

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

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024
AND INDEPENDENT AUDITOR’S REPORT**

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



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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

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

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. 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. Key audit matters were addressed in the context of our independent 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.

Key Audit Matters	How the key audit matter was addressed in the audit
Revenue recognition The Group realizes sales mostly in the form of turnkey and Land Subject to Revenue Sharing Agreements (“LSRSA”) projects.(“ASKGP”). The Group obtained sales revenue of 21.079.390 thousand TL from land sales and residential and commercial unit sales projected using the “LSRSA” method within the accounting period of 1 January - 31 December 2024. In turnkey projects, it is the Group’s responsibility to maintain and complete the project and the Group recognizes revenue when performance obligation is fulfilled (independent units are transferred to the customer). In LSRSA projects, the contractor completes the construction and regarding the project, the Group receives advance payments from the buyer and makes payments to the contractor. Revenue in LSRSA project is recognized when performance obligation is fulfilled (the earlier of the signing of the temporary acceptance protocol with the contractor and the signing of the delivery protocol with the buyer). As of the balance sheet date, there may be cases where the construction has been completed, but the delivery has not been realized for turnkey projects. In LSRSA projects, there may be cases where the construction has been completed as of the balance sheet date, but the delivery has not been realized and the temporary acceptance protocol has not been signed. Based on the above-mentioned situations, whether the revenue is recognized in the correct period in accordance with the principle of seasonality of sales has been determined as a key audit matter. Explanations regarding the Group’s revenue accounting policies and amounts are given in Note 2 and Note 17.	We performed the following procedures in relation to the revenue recognition in turnkey and LSRSA projects: The design and implementation of the controls on the revenue process have been evaluated. The sales and delivery procedures of the Group have been analyzed. For the turnkey projects, the provisions regarding the delivery of residential in the contracts with customers have been examined and the timing of the revenue recognition in the financial statements has been evaluated. Through substantive procedures, it has been focused on the record of receivables and advances received and the evaluation of the situations where the performance obligation is not fulfilled for the independent units sold as of the balance sheet date for the turnkey projects. For the LSRSA projects, provisions regarding the temporary acceptance and the delivery of residential in the projects made with contractors and timing of the revenue recognition in the financial statements has been evaluated. Through substantive procedures, it has been focused on the record of receivables and advances received and the evaluation of the situations where the performance obligation is not fulfilled for the independent units sold as of the balance sheet date for the LSRSA projects. In addition, the adequacy of the disclosures presented in Note 17 Revenue and Cost of Sales has been evaluated under TFRS.



Key Audit Matters	How the key audit matter was addressed in the audit
Impairment of inventories Inventories, as of December 31, 2024, amount to TL 167.219.003 thousand in the Group's financial statements and constitute 82% of total assets. Inventories consist of vacant land and plots and completed residential and commercial unit held by the Group for sale. The accounting policy regarding inventories is explained in footnote 2, and the total inventory balance as of the end of the year is explained in footnote 8. The Group takes into consideration independent expert valuation reports for inventory separately at least once a year and uses these reports to assess impairment if any. The current impairment is recognized in other expenses from main activities in the profit or loss and other comprehensive income statement in the period during which they are incurred. Due to the accounting of the impairment, impairment of vacant land and plots and completed residential and commercial unit to be sold is considered a key audit matter for our audit since it has a significant impact on both the statement of financial position and the statement of profit or loss and other comprehensive income.	We performed the following procedures in relation to the impairment on inventories: The qualification, competence and qualifications of the independent real estate appraisers appointed by the Group have been assessed. The appropriateness of the valuation methods included in the valuation reports have been assessed. It has been assessed whether the values assessed by the appraisers are within a reasonable range. The fair values of the inventories have been compared with the recorded cost values and the calculation of the impairment has been checked. The adequacy of the inventory impairment provision allocated in the current period has been assessed by comparing it with the impairment realized in the past period and the accounting of the inventory impairment allocated or reversed in the income statement has been checked. It has been assessed whether the amounts included in the inventory footnote and the standalone financial statements are consistent and whether the footnote explanations are sufficient in terms of TFRS.



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group 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.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards 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 responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 7 March 2025.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 7 March 2025

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current assets		188,736,805	164,388,932
Cash and cash equivalents	4	8,281,384	22,908,136
Financial investments		57,456	-
Trade receivables		6,179,673	11,415,451
<i>Trade receivables due from related parties</i>	24	7,738	5,437,793
<i>Trade receivables due from third parties</i>	6	6,171,935	5,977,658
Other receivables		1,190,400	1,422,171
<i>Other receivables due from related parties</i>	24	260,008	103,394
<i>Other receivables due from third parties</i>	7	930,392	1,318,777
Inventories	8	167,219,003	121,918,800
Prepaid expenses		430,457	186,396
<i>Prepaid expenses to third parties</i>	15	430,457	186,396
Other current assets	14	5,378,432	6,531,019
Current tax assets	22	-	6,959
Non-current assets		16,166,152	11,006,794
Trade receivables		4,345,978	6,524,624
<i>Trade receivables due from third parties</i>	6	4,345,978	6,524,624
Other receivables		25,751	34,550
<i>Other receivables due from third parties</i>	7	25,751	34,550
Investments accounted for using equity method		2,492	1,951
Investment properties	9	2,640,414	2,694,648
Right-of-use assets		23,185	7,005
Property, plant and equipment	10	2,010,683	1,635,383
Intangible assets	11	126,640	87,684
Prepaid expenses		945	-
Deferred tax assets	22	6,990,064	20,949
Total assets		204,902,957	175,395,726

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES AND EQUITY			
Current liabilities		108,054,429	89,842,559
Short-term borrowings	5	11,605,955	1,516,390
Short-term portions of long-term borrowings	5	1,299,223	3,151,366
<i>Lease liabilities</i>	5	3,039	1,363
<i>Bank Loans</i>	5	1,296,184	3,150,003
Trade payables		7,484,393	5,877,505
<i>Trade payables due to related parties</i>	24	-	-
<i>Trade payables due to third parties</i>	6	7,484,393	5,877,505
Other payables		3,029,087	1,698,440
<i>Other payables to related parties</i>	24	671	866
<i>Other payables to third parties</i>	7	3,028,416	1,697,574
Deferred income		83,983,354	77,067,455
<i>Deferred income from related parties</i>	24	4,510,624	5,077,835
<i>Deferred income from third parties</i>	15	79,472,730	71,989,620
Current period profit tax liability		127,307	-
Short-term provisions		525,110	531,403
<i>Short-term provisions for employee benefits</i>	13	94,785	152,142
<i>Other short-term provisions</i>	12	430,325	379,261
Non-current liabilities		1,045,406	2,924,627
Long-term borrowings	5	19,465	1,832,122
<i>Lease liabilities</i>	5	19,465	8,143
<i>Bank Loans</i>	5	-	1,823,979
Trade payables		369,224	533,485
<i>Trade payables due to third parties</i>	6	369,224	533,485
Other payables		472,836	303,974
<i>Other payables to third parties</i>	7	472,836	303,974
Deferred income		5,745	80,348
<i>Deferred income from third parties</i>	15	5,745	80,348
Long-term provisions		178,136	174,698
<i>Long-term provisions for employee benefits</i>	13	178,136	174,698
Shareholders' equity		95,803,122	82,628,540
Total equity attributable to equity holders of the Company		95,803,122	82,628,540
Paid-in capital	16	3,800,000	3,800,000
Adjustment to share capital	16	51,255,545	51,255,545
Treasury shares (-)		(64,648)	(64,648)
Share premium (discounts)		28,930,464	28,930,464
Other comprehensive expenses not to be reclassified under profit and loss		(22,799)	-
<i>Loss arising from defined benefit plans</i>		(22,799)	-
Other equity reserves		(1,739,204)	(1,739,204)
Restricted reserves appropriated from profit		8,685,316	8,685,316
Retained earnings		(8,238,933)	(2,356,491)
Net profit for the year		13,197,381	(5,882,442)
Non-controlling interests		-	-
Total liabilities and equity		204,902,957	175,395,726

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Revenue	17	31,899,173	41,141,913
Cost of sales (-)	17	(23,292,968)	(28,879,050)
Gross profit		8,606,205	12,262,863
General administrative expenses (-)	18	(3,438,317)	(5,018,182)
Marketing expenses (-)	18	(569,774)	(760,974)
Other income from operating activities	20	8,936,512	3,952,561
Other expenses from operating activities (-)	20	(4,394,937)	(5,042,092)
Operating profit		9,139,689	5,394,176
Income from investing activities		118	9,692
Expense from investing activities (-)		(875)	-
Operating profit before financial income		9,138,932	5,403,868
Financial income	21	3,474,303	5,921,041
Financial expenses (-)	21	(2,042,214)	(2,460,961)
Monetary loss	25	(4,043,087)	(14,960,263)
Profit/(loss) from continuing operations, before tax		6,527,934	(6,096,315)
Tax (expense)/income from continuing operations		6,669,447	213,873
<i>Current period tax expense</i>	22	(291,729)	-
<i>Deferred tax expense</i>	22	6,961,176	213,873
Net profit/(loss) for the period		13,197,381	(5,882,442)
Profit for the period is attributable to:			
Non-controlling interests		-	-
Owners of the Company		13,197,381	(5,882,442)
Other comprehensive income			
Items that will be reclassified to profit or loss	13		
<i>Actuarial losses related to</i>			
<i>employee benefit liabilities</i>		(30,738)	-
Taxes relating to Components of other comprehensive income that will not be reclassified to profit or loss		7,939	-
<i>Actuarial losses related to</i>			
<i>employee benefit liabilities, tax effect</i>	22	7,939	-
Other comprehensive expense		(22,799)	-
Total comprehensive income for the period		13,174,582	(5,882,442)
Total comprehensive income is attributable to:			
Non-controlling interests		-	-
Owners of the Company		13,174,582	(5,882,442)
Earnings per share (in full TRY)	23	0.34688	(0.15462)

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. VE BAĞLI ORTAKLIKLARI

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

							Other accumulated comprehensive income and expense not to be reclassified to profit or loss	Retained Earnings				
	Share capital	Adjustment to share capital	Treasury shares	Share premium/ discounts	Other equity reserves	Other Restricted reserves appropriated from profit	Gain/Loss on remeasurement of defined benefit plans	Retained earnings	Net profit for the period	Equity attributable to the parent	Non-controlling interest	Total equity
1 January 2023	3,800,000	51,255,545	(3,264,964)	28,930,464	-	8,470,072	-	(1,641,273)	1,306,714	88,856,558	-	88,856,558
Transfers	-	-	-	-	-	215,244	-	1,091,470	(1,306,714)	-	-	-
Dividend (*)	-	-	-	-	-	-	-	(1,806,688)	-	(1,806,688)	-	(1,806,688)
Increase/(decrease) due to share buy back transactions (**)	-	-	(957,953)	-	-	-	-	-	-	(957,953)	-	(957,953)
Transfers due to sale of shares	-	-	4,158,269	-	(4,158,269)	-	-	-	-	-	-	-
Share sale price (**)	-	-	-	-	2,419,065	-	-	-	-	2,419,065	-	2,419,065
Total comprehensive loss	-	-	-	-	-	-	-	-	(5,882,442)	(5,882,442)	-	(5,882,442)
31 December 2023	3,800,000	51,255,545	(64,648)	28,930,464	(1,739,204)	8,685,316	-	(2,356,491)	(5,882,442)	82,628,540	-	82,628,540
1 January 2024	3,800,000	51,255,545	(64,648)	28,930,464	(1,739,204)	8,685,316	-	(2,356,491)	(5,882,442)	82,628,540	-	82,628,540
Transfers	-	-	-	-	-	-	-	(5,882,442)	5,882,442	-	-	-
Total comprehensive income	-	-	-	-	-	-	(22,799)	-	13,197,381	13,174,582	-	13,174,582
31 December 2024	3,800,000	51,255,545	(64,648)	28,930,464	(1,739,204)	8,685,316	(22,799)	(8,238,933)	13,197,381	95,803,122	-	95,803,122

(*) At the Ordinary General Assembly Meeting held on 31 March 2023, the decision to distribute a cash dividend of TRY1,806,688 from the profits of 2022 was approved by majority vote. Since the Group owns its own shares with a nominal value of TRY1 at a rate of 4.26% as of 31 March 2023, the date of the profit distribution decision, the dividend related to the shares owned by the Group is netted off from the amount of dividends to be distributed. The dividend payment was made on 14 April 2023.

(**) As of 31 December 2023, it shows the effect of purchase/sale considering the orders matched during the period for the shares repurchased.

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Cash flows from operating activities			
Profit/(loss) for the period		13,197,381	(5,882,442)
Adjustments related to reconcile of net profit for the period			
Adjustments related to depreciation and amortization expenses	9, 10, 11, 18, 19	223,474	174,881
Adjustments related to tax expense (income)	22	(6,669,447)	(213,873)
Adjustments related to (reversal of) impairments (net)		(4,688,690)	(8,088,428)
Adjustments related to (reversal of) impairment of inventories (net)	8	(4,688,690)	(8,088,428)
Adjustments related to provisions		271,191	435,335
Adjustments related to (reversal of) provisions for employee benefits	13	90,271	388,415
Adjustments related to (reversal of) provision for lawsuit and other		180,920	46,920
Adjustments for interest (income) and expenses		(1,598,360)	(6,959,898)
Adjustments for interest income	20, 21	(5,215,782)	(9,908,486)
Adjustments for interest expense	20, 21	3,617,422	2,948,588
Adjustments related to (loss)/gain on disposal of property		757	(9,692)
(Loss)/gain on sale of property, plant and equipment		757	(9,692)
Monetary loss		4,068,568	9,897,546
Net cash from operations before changes in assets and liabilities		4,804,874	(10,646,571)
Changes in net working capital:			
Adjustments related to (increase)/decrease in trade receivable		2,224,181	(8,945,154)
Decrease/(increase) in trade receivables from related parties		4,399,781	(7,107,078)
Decrease/(Increase) in trade receivables from third parties		(2,175,600)	(1,838,076)
Adjustments related to decrease/(increase) in inventories		(40,611,513)	17,613,220
Adjustments related to increase/(decrease) in trade payables		3,995,482	3,631,991
Increase/(decrease) in trade payables to related parties		-	(2,418,747)
Increase/(decrease) in trade payables to third parties		3,995,482	6,050,738
Adjustments related to decrease/(increase) in other receivables related to operations		(1,482,640)	(5,691,167)
Adjustments related to increase/(decrease) in other payables related to operations		9,316,934	17,157,783
Adjustments related to other increase/(decrease) in working capital		(754,370)	(166,007)
Cash flows from operating activities			
Interest received		190,706	1,851,297
Payments related to provisions for employee benefits		(42,236)	(29,775)
Tax payment		(157,463)	(6,959)
Cash flows from operating activities, net		(22,516,045)	14,768,658
Sale of investment properties, property, plant and equipment and intangible assets	9, 10, 11	1,468	15,645
Purchases of investment properties, property, plant and equipment and intangible assets	9, 10, 11	(585,721)	(254,563)
Adjustments related to the increase/decrease in financial investments		(67,257)	-
Cash flows from investing activities		(651,510)	(238,918)
Payments to disposal entity's shares or other equity instruments		-	2,419,065
Payments to acquire entity's shares or other equity instruments		-	(957,953)
Proceeds from borrowings	5	15,742,711	9,205,774
Proceeds from loans		6,933,435	2,195,194
Proceeds from Issue of debt instruments		8,809,276	7,010,580
Repayments of borrowings	5	(6,930,449)	(12,541,215)
Loan repayments		(3,093,254)	(6,126,455)
Payments of issued debt instruments		(3,837,195)	(6,414,760)
Interest paid		(2,478,074)	(1,929,879)
Dividends paid		-	(1,806,688)
Interest received		5,025,076	4,919,744
Cash flow from financing activities		11,359,264	(691,152)
Inflation impact on cash and cash equivalents		(3,020,410)	(4,942,171)
Net increase (decrease) in cash and cash equivalents		(14,828,701)	8,896,417
Cash and cash equivalents at the beginning of the period	4	21,468,581	12,572,164
Cash and cash equivalents at the end of the period	4	6,639,880	21,468,581

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP

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

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

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

By the decision of the Board of Directors of Istanbul Stock Exchange Market on 26 November 2010, 25% portion of the Company's class B shares with a nominal value of TRY625,000 has been trading on the stock exchange since 2 December 2010.

The registered address of the Group is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 31 December 2024, the number of employees of the Group is 1,231 (31 December 2023 – 1,142).

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

The consolidated financial statements on 31 December 2024 have been approved by the Board of Directors on 7 March 2025.

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

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

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NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP (Continued)

Subsidiaries

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

	Subsidiaries		Main Operations	
	Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş.		Real Estate Investments	
	Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.		Production, Sales and Marketing	
	31 December 2024		31 December 2023	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	100	100	100
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	100	100	100

Shares in Joint Operations

Shares in Joint Operations of Emlak Konut GYO operate in Turkey and their main operations are as follows:

	Shares in Joint Operations		Main Operations	
	Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi –			
	Emlak Konut GYO A.Ş. (“İstmarina AVM Adi Ortaklığı”)		Shopping Mall and Office Management	
	Büyükyalı Tesis Yönetimi A.Ş.		Shopping Mall and Office Management	
	31 December 2024		31 December 2023	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Merkez Cadde Yönetim A.Ş.	30	30	30	30
İstmarina AVM Adi Ortaklığı	40	40	40	40
Büyükyalı Tesis Yönetimi A.Ş.	37	37	37	37

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

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

The consolidated financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 3 July 2024 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

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

Basis of Consolidation

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

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

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

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

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

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

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

2.1. Basis of Presentation (Continued)

Basis of Consolidation (Continued)

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

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

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

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

Changes in the Group's Ownership Interests in Existing Subsidiaries

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

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

Investments in Associates and Joint Ventures

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

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

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

2.1. Basis of Presentation (Continued)

Basis of Consolidation (Continued)

Investments in Associates and Joint Ventures (Continued)

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

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

Interests in Joint Operations

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

Adjustment of Consolidated Financial Statements in Hyperinflation Periods

It has been decided that institutions registered in CMB and import companies obligated to apply financial statement adjustments stated in TAS/TFRS are required to apply hyperinflation accounting by implementing TAS 29 to financial statements for the year ended 31 December 2024, according to the rule number 81/1820 declared by CMB dated in 28 December 2023.

A statement has been made by POA at 23 November 2023 regarding the scope and implementation of TAS 29. POA stated that corporations implementing TAS/TFRS are required to present their financial statements for the year 31 December 2023 and forward adjusted to the inflation impact according to the accounting principles stated in TAS 29.

TAS 29 is implemented to any financial statements of a company whose functional currency is the currency of a hyperinflation economy, including consolidated financial statements. If an economy experiences hyperinflation, then according to TAS 29, a company whose functional currency is the currency of a hyperinflation economy needs to present its financial statements in terms of unit of measurement effective at the end of period.

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

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

Because of cumulative change of purchasing power for the last three years in relation to Consumer Price Index (CPI) is more than 100% as of current period, corporations operating in Turkey are obligated to implement TAS 29 for the year ended 31 December 2023 and forward.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TSI). As of 31 December 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

Procedure of TAS 29 is presented below:

- All accounts, excluding accounts that are presented with current purchasing power at the current period, are restated with their related price index correlation. Same method is applied for previous years.
- Monetary balance sheet accounts are not restated because these accounts are presented with current purchasing power at the current period. Monetary accounts are accounts that are either received or paid in cash.
- Fixed assets, subsidiaries and similar assets are restated through their historic cost, in a way not exceeding their market value. Same method is applied to depreciation and amortization accounts. Equity balances are restated with price correlations according to the dates these balances.
- All income statement accounts, excluding income statement accounts that are counterparty to non-monetary accounts of balance sheet, are restated based on the price correlations of the date they entered financial statements.
- Net monetary profit or loss resulting from inflation is the difference of adjustments made to non-monetary balance sheet accounts, equity accounts and income statement accounts. Net monetary profit or loss is then included in net profit or loss.

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

2.1. Basis of Presentation (Continued)

Functional and Presentation Currency

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

Offsetting

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

2.2. Changes in accounting policies, accounting estimates and errors

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

2.3. Conformity with the Portfolio Limitations

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

2.4. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these consolidated financial statements are summarized below:

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

2.4. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial. The contractors' portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. However, since the Group does not have the right of disposition of the cash and cash equivalents used in the cash flow statements, except for keeping these amounts in time deposit accounts, these amounts are exempted from cash and cash equivalents in the cash flow statement (Note 4).

Related Parties

Shareholders, key management personnel, Board of Directors, close family members, and companies which are controlled by those are regarded as related party for the purpose of preparation of these consolidated financial statements. In accordance with TAS 24 – Related party standards, the description of related parties has been restricted. The Group has also transactions with State owned banks and the Republic of Turkey Ministry Under Secretariat of Treasury (the "Treasury") however quantitative information regarding Turkish State Banks and Treasury is not disclosed in accordance with this exemption. The ultimate parent and ultimate controlling party of the Group is ("TOKİ"). TOKİ is a State institution under control of Republic of Turkey Prime Ministry. The transactions made between the Group and TOKİ and its affiliates are presented in Note 24.

Foreign Currency Transactions

The foreign exchange transactions during the year are translated using the prevailing exchange rates on the related transaction dates. The foreign currency exchange gain and losses that arise by the exchange rate change based on monetary assets and liabilities are presented in the comprehensive income statement.

Financial Investments

Classification

The Group classifies its financial assets as "Financial assets at amortised cost", "fair value through other comprehensive income", "fair value through profit or loss". The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group makes the classification of its financial assets on the date of purchase. Financial assets are not reclassified after initial recognition, except where the business model of the Group used is changed for the management of financial assets, in case of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

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

2.4. Summary of Significant Accounting Policies (Continued)

Recognition and Measurement

“Financial assets measured at amortized cost” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. The Group’s financial assets that are recognized at amortized cost include “cash and cash equivalents”, “trade receivables” and “other receivables”. In the initial recognition, the related assets are measured at fair value, and, in subsequent accounting, they are measured at discounted cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in profit or loss.

“Financial assets measured at FVTOCI” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. Gains or losses resulting from the related financial assets are recognized in other comprehensive income, except for impairment losses or gains and foreign exchange income or expenses. In case of sale of such assets, the valuation differences classified in other comprehensive income are classified to prior years’ profits. For investments in equity-based financial assets, the Group may irrevocably choose the method of reflecting subsequent changes in the fair value of other comprehensive income to the financial statements for the first time. In the event that such preference is made, dividends received from related investments are recognized in the income statement.

“Financial assets measured at fair value through profit or loss”, are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Derecognition of Financial Assets

The Group derecognizes financial assets when the rights related to the cash flows that occur in accordance with the contract related to the financial asset expire or when the Group transfers the ownership of all the risks and returns related to the financial asset through a trading transaction. Any rights created or retained to the financial assets transferred by the Group are recognized as a separate asset or liability.

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

2.4. Summary of Significant Accounting Policies (Continued)

Financial Investments (Continued)

Impairment

Impairment on financial assets and contractual assets is calculated using the "expected credit loss financial model" (ECL). Impairment model is applied to amortized cost financial assets and contractual assets. Loss provisions were measured on the following basis;

- 12-month ECLs: ECLs resulting from possible default events within 12 months of the reporting date.
- Lifetime ECLs: the ECLs resulting from all possible default events during the expected life of a financial instrument. Lifetime ECL measurement is applied at the reporting date when the credit risk associated with a financial asset increases significantly after the initial recognition. In all other cases where the related increase was not observed, the 12 month estimation of ECL was applied.

The Group 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. Nevertheless, lifelong ECL measurement (simplified approach) is always applicable to trade receivables and contract assets without a significant financing element.

Trade Receivables and Payables

Trade receivables are recognized at amortized value of the amount will be received in the following periods from receivables recorded at original invoice value. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. A "simplified approach" is applied for the impairment of trade receivables, which are accounted for at amortized cost and which do not include a significant financing component (less than one year). In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses are measured by an amount equal to the "life time expected loan losses".

In the event that all or some of the amount of the receivable that is impaired is collected following the provision for impairment, the amount collected is recognized in other income from operating activities by deducting the provision for impairment.

Income/expenses from maturity differences and foreign exchange gains/loss related to transactions are recognized under "Other Income/Expenses from Operating Activities" in the statement of profit or loss.

Trade payables consist of payables to suppliers for purchases of goods and services. Trade payables and other liabilities are offset from unaccrued financial expenses. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts to be paid of payables recognized at original invoice cost in the subsequent periods, using effective interest method. Short-term payables without a determined interest rate stated at amortized cost if the effect of the original effective interest rate is not too significant. HAS payables are classified as short-term payables and stated at carrying value since they will be paid upon beneficiaries' request.

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

2.4. Summary of Significant Accounting Policies (Continued)

Financial Liabilities

Financial liabilities are classified as at FVTPL on initial recognition. Financial liabilities are recognized with their acquisition costs including transaction costs and then measured at amortized cost value using the effective interest rate method. In cases where the contractual obligations are fulfilled or canceled; The Group derecognizes the financial liability from its records (Note 5).

Employment Termination Benefits

Provision for employee termination benefit defines the current value of total expected provision for the liabilities due to retirement of the employees. Under Turkish labor law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of full TRY 41,828.42 as of 31 December 2024 (31 December 2023: full TRY 23,489.83).

The provision for the present value of the defined benefit obligation is calculated by using the projected liability method. All actuarial profits and losses are recognized in the statement of comprehensive income.

TFRS requires actuarial valuation estimates to be developed to estimate the obligation underdefined benefit plans. In the individual financial statements, the Group calculates a liability on the basis of its experience in the previous years, based on its experience in the past, and on the beneficiaries of the severance payment as of the date of termination. This provision is calculated by estimating the present value of the future probable obligation of the employees.

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of full TRY 46,655.43 which is effective from 1 January 2025 has been taken into consideration when calculating the liability (1 January 2024: full TRY 41,828.42) (Note 13).

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

2.4. Summary of Significant Accounting Policies (Continued)

Provisions, Contingent Assets and Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in consolidated financial statements and are treated as contingent assets or liabilities.

Land and Residential Unit Inventories

The Group has four types of inventories in its consolidated financial statements. These are;

1. Vacant Land and Plots

Vacant land and plots are carried at lower of cost or net realizable value and represent vacant land and plot of the Group with no ongoing or planned construction project on them. Such land and plots are classified as inventories because the Group uses such land and plots the development of residual and commercial units, as explained below, which are also classified as inventories.

2. Turnkey Projects

Turnkey projects are valued at lower of cost or net realizable value. Turnkey projects costs consist of construction costs of the semi-finished residential units together with the cost of land (progress payments to contractor) on which these projects are developed. Upon completion of residential units costs including the cost of land are classified under completed residential unit inventories.

3. Land Subject to Revenue Sharing Agreements ("LSRSA")

The Group enters into revenue sharing agreements with construction entities to maximize sales proceeds from the sale of its vacant land and plots. Such land and plot sold subject to revenue share agreements to construction entities are accounted at cost until sale is recognized.

4. Completed Residential and Commercial Unit Inventories

Completed residential and commercial units comprise units build in Turnkey projects and units transferred to the Group by the contractor in order to meet minimum revenue stated in the agreements when the projects can not reach the expected revenue as stated in the agreements signed within the framework of LSRSA.

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

2.4 Summary of Significant Accounting Policies (Continued)

Land and Residential Unit Inventories (Continued)

4. Completed Residential and Commercial Unit Inventories (Continued)

Completed residential and commercial unit inventories are valued at lower of cost or net realizable value.

The Group takes into consideration independent expert valuation reports for inventory (land, finished and semi-finished residential and commercial units) separately at least once a year and uses these reports to assess impairment if any. Fair values are determined on the basis of the price that would be realized on the valuation date between a willing buyer and a willing seller in an arm's length transaction, using the arm's length comparison method. Impairments are recognized under other expenses from operations in the statement of profit or loss and comprehensive income in the period during which they are incurred. Impairments released are recognized under other income from operations when the relevant land or residential are sold.

Property, Plant and Equipment

Property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. The cost value also includes costs that can be directly attributed to the asset to perform its operation as planned. Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives (Note 10).

The expected useful lives for property, plant and equipment are stated below:

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

The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed of performance of the existing asset will flow to the Group and major subsequent expenditures are depreciated over the remaining useful life of the related assets. All other expenses other than these items are recognized as expense.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the provision for impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by comparing the carrying of the property and equipment with the collected amount and then included in the related income and expense accounts, as appropriate.

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

2.4 Summary of Significant Accounting Policies (Continued)

Intangible Assets

Intangible assets comprise of licenses and computer software. They are initially recognized at acquisition cost and amortized on a straight-line basis over 5 years their estimated useful lives (Note 11). Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount.

Investment Properties

Investment properties are defined as land and buildings held to earn rental income or capital appreciation or both, rather than for use in the production of goods or services or for administrative purposes; or sale in the ordinary course of business. The Group uses cost model for all investment properties. Investment properties are presented in the consolidated financial statements at cost less accumulated depreciation and less impairment, if any (Note 9). Investment properties consist of residences and buildings and their economic life is 40 years.

Impairment of Assets

The Group reviews all assets subject to amortization at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is projected. Impairment exists if the carrying value of an asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life.

Impairment losses are recorded in the comprehensive income statement. Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment. The Group takes the valuation reports for each property separately into consideration over investment property at least once a year to compare carrying value of assets with its net recoverable value and calculate the impairment if any.

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

2.4. Summary of Significant Accounting Policies (Continued)

Taxation

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

According to Article 5/1(d)(4) of the Corporate Tax Law No. 5520 ("CTL"), income derived from real estate investment trusts (REITs) is exempt from corporate tax. However, with Law No. 7524, certain conditions have been introduced for the corporate tax exemption applicable to REITs as of 1 January 2025. Accordingly, if at least 50% of the income derived from real estate is distributed as dividends, the tax rate applicable to corporate income will be 10%. Therefore, a 30% tax rate, applicable to undistributed profits, is used in the calculation of current and deferred tax assets and liabilities. The subsidiaries, associates, and joint ventures of the Group are subject to corporate tax applicable in Turkey. Necessary provisions have been recognized in the accompanying financial statements for the Group's estimated tax liabilities related to the current period's operating results.

Deferred Tax

Due to tax regulations, taxable or deductible temporary differences recognized in the financial statements as of 31 December 2024, have been calculated by applying the 30% tax rate applicable to undistributed profits for periods after 1 January 2025, to determine deferred tax liabilities or assets. In accordance with the letter titled "Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds" sent to REITs by the Public Oversight, Accounting, and Auditing Standards Authority (POA) on 12 February 2025, the deferred tax asset arising from the legislative change is reflected in the statement of profit or loss for 2024 in the financial statements dated 31 December 2024.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets consist of deductible temporary differences are recognized on the condition that it is highly probable that the differences can be utilised by earning future taxable profit. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

2.4. Summary of Significant Accounting Policies (Continued)

Deferred Tax (Devamı)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment Reporting

Operating segments shall be reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. However, since the Group operates in only one geographical segment (Turkey) and all of its operations are concentrated in one industrial department (development of residential projects on its vacant land and plot inventories), the Group does not prepare a segment report.

Chief operating decision maker of the Group is its Board of Directors. Board of Directors uses quarterly consolidated financial statements of the Group prepared in accordance with the TFRS when making decisions.

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

2.4. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Group recognizes revenue in the financial statements within the 5-step model below in accordance with TFRS 15 “Revenue from Contracts with Customers” standard that is effective as of 1 January 2018.

- (a) Identify the contract(s) with a customer
- (b) Identify the performance obligations in the contract
- (c) Determine the transaction price
- (d) Allocate the transaction price to the performance obligations in the contract
- (e) Recognize revenue when the entity satisfies a performance obligation

Revenue is comprises of sale of vacant land and plots, sale of residential units produced by turnkey projects and sale of land and plots by way of LSRSA.

1. Sale of Vacant Land and Plots

Revenue is recognized when the unprojectized lands are transferred to the customer according to the contract and performance obligations are fulfilled. Unprojectized land are carried over when the customer takes control of the land.

2. Sale of Residential Units Produced by Turnkey Projects

Revenue is recognized when the independent units are transferred to according to the contract and performance obligations are fulfilled. Residential units are carried over when the customer takes control of the units.

3. Sale of land and plots by way of LSRSA

The Group recognizes the revenue for the sale of land by way of LSRSA when performance obligations (the one before the signing of the temporary acceptance protocol with the contractor or the signing of the delivery protocol with the buyer) are fulfilled. In cases where the temporary acceptance protocol or delivery protocol with the buyer is not signed, the Group follows-up its revenue share in the deferred revenue (Note 15) and the share of the construction entity as a liability to contractors (Note 5). The Group’s share in the Total Sales Revenue (“TSR”) is recorded as revenue from sale of land and the related cost of land is recognised as cost of land sold in the comprehensive income statement (Note 17).

4. Consultancy revenues

The Group provides project consultancy services as its core business. Within the scope of consultancy services, the Group undertakes works such as controlling the production processes of customers' projects, sales and follow-up of the project to third parties. The Company recognizes consultancy income on a periodic accrual basis, taking into account the substance of the contract.

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

2.4. Summary of Significant Accounting Policies (Continued)

Interest Income and Expense

Interest income and expense are recognised on an accrual basis using the internal rate of return method. Interest income comprises mostly interest income from time deposits and interest income from credit sales of residences (Note 21).

Paid-in Capital

Ordinary shares are classified in equity. Costs related to the issue of new shares are recognized in equity less the amounts discounted by tax effect.

Treasury Shares

Repurchased shares are recognized in the financial statements in accordance with the CMB's Communiqué No. II-22.1 "Treasury Shares". In the statements of shareholders' equity, it is recorded under "Repurchased Shares" account. In addition, in accordance with the related communiqué the amount equal to the repurchase price of the repurchased shares as "Reserves related to the repurchased shares restricted reserves".

Share Premium

Share premiums represent the difference between the fair value of the shares held by the Group at a price higher than the nominal value of the Group or the difference between the fair value and the fair value of the shares of the Group that the Group has acquired. Expenses that are directly attributable to the secondary public offering, in which the shares are re-issued and provide cash inflows to the Group, are deducted from the premiums on issue of share sales.

Earnings Per Share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of their shares "bonus shares" to existing shareholders funded from retained earnings. For the purpose of earnings per share computations, such "bonus share" issuances are regarded as issued shares. Accordingly, the weighted average number of shares used in earnings per share computations are determined by taking into consideration the retroactive effect of aforementioned share distributions. In case of increase in issued shares after balance sheet date but before the date that consolidated financial statement is prepared due to the bonus share distribution, earning per share calculation is performed taking account of total new share amount.

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

2.4. Summary of Significant Accounting Policies (Continued)

Payments for Housing Acquisition Support ("HAS")

HAS was a compulsory of saving fund, established by the state to be used by fund participants in the future for acquisition of affordable housing between 1987 and 1995. This system aimed to collect the deducted amounts in a single account, apply interest to the savings and provide the employees with these contributions at the time they wish to acquire a house/residential unit in the future. However, this project was suspended in 1996 and as per decree law No. 588, issued in 1999, the decision was taken to terminate the HAS accounts. With this decree law, real estate corresponding to the monetary value of the HAS deductions which were held by Emlak Bankası was transferred to the Company.

Within the scope of Law No. 5664, dated 30 May 2007, and the regulation issued on 14 August 2007, the decision was taken to pay back these savings, which were still held as capital in kind in the accounts of the Company, to the HAS beneficiaries. Accordingly, the shares of HAS beneficiaries were removed from the Company's equity capital and comprehensive income for the current period based on the ratios specified in the law and recognized as debts to HAS beneficiaries under other payables. The amount payable was determined as the share in the net asset value of the Company at 28 February 2008. The payable amount does not bear any interest or does not change with subsequent changes in the net asset value in subsequent periods and is payable on demand any date after 28 February 2008. The Company has borrowed funds from the Treasury to make such payments.

In addition, the Treasury has an interest liability against HAS beneficiaries calculated before 1999. In accordance with an agreement signed in 2008, the Company undertook this liability on behalf of the Treasury and recorded as payable be paid together with the Company's own payables. However, Company resources are not used for this extra liability. Since all payments are made on behalf of the Treasury, they are instantly collected by cashing the government bonds given for these payments from the Treasury to the Company beforehand.

In accordance with the relevant articles of Law No. 5564 on HAS to the Owners of KEY and Payment to the Rightholders, the receivables that are not requested within five years from the announcement date are recorded as revenue to the Treasury. Due to the expiry of the payment request period of the beneficiaries in the current period, the Company's receivables and debts obligations within the scope of HAS have expired.

Dividend Distribution

Dividends payable are recognized as an appropriation of the profit in the period in which they are declared and reflected in the Group's financial statements as liability.

Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from its main activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

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

2.4. Summary of Significant Accounting Policies (Continued)

Statement of Cash Flows (Continued)

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

Events After the Reporting Period

Events after the reporting period cover any events that arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its standalone financial statements if such events arise which require an adjustment to the standalone financial statements (Note 30).

2.5 Critical Accounting Judgements, Assumptions and Estimates

The preparation of financial statements requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated 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 both the actual results may differ and not material for these financial statements.

Net Realizable Value of Lands and Residential Inventories

When the estimated net realizable value of land and commercial units is less than the cost value, the allowance is recognized to reduce the value of inventories to their estimated net realizable value. As of 31 December 2024, valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. have been taken into consideration when determining the net realizable value of lands and residential inventories.

Provisions for Lawsuits

As of 31 December 2024, lawsuits filed against the Company, possible and potential lawsuits against the Company Provision has been recognized for the parts for which an outflow of resources is probable, based on the opinion of the lawyers. According to the legal judgment of the lawyers, there is no risk of outflow of resources for the cases for which no provision has been recognized. is not seen.

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

2.6. Comparative Information

To facilitate the identification of financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period. Comparative information is reclassified when necessary to ensure consistency with the presentation of the current period's consolidated financial statements, and significant differences are explained.

Except for the changes mentioned in the paragraph below, the Group has applied consistent accounting policies in its consolidated financial statements for the presented periods and has not made any significant changes in accounting policies or estimates during the current period.

In order to align with the presentation in the cash flow statement dated 31 December 2024, the monetary loss/gain balance of TRY 9,884,342 on cash and cash equivalents as of 31 December 2023, has been reclassified to monetary loss/gain arising from operating activities.

NOTE 3 – ACCOUNTING POLICIES

The Consolidated financial statements as of 31 December 2024 have been prepared by applying accounting policies that are consistent with the accounting policies applied in the preparation of the financial statements for the year ended 31 December 2024. Therefore, the consolidated financial statements should be read together with the end-of-year financial statements in order to create coherence.

3.1 New and Revised Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations effective as of 1 January 2024.

i) The new standards, amendments and interpretations which are effective as of 31 December 2024 are as follows

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Financial Reporting Standards (Continued)

i) The new standards, amendments and interpretations which are effective as of 31 December 2024 are as follows (Continued)

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 31 December 2024

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

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Financial Reporting Standards (Continued)

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 31 December 2024 (Continued)

- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces financial statements available for public use that comply with IFRS Accounting Standards.

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	91	111
Banks	6,151,030	22,204,157
- Demand deposit	431,934	112,881
- Time deposits with maturities less than 3 months	5,719,096	22,091,276
Other cash and cash equivalents	2,130,263	703,868
	8,281,384	22,908,136

Maturities of cash and cash flows are as follows:

	31 December 2024	31 December 2023
Demand	431,934	112,881
Up to 3 month	5,719,096	22,091,276
	6,151,030	22,204,157

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

	31 December 2024	31 December 2023
	(%)	(%)
Effective annual interest rate	46.34	40.58

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

	31 December 2024	31 December 2023
Cash and cash equivalents	8,281,384	22,908,136
Less: Interest accruals on deposits	(3,079)	(173,208)
Less: LSRSA project deposits (*)	(1,641,783)	(1,290,341)
Add: the effect of provisions released under TFRS 9	3,358	23,994
	6,639,880	21,468,581

(*) The contractors' portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. There is no blocked deposit (31 December 2023: None) project accounts amounting TRY1,641,783 (31 December 2023: TRY1,290,341).

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NOTE 5 – FINANCIAL LIABILITIES

	31 December 2024	31 December 2023
Short-term financial liabilities		
Short-term bank loans	6,458,455	216,981
Issued debt instruments (*)	5,147,500	1,299,409
Short-term portion of long-term borrowings	1,296,184	3,150,003
Lease obligation	3,039	1,363
	12,905,178	4,667,756

(*) The Company issued lease certificates on various dates, including 9 September 2024 (TRY 1,122,000 and TRY 500,000, maturing on 10 January 2025, at 45%), 10 October 2024 (TRY 1,000,000, maturing on 16 January 2025, at 46%), 13 November 2024 (TRY 1,000,000, maturing on 12 February 2025, at 44%), 25 November 2024 (TRY 300,000, maturing on 26 May 2025, at 43%), and 10 December 2024 (TRY 1,225,500, maturing on 12 June 2025, at 42.5%), while previously issuing two lease certificates on 5 October 2023 (TRY 577,515, maturing on 3 January 2024, with a 38% profit share) and 15 November 2023 (TRY 721,894, maturing on 15 February 2024, with a 40% profit share).

	31 December 2024	31 December 2023
Long-term financial liabilities		
Long-term borrowings	-	1,823,979
Lease obligation	19,465	8,143
	19,465	1,832,122

Borrowings used as of 31 December 2024 are denominated in TRY and the weighted average interest rate is 48.38% (31 December 2023: 20.66%).

The redemption schedules of the borrowings as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
2025	-	1,823,979
	-	1,823,979

The maturity distributions of the borrowings are as follows:

	31 December 2024	31 December 2023
Less than 3 months	2,345,300	1,435,992
Between 3 - 12 months	10,556,839	3,230,401
Between 1 - 5 years	-	1,823,979
	12,902,139	6,490,372

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NOTE 5 – FINANCIAL LIABILITIES (Continued)

As of 31 December 2024 and 2023, the movement schedule of financial borrowings is as follows:

	2024	2023
Opening balance, 1 January	6,490,372	14,717,757
Additions during the period	15,742,711	9,205,774
Payments during the period	(6,930,449)	(12,541,215)
Interest accruals	1,139,348	1,164,722
Monetary loss	(3,539,843)	(6,056,666)
Closing balance, 31 December	12,902,139	6,490,372

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 December 2024	31 December 2023
Receivables from sale of residential and commercial units	4,288,410	2,803,094
Receivables from contractors of the lands invoiced under LSRSA	1,225,209	2,024,872
Receivables from land sales	1,110,492	1,179,140
Notes of receivables	149,567	305,212
Receivables from lessees	69,501	99,493
Due from related parties (Note 24)	7,738	5,437,793
Other	20,174	12,783
Unearned finance income	(691,418)	(446,936)
	6,179,673	11,415,451
Doubtful receivables	12,462	7,570
Less: Provision for doubtful receivables	(12,462)	(7,570)
	6,179,673	11,415,451
	31 December 2024	31 December 2023
Long-term trade receivables		
Receivables from sale of residential and commercial units	5,762,153	5,855,503
Receivables from land sales	710,650	2,102,269
Unearned finance income	(2,126,825)	(1,433,148)
	4,345,978	6,524,624

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2024	31 December 2023
Short-term trade payables		
Trade payables	5,764,136	3,631,785
Payables to LSRSA contractors invoiced	1,475,278	1,333,892
Interest accruals on time deposits of contractors (*)	244,979	911,828
	7,484,393	5,877,505

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

	31 December 2024	31 December 2023
Long-term trade payables		
Trade payables	369,224	533,485
	369,224	533,485

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short-term other receivables		
Advances given to contractor firms	802,116	778,890
Other receivables from related parties (Note 24)	260,008	103,394
Receivables from the authorities	31,843	40,422
Other	96,433	499,465
	1,190,400	1,422,171

	31 December 2024	31 December 2023
Long-term other receivables		
Other receivables from third parties	24,737	33,086
Deposits and guarantees given	1,014	1,464
	25,751	34,550

	31 December 2024	31 December 2023
Short-term other payables		
Taxes and funds payable	2,901,914	1,563,775
Other payables to related parties (Note 24)	671	866
Other	126,502	133,799
	3,029,087	1,698,440

As of 31 December 2024, other long-term payables are amount to TRY 472,836 and consist of deposits and guarantees received (31 December 2023: TRY 303,974)

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NOTE 8 – INVENTORIES

	31 December 2024	31 December 2023
Lands	49,330,319	26,997,245
<i>Cost</i>	53,007,743	35,241,795
<i>Impairment</i>	(3,677,424)	(8,244,550)
Planned land by LS RSA	43,820,333	48,637,834
Planned land by turnkey project	11,812,160	31,161,158
<i>Planned land by turnkey project</i>	11,812,160	38,170,369
<i>Impairment (*)</i>	-	(7,009,211)
Residential and commercial units ready for sale	42,110,545	12,341,363
<i>Cost</i>	50,200,505	13,998,283
<i>Impairment</i>	(8,089,960)	(1,656,920)
Inventories of Emlak Konut Asansör	2,488,684	1,070,557
Advances given for inventories (**)	17,656,962	1,710,643
<i>Cost</i>	18,111,569	1,710,643
<i>Impairment</i>	(454,607)	-
	167,219,003	121,918,800

(*) It is the provision for impairment due to the increase in construction costs in the Global and Turkish markets.

(**) As of 31 December 2024, TL 15,118,731 of the advances given for inventory consists of the amount paid for 1,615 independent units purchased within the scope of the Yeni Fikirtepe Project, undertaken on behalf of the Republic of Türkiye Ministry of Environment, Urbanization, and Climate Change.

The determination of the net realizable value of the Company's assets classified as "Inventories" and the calculation of any impairment provision, if necessary, have been based on valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş., and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. as of 31 December 2024.

The movements of impairment on inventories are as follows:

	2024	2023
Opening balance at 1 January	16,910,681	24,999,109
Impairment on inventories within the current period	2,418,720	10,007,089
Reversal of impairment on inventories within the current period	(7,107,410)	(18,095,517)
Closing balance at 31 December	12,221,991	16,910,681

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NOTE 8 – INVENTORIES (Continued)

As of 31 December 2024 and 2023 the details of land and residential inventories of the Group are as follows:

Lands	31 December 2024	31 December 2023
İstanbul Esenler Lands	20,848,361	5,010,556
İstanbul Küçükçekmece Lands	8,316,344	7,204,817
İstanbul Avcılar Lands	5,808,911	4,159,539
Muğla Bodrum Lands	4,840,510	5,260,891
İzmir Çeşme Lands	1,691,905	-
Aydın Didim Lands	1,604,384	-
İstanbul Başakşehir Lands	1,189,657	1,469,813
Antalya Alanya Lands	1,005,378	-
İstanbul Arnavutköy Lands	881,704	640,248
İstanbul Çekmeköy Lands	721,048	695,146
İstanbul Kartal Lands	591,033	129,407
İzmir Urla Lands	486,495	459,110
İzmir Aliağa Lands	366,386	302,300
İstanbul Resneli Lands	208,956	229,285
Antalya Konyaaltı Lands	166,675	-
İzmir Seferihisar Lands	116,677	170,764
Tekirdağ Çorlu Lands	107,068	106,591
Zonguldak Merkez Lands	97,909	-
İstanbul Tuzla Lands	97,720	98,248
Sakarya Sapanca Lands	61,009	66,947
İstanbul Eyüp Lands	56,293	571,529
Yalova Lands	41,172	-
İstanbul Sarıyer Lands	14,022	14,275
Kocaeli Lands	6,438	21,840
Muğla Milas Lands	-	213,311
İzmir Konak Umurbey Lands	-	70,323
Balıkesir Lands	-	18,875
Ankara Çankaya Lands	-	30,231
Other	4,264	53,199
	49,330,319	26,997,245

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NOTE 8 - INVENTORIES (Continued)

Planned land by LSRSA	31 December 2024	31 December 2023
Nidapark İstinye Project	6,566,899	6,570,542
Bizim Mahalle 2. Etap 2. Kısım Project	3,654,680	3,656,865
Merkez Ankara Project	3,278,179	3,279,993
Nidapark Küçükyalı Project	3,229,163	3,230,950
Yeni Levent Project	2,319,672	2,318,203
Bizim Mahalle 2. Etap 1. Kısım Project	2,129,751	2,130,930
Çekmeköy Çınarköy Project	2,016,069	2,017,184
Batıyakası 2. Etap Project	1,725,138	1,726,092
Next Level İstanbul Project	1,597,530	1,598,414
Beşiktaş Akat Project	1,572,831	1,538,585
Ümraniye İnkılap Project	1,458,229	1,457,655
İstanbul Kayabaşı 9. Etap Project	1,426,554	1,427,343
Başakşehir Ayazma 4. Etap Project	1,288,970	1,289,684
İstanbul Tuzla Merkez Project	1,274,470	1,275,175
Meydan Başakşehir Project	986,009	1,910,120
İstanbul Kayabaşı 8. Etap Project	973,331	966,822
Batıyakası 1. Etap Project	946,827	1,122,910
İstanbul Eyüpsultan Kemerburgaz Project	930,793	931,265
Avcılar Firüzköy 1. Etap 2. Kısım Project	899,554	900,450
Avcılar Firüzköy 2. Etap Project	888,487	888,978
Avcılar Firüzköy 1. Etap 1. Kısım Project	826,583	826,242
Nişantaşı Koru Project	736,564	4,582,732
Bodrum Türkbükü Project	670,076	670,447
Nezihpark Project	410,857	411,072
Antalya Aksu Project	361,074	360,186
Barbaros 48 Project	354,194	354,147
İstanbul Ataşehir Küçükbakkalköy Project	332,992	333,174
İstanbul Kayabaşı 10. Etap Project	311,110	311,282
Muğla Milas Meşelik Project	213,322	-
Cer İstanbul Project	205,123	205,237
Ankara Çayyolu 2. Etap Project	174,842	174,874
Allsancak Project	37,926	-
Other	22,534	170,281
	43,820,333	48,637,834

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NOTE 8 - INVENTORIES (Continued)

Residential and commercial units ready for sale	31 December 2024	31 December 2023
Çekmeköy Konut Parselleri 2. Etap Project	5,276,075	-
Çekmeköy Villa Parselleri Project	4,847,232	-
Merkez Ankara Project	4,150,047	5,494,454
Çekmeköy Konut Parselleri 3. Etap 4. Kısım Project	3,855,318	-
Çekmeköy Konut Parselleri 3. Etap 1. Kısım Project	3,082,650	-
Çekmeköy Konut Parselleri 3. Etap 3. Kısım Project	2,789,659	-
Ataşehir Küçükbakkalköy Project	2,625,000	-
Bizim Mahalle 1. Etap 3. Kısım Project	2,510,550	-
Balıkesir Altıeylül Gümüşçeşme Project	2,237,388	-
Saraçoğlu Mahallesi Project	1,921,564	-
Kuzey Yakası Project	1,725,533	1,980,171
Maslak 1453 Project	1,309,970	1,398,355
Çekmeköy Konut Parselleri 4. Etap 3. Kısım Project	1,161,240	-
Bizim Mahalle 1. Etap 4. Kısım Project	939,834	-
Komşu Finans Evleri Project	798,858	1,052,178
Hoşdere Vadi Evleri 1. Etap Project	714,495	-
Çekmeköy Konut Parselleri 4. Etap 1. Kısım Project	381,011	-
Hoşdere Vadi Evleri 2. Etap Project	330,518	-
Samsun Canik Kentssel Dönüşüm Project	327,603	-
Sarphan Finanspark Project	314,015	435,179
Bizim Mahalle 1. Etap 1. Kısım Project	310,817	563,288
Bizim Mahalle 1. Etap 2. Kısım Project	121,593	322,012
Semt Bahçekent 1. Etap 2. Kısım Project	93,078	93,078
Denizli Merkez Efendi İkmal İşİ Project	74,063	515,629
Büyükyalı Project	43,418	43,418
İdealist Cadde / Koru Project	33,050	-
Metropol İstanbul Project	27,989	27,989
Karat 34 Project	18,472	55,336
Kocaeli Körfezkent Emlak Konutları Project	8,850	11,550
Göl Panorama Project	4,419	4,419
Başakşehir Ayazma Emlak Konutları Project	4,310	4,311
Temaşehir Project	1,430	3,409
Evora Denizli Project	-	20,714
Yalova Armutlu Project	-	70,496
Emlak Konut Florya Evleri	-	111,794
Köy 2. Etap Project	-	80,807
Nidapark İstinye Project	-	47,742
Other	70,496	5,034
	42,110,545	12,341,363

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NOTE 8 - INVENTORIES (Continued)

Planned land by turnkey project	31 December 2024	31 December 2023
Arnavutköy Yenişehir Project	8,664,749	246,589
Çekmeköy Çınarköy Project	1,365,943	18,496,292
İstanbul Avcılar Firuzköy Project	1,130,607	2,286,062
Emlak Konut Vadi Evleri Project	-	3,048,211
Bizim Mahalle Project	-	2,473,211
Balıkesir Altıeylül Project	-	1,268,206
Ankara Saraçoğlu Project	-	3,247,624
Other	650,861	94,963
	11,812,160	31,161,158

NOTE 9 – INVESTMENT PROPERTIES

Rent income is obtained in investment properties and the appraisal used in calculation of low value is made through a precedent comparison and income reduction. As of 31 December 2024 the Group evaluated that there is no situation that would lead to low value in investment properties.

The movements of investment properties as of 31 December 2024 and 2023 are as follows:

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2024	2,912,765	2,912,765
Transfers to commercial units and land inventories	-	-
Transfers to residential and commercial unit inventories	-	-
Disposal (-)	-	-
Closing balance as of 31 December 2024	2,912,765	2,912,765
Accumulated Depreciation		
Opening balance as of 1 January 2024	218,117	218,117
Charge for the year	54,234	54,234
Disposal (-)	-	-
Closing balance as of 31 December 2024	272,351	272,351
Net book value as of 31 December 2024	2,640,414	2,640,414

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NOTE 9 – INVESTMENT PROPERTIES (Continued)

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2023	4,398,925	4,398,925
Transfers to commercial units and land inventories	(1,543,380)	(1,543,380)
Transfers to residential and commercial unit inventories	57,220	57,220
Closing balance as of 31 December 2023	2,912,765	2,912,765
Accumulated Depreciation		
Opening balance as of 1 January 2023	164,342	164,342
Charge for the year	53,775	53,775
Closing balance as of 31 December 2023	218,117	218,117
Net book value as of 31 December 2023	2,694,648	2,694,648

As of 31 December 2024, the valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. have taken into consideration when determining the fair values of investment properties. The fair values of the investment property determined by independent valuation experts are as follows:

	31 December 2024	31 December 2023
Independent commercial units of Büyükyalı AVM	2,537,028	2,639,218
Atasehir General Management Office A Block	2,100,000	1,791,486
Independent commercial units of Istmarina AVM	1,446,784	1,670,676
Lands and completed units	1,182,841	897,204
	7,266,653	6,998,584

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NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

31 December 2024	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net book value as of 1 January 2024	975,298	30,388	175,224	198,505	59,892	196,076	1,635,383
Additions	286,276	20,453	51,960	48,007	99,183	1,745	507,624
Transfers	-	-	-	(39,607)	234,198	(194,591)	-
Disposal, (net) (-)	-	(359)	-	(1,866)	-	-	(2,225)
Depreciation expense(-)	(15,445)	(12,749)	(27,634)	(51,095)	(23,176)	-	(130,099)
Net book value 31 December 2024	1,246,129	37,733	199,550	153,944	370,097	3,230	2,010,683
Cost	1,369,647	85,684	257,576	511,190	407,787	3,230	2,635,114
Accumulated depreciation (-)	(123,518)	(47,951)	(58,026)	(357,246)	(37,690)	-	(624,431)
Net book value 31 December 2024	1,246,129	37,733	199,550	153,944	370,097	3,230	2,010,683

31 December 2023	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net book value as of 1 January 2023	999,178	8,348	133,501	114,394	67,909	233,709	1,557,039
Additions	-	29,562	60,105	79,763	601	1,974	172,005
Transfers from construction in progress, net	-	-	-	39,607	-	(39,607)	-
Disposal, (net) (-)	(2,066)	(1,217)	-	(1,630)	(1,040)	-	(5,953)
Depreciation expense(-)	(21,814)	(6,305)	(18,382)	(33,629)	(7,578)	-	(87,708)
Net book value 31 December 2023	975,298	30,388	175,224	198,505	59,892	196,076	1,635,383
Cost	1,083,371	65,590	205,616	504,656	74,406	196,076	2,129,715
Accumulated depreciation (-)	(108,073)	(35,202)	(30,392)	(306,151)	(14,514)	-	(494,332)
Net book value 31 December 2023	975,298	30,388	175,224	198,505	59,892	196,076	1,635,383

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

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

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

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NOTE 11 – INTANGIBLE ASSETS

31 December 2024	Licenses	Computer software	Rights	Total
Net book value, 1 January 2024	8,436	36,414	42,834	87,684
Additions	4,952	54,357	18,788	78,097
Amortization expense (-)	(7,792)	(20,436)	(10,913)	(39,141)
Net book value 31 December 2024	5,596	70,335	50,709	126,640
Cost	121,196	132,973	83,796	337,965
Accumulated amortization (-)	(115,600)	(62,638)	(33,087)	(211,325)
Net book value 31 December 2024	5,596	70,335	50,709	126,640

31 December 2023	Licenses	Computer software	Rights	Total
Net book value, 1 January 2023	16,814	9,578	12,132	38,524
Additions	1,878	31,099	49,581	82,558
Amortization expense (-)	(10,256)	(4,263)	(18,879)	(33,398)
Net book value 31 December 2023	8,436	36,414	42,834	87,684
Cost	116,244	78,616	65,008	259,868
Accumulated amortization (-)	(107,808)	(42,202)	(22,174)	(172,184)
Net book value 31 December 2023	8,436	36,414	42,834	87,684

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Provisions		
Provision for lawsuits	400,522	373,240
Provision for bonuses and premiums	29,803	6,021
	430,325	379,261

The amount of risk arising from the total possible cash outflow is TRY 671,069 (31 December 2023: TRY 872,272) and the lawsuits are still pending. According to the opinions of the Group's lawyers, provisions amounting to TRY 400,522 have been made as of 31 December 2024 (31 December 2023: TRY 373,240). As of 31 December 2024, there are 2 cases of defect, 8 cases of loss of rent, 5 cases of cancellation of title deeds and registration, 10 cases of business and 34 other cases.

The movements of provision for lawsuits as of 31 December 2024 and 2023 are as follows:

	2024	2023
Balance at 1 January	379,261	588,414
Provision added within the current period	172,470	26,141
Monetary gain/loss	(121,406)	(235,294)
Closing balance at 31 December	430,325	379,261

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

12.1 Continuing Lawsuits and Provisions

12.1.1 On 21 December 2005, a contract was signed for the İzmir Mavişehir Project, consisting of 750 independent units in the İzmir Mavişehir Northern Upper Region 2nd Phase LSRSA project. However, due to the contractor's failure to fulfill the contractual obligations, the contract was terminated on December 21, 2009. Following the termination, the project was transferred to the Company, and the remaining portion of the project was tendered in accordance with the Public Procurement Law and completed by another construction company.

The sales of the related independent units have been carried out by the Company, similar to turnkey projects. The contractor filed a lawsuit claiming unjust termination and partial receivables, arguing that the level of completion was significantly high and that the legal relationship between the parties was based on a revenue-sharing construction contract. An expert report prepared upon the instruction of the İzmir Karşıyaka Commercial Court of First Instance determined that the completion level was approximately 83% and concluded that the legal relationship between the parties was not a revenue-sharing construction contract. Upon the Company's objections regarding unclear aspects of the report and the completion level, an additional expert report was requested. Subsequently, both the contractor and the Company filed additional lawsuits against each other. Regarding the case, the Istanbul 10th Commercial Court of First Instance ruled partial acceptance of the main claim and determined that the contract was unjustly terminated by the defendant. However, as the plaintiff had assigned its receivable and compensation claim to Vakıflar Bankası T.A.O., the court dismissed the claim in terms of active legal standing.

The court also ruled partial acceptance of the material compensation claim within the scope of a partial lawsuit, while dismissing the remaining claims due to the statute of limitations. Additionally, the court ordered the return of the letter of guarantee amount and dismissed the remaining claims. In the counterclaim, the court ruled partial acceptance, and in line with the rectification petition, ordered the payment of the relevant deposit pledge and building inspection costs to Emlak Konut GYO A.Ş. During the litigation process, based on various expert reports submitted to the case file, the plaintiff increased the claim amount to TRY 122,651. As of 31 December 2024, a provision amounting to TRY 238,452, including interest and litigation costs, has been recognized.

12.1.2 Within the scope of the İstanbul Riva Land Revenue Sharing Tender for the properties located in İstanbul Province, Beykoz District, Riva Neighborhood, parcels 3201, 3202, and 3203, the contractor participating in the tender submitted temporary letters of guarantee to the Company through the Joint Venture in accordance with Article 14 of the Tender Specifications. During the second session of the tender held on 15 June 2017, it was decided to award the tender to the Joint Venture, which submitted the most economically advantageous bid. However, the companies invited to sign the contract applied to the Company, requesting a revision of the tender conditions and criteria, citing the amendments introduced in the Planned Areas Zoning Regulation published in the Official Gazette No. 30113 dated 3 July 2017, by the Ministry of Environment, Urbanization, and Climate Change of the Republic of Turkey. These amendments significantly reduced the construction area subject to the zoning coefficient for the project. The Company rejected the revision requests, stating that the enforcement of the said regulation would not affect the construction area subject to the zoning coefficient, and granted a deadline until 15 August 2017, for the contract to be signed.

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.2 Since the contract was not signed within the given period, the Company confiscated the temporary letters of guarantee submitted by the plaintiff companies as part of the İstanbul Beykoz Riva Land Revenue Sharing Tender and awarded the tender to the contractor that submitted the second most favorable bid.

The lawsuit in question is a material and moral compensation claim filed on the grounds that the rejection of the plaintiffs' revision requests and the confiscation of their letters of guarantee were unlawful. For the plaintiff, the court ruled that the guarantee amount should be collected from the defendant along with advance interest accruing from 17 August 2017, and paid to the plaintiff; additionally, the amount required under LSRSA and commissions should be collected from the defendant with advance interest accruing from 15 September 2017, and paid to the plaintiff. The court also ruled similarly for another plaintiff. Other claims regarding material and moral damages beyond these were rejected. The court further ruled that the prepaid portion of the court fees should be deducted from the total fee, with the remaining amount collected from the defendant and recorded as revenue for the Treasury. The entire litigation costs, including summons and expert fees, incurred by the plaintiffs should be recovered from the defendant and reimbursed to the plaintiffs. If any balance remains in the litigation advance fund after the finalization of the decision, it should be refunded to the plaintiffs. Additionally, according to the Attorney's Minimum Fee Tariff applicable at the date of the decision, the relative attorney's fee should be collected from the defendant and paid to the plaintiff. The case is currently at the appeal stage, and as of 31 December 2024, a provision amounting to TRY 14,276, including interest and litigation costs, has been recognized.

12.1.3 The lawsuit was filed by Şekerbank T.A.Ş., which had acquired the receivable of TRY 46,000 arising and to arise from Emlak Konut GYO A.Ş. on behalf of the contractor Yeni Sarp-Özarak Ordinary Partnership for the İstanbul Ümraniye 1st Phase Land Revenue Sharing Project. The plaintiff claimed that the remaining assigned receivable amounting to TRY 34,135 had been unjustly unpaid and sought the establishment of a mortgage on certain properties within the scope of the project as security for the claimed receivable. On 15 October 2020, the court ruled for the dismissal of the case. The plaintiff appealed the decision, and the appellate court overturned the ruling. Following the retrial after the reversal, the court ruled in favor of the plaintiff. This decision was subsequently appealed by the Company, and as of 31 December 2024, a provision amounting to TRY 94,617, including interest and litigation costs, has been recognized.

12.1.4 The lawsuit was filed for compensation due to defective construction in Çerkezköy Yıldızkent Ayışığı Complex. In the ongoing trial, the latest expert report has applied the principle of compensatory justice in its calculations. The litigation process is still ongoing, and as of 31 December 2024, a provision amounting to TRY 25,750, including interest and litigation costs, has been recognized.

12.2 Contingent Liabilities of the Group

In the financial statements prepared as of 31 December 2024, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Group Management and its lawyers, no provision has been made in the financial statements prepared as of 31 December 2024 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Group in order to fulfill its obligation.

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

12.2 Contingent Liabilities of the Group (Continued)

12.2.1 The lawsuit was filed due to the alleged wrongful termination of the contract related to the infrastructure and landscaping works within the Alemdağ Emlak Konutları Construction Area in Çekmeköy District, İstanbul, on 17 September 2012. The contractor claimed that the cost of the completed works was not included in the progress payments. However, the court dismissed the case, ruling that the plaintiff failed to provide sufficient evidence. The Appellate Court determined that the lower court's decision was based on an incomplete examination and that a new expert report should be obtained. The court instructed that the additional report should assess all contractual obligations of the parties by considering the annexes to the contract and the General Specifications for Construction Works. The assessment should determine which obligations were primary and whether the termination was justified based on the principle that a party failing to fulfill its primary obligation cannot demand performance from the other party. Consequently, the Appellate Court overturned the lower court's decision and remanded the case for further investigation and a new ruling in line with these principles. Following the reevaluation, the primary lawsuit was dismissed due to a lack of evidence, while the consolidated lawsuit was dismissed due to the statute of limitations. The plaintiff has appealed the decision. Based on the opinion obtained from the Company's legal counsel, no liability is expected to arise from this case.

12.3 Contingent Assets of the Group

12.3.1 As of 31 December 2024 and 2023, breakdown of nominal commercial receivables from residential and commercial unit sales by maturities and based on the residential and commercial units that are under construction or completed but not yet delivered within the scope of the sales promise contract that is not yet included in the balance sheet as it does not meet the TFRS 15 criteria, expected collection times of nominal installments that are not due or collected by maturities are as follows:

31 December 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	5,398,902	14,272,242	19,671,144
2 years	3,338,360	8,958,901	12,297,261
3 years	1,188,192	3,326,623	4,514,815
4 years	732,984	1,242,280	1,975,264
5 years and above	1,213,267	549,908	1,763,175
	11,871,705	28,349,954	40,221,659
31 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,888,400	13,442,377	17,330,777
2 years	2,961,766	9,481,341	12,443,107
3 years	2,236,634	6,245,065	8,481,699
4 years	732,653	1,832,112	2,564,765
5 years and above	1,978,123	1,101,116	3,079,239
	11,797,576	32,102,011	43,899,587

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NOTE 13 -EMPLOYEE BENEFITS

	31 December 2024	31 December 2023
Short-term provisions		
Unused vacation provision	94,785	152,142
	94,785	152,142
Long-term provisions		
Provision for employment termination benefit	178,136	174,698
	178,136	174,698

TAS 19 requires actuarial valuation methods to be developed to estimate the Company's provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2024	31 December 2023
Discount Rate (%)	3.50	3.50
Turnover rate to estimate probability of retirement (%)	1.10	1.10

The basic assumption is that the ceiling provision for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation.

Movement in the provision for severance pay during the period is as follows:

	2024	2023
Balance at 1 January	174,698	115,982
Service cost	30,142	121,662
Interest cost	47,730	61,943
Severance payments during the current period	(42,236)	(29,775)
Actuarial gain/loss	30,738	-
Monetary gain/loss	(62,936)	(95,114)
Closing balance at 31 December	178,136	174,698

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NOTE 14 – OTHER ASSETS

Other current assets	31 December 2024	31 December 2023
Deferred VAT	4,194,032	2,239,827
Other payments to contractors	869,641	3,552,824
Receivables from tax office	165,203	190,928
Income accruals	130,878	527,668
Prepaid income tax	6,298	10,242
Other	12,380	9,530
	5,378,432	6,531,019

NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

Short-term deferred income	31 December 2024	31 December 2023
Advances taken from turnkey project sales	34,799,310	29,456,648
Deferred income from LSRSA projects (*)	25,269,533	24,348,188
Advances taken from LSRSA contractors (**)	16,990,601	17,650,976
Advances received from related parties (Note 24)	4,510,624	5,077,835
Deferred income related to sales of independent units	2,413,286	533,808
	83,983,354	77,067,455

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

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

Long-term deferred income	31 December 2024	31 December 2023
Other advances given	5,745	80,348
	5,745	80,348
Prepaid expenses	31 December 2024	31 December 2023
Prepaid expenses	430,457	186,396
	430,457	186,396

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NOTE 16 – SHAREHOLDERS’ EQUITY

The Group’s authorized capital amount is TRY3,800,000 (31 December 2023: TRY3,800,000) and consists of 380,000,000,000 (31 December 2023: 380,000,000,000) authorized number of shares with a nominal value of TRY0.01 each.

The Group’s shareholders and their shareholding percentages as of 31 December 2024 and 2023 is as follows:

Shareholders	31 December 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,119	50.66	1,925,119
T.C. Toplu Konut İdaresi Başkanlığı "TOKİ"	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	48	0.00	48
Other	0.00	2	0.00	2
Total paid-in capital	100	3,800,000	100	3,800,000
Share capital adjustments		51,255,545		51,255,545
		55,055,545		55,055,545

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

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

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

The capital adjustment differences can only be used for capitalization and have no other usage. The Company's explanation regarding the restated equity calculations prepared in accordance with IAS 29, based on the Capital Markets Board Bulletin published on 7 March 2024, is as follows:

	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Low
Adjustment to share capital	77,476,728	51,255,545	(26,221,183)
Share premium	44,380,812	28,930,464	(15,450,348)
Restricted reserves appropriated from pi	12,349,508	(1,739,204)	(14,088,712)
		Inflation accounting before balance	Inflation accounting after balance
Retail earnings			
31 December 2024		19,132,461	(8,238,933)

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NOTE 17 – REVENUE AND COST OF SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Sales income		
Land sales	12,013,198	21,758,659
<i>Sales of planned lands by way of LSRSA</i>	8,172,233	7,593,532
<i>Land sales income</i>	3,840,965	14,165,127
Residential and commercial units sales	12,907,157	17,200,950
Consultancy income	6,442,209	2,069,397
Elevator sales income	373,538	100,934
Rent income	177,135	200,457
	31,913,237	41,330,397
Sales returns and discounts	(14,064)	(188,484)
Net sales income	31,899,173	41,141,913
Cost of sales		
Cost of lands	(9,068,763)	(12,508,403)
<i>Cost of lands planned by way of LSRSA</i>	(6,617,950)	(5,057,679)
<i>Cost of lands sold</i>	(2,450,813)	(7,450,724)
Cost of residential and commercial units sold	(12,772,172)	(16,080,778)
Cost of elevator	(367,075)	(289,869)
Cost of consultancy	(1,084,958)	-
	(23,292,968)	(28,879,050)
Gross Profit	8,606,205	12,262,863

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses		
Personnel expenses	(1,919,175)	(1,588,605)
Taxes, duties and fees	(262,469)	(545,924)
Consultancy expenses	(256,332)	(481,366)
Security and cleaning expenses	(226,441)	(198,620)
Depreciation and amortization	(223,474)	(174,881)
Travel expenses	(89,132)	(43,714)
Due and contribution expenses	(71,008)	(53,095)
Donations	(72,967)	(1,565,679)
Information technologies expenses	(50,280)	(37,590)
Insurance expenses	(22,934)	(28,612)
Maintenance and repair expenses	(75,315)	(47,005)
Communication expenses	(9,419)	(6,741)
Lawsuit and notary expenses	(17,878)	(23,922)
Other	(141,493)	(222,428)
	(3,438,317)	(5,018,182)
Marketing and sales expenses		
	1 January - 31 December 2024	1 January - 31 December 2023
Advertising expenses	(311,022)	(471,528)
Personnel expenses	(154,674)	(145,486)
Consultancy expenses	(41,253)	(41,198)
Other	(62,825)	(102,762)
	(569,774)	(760,974)

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NOTE 19 – EXPENSE BY NATURE

	1 January - 31 December 2024	1 January - 31 December 2023
Expense by nature		
Expenses from residential and commercial units sales	12,772,172	16,080,778
Land costs	9,068,763	12,508,403
Personnel expenses	2,073,849	1,734,091
Cost of consultancy	1,084,958	-
Cost of elevator	367,075	289,869
Advertising expenses	311,022	471,528
Consultancy expenses	297,585	522,564
Taxes,duties and fees	262,469	545,924
Security and cleaning expenses	226,441	198,620
Depreciation and amortisation (Note 9, 10,11)	223,474	174,881
Maintenance and repair expenses	75,315	47,005
Donations	72,967	1,565,679
Due and contribution expenses	71,008	53,095
Information technologies expenses	50,280	37,590
Insurance expenses	22,934	28,612
Lawsuit and notary expenses	17,878	23,922
Communication expenses	9,419	6,741
Other	293,450	368,904
	27,301,059	34,658,206

NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

	1 January - 31 December 2024	1 January - 31 December 2023
Other income from operating activities		
Impairment provisions released	6,075,219	738,122
Financial income from forward sales	1,605,507	544,529
Income from transfer commissions	294,436	355,557
Default interest income from projects	190,706	1,851,297
Foreign exchange gains	-	74,511
Other	770,644	388,545
	8,936,512	3,952,561

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NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES (Continued)

	1 January - 31 December 2024	1 January - 31 December 2023
Other expenses from operating activities		
Provision for impairment of land and residential inventories	(2,272,764)	(4,028,913)
Reversal of unaccrued financial expense	(1,636,413)	(911,013)
Provision for lawsuits (Note 12)	(172,470)	(26,141)
Foreign exchange loss	(96,235)	-
Other	(217,055)	(76,025)
	(4,394,937)	(5,042,092)

NOTE 21 – FINANCIAL INCOME / EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Financial income		
Interest income from time deposits	2,273,998	4,919,744
Interest and updating income	1,145,571	930,590
Foreign exchange gains	54,734	70,707
	3,474,303	5,921,041

	1 January - 31 December 2024	1 January - 31 December 2023
Financial expenses		
Borrowings interest and lease certificate expenses	(1,981,009)	(1,932,937)
Foreign exchange loss	(33,172)	(423,385)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expense (*)	-	(97,999)
Other	(28,033)	(6,640)
	(2,042,214)	(2,460,961)

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

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NOTE 22 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate Tax

Significant changes have been made to the tax regulations for Real Estate Investment Trusts (REITs) and Real Estate Investment Funds (REIFs) in Turkey, effective from January 1, 2025. According to these changes, earnings generated until December 31, 2024, will remain subject to the current regulations and will be exempt from corporate tax. However, new conditions and taxation practices will apply to earnings generated from January 1, 2025, onwards.

The Group's subsidiaries, associates and joint operations are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

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

	31 December 2024	31 December 2023
<u>Current tax liability</u>		
Current corporate tax provision	291,729	-
Less: prepaid taxes and funds	(164,422)	(6,959)
Current period profit tax (liability)	127,307	(6,959)

The Group's tax expenses/income as of 31 December 2024 and 2023 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
<u>Tax expense comprises:</u>		
Current tax expense	(291,729)	-
Deferred tax expense	6,961,176	213,873
Total tax expense	6,669,447	213,873

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NOTE 22 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)

Deferred Tax:

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

The tax rate used in the calculation of deferred tax assets and liabilities has been determined at 30-25% based on the temporary timing differences expected to reverse in the future.

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

<u>Deferred tax (assets)/liabilities:</u>	31 December 2024	31 December 2023
Adjustments to TFRS 9 expected credit loss	1,007	-
Adjustment to inventories	4,232,444	11,380
Effect of amortized cost method on receivables	843,513	621
Depreciation / amortization differences of property, plant and equipment and other intangible assets	6,927	(15,638)
Adjustments to investment properties	405,399	-
Adjustment to deferred income	1,388,592	9,901
Provision for provisions	196,779	14,685
Adjustment to prepaid expenses	(86,029)	-
Adjustment to leases	1,432	-
	6,990,064	20,949

The movements of deferred tax (asses)/ liabilities for the periods ended 31 December 2024 and 2023 are as follows:

<u>Movement of deferred tax (assets)/liabilities:</u>	31 December 2024	31 December 2023
Opening balance as of 1 January	20,949	(192,924)
Charged to profit or loss	6,961,176	213,873
Other comprehensive income	7,939	-
Closing balance at 31 December	6,990,064	20,949

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NOTE 22 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)

Reconciliation of tax provision:	31 December 2024	31 December 2023
Profit/(loss) from operations before tax	6,527,934	(6,096,315)
Tax income rate at 2024: 30%-25% (2023:30%-25%)	(1,958,380)	(1,524,079)
Tax effects of:		
- Non-deductible expenses	(36,383)	-
- Discounts and exceptions	39,473	-
- Non-taxable income	783,829	1,376,481
- Current period loss for which deferred tax has not been recognized	(57,798)	-
- Temporary differences for which tax has not been recognized previously	10,821,919	-
- Monetary gain/loss	(2,960,092)	303,551
- Other	36,879	57,920
Total tax income	6,669,447	213,873

NOTE 23 – EARNINGS PER SHARE

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

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

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

	1 January - 31 December 2024	1 January - 31 December 2023
Net income/loss attributable to equity holders of the parent in full TL	13,197,381	(5,882,442)
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291
Earnings/(loss) per share in full TRY	0.34688	(0.15462)

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NOTE 24 – RELATED PARTY DISCLOSURES

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

1. T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")
2. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
3. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
4. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
5. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
6. Emlak-Toplu Konut İdaresi Spor Kulübü
7. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
8. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi
9. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Ortak Girişimi
10. Emlak Konut Spor Kulübü Derneği
11. Türkiye Emlak Katılım Bankası A.Ş.
12. T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü
13. İller Bankası A.Ş.
14. Emlak Basın Yayın A.Ş.

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

- The Group keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 31 December 2024 the Group has deposits amounting to TRY 5,806,322 in state banks (31 December 2023: TRY 8,090,001). Average effective interest rates of time deposits of the Group as of 31 December 2024 are explained in Note 4.

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

	31 December 2024	31 December 2023
Trade receivables from related parties		
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	5,118	5,437,793
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	2,620	-
	7,738	5,437,793

(*) The Company's trade receivables from the Ministry of Environment and Urbanization consist of payments made by the Company for urban transformation projects

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	31 December 2024	31 December 2023
Short-term other receivables from related parties		
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Şua İnşaat Adi Ortaklığı	259,076	13,436
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Ferzan Adi Ortaklığı	-	89,887
Other	932	71
	260,008	103,394
Deposits with related parties	31 December 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş.	1,834,203	64,864
	1,834,203	64,864
Deferred revenue from related parties	31 December 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş. (*)	4,510,624	5,077,835
	4,510,624	5,077,835
(*) Includes amounts received by the Group for 29 commercial units sold to Türkiye Emlak Katılım Bankası A.Ş.		
Short-term other payables from related parties	31 December 2024	31 December 2023
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	671	866
	671	866

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	1 January - 31 December 2024	1 January - 31 December 2023
Purchases from related parties		
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	35,422,907	-
Marmara Kentsel Dönüşüm Müdürlüğü	6,222,605	-
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	523,031	-
Emlak Basın Yayın A.Ş.	-	3,690
	42,168,543	3,690
Sales to related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	-	67,093
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	-	1,681,223
Gedaş Gayrimenkul Değerleme A.Ş.	-	46,311
İller Bankası A.Ş.	-	-
	-	1,794,627

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

	1 January - 31 December 2024	1 January - 31 December 2023
Compensation to key management		
Salaries and other short-term benefits	92,769	57,809
	92,769	57,809

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NOTE 25 – EXPLANATIONS ON MONETARY POSITION GAINS/(LOSSES)

The monetary position gains (losses) reported in the statement of profit or loss arise from the monetary/non-monetary financial statement items listed below:

	31 December 2024
Non-monetary items	
Statement of financial position items	
Inventories	32,866,458
Given advances	277,467
Investment properties, tangible and intangible assets	1,352,360
Deferred tax assets	36,842
Deferred income	(17,140,819)
Share premiums / discounts	(8,892,571)
Paid-in capital	(16,922,830)
Treasury shares (-)	19,871
Restricted reserves appropriated from profit	(2,669,670)
Gain / (loss) arising from defined benefit plans	2,997
Other equity items	534,592
Retained earnings / accumulated losses	2,532,463
Statement of profit or loss items	
Revenue	(9,469,635)
Cost of sales (-)	13,425,117
General administrative expenses (-)	359,338
Marketing expenses (-)	55,684
Other income from main operations	(198,488)
Other expenses from main operations (-)	146,420
Income from investing activities (-)	10
Expenses from investing activities (-)	-
Finance income	(535,644)
Finance costs (-)	172,807
Current tax expense (-)	4,144
Monetary loss	(4,043,087)

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NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Liquidity Risk

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient liquidity.

The Group management monitors the undiscounted estimated cash flows arising from the financial liabilities and trade payables of the Group with special reporting methods and analysis. The maturity distribution of financial liabilities of the Group as of 31 December 2024 and 2023 is as follows:

31 December 2024	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities (Non-derivative):					
Financial liabilities	12,905,178	16,726,600	8,380,193	8,346,407	-
Trade payables	7,484,393	7,484,393	7,484,393	-	-
Other payables	3,029,087	3,029,087	3,029,087	-	-
	23,418,658	27,240,080	18,893,673	8,346,407	-
Long-term financial liabilities (Non-derivative):					
Financial liabilities	19,465	30,706	-	-	30,706
Trade payables	369,224	369,224	-	-	369,224
Other payables	472,836	472,836	-	-	472,836
	861,525	872,766	-	-	872,766
31 December 2023					
Short-term financial liabilities (Non-derivative):					
Financial liabilities	4,667,756	6,049,950	3,031,085	3,018,865	-
Trade payables	5,877,505	5,877,505	5,877,505	-	-
Other payables	1,698,440	1,698,440	1,697,574	866	-
	12,243,701	13,625,895	10,606,164	3,019,731	-
Long-term financial liabilities (Non-derivative):					
Financial liabilities	1,832,122	2,890,147	-	-	2,890,147
Trade payables	533,485	533,485	-	-	533,485
Other payables	303,974	303,974	-	-	303,974
	2,669,581	3,727,606	-	-	3,727,606

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**NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL
INSTRUMENTS (Continued)**

Interest Rate Risk

The Group is vulnerable to interest rate arising from the change of interest rates due to its interest-earning asset and interest-paid liabilities. This risk is managed through on-balance sheet method by balancing the amount and maturity of interest rate sensitive assets and liabilities. In this context, great importance is attached to the fact that not only the due dates of receivables and payables, but also the periods of interest renewal are similar.

Average effective annual interest rates of balance sheet items as of 31 December 2024 and 2023 are as follows:

The table showing the Group's interest rate sensitive financial instruments is as follows:

	31 December 2024	31 December 2023
Financial instruments with fixed interest rate		
Time deposits	5,719,096	22,091,276
Financial liabilities	12,924,643	6,499,878

Credit Risk Disclosures

The Group is subject to credit risk arising from trade receivables related to forward sales, other receivables and deposits at banks. The Group manages credit risk of bank deposits by working mainly with state banks established in Turkey and having long standing relations with the Group. Majority of bank deposits in this regard are with the state owned retail banks. Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (letter of guarantee, etc.),
- Mortgage on real estate,
- Retain the legal title to the goods solely to protect the collectability of the amount due.

In credit risk control, the credit quality of each customer is assessed; taking into account its financial position, past experience and other factors, individual risk limits are set in accordance and the utilisation of credit limits is regularly monitored.

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NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit Risk Disclosures (Continued)

As of 31 December 2024 and 2023, details of credit and receivables risk are as follows:

31 December 2024	Trade Receivables		Other Receivables		Deposits at Banks
	Related Party	Other	Related Party	Other	
Maximum credit risks exposed as of reporting date	7,738	10,517,913	260,008	956,143	6,151,030
Secured portion of the maximum credit risk by guarantees,etc,	7,738	10,517,913	260,008	956,143	6,151,030
A. Net carrying value of financial assets that are neither past due nor impaired	7,738	10,517,913	260,008	956,143	6,151,030
Secured portion by guarantees etc.	7,738	10,517,913	260,008	956,143	-
B. Net carrying value of assets with negotiated terms Secured portion by guarantees etc.	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-
Past due (Gross carrying value)	-	12,462	-	-	-
Impairment (-)	-	(12,462)	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-
31 December 2023	Trade Receivables		Other Receivables		Deposits at Banks
	Related Party	Other	Related Party	Other	
Maximum credit risks exposed as of reporting date	5,437,793	12,502,282	103,394.00	1,353,327	22,204,157
Secured portion of the maximum credit risk by guarantees,etc,	5,437,793	12,502,282	103,394	1,353,327	22,204,157
A. Net carrying value of financial assets that are neither past due nor impaired	5,437,793	12,502,282	103,394	1,353,327	22,204,157
Secured portion by guarantees etc.	5,437,793	12,502,282	103,394	1,353,327	-
B. Net carrying value of assets with negotiated terms Secured portion by guarantees etc.	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-
Past due (Gross carrying value)	-	7,570	-	-	-
Impairment (-)	-	(7,570)	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-

In determining the amounts above, factors that enhance credit reliability, such as received collaterals, have not been taken into account. The Group has no off-balance sheet items involving credit risk.

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NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk

The Group is subject to the foreign currency risk due to the foreign currency deposits in the bank deposit account. Since the Group does not use foreign currency in its main operations, the foreign currency risk is only originated from deposits of the Group.

Foreign Currency Position

Foreign currency denominated assets, liabilities and effects arising from foreign exchanges arising from having off-balance sheet items constitute exchange rate risk.

As of 31 December 2024, the Group's foreign currency assets and liabilities did not need to be balanced with any off-balance sheet items. The table below summarizes the Group's foreign currency position of the Group as of 31 December 2024 and 2023. TRY equivalents of carrying values of assets and liabilities denominated in foreign currencies are as follows:

	31 December 2024		
	TL Equivalent (Functional currency)	US Dollar	EURO
1a. Monetary Financial Assets	274,431	182	7,295
2.CURRENT ASSETS	274,431	182	7,295
3. TOTAL ASSETS	274,431	182	7,295
5. CURRENT LIABILITIES	-	-	-
6.TOTAL LIABILITIES	-	-	-
7.Net foreign currency asset / liability position	274,431	182	7,295
8. Monetary items net foreign currency asset / liability position (1a-4a)	274,431	182	7,295
	31 December 2023		
	TL Equivalent (Functional currency)	US Dollar	EURO
1a. Monetary Financial Assets	48,472	4,525	-
2.CURRENT ASSETS	48,472	4,525	-
3. TOTAL ASSETS	48,472	4,525	-
5. CURRENT LIABILITIES	-	-	-
6.TOTAL LIABILITIES	-	-	-
7.Net foreign currency asset / liability position	48,472	4,525	-
8. Monetary items net foreign currency asset / liability position (1a-4a)	48,472	4,525	-

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**NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL
INSTRUMENTS (Continued)**

Capital Risk Management

The Group attempts to manage its capital by minimizing the investment risk with portfolio diversification. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

While managing the capital, the Group's objectives are to maintain the Group's operability in order to maintain the most appropriate capital structure in order to provide benefits to its shareholders, benefit from other stakeholders and reduce the cost of capital.

Gearing ratio as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Financial liabilities	12,924,643	6,499,878
Less: cash and cash equivalents	(8,281,384)	(22,908,136)
Net liability/(asset)	4,643,259	(16,408,258)
Total shareholder's equity	95,803,122	82,628,540
Equity + net debt	100,446,381	66,220,282
Net debt (assets) / equity ratio	5%	(25%)

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NOTE 27 – FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The Group has determined the estimated fair values of financial instruments using current market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgment. As a result, the estimations presented here cannot be an indication of the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments that are practically possible to estimate fair values:

	31 December 2024		31 December 2023		
	Net book Value	Fair value	Net book Value	Fair value	Note
<u>Financial assets</u>					
Cash and cash equivalents	8,281,384	8,281,384	22,908,136	22,908,136	4
Short-term financial investments	57,456	57,456	-	-	
Trade receivables	10,517,913	10,517,913	12,502,282	12,502,282	6
Trade receivables from related parties	267,746	267,746	5,541,187	5,541,187	24
Other receivables	956,143	956,143	1,353,327	1,353,327	7
Total financial assets	20,080,642	20,080,642	42,304,932	42,304,932	
<u>Financial liabilities</u>					
Borrowings	12,924,643	12,924,643	6,499,878	6,499,878	5
Trade payables	7,853,617	7,853,617	6,410,990	6,410,990	6
Due to related parties	671	671	866	866	24
Other payables	3,501,252	3,501,252	2,001,548	2,001,548	7
Total financial liabilities	24,280,183	24,280,183	14,913,282	14,913,282	
Net	(4,199,541)	(4,199,541)	27,391,650	27,391,650	

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NOTE 27 – FINANCIAL INSTRUMENTS (Continued)

Fair Value of Financial Instruments (Continued)

Financial Assets:

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade and other receivables are expected to reflect the fair value along with the relevant impairment provisions.

It is estimated that the fair values of the foreign currency balances converted with the exchange rates at the end of the period are close to their carrying values.

Special issue Government Debt Securities issued by the Treasury and given to the Group for the payments to be made to the HAS beneficiaries are not subject to trading in the secondary market and do not contain interest. They are recognized with their carrying value which is their fair value by the Group and they can be amortised at carrying value by the Group against the Treasury.

As of the period-end, there are no financial assets measured at fair value.

Financial Liabilities:

The Group's borrowing from the Treasury in order to finance HAS payments are calculated at each interest payment period based on the weighted average compound interest rate of the Government Debt Securities. Therefore, the carrying value of this financial borrowing of the Group approximate their fair value.

Short-term trade payables and other liabilities with no stated interest rate are measured at original invoice amount. Since, these trade payables and other liabilities will be paid when requested they are considered as short-term.

It is anticipated that there is no significant difference between the cost values and fair values of the borrowings with floating interest rates including its accruals for the regarding period.

Fair Value of Financial Instruments

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

- Level 1: Financial assets and financial liabilities with standard terms and conditions are valued with quoted market prices which are determined on active liquid markets.
- Level 2: Financial assets and financial liabilities are valued by directly or indirectly observable market prices rather than the quoted market prices mentioned in first level of the regarding assets or liabilities.
- Level 3: Financial assets and financial liabilities are valued by inputs where there is no observable market data of the fair value of the regarding assets and liabilities.

As of the period-end, there are no financial liabilities measured at fair value.

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NOTE 28 – COMMITMENTS

The Group's mortgage and guarantees received as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Guarantees received (*)	53,781,529	34,810,578
Mortgages received (**)	670,005	1,085,962
	54,451,534	35,896,540

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

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

The collaterals, pledges and mortgages ("CPM") of the Group as of 31 December 2024 and 2023 are as follows :

	31 December 2024	31 December 2023
A. Total amount of CPM given on behalf of the Company's own legal entity	606,452	423,755
B. Total amount of CPM given against the subsidiaries included in full consolidation	-	-
C. Total amount of CPM given to maintain operations and collect payables from third parties	-	-
D. Total amount of other CPM given		
i) In the name of the parent Company	-	-
ii) In the name of other group companies that are not included in the scope of item B and C	-	-
iii) In the name of third parties that are not included in the scope of item C	-	-
	606,452	423,755

NOTE 29 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

	2024			2023		
	BDK	Other BDK	Total	BDK	Other BDK	Total
Independent audit fee for the reporting period	4,647	-	4,647	3,350	-	3,350
Fees for tax advisory services	-	2,777	2,777	-	1,917	1,917
	4,647	2,777	7,424	3,350	1,917	5,267

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 30 - EVENTS AFTER THE REPORTING PERIOD

Our Group has signed a protocol with the Republic of Turkey Ministry of Environment, Urbanization, and Climate Change Mass Housing Administration (TOKİ) for the purchase of the real estate located in Istanbul, Esenler district, Atışalanı neighborhood, parcel number 1692/2, for a total price of 6,884,300 TL (VAT exempt). This protocol has been executed in line with our strategy to expand our portfolio and develop our areas of operation.

In the scope of developing our Istanbul Esenler Atışalanı Phase 1 revenue-sharing land sale project, it has been decided to enter into a partnership based on the Musharakah principles with Türkiye Emlak Katılım Bankası A.Ş. This collaboration represents a strategic step towards diversifying financial resources and expanding our investment portfolio. Under the Musharakah model, the project's revenues and expenses will be shared equally between the parties.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

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

	Unconsolidated (Separate) Financial Statement Main Account Items	Related Regulation	31 December 2024	31 December 2023
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	6,268,468	20,591,036
B	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a)	171,305,359	125,061,497
İŞ	Subsidiaries	Series: III-No.48, Art.24/(b)	4,120,947	4,120,947
DV	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
DV	Other Assets		19,913,653	24,682,179
D	Total Assets (Total Assets)		201,608,427	174,455,659
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	12,902,139	6,353,789
F	Other Financial Liabilities	Series: III-No.48, Art.24/(a)	-	-
G	Due from Financial Leases	Series: III-No.48, Art.24/(b)	-	-
H	Due to Related Parties (Non commercial)	Series: III-No.48, Art.23/(f)	-	-
İ	Shareholders' equity		97,317,081	84,533,176
EB	Other Resources		91,389,207	83,568,694
D	Total Resources	Series: III-No.48, Art.3/(k)	201,608,427	174,455,659
	Non-Consolidated (Standole) Other Financial Information	Related Regulation	31 December 2024	31 December 2023
A1	The Portion of Money and Capital Market Instruments Held for 3- Year Real Estate Payments	Series: III-No.48, Art.24/(b)	6,268,468	20,591,036
A2	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	7,906,893	22,030,591
A3	Foreign Capital Market Instruments	Series: III-No.48, Art.24/(d)	-	-
B1	Foreign Properties, Projects based on properties and rights based on Properties	Series: III-No.48, Art.24/(d)	-	-
B2	Idle Land	Series: III-No.48, Art.24/(c)	14,900,885	14,517,117
C1	Foreign Subsidiaries	Series: III-No.48, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	4,393,955	1,513,090
J	Non-Cash Loans	Series: III-No.48, Art.31	165,113	214,212
K	Mortgage amount of servient lands which will be developed and not owned	Series: III-No.48, Art.22/(e)		
	Portfolio Restrictions	Related Regulation	31 December 2024	31 December 2023
1	Mortgage amount of Servient Lands Which Will be Developed And Not Owned	Series: III-No.48, Art.22/(e)	0%	0%
2	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a),(b)	88%	83%
3	Money and Capital Market Instruments and Affiliates	Series: III-No.48, Art.24/(b)	2%	2%
4	Foreign Properties, Projects based on properties and rights based on Properties,			
4	Subsidiaries, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
5	Idle Land	Series: III-No.48, Art.24/(c)	7%	8%
6	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	2%	1%
7	Borrowing Limit	Series: III-No.48, Art.31	13%	8%
8	Term / Demand / Currency	Series: III-No.48, Art.22/(e)	1%	1%

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

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