over by the merger of Isparta Yurt on June 30, 2021. With this; The Company's capital increase amounting to TRY 400,000,000, which took place on December 7, 2021, was covered from share premiums.

On April 24, 2023, the Board of Directors of the Company decided to make a share buyback in order to protect the negative value of the shareholders, taking into account the share price and price movement, and the said buyback transaction was approved at the 2022 general assembly on May 11, 2023. According to the decision, the duration of the buy-back program is 1 year, the maximum amount of funds that can be allocated is TRY 200,000,000, and the maximum number of shares that can be subject to share buyback is TRY 65,000,000 (5% of the issued capital of the Company). Within the framework of the said share buyback program, Akfen GYO has repurchased 30,000,000 nominal shares for TRY 146,216,475 starting from April 27, 2023 (December 31, 2022: None), and all of these shares were sold on August 8, 2023 for TRY 181,527,840, and TRY 35,311,365, which is the difference between the sale price and the purchase price of the shares, was recognized as a share issue premium under equity in the Group's consolidated financial statements. In addition, expenditures such as taxes, duties, fees, etc. of TRY 5,396,799 incurred during the capital increase in 2023 were also deducted from this item. In addition, in 2024, share issue premiums amounted to TRY 5,148,058 (inflation-adjusted: TRY 6,018,194), and as a result, as of June 30, 2024, the premiums for shares amounted to TRY 253,372,776 (inflation-adjusted: TRY 1,404,183,408). (31 December 2023: TRY 248,224,718, inflation adjusted: TRY 1,289,762,182).

##### 21.4 Restricted reserves allocated from profit

As of June 30, 2024, the legal reserve of the Company is TRY 14,001 (December 31, 2023: TRY 14,001). The legal reserves consist of first and second legal reserves, according to the Turkish Commercial Code "TCC"). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. If the second category legal reserves exceed 5% of the paid-up capital, 10% of the distributed profit shall be allocated. The first and second category legal reserves cannot be distributed as long as they do not exceed 50% of the total capital; however, they can be used to cover losses if the optional reserves are depleted.

Accordingly, the inflation adjustments provided for within the framework of TAS/TFRS, for paid-in capital has been presented under inflation adjustment on capital, whereas for share premium and legal reserves and special reserves under restricted reserves inflation effects has been presented under retained earnings. Other equity items have been presented with their TAS/TFRS values.

##### 21.5 Other equity shares

As of February 16, 2023, 85.16% (7.25% of total shares) of 8.53% of Akfen Karaköy's shares owned by 3rd parties were taken over by Akfen GT, Akfen GT was taken over by Akfen GT as a set-off against its existing receivables from other shareholders of Akfen Karaköy together with interest accrued until the share transfer date, and 14.84% of the remaining shares (1.27% of total shares) were taken over by Akfen Holding. Following the purchase of the shares, Akfen GYO's direct and indirect ownership ratio in Akfen Karaköy became 98.73%. On May 2, 2023, the Company acquired 1.27% of Akfen Karaköy shares belonging to Akfen Holding, and as of June 30, 2024, Akfen GYO's direct and indirect ownership rate in Akfen Karaköy became 100% (December 31, 2023: 100%). As a result, as of June 30, 2024, the total purchase prices of TRY 331,195,548 and the value of the shares purchased (TRY 126,120,085), which is the difference between TRY 205,075,463, were recognized in the other equity shares account (Note 3).

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**22. REVENUE AND COST OF SALES**

For the periods ended June 30, 2024 and 2023, sales and cost of sales are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Rent income	433,309,448	257,479,060	573,934,450	355,351,869
Dormitory incomes	40,852,239	18,948,129	43,694,119	20,644,377
Other	39,013	18,622	1,403,459	716,149
<b>Total revenue</b>	<b>474,200,700</b>	<b>276,445,811</b>	<b>619,032,028</b>	<b>376,712,395</b>
Taxes and duties expenses	(8,752,916)	(4,249,666)	(10,153,248)	(5,185,758)
Insurance expenses	(9,939,113)	(6,068,331)	(6,083,540)	(2,837,728)
Outsourced service expenses	(1,086,255)	(294,492)	(4,748,416)	(3,362,919)
Depreciation	(22,287)	(8,915)	(3,952,326)	(1,951,753)
Other	(766,085)	(139,080)	(2,606,931)	(1,293,949)
<b>Total cost of sales</b>	<b>(20,566,656)</b>	<b>(10,760,484)</b>	<b>(27,544,461)</b>	<b>(14,632,107)</b>

**23. GENERAL ADMINISTRATIVE EXPENSES**

For the periods ended June 30, 2024 and 2023, administrative expenses are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Personnel expenses	21,564,743	7,508,433	17,545,054	7,714,127
Consultancy expenses	8,626,954	6,403,638	6,367,741	3,915,065
Outsourced service expenses	1,982,008	1,156,800	774,864	372,074
Tax and duties expenses	1,709,384	1,068,495	1,222,928	1,051,495
Operating lease expenses	1,229,900	602,603	1,653,802	817,172
Travel and hosting expenses	959,538	592,126	1,494,421	1,251,331
Advertising expenses	453,011	210,529	67,177	-
Depreciation expense	310,756	156,073	264,869	135,040
Amortization expense	42,532	19,985	53,345	20,850
Donations and grants	5,772	-	3,499,518	239,721
Other	1,583,532	851,752	911,463	530,355
<b>Total</b>	<b>38,468,130</b>	<b>18,570,434</b>	<b>33,855,182</b>	<b>16,047,230</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**23. GENERAL ADMINISTRATIVE EXPENSES (cont’d)**

**Personnel expenses**

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Wages and salaries	15,623,859	5,228,762	14,095,352	5,958,585
Social security premiums	2,677,543	947,649	2,195,599	1,013,696
Leave liability	2,127,963	639,037	493,096	247,903
Severance pay liability	690,276	488,856	456,257	331,653
Other	445,102	204,129	304,750	162,290
<b>Total</b>	<b>21,564,743</b>	<b>7,508,433</b>	<b>17,545,054</b>	<b>7,714,127</b>

**24. OTHER OPERATING INCOME/EXPENSES**

**a) Other operating income**

For the periods ended June 30, 2024 and 2023, other operating income are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Investment property fair value increase, net	582,748,008	582,748,008	4,532,759,480	4,532,759,480
Foreign exchange gain	1,252,823	121,046	76,723	76,723
Other	291,753	14,575	1,755,975	619,144
<b>Total</b>	<b>584,292,584</b>	<b>582,883,629</b>	<b>4,534,592,178</b>	<b>4,533,455,347</b>

**b) Other operating expenses**

For the periods ended June 30, 2024 and 2023, other operating expenses are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Foreign exchange loss	24,029	24,029	2,840,194	2,838,343
Other	2,099,897	58,373	592,118	109,401
<b>Total</b>	<b>2,123,926</b>	<b>82,402</b>	<b>3,432,312</b>	<b>2,947,744</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**25. INCOME/(EXPENSES) FROM INVESTMENT ACTIVITIES**

**a) Income from investment activities**

For the periods ended June 30, 2024 and 2023, income from investment activities are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Profit from sale of securities (Note 6)	8,959,680	8,959,680	739,088	739,088
<b>Total</b>	<b>8,959,680</b>	<b>8,959,680</b>	<b>739,088</b>	<b>739,088</b>

For the periods ended June 30, 2024 and 2023, expenses from investment activities are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Losses arising from the disposal of non-current assets held for sale (Note 3)	20,756,420	-	-	-
The provision for impairment of the company's current fair value (Note 3)	-	-	486,771,929	486,771,929
Losses from sale of securities	4,345,510	4,345,510	-	-
<b>Total</b>	<b>25,101,930</b>	<b>4,345,510</b>	<b>486,771,929</b>	<b>486,771,929</b>

**26. FINANCIAL INCOME**

For the periods ended June 30, 2024 and 2023, financial income are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Interest income (*)	423,253,156	222,416,099	5,827,093	1,061,675
Fair value increase of derivative instruments (**)	-	-	131,013,380	98,116,949
Foreign exchange gains	5,652,810	5,652,810	-	-
<b>Total</b>	<b>428,905,966</b>	<b>228,068,909</b>	<b>136,840,473</b>	<b>99,178,624</b>

(\*) As of June 30, 2024, the Group's interest income includes the proceeds arising from the cancellation of the amortized cost adjustments of TRY 348,969,552 of the loans of Akfen GYO, Akfen GT and Akfen Karkaöy, which were closed in the first half of 2024 (June 30, 2023: None).

(\*\*) Fair value gains arising from derivative instruments accounted for currency hedging purposes included in the Company's consolidated financial statements as of June 30, 2023 (June 30, 2024: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**27. FINANCIAL EXPENSES**

For the periods ended June 30, 2024 and 2023, financial expenses are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Foreign exchange loss	102,142,149	-	1,798,442,139	1,621,124,866
Interest expenses	170,896,678	80,144,223	577,201,441	342,388,234
Fair value decrease of derivative instruments (*)	-	-	748,537,241	681,805,712
Other	6,459,433	3,326,739	873,912	397,639
<b>Total</b>	<b>279,498,260</b>	<b>83,470,962</b>	<b>3,125,054,733</b>	<b>2,645,716,451</b>

(\*) The fair value decreases arising from interest rate swap transactions and derivative instruments related to the consolidated financial statements of the Company as of June 30, 2023 (June 30, 2024: None).

**28. TAX ASSETS AND LIABILITIES**

According to Article 5/1(d) (4) of the New Corporate Tax Law 5520, the income of real estate investment trusts are exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax. Therefore, deferred tax assets and liabilities are not recognized for the income of the Group from the operations as a real estate investment trust since those are exempt from income tax. The deferred tax arising from the timing differences between the legal financial statements of the Group's subsidiaries and the financial statements prepared in accordance with TFRS, is reflected in the consolidated financial statements. The corporate tax rate for the Group's subsidiaries in Turkey is 20%. However, according to Article 21 of the Law on the Establishment of Motor Vehicle Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Published in the Official Gazette No 32249 on July 15, 2023, which amended Article 32 of the Corporate Tax Law No 5520 regulating the corporate tax rate, the general rate applied to corporate tax has been increased from 20% to 25%, and for banks and financial institutions, the rate which was previously 25% has been raised to 30%. The same article (Article 21) of the mentioned law has ensured that the corporate tax rate, which is currently applied at a discounted rate of 1 point for the profits obtained exclusively from exports by export-oriented institutions, will now be applied at a discounted rate of 5 points for the purpose of promoting exports. This change will be applicable starting from the declarations that must be submitted from October 1, 2023, and will apply to the profits earned by corporations in the 2023 tax year and subsequent periods. For corporations subject to special accounting periods, the tax rate of 25% will be used for the calculation of profits obtained in the special accounting period starting in the 2023 calendar year and subsequent taxation periods. Therefore, the tax rate of 25% has been used for tax calculations for the relevant companies as of the reporting period.

The corporate tax rates of the Group's subsidiaries in the TRNC and Russia are 23.5% and 20%, respectively.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**28. TAX ASSETS AND LIABILITIES (cont’d)**

For the periods ended June 30, 2024 and 2023, the main components of tax expenses are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Current period tax expense	(2,559,178)	(2,164,477)	(4,566,066)	(2,882,224)
Deferred tax (expense)/income	(221,047,747)	(149,483,615)	(273,151,282)	(273,954,181)
<b>Total</b>	<b>(223,606,925)</b>	<b>(151,648,092)</b>	<b>(277,717,348)</b>	<b>(276,836,405)</b>

The reported taxation charge for the periods ended June 30, 2024 and 2023 are different than the amounts computed by applying the statutory tax rate to income/(loss) before tax as shown in the following:

	(%)	<b>January 1- June 30, 2024</b>	(%)	<b>January 1- June 30, 2024</b>
<b>Profit before tax</b>		<b>1.356.922.265</b>		<b>2.433.219.421</b>
Tax expense using the domestic tax expense rate	(25)	(339,230,566)	(20)	(486,643,884)
Tax-exempt income/(loss) <sup>(1)</sup>	8	110,035,647	13	318,089,857
Non-deductible expenses	(0)	(1,291,822)	(1)	(19,501,212)
Effect of changes in the availability of tax losses carried forward	1	7,303,304	-	-
Tax loss not subjected to deferred tax asset	(1)	(8,124,920)	(4)	(97,354,386)
Monetary (loss)/gain	(6)	(77,731,639)	1	34,462,570
Effect of different tax rates in foreign countries	2	23,677,875	(1)	(13,108,256)
Deferred tax effect arising from inflation accounting adjustments in statutory financial statements	5	61,732,174	-	-
Utilization of tax losses from prior periods for which no deferred tax recognized	-	-	(1)	(24,220,438)
The effect of the shares in the losses of investments accounted using the equity method	-	-	1	12,783,654
Tax base increase	-	-	(0)	(2,210,533)
Other	0	23,022	(0)	(14,720)
<b>Tax expense</b>	<b>(16)</b>	<b>(223,606,925)</b>	<b>(11)</b>	<b>(277,717,348)</b>

<sup>(1)</sup> Akfen GYO is exempt from Corporate Tax.

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**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**28. TAX ASSETS AND LIABILITIES (cont’d)**

Deferred tax liability movements for the periods ended at June 30, 2024 and 2023 are as follows:

	2024	2023
Deferred tax liability as of 1 January, net	(1,308,834,713)	(1,971,370,069)
Recognized in statement of profit or loss	(221,047,747)	(273,151,282)
Foreign currency translation differences	14,468,849	13,350,238
Impact of assets classified as held for sale	-	966,734,425
<b>Deferred tax liability as of June 30, net</b>	<b>(1,515,413,611)</b>	<b>(1,264,436,688)</b>

**Recognized deferred tax assets and liabilities**

Deferred tax assets and deferred tax liabilities as of June 30, 2024 and December 31, 2023 were attributable to the items detailed in the table below:

	Deferred tax assets		Deferred tax liabilities		Net	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Investment property	-	-	(1,571,520,981)	(1,380,814,880)	(1,571,520,981)	(1,380,814,880)
Tax losses carried forward	53,364,942	63,222,634	-	-	53,364,942	63,222,634
Other	2,742,428	18,075,935	-	(9,318,402)	2,742,428	8,757,533
<b>Deferred tax asset / (liability)</b>	<b>56,107,370</b>	<b>81,298,569</b>	<b>(1,571,520,981)</b>	<b>(1,390,133,282)</b>	<b>(1,515,413,611)</b>	<b>(1,308,834,713)</b>
Net off tax	(22,020,823)	(48,672,730)	22,020,823	48,672,730	-	-
<b>Net deferred tax asset / (liability)</b>	<b>34,086,547</b>	<b>32,625,839</b>	<b>(1,549,500,158)</b>	<b>(1,341,460,552)</b>	<b>(1,515,413,611)</b>	<b>(1,308,834,713)</b>

Expiration schedule of carry forward tax losses is as follows:

	June 30, 2023	December 31, 2022
2024	-	107,581
2025	-	84,733
2026	2,586,861	56,384,323
2028	74,526,720	76,222,036
2029	-	-
No fixed expiry <sup>(*)</sup>	170,432,735	150,114,831
<b>Total</b>	<b>247,546,316</b>	<b>282,913,504</b>

<sup>(\*)</sup>In Russia, the carry forward tax losses of companies do not have a maturity in accordance with the relevant country legislation.

As of 30 June 2024, the Group has a net loss of TRY 247,546,316 (December 31, 2023: TRY 282,913,504) and TRY 53,364,942 of deferred tax assets have been recognized (December 31, 2023: TRY 63,222,634). As of June 30, 2024, it has a financial loss of TRY 180,583,333 (December 31, 2023: TRY 463,936,666).

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**29. EARNINGS PER SHARE**

Earnings/(losses) per share are calculated by dividing net profit/(loss) for the periods ended by the weighted average number of shares of the Group during the period. For the periods ended June 30, 2022 and 2021, the earnings/(loss) per share computation are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1- June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1- June 30, 2023</b>
<b>Number of shares in circulation</b>				
January 1	3,890,703,214	3,900,000,000	1,300,000,000	1,300,000,000
Capital increase	9,296,786	-	-	-
<b>End of the period</b>	<b>3,900,000,000</b>	<b>3,900,000,000</b>	<b>1,300,000,000</b>	<b>1,300,000,000</b>
Weighted average number of shares	3,899,795,675	3,900,000,000	1,294,224,823	1,294,224,823
Profit for the period	1,129,900,116	847,640,703	2,149,981,084	1,918,982,710
Earnings per share (Full TRY)	0,29	0,22	1,66	1,48
Diluted earnings per share (Full TRY)	0,29	0,22	1,66	1,48

**30. THE FAIR VALUE EXPLANATIONS**

The fair value is described as a price that will be obtained from sales of an asset or paid on transfer of a debt, in an ordinary transaction on the date of calculation among the market attendants.

**Financial Instruments**

The Group has determined the estimated fair values of the financial instruments by employing current market information and appropriate valuation methods. However, interpretation and reasoning are required to estimate the fair values by evaluating the market information. As a result, the estimations presented herein may not be indicative of the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions have been used to estimate the fair value of the financial instruments for which estimation of the fair values in practice is possible:

Financial Assets

It is foreseen that book values of the cash and cash equivalents are close to their fair values since they are short term cash assets.

It is also foreseen that their book values reflect the fair value since the trade receivables are short-term.

It is foreseen that the fair values of the balances in foreign currency that are converted with the period-end rates are close to their book values.



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**30. THE FAIR VALUE EXPLANATIONS (cont’d)**

Financial Liabilities

It is considered that fair values of the trade payables and other monetary liabilities approach to the values that they bear due to the fact that they are short-term.

The bank credits are expressed with their amortized cost values and transactional costs are added into the first cost of the credits. As the floating rate bank credits of the Group have been repriced in the recent history, it is considered that its fair values reflect the value that they bear.

**Classes and fair values of financial instruments**

June 30, 2024	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
<b>Financial Assets</b>					
Cash and cash equivalents	2,153,597,488	-	2,153,597,488	2,153,597,488	6
Trade receivables from related parties	10,227,415	-	10,227,415	10,227,415	8
Trade receivables from third parties	307,260,007	-	307,260,007	307,260,007	8
Other receivables from third parties	1,683,101	-	1,683,101	1,683,101	9
<b>Financial Liabilities</b>					
Financial liabilities	-	3,676,453,916	3,676,453,916	3,676,453,916	7
Trade payables to related parties	-	68,341,263	68,341,263	68,341,263	5
Trade payables to third parties	-	31,406,389	31,406,389	31,406,389	8
Other payables to third parties	-	36,422,237	36,422,237	36,422,237	9

December 31, 2023	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
<b>Financial Assets</b>					
Cash and cash equivalents	2,713,432,701	-	2,713,432,701	2,713,432,701	6
Trade receivables from related parties	14,238,315	-	14,238,315	14,238,315	8
Trade receivables from third parties	285,561,962	-	285,561,962	285,561,962	8
Other receivables from third parties	1,651,625	-	1,651,625	1,651,625	9
<b>Financial Liabilities</b>					
Financial liabilities	-	6,228,757,324	6,228,757,324	6,228,757,324	7
Trade payables to related parties	-	51,169,227	51,169,227	51,169,227	5
Trade payables to third parties	-	22,164,277	22,164,277	22,164,277	8
Other payables to related parties	-	989,058,232	989,058,232	989,058,232	9
Other payables to third parties	-	67,341,816	67,341,816	67,341,816	9

Non-Financial Assets

The real estate appraisal reports that are prepared by the real estate valuation company authorized by the CMB are based on while determining the fair values of the investment real estates which are measured with their fair values in the consolidated financial statements (Note 10). As of June 30, 2024 and December 31, 2023, the fair values of investment properties include the appraisal report values of the relevant periods and the investments made until the reporting period.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**30. THE FAIR VALUE EXPLANATIONS (cont’d)**

Non-Financial Assets (cont’d)

The fair value classifications of the non-financial assets which are calculated with their fair values are as follows:

June 30, 2024	Fair Value Level		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Operating investment properties	-	-	17,623,146,845
Investment properties under construction (Project)	-	-	2,534,350,000
Investment properties under construction (Land)	-	1,762,900,000	-

  

December 31, 2023	Fair Value Level		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Operating investment properties	-	-	17,317,395,581
Investment properties under construction (Project)	-	-	2,290,413,943
Investment properties under construction (Land)	-	1,534,235,444	-

The fair value of the assets and liabilities are determined as follows:

- First level: It increases in value from the stock exchange prices that are traded on the active market in terms of the identical assets and liabilities.
- Second level: It increases in value from the inputs which are used in order to find the price that can be directly or indirectly observed other than the stock exchange rate of the related asset or liability which is specified in the first level.
- Third Level: It increases in value from the inputs which are used in order to find the fair value of the asset or liability and which do not depend on any observable data in the market.

The fair values of the investment real estates on the sector basis, and the methods that are used to identify the fair values and significant unobservable assumptions are as follow:

	June 30, 2024	December 31, 2023	Valuation method	Unobservable significant inputs	Weighted average amount June 30, 2024	Weighted average amount December 31, 2023
<b>Hotel</b>				* Room price (per day) – Euro	<b>75</b>	74
Level 3	<b>16,419,397,456</b>	16,201,667,977	Discounted cash flows	* Villa price (per day) – Euro * Occupancy rate <sup>(*)</sup>	<b>805</b> <b>75%</b>	730 74%
<b>Dormitory</b>				* Total number of beds	<b>7,232</b>	7,232
Level 3	<b>935,010,000</b>	933,064,620	Discounted cash flows			
<b>Office</b>				* Rentable area / m2 * Occupancy rate	<b>4,637</b> <b>97%</b>	4,637 97%
Level 3	<b>152,759,389</b>	182,662,984	Discounted cash flows			
<b>Söğütlüçeşme Project</b>				* Rentable area / m2 * Occupancy rate	<b>14,559</b> <b>92%</b>	14,559 92%
Level 3	<b>2,534,350,000</b>	2,290,413,943	Discounted cash flows			
<b>Factory Building</b>						
Level 3	<b>115,980,000</b>	124,774,352	Discounted cash flows			
<b>Land</b>						
Level 2	<b>1,762,900,000</b>	1,534,235,444	Market approach	- -	- -	- -

(\*) Except for Bodrum Loft, the data is as follows. In the appraisal reports dated June 30, 2024 and December 31, 2023, the average occupancy rate for Bodrum Loft during the approximately 6-month operating season was estimated to be 95%.

(\*\*) It is the average occupancy rate for 5 years, including the opening year..

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**30. THE FAIR VALUE EXPLANATIONS (cont’d)**

**Discounted cash flows (DCF)**

The fair value of an asset under the discounted cash flows is estimated by referring to the net assumptions on the benefits and liabilities of the property including the output and final value. This estimation includes estimation of a series of cash flow and a discount rate depending on an appropriate market is applied in order to create the current value of the income flow.

Period of the cash flow and certain schedule of the inputs and outputs are determined by events such as review of the rents, renewal of the lease contracts and relative rental periods, rent again, re-development and renewal. The costs incurred during the development of the assets and constructional costs, development costs and anticipated sales revenue will be estimated in order to reach a series of net cash flow which is discounted over the additional development and marketing expenditures that are foreseen for duration of the rent. Certain development risks such as planning, licenses, zoning permits should be separately evaluated.

**Level 3 Sensitivity analysis of significant changes in unobserved inputs that are used in the fair value calculations**

The sensitivity analysis for the unobservable inputs which are used in measurement of the fair values of the active and ongoing investment real estates of the Group is as follows:

June 30, 2024	Sensitivity Analysis	If it increases	If it decreases
		Profit/(loss) effect on the fair value (TRY)	Profit/(loss) effect on the fair value (TRY)
<b>Hotel</b>			
Discount rate	0.5%	(607,382,511)	653,013,166
Room price	1 EUR	154,687,214	(155,670,243)
Occupancy rate	1%	188,497,342	(189,129,088)
<b>Office</b>			
Discount rate	0.5%	(2,785,564)	2,850,500
Occupancy rate	1%	1,799,729	(1,813,693)
<b>Dormitory</b>			
Discount rate	0.5%	(26,787,850)	28,077,377
<b>Bodrum Loft</b>			
Discount rate	0.5%	(90,982,556)	101,169,792
Villa price	10%	161,941,924	(147,187,996)
Occupancy rate	1%	16,861,632	(16,510,348)
<b>Söğütluçeşme project</b>			
Discount rate	0.5%	(89,830,000)	95,010,000
Rental value per unit	10%	266,340,000	(266,340,000)
Occupancy rate	1%	27,630,000	(27,630,000)
December 31, 2023	Sensitivity Analysis	If it increases	If it decreases
<b>Hotel</b>			
Discount rate	0.5%	(575,159,427)	618,291,422
Room price	1 EUR	174,767,098	(175,351,656)
Occupancy rate	1%	181,187,232	(180,780,923)
<b>Office</b>			
Discount rate	0.5%	(2,991,602)	3,073,511
Occupancy rate	1%	2,021,429	(2,021,429)
<b>Dormitory</b>			
Discount rate	0.5%	(25,969,260)	27,117,782
<b>Bodrum Loft</b>			
Discount rate	0.5%	(84,106,005)	93,044,807
Villa price	10%	156,835,352	(142,614,530)
Occupancy rate	1%	16,252,368	(16,252,368)
<b>Söğütluçeşme project</b>			
Discount rate	0.5%	(100,634,832)	107,029,188
Rental value per unit	10%	253,784,995	(253,772,521)
Occupancy rate	1%	26,531,047	(26,518,574)

## CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH

### AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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#### 31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

##### (i) *General*

The Company exposed to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Company’s exposure to each of the above risks and explains the Company’s objectives, policies, and processes for measuring and managing risks, and the Company’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Company’s risk management vision is defined as, identifying variables and uncertainties that will impact the Company’s objectives, conducting proactively and managing through the most appropriate steps, supervising the implementation of steps in line with the shareholders’ risk preference.

Corporate Risk Management activities are executed within the Company in the following fields:

- Determining risk management standards and policies,
- Developing a uniform risk management-oriented work culture and capabilities,
- Conducting risk analysis of existing and potential investments,
- Creating a senior administration vehicle reporting on the risks of new investments of a company, sector, or company
- Determining risk limitations and action plans,
- Supporting the implementation of these action plans,
- Supporting strategic processes with a risk management approach.

The Board of Directors (“BOD”) has overall responsibility for the establishment and oversight of Akfen GYO’s risk management framework.

Board of Directors states the risk options and ensures performing of the risk management implementations. Akfen GYO’s BOD has the ultimate responsibility for Corporate Risk Management.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**(ii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables from customers and investment securities.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company’s customer base, including the default risk of the industry and country in which customers operate has an influence on credit risk. The company operates in the real estate sector.

In monitoring customer credit risk, customers are companied according to their credit characteristics, geographic location, industry, ageing profile, maturity, and existence of previous financial difficulties (Note 4).

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates, will affect the Group’s income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Currency risk**

The Group is exposed to currency risk on various foreign currency denominated income and expenses and resulting receivables, payables and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

As of June 30, 2024 and December 31, 2023, the companies in the Group have foreign currency balances other than their functional currencies, such as Euro, as mentioned in the related notes of the consolidated financial statements.

The Group realizes the medium and long term bank borrowings in the currency of project revenues. Additionally, the Group realizes short term bank borrowings in TRY and EUR in balance by pooling/ portfolio model.

**Interest rate risk**

The Group is exposed to basis risk for its floating rate borrowings, which is the difference in reprising characteristics of the various floating rate indices. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group’s business strategies.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

Typically, the Group’s entities ensure that they have sufficient cash on demand to meet expected operational expenses in terms of the relevant characteristics of the businesses they operate, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

For the Group entities, risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group entities, in order to minimize liquidity risk, hold adequate cash and available line of credit.

**(v) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group’s processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group’s operations.

The Group’s objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group’s reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**Capital management**

The Group manages its capital by minimizing the investment risk through portfolio diversification. The Group’s objective; is to ensure its continuity as an income-generating business, look after interests of shareholders and corporate members besides to ensure sustainability of its efficient capital structure by reducing cost of capital and continuing net debt-to-equity rate at market averages.

The Group’s goals for capital management are to provide return to its members and benefit to other stakeholders besides to have the Group to protect its ability for conducting its activity for preserving the most suitable capital structure to reduce the cost of capital.

For preserving its capital structure or reorganizing it, the Group determines dividend amounts to be paid to members, may issue new shares and may sell assets to restrict borrowings.

As of June 30, 2024 and December 31, 2023, the net debt-to-invested capital rate is given below:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Total liabilities	5,583,697,798	9,476,711,962
Cash and cash equivalents	(2,153,597,488)	(2,713,432,701)
<b>Net liabilities</b>	<b>3,430,100,310</b>	<b>6,763,279,261</b>
Equity	20,745,208,830	19,686,790,794
<b>Total capital</b>	<b>24,175,309,140</b>	<b>26,450,070,055</b>
<b>Net liabilities/ total equity rate</b>	<b>14%</b>	<b>26%</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.1. Credit risk disclosures**

The ownership of the financial assets brings the risk of not meeting the obligations of the agreement of the counter party.

The maximum exposure to credit risk as June 30, 2024 and December 31, 2023, is as follows:

	Receivable				Deposits on bank	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
<b>June 30, 2024</b>						
<b>Exposure to maximum credit risk as of reporting date (A+B+C+D)</b>	<b>10,227,415</b>	<b>307,260,007</b>	<b>-</b>	<b>1,683,101</b>	<b>777,629,127</b>	<b>1,375,726,938</b>
- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A Net carrying value of financial assets which are neither impaired nor overdue	10,227,415	307,260,007	-	1,683,101	777,629,127	1,375,726,938
B Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-
C Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
- Undue (gross book value)	-	543,535	-	-	13,693	-
- Impairment (-)	-	(543,535)	-	-	(13,693)	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D Off balance sheet items with credit risks	-	-	-	-	-	-



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.1. Credit risk disclosures (cont’d)**

December 31, 2023	Receivables				Deposits on bank	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
<b>Exposure to maximum credit risk as of reporting date (A+B+C+D)</b>	<b>14,238,315</b>	<b>285,561,962</b>	<b>0</b>	<b>1,651,625</b>	<b>2,550,395,862</b>	<b>162,803,357</b>
- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A Net carrying value of financial assets which are neither impaired nor overdue	14,238,315	285,561,962	0	1,651,625	2,550,395,862	162,803,357
B Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-
C Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
- Undue (gross book value)	-	495,012	-	-	266,765	-
- Impairment (-)	-	(495,012)	-	-	(266,765)	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D Off balance sheet items with credit risks(**)	-	398,696,797	-	-	-	-

(\*) It also includes financial investments included in the consolidated financial statements..

(\*\*) As of December 31, 2023, the guarantee cheque amounting to EUR 9,812,645 received by the Group from the operator of Merit Park Hotel is the TRY equivalent..

As of June 30, 2024 and December 31, 2023, the Group does not have any financial assets which are overdue but not impaired.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.2. Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The table analyses the financial liabilities of the Group by companying the terms. The contractual cash flow is not discounted:

**June 30, 2024:**

<b>Contractual maturities</b>	<b>Book value</b>	<b>Contractual cash flows (I)+(II)+(III)+(IV)</b>	<b>3 months or less (I)</b>	<b>3-12 months (II)</b>	<b>1-5 years (III)</b>	<b>More than 5 years (IV)</b>
<b>Non-derivative financial liabilities</b>						
Financial liabilities	3,676,453,916	6,176,790,593	272,030,441	495,755,000	3,159,411,250	2,249,593,902
Trade payables	99,747,652	99,747,652	99,747,652	-	-	-
Other payables and liabilities (monetary items)	36,422,237	36,422,237	36,422,237	-	-	-

**December 31, 2023:**

<b>Contractual maturities</b>	<b>Book value</b>	<b>Contractual cash flows (I)+(II)+(III)+(IV)</b>	<b>3 months or less (I)</b>	<b>3-12 months (II)</b>	<b>1-5 years (III)</b>	<b>More than 5 years (IV)</b>
<b>Non-derivative financial liabilities</b>						
Financial liabilities	6,228,757,324	10,128,828,911	328,126,273	630,905,051	4,308,038,915	4,861,758,672
Trade payables	73,333,504	73,333,504	73,333,504	-	-	-
Other payables and liabilities (monetary items)	1,056,400,048	1,056,400,048	1,056,400,048	-	-	-

Since taxes and funds payable and social security premiums payable are non-financial liabilities, they are not included in other payables.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.3. Market risk**

**a) Foreign currency position table and sensitivity analysis**

June 30, 2024		Original amount				
		TRY Equivalent (Functional currency)	US Dollar	EUR	GBP	RUB
<b>Foreign currency position</b>						
1	Trade receivables	94,374,655	180,000	227,887	-	209,889,609
2a	Monetary financial assets (cash and bank accounts included)	2,073,378,214	57,075,866	4,370,593	45	120,675,448
2b	Non-monetary financial assets	-	-	-	-	-
3	Other	1,647,245	-	-	-	4,297,003
<b>4</b>	<b>Current assets (1+2+3)</b>	<b>2,169,400,114</b>	<b>57,255,866</b>	<b>4,598,480</b>	<b>45</b>	<b>334,862,060</b>
5	Trade receivables	-	-	-	-	-
6a	Monetary financial assets	-	-	-	-	-
6b	Non-monetary financial assets	-	-	-	-	-
7	Other	-	-	-	-	-
<b>8</b>	<b>Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Total assets (4+8)</b>	<b>2,169,400,114</b>	<b>57,255,866</b>	<b>4,598,480</b>	<b>45</b>	<b>334,862,060</b>
10	Trade payables	13,642,728	4,214	377,718	-	552,007
11	Financial liabilities	515,497,199	1,800,931	11,114,313	-	169,928,017
12a	Other monetary financial liabilities	-	-	-	-	-
12b	Other non-monetary financial liabilities	21,821,955	-	-	-	56,924,753
<b>13</b>	<b>Short-term liabilities (10+11+12)</b>	<b>550,961,882</b>	<b>1,805,145</b>	<b>11,492,031</b>	<b>-</b>	<b>227,404,777</b>
14	Trade payables	-	-	-	-	-
15	Financial liabilities	2,970,824,314	24,193,427	41,980,306	-	1,820,432,132
16a	Other monetary financial liabilities	-	-	-	-	-
16b	Other non-monetary financial liabilities	-	-	-	-	-
<b>17</b>	<b>Long-term liabilities (14+15+16)</b>	<b>2,970,824,314</b>	<b>24,193,427</b>	<b>41,980,306</b>	<b>-</b>	<b>1,820,432,132</b>
<b>18</b>	<b>Total liabilities (13+17)</b>	<b>3,521,786,196</b>	<b>25,998,572</b>	<b>53,472,337</b>	<b>-</b>	<b>2,047,836,909</b>
<b>19</b>	<b>Net asset / (liability) position of off-balance sheet items (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a</b>	<b>Amount of derivative off-balance sheet items in foreign currency in asset characteristics</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b</b>	<b>Amount of off derivative-balance sheet items in foreign currency in liability characteristics</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20</b>	<b>Net foreign currency position (9-18+19)</b>	<b>(1,352,385,082)</b>	<b>31,257,294</b>	<b>(48,873,857)</b>	<b>45</b>	<b>(1,712,974,849)</b>
	Net foreign currency position of monetary assets / (liabilities)					
<b>21</b>	<b>(1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,332,211,372)</b>	<b>31,257,294</b>	<b>(48,873,857)</b>	<b>45</b>	<b>(1,660,347,099)</b>
<b>22</b>	<b>Fair value of the financial instruments used in foreign currency hedging</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Amount of foreign currency assets hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>Amount of foreign currency liabilities hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.3. Market risk (cont’d)**

**a) Foreign currency position table and sensitivity analysis (cont’d)**

December 31, 2023		TRY Equivalent (Functional currency)	Original amount			
			US Dollar	EUR	GBP	RUB
<b>Foreign currency position</b>						
1	Trade receivables	78,711,723	-	610,505	-	131,731,405
2a	Monetary financial assets (cash and bank accounts included)	1,192,419,657	31,546,317	214,197	45	61,937,868
2b	Non-monetary financial assets	-	-	-	-	-
3	Other	2,582,300	-	-	-	6,310,390
<b>4</b>	<b>Current assets (1+2+3)</b>	<b>1,273,713,680</b>	<b>31,546,317</b>	<b>824,702</b>	<b>45</b>	<b>199,979,663</b>
5	Trade receivables	-	-	-	-	-
6a	Monetary financial assets	-	-	-	-	-
6b	Non-monetary financial assets	-	-	-	-	-
7	Other	-	-	-	-	-
<b>8</b>	<b>Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Total assets (4+8)</b>	<b>1,273,713,680</b>	<b>31,546,317</b>	<b>824,702</b>	<b>45</b>	<b>199,979,663</b>
10	Trade payables	1,137,896	5,612	22,618	-	26,388
11	Financial liabilities	681,086,703	1,805,966	13,369,726	-	172,158,079
12a	Other monetary financial liabilities	989,043,218	26,886,511	-	-	-
12b	Other non-monetary financial liabilities	11,953,755	-	-	-	29,211,496
<b>13</b>	<b>Short-term liabilities (10+11+12)</b>	<b>1,683,221,572</b>	<b>28,698,089</b>	<b>13,392,344</b>	<b>-</b>	<b>201,395,963</b>
14	Trade payables	-	-	-	-	-
15	Financial liabilities	5,294,136,853	24,275,507	88,090,050	-	1,992,873,658
16a	Other monetary financial liabilities	-	-	-	-	-
16b	Other non-monetary financial liabilities	-	-	-	-	-
<b>17</b>	<b>Long-term liabilities (14+15+16)</b>	<b>5,294,136,853</b>	<b>24,275,507</b>	<b>88,090,050</b>	<b>-</b>	<b>1,992,873,658</b>
<b>18</b>	<b>Total liabilities (13+17)</b>	<b>6,977,358,425</b>	<b>52,973,596</b>	<b>101,482,394</b>	<b>-</b>	<b>2,194,269,621</b>
<b>19</b>	<b>Net asset / (liability) position of off-balance sheet items (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a</b>	<b>Amount of derivative off-balance sheet items in foreign currency in asset characteristics</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b</b>	<b>Amount of off derivative-balance sheet items in foreign currency in liability characteristics</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20</b>	<b>Net foreign currency position (9-18+19)</b>	<b>(5,703,644,745)</b>	<b>(21,427,279)</b>	<b>(100,657,692)</b>	<b>45</b>	<b>(1,994,289,958)</b>
<b>21</b>	<b>Net foreign currency position of monetary assets / (liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(5,694,273,290)</b>	<b>(21,427,279)</b>	<b>(100,657,692)</b>	<b>45</b>	<b>(1,971,388,852)</b>
<b>22</b>	<b>Fair value of the financial instruments used in foreign currency hedging</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Amount of foreign currency assets hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>Amount of foreign currency liabilities hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) TRY provisions of the related amounts included in the table brought to the purchasing power of June 30, 2024.

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.3. Market risk (cont’d)**

**Foreign currency position table and sensitivity analysis**

<b>June 30, 2024:</b>	<b>Profit / (Loss)</b>		<b>Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Devaluation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Devaluation of foreign currency</b>
20% change of the USD against TRY				
1- Net USD denominated asset/liability	204,904,334	(204,904,334)	204,904,334	(204,904,334)
2- Hedged portion of TRY against USD risk (-)	-	-	-	-
<b>3- Net effect of USD (1+2)</b>	<b>204,904,334</b>	<b>(204,904,334)</b>	<b>204,904,334</b>	<b>(204,904,334)</b>
20% change of the EUR against TRY				
4- Net Euro denominated asset/liability	(344,049,039)	344,049,039	(344,049,039)	344,049,039
5- Hedged portion of TRY against Euro risk (-)	-	-	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(344,049,039)</b>	<b>344,049,039</b>	<b>(344,049,039)</b>	<b>344,049,039</b>
20% change of other foreign currencies against TRY				
7- Net other foreign currencies denominated asset/liability	373	(373)	(131,332,514)	131,332,514
8- Hedged portion of TRY against other currencies risk	-	-	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>373</b>	<b>(373)</b>	<b>(131,332,514)</b>	<b>131,332,514</b>
<b>TOTAL (3+6+9)</b>	<b>(139,144,332)</b>	<b>139,144,332</b>	<b>(270,477,219)</b>	<b>270,477,219</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**31.3. Market risk (cont’d)**

<b>December 31, 2023:</b>	<b>Profit / (Loss)</b>		<b>Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Devaluation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Devaluation of foreign currency</b>
20% change of the USD against TRY				
1- Net USD denominated asset/liability	(158,062,030)	158,062,030	(158,062,030)	158,062,030
2- Hedged portion of TRY against USD risk (-)	-	-	-	-
<b>3- Net effect of USD (1+2)</b>	<b>(158,062,030)</b>	<b>158,062,030</b>	<b>(158,062,030)</b>	<b>158,062,030</b>
20% change of the EUR against TRY				
4- Net Euro denominated asset/liability	(819,449,024)	819,449,024	(819,449,024)	819,449,024
5- Hedged portion of TRY against Euro risk (-)	-	-	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(819,449,024)</b>	<b>819,449,024</b>	<b>(819,449,024)</b>	<b>819,449,024</b>
20% change of other foreign currencies against TRY				
7- Net other foreign currencies denominated asset/liability	420	(420)	(163,217,884)	163,217,884
8- Hedged portion of TRY against other currencies risk	-	-	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>420</b>	<b>(420)</b>	<b>(163,217,884)</b>	<b>163,217,884</b>
<b>TOTAL (3+6+9)</b>	<b>(977,510,634)</b>	<b>977,510,634</b>	<b>(1,140,728,938)</b>	<b>1,140,728,938</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**b) Interest rate risk table and sensitivity analysis**

The interest rate profile of the Company’s interest-bearing financial instruments is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Fixed rate instruments</b>		
Financial assets	590,564,514	2,384,987,825
Financial liabilities	1,699,559,951	1,970,392,019
<b>Variable rate instruments</b>		
Financial assets	1,375,726,938	162,803,356
Financial liabilities	1,868,046,578	4,128,539,021

**Cash flow sensitivity analysis for variable rate instruments**

The floating interest loans which are classified by the Group as the financial liabilities in the consolidated financial statement are exposed to the interest risk depending on the interest changes.

The following table shows the sensitivity of the Group about the effect of the interest rates on the profit (loss) for a possible change (0.01%) when all other factors remain as fixed. As of June 30, 2024 and December 31, 2023, the mentioned calculation has been made for the portion that is not included in the Group's interest rate swap transaction.

<b>Euribor</b>	<b>Increase / (Decrease)</b>	<b>Effect of profit / (loss) before tax and equity</b>
June 30, 2024	(0,01%)	14,638
	0,01%	(14,628)
<b>Euribor</b>	<b>Increase / (Decrease)</b>	<b>Effect of profit / (loss) before tax and equity</b>
December 31, 2023	(0,01%)	1,626,765
	0,01%	(1,626,765)

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

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**32. SUBSEQUENT EVENTS**

The auction for the sale of the immovable property with the parcel number 811, located in Eskiçeşme Neighborhood, Bodrum District, Muğla Province, conducted by the Bodrum (Sulh Hukuk Mahkemesi) İzalei Şuyu Sales Office, was attended by our company. The said auction resulted in the property remaining in the possession of our company for a price of TRY 9,000,000, and the property was registered in the name of our company on July 22, 2024.

With the decision of the Board of Directors of the Company dated August 2, 2024; Bafra Capital Investment Ltd., which was established with 100% shareholding for special purposes within the borders of the United Kingdom by Akfen Bafra, which is a 100% subsidiary of the Company and was established for special purposes to invest in companies established abroad whose field of activity is only real estate, will be established in the United States with 100% shareholding, and EO AT FOUNTAINS, LLC in Florida (this company, It has been decided to become a 43% shareholder of EOA FOUNTAINS, LLC, which owns the real estate known as "Fountains East", consisting of approximately 6 (six) acres and located at 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259, at a rate of 43% for a price of 4,686,932 USD, and for this purpose, Akfen Bafra will be sent a capital advance in the amount of the said purchase price. The closing procedures for the investment of 4,686,932 USD, 43% of which is indirectly owned by the Company, have been completed and 43% of the shares of EO AT FOUNTAINS, LLC have been transferred to BAFRA REAL ESTATE INVESTMENTS (FLORIDA), INC, in which the Company indirectly owns all of the shares.



**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**APPENDIX: COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS**

The Company’s control of compliance of the portfolio limits according to the CMB Communiqué Serial: III, No. 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" is as follows:

<b>Unconsolidated (separate) financial statement main account items</b>		<b>Related Regulation</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>A</b>	Cash and capital market instruments	III-48.1. Md. 24 / (b)	2,001,182,219	2,661,081,540
<b>B</b>	Investment properties, investment property-based projects, investment property-based rights	III-48.1. Md. 24 / (a)	11,944,747,379	11,572,159,358
<b>C</b>	Participations	III-48.1. Md. 24 / (b)	3,700,300,766	4,550,760,720
	Due from related parties (non-trade)	III-48.1. Md. 23 / (f)	881,135,578	12,955,848
	<b>Other assets</b>		264,233,081	341,436,688
<b>D</b>	<b>Total assets</b>	<b>III-48.1. Md. 3 / (p)</b>	<b>18,791,599,023</b>	<b>19,138,394,154</b>
<b>E</b>	Financial liabilities	III-48.1. Md. 31	1,868,046,578	2,281,789,005
<b>F</b>	Other financial liabilities	III-48.1. Md. 31	55,768,995	65,227,430
<b>G</b>	Finance lease liabilities	III-48.1. Md. 31	-	-
<b>H</b>	Due to related parties (non-trade)	III-48.1. Md. 23 / (f)	-	1,113,225,510
<b>I</b>	Shareholders' equity	III-48.1. Md. 31	16,569,379,260	15,525,214,645
	<b>Other liabilities</b>		298,404,181	152,937,564
<b>D</b>	<b>Total liabilities and equity</b>	<b>III-48.1. Md. 3 / (p)</b>	<b>18,791,599,023</b>	<b>19,138,394,154</b>
<b>Unconsolidated (separate) other financial information</b>		<b>Related Regulation</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>A1</b>	Cash and capital market instruments held for payments of investment properties for 3 years	III-48.1. Md. 24 / (b)	-	-
<b>A2</b>	Time / demand TRY / foreign currency	III-48.1. Md. 24 / (b)	625,375,873	2,498,188,148
<b>A3</b>	Foreign capital market instruments	III-48.1. Md. 24 / (d)	-	-
<b>B1</b>	Foreign investment property, investment property-based projects, investment property-based rights	III-48.1. Md. 24 / (d)	-	-
<b>B2</b>	Idle lands	III-48.1. Md. 24 / (c)	-	-
<b>C1</b>	Foreign subsidiaries	III-48.1. Md. 24 / (d)	-	-
<b>C2</b>	Participation to the operator company	III-48.1. Md. 28//1 (a)	-	-
<b>J</b>	Non-cash loans	III-48.1. Md. 31	304,346,936	1,508,289,485
<b>K</b>	Pledges on land not owned by the Investment Trust which will be used for project developments	III-48.1. Md. 22 / (e)	-	-
<b>L</b>	Money and capital market instrument Investments held on One Unique Company	III-48.1. Md. 22 / (I)	611,647,713	2,471,708,330

**CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH**

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024**

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of June 30, 2024 to reflect the effects of inflation, unless otherwise stated.)

**APPENDIX: COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS (cont’d)**

<b>Portfolio Constraints Related Regulation</b>	<b>Portfolio Constraints Related Regulation</b>	<b>Current Period</b>	<b>Previous Year</b>	<b>Minimum/Maximum Ratio</b>
<b>1</b> Pledges on Land not Owned by the Investment Trust which will be Used for Project Developments	III-48.1. Md. 22 / (e)	0,00%	0,00%	<10%
<b>2</b> Investment Property, Investment Property Based Projects, Investment Property Based Rights	III-48.1. Md. 24 / (a).(b)	63,56%	60,47%	>51%
<b>3</b> Cash and Capital Market Instruments and Participations	III-48.1. Md. 24 / (b)	30,34%	37,68%	<50%
<b>4</b> Foreign Investment Property, Investment Property based Projects, Investment Property Based Rights, Participations, Capital Market Instruments	III-48.1. Md. 24 / (d)	19,69%	23,78%	<50%
<b>5</b> Idle Lands	III-48.1. Md. 24 / (c)	0,00%	0,00%	<20%
<b>6</b> Participation to the Operator Company	III-48.1. Md. 28 / 1(a)	0,00%	0,00%	<10%
<b>7</b> Borrowing Limit	III-48.1. Md. 31	13,45%	32,00%	<500%
<b>8</b> Time deposit / private current - participation account in foreign currency and time deposit / participation account in TRY (*)	III-48.1. Md. 24 / (b)	3,33%	13,05%	<10%
<b>9</b> Money and capital market instrument Investments held on One Unique Company (*)	III-48.1. Md. 22 / (l)	3,25%	12,91%	<10%

Presented information in the footnote of “Compliance Control on Portfolio Limitations” as of June 30, 2024 and December 31, 2023, in accordance with Capital Markets Board’s Communiqué Serial: II, No: 14.1 “Financial Reporting in Capital Markets” Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board’s Communiqué Serial: III, No: 48.1 “Real Estate Investment Company” published in the Official Gazette dated May 28, 2013 numbered 28660. In addition, since the information given “Restrictions on the Investment Portfolio of Real Estate Investment” comprise unconsolidated data; such information may not match with the information disclosed in the consolidated financial statements and in the Official Gazette No. 28891 on January 23, 2014 published in the “Communiqué on Principles Regarding Real Estate Investment Trusts” with Series: III, No: 48.1a. The provisions of the Communiqué on Making Amendments regarding the control of compliance with portfolio limitations. It has been prepared within the framework.

(\*) As of December 31, 2023, the excess of this limitation is due to the Company's cash inflows related to the paid capital increase realized on December 31, 2023 and as of June 30, 2024, there is no such excess.