AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT FOR THE PERIOD JANUARY 1– DECEMBER 31, 2024

(ORIGINALLY ISSUED IN TURKISH)

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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the Shareholders of Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("the Company") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board ("CMB") regulations, published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA *(including Independence Standards)* ("POA's Code of Ethics") and the ethical principles regarding independent audit of consolidated financial statements in the CMB legislation and other relevant legislation We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Refer to Note 2.4 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for Valuation of investment properties.

The key audit matter	**How the matter was addressed in our audit**
Valuation of investment properties	
As of 31 December 2024, the investment properties amounting to TRY 25,948,168,222 represent 84% of the Group's total assets. The Group's investment properties consist of hotels, dormitories, offices and lands. As of 31 December 2024, gains from changes in the fair value of investment properties amounting to TRY 1,389,344,705 are recognized in financial statements. Investment properties constitute a significant part of the Group's financial statements, and valuation methods include important estimates, assumptions and and the subjectivity of valuations to determine fair value. For this reasons, "determining the fair values of investment properties" has been considered as a key audit metter.	Our audit procedures for testing fair value measurement of investment property included below: - We assessed the procedures applied by the Group management in determining the fair value of investment properties. - We evaluated the capabilities and competence of the external valuers appointed by the Group for valuation of investment property. - We assessed the valuation methods of the investment property and verified assumptions (discount rate, occupancy rates) with our external valuation specialist and appraised by comparing their consistency and suitability with observable market prices are within an acceptable range. - We assessed the adequacy of the disclosures including estimates and assumptions of investment properties in the notes to consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 6 March 2025.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2024 and 31 December 2024, the Company's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Hatice Nesrin Tuncer, SMMM
Partner
6 March 2025
İstanbul, Türkiye

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

		Audited	***Audited***
ASSETS	**Notes**	**December 31, 2024**	**December 31, 2023**
CURRENT ASSETS			
Cash and cash equivalents	6	1,708,465,400	3,140,765,388
Trade receivables		361,187,601	347,015,178
- Trade receivables from related parties	*5,8*	*60,364,877*	*16,480,676*
- Trade receivables from third parties	*8*	*300,822,724*	*330,534,502*
Other receivables		241,675	118,060
- Other receivables from third parties	*9*	*241,675*	*118,060*
Inventories	13	2,050,012,043	-
Prepaid expenses		108,328,423	293,358,720
- Prepaid expenses from third parties	*18*	*108,328,423*	*293,358,720*
Other current assets	20	34,800,675	1,441,462
SUBTOTAL		**4,263,035,817**	**3,782,698,808**
Non-current assets held for sale	3	-	3,863,289,261
TOTAL CURRENT ASSET		**4,263,035,817**	**7,645,988,069**
NON-CURRENT ASSETS			
Other receivables		2,225,310	1,793,675
- Other receivables from third parties	*9*	*2,225,310*	*1,793,675*
Investment property	10	25,948,168,222	24,608,513,698
Inventories	13	-	1,273,161,210
Investments accounted for using equity method	19	184,166,088	-
Property, plant and equipment	11	1,445,826	1,903,866
Intangible assets	12	344,329	370,118
Prepaid expenses	18	66,596,046	65,097,919
Deferred tax assets	28	39,003,006	37,764,011
Other non-current assets	20	204,750,730	121,807,592
TOTAL NON-CURRENT ASSET		**26,446,699,557**	**26,110,412,089**
TOTAL ASSETS		**30,709,735,374**	**33,756,400,158**

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

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

		Audited	*Audited*
LIABILITIES	**Notes**	**December 31, 2024**	**December 31, 2023**
CURRENT LIABILITIES			
Current portion of non-current borrowings		603,071,593	912,868,539
- Bank loans	*7*	*528,372,907*	*785,732,692*
- Lease liabilities	*7*	*74,698,686*	*127,135,847*
Trade payables		316,185,326	84,882,640
- Trade payables to related parties	*5,8*	*270,130,628*	*59,227,758*
- Trade payables to third parties	*8*	*46,054,698*	*25,654,882*
Other payables		48,660,971	1,222,770,222
- Other payables to related parties	*5,9*	-	*1,144,822,888*
- Other payables to third parties	*9*	*48,660,971*	*77,947,334*
Deferred revenue		450,979,430	6,420,055
- Deferred revenue from related parties	*5,18*	*125,339,196*	-
- Deferred revenue from third parties	*18*	*325,640,234*	*6,420,055*
Current provisions		5,576,802	2,912,770
- Current provisions for employee benefits	*17*	*5,576,802*	*2,912,770*
SUBTOTAL		**1,424,474,122**	**2,229,854,226**
Liabilities related to asset groups classified for sales purposes	3	-	829,409,148
TOTAL CURRENT LIABILITIES		**1,424,474,122**	**3,059,263,374**
NON-CURRENT LIABILITIES			
Non current borrowings		3,013,434,462	6,296,842,396
- Bank loans	*7*	*2,876,799,370*	*6,095,143,911*
- Lease liabilities	*7*	*136,635,092*	*201,698,485*
Deferred revenue	18	-	57,495,273
Non current provisions		2,377,277	2,853,636
- Non current provisions for employee benefits	*17*	*2,377,277*	*2,853,636*
Deferred tax liability	28	2,904,721,467	1,552,724,292
TOTAL NON-CURRENT LIABILITIES		**5,920,533,206**	**7,909,915,597**
EQUITY		**23,364,728,046**	**22,787,221,187**
Equity attributable to owners of parent		**23,185,765,347**	**22,607,865,747**
Issued capital	21	3,900,000,000	3,890,703,214
Inflation adjustments on capital	21	7,956,109,878	7,952,827,311
Share Premium	21	1,625,325,236	1,618,359,249
Other accumulated comprehensive income that will be reclassified in profit or loss		(1,590,122,441)	(939,422,381)
- Exchange differences on translation		*(1,590,122,441)*	*(939,422,381)*
Restricted reserves appropriated from profits		16,207	16,207
- Legal reserves	*21*	*16,207*	*16,207*
Other equity shares	21	(237,372,357)	(237,372,357)
Retained earnings		10,086,790,494	9,273,966,828
Net profit for the period		1,445,018,330	1,048,787,676
Non controlling interests		**178,962,699**	**179,355,440**
TOTAL LIABILITIES		**30,709,735,374**	**33,756,400,158**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED 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 YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

		Audited	*Audited*
PROFIT OR LOSS	**Notes**	**January 1 - December 31 2024**	**January 1 - December 31 2023**
Revenue	22	1,216,284,193	1,580,810,406
Cost of sales (-)	22	(47,874,880)	(54,411,254)
GROSS PROFIT		**1,168,409,313**	**1,526,399,152**
General administrative expenses (-)	23	(88,110,649)	(113,531,204)
Other operating income from operating activities	24	1,395,020,160	716,556,095
Other operating expenses from operating activities (-)	24	(3,049,059)	(17,612,489)
PROFIT FROM OPERATING ACTIVITES		**2,472,269,765**	**2,111,811,554**
Share of profit from investments accounted using the equity method	19	(1,686,674)	73,984,622
Income from investment activities	25	13,484,239	84,678,445
Expense from investment activities	25	(29,326,332)	-
PROFIT BEFORE FINANCE INCOME		**2,454,740,998**	**2,270,474,621**
Financial income	26	510,452,609	179,974,657
Financial expenses (-)	27	(657,768,777)	(4,731,011,869)
Monetary gain	30	318,218,642	3,137,761,842
PROFIT BEFORE TAX		**2,625,643,472**	**857,199,251**
Tax income/(expense)		(1,175,394,653)	198,443,580
- Current tax expense	*28*	*(8,333,939)*	*(6,860,254)*
- Deferred tax (expense)/income	*28*	*(1,167,060,714)*	*205,303,834*
PROFIT FOR THE PERIOD		**1,450,248,819**	**1,055,642,831**
Profit for the period attributable to			
Non controlling interests		5,230,489	6,855,155
Owners of the Group		1,445,018,330	1,048,787,676
Net profit for the period		**1,450,248,819**	**1,055,642,831**
Profit per share (Full TRY)	29	0,37	0,72
Diluted earnings per share (Full TRY)	29	0,37	0,72
PROFIT FOR THE PERIOD		**1,450,248,819**	**1,055,642,831**
OTHER COMPREHENSIVE EXPENSE		**(656,323,290)**	**(485,436,316)**
Other comprehensive income/(expense) that will be reclassified to profit or loss		**(656,323,290)**	**(485,436,316)**
Losses on exchange differences on translation		(656,323,290)	(485,436,316)
TOTAL COMPREHENSIVE INCOME		**793,925,529**	**570,206,515**
Income for the period attributable to			
Non-controlling interest		(392,741)	12,327,259
Owners of the parent		794,318,270	557,879,256

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED 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 YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

				Other comprehensive income and items to be reclassified to profit or loss			**Prior year’s profits**				
	Issued Capital	**Inflation adjustment on capital**	**Share premiums Share**	**Exchange differences on translation**	**Restricted reserves appropriated from profits**	**Other equity shares**	**Retained earnings**	**Net Profit for the period**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
Balance as at January 1, 2023	**1,300,000,000**	**6,803,105,053**	**1,575,179,554**	**(448,513,961)**	**16,207**	**-**	**7,349,657,075**	**1,924,309,753**	**18,503,753,681**	**313,010,648**	**18,816,764,329**
Transfers	-	-	-	-	-	-	1,924,309,753	(1,924,309,753)	-	-	-
Total comprehensive income	-	-	-	(490,908,420)	-	-	-	1,048,787,676	557,879,256	12,327,259	570,206,515
Capital increase (Not 21)	2,590,703,214	1,149,722,258	(7,802,420)	-	-	-	-	-	3,732,623,052	-	3,732,623,052
Increase through treasury share transactions (Not 21)	-	-	50,982,115	-	-	-	-	-	50,982,115	-	50,982,115
Transactions with non-controlling shareholders Not 21)	-	-	-	-	-	(237,372,357)	-	-	(237,372,357)	(145,982,467)	(383,354,824)
Balance as at December 31, 2023	**3,890,703,214**	**7,952,827,311**	**1,618,359,249**	**(939,422,381)**	**16,207**	**(237,372,357)**	**9,273,966,828**	**1,048,787,676**	**22,607,865,747**	**179,355,440**	**22,787,221,187**
Balance as at January 1, 2024	**3,890,703,214**	**7,952,827,311**	**1,618,359,249**	**(939,422,381)**	**16,207**	**(237,372,357)**	**9,273,966,828**	**1,048,787,676**	**22,607,865,747**	**179,355,440**	**22,787,221,187**
Transfers	-	-	-	-	-	-	1,048,787,676	(1,048,787,676)	-	-	-
Total comprehensive income	-	-	-	(650,700,060)	-	-	-	1,445,018,330	794,318,270	(392,741)	793,925,529
Capital increase (Not 21)	9,296,786	3,282,567	6,965,987	-	-	-	-	-	19,545,340	-	19,545,340
Deferred tax impact from previous years (Not 28)	-	-	-	-	-	-	(235,964,010)	-	(235,964,010)	-	(235,964,010)
Balance as at December 31, 2024	**3,900,000,000**	**7,956,109,878**	**1,625,325,236**	**(1,590,122,441)**	**16,207**	**(237,372,357)**	**10,086,790,494**	**1,445,018,330**	**23,185,765,347**	**178,962,699**	**23,364,728,046**

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

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

	Notes	*Audited* January 1 - December 31, 2024	*Audited* January 1 - December 31, 2023
A. Cash flows from operating activities			
Profit from continuing operations		**1,450,248,819**	**1,055,642,831**
Adjustments to reconcile profit:			
Adjustments for depreciation and amortisation expense	22,23	807,973	8,156,856
Adjustments for impairment loss		-	530,159
Adjustments for provisions		4,808,687	3,450,195
- Adjustments for provisions related with employee benefits	*17*	*4,808,687*	*3,450,195*
Adjustments for losses arising from the disposal of non-current assets held for sale or distribution to partners	3,25	24,252,312	-
Adjustment for negotiated acquisition earnings	3,25	-	(77,459,363)
Adjustments for interest income and expense	26,27	(139,880,924)	1,109,093,854
Adjustments for unrealised foreign exchange losses		292,098,438	2,902,738,358
Adjustments for fair value gains		(1,389,344,705)	(219,266,599)
- Adjustment for fair value (gains)/losses of investment properties	*24*	*(1,389,344,705)*	*(714,023,576)*
- Adjustments for fair value losses/(gains) on derivative financial instruments	*26,27*	-	*494,756,977*
Adjustments for undistributed gains of investments accounted using the equity method	19	1,686,674	(73,984,622)
Adjustments for tax expense/(income)	28	1,175,394,653	(198,443,580)
Adjustments for other items that result in cash flows from investment or financing activities	25	(8,410,219)	(7,219,082)
Adjustments for monetary gain		(552,786,107)	(3,107,526,195)
		858,875,601	**1,395,712,812**
Changes in working capital:			
Adjustments for increase in trade accounts receivable		(138,699,626)	(210,864,058)
Adjustments for (increase)/decrease in other receivables related with operations		(625,960)	213,213,064
Adjustments for increase in inventories	13	(776,850,833)	(297,804,922)
Adjustments for increase in trade accounts payable		295,442,582	71,346,878
Adjustments for (decrease)/increase in other operating payables		(531,982,137)	211,940,888
Other adjustments for other decrease in working capital		(81,519,323)	(93,396,389)
Cash flows (used in)/from operations		**(375,359,696)**	**1,290,148,273**
Payments related with provisions for employee benefits	17	(442,908)	(1,419,133)
Tax payments		(11,719,179)	(7,535,322)
Net cash flows (used in)/ from operating activities		**(387,521,783)**	**1,281,193,818**
B. Cash flows from investing activities			
Cash outflow from purchase of property, plant, equipment, and intangible assets	11,12	(324,144)	(1,298,070)
Cash outflows from purchase of investment property	10	(888,080,856)	(504,063,175)
Cash inflows resulting from sales of fixed assets held for sale	3	3,014,469,257	-
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	19	(182,489,953)	-
Cash outflows related to acquisitions for gaining control of subsidiaries	3	-	(538,964,881)
Cash outflows related to additional share acquisitions in subsidiaries	3	-	(33,126,389)
Other cash inflows	25	8,410,219	7,219,082
Cash flows from/(used in) investing activities		**1,951,984,523**	**(1,070,233,433)**
C. Cash flows from financing activities			
Cash inflows from capital advances	21	19,545,340	3,164,749,715
Cash inflows from borrowing	7	2,179,165,685	-
Cash outflows for loan repayments	7	(4,019,199,361)	(455,029,237)
Cash outflows for payments of lease liabilities	7	(101,339,764)	(60,606,568)
Cash inflows from derivative instruments (*)		-	358,774,764
Interest received		124,723,728	32,805,040
Interest paid	7	(453,429,347)	(480,725,274)
Other cash inflows		-	45,697,695
Cash inflows from the sale of treasury shares	21	-	262,087,665
Cash outflows from the purchase of treasury shares	21	-	(211,105,550)
Net cash (used in)/from financing activities		**(2,250,533,719)**	**2,656,648,250**
Net decrease/(increase) in cash and cash equivalents before the effect of currency translation differences		**(686,070,979)**	**2,867,608,635**
Effect of foreign currency translation differences on cash and cash equivalents		219,038,624	105,198,696
Net (decrease)/ increase in cash and cash equivalents		**(467,032,355)**	**2,972,807,331**
Cash and cash equivalents at the beginning of the period	6	3,141,074,165	277,258,172
Inflation effect on cash and cash equivalents		(965,495,207)	(108,991,338)
Cash and cash equivalents at the end of the period	6	**1,708,546,603**	**3,141,074,165**

(*) Represents the proceeds received by the Company during the period from the sale of interest rate swap derivatives it held.

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

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 Inşaat A.Ş. Subsequently, Akfen Holding AŞ, ("Akfen Holding") purchased shares of Yüksel Inşaat 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 Inşaat 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 are 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 Inşaat 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 Işletme 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. The simplified merger of Akfen Güney and Akfen Karaköy under Akfen Karaköy was completed with the registration dated November 29, 2024, and as a result of this merger, the Company's direct ownership interest in Akfen Karaköy became 100%.

1. ORGANIZATION AND OPERATIONS OF THE COMPANY (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 with a price of TRY 33.126.389. On May 2, 2023, the Company purchased the 1.27% Akfen Karaköy shares belonging to Akfen Holding and with the aforementioned share transfer, Akfen Karaköy became a 100% subsidiary of the Company. The acquisition of shares in question results in Akfen GYO's direct and indirect ownership stake in Akfen Karaköy being 100% as of December 31, 2024, and 2023. An application was made to the Capital Markets Board on December 6, 2024, for the merger of Akfen GYO by acquiring all assets and liabilities owned by Akfen Karaköy at their recorded values as a whole, through a dissolution without liquidation, and the process is ongoing as of the reporting date.

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 Block 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 Inşaat 1%) established by Akfen GYO and Akfen Inşaat has been approved by İller Bankası. Within this scope, incorporation of Akfen Inşaat 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 Istiklal 2 District, block 9, parcel 112 with a bed capacity of 4032, and registered in Kütahya City Central District in Civli District, 102 block, 2 parcel with 3200 bed capacity, were purchased from Akfen Inşaat. 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.

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 Inşaat 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 Inşaat 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.

With the decision of the Company's Board of Directors dated August 2, 2024, a 43% partnership was established in EO AT FOUNTAINS, LLC ("EO at Fountains") in the United States of America ("USA") Florida, through a special-purpose company to be wholly owned and established in the USA by Bafra Capital Investment Ltd ("Bafra Capital Investment"), which was specially established by Akfen Bafra— a 100% subsidiary of the Company—to invest in foreign companies solely engaged in real estate.
EO at Fountains owns 70% of EOA FOUNTAINS, LLC, which holds a property known as "Fountains East," consisting of approximately six (6) acres located near the 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259. The partnership was acquired for a total price of 4,686,932 USD.

As of December 31, 2024, the number of employees of the company is 44 (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 Yaroslavlinvest, 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 3,089,426,730 after inflation adjustment. The amount of "Retained Earnings" dated 1 January 2023 is TRY 9,273,966,825 as brought to the purchasing power of December 31, 2024.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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)

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.

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 December 31, 2024 and 2023 used in the restatement of consolidated financial statements are as follows:

Date	Index	Conversion factor
December 31, 2024	2,684.55	1.00000
December 31, 2023	1,859.38	1.44379
December 31, 2022	1,128.45	2.37897

In accordance with the POA's "Implementation Guide on Financial Reporting in Economies with High Inflation", the financial statements dated 1 January 2022, which are the opening amounts of the comparative financial table for the consolidated financial statements of the enterprises ending on December 31, 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.

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

2.1. Basis of preparation (cont'd)

b Measurement principles (cont'd)

Financial Reporting in Hyperinflationary Economies (cont'd)

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 December 31, 2024.

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.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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)

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 financial statements of the Group as at December 31, 2024 have been approved by the Board of Directors on 6 March 2025. The General Assembly and relevant regulatory bodies have the right to revise the financial statements in accordance with the applicable legislation.

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:

The Company	**Functional currency**
Akfen GYO	TRY
Akfen Karaköy	TRY
Adi Ortaklık	TRY
Fıratcan Turizm	TRY
Gökliman	TRY
Akfen Bafra	TRY
Akfen Kuzey	TRY
Akfen GT (*)	TRY
Akfen Güney (**)	TRY
Samstryokom, Yaroslavlinvest, KaliningradInvest	RUB
Volgastroykom	RUB
Severnyi	RUB
EO at Fountains (***)	USD

(*) It was sold on January 17, 2024.
(**) On November 29, 2024, it merged with Akfen Karaköy.
(***) On August 2, 2024, 43% of the company was acquired.

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

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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)

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 December 31, 2024 and 2023:

	Direct or indirect shares of the Company (%)	
The Company	**December 31, 2024**	**December 31, 2023**
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 Bafra	100.00	100.00
Yaroslavl Invest, KalingradInvest, Samstroykom	97.80	97.80
Volgastroykom	96.17	96.17
Akfen GT (*)	-	100.00
Akfen Güney (**)	-	100.00

(*) It was sold on January 17, 2024.
(**) On November 29, 2024, it merged with Akfen Karaköy.

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

2.1. Basis of preparation (cont'd)

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. 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 ventıres 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 December 31, 2024 and 2023.

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

2.1. Basis of preparation (cont'd)

Joint ventures (cont'd)

With the decision of the Company's Board of Directors dated August 2, 2024, a 43% partnership has been established in EO at Fountains, a company located in Florida, USA, for a total consideration of 4,686,932 USD. The investment was made through a special-purpose entity to be wholly owned in the U.S. by Bafra Capital Investment Ltd ("Bafra Capital Investment"), a company 100% owned by Akfen Bafra, which was specifically established to invest in overseas companies engaged solely in real estate. EO at Fountains is also known as "Fountains East" and owns a property of approximately six (6) acres located near 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259. It holds a 70% ownership stake in EOA FOUNTAINS, LLC. The management of EO at Fountains will be jointly conducted by the Group and the company's other partners, with decisions regarding activities significantly affecting its returns requiring unanimous consent. Therefore, as of December 31, 2024, EO at Fountains is accounted for as an investment using the equity method in the Group's consolidated financial statements.

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.

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.

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.

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

2.2. Accounting estimates and evaluations (cont'd)

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 - December 31, 2024 are applied in consistence with the financial statements prepared as of December 31, 2023 except for the new and amended TAS/TFRS 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.

The new standards, amendments, and interpretations that effective on December 31, 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 January 1, 2024:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current ı
- 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
- International Tax Reform – Pillar Two Model Rules- Amendments to IAS 12

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

The standards, amendments, and interpretations that are issued but not effective as of December 31, 2024

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

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

2.3. Changes in accounting policies

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
- Annual Improvements to IFRS Accounting Standards- Volume 1

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

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.

<u>Rental income</u>
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 confidingly.

<u>Sale of real estate stock (independent section)</u>
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.

<u>Income from real estate sales</u>
Sales revenue is recoginised 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. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Önemli muhasebe politikalarının özeti (Devamı)

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.

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,

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

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

Lease liabilities (cont'd)

(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.

2.4.4. Property and equipment

Property, plant and equipment are carried at cost, which includes borrowing costs, less accumulated depreciation and any permanent 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. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)

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

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.

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.

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

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

2.4.7 Financial assets (cont'd)

"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.

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

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

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.

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

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

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.

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.

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

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

2.4.13. Leases (cont'd)

Group as a lessee (cont'd)

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

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

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

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

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

2.4.17 Taxation

Akfen GYO is exempt from corporate income tax pursuant to Article 5, paragraph (d)-4 of the Corporate Tax Law. In accordance with Article 94, paragraph 6-a of the Income Tax Law, the earnings of real estate investment companies are subject to withholding tax; however, the withholding rate has been set at "0%" by the Council of Ministers' Decree No. 93/5148. In accordance with Article 5/1(d)(4) of the Corporate Tax Law No. 5520, earnings derived by real estate investment companies are exempt from corporate income tax. However, with the enactment of Law No. 7524 on Amendments to Tax Laws and Certain Other Laws and Decree Law No. 375, published in the Official Gazette in August 2024, the application of the corporate tax exemption granted to real estate investment companies and real estate investment funds has been made conditional. The exemption now requires that at least 50% of the earnings derived from immovable properties owned by such companies and funds be distributed as dividends by the end of the second month following the month in which the corporate tax return is filed. Additionally, with the inclusion of subparagraph (c) under Article 32 of the Corporate Tax Law, a 10% domestic minimum corporate tax was introduced. It has been stipulated that, in the calculation of this minimum corporate tax, the earnings of real estate investment companies and real estate investment funds derived from immovable properties cannot be considered as exempt income or deductible. This regulation is also applicable to interim advance tax calculations. Accordingly, as of December 31, 2024, a tax rate of 30% applicable to undistributed earnings is used in the calculation of Akfen GYO's deferred tax assets and liabilities (December 31, 2023: Exempt from corporate tax).

Deferred tax is calculated using the liability method based on temporary differences between the carrying amounts and tax bases of assets and liabilities in the financial statements. Due to tax regulations, the taxable or deductible temporary differences recorded in Akfen GYO's financial statements as of December 31, 2024, have been multiplied by the 30% tax rate applicable for periods after January 1, 2025, to determine the deferred tax liability or asset. In accordance with the communiqué titled "Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds" issued by the Public Oversight, Accounting, and Auditing Standards Authority (KGK) on February 12, 2025, the deferred tax liability arising from legislative changes in the financial statements dated December 31, 2024, is recognized under retained earnings or losses for the impact related to 2023 and prior periods, and in the income statement for the impact related to 2024. As of December 31, 2024, a deferred tax liability of TRY 238.352.616 has been accounted for under retained earnings in the Group's financial position statements.

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.

The aferomentioned 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. Pursuant to Federal Law No. 176-FZ dated July 12, 2024, titled "Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and the Recognition of Certain Provisions of Legislative Acts of the Russian Federation as Invalid," the corporate tax rate in Russia has been increased from 20% to 25%, effective from January 1, 2025. Accordingly, deferred tax calculations for companies located in Russia have been made at a 25% rate as of December 31, 2024 (December 31, 2023: 20%).

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

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

2.4.17 Taxation (cont'd*)*

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 labilities 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.

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

2.4. Summary of significant accounting policies (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 December 31, 2024 and 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.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

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%.

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

Akfen Karaköy	
The total acquisition price (A)	350,228,435
The value of Akfen Karaköy at the time of acquisition	1,713,101,889
The acquisition share ratio	7.26%
The value of the acquised shares (B)	124,371,199
Other equity item (A-B)	225,857,236

On May 2, 2023, the Company acquired 1.27% of Akfen Karaköy shares belonging to Akfen Holding for TRY 33,126,389, 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:

Akfen Karaköy	
The total acquisition price (A)	33,126,389
The value of Akfen Karaköy at the time of acquisition	1,701,674,634
The acquisition share ratio	1.27%
The value of the acquised shares (B)	21,611,268
Other equity item (A-B)	11,515,121

(Amounts are expressed in Turkish Lira (“TRY”) at purchasing power as of December 31, 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)

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:

Fıratcan Turizm	
The total acquisition price	547,473,395
Discounted Total acquisition price (A)	542,691,737
The value of Fıratcan Turizm at the time of acquisition	1,265,614,490
Proportion of shares acquised	49%
Value of shares acquisition (B)	620,151,100
Negoiated acquisition earnings (B-A)	77,459,363

As of June 30, 2023, the reporting period closest to the acquisition date, TRY 77,459,363, 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:

Fıratcan Turizm	
Total purchase price – cash	542,691,737
Cash and cash equivalents – acquired	(3,726,856)
Cash outflow from purchasing (net)	**538,964,881**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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:

Assets	**June 30, 2023**
Current assets	**182,377,742**
Cash and cash equivalents	3,726,855
Short term financial investments	45,698,197
Other receivables	33,276
Prepaid expenses	132,919,176
Other current assets	238
Non-current assets	**2,993,785,077**
Other receivables	230,573,372
Investment properties	2,675,439,267
- Investment properties	*2,409,637,811*
- Assets arising from financial leases	*238,345,948*
- Rents	*27,455,508*
Other non-current assets	87,772,438
Total Assets	**3,176,162,819**
Liabilities	
Current liabilities	**191,501,133**
Short-term portions of long-term borrowings	177,738,609
- Bank loans	*88,492,720*
- Financial lease laibilities	*86,441,892*
- Operational lease liabilities	*2,803,997*
Trade payables	8,346,042
Other payables	3,506,844
Payables within the scope of employee benefits	841,034
Current provisions	1,068,604
Non-current liabilities	**1,719,047,188**
Non-current borrowings	1,400,247,649
- Bank loans	*1,210,760,869*
- Financial lease laibilities	*152,869,208*
- Operational lease liabilities	*36,617,572*
Non current provisions	1,045,021
Deferred tax liabilities	317,754,518
Total liabilities	**1,910,548,321**
Equity attributable to owners of parent	**1,265,614,490**
Total liabilities	**3,176,162,811**

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.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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, 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, the assets held for sale are as follows:

	Akfen GT
Assets	**December 31, 2023**
Current assets	**16,326,334**
Cash and cash equivalents	503
Trade receivables	-
Inventories	79,883
Prepaid expenses	2,423,145
Other current assets	13,822,803
Non-current assets	**3,846,962,927**
Other receivables	212,091
- Other receivables from third parties	*212,091*
Investment properties	3,842,308,074
Prepaid expenses	69,686
Other non-current assets	4,373,076
Total Assets	**3,863,289,261**
Liabilities	
Current liabilities	**361,442**
Short-term portions of long-term borrowings (Note 7)	361,442
Other payables	-
Deferred revenues	**829,047,706**
Non-current liabilities	1,690,395
Non-current borrowings	827,357,311
Deferred tax liabilities	**829,409,148**
Total liabilities	**3,033,880,113**
Liabilities	**3,863,289,261**

As of December 31, 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:

Akfen GT	**As of the date of sale**
The total acquisition price (A)	3,014,469,257
The value of Akfen GT at the time of acquisition	3,038,721,569
The acquisition share ratio	100%
The value of the acquised shares (B)	3,038,721,569
Losses arising from the disposal of non-current assets held for sale (A-B) (Not 25)	(24,252,312)

The difference between the value of Akfen GT as of the sale date and the selling price, which amounts to TRY 24,252,312, 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.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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's sole business activity is real estate investment, segment reporting has been prepared as of December 31, 2024, based on the Group's geographical segments: Turkey, TRNC, Russia, and the USA (December 31, 2023: Turkey, TRNC, and Russia). Operating performance is measured based on profit/(loss) for the period.

December 31, 2024:

	Türkiye	TRNC (*)	Russia	USA	Elimination	Total
Revenue	977,809,842	-	238,474,351	-	-	1,216,284,193
Cost of sales	(31,977,093)	(105,148)	(15,792,639)	-	-	(47,874,880)
GROSS PROFIT/(LOSS)	**945,832,749**	**(105,148)**	**222,681,712**	**-**	**-**	**1,168,409,313**
General administrative expenses	(72,615,812)	(109,805)	(15,385,032)	-	-	(88,110,649)
Other operating income from operating activities	970,823,028	-	424,197,132	-	-	1,395,020,160
Other operating expense from operating activities	(689,689)	(2,359,208)	(162)	-	-	(3,049,059)
PROFIT/(LOSS) FROM OPERATING ACTIVITES	**1,843,350,276**	**(2,574,161)**	**631,493,650**	**-**	**-**	**2,472,269,765**
Income from investment activities	13,484,239	-	-	-	-	13,484,239
Expense from investment activities	(29,326,332)	-	-	-	-	(29,326,332)
Shares in losses of investments valued by the equity method	-	-	-	(1,686,674)	-	(1,686,674)
PROFIT/(LOSS) BEFORE FINANCE INCOME/(EXPENSE)	**1,827,508,183**	**(2,574,161)**	**631,493,650**	**(1,686,674)**	**-**	**2,454,740,998**
Financial income	501,457,968	-	8,994,641	-	-	510,452,609
Financial expenses	(589,793,492)	(225,017)	(67,750,268)	-	-	(657,768,777)
Monetary gain	295,603,875	22,614,767	-	-	-	318,218,642
PROFIT/(LOSS) BEFORE TAX	**2,034,776,534**	**19,815,589**	**572,738,023**	**(1,686,674)**	**-**	**2,625,643,472**
Tax expense	(1,273,744,802)	260,814,021	(162,463,872)	-	-	(1,175,394,653)
- Current tax expense	-	-	*(8,333,939)*	-	-	(8,333,939)
- Deferred tax expense	*(1,273,744,802)*	*260,814,021*	(154,129,933)	-	-	(1,167,060,714)
PROFIT/(LOSS) FOR THE PERIOD	**761,031,732**	**280,629,610**	**410,274,151**	**(1,686,674)**	**-**	**1,450,248,819**
Reportable segment assets	38,016,665,167	-	3,227,188,378	182,489,953	(10,716,608,124)	**30,709,735,374**
Reportable segment liabilities	7,670,525,189	-	1,056,911,079	-	(1,382,428,940)	**7,345,007,328**
Investment and inventory expenditures, net (**)	1,662,387,124	-	2,868,709	-	-	**1,665,255,833**
Depreciation and amortization expenses	690,896	-	117,077	-	-	**807,973**

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

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

4. SEGMENT REPORTING (cont'd)

December 31, 2023:

	Türkiye	KKTC	Rusya	Eliminasyon	Total
Revenue	1,171,838,337	212,083,459	196,888,610	-	1,580,810,406
Cost of sales	(32,801,828)	(3,779,273)	(17,830,153)	-	(54,411,254)
GROSS PROFIT	**1,139,036,509**	**208,304,186**	**179,058,457**	**-**	**1,526,399,152**
General administrative expenses	(94,213,538)	(6,901,860)	(12,415,806)	-	(113,531,204)
Other operating income from operating activities	1,019,167,410	(854,082,811)	551,471,496	-	716,556,095
Other operating expenses from operating activities	(3,280,264)	(14,332,225)	-	-	(17,612,489)
PROFIT/(LOSS) FROM OPERATING ACTIVITES	**2,060,710,117**	**(667,012,710)**	**718,114,147**	**-**	**2,111,811,554**
Shares of profits on investments accounted using the equity method	73,984,622	-	-	-	73,984,622
Income from investment activities	84,678,445	-	-	-	84,678,445
PROFIT/(LOSS) BEFORE FINANCE INCOME/(LOSS)	**2,219,373,184**	**(667,012,710)**	**718,114,147**	**-**	**2,270,474,621**
Financial income	152,842,491	24,838,670	2,293,496	-	179,974,657
Financial expenses	(4,329,118,323)	(323,017,330)	(78,876,216)	-	(4,731,011,869)
Monetary gain	3,021,388,793	116,373,049	-	-	3,137,761,842
PROFIT/(LOSS) BEFORE TAX	**1,064,486,145**	**(848,818,321)**	**641,531,427**	**-**	**857,199,251**
Tax (expense)/income	15,296,746	313,068,017	(129,921,183)	-	198,443,580
- Current tax expense	*(2,748,836)*	-	*(4,111,418)*	-	*(6,860,254)*
- Deferred tax (expense)/income	*18,045,582*	*313,068,017*	*(125,809,765)*	-	*205,303,834*
PROFIT/(LOSS) FOR THE PERIOD	**1,079,782,891**	**(535,750,304)**	**511,610,244**	**-**	**1,055,642,831**
December 31, 2023					
Reportable segment assets	36,829,657,489	3,863,289,261	3,691,456,306	(10,628,002,898)	**33,756,400,158**
Reportable segment liabilities	9,197,637,403	1,028,189,030	1,338,344,297	(594,991,759)	**10,969,178,971**
Investment and inventory expenditures, net (**)	797,391,723	-	5,774,446	-	**803,166,169**
Depreciation and amortization expenses	8,068,672	56,672	31,512	-	**8,156,856**

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

In the year ended December 31, 2024, 83% of the Group's revenue was generated from Tamaris, the operator of Ibis and Novotel branded hotels, 8% from the Kredi Yurtlar Kurumu ("KYK"), the lessee of the dormitories in the Company's portfolio, and 5% from Akfen Tourism, the operator of Bodrum Loft (December 31, 2023: Tamaris: 72%, Merit Kıbrıs Turizm Limited: 13%, KYK: 6%, Akfen Turizm: 6%).

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

5. RELATED PARTY DISCLOSURES

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

Current trade receivables from related parties:

	December 31, 2024	December 31, 2023
Akfen Turizm Yat. Ve İşl. A.Ş. ("Akfen Turizm") (*)	59,724,619	16,480,676
Akfen İnşaat	640,258	-
	60,364,877	**16,480,676**

(*) It consists of trade receivables related to the Bodrum Loft project.

Current trade payables to related parties:

	December 31, 2024	December 31, 2023
Akfen İnşaat (*)	247,031,850	54,731,976
Akfen Holding (**)	23,048,778	4,495,310
Akfen GPYŞ 1. GMY Fonu	50,000	-
Akfen Danışmanlık	-	472
	270,130,628	**59,227,758**

(*) As of December 31, 2024 and 2023, the balance of trade payables to related parties to Akfen İnşaat consists of the Company's balance of debts related to the Yalıkavak project.
(**) As of December 31, 2024 and 2023, the balance of trade payables to related parties to Akfen Holding consists of the Holding's general management expenses.

Other payables to related parties (Short term):

	December 31, 2024	December 31, 2023
Akfen International BV (*)	-	1,144,822,888
	-	**1,144,822,888**

(*) 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 debt has been closed as of December 31, 2024.

Prepaid expense from related parties (Short term):

	December 31, 2024	December 31, 2023
Akfen Turizm (*)	125,339,196	-
	125,339,196	**-**

(*) As of December 31, 2024, all of the deferred revenues received from Akfen Tourism consist of advances collected in advance for the Söğütlüçeşme project (December 31, 2023: None).

5.2. Related party transactions

a) Rent expense/payments

	January 1 - December 31, 2024	January 1 - December 31, 2023
Isparta Şehir Hastanesi (Isparta Yurt)	4,097,829	4,279,603
Akfen GPYŞ 1. GMY Fonu (Merkez Ofis)	2,084,625	1,661,905
	6,182,454	**5,941,508**

b) Rent incomes

	January 1 - December 31, 2024	January 1 - December 31, 2023
Akfen Turizm (Bodrum Loft)	63,456,394	90,794,294
	63,456,394	**90,794,294**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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 expense

	January 1 - December 31, 2024	January 1 - December 31, 2023
Akfen International	-	61,416,453
	-	**61,416,453**

d) Interest income

	January 1 - December 31, 2024	January 1 - December 31, 2023
Akfen Holding	234,566	2,249,482
	234,566	**2,249,482**

e) Ongoing construction progress payments

	January 1 - December 31, 2024	January 1 - December 31, 2023
Akfen İnşaat (*)	774,520,277	296,912,150
	774,520,277	**296,912,150**

(*) The ongoing construction progress payments for Akfen Construction consist of progress payment invoices received within the scope of the Group's Yalıkavak project.

f) Purchase of share

	January 1 - December 31, 2024	January 1 - December 31, 2023
Akfen Holding (Not 3)	-	33,126,389
	-	**33,126,389**

On May 2, 2023, Akfen GYO acquired 1.27% of Akfen Karaköy shares belonging to Akfen Holding for TRY 33,126,389.

g) Other expenses

	January 1 - December 31, 2024	January 1 - December 31, 2023
Akfen Holding (*)	6,397,708	4,374,156
	6,397,708	**4,374,156**

(*) It consists of expense allocations.

h) Remuneration of top management

	January 1 - December 31, 2024	January 1 - December 31, 2023
Remuneration of top management (*)	26,562,407	30,844,495
	26,562,407	**30,844,495**

(*) Top management of the company consists of Independent Members of the Board of Directors, General Manager and Assistant General Managers.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

6. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash on hand	149,412	270,254
Cash at banks	194,628,705	2,952,361,004
- Demand deposits	*52,627,780*	*191,766,571*
- Time deposits	*142,000,925*	*2,760,594,433*
Other cash and cash equivalents[(*)]	1,513,768,486	188,442,907
Impairment	(81,203)	(308,777)
Cash and cash equivalents	**1,708,465,400**	**3,140,765,388**
Impairment	81,203	308,777
Cash and cash equivalents in cash flow statement	**1,708,546,603**	**3,141,074,165**

[(*)] As of December 31, 2024, and 2023, all other cash and cash equivalents consist of the Company's daily investment funds and repo assets. As of December 31, 2024, TRY 1,451,159,411 of the relevant balance consists of Euro-denominated assets, while the remaining amount consists of Turkish Lira-denominated assets (December 31, 2023: TRY 188,442,056 of Euro-denominated assets). Regarding these assets, as of December 31, 2024, a net amount of TRY 8,360,388 has been recognized under investment income/(expenses) as securities sale gains (Note 27) (December 31, 2023: TRY 7,219,082).

Demand deposits

As of December 31, 2024, and 2023, the Turkish Lira equivalent of demand deposits by currency is as follows:

	December 31, 2024	December 31, 2023
Euro	36,213,673	10,016,445
US Dollar	12,376,779	6,191,220
TRY	3,393,289	175,553,932
Rubble	644,039	4,974
Total demand deposits	**52,627,780**	**191,766,571**

Time deposits

As of December 31, 2024, and 2023, the Turkish Lira equivalent of time deposits by currency is as follows:

Currency	Maturity	Interest rate	December 31, 2024
Rubble	January 2025	17,25%	128,890,437
Avro	January 2025	0,01%	9,865,804
TRY	January 2025	39%-42%	3,244,684
Total			**142,000,925**

Currency	Maturity	Interest rate	December 31, 2023
TRY	January 2024	20%-44%	1,396,683,035
US Dollar	January 2024	0,75%	1,334,578,861
Rubble	January 2024	9,5%	29,332,537
Total			**2,760,594,433**

7. FINANCIAL LIABILITIES

	December 31, 2024	December 31, 2023
Current financial liabilities	**603,071,593**	**912,868,539**
Current portion of long-term secured bank borrowings	528,372,907	785,732,692
Current portions of secured long-term financial lease liabilities	62,567,573	90,288,521
Current portions of secured long-term operational lease liabilities	12,131,113	36,847,326
Non-current financial liabilities	**3,013,434,462**	**6,296,842,396**
Long-term secured bank borrowings	2,876,799,370	6,095,143,911
Long-term secured operational financial lease liabilities	20,864,676	88,273,465
Long-term secured operational lease liabilities	115,770,416	113,425,020
Total financial liabilities	**3,616,506,055**	**7,209,710,935**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

7. FINANCIAL LIABILITIES (cont'd)

As of December 31, 2024 and 2023, the summary information regarding the book and nominal values of the Group's bank loans and financial lease liabilities is as follows:

December 31, 2024
Book value

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR [1]	4.40% + euribor (*)	49,632,000	408,465,317	1,418,111,417	1,826,576,734
Rubble [4]	9.8%	1,981,167,830	59,060,775	626,175,157	685,235,932
USD [5]	7.00%	25,276,275	60,846,816	832,512,801	893,359,617
TRY [6]	31.5%	83,432,247	62,567,572	20,864,671	83,432,243
			590,940,480	**2,897,664,046**	**3,488,604,526**

Nominal value

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR [1]	4.40% + euribor (*)	49,368,564	279,520,250	1,537,361,377	1,816,881,627
Rubble [5]	9.8%	1,835,647,498	6,952,385	627,951,738	634,904,123
USD [6]	7.00%	25,000,000	-	883,595,000	883,595,000
TRY [7]	31.5%	81,613,270	53,777,768	27,835,502	81,613,270
			340,250,403	**3,076,743,617**	**3,416,994,020**

December31, 2023
Book value

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR [2]	6.00% + euribor (*)	56,057,910	326,611,367	2,314,531,687	2,641,143,054
EUR [3]	6.00% + euribor (*)	32,198,453	224,432,450	1,292,583,077	1,517,015,527
EUR [4]	6.00% + euribor (*)	13,171,626	79,430,027	541,145,156	620,575,183
Rubble [5]	9.8%	2,165,031,737	81,544,452	943,945,181	1,025,489,633
USD [6]	7.00%	25,285,910	73,714,395	1,002,938,814	1,076,653,209
TRY [7]	31.5%	168,026,723	90,288,522	88,273,461	178,561,983
			876,021,213	**6,183,417,376**	**7,059,438,589**

Nominal value

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR [2]	6.00% + euribor (*)	49,453,586	105,339,254	2,224,644,031	2,329,983,285
EUR [3]	6.00% + euribor (*)	28,756,152	92,162,286	1,262,670,800	1,354,833,086
EUR [4]	6.00% + euribor (*)	11,737,195	27,216,726	525,775,882	552,992,608
Rubble [5]	9.8%	2,007,607,707	4,341,383	946,582,732	950,924,115
USD [6]	7.00%	22,593,434	-	1,064,479,417	1,064,479,417
TRY [7]	31.5%	160,315,202	52,534,714	117,832,238	170,366,952
			281,594,363	**6,141,985,100**	**6,423,579,463**

(*) As of December 31, 2024, the Euribor interest rate is 3.685% (December 31, 2023: 3.956%).

(1) 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,

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.

The entire amount of the mentioned loan has been paid off on May 23, 2024.

(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.

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(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 Söğütlüçeşme Project investment. Akfen İnşaat has a guarantee for the borrowing in question.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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:

	December 31, 2024	December 31, 2023
Less than 1 year	590,940,480	876,021,213
1 - 2 years	1,218,025,982	735,950,441
2 - 3 years	327,776,081	1,536,990,424
3 - 4 years	304,335,510	574,772,006
4 - 5 years	347,588,843	596,677,947
5 years and over	699,937,630	2,739,026,558
Total financial liabilities	**3,488,604,526**	**7,059,438,589**

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

	December 31, 2024	December 31, 2023
Less than 1 year	340,250,403	281,594,363
1 - 2 years	1,202,068,232	343,684,577
2 - 3 years	302,475,388	1,427,514,299
3 - 4 years	322,083,622	397,436,416
4 - 5 years	422,322,642	496,097,781
5 years and over	827,793,733	3,477,252,027
Total financial liabilities	**3,416,994,020**	**6,423,579,463**

The movements of bank loans and financial borrowing instruments for the years ending on December 31, 2024 and 2023 are as follows:

	2024	2023
January 1	**7,059,438,589**	**6,376,824,481**
Loans received	*2,179,165,685*	-
Cash outflows from debt repayment	*(4,019,199,361)*	*(455,029,237)*
Interest paid	*(453,429,347)*	*(480,725,274)*
Accrual	*390,251,682*	*1,032,898,664*
Adjustments related to loan restructuring (*)	*(369,804,105)*	-
Foreign exchange loss	*167,961,743*	*2,354,702,201*
Foreign currency coversion diffrence	*38,552,523*	*180,050,624*
Effect of acquisitions (Note 3)	-	*1,538,564,689*
Monetary gain	*(1,504,332,883)*	*(3,487,847,559)*
December 31	**3,488,604,526**	**7,059,438,589**

(*) The income includes the cancelled financial cost adjustments amounting to TRY 369,804,105, resulting from the loans belonging to Akfen GYO, Akfen GT ve Akfen Karaköy.

Operational lease liabilities

The Company has started to apply TFRS 16 as of January 1, 2019 and since the fair value of investment properties developed on the Company's leased land has been deducted from the estimated cash flows, the discounted values of the lease amounts to be paid related to the lands are classified under operational lease liabilities.

Details of operational lease borrowings are as follows:

	December 31, 2024	December 31, 2023
Less than 1 year	14,497,837	37,208,767
1 - 5 years	258,738,537	131,716,086
5 years and over	1,843,711,680	1,221,279,348
Less: Financial expense for future periods	*(1,989,046,525)*	*(1,239,931,855)*
Total operational lease liabilities	**127,901,529**	**150,272,346**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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 December 31, 2024 and 2023 are as follows:

	2024	2023
January 1	**150,272,346**	**175,538,696**
Interest expense	*73,898,393*	*47,274,568*
Foreign exchange loss	*13,800,787*	*15,461,962*
Payments	*(101,339,764)*	*(60,606,568)*
Arrangements	*40,855,682*	*20,074,703*
The effect of liabilities held for sale(Note 3)	-	*(2,051,837)*
Effect of acquisitions (Note 3)	-	*39,421,569*
Monetary gain	*(49,585,915)*	*(84,840,747)*
December 31	**127,901,529**	**150,272,346**

8. TRADE RECEIVABLES AND PAYABLES

a) Short term trade receivables

As of December 31, 2024 and 2023, short-term trade receivables are as follows:

	December 31, 2024	December 31, 2023
Trade receivables from related parties (Note 5)	60,364,877	16,480,676
Trade receivables from third parties (*)	300,822,724	330,534,502
	361,187,601	**347,015,178**

(*) As of December 31, 2024 and 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-long term trade payables

As of December 31, 2024 and 2023, short-term trade payables are as follows:

	December 31, 2024	December 31, 2023
Trade payables to related parties (Note 5)	270,130,628	59,227,758
Trade payables to third parties	46,054,698	25,654,882
- Other trade payables	*35,616,157*	*16,237,869*
- Other expense accruals	*10,438,541*	*9,417,013*
	316,185,326	**84,882,640**

9. OTHER RECEIVABLES AND PAYABLES

a) Other current receivables

As of December 31, 2024 and 2023, other current receivables are as follows:

	December 31, 2024	December 31, 2023
Other payables to third parties	241,675	118,060
- Other	*241,675*	*118,060*
	241,675	**118,060**

b) Other non-current receivables

As of December 31, 2024 and 2023, other non-current receivables are as follows:

	December 31, 2024	December 31, 2023
Deposits and guarantees given	2,225,310	1,793,675
	2,225,310	**1,793,675**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

9. OTHER RECEIVABLES AND PAYABLES (cont'd)

c) Other current payables

	December 31, 2024	December 31, 2023
Other payables to related parties (Note 5)	-	1,144,822,888
Other payables to third parties	48,660,971	77,947,334
- Taxes and funds payable	*46,649,446*	*76,825,235*
- Social security premiums payable	*1,880,681*	*1,098,100*
- Other	*130,844*	*23,999*
	48,660,971	**1,222,770,222**

10. INVESTMENT PROPERTY

Investment property and investment property under development

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

	December 31, 2024	December 31, 2023
Operating investment properties	19,982,092,765	20,044,675,011
Investment properties under construction	5,836,735,000	4,426,985,203
Land leases	129,340,457	136,853,484
Total	**25,948,168,222**	**24,608,513,698**

As of December 31, 2024, and 2023 movements in operating and under construction investment property are as follows:

	2024	2023
January 1	24,471,660,214	25,266,423,300
Additions	888,080,856	504,063,175
Fair value increase, net	1,390,420,850	711,368,222
Effects of assets held for sale (Note 3)	-	(3,840,663,012)
Company acquisition impact (Note 3)	-	2,647,983,759
Foreign exchange differences	(931,334,155)	(817,515,230)
December 31	**25,818,827,765**	**24,471,660,214**

The fair values of the Group's investment properties in Turkey as of December 31, 2024, and 2023 were determined by a real estate valuation company listed in the "Real Estate Appraisal Companies" registry of the Capital Markets Board (SPK). Similarly, the fair values of the investment properties in Russia were assessed by a licensed real estate valuation company in Russia as of December 31, 2024, and 2023. As of December 31, 2024, and 2023, the fair values of investment properties include the appraisal report values dated December 31, 2024, the appraisal report values dated November 30, 2024, and December 31, 2023, adjusted to the purchasing power as of December 31, 2024, as well as foreign currency translation differences arising from the accounting of hotels in Russia. The fair value of investment properties was determined by discounting the future free cash flows expected to be generated by these properties, while land values were determined using the comparable sales method. For projects developed on land with superficies rights, the valuation projections were based on the lease term of the superficies rights. For projects developed on the Group's owned land, the projection period was aligned with the lease agreement period signed with Tamaris/ACCOR S.A. Cash flows derived from projections in Euro and Ruble currencies were discounted to present value using a discount rate that reflects the economic, sectoral, and business risks, and the fair values of the investment properties were calculated accordingly.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

10. INVESTMENT PROPERTIES (cont'd)

As of December 31, 2024 and 2023, the fair values of investment properties in Turkey, Russia, and the TRNC are as follows:

	December 31, 2024		December 31, 2023	
Gayrimenkul adı	**Date of appraisal report**	**Fair value**	**Date of Appraisal report**	**Fair value**
Novotel İstanbul Bosphorus, Karaköy (1)	November 30, 2024	4,271,998,000	December 31, 2023	4,435,142,604
Ibis Otel ve Novotel Zeytinburnu (1)	December 31, 2024	2,996,020,000	December 31, 2023	2,987,572,165
Söğütlüçeşme Projesi (1)	December 31, 2024	3,726,290,000	December 31, 2023	2,651,126,314
Kıyıkışla Land (2)	December 31, 2024	2,095,900,000	December 31, 2023	1,775,858,889
Bodrum Loft (1)	December 31, 2024	1,751,010,000	December 31, 2023	1,736,299,105
Ibis Otel Moskova (1)	December 31, 2024	1,151,888,297	December 31, 2023	1,326,524,298
Novotel Trabzon (1)	December 31, 2024	1,298,075,000	December 31, 2023	1,274,980,055
Ibis Otel Tuzla (2)	December 31, 2024	1,204,947,000	December 31, 2023	1,024,543,525
Ibis Otel Kaliningrad (1)	December 31, 2024	715,907,975	December 31, 2023	796,717,750
Ibis Otel ve Novotel Gaziantep (1)	December 31, 2024	743,355,000	December 31, 2023	682,868,275
Ibis Otel Alsancak İzmir (1)	December 31, 2024	700,745,000	December 31, 2023	680,756,014
Ibis Otel Adana (2)	December 31, 2024	717,825,000	December 31, 2023	637,013,577
Ibis Otel Yaroslavl (1)	December 31, 2024	483,579,958	December 31, 2023	583,676,229
Isparta Dormitory (1)	December 31, 2024	704,010,000	December 31, 2023	621,117,475
Ibis Otel Esenyurt (2)	December 31, 2024	531,573,000	December 31, 2023	580,818,472
Ibis Otel ve Novotel Kayseri (1)	December 31, 2024	569,780,000	December 31, 2023	514,031,740
Ibis Otel Samara (1)	December 31, 2024	422,205,715	December 31, 2023	494,039,525
Kütahya Yurt (1)	December 31, 2024	516,960,000	December 31, 2023	458,893,487
Ibis Otel Ankara Airport (2)	December 31, 2024	523,307,000	December 31, 2023	431,732,953
Ibis Otel Bursa (1)	December 31, 2024	369,382,000	December 31, 2023	368,948,400
Samara Ofis (1)	December 31, 2024	134,053,820	December 31, 2023	211,430,184
Fabrika Binası (2)	November 30, 2024	126,245,000	December 31, 2023	144,424,796
Ibis Otel Eskişehir (1)	December 31, 2024	49,225,000	December 31, 2023	53,144,382
Bodrum (Eskiçeşme) Land (2) (*)	December 31, 2024	14,545,000	-	-
Total		**25,818,827,765**		**24,471,660,214**

(1) It consists of real estate on land leased by the Group.
(2) It consists of real estate on land owned by the Group.
(*) It was purchased on July 22, 2024.

As of December 31, 2024, the total amount of insurance on investment properties is TRY 19,933,350,202 (December 31, 2023: TRY 22,702,508,948).

As of December 31, 2024, the mortgage amount on investment properties is TRY 5,078,731,200 (December 31, 2023: TRY 11,357,064,490).

In the calculation of the fair value of investment properties, the discount rates for assets valued in Euros are in the range of 8%-10% (December 31, 2023: 9.75%-12%), and the discount rate for assets valued in TRY is 23% (December 31, 2023: 27%), which is used in the valuation report prepared according to the operating model and leasing model dated December 31, 2024. The sensitivity analysis on the fair value of investment properties is described in Note 29.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

10. INVESTMENT PROPERTIES (cont'd)

Right of use of 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 and in addition, the fair value model is used for the related land that is accounted for. 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.

As of December 31, 2024 and 2023, the movements of the right of use of lands are as follows:

	2024	2023
January 1	136,853,484	165,170,250
Arrangements	(6,436,882)	(56,782,566)
Fair value decrease	(1,076,145)	2,655,354
Company acquisition impact (Note 3)	-	27,455,508
The effect of assets held for sale (Note 3)	-	(1,645,062)
December 31	**129,340,457**	**136,853,484**

11. PROPERTY, PLANT AND EQUIPMENT

The movement table of property, plant and equipment for the years ended December 31, 2024, and 2023 is as follows:

	Equipment	Vehicles	Furniture& fixture	Total
Cost value				
Balance on January 1, 2023	58,147	4,759,723	27,231,072	32,048,942
Additions	-	1,070,421	-	1,070,421
The effect of assets held for sale (Note 3)	-	(32,709)	-	(32,709)
Disposals	-	(167,868)	-	(167,868)
Balance on December 31, 2023	**58,147**	**5,629,567**	**27,231,072**	**32,918,786**
Cost value				
Balance on January 1, 2024	58,147	5,629,567	27,231,072	32,918,786
Additions	-	281,751	-	281,751
Balance on December 31, 2024	**58,147**	**5,911,318**	**27,231,072**	**33,200,537**
Accumulated depreciation				
Balance on January 1, 2023	(58,147)	(3,380,037)	(19,671,292)	(23,109,476)
Period expense	-	(617,319)	(7,454,686)	(8,072,005)
The effect of assets held for sale (Note 3)	-	32,709	-	32,709
Disposals	-	133,852	-	133,852
Balance on December 31, 2023	**(58,147)**	**(3,830,795)**	**(27,125,978)**	**(31,014,920)**
Balance on January 1, 2024	(58,147)	(3,830,795)	(27,125,978)	(31,014,920)
Period expense	-	(713,994)	(25,797)	(739,791)
Balance on December 31, 2024	**(58,147)**	**(4,544,789)**	**(27,151,775)**	**(31,754,711)**
Net carrying value				
January 1, 2023	-	1,379,686	7,559,780	8,939,466
December 31, 2023	**-**	**1,798,772**	**105,094**	**1,903,866**
January 1, 2024	-	1,798,772	105,094	1,903,866
December 31, 2024	**-**	**1,366,529**	**79,297**	**1,445,826**

As of December 31, 2024, and 2023, there are no mortgages on tangible fixed assets. For the year ended December 31, 2024, depreciation expenses of tangible fixed assets were recorded in the cost of sales as TRY 25,797 and in the general administrative expenses as TRY 713,994 (December 31, 2023: TRY 7,454,685 in the cost of sales and TRY 617,320 in the general administrative expenses).

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

12. INTANGIBLE ASSETS

As of December 31, 2024, and 2023, the movement of intangible assets is as follows:

	Software
Cost value	
Balance on January 1, 2023	723,316
Additions	227,649
Balance on December 31, 2023	**950,965**
Balance on January 1, 2024	950,965
Additions	42,393
Balance on December 31, 2024	**993,358**
Accumulated amortization	
Balance on January 1, 2023	(495,996)
Period expense	(84,851)
Balance on December 31, 2023	**(580,847)**
Balance on January 1, 2024	(580,847)
Period expense	(68,182)
Balance on December 31, 2024	**(649,029)**
Net carrying value	
January 1, 2023	227,320
December 31, 2023	**370,118**
January 1, 2024	370,118
December 31, 2024	**344,329**

As of December 31, 2024, all intangible asset amortization expenses amounting to TRY 68,182 have been recognized in general administration expenses (December 31, 2023: TRY 84,851).

13. INVENTORIES

The movement of inventories as of December 31, 2024 and 2023 is as follows:

	2024	**2023**
January 1	1,273,161,210	975,436,171
Additions,net	776,850,833	297,804,922
The effect of assets held for sale (Note 3)	-	(79,883)
December 31	**2,050,012,043**	**1,273,161,210**

Akfen GYO acquired a 22,197 square meter plot of land in Bodrum Yalıkavak on September 15, 2022, with all permits and licenses in place. A villa project is planned to be developed and built on the land, with the completed villas to be sold. As of December 31, 2024 and 2023, the inventories relate to the land acquisition and other costs associated with the company's villa project in Bodrum Yalıkavak. As of December 31, 2023, the project is planned to be completed in more than one year, so the inventories are classified as long-term. However, as of December 31, 2024, since the project is planned to be completed in less than one year, the inventories are classified as short-term.

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

14. GOVERNMENT GRANTS AND INCENTIVES

As of December 31, 2023, according to the Investment Incentive Law No. 47/2000, the Group has an investment incentive at a rate of 100% contribution to investment on the investments made in the TRNC as of December 31, 2008. In this context, the Group recognizes this tax advantage as a deferred tax asset in the financial statements. The deferred tax asset in question is classified as assets held for sale due to the sale of Akfen GT/TRNC (Note 3). After the sale of Akfen GT/TRNC, which took place as of December 31, 2024, the Group does not have government incentives and grants.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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 December 31, 2024 is 12 (December 31, 2023: 13) and there are no significant lawsuits that require provisioning at group level.

16. COMMITMENT AND CONTINGENCIES

16.1. CPM are given by the Company

As of December 31, 2024 and 2023, Company's position related to commitments, pledges, and mortgages ("CPM") are as follows:

CPM are given by the Company	December 31, 2024	December 31, 2023
A. Total amount of CPM is given on behalf of own legal personality	5,340,363,141	13,716,803,091
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	634,904,123	4,311,611,143
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		
	5,975,267,264	**18,028,414,234**

As of December 31, 2024, the balances of CPMs provided by the Group on behalf of its own legal entity in EUR and USD are EUR 138,000,000 and USD 770,424, respectively (December 31, 2023: EUR 283,052,185 and USD 770,424). As of December 31, 2024, the foreign currency balance of CPMs provided by the Group on behalf of its fully consolidated subsidiaries is EUR 17,251,704 (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 December 31, 2024, and 2023, the CPMs provided by Akfen REIT on behalf of its fully consolidated subsidiaries consist solely of CPMs provided for 100% owned subsidiaries. As of December 31, 2024, EUR 6,897,648 of the CPMs granted by the Group for its fully consolidated subsidiaries represents the guarantee provided for the loans used by Severnyi (December 31, 2023: Akfen GT, EUR 28,756,152 and Severnyi, EUR 7,592,451). As of December 31, 2023, TRY 321,000,000 of the CPMs provided by the Group consisted of share pledges granted as collateral for loans used by Akfen GT (December 31, 2024: None). The remaining portion of EUR 10,354,057 represents the guarantee provided for the loans used by Akfen GT's Russian subsidiaries (December 31, 2023: Russia, EUR 11,737,194; Karaköy, EUR 12,590,787). Additionally, as of December 31, 2023, EUR 21,000,000 (December 31, 2024: None) was related to the second-degree mortgage placed on Merit Park Hotel as collateral for the loans used by Akfen Karaköy. The CPMs provided by the Group were granted in relation to loans used within the scope of project financing.

16. COMMITMENT AND CONTINGENCIES (cont'd)

16.2. The Group as lessee

As of December 31, 2024, the Group's operating lease agreements as lessee are as follows;

- The Group signed a rent agreement with the Ministry of Treasury and Finance, on December 4, 2003 to lease a land and for constructing a hotel in Zeytinburnu, Istanbul. The lease term is 49 years starting from November 18, 2002. The lease payment composed of yearly fixed lease payments determined by Ministry of Treasury and Finance and 1% of the total annually revenue generated by the hotel constructed on the land. The lease term of the Treasury land was extended to 49 years as of December 22, 2018 upon the approval of the Company's application to the Ministry of Culture and Tourism.
- The Group 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 Group signed a partnership agreement with Trabzon Dünya Ticaret Merkezi A.Ş. and a land lease agreement for 49 years, starting from 27 August 2008, with the purpose of establishing the right of use and building a hotel in Trabzon.
- 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.
- 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.
- The company acquired 51% of Fıratcan Turizm on June 30, 2021. Through this acquisition, the company gained the right to execute the leasing agreement for areas involving construction, which was signed between Fıratcan Turizm and TCDD on July 5, 2018. This agreement grants the company the right to lease, obtain permits, and operate the Söğütlüçeşme High-Speed Train Station project in Kadıköy, Istanbul, with a 2-year permit-approval period, a 2-year construction period, and a 28-year operational period. Under this agreement, the company has committed to TCDD for the Söğütlüçeşme High-Speed Train Station Project, which includes the construction of a viaduct, terminal building, commercial areas, and a parking facility. As part of a project modification on September 6, 2022, the agreement was renewed and extended until 2051. Subsequently, the remaining 49% share in Fıratcan Turizm was acquired on July 18, 2023.

16. COMMITMENT AND CONTINGENCIES (cont'd)

16.2. The Group as lessee (cont'd)

- 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 block, 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 December 31, 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.
- 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.

16. COMMITMENT AND CONTINGENCIES (cont'd)

16.3. The Group as lessor (cont'd)

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.
- 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:

16. COMMITMENT AND CONTINGENCIES (cont'd)

16.3. The Group as lessor (cont'd)

- 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 6th 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 8th, 9th and 10th 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 10th 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.
- Fıratcan Tourism is developing a food and beverage, cultural facility, and service area project at the Söğütlüçeşme High-Speed Train Station in Kadıköy, Istanbul, located on Block 3478, Parcel 1 and Block 3479, Parcels 1 and 2. To operate these areas, a lease agreement was signed between Fıratcan Tourism and Akfen Tourism on August 8, 2024, with a start date of November 1, 2024. The lease agreements will be renewed annually upon mutual agreement. For the lease of Block 3478, Parcel 1, the annual rent is 7 million Euros + VAT, while for the lease of Block 3479, Parcels 1 and 2, the annual rent is 1 million Euros + VAT, making the total annual rent 8 million Euros + VAT. In addition to paying the rent, Akfen Tourism will make all necessary investments and organize the works to make the areas delivered by Fıratcan in shell & core condition ready for operation. All costs for these works will be borne by Akfen Tourism. For the first year, the rent payment will be made in installments. The lease agreement's start date is April 1, 2025, with 50% of the first year's rent due by October 1, 2025, and the remaining balance due by April 1, 2026.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

17. EMPLOYEE TERMINATION BENEFITS AND PROVISONS

	December 31, 2024	December 31, 2023
Provision for vacation pay liability-short term	5,576,802	2,912,770
Provision for employee termination benefits-long term	2,377,277	2,853,636
	7,954,079	**5,766,406**

The Group, 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 December 31, 2024 and 2023, the ceiling of severance payments is TRY 46,655/year and TRY 35,059/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 December 31, 2024 and 2023, the liability is calculated using the following assumptions:

	December 31, 2024	December 31, 2023
Net discount rate	4.27%	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 46.655 which is effective from January 1, 2025. (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:

	2024	2023
January 1	2,853,636	2,151,178
Increase in current period	898,030	1,316,915
Payments	(442,908)	(338,031)
Monetary gain	(931,481)	(1,321,447)
Company acquisition impact (Note 3)	-	1,045,021
December 31	**2,377,277**	**2,853,636**

Movement of vacation pay liability is as follows:

	2024	2023
January 1	2,912,770	2,014,178
Increase in current period	3,910,657	2,133,280
Monetary gain	(1,246,625)	(1,222,190)
Payments	-	(1,081,102)
Company acquisition impact (Note 3)	-	1,068,604
December 31	**5,576,802**	**2,912,770**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

18. PREPAID EXPENSES AND DEFERRED REVENUE

a) Short term prepaid expenses

	December 31, 2024	December 31, 2023
Prepaid expenses to third parties	108,328,423	293,358,720
- Advances given to suppliers [1]	*99,439,118*	*286,058,930*
- Prepaid expenses [2]	*8,697,367*	*6,674,512*
- Advance payments	*191,938*	*625,278*
	108,328,423	**293,358,720**

b) Long term prepaid expenses

	December 31, 2024	December 31, 2023
Prepaid expenses [2]	66,596,046	65,097,919
	66,596,046	**65,097,919**

[1] As of December 31, 2024 and 2023, a significant part of the order advances consist of advances related to the construction works of the Söğütlüçeşme project.
[2] As of December 31, 2024, the prepaid expenses for future months and years amount to TRY 59,284,206 (December 31, 2023: TRY 60,794,314). A significant portion of this amount relates to prepaid rent expenses for the transfer of the land lease agreement of Novotel Istanbul Bosphorus, Karaköy, owned by Akfen Karaköy, allocated for future periods. The remaining balance primarily consists of insurance policy expenses related to the Group for future periods and other prepaid land lease expenses.

c) Short-term deferred revenue

	December 31, 2024	December 31, 2023
Deferred revenue from related parties (Note 5)	125,339,196	-
Deferred revenue from third parties	325,640,234	6,420,055
- Villa sales revenues (*)	*319,870,639*	-
- Dormitory revenues	*3,944,940*	*3,671,536*
- other (**)	*1,824,655*	*2,748,519*
	450,979,430	**6,420,055**

(*) The Group's deferred revenues are related to the advance payments received for the sales of the Yalıkavak project villas. As of December 31, 2023, since the villa project is planned to be completed in more than one year, the deferred revenues are classified as long-term. However, as of December 31, 2024, since the villa project is planned to be completed in less than one year, the deferred revenues are classified as short-term.
(**) As of December 31, 2024 and 2023, all other deferred income consists of advances received in advance related to the office project in Russia.

d) Long term deferred revenue

	December 31, 2024	December 31, 2023
Villa sales revenues (*)	-	57,495,273
	-	**57,495,273**

(*) The Group's deferred revenues are related to the advance payments received for the sales of the Yalıkavak project villas. As of December 31, 2023, since the villa project is planned to be completed in more than one year, the deferred revenues are classified as long-term. However, as of December 31, 2024, since the villa project is planned to be completed in less than one year, the deferred revenues are classified as short-term.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

19. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

On August 2, 2024, the Company acquired a 43% stake in EO at Fountains for USD 4,686,932. The management of AO at Fountains will be jointly carried out by the Group and other shareholders, and decisions related to activities that significantly impact EO at Fountains' returns will require the unanimous consent of the parties. Therefore, as of December 31, 2024, EO at Fountains is accounted for as an equity-method investment in the Group's consolidated financial statements. The difference between the value of the acquired 43% stake in EO at Fountains at the acquisition date and the purchase price, amounting to TRY 89,692,973, has been recognized as "Goodwill" under "Investments Accounted for Using the Equity Method". As of December 31, 2024, EO at Fountains is recorded at its purchase price in the consolidated financial statements, and the details of the acquisition are as follows:

Eo at Fountains	December 31, 2024
The total acquisition price (A)	**182,489,953**
The assets of the company	311,467,096
The liabilities of the company	95,660,166
Net assets (B) (*)	**215,806,930**
The acquisition share ratio (C)	43%
Acquised net asset (B*C)	**92,796,980**
Goodwill (A-B*C)	89,692,973

(*) A significant portion of the company's assets consist of land consisting of approximately 6 (six) acres and located at 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259.

As of December 31, 2024, the Group's investments accounted for using the equity method are as follows (December 31, 2023: None):

Eo at Fountains	December 31, 2024
The total acquisition price (A)	**182,489,953**
The Group's share of profit or loss after the acquisition date	(1,686,674)
The Group's share of other comprehensive income after the acquisition date	3,362,809
Equity-accounted investments as of the reporting date	**184,166,088**

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 December 31, 2024 and 2023, the Group does not have investments valued by the equity method.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

19. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (cont'd)

The movement table of the Group's share in Fıratcan Turizm's net assets for period ended on December 31, 2023 is as follows:

	2023
January 1	571,478,768
Net profit per Group share	73,984,622
Change in the scope of consolidation (*)	(645,463,390)
December 31	**-**

(*) Until June 30, 2023, which is the reporting period closest to the acquisition date of Fıratcan Turizm, Fıratcan Turizm's profit or loss and other comprehensive income items were recognized in the shares account from the profits of investments valued by the equity method in the Group's consolidated financial statements.

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

Özet gelir tablosu bilgileri:

Fıratcan Turizm	**January 1 – June 30, 2023 (*)**
PROFIT OR LOSS	
Revenue	-
Cost of sales (-)	(35,188)
GROSS LOSS	**(35,188)**
General administrative expenses (-)	(1,743,749)
Other operating income from operating activities, net	374,716,209
PROFIT FROM OPERATING ACTIVITES	**372,937,272**
Financial expenses, net (-)	(276,079,725)
Monetary gain	93,326,866
PROFIT BEFORE TAX	**190,184,413**
Tax expense	(45,116,527)
- Deferred tax expenses	*(45,116,527)*
PROFIT FOR THE PERIOD	**145,067,886**
NET PROFIT FOR THE PERIOD PER GROUP SHARE	**73,984,622**

(*) Until June 30, 2023, which is the reporting period closest to the acquisition date of Fıratcan Turizm, Fıratcan Turizm's profit or loss and other comprehensive income items were recognized in the shares account from the profits of investments valued by the equity method in the Group's consolidated financial statements.

20. OTHER CURRENT AND NON-CURRENT ASSETS

a) Other current assets

	December 31, 2024	**December 31, 2023**
Deferred VAT	34,048,149	436,765
Prepaid taxes and funds	706,456	923,871
Other	46,070	80,826
	34,800,675	**1,441,462**

b) Other non-current assets

	December 31, 2024	**December 31, 2023**
Deferred VAT	204,750,730	121,807,592
	204,750,730	**121,807,592**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

21. EQUITY

21.1. Paid in capital

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

Ortaklar	(%)	December 31, 2024	(%)	December 31, 2023
Akfen Holding	45.27	1,765,386,014	13.97	543,715,754
Publicly trade [1]	44.54	1,736,971,208	44.41	1,727,674,422
Hamdi Akın	10.18	397,150,364	10.21	397,150,364
Akfen Turizm	<0.013	492,391	<0.013	492,391
Akfen İnşaat	<0.001	23	<0.001	23
Akfen International BV	-	-	31.40	1,221,670,260
Total		**3,900,000,000**		**3,890,703,214**
Inflation adjustment		7,956,109,878		7,952,827,311
Adjusted capital		**11,856,109,878**		**11,843,530,525**

(1) 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 December 31, 2023, a capital increase of TRY 2,590,703,214 was made, raising the Company's paid-in capital to TRY 3,890,703,214. On January 4, 2024, the unpaid capital of 9,296,786 TL was contributed to the Company. As of December 31, 2024, the Company's capital consists of 3,900,000,000 shares, each with a nominal value of 1 TL (December 31, 2023: 3,900,000,000 shares with a nominal value of TRY 1), and its paid-in capital amounts to TRY 3,900,000,000 (December 31, 2023: TRY 3,890,703,214). With the implementation of inflation accounting in 2023, as of December 31, 2024, capital positive adjustment differences amounting to TRY 7,956,109,878 have been recognized in the consolidated financial statements (December 31, 2023: TRY 7,952,827,311).

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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:

December 31, 2024	Inflation-adjusted amounts included in financial statements prepared in accordance with Law No. 6102 and other legislation	Amounts adjusted according to TAS 29 requirements in accordance with TFRS	Difference classified in retained earnings/(loss)
Share capital adjustments	9,777,552,314	7,956,109,878	(1,821,442,436)
Share premiums	1,332,347,904	1,625,325,236	292,977,332
Restricted reserves appropriated from profits	140,859	16,207	(124,652)

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.

21. EQUITY (cont'd)

21.3. Share Premiums

On April 24, 2023, the Company's Board of Directors decided to repurchase shares to protect shareholders' interests by considering share price and price movements. This repurchase transaction was approved at the 2022 General Assembly held on May 11, 2023. According to the decision, the duration of the repurchase program is one year, with a maximum allocated fund of TRY TRY 200,000,000 and a maximum number of shares subject to repurchase of TRY 65,000,000 (5% of the Company's issued capital). Within the framework of the said share buyback program, Akfen GYO repurchased 30,000,000 nominal shares starting from April 27, 2023, at a total cost of TRY 211,105,550. These shares were fully sold on August 8, 2023, for TRY 262,087,665. The difference between the selling price and the purchase price, amounting to TRY 50,982,115, has been recognized under equity as a share premium in the Group's consolidated financial statements. Additionally, a share premium of TRY 6,965,987 was recorded in 2024. As a result, as of December 31, 2024, the total share premiums amount to TRY 1,625,325,236 (December 31, 2023: TRY 1,618,359,250)

21.4 Restricted reserves allocated from profit

As of December 31, 2024, the legal reserve of the Company is TRY 16,207 (December 31, 2023: TRY 16,207). 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 December 31, 2024, Akfen GYO's direct and indirect ownership rate in Akfen Karaköy became 100% (December 31, 2023: 100%). As a result, as of December 31, 2024 and 2023, TRY 237,372,357, which is the difference between the total purchase prices of TRY 383,354,824 and the value of the shares purchased is TRY 145,982,467, was recognized in the other equity shares account (Note 3).

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

22. REVENUE AND COST OF SALES

For the years ended December 31, 2024 and 2023, sales and cost of sales are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Rent income	1,113,544,057	1,477,994,665
Dormitory incomes	102,665,322	100,423,697
Other	74,814	2,392,044
Total revenue	**1,216,284,193**	**1,580,810,406**
Insurance expenses	(22,471,232)	(14,864,423)
Taxes and duties expenses	(22,183,061)	(22,857,758)
Outsourced service expenses	(1,820,973)	(4,366,828)
Depreciation	(25,797)	(7,454,685)
Other	(1,373,817)	(4,867,560)
Total cost of sales	**(47,874,880)**	**(54,411,254)**

23, GENERAL ADMINISTRATIVE EXPENSES

For the years ended December 31, 2024 and 2023, administrative expenses are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Personnel expenses	43,849,160	37,144,373
Consultancy expenses	24,258,570	34,811,228
Outsourced service expenses	3,975,457	1,852,946
Advertising expenses	3,777,931	16,315,218
Operating lease expenses	2,983,413	3,005,137
Travel and hosting expenses	2,565,115	7,122,818
Tax and duties expenses	2,232,784	3,114,805
Depreciation expense	713,994	617,320
Amortization expense	68,182	84,851
Donations and grants	15,864	6,940,432
Other	3,670,179	2,522,076
Total	**88,110,649**	**113,531,204**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

23. GENERAL ADMINISTRATIVE EXPENSES (cont'd)

Personnel expenses

	January 1,- December 31, 2024	January 1,- December 31, 2023
Wages and salaries	32,451,272	28,908,032
Social security premiums	5,046,929	4,093,674
Severance pay liability	3,910,657	2,133,280
Indemnity pay liability	898,030	1,316,915
Other	1,542,272	692,472
Total	**43,849,160**	**37,144,373**

24, OTHER OPERATING INCOME/EXPENSES

a) Other operating income

For the years ended December 31, 2024 and 2023, other operating income are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Investment property fair value increase, net (Note 10)	1,389,344,705	714,023,576
Foreign exchange gains	5,202,446	-
Other	473,009	2,532,519
Total	**1,395,020,160**	**716,556,095**

b) Other operating expenses

For the years ended 31 December, 2024 and 2023, other operating expense are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Foreign exchange loss	483,368	2,410,180
Impairment of trade receivables	-	141,060
Other (*)	2,565,691	15,061,249
Total	**3,049,059**	**17,612,489**

(*) The significant portion of the other expenses for the year ending in December 2024 consists of expenses incurred by the Group related to its activities in the TRNC until the sale date of Akfen GT. The part of the other expenses for the year ending on December 31, 2023, amounting to TRY 13,802,482, results from the Group's waiver of trade receivables related to the hotel located in the TRNC.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

25. INCOME/(EXPENSE) FROM INVESTMENT ACTIVITIES

a) Income from investment activities

For the years ended December 31, 2024 and 2023, income from investment activities are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Profit from sale of securities (Note 6)	13,484,239	7,219,082
Negotiated purchase profit (Note 3)	-	77,459,363
Total	**13,484,239**	**84,678,445**

b) Expense from investment activities

For the years ended December 31, 2024 and 2023, expense from investment activities are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Losses arising from the disposal of non-current assets held for sale (Note 3)	24,252,312	-
Losses from sale of securities (Note 6)	5,074,020	-
Total	**29,326,332**	**-**

26, FINANCIAL INCOME

For the years ended December 31, 2024 and 2023, financial income are as follows:

	January 1,- December 31, 2024	January 1,- December 31, 2023
Interest income (*)	503,909,550	27,491,707
Foreign exchange income	6,543,059	-
Fair value increase of derivative instruments (**)	-	152,482,950
Total	**510,452,609**	**179,974,657**

(*)As of December 31, 2024, the Company's interest income includes revenues from the cancellation of amortized cost adjustments amounting to TRY 369,804,105, related to the loans of Akfen GYO, Akfen GT and Akfen Karaköy that were closed in the first half of 2024 (As of December 31, 2023: None).
(**) As of December 31, 2023, the Company's consolidated financial statements include fair value gains arising from derivative instruments accounted for the purpose of hedging currency risk (As of December 31, 2024: None).

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

27. FINANCIAL EXPENSES

For the years ended December 31, 2024 and 2023, financial expenses are as follows:

	January 1,- December 31, 2024	**January 1,- December 31, 2023**
Interest expenses	364,028,626	1,136,585,561
Foreign exchange loss	283,997,669	2,944,513,758
Fair value decrease of derivative instruments (*)	-	647,239,927
Other	9,742,482	2,672,623
Total	**657,768,777**	**4,731,011,869**

(*) The fair value decreases arising from interest rate swap transactions and derivative instruments related to the consolidated financial statements of the Company as of December 31, 2023 (December 31, 2024: None).

28. TAX ASSETS AND LIABILITIES

According to Article 5/1(d)(4) of the Corporate Tax Law No. 5520 ("CTL"), the profits derived from real estate investment trusts (REITs) are exempt from corporate tax. However, with the publication of Law No. 7524 in the Official Gazette in August 2024, which amends various tax laws, including the Law on Changes to Certain Laws and the Decree-Law No. 375, the corporate tax exemption for the profits of real estate investment trusts and real estate investment funds has been conditioned on the requirement that at least 50% of the profits derived from real estate owned by these entities must be distributed as dividends by the end of the second month following the month in which the corporate tax return is due. Additionally, a new provision under Article 32 of the Corporate Tax Law introduces a 10% minimum domestic corporate tax application. It has been specified that the profits from real estate that REITs and REIFs earn will not be eligible for exemptions or reductions when calculating the minimum corporate tax on the company's taxable profits. This exemption also applies to interim advance tax calculations. As a result, as of December 31, 2024, the deferred tax assets and liabilities of the Company are calculated using the 30% tax rate applicable to undistributed earnings (As of December 31, 2023: Exempt from corporate tax).

Deferred tax is calculated using the liability method, based on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Due to tax regulations, the taxable or deductible temporary differences of Akfen GYO as of December 31, 2024, have been multiplied by the 30% tax rate applicable in the period after January 1, 2025, to calculate the deferred tax liability or asset. In accordance with the letter sent by the Public Oversight Accounting and Auditing Standards Authority (POA) on February 12, 2025, titled "Reporting of Tax Amounts for Real Estate Investment Trusts and Real Estate Investment Funds," the deferred tax liability resulting from the legislative change in the financial statements as of December 31, 2024, is reflected as follows: the impact related to prior years (2023 and earlier) is recognized under equity, under retained earnings or losses, while the impact for the year 2024 is reflected in the income statement.

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 currenTRYy 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.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

28. TAX ASSETS AND LIABILITIES (cont'd)

Pursuant to Federal Law No. 176-FZ dated July 12, 2024, titled "Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and Recognition of Certain Provisions of the Legislative Acts of the Russian Federation as Invalid," the corporate tax rate in Russia has been increased from 20% to 25%, effective January 1, 2025. Accordingly, as of December 31, 2024, deferred tax calculations for companies located in Russia have been made using a 25% tax rate (December 31, 2023: 20%).

The components of the tax expense for the years ending December 31, 2024 and 2023 are as follows:

	January 1,- December 31, 2024	**January 1,- December 31, 2023**
Current corporate tax expense	(8,333,939)	(6,860,254)
Deferred tax expense/(income)	(1,167,060,714)	205,303,834
Total	**(1,175,394,653)**	**198,443,580**

The differences between the total tax provision for the years ending December 31, 2024 and 2023 and the amount calculated by multiplying the statutory tax rate by the pre-tax loss figure are shown in the table below:

	(%)	**January 1,- December 31, 2024**	**(%)**	**January 1,- December 31, 2024**
Profit before tax		**2,625,643,472**		**857,199,251**
Tax expense calculated using the statutory rate	(30)	(787,693,042)	(30)	(257,159,775)
Income exempt from tax [(1)]	5	124,618,746	48	412,070,971
Non-deductible expenses	(10)	(271,362,892)	(4)	(31,733,126)
Tax loss not subjected to deferred tax asset	(1)	(30,140,165)	(9)	(76,989,599)
The deferred tax effect associated with losses from previous years	9	235,964,009	-	-
Deferred tax effect of inflation adjustments that have no effect on the corporate tax base	(20)	(516,112,202)	(10)	(82,772,675)
Effect of different tax rates in foreign countries	4	102,156,736	1	6,928,635
The effect of the shares in the (losses)/profit of investments accounted using the equity method	(0)	(506,002)	3	22,195,387
Deferred tax effect arising from inflation accounting adjustments in statutory financial statements	-	-	51	436,254,058
Tax base increase	-	-	(0)	(2,627,252)
Effect of change in legal tax rate	(2)	(47,491,705)	(27)	(227,723,044)
Deferred tax impact due to cash capital deduction	1	13,692,117	-	-
Other	0	1,479,747	-	-
Tax (expense)/income	**(45)**	**(1,175,394,653)**	**23**	**198,443,580**

[(1)] It is primarily due to the fact that Akfen GYO is not subject to Corporate Tax as of December 31, 2024 and 2023.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

28. TAX ASSETS AND LIABILITIES (cont'd)

The movements of deferred tax liabilities for the years ending on December 31, 2024, and 2023 are as follows:

	2024	**2023**
As of January 1, deferred tax liabilities, net	(1,514,960,281)	(2,281,836,908)
Recognized in the profit or loss statement	(1,167,060,714)	205,303,834
Associated with losses from previous years	(235,964,011)	-
Foreign currency translation effect	52,266,545	51,970,000
The effect of assets held for sale (Note 3)	-	827,357,311
Effect of business acquisition (Note 3)	-	(317,754,518)
As of December 31, deferred tax liabilities, net	**(2,865,718,461)**	**(1,514,960,281)**

Recognized deferred tax assets and liabilities

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

	Deferred tax assets		**Deferred tax liabilities**		**Net**	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Investment property	-	-	(3,278,438,004)	(1,966,749,172)	(3,278,438,004)	(1,966,749,172)
Tax losses carried forward	389,926,370	439,784,612	-	-	389,926,370	439,784,612
Cash capital discount	13,692,117	-	-	-	13,692,117	-
Other	9,101,056	12,004,279	-	-	9,101,056	12,004,279
Deferred tax asset / (liability)	**412,719,543**	**451,788,891**	**(3,278,438,004)**	**(1,966,749,172)**	**(2,865,718,461)**	**(1,514,960,281)**
Net off tax	(373,716,537)	(414,024,880)	373,716,537	414,024,880	-	-
Net deferred tax asset / (liability)	**39,003,006**	**37,764,011**	**(2,904,721,467)**	**(1,552,724,292)**	**(2,865,718,461)**	**(1,514,960,281)**

Expiration schedule of carry forward tax losses is as follows:

	December 31, 2024	**December 31, 2023**
2024	-	124,524
2025	67,931	98,078
2026	10,193,904	65,264,168
2028	62,202,842	88,226,081
2029	72,924,710	-
No fixed expiry (*)	1,414,316,093	2,006,781,994
Total	**1,559,705,480**	**2,160,494,845**

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

As of December 31, 2024, the Group has a tax loss of TRY 1,559,705,480 (December 31, 2023: TRY 2,160,494,845) that can be used against future profits, and a deferred tax asset of TRY 389,926,370 has been recognized (December 31, 2023: TRY 439,784,612). As of December 31, 2024, the Group has a tax loss of TRY 120,560,661 (December 31, 2023: TRY 537,001,055) for which no deferred tax asset has been recognized. Additionally, as of December 31, 2024, the Group has a cash capital reduction of TRY 54,768,466 (December 31, 2023: None) that can be used against future profits, and a deferred tax asset of TRY 13,692,117 has been recognized.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 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:

	January 1,- December 31, 2024	**January 1,- December 31, 2023**
Number of shares in circulation		
January 1	3,890,703,214	1,300,000,000
Capital increase	9,296,786	2,590,703,214
Closing balance	**3,900,000,000**	**3,890,703,214**
Weighted average number of shares (*)	3,899,864,281	1,464,278,274
Profit for the period	1,445,018,330	1,048,787,676
Earnings per share (Full TRY)	0,37	0,72
Diluted earnings per share (Full TRY)	0,37	0,72

30. DISCLOSURES ON NET MONETARY POSITION GAINS/(LOSSES)

The item Net Monetary Position Gains/(Losses) reported in the profit or loss statement arises from the following non-monetary financial statement items:

Non-monetary items	**January 1- December 31, 2024**
Statement of Financial Position Items	**266,475,452**
Investment properties	6,531,091,632
Prepaid expenses	1,308,249
Deferred revenues	(70,965,100)
Deposits and guarantees given	1,513,527
Inventories	320,113,384
Tangible and intangible assets	112,650
Deferred tax liabilities	(535,489,634)
Issued capital	(1,727,489,519)
The profits from the previous year and other equity items	(4,253,719,737)
Profit or Loss Statement Items	**51,743,190**
Revenue	(115,486,116)
Cost of sales	3,613,441
General administrative expenses	8,378,190
Other income and expenses	(776,847)
Income and expenses from investment activities	169,500,106
Financing income and expenses	(13,485,584)
Total	**318,218,642**

31. 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 Company 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 Company 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:

<u>Financial Assets</u>

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.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

31. 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 since 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 Company have been repriced in the recent history, it is considered that its fair values reflect the value that they carry.

The classes of financial instruments and their fair values

December 31. 2024	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
Financial Assets					
Cash and cash equivalents	1,708,465,400	-	1,708,465,400	1,708,465,400	6
Trade receivables from related parties	60,364,877	-	60,364,877	60,364,877	8
Trade receivables from third parties	300,822,724	-	300,822,724	300,822,724	8
Other receivables from third parties	2,466,985	-	2,466,985	2,466,985	9
Financial Liabilities					
Financial liabilities	-	3,616,506,055	3,616,506,055	3,616,506,055	7
Trade payables to related parties	-	270,130,628	270,130,628	270,130,628	5
Trade payables to third parties	-	46,054,698	46,054,698	46,054,698	8
Other payables to third parties	-	48,660,971	48,660,971	48,660,971	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
Financial Assets					
Cash and cash equivalents	3,140,765,388	-	3,140,765,388	3,140,765,388	6
Trade receivables from related parties	16,480,676	-	16,480,676	16,480,676	8
Trade receivables from third parties	330,534,502	-	330,534,502	330,534,502	8
Other receivables from third parties	1,911,735	-	1,911,735	1,911,735	9
Financial Liabilities					
Financial liabilities	-	7,209,710,935	7,209,710,935	7,209,710,935	7
Trade payables to related parties	-	59,227,758	59,227,758	59,227,758	5
Trade payables to third parties	-	25,654,882	25,654,882	25,654,882	8
Other payables to related parties	-	1,144,822,888	1,144,822,888	1,144,822,888	9
Other payables to third parties	-	77,947,334	77,947,334	77,947,334	9

Non-Financial Assets

The real estate appraisal reports that are prepared by the real estate valuation Group 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 December 31, 2024, and December 31, 2023, the fair values of investment properties include the values adjusted for purchasing power as of December 31, 2024, based on the appraisal reports dated December 31, 2024, and 2023, as well as the expenditures incurred up to the reporting date.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

31. 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:

December 31, 2024			Fair Value Level
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Operating investment properties	-	-	19,982,092,765
Investment properties under construction (Project)	-	-	3,726,290,000
Investment properties under construction (Land)	-	2,110,445,000	-

December 31, 2023			Fair Value Level
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Operating investment properties	-	-	20,044,675,011
Investment properties under construction (Project)	-	-	2,651,126,314
Investment properties under construction (Land)	-	1,775,858,889	-

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:

	December 31, 2024	December 31, 2023	**Valuation method**	**Unobservable significant inputs**	**Weighted average amount December 31, 2024**	Weighted average amount December 31, 2023
				* Room price (per day) – Euro	**79**	74
Hotel			Discounted	* Villa price (per day) – Euro	**965**	730
Level 3	**18,500,823,945**	18,608,809,069	cash flows	* Occupancy rate (*)	**76%**	%74
Dormitory						
Level 3	**1,220,970,000**	1,080,010,962	Discounted cash flows	* Total number of beds	**7,232**	7,232
Office			Discounted	* Rentable area / m2	**4,637**	4,637
Level 3	**134,053,820**	211,430,184	cash flows	* Occupancy rate	**97%**	97%
Söğütlüçeşme Project			Discounted	* Rentable area / m2	**14,559**	14,559
Level 3	**3,726,290,000**	2,651,126,314	cash flows	* Occupancy rate	**92%**	92%
Factory Building			Discounted			
Level 3	**126,245,000**	144,424,796	cash flows			
Land			Market	-	**-**	-
Level 2	**2,110,445,000**	1,775,858,889	approach	-	**-**	-

(*) The provided figures exclude Bodrum Loft. In the valuation report dated December 31, 2024, and 2023, the average occupancy rate for Bodrum Loft during the approximately 6-month operational season has been estimated at 95%.

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

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

31. 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:

		If it increases	If it decreases
December 31, 2024	**Sensitivity Analysis**	**Profit/(loss) effect on the fair value (TRY)**	**Profit/(loss) effect on the fair value (TRY)**
Hotel			
Discount rate	0.5%	(740,599,445)	800,642,839
Room price	1 EUR	175,653,627	(173,044,053)
Occupancy rate	1%	222,441,436	(219,464,500)
Office			
Discount rate	0.5%	(2,482,445)	2,537,182
Occupancy rate	1%	1,760,203	(1,770,451)
Dormitory			
Discount rate	0.5%	(36,173,278)	37,955,823
Bodrum Loft			
Discount rate	0.5%	(113,514,858)	126,739,890
Villa price	10%	185,885,172	(168,619,158)
Occupancy rate	1%	19,470,186	(19,102,824)
Söğütlüçeşme project			
Discount rate	0.5%	(149,920,000)	159,370,000
Rental value per unit	10%	184,500,000	(184,500,000)
Occupancy rate	1%	19,285,000	(19,280,000)

		If it increases	If it decreases
December 31, 2023	**Sensitivity Analysis**	**Profit/(loss) effect on the fair value (TRY)**	**Profit/(loss) effect on the fair value (TRY)**
Hotel			
Discount rate	0.5%	(665,740,049)	715,664,810
Room price	1 EUR	202,290,793	(202,967,411)
Occupancy rate	1%	209,722,020	(209,251,722)
Office			
Discount rate	0.5%	(3,462,743)	3,557,552
Occupancy rate	1%	2,339,779	(2,339,779)
Dormitory			
Discount rate	0.5%	(30,059,102)	31,388,504
Bodrum Loft			
Discount rate	0.5%	(97,351,679)	107,698,234
Villa price	10%	181,535,015	(165,074,586)
Occupancy rate	1%	18,811,918	(18,811,918)
Söğütlüçeşme project			
Discount rate	0.5%	(116,483,595)	123,884,985
Rental value per unit	10%	293,753,048	(293,738,611)
Occupancy rate	1%	30,709,364	(30,694,926)

32. 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.

32. 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 December 31, 2024 and 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.

32. 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

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. 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 December 31, 2024 and 2023, the net debt-to-invested capital rate is given below:

	December 31, 2024	**December 31, 2023**
Total liabilities	7,345,007,328	10,969,178,971
Cash and cash equivalents	(1,708,465,400)	(3,140,765,388)
Net liabilities	5,636,541,928	7,828,413,583
Equity	23,364,728,046	22,787,221,187
Total capital	**29,001,269,974**	**30,615,634,770**
Net liabilities/ total equity rate	**19%**	**26%**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.1. 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 December 31, 2024 and 2023, is as follows:

		Receivable					
		Trade receivables		Other receivables			
	December 31, 2024	**Related party**	**Third party**	**Related party**	**Third party**	**Deposits on bank**	**Other**
	Exposure to maximum credit risk as of reporting date (A+B+C+D)	**60,364,877**	**300,822,724**	**-**	**2,466,985**	**194,547,502**	**1,513,768,486**
	- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A	Net carrying value of financial assets which are neither impaired nor overdue	60,364,877	300,822,724	-	2,466,985	194,547,502	1,513,768,486
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)	-	529,815	-	-	81,203	-
	- Impairment (-)	-	*(529,815)*	-	-	*(81,203)*	-
	- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D	Off balance sheet items with credit risks	-	-	-	-	-	-

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.1. Credit risk disclosures (cont'd)

		Receivables					
		Trade receivables		Other receivables			
	December 31, 2023	**Related party**	**Third party**	**Related party**	**Third party**	**Deposits on bank (*)**	**Other**
	Exposure to maximum credit risk as of reporting date (A+B+C+D)	**16,480,676**	**792,021,201**	**-**	**1,911,735**	**2,952,052,227**	**188,442,907**
	- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A	Net carrying value of financial assets which are neither impaired nor overdue	16,480,676	330,534,502	-	1,911,735	2,952,052,227	188,442,907
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)	-	572,970	-	-	*308,777*	-
	- Impairment (-)	-	*(572,970)*	-	-	*(308,777)*	-
	- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D	Off balance sheet items with credit risks(**)	-	461,486,699	-	-	-	-

(*) 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 December 31, 2024 and 2023, the Group does not have any financial assets which are overdue but not impaired.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.2. 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:

December 31, 2024:

Contractual maturities	Book value	Contractual cash flows (I)+(II)+(III)+(IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	3,616,506,055	7,115,628,528	341,371,059	519,060,710	3,303,754,296	2,951,442,463
Trade payables	316,185,326	316,185,326	316,185,326	-	-	-
Other payables and liabilities (monetary items)	48,660,971	48,660,971	48,660,971	-	-	-

December 31, 2023:

Contractual maturities	Book value	Contractual cash flows (I)+(II)+(III)+(IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	7,209,710,935	11,723,996,417	379,802,175	730,264,932	4,986,502,709	5,627,426,601
Trade payables	84,882,640	84,882,640	84,882,640	-	-	-
Other payables and liabilities (monetary items)	1,222,770,222	1,222,770,222	1,222,770,222	-	-	-

Since taxes and funds payable and social security premiums payable are non-financial liabilities, they are not included in other payables.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.3. Market risk

a) Foreign currency position table and sensitivity analysis

			Original amount			
December 31, 2024 **Foreign currency position**		**TRY Equivalent (Functional currency)**	**US Dollar**	**EUR**	**GBP**	**RUB**
1	Trade receivables	77,605,772	160,000	239,872	-	182,577,448
2a	Monetary financial assets (cash and bank accounts included)	1,639,219,481	351,466	40,757,705	45	374,512,669
2b	Non-monetary financial assets	-	-	-	-	-
3	Other	2,012,225	-	-	-	5,817,784
4	**Current assets (1+2+3)**	**1,718,837,478**	**511,466**	**40,997,577**	**45**	**562,907,901**
5	Trade receivables	-	-	-	-	-
6a	Monetary financial assets	-	-	-	-	-
6b	Non-monetary financial assets	-	-	-	-	-
7	Other	-	-	-	-	-
8	**Non-current assets (5+6+7)**	-	-	-	-	-
9	**Total assets (4+8)**	**1,718,837,478**	**511,466**	**40,997,577**	**45**	**562,907,901**
10	Trade payables	22,137,615	87,555	517,259	-	19,375
11	Financial liabilities	529,630,188	1,777,910	11,078,933	-	170,757,693
12a	Other monetary financial liabilities	-	-	-	-	-
12b	Other non-monetary financial liabilities	15,900,974	-	-	-	45,973,215
13	**Short-term liabilities (10+11+12)**	**567,668,777**	**1,865,465**	**11,596,192**	**-**	**216,750,283**
14	Trade payables	-	-	-	-	-
15	Financial liabilities	2,898,343,334	24,149,046	38,547,733	-	1,810,410,137
16a	Other monetary financial liabilities	-	-	-	-	-
16b	Other non-monetary financial liabilities	-	-	-	-	-
17	**Long-term liabilities (14+15+16)**	**2,898,343,334**	**24,149,046**	**38,547,733**	**-**	**1,810,410,137**
18	**Total liabilities (13+17)**	**3,466,012,111**	**26,014,511**	**50,143,925**	**-**	**2,027,160,420**
19	**Net asset / (liability) position of off-balance sheet items (19a-19b)**	-	-	-	-	-
19a	**Amount of derivative off-balance sheet items in foreign currency in asset characteristics**	-	-	-	-	-
19b	**Amount of off derivative-balance sheet items in foreign currency in liability characteristics**	-	-	-	-	-
20	**Net foreign currency position (9-18+19)**	**(1,747,174,633)**	**(25,503,045)**	**(9,146,348)**	**45**	**(1,464,252,519)**
21	**Net foreign currency position of monetary assets / (liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)**	**(1,733,285,884)**	**(25,503,045)**	**(9,146,348)**	**45**	**(1,424,097,088)**
22	**Fair value of the financial instruments used in foreign currency hedging**	-	-	-	-	-
23	**Amount of foreign currency assets hedged**	-	-	-	-	-
24	**Amount of foreign currency liabilities hedged**	-	-	-	-	-

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.3. Market risk (cont'd)

a) Foreign currency position table and sensitivity analysis (cont'd)

			Original amount			
December 31, 2023 **Foreign currency position**		**TRY Equivalent (Functional currency)** *	**US Dollar**	**EUR**	**GBP**	**RUB**
1	Trade receivables	91,107,866	-	610,505	-	131,731,405
2a	Monetary financial assets (cash and bank accounts included)	1,380,211,269	31,546,317	214,197	45	61,937,868
2b	Non-monetary financial assets	-	-	-	-	-
3	Other	2,988,981	-	-	-	6,310,390
4	**Current assets (1+2+3)**	**1,474,308,116**	**31,546,317**	**824,702**	**45**	**199,979,663**
5	Trade receivables	-	-	-	-	-
6a	Monetary financial assets	-	-	-	-	-
6b	Non-monetary financial assets	-	-	-	-	-
7	Other	-	-	-	-	-
8	**Non-current assets (5+6+7)**	-	-	-	-	-
9	**Total assets (4+8)**	**1,474,308,116**	**31,546,317**	**824,702**	**45**	**199,979,663**
10	Trade payables	1,317,090	5,612	22,618	-	26,388
11	Financial liabilities	788,349,580	1,805,966	13,369,726	-	172,158,079
12a	Other monetary financial liabilities	1,144,805,501	26,886,511	-	-	-
12b	Other non-monetary financial liabilities	13,836,326	-	-	-	29,211,496
13	**Short-term liabilities (10+11+12)**	**1,948,308,497**	**28,698,089**	**13,392,344**	-	**201,395,963**
14	Trade payables	-	-	-	-	-
15	Financial liabilities	6,127,899,100	24,275,507	88,090,050	-	1,992,873,658
16a	Other monetary financial liabilities	-	-	-	-	-
16b	Other non-monetary financial liabilities	-	-	-	-	-
17	**Long-term liabilities (14+15+16)**	**6,127,899,100**	**24,275,507**	**88,090,050**	-	**1,992,873,658**
18	**Total liabilities (13+17)**	**8,076,207,597**	**52,973,596**	**101,482,394**	-	**2,194,269,621**
19	**Net asset / (liability) position of off-balance sheet items (19a-19b)**	-	-	-	-	-
19a	**Amount of derivative off-balance sheet items in foreign currency in asset characteristics**	-	-	-	-	-
19b	**Amount of off derivative-balance sheet items in foreign currency in liability characteristics**	-	-	-	-	-
20	**Net foreign currency position (9-18+19)**	**(6,601,899,481)**	**(21,427,279)**	**(100,657,692)**	**45**	**(1,994,289,958)**
21	**Net foreign currency position of monetary assets / (liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)**	**(6,591,052,136)**	**(21,427,279)**	**(100,657,692)**	**45**	**(1,971,388,852)**
22	**Fair value of the financial instruments used in foreign currency hedging**	-	-	-	-	-
23	**Amount of foreign currency assets hedged**	-	-	-	-	-
24	**Amount of foreign currency liabilities hedged**	-	-	-	-	-

(*) TRY provisions of the related amounts included in the table brought to the purchasing power of December 31, 2024.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.3. Market risk (cont'd)

Foreign currency position table and sensitivity analysis

December 31, 2024:	**Profit / (Loss)**		**Equity**	
	Appreciation of foreign currency	**Devaluation of foreign currency**	**Appreciation of foreign currency**	**Devaluation of foreign currency**
20% change of the USD against TRY				
1- Net USD denominated asset/liability	(180,281,400)	180,281,400	(180,281,400)	180,281,400
2- Hedged portion of TRY against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	**(180,281,400)**	**180,281,400**	**(180,281,400)**	**180,281,400**
20% change of the EUR against TRY				
4- Net Euro denominated asset/liability	(67,864,319)	67,864,319	(67,864,319)	67,864,319
5- Hedged portion of TRY against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**(67,864,319)**	**67,864,319**	**(67,864,319)**	**67,864,319**
20% change of other foreign currencies against TRY				
7- Net other foreign currencies denominated asset/liability	398	(398)	(101,289,197)	101,289,197
8- Hedged portion of TRY against other currencies risk	-	-	-	-
9- Net effect of other foreign currencies (7+8)	**398**	**(398)**	**(101,289,197)**	**101,289,197**
TOTAL (3+6+9)	**(248,145,321)**	**248,145,321**	**(349,434,916)**	**349,434,916**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

32.3. Market risk (cont'd)

December 31, 2023:	**Profit / (Loss)**		**Equity**	
	Appreciation of foreign currency	**Devaluation of foreign currency**	**Appreciation of foreign currency**	**Devaluation of foreign currency**
20% change of the USD against TRY				
1- Net USD denominated asset/liability	(182,954,880)	182,954,880	(182,954,880)	182,954,880
2- Hedged portion of TRY against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	**(182,954,880)**	**182,954,880**	**(182,954,880)**	**182,954,880**
20% change of the EUR against TRY				
4- Net Euro denominated asset/liability	(948,502,290)	948,502,290	(948,502,290)	948,502,290
5- Hedged portion of TRY against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**(948,502,290)**	**948,502,290**	**(948,502,290)**	**948,502,290**
20% change of other foreign currencies against TRY				
7- Net other foreign currencies denominated asset/liability	487	(487)	(188,922,718)	188,922,718
8- Hedged portion of TRY against other currencies risk	-	-	-	-
9- Net effect of other foreign currencies (7+8)	**487**	**(487)**	**(188,922,718)**	**188,922,718**
TOTAL (3+6+9)	**(1,131,456,683)**	**1,131,456,683**	**(1,320,379,888)**	**1,320,379,888**

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

32. 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:

	December 31, 2024	December 31, 2023
Fixed rate instruments		
Financial assets	142,000,925	2,760,594,433
Financial liabilities	1,662,027,792	2,280,704,825
Variable rate instruments		
Financial assets	1,513,768,486	188,442,907
Financial liabilities	1,826,576,734	4,778,733,764

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 December 31, 2024 and 2023, the mentioned calculation has been made for the portion that is not included in the Group's interest rate swap transaction.

Euribor	Increase / (Decrease)	Effect profit / (loss) before tax and equity
December 31, 2024	(0.01%)	106,606
	0.01%	(106,582)

Euribor	Increase / (Decrease)	Effect profit / (loss) before tax and equity
December 31, 2023	(0.01%)	1,882,961
	0.01%	(1,882,961)

33. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the POA pursuant to the Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles of which are based on the POA letter dated August 19, 2021 are as follows:

	January 1, - December 31, 2024	January 1, - December 31, 2023
Audit fee for the reporting period	3,645,701	1,515,977
Fee for other assurance services	306,614	389,823
	3,952,315	**1,905,800**

34. SUBSEQUENT EVENTS

At the meeting of the Board of Directors on December 6, 2024, it was decided, in accordance with Articles 19 and 20 of the Corporate Tax Law No. 5520, the relevant provisions of the Turkish Commercial Code No. 6102 ("TCC"), and the Capital Markets Board's ("CMB") Communiqué No. II-23.2 on Mergers and Divisions ("Communiqué"), that Akfen Karaköy, a 100% subsidiary of the Company, will be merged with the Company through a non-liquidation dissolution, with all assets and liabilities of Akfen Karaköy being acquired as a whole at their registered values. As of the reporting date, the related process is ongoing.

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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:

	Unconsolidated (separate) financial statement main account items	**Related Regulation**	**December 31, 2024**	**December 31, 2023**
A	Cash and capital market instruments	III-48.1. Md. 24 / (b)	1,559,662,807	3,080,169,555
B	Investment properties, investment property-based projects, investment property-based rights	III-48.1. Md. 24 / (a)	14,792,277,402	13,394,633,877
C	Affiliates	III-48.1. Md. 24 / (b)	4,655,371,744	5,267,450,250
	Due from related parties (non-trade) (*)	III-48.1. Md. 23 / (f)	557,195,835	14,996,237
	Other assets		1,233,700,180	395,208,817
D	**Total assets**	**III-48.1. Md. 3 / (p)**	**22,798,207,968**	**22,152,458,736**
E	Financial liabilities	III-48.1. Md. 31	1,826,576,734	2,641,143,054
F	Other financial liabilities	III-48.1. Md. 31	53,194,825	75,499,958
G	Finance lease liabilities	III-48.1. Md. 31	-	-
H	Due to related parties (non-trade)	III-48.1. Md. 23 / (f)	-	1,288,545,005
I	Shareholders' equity	III-48.1. Md. 31	19,162,968,582	17,970,247,348
	Other liabilities		1,755,467,827	177,023,371
D	**Total liabilities and equity**	**III-48.1. Md. 3 / (p)**	**22,798,207,968**	**22,152,458,736**

	Unconsolidated (separate) other financial information	**Related Regulation**	**December 31, 2024**	**December 31, 2023**
A1	The portion of money and capital market instruments held for 3-year real estate payments	III-48.1. Md. 24 / (b)	-	-
A2	Time and demand deposits/special current participation accounts in foreign currency and time deposits/participation accounts in TRY	III-48.1. Md. 24 / (b)	45,822,262	2,891,622,433
A3	Foreign capital market instruments	III-48.1. Md. 24 / (d)	-	-
B1	Foreign investment property, investment property-based projects, investment property-based rights	III-48.1. Md. 24 / (d)	-	-
B2	Idle lands	III-48.1. Md. 24 / (c)	14,545,000	-
C1	Foreign subsidiaries	III-48.1. Md. 24 / (d)	-	-
C2	Participation to the operator company	III-48.1. Md. 28//1 (a)	-	-
J	Non-cash loans	III-48.1. Md. 31	294,692,491	1,745,826,755
K	Pledges on land not owned by the Investment Trust which will be used for project developments	III-48.1. Md. 22 / (e)	-	-
L	Money and capital market instrument Investments held on One Unique Company	III-48.1. Md. 22 / (I)	41,390,674	2,860,972,365

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)

APPENDIX: COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS (cont'd)

	Portfolio Constraints Related Regulation	Portfolio Constraints Related Regulation	Current Period	Previous Year	Minimum /Maximum Ratio
1	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%
2	Investment Property, Investment Property Based Projects, Investment Property Based Rights	III-48.1. Md. 24 / (a).(b)	64.88%	60.47%	>51%
3	Cash and Capital Market Instruments and Participations	III-48.1. Md. 24 / (b)	27.26%	37.68%	<50%
4	Foreign Investment Property, Investment Property based Projects, Investment Property Based Rights, Participations, Capital Market Instruments	III-48.1. Md. 24 / (d)	0.00%	0.00%	<50%
5	Idle Lands	III-48.1. Md. 24 / (c)	0.06%	0.00%	<20%
6	Participation to the Operator Company	III-48.1. Md. 28 / 1(a)	0.00%	0.00%	<10%
7	Borrowing Limit	III-48.1. Md. 31	11.35%	32.00%	<500%
8	Time deposit / private current - participation account in foreign currency and time deposit / participation account in TRY (*)	III-48.1. Md. 24 / (b)	0.20%	13.05%	<10%
9	Money and capital market instrument Investments held on One Unique Company	III-48.1. Md. 22 / (l)	0.18%	12.91%	<10%

Presented information in the footnote of "Compliance Control on Portfolio Limitations" as of December 31, 2024 and 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, 2024 and 2023, all non-trade receivables from related parties consist of receivables from 100% subsidiaries of the Company (Note 4).

(**) As of December 31, 2023, the exceeding of the mentioned limitation is due to the cash inflows related to the capital increase made by the Company in December 2023, and there will be no such exceeding as of December 31, 2024.