

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**STANDALONE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2025**

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



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

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

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

Introduction

We have reviewed the accompanying condensed statement of standalone financial position of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2025 and the related condensed standalone statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Company is responsible for the preparation and fair presentation of this interim standalone condensed financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim standalone condensed financial information based on our review.

Scope of review

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

Conclusion

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

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

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 18 August 2025

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

		<i>Reviewed</i> 30 June 2025	<i>Audited</i> 31 December 2024
	Notes		
ASSETS			
Current assets		199,406,571	212,624,871
Cash and cash equivalents	3	7,435,782	9,225,283
Trade receivables		11,001,659	6,003,502
<i>Trade receivables due from related parties</i>	24	1,286,779	5,971
<i>Trade receivables due from third parties</i>	6	9,714,880	5,997,531
Other receivables		1,069,467	1,080,663
<i>Other receivables due from third parties</i>	7	1,069,467	1,080,663
Inventories	8	175,033,660	190,579,566
Prepaid expenses		14,206	3,916
<i>Prepaid expenses to third parties</i>	15	14,206	3,916
Other current assets	14	4,851,797	5,731,941
Non-current assets		22,688,351	22,599,603
Trade receivables		6,194,845	5,070,623
<i>Trade receivables due from third parties</i>	6	6,194,845	5,070,623
Other receivables	7	1,014	1,183
Financial investments		4,808,071	4,808,071
<i>Investments in subsidiaries, joint operations and associates</i>	4	4,808,071	4,808,071
Investment properties	9	3,923,632	3,587,596
Property, plant and equipment	10	1,002,852	1,011,516
Intangible assets	11	22,166	6,928
Deferred tax asset	22	6,735,771	8,113,686
Total assets		222,094,922	235,224,474

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

		<i>Reviewed</i> 30 June 2025	<i>Audited</i> 31 December 2024
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		96,122,115	120,542,494
Short-term borrowings	5	16,089,444	13,541,124
Short-term portions of long-term borrowings	5	246,982	1,512,309
Trade payables		8,561,692	9,330,800
<i>Trade payables due to related parties</i>	24	2,271,300	-
<i>Trade payables due to third parties</i>	6	6,290,392	9,330,800
Other payables		2,563,463	3,387,203
<i>Other payables to related parties</i>	24	239	-
<i>Other payables to third parties</i>	7	2,563,224	3,387,203
Deferred income		66,371,966	92,223,495
<i>Deferred income from related parties</i>	24	515,588	5,262,722
<i>Deferred income from third parties</i>	15	65,856,378	86,960,773
Current tax liability	22	1,805,258	-
Short-term provisions		483,310	547,563
<i>Short-term provisions for employee benefits</i>	13	68,720	80,258
<i>Other short-term provisions</i>	12	414,590	467,305
Non-current liabilities		5,703,896	1,138,319
Long-term borrowings	5	5,000,000	-
Trade payables		421	430,788
<i>Trade payables to third parties</i>	6	421	430,788
Other payables		544,216	551,371
<i>Other payables to third parties</i>	7	544,216	551,371
Deferred income		4,738	5,528
<i>Deferred income from third parties</i>	15	4,738	5,528
Long-term provisions		154,521	150,632
<i>Long-term provisions for employee benefits</i>	13	154,521	150,632
Shareholders' equity		120,268,911	113,543,661
Paid-in capital	16	3,800,000	3,800,000
Capital adjustments	16	60,435,468	60,435,468
Treasury shares (-)		(75,428)	(75,428)
Share premium (discounts)		33,754,309	33,754,309
Other equity shares		(2,029,198)	(2,029,198)
Other comprehensive expenses not to be reclassified under profit and loss		(4,161)	(4,161)
<i>Loss arising from defined benefit plans</i>		(4,161)	(4,161)
Restricted reserves appropriated from profit		10,255,355	10,120,529
Retained earnings		5,866,442	(7,377,503)
Net profit for the period		8,266,124	14,919,645
Total liabilities and equity		222,094,922	235,224,474

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY - 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Notes	Reviewed 1 January - 30 June 2025	Unaudited 1 April - 30 June 2025	Reviewed 1 January - 30 June 2024	Unaudited 1 April - 30 June 2024
Revenue	17	47,568,396	23,760,897	9,720,973	6,636,372
Cost of sales (-)	17	(33,813,302)	(15,890,637)	(6,422,597)	(4,528,619)
Gross profit		13,755,094	7,870,260	3,298,376	2,107,753
General administrative expenses (-)	18	(1,571,417)	(867,660)	(1,444,255)	(818,784)
Marketing expenses (-)	18	(404,683)	(244,604)	(220,193)	(119,294)
Other income from operating activities	20	3,996,060	2,228,847	1,115,985	233,842
Other expenses from operating activities (-)	20	(1,752,683)	(965,420)	(252,147)	(77,299)
Operating profit		14,022,371	8,021,423	2,497,766	1,326,218
Operating profit before financial income		14,022,371	8,021,423	2,497,766	1,326,218
Financial income	21	740,266	317,345	2,564,236	1,072,321
Financial expenses (-)	21	(3,982,986)	(2,603,461)	(728,344)	(305,892)
Monetary gain /(loss)	25	796,724	522,910	(3,563,594)	(1,698,323)
Profit for the period		11,576,375	6,258,217	770,064	394,324
Tax expense, continuing operations		(3,310,251)	(978,685)	-	-
Current tax expense		(1,932,336)	(428,651)	-	-
Deferred tax expense (-)	22	(1,377,915)	(550,034)	-	-
Net profit for the period		8,266,124	5,279,532	770,064	394,324
Net profit for the period		8,266,124	5,279,532	770,064	394,324
Earnings per share (full TRY)	23	0.2173	0.1388	0.0202	0.0104
Other comprehensive income/expense					
Not to be reclassified to profit or loss					
Loss arising from defined benefit plans	13	-	-	-	-
Taxes related to other comprehensive income to be reclassified to profit or loss					
Loss arising from defined benefit plans, tax effect	22	-	-	-	-
Other comprehensive gain/ losses not to be reclassified to profit or loss, tax effect		-	-	-	-
Total comprehensive income		8,266,124	5,279,532	770,064	394,324

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE FINANCIAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY – 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Other accumulated comprehensive income or expenses that will not be reclassified to									
	Share capital	Capital adjustments	Treasury shares	Share premium/discounts	Other equity shares	Restricted reserves appropriated from profit	profit or loss	Retained earnings		Total equity
							Gain/loss on revaluation and remeasurement	Prior years' gain/(loss)	Net profit/(loss) for the period	
1 January 2024	3,800,000	60,435,468	(75,428)	33,754,309	(2,029,198)	10,120,529	-	(953,521)	(6,423,982)	98,628,177
Transfers	-	-	-	-	-	-	-	(6,423,982)	6,423,982	-
Total comprehensive income	-	-	-	-	-	-	-	-	770,064	770,064
30 June 2024	3,800,000	60,435,468	(75,428)	33,754,309	(2,029,198)	10,120,529	-	(7,377,503)	770,064	99,398,241
1 January 2025	3,800,000	60,435,468	(75,428)	33,754,309	(2,029,198)	10,120,529	(4,161)	(7,377,503)	14,919,645	113,543,661
Transfers	-	-	-	-	-	-	-	14,919,645	(14,919,645)	-
Dividend (*)	-	-	-	-	-	134,826	-	(1,675,700)	-	(1,540,874)
Total comprehensive income	-	-	-	-	-	-	-	-	8,266,124	8,266,124
30 June 2025	3,800,000	60,435,468	(75,428)	33,754,309	(2,029,198)	10,255,355	(4,161)	5,866,442	8,266,124	120,268,911

(*) At the Ordinary General Assembly Meeting held on 14 May 2025, the decision to distribute a cash dividend amounting to TRY 1,540,874 from the profit for the year 2024 was approved by majority vote. As of the date of the dividend distribution decision (14 May 2025), the Company held 0.12% of its own shares with a nominal value of TRY 1 per share. Accordingly, the dividend amount corresponding to the Company's own shares has been netted off from the total dividend payable. The dividend payment was made in cash on 16 June 2025.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY – 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Notes	Reviewed 1 January - 30 June 2025	Reviewed 1 January - 30 June 2024
Cash flows from operating activities			
Profit for the period		8,266,124	770,064
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	9, 10, 11, 19	78,476	71,745
Adjustments for tax expense	22	3,310,251	-
Adjustments related to (reversal of) impairments, net		(6,179,149)	(1,777,090)
Adjustments related to (reversal of) inventory impairment, net	8	(6,179,149)	(1,777,090)
Adjustments related to provisions		41,386	(13,325)
Adjustments related to (reversal of) provisions related with employee benefits		27,507	(15,493)
Adjustments related to provisions for lawsuits and/or penalties	12, 20	13,879	2,168
Adjustments related to interest (income) and expenses		1,194,424	(1,911,316)
Adjustments related to interest income	20, 21	(4,472,748)	(2,872,313)
Adjustments related to interest expense	20, 21	5,667,172	960,997
Adjustments related to monetary loss		(1,616,961)	6,416,962
Net cash from operations before changes in assets and liabilities		5,094,551	3,557,040
Changes in net working capital:			
Adjustments related to increase/(decrease) in trade receivables		(8,090,246)	(440,492)
Decrease/(increase) in trade receivables from related parties		(1,345,746)	(1,624,257)
Increase/(decrease) in trade receivables from third parties		(6,744,500)	1,183,765
Adjustments related to increase/(decrease) in inventories		21,725,055	(27,062,253)
Adjustments related to increase in trade payables		205,336	2,388,094
Increase in trade payables to related parties		2,384,867	231,933
Decrease in trade payables to third parties		(2,179,531)	2,156,161
Adjustments related to increase in other receivables from operating activities		(97,757)	3,720,493
Adjustments related to increase in other payables from operating activities		(26,132,962)	6,814,231
Other adjustments related to other increase/decrease in working capital		(1,605,268)	(163,449)
Net cash flows from operating activities			
Payments related with provisions for employee benefits		(892)	(11,996)
Cash flows from operating activities		(8,902,183)	(11,198,332)
Purchases of investment properties, property, plant and equipment and intangible assets	9, 10, 11	(421,086)	(305,897)
Interest received		124,351	1,985
Cash flows from investing activities		(296,735)	(303,912)
Proceeds from borrowings	5	20,721,764	2,339,840
Proceeds from loans		11,613,005	-
Proceeds from issue of debt instruments		9,108,759	2,339,840
Repayments of borrowings	5	(12,458,155)	(4,038,898)
Loan repayments		(7,053,274)	(1,550,779)
Payments of issued debt instruments		(5,404,881)	(2,488,119)
Interest paid		(3,972,149)	(960,997)
Dividend		(1,540,874)	-
Interest received		4,348,397	2,870,328
Cash flow from financing activities		7,098,983	210,273
Net increase (decrease) in cash and cash equivalents before the effect of foreign exchange differences		(2,099,935)	(11,291,971)
Inflation effect on cash and cash equivalents		(945,201)	(3,756,453)
Net increase (decrease) in cash and cash equivalents		(3,045,136)	(15,048,424)
Cash and cash equivalents at the beginning of the period	3	7,313,668	24,024,370
Cash and cash equivalents at the end of the period	3	4,268,532	8,975,946

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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

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

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

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

The registered address of the Company is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 30 June 2025, the number of employees of the Company is 482 (31 December 2024 - 480).

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

The standalone financial statements at 30 June 2025 have been approved by the Board of Directors on 18 August 2025.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

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

2.1. Basis of Presentation

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

The standalone financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 4 October 2022 and the Illustrations of Financial Statements and Application Guidance published by the CMB. In accordance with Turkish Accounting Standard No:34 “Interim Financial Reporting”, entities are allowed to prepare their interim financial statements either as a full set or in condensed form. In this context, the Company has opted to prepare condensed individual financial statements for the interim periods. Accordingly, these interim condensed individual financial statements should be read in conjunction with the Company's individual financial statements as of 31 December 2024.

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

Functional and Presentation Currency

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

Adjustment of Financial Statements in Hyperinflation Periods

The Company prepared its financial statements for the interim period ended 30 June 2025 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on 23 November 2023 and the "Application Guidance on Financial Reporting in Hyperinflationary Economies". In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date and comparative figures for prior periods are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has presented its financial statements as of 30 June 2024 and 31 December 2024 on a purchasing power basis as of 30 June 2025.

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 2023, according to the rule number 81/1820 declared by CMB dated in 28 December 2023.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Adjustment of Financial Statements in Hyperinflation Periods (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TSI"). As at 30 June 2025, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.06.2025	3,132.17	1.00000	220%
31.12.2024	2,684.55	1.16674	291%
31.03.2024	2,319.29	1.35049	324%

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.

The main components of the Company's restatement for the purpose of financial reporting in hyperinflationary economies are as follows:

- The financial statements for the current period presented in Turkish Lira are expressed in terms of the purchasing power at the balance sheet date and the amounts for previous reporting periods have been restated in accordance with the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by using the relevant adjustment factors.
- "All items in the statement of comprehensive income, except for the effect of non-monetary items in the balance sheet on the statement of comprehensive income, have been restated by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period has been recognized in the income statement in the net monetary position gains account.

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

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

2.2. New and Revised Turkish Financial Reporting Standards

a. The new standards, amendments and interpretations which are effective as of 30 June 2025 are as follows

- **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.

The management has assessed that the amendments to the standards are not expected to have a material impact on the Company's financial statements.

b. Standards, amendments, and interpretations that are issued but not effective as of 30 June 2025:

- **Amendment to TFRS 9 and TFRS 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).
- **Annual improvements to TFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). 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:
 - TFRS 1 First-time Adoption of International Financial Reporting Standards;
 - TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing TFRS 7;
 - TFRS 9 Financial Instruments;
 - TFRS 10 Consolidated Financial Statements; and
 - TAS 7 Statement of Cash Flows.

The management has assessed that the amendments to the standards are not expected to have a material impact on the Company's financial statements.

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

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

2.2. New and Revised Turkish Financial Reporting Standards (Continued)

c. Standards, amendments, and interpretations that are issued but not effective as of 30 June 2025: (Continued)

- **Amendment to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of TFRS 9 and include targeted disclosure requirements to TFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.
- **TFRS 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.
- **TFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. TFRS 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 consolidated financial statements available for public use that comply with TFRS Accounting Standards.

The management has assessed that the amendments to the standards are not expected to have a material impact on the Company's financial statements.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 3 – CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash on hand	259	68
Banks	5,853,785	6,740,824
- Demand deposit	477,730	164,892
- Time deposits with maturities less than 3 months	5,376,055	6,575,932
Other cash and cash equivalents	1,581,738	2,484,391
	7,435,782	9,225,283

Maturities of cash and cash flows are as follows:

	30 June 2025	31 December 2024
Demand	477,730	164,892
Up to 3 month	5,376,055	6,575,932
	5,853,785	6,740,824

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

	30 June 2025	31 December 2024
	(%)	(%)
Effective interest rate	46.11	46.34

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

	30 June 2025	31 December 2024
Cash and cash equivalents	7,435,782	9,225,283
Less: Interest accruals on deposits	-	-
Less: LSRSA project deposits (*)	(3,170,608)	(1,915,533)
Add: the effect of provisions released under TFRS 9	3,358	3,918
	4,268,532	7,313,668

(*) The contractors' portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Company is kept in deposits accounts in the name of the related projects under the control of the Company as stated in the agreement. There is no blocked deposit (31 December 2024: None) of the project accounts amounting TRY 3,170,608 (31 December 2024: TRY 1,915,533).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 4 – FINANCIAL INVESTMENTS

Subsidiaries

As of 30 June 2025 and 31 December 2024, the carrying values of the subsidiaries of the Company on the balance sheet are as follows:

	30 June 2025		31 December 2024	
	Share (%)	TL	Share (%)	TL
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	3,630,755	100	3,630,755
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	1,168,786	100	1,168,786
Total		4,799,541		4,799,541

Interests in Joint Ventures

As of 30 June 2025 and 31 December 2024, the carrying value of the Company's interest in joint ventures in the balance sheet is as follows:

	30 June 2025		31 December 2024	
	Share (%)	TL	Share (%)	TL
Merkez Cadde Yönetim A.Ş.	30	1,514	30	1,514
Büyükyalı Tesis Yönetim A.Ş.	37	280	37	280
İstmarina AVM Adi Ortaklığı	40	6,736	40	6,736
Total		8,530		8,530

NOTE 5 – FINANCIAL LIABILITIES

	30 June 2025	31 December 2024
Short-term financial liabilities		
Issued debt instruments	8,675,000	6,005,791
Short-term bank borrowings	7,414,444	7,535,333
Short-term portion of long-term borrowings	246,982	1,512,309
	16,336,426	15,053,433
Long-term financial liabilities	30 June 2025	31 December 2024
Long-term borrowings	5,000,000	-
	5,000,000	-

As of 30 June 2025, the loans utilized are denominated in Turkish Lira, with a weighted average interest rate of 45.02% (31 December 2024: 41.11%).

As of 30 June 2025, a lease certificate issuance has been carried out, with a weighted average interest rate of 48.00% (31 December 2024: 44.29%).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 5 – FINANCIAL LIABILITIES (Continued)

The redemption schedules of the borrowings as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Less than 3 months	15,150,949	2,736,354
Between 3 - 12 months	1,185,477	12,317,079
Between 1 - 3 years	5,000,000	-
	21,336,426	15,053,433

The movement table of loans and issued debt instruments is presented below:

	2025	2024
Opening balance as of 1 January	15,053,433	7,413,215
Additions during the period	20,721,764	2,339,840
Payments during the period	(12,458,155)	(4,038,898)
Accrual of interest	1,695,023	186,084
Monetary gain	(3,675,640)	(1,388,865)
Closing balance as of 30 June	21,336,426	4,511,376

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	30 June 2025	31 December 2024
Receivables from sale of residential and commercial units	6,636,702	3,975,260
Receivables from contractors of the lands invoiced under LSRSA	2,747,274	1,429,499
Receivables from related parties (Note 24)	1,286,779	5,971
Receivables from land sales	957,010	1,295,655
Receivables from lessees	33,853	81,090
Other	35,132	22,732
Unearned finance income	(695,091)	(806,705)
	11,001,659	6,003,502
Doubtful receivables	1,696	1,979
Less: Provision for doubtful receivables	(1,696)	(1,979)
	11,001,659	6,003,502

	30 June 2025	31 December 2024
Long-term trade receivables		
Receivables from sale of residential and commercial units	9,111,125	6,722,930
Receivables from land sales	748,421	829,143
Unearned finance income	(3,664,701)	(2,481,450)
	6,194,845	5,070,623

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 6 – TRADE RECEIVABLES AND PAYABLES (Continued)

Short-term trade payables	30 June 2025	31 December 2024
Trade payables	4,517,492	7,323,709
Payables to contractors according to revenue sharing basis	1,458,903	1,721,265
Interest accruals on time deposits of contractors (*)	313,997	285,826
Due to related parties (Dipnot 24)	2,271,300	-
	8,561,692	9,330,800

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

	30 June 2025	31 December 2024
Long-term trade payables		
Trade payables	421	430,788
	421	430,788

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	30 June 2025	31 December 2024
Short-term other receivables		
Advances given to contractor firms	861,037	935,860
Receivables from the authorities	31,843	37,152
Other	176,587	107,651
	1,069,467	1,080,663

	30 June 2025	31 December 2024
Long-term other receivables		
Deposits and guarantees given	1,014	1,183
	1,014	1,183

	30 June 2025	31 December 2024
Short-term other payables		
Taxes and funds payable	2,402,431	3,272,599
Payables to shareholders	239	-
Other	160,793	114,604
	2,563,463	3,387,203

As of 30 June 2025, other long-term payables are amount to TRY 544,216 and consist of deposits and guarantees received (31 December 2024: TRY 551,371).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 8 – INVENTORIES

	30 June 2025	31 December 2024
Lands	65,264,229	56,134,298
<i>Cost</i>	68,581,959	60,424,893
<i>Impairment</i>	(3,317,730)	(4,290,595)
Planned land by LSRSA	48,413,572	51,126,905
Planned land by turnkey project	17,182,386	13,667,514
<i>Planned land by turnkey project</i>	17,182,386	13,667,514
<i>Impairment (*)</i>	-	-
Residential and commercial units ready for sale	28,057,579	49,049,778
<i>Cost</i>	32,306,683	58,488,652
<i>Impairment</i>	(4,249,104)	(9,438,874)
Advances given for inventories (**)	16,115,894	20,601,071
<i>Cost</i>	16,629,788	21,131,479
<i>Impairment</i>	(513,894)	(530,408)
	175,033,660	190,579,566

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

(**) As of 30 June 2025, TL 13,022,105 of the advances given for inventories consists of the amount paid for the purchase of 1,151 independent units under the Yeni Fikirtepe project undertaken on behalf of the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change.

In determining the net realizable value of the Company's assets classified as "Inventories" and calculating any impairment provision, if necessary, valuation reports prepared by Net Kurumsal Real Estate Valuation and Consulting Inc., Form Real Estate Valuation and Consulting Inc., and Yetkin Real Estate Valuation and Consulting Inc. as of 31 December 2024 were taken as the basis.

The movements of impairment on inventories are as follows:

	2025	2024
Opening balance at 1 January	14,259,877	19,730,358
Impairment on inventories within the current period	-	597,796
Reversal of impairment on inventories within the current period	(6,179,149)	(1,777,090)
Closing balance at 30 June	8,080,728	18,551,064

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 8 – INVENTORIES (Continued)

As of 30 June 2025 and 31 December 2024 the details of land and residential inventories of the Company are as follows:

Lands	30 June 2025	31 December 2024
İstanbul Esenler Lands	32,880,333	24,324,602
İstanbul Küçükçekmece Lands	9,785,980	9,703,005
İstanbul Avcılar Lands	6,777,936	6,777,485
Muğla Bodrum Lands	5,476,824	5,647,613
İzmir Çeşme Lands	1,974,012	1,974,012
Aydın Didim Lands	1,872,415	1,871,898
Antalya Alanya Lands	1,173,014	1,173,014
İstanbul Eyüpsultan Lands	1,085,943	-
İstanbul Arnavutköy Lands	1,030,792	1,028,719
İstanbul Başakşehir Lands	769,225	768,570
İstanbul Kartal Lands	669,867	689,581
İzmir Urla Lands	571,156	567,613
Muğla Milas Lands	241,093	-
Antalya Konyaaltı Lands	194,466	194,466
İstanbul Çekmeköy Lands	185,076	841,275
İzmir Seferihisar Lands	138,105	136,132
Tekirdağ Çorlu Lands	126,678	124,920
Zonguldak Merkez Lands	115,134	114,234
İstanbul Tuzla Lands	107,503	107,503
İstanbul Eyüp Lands	65,679	65,679
İstanbul Sarıyer Lands	22,889	16,360
Kocaeli Lands	-	7,511
Other	109	106
	65,264,229	56,134,298

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

As of 30 June 2025 and 31 December 2024, the Company's projected land details are as follows:

Planned land by LSRSA	30 June 2025	31 December 2024
Nidapark İstinye Project	7,670,671	7,661,859
Bizim Mahalle 2. Etap 2. Kısım Project	4,268,129	4,264,059
Merkez Ankara Project	3,820,600	3,824,780
Nidapark Küçükyalı Project	3,768,037	3,767,591
Yeni Levent Project	1,331,646	2,706,452
Bizim Mahalle 2. Etap 1. Kısım Project	2,484,874	2,484,864
Çekmeköy Çınarköy Project	2,353,283	2,352,227
Batıyakası 2. Etap Project	2,014,398	2,012,786
Next Level İstanbul Project	1,863,901	1,863,901
Beşiktaş Akat Project	1,838,047	1,835,084
Ümraniye İnkişap Project	1,701,373	1,701,373
İstanbul Kayabaşı 9. Etap Project	1,667,655	1,664,417
Başakşehir Ayazma 4. Etap Project	1,506,367	1,503,892
İstanbul Tuzla Merkez Project	1,486,974	1,486,974
Esenler Atışalanı 1. Etap Project	1,413,332	-
Esenler Atışalanı 2. Etap Project	1,173,336	-
İstanbul Kayabaşı 8. Etap Project	1,140,640	1,135,624
Avcılar Firüzköy 1. Etap 2. Kısım Project	1,049,545	1,049,545
Avcılar Firüzköy 2. Etap Project	1,041,953	1,036,633
Avcılar Firüzköy 1. Etap 1. Kısım Project	964,407	964,407
Bodrum Türkbükü Project	781,804	781,804
Nezihpark Project	473,367	479,363
Antalya Aksu Project	422,752	421,279
Barbaros 48 Project	413,594	413,252
İstanbul Ataşehir Küçükbakkalköy Project	388,515	388,515
İstanbul Kayabaşı 10. Etap Project	362,984	362,984
Muğla Milas Meşelik Project	252,717	248,891
Cer İstanbul Project	239,325	239,325
Ankara Çayyolu 2. Etap Project	204,000	203,995
Batıyakası 1. Etap Project	200,779	1,104,700
Allsancak Project	72,789	44,250
Evora İzmir Project	41,778	-
Meydan Başakşehir Project	-	1,150,415
İstanbul Eyüpsultan Kemerburgaz Project	-	1,085,993
Nişantaşı Koru Project	-	859,378
Other	-	26,293
	48,413,572	51,126,905

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

As of 30 June 2025 and 31 December 2024, the details of the Company's land plots designed as turnkey projects are as follows:

Planned land by turnkey project	30 June 2025	31 December 2024
Arnavutköy Yenişehir Project	14,924,266	10,109,503
İstanbul Avcılar Firuzköy Project	1,319,124	1,319,124
Çekmeköy Çınarköy Project	189,956	1,593,699
Other	749,040	645,188
	17,182,386	13,667,514

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

As of 30 June 2025 and 31 December 2024, the details of the Company's completed residential and commercial units are as follows:

Residential and commercial units ready for sale	30 June 2025	31 December 2024
Merkez Ankara Project	4,842,023	4,842,023
Çekmeköy Konut Parselleri 2. Etap Project	3,383,405	6,155,804
Çekmeköy Konut Parselleri 3. Etap 4. Kısım Project	3,171,794	4,498,151
Yenifikirtepe -10	2,247,483	-
Kuzey Yakası Project	2,013,247	2,013,247
Saraçoğlu Mahallesi Project	1,918,476	2,241,964
Maslak 1453 Project	1,503,788	1,528,393
Yenifikirtepe -7	1,213,589	-
Nışantaşı Koru	1,047,150	-
Komşu Finans Evleri Project	835,623	932,059
Balıkesir Altiyülül Gümüşçeşme Project	755,320	2,610,449
Çekmeköy Villa Parselleri	522,796	5,655,456
Çekmeköy Konut Parselleri 4. Etap 3. Kısım Project	480,288	1,354,864
Yenifikirtepe -2	436,111	-
Bizim Mahalle 1. Etap 3. Kısım Project	392,039	2,929,157
Sarphan Finanspark Project	366,374	366,374
Çekmeköy Konut Parselleri 3. Etap 3. Kısım Project	340,599	3,254,805
Çekmeköy Konut Parselleri 4. Etap 1. Kısım Project	343,201	444,541
Bizim Mahalle 1. Etap 1. Kısım Project	319,123	362,642
Yenifikirtepe -13	306,195	-
Çekmeköy Konut Parselleri 3. Etap 1. Kısım Project	292,597	3,596,649
Bizim Mahalle 1. Etap 4. Kısım Project	241,181	1,096,541
Hoşdere Vadi Evleri 2. Etap Project	184,094	385,628
Yenifikirtepe -4	150,058	-
Çınarköy Evleri - 4	149,527	-
Hoşdere Vadi Evleri 1. Etap Project	141,118	833,629
Semt Bahçekent 1. Etap 2. Kısım Project	108,598	108,598
Bizim Mahalle 1. Etap 2. Kısım Project	96,117	141,867
Büyükyalı Project	50,657	50,657
Denizli Merkez Efendi İkmal İşi Project	48,233	86,412
Çekmeköy Konut Parselleri 3. Etap 2. Kısım Project	41,832	-
İdealist Cadde / Koru Project	38,561	38,561
Metropol İstanbul Project	32,656	32,656
Karat 34 Project	21,552	21,552
Kocaeli Körfezkent Emlak Konutları	10,326	10,326
Göl Panorama Project	5,156	5,156
Başakşehir Ayazma Emlak Konutları	5,029	5,029
Temaşehir Project	1,663	1,670
Ataşehir Küçükbakkalköy Project	-	3,062,691
Samsun Canik Kentsel Dönüşüm Project	-	382,227
	28,057,579	49,049,778

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 9 – INVESTMENT PROPERTIES

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

The movements of investment properties as of 30 June 2025 and 2024 are as follows:

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2025	3,937,890	3,937,890
Additions	375,803	375,803
Transfers from residential and commercial units inventories	-	-
Closing balance as of 30 June 2025	4,313,693	4,313,693

Accumulated Depreciation

Opening balance as of 1 January 2025	350,294	350,294
Charge for the period	39,767	39,767
Closing balance as of 30 June 2025	390,061	390,061

Net book value as of 30 June 2025	3,923,632	3,923,632
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Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2024	3,937,891	3,937,891
Additions	-	-
Transfers from residential and commercial units inventories	-	-
Closing balance as of 30 June 2024	3,937,891	3,937,891

Accumulated Depreciation

Opening balance as of 1 January 2024	276,006	276,006
Charge for the period	38,448	38,448
Closing balance as of 30 June 2024	314,454	314,454

Net book value as of 30 June 2024	3,623,437	3,623,437
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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 9 – INVESTMENT PROPERTIES (Continued)

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:

	30 June 2025	31 December 2024
Independent commercial units of Büyükyalı AVM	2,960,050	2,960,050
Atasehir general management building A block	2,450,153	2,450,153
Independent commercial units of Istmarina AVM	1,688,020	1,688,020
Lands, residential and commercial units	1,380,067	1,380,067
	8,478,290	8,478,290

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

As of 30 June 2025 and 2024, the details of property, plant and equipment are as follows

		Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
30 June 2025	Buildings				
Net book value as of 1 January 2025	913,483	40,752	57,273	8	1,011,516
Additions	-	-	25,433	-	25,433
Depreciation expense (-)	(10,327)	(8,206)	(15,558)	(6)	(34,097)
Net book value 30 June 2025	903,156	32,546	67,148	2	1,002,852
Cost	1,032,658	96,122	420,927	41	1,549,748
Accumulated depreciation (-)	(129,502)	(63,576)	(353,779)	(39)	(546,896)
Net book value 30 June 2025	903,156	32,546	67,148	2	1,002,852

		Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
30 June 2024	Buildings				
Net book value as of 1 January 2024	596,945	35,454	63,164	19	695,582
Additions	294,069	10,256	1,572	-	305,897
Disposal (-)	-	-	-	-	-
Depreciation expense (-)	(7,476)	(5,867)	(15,413)	(7)	(28,763)
Net book value 30 June 2024	883,538	39,843	49,323	12	972,716
Cost	992,718	58,301	371,563	38	1,422,620
Accumulated depreciation (-)	(109,180)	(18,458)	(322,240)	(26)	(449,904)
Net book value 30 June 2024	883,538	39,843	49,323	12	972,716

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

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

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

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NOTE 11 – INTANGIBLE ASSETS

As of 30 June 2025 and 2024, intangible assets are as follows:

30 June 2025	Licenses	Computer software	Total
Net book value as of 1 January 2025	6,464	464	6,928
Additions	19,850	-	19,850
Amortization expense (-)	(4,212)	(400)	(4,612)
Net book value 30 June 2025	22,102	64	22,166
Cost	182,432	47,823	230,255
Accumulated amortization (-)	(160,330)	(47,759)	(208,089)
Net book value 30 June 2025	22,102	64	22,166

30 June 2024	Licenses	Computer software	Total
Net book value as of 1 January 2024	9,844	1,360	11,204
Amortization expense (-)	(4,055)	(479)	(4,534)
Net book value 30 June 2024	5,789	881	6,670
Cost	135,625	4,800	140,425
Accumulated amortization (-)	(129,836)	(3,919)	(133,755)
Net book value 30 June 2024	5,789	881	6,670

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 30 June 2025 and 31 December 2024, the details of provisions are as follows:

	30 June 2025	31 December 2024
Provision for lawsuits	414,590	467,305
	414,590	467,305

According to the opinions of the Company's lawyers, the total litigation risk amount against the Company is TRY 662,564 (31 December 2024: TRY 782,963) and a provision for litigation amounting to TRY414,590 has been set aside as of 30 June 2025 (31 December 2024: TRY467,305). As of 30 June 2025, there are 1 deficiency lawsuit, 10 lawsuits for loss of rent, 7 lawsuits for cancellation and registration of deed, 2 labor lawsuits and 35 other miscellaneous lawsuits filed against the Company.

The movements of provision for lawsuits as of 30 June 2025 and 31 December 2024 are as follows:

	2025	2024
Opening balance at 1 January	467,305	389,490
Provision added within the current period (Note 20)	13,879	2,168
Monetary gain	(66,594)	(52,751)
Closing balance at 30 June	414,590	338,907

12.1 Continuing Lawsuits and Provisions

12.1.1 İzmir Mavişehir Kuzey Üst Bölgesi 2nd Phase – Revenue Sharing in Return for Land Sale

On December 21, 2005, a contract was signed for the İzmir Mavişehir Project involving the construction of 750 independent units under a revenue-sharing model. Due to the contractor's failure to fulfill contractual obligations, the contract was terminated on December 21, 2009. Subsequently, the project was transferred to the Company and the remaining construction works were retendered and completed by another contractor in accordance with the Public Procurement Law. Sales of the independent units are being completed by the Company on a turnkey basis.

The former contractor, arguing that a high percentage of the work had been completed and that the legal relationship between the parties constituted a "construction in return for land" agreement, filed a compensation lawsuit alleging unlawful termination and partial receivables. A court-appointed expert report prepared under the instruction of the İzmir Karşıyaka Commercial Court estimated the progress level at approximately 83% and concluded that the legal relationship was not one of construction in return for land. Following the Company's objection to the report regarding both the progress level and ambiguities in the findings, a supplementary expert report was commissioned. Subsequently, both parties initiated additional lawsuits.

In the principal case, the Istanbul 10th Commercial Court partially ruled in favor of the contractor, determining that the termination was unlawful. However, since the contractor had assigned its receivables to Vakıfbank T.A.O., the court rejected the compensation claim for lack of legal standing in that regard. The court partially accepted the material compensation claim within the scope of a partial lawsuit and dismissed the remaining claims due to statute of limitations.

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

12.1 Continuing Lawsuits and Provisions (Continued)

The counterclaim filed by the Company was also partially accepted, and based on the amended petition, it was ruled that the pledged deposits and inspection costs be paid to Emlak Konut GYO A.Ş. The contractor, as principal intervenor and plaintiff, appealed the decision. The request for legal aid was rejected, and appellate review is ongoing. As of June 30, 2025, a provision amounting to TRY 242,913 (including interest and court expenses) has been recognized.

12.1.2 Istanbul Riva – Revenue Sharing in Return for Land Sale

Within the scope of the tender for the “Revenue Sharing Model based on Land Sale” project concerning the real estate located in Riva Neighborhood, Beykoz District, Istanbul (parcels no. 3201, 3202, 3203), temporary letters of guarantee were submitted to our client company by the Joint Venture participating in the tender, in accordance with Article 14 of the Tender Specifications. In the second session of the tender held on June 15, 2017, it was decided to award the contract to the Joint Venture which had submitted the most economically advantageous offer. However, the companies invited to sign the contract later applied to our client, requesting a revision of the tender terms and conditions. They cited the Regulation on Planned Areas (Planlı Alanlar Tip İmar Yönetmeliği) issued by the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey and published in the Official Gazette dated July 3, 2017 (No. 30113), which, according to them, significantly reduced the usable construction area based on floor area ratio.

Our client company rejected the request for revision on the grounds that the new regulation would not result in any change in the floor area ratio applicable to the construction in question. Accordingly, a deadline was set for the contract to be signed by August 15, 2017. When the companies failed to sign the contract within the given period, the temporary letters of guarantee submitted by the plaintiffs were seized and recorded as income. The project was then awarded to the runner-up bidder.

A lawsuit was filed by the plaintiffs claiming that the rejection of their revision request and the forfeiture of their guarantee letters were unlawful, and they sought both material and moral compensation.

For one of the plaintiffs, the court ruled that the guarantee amount, together with default interest accrued from August 17, 2017, be paid by the defendant. Additionally, in accordance with LS RSA and commission fees, the defendant was ordered to pay the relevant amount along with default interest accrued from September 15, 2017.

All other claims for material and moral damages by both plaintiffs were rejected. The court also ordered that any outstanding court fees be deducted from the advance paid and the remainder be charged to the defendant and recorded as income to the treasury. Litigation costs, including notification fees and expert witness fees, were to be borne by the defendant and reimbursed to the plaintiffs based on the ratio of acceptance to rejection. If there is any remaining portion of the advance expense fund, it shall be refunded to the plaintiffs once the decision becomes final. Furthermore, the court ruled that the relative attorney’s fee shall be paid by the defendant to the plaintiff in accordance with the Attorneyship Minimum Fee Tariff (AMFT) in force on the date of the decision. The case is currently at the appellate stage, and as of June 30, 2025, a provision of TRY 15,044, including interest and legal costs, has been recognized.

12.1.3 Sarphan Finans Park

This case relates to a receivable of TRY 34,135, part of a total claim of TRY 46,000, which Şekerbank T.A.Ş. acquired through assignment from the contractor (Yeni Sarp-Özarak Joint Venture) under the Istanbul Ümraniye 1st Phase Revenue Sharing in Return for Land Sale Project. The bank claimed non-payment of the assigned amount and requested the court to impose a mortgage over some project properties as collateral.

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

12.1 Continuing Lawsuits and Provisions (Continued)

On October 15, 2020, the court dismissed the case, but the decision was overturned on appeal. In the re-hearing, the court ruled in favor of the plaintiff. The Company appealed the ruling, but the appellate court rejected the appeal. A further appeal to the Supreme Court has been lodged, and the court has postponed the hearing to await finalization. As of June 30, 2025, a provision amounting to TRY 101,557 (including interest and legal expenses) has been recognized.

12.1.4 Yıldızkent 1 Project

This is a compensation lawsuit related to alleged construction defects in the Ayışığı Site, part of the Çerkezköy Yıldızkent Project. The latest expert report submitted during trial calculates damages based on the principle of equitable adjustment. The case is ongoing, and as of June 30, 2025, a provision amounting to TRY 27,825 (including interest and legal expenses) has been recognized.

12.2 Contingent Liabilities Related to Emlak Konut

As of June 30, 2025, the Company has assessed the obligations related to ongoing legal cases outlined below in the accompanying financial statements. Based on the assessment of the Company's Management and its legal counsel, no provision has been recognized in the financial statements as of June 30, 2025, since the outflow of resources embodying economic benefits is not considered probable with respect to the lawsuits filed against the Company.

12.2.1 Alemdağ Emlak Residences

This case relates to the alleged unjust termination of the contract regarding the Internal Infrastructure and Landscaping Works within the Alemdağ Emlak Residences Project, located in the Çekmeköy District of Istanbul. The contract was terminated on September 17, 2012, and the contractor claimed that the cost of certain completed works was not included in the progress payments due to the termination.

The court initially ruled to dismiss the case as the plaintiff failed to provide sufficient evidence. However, upon appeal, the Regional Court of Appeal determined that the lower court's decision was based on an incomplete expert report. It ordered the file to be returned to the court of first instance with instructions to obtain an additional report from the previous expert, include the annexes of the contract, and evaluate the entire case in light of the General Specifications for Construction Works.

The appellate court emphasized that the mutual obligations of both parties during the contract execution should be clearly identified and that the principle "a party who fails to perform its primary obligation cannot demand the counter-performance" must be observed. The validity of the contract termination should be reassessed accordingly.

Subsequently, the court of first instance dismissed the main lawsuit on the grounds of insufficient evidence and the merged case due to the statute of limitations. The plaintiff has appealed this ruling. According to the legal opinion obtained from the Company's external counsel, no obligation is expected to arise from this case.

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

12.3 Contingent Assets Related to Emlak Konut

12.3.1 As of June 30, 2025 and December 31, 2024, the breakdown of the Company's nominal trade receivables arising from the sale of residential and commercial units based on their maturities, as well as the outstanding or uncollected amounts related to residential and commercial units that are either under construction or completed but not yet delivered within the scope of promise-to-sell contracts that have not yet met the recognition criteria under TFRS 15, are as follows:

30 June 2025	Trade Receivables	Off-balance sheet deferred revenue	Total
1 Year	7,593,712	17,752,653	25,346,365
2 Year	5,435,138	9,422,682	14,857,820
3 Year	2,073,950	4,350,596	6,424,546
4 Year	1,069,076	2,734,091	3,803,167
5 Year and above	1,281,382	1,800,125	3,081,507
	17,453,258	36,060,147	53,513,405

31 December 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 Year	5,270,915	16,651,986	21,922,901
2 Year	3,894,996	10,452,702	14,347,698
3 Year	1,386,310	3,881,302	5,267,612
4 Year	855,201	1,449,417	2,304,618
5 Year and above	1,415,566	641,599	2,057,165
	12,822,988	33,077,006	45,899,994

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NOTE 13 – EMPLOYEE BENEFITS

As of 30 June 2025 and 31 December 2024, short-term employee benefits are as follows is as follows:

	30 June 2025	31 December 2024
Short-term provisions		
Unused vacation provision	68,720	80,258
	68,720	80,258

As of 30 June 2025 and 31 December 2024, details of long-term employee benefits is as follows:

	30 June 2025	31 December 2024
Long-term provisions		
Provision for employment termination benefit	154,521	150,632
	154,521	150,632

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:

	30 June 2025	31 December 2024
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.

NOTE 14 – OTHER ASSETS

As of 30 June 2025 and 31 December 2024, details of other current assets are as follows:

	30 June 2025	31 December 2024
Other current assets		
Deferred VAT	2,803,321	4,385,575
Progress payments to contractors	1,735,392	1,013,735
Income accruals	72,456	192,749
Receivables from tax office	240,628	139,882
	4,851,797	5,731,941

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NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

As of 30 June 2025 and 31 December 2024, the details of short-term deferred income are as follows:

	30 June 2025	31 December 2024
Short-term deferred income		
Deferred income from LSRSA projects(*)	25,637,159	29,482,957
Advances taken from turnkey project sales	20,616,363	36,233,269
Advances taken from LSRSA contractors(**)	18,475,701	19,823,602
Deferred income related to sales of independent units	1,127,155	1,420,945
Advances received from related parties(Note 24)	515,588	5,262,722
	66,371,966	92,223,495

(*) 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.

As of 30 June 2025 and 31 December 2024, the details of prepaid expense are as follows:

	30 June 2025	31 December 2024
Prepaid expenses		
Prepaid expenses	14,206	3,916
	14,206	3,916

As of 30 June 2025 and 31 December 2024, the details of long-term deferred income are as follows:

	30 June 2025	31 December 2024
Long-term deferred income		
Other advances received	4,738	5,528
	4,738	5,528

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NOTE 16 – SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TRY3,800,000 (31 December 2024: TRY3,800,000) and consists of 380,000,000,000 (31 December 2024: 380,000,000,000) authorized number of shares with a nominal value of TRY0.01 each.

The Company's shareholders and their shareholding percentages as of 30 June 2025 and 31 December 2024 is as follows:

Share holders	30 June 2025		31 December 2024	
	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
Adjustment		60,435,468		60,435,468
		64,235,468		64,235,468

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

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

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

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

In accordance with the Capital Markets Board Bulletin published on 7 March 2024 The explanation related to adjusted equity accounts in accordance with TAS 29 is as follows:

	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Low
Adjustment to share capital	64,638,455	60,435,468	(4,202,987)
Share premium	37,026,694	33,754,309	(3,272,385)
Restricted reserves appropriated from p	9,949,112	10,255,355	306,243

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NOTE 17 – REVENUE AND COST OF SALES

As of 30 June 2025 and 2024, the details of revenue and cost of sales are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Sales income				
Land sales	11.261.568	8.556.148	4.657.988	4.041.529
<i>Sales of planned lands by way of LSRSA</i>	<i>9.504.004</i>	<i>6.798.584</i>	<i>800.270</i>	<i>684.188</i>
<i>Land sales income</i>	<i>1.757.564</i>	<i>1.757.564</i>	<i>3.857.718</i>	<i>3.357.341</i>
Residential and commercial units sales	32.760.355	13.338.674	1.725.972	279.806
Consultancy income	3.456.935	1.836.446	3.225.603	2.240.618
Rent income	89.538	29.629	111.410	74.419
	47.568.396	23.760.897	9.720.973	6.636.372
				-
Sales returns	-	-	-	-
Net sales income	47.568.396	23.760.897	9.720.973	6.636.372
Cost of sales				
Cost of lands	(5.788.041)	(4.919.916)	(3.628.190)	(3.064.993)
<i>Cost of lands planned by way of LSRSA</i>	<i>(4.448.243)</i>	<i>(3.580.118)</i>	<i>(533.393)</i>	<i>(423.113)</i>
<i>Cost of lands sold</i>	<i>(1.339.798)</i>	<i>(1.339.798)</i>	<i>(3.094.797)</i>	<i>(2.641.880)</i>
Cost of residential and commercial units sold	(25.933.882)	(9.836.473)	(1.530.941)	(1.128.779)
Consultancy cost	(2.091.379)	(1.134.248)	(1.263.466)	(334.847)
	(33.813.302)	(15.890.637)	(6.422.597)	(4.528.619)
Gross Profit	13.755.094	7.870.260	3.298.376	2.107.753

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

As of 30 June 2025 and 2024, the details of general administrative expenses are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
General administrative expenses				
Personnel expenses	(769,618)	(416,805)	(846,661)	(463,819)
Taxes, duties and fees	(157,558)	(116,545)	(76,990)	(30,079)
Consultancy expenses	(146,182)	(87,854)	(117,685)	(107,368)
Security and cleaning expenses	(119,328)	(45,076)	(146,936)	(63,504)
Depreciation and amortization	(78,476)	(39,108)	(71,745)	(31,393)
Maintenance and repair expenses	(69,956)	(38,146)	(42,962)	(18,754)
Information technologies expenses	(35,726)	(11,632)	(42,451)	(21,467)
Due and contribution expenses	(45,745)	(22,841)	(17,158)	(17,158)
Travel expenses	(36,623)	(17,684)	(14,157)	(12,181)
Insurance expenses	(24,813)	(11,504)	(9,873)	(3,514)
Donations	(18,942)	(18,942)	-	-
Communication expenses	(5,600)	(3,581)	(4,105)	(1,754)
Lawsuit and notary expenses	(2,571)	(995)	(4,860)	(2,376)
Other	(60,279)	(36,947)	(48,672)	(45,417)
	(1,571,417)	(867,660)	(1,444,255)	(818,784)

As of 30 June 2025 and 2024, the details of marketing and sales expenses are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Marketing and sales expenses				
Advertising expenses	(295,164)	(166,426)	(142,385)	(77,419)
Personnel expenses	(43,735)	(24,844)	(46,970)	(26,224)
Consultancy expenses	(30,838)	(18,903)	(29,551)	(15,321)
Other	(34,946)	(34,431)	(1,287)	(330)
	(404,683)	(244,604)	(220,193)	(119,294)

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NOTE 19 –EXPENSES BY NATURE

As of 30 June 2025 and 2024, the details of expenses by nature are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Expenses by nature				
Expenses from residential and commercial units sales	25,933,882	9,836,473	1,530,941	1,128,779
Land costs	5,788,041	4,919,916	3,628,190	3,064,993
Consultancy cost	2,091,379	1,134,248	1,263,466	334,847
Personnel expenses	813,353	441,649	893,631	490,043
Advertising expenses	295,164	166,426	142,385	77,419
Consultancy expenses	177,020	106,757	147,236	122,689
Taxes,duties and fees	157,558	116,545	76,990	30,079
Security and cleaning expenses	119,328	45,076	146,936	63,504
Depreciation and amortisation (Note 9, 10,11)	78,476	39,108	71,745	31,393
Maintenance and repair expenses	69,956	38,146	42,962	18,754
Due and contribution expenses	45,745	22,841	17,158	17,158
Information technologies expenses	35,726	11,632	42,451	21,467
Insurance expenses	24,813	11,504	9,873	3,514
Donations	18,942	18,942	-	-
Lawsuit and notary expenses	2,571	995	4,860	2,376
Communication expenses	5,600	3,581	4,105	1,754
Other	131,848	89,062	64,116	57,928
	35,789,402	17,002,901	8,087,045	5,466,697

NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

As of 30 June 2025 and 2024, the details other operating income are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Other income from operating activities				
Financial income from forward sales	3,609,630	1,993,247	306,092	124,220
Income from transfer commissions	188,936	107,415	154,990	82,563
Default interest income from projects	124,351	76,794	1,985	338
Impairment provisions released	1,010	151	615,914	-
Other	72,133	51,240	37,004	26,721
	3,996,060	2,228,847	1,115,985	233,842

As of 30 June 2025 and 2024, the details other operating expenses are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Other expenses from operating activities				
Reversal of unaccrued financial expense, net	(1,685,016)	(946,736)	(234,319)	(73,125)
Provision for lawsuits (Note 12)	(13,879)	(7,281)	(2,168)	(1,698)
Other	(53,788)	(11,403)	(15,660)	(2,476)
	(1,752,683)	(965,420)	(252,147)	(77,299)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 21 – FINANCIAL INCOME/EXPENSES

As of 30 June 2025 and 2024, the details financial income and expenses are as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Financial income				
Interest and update income	738,767	316,728	2,564,236	1,072,321
Foreign exchange gains	1,499	617	-	-
	740,266	317,345	2,564,236	1,072,321

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Financial expenses				
Borrowings interest and lease certificate expenses	(3,982,156)	(2,603,358)	(726,678)	(304,383)
Foreign exchange losses	(830)	(103)	(1,666)	(1,509)
	(3,982,986)	(2,603,461)	(728,344)	(305,892)

NOTE 22 – TAX ASSETS AND LIABILITIES

a) 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.

b) Tax income/expenses

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Current tax expense	(1,932,336)	(428,651)	-	-
Deferred tax expense	(1,377,915)	(550,034)	-	-
Total tax expense	(3,310,251)	(978,685)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 22 – TAX ASSETS AND LIABILITIES (Continued)

c) Deferred tax

The Company 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.

As detailed in Note 2.4, the corporate tax exemption granted to real estate investment trusts (REITs) under Article 5, paragraph (d-4) of the Corporate Tax Law has been made conditional, as of January 1, 2025, by Law No. 7524 dated August 2, 2024. Specifically, at least 50% of the income derived from real estate must be distributed as dividends in order for the exemption to apply.

Since the decision to distribute profits falls under the authority of the general assembly, the tax rate used in the calculation of deferred tax assets and liabilities for the year 2025 is 30% (31 December 2024: 30%).

As of 30 June 2025, the breakdown of the Company's relevant accumulated temporary differences and the corresponding deferred tax assets and liabilities, prepared using the enacted tax rates, is as follows:

	30 June 2025		31 December 2024	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Adjustments related to TFRS 9 expected credit loss	(3,357)	1,007	(3,917)	1,175
Adjustments related to discount	(4,359,793)	1,307,938	(3,288,157)	986,447
Adjustments Related to Inventory	(12,524,987)	3,757,496	(17,229,217)	5,168,765
Prepaid expense adjustments	258,390	(77,517)	323,730	(97,119)
Adjustments related to tangible assets	44,567	(13,370)	(108,690)	32,607
Adjustments Related to intangible assets	(141,367)	42,410	(162,577)	48,773
Adjustments related to investment properties	(972,297)	291,689	(1,576,647)	472,994
Adjustments related to deferred income	(4,115,897)	1,234,769	(4,301,950)	1,290,585
Adjustments related to provisions	(637,831)	191,349	(698,195)	209,459
Deferred tax assets		6,735,771		8,113,686

The movements of deferred tax assets for the periods ended 30 June 2025 are as follows:

	2025	2024
Opening balance at 1 January	8,113,686	-
Recognized in profit or loss statement	(1,377,915)	-
Closing balance at 30 June	6,735,771	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

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 Company’s shares for the period.

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

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Net profit attributable to shareholders (TRY)	8,266,124	5,279,532	770,064	394,324
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291	3,804,550,291	3,804,550,291
Earnings per share in full TRY	0.2173	0.1388	0.0202	0.0104

NOTE 24 – RELATED PARTY DISCLOSURES

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

1. T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)
2. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. (“EPP”)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi
9. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Ortak Girişimi
10. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
11. Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi – Emlak Konut GYO A.Ş. (“İstmarina AVM Adi Ortaklığı”)
12. Türkiye Emlak Katılım Bankası A.Ş.
13. T.C. Çevre ve Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü
14. İller Bankası A.Ş.
15. Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.
16. Emlak Basın Yayın A.Ş.
17. Büyükyalı Tesis Yönetimi A.Ş.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

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

- The Company keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 30 June 2025, the Company has deposits amounting to TRY 4,509,879 in state banks (31 December 2024: TRY 6,354,723). Average effective interest rates of time deposits of the Company as of 30 June 2025 are explained in Note 3.

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

Trade receivables from related parties	30 June 2025	31 December 2024
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	1,284,850	5,971
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	1,929	-
	1,286,779	5,971

(*) The Company's trade receivables from the Çevre ve Şehircilik Bakanlığı consist of payments made by the Company for urban transformation projects.

Other payables to related parties	30 June 2025	31 December 2024
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	153	-
Other	86	-
	239	-

Trade payables to related parties	30 June 2025	31 December 2024
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	2,271,300	-
	2,271,300	-

Deferred income from related parties	30 June 2025	31 December 2024
Türkiye Emlak Katılım Bankası A.Ş. (*)	515,588	5,262,722
	515,588	5,262,722

(*) The amount includes the amounts received by the Company for 29 commercial units sold to Türkiye Emlak Katılım Bankası A.Ş.

Deposits at related parties	30 June 2025	31 December 2024
Türkiye Emlak Katılım Bankası A.Ş.	136,092	1,918,726
	136,092	1,918,726

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Purchases from related parties				
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ") (*)	7,647,331	-	686,248	686,248
Marmara Kentsel Dönüşüm Müdürlüğü (**)	3,387,079	315,000	-	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	2,315,830	1,340,936	1,329,430	577,953
Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	241,050	241,050	21,213,246	18,392,647
Emlak Basın Yayın A.Ş.	1,825	908	-	-
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	250	184	-	-
	13,593,365	1,898,078	23,228,924	19,656,848
Sales to related parties				
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	3,645	1,713	950	609
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	1,539	465	2,268	1,425
	5,184	2,178	3,218	2,034

(*) The real estate with the parcel number 2, island 1692, located in Atışalanı neighborhood, Esenler district, Istanbul province, was purchased from T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Toplu Konut İdaresi Başkanlığı (TOKİ).

(**) A total of 75,272.82 m² of lands located in the Atışalanı neighborhood of the Esenler district of Istanbul province and 14,375 m² of land located in the Arnavutköy Ömerli neighborhood of Istanbul were purchased from the T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Marmara Kentsel Dönüşüm Müdürlüğü.

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

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Compensation to key management				
Salaries and other short-term benefits	34,279	19,500	35,157	20,210
	34,279	19,500	35,157	20,210

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

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:

30 June 2025

Non-monetary items

Statement of financial position items

Inventories	10,742,687
Financial investments	687,124
Given advances	258,391
Investment properties, tangible and intangible assets	526,783
Deferred tax assets	1,159,531
Deferred income	3,783,236
Share premiums / discounts	(4,823,845)
Paid-in capital	(9,179,923)
Treasury shares (-)	10,780
Restricted reserves appropriated from profit	(1,446,330)
Gain / (loss) arising from defined benefit plans	595
Other equity items	289,994
Retained earnings / accumulated losses	597,849

Statement of profit or loss items

Revenue	(14,930,695)
Cost of sales (-)	13,544,674
General administrative expenses (-)	115,489
Marketing expenses (-)	16,087
Other income from main operations	(866,311)
Other expenses from main operations (-)	75,760
Expenses from investing activities (-)	-
Finance income	(37,857)
Finance costs (-)	145,627
Current tax expense	127,078

Monetary gain/loss	796,724
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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 26 - COMMITMENTS

Company's mortgage and guarantees received as of 30 June 2025 and 2024 are as follows:

	30 June 2025	31 December 2024
Guarantees received (*)	48,396,780	55,605,351
Mortgages received (**)	904,534	781,722
	49,301,314	56,387,073

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

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

The collaterals, pledges and mortgages ("CPM") of the Company as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
A. Total amount of CPM given on behalf of the Company's own legal entity	166,390	192,644
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	-	-
	166,390	192,644

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

Within the scope of the "Cooperation Protocol" signed between the Company and the Housing Development Administration of the Republic of Turkey (TOKİ), affiliated with the Ministry of Environment, Urbanization and Climate Change, the Capital Markets Board of Turkey (CMB) approved, on July 23, 2025, the Company's application for the issuance of Real Estate Certificates on behalf of TOKİ for the "Damla Kent Project" to be developed on land located in Başakşehir District, Istanbul, owned by TOKİ and to be undertaken with TOKİ's assurance.

Under the terms of the Cooperation Protocol, the Company is responsible for the development of the Damla Kent Project, including the preparation of architectural plans, tendering the construction work on a turnkey basis, monitoring the contractors' progress payments and construction progress, and fulfilling either the primary or alternative obligations toward investors based on their preferences, upon the completion of the residential units subject to the certificates. In return for these services and responsibilities, the Company will earn service fee income under the terms of the project agreement.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD (Continued)

According to the project agreement, TOKİ guarantees that the residential units covered by the certificates will be delivered to certificate holders, and that the Company will fulfill either the primary or secondary obligations, depending on the preferences of the certificate holders.

The Real Estate Certificate issuance covers only the residential units — a total of 5,325 apartments — within the project scope and excludes the 244 commercial units. For the planned public offering within the scope of the project, the unit price per certificate has been set at TRY 7.59.

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Non-Consolidated (Standalone) Financial Statement Main Account Items	Related Regulation	30 June 2025	31 December 2024
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	6,143,913	7,313,668
B	Properties, Projects based on Properties and Rights based on			
IS	Properties	Series: III-No.48, Art.24/(a)	183,844,015	199,868,695
	Subsidiaries	Series: III-No.48, Art.24/(b)	4,808,071	4,808,071
	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
DV	Other Assets		27,298,923	23,234,040
D	Total Assets (Total Assets)		222,094,922	235,224,474
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	21,336,426	15,053,433
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)	-	-
I	Shareholders' equity		120,268,911	113,543,661
EB	Other Resources		80,489,585	106,627,380
D	Total Resources	Series: III-No.48, Art.3/(k)	222,094,922	235,224,474
	Non-Consolidated (Standalone) Other Financial Information	Related Regulation	30 June 2025	31 December 2024
A1	The Portion of Money and Capital Market Instruments Held for 3-			
A2	Year Real Estate Payments	Series: III-No.48, Art.24/(b)	6,143,913	7,313,668
A3	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	7,435,782	9,225,283
	Foreign Capital Market Instruments	Series: III-No.48, Art.24/(d)	-	-
B1	Foreign Properties, Projects based on properties and rights based			
B2	on Properties	Series: III-No.48, Art.24/(d)	-	-
	Idle Land	Series: III-No.48, Art.24/(c)	18,711,666	17,385,449
C1	Foreign Subsidiaries	Series: III-No.48, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	5,126,600	5,126,600
J	Non-Cash Loans	Series: III-No.48, Art.31	166,390	192,644
K	Mortgage amount of servient lands which will be developed and not owned	Series: III-No.48, Art.22/(e)		

	Portfolio Restrictions	Related Regulation	30 June 2025	31 December 2024
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			
3	Properties	Series: III-No.48, Art.24/(a),(b)	86%	88%
	Money and Capital Market Instruments and Affiliates	Series: III-No.48, Art.24/(b)	2%	2%
	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)	8%	7%
6	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	2%	2%
7	Borrowing Limit	Series: III-No.48, Art.31	18%	13%
8	Term / Demand / Currency	Series: III-No.48, Art.22/(e)	1%	1%

Informations in the Control of Compliance with Portfolio Limitations are in the nature of summary information derived from financial statements in accordance with article 16 of Serial: II, No: 14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” and have been prepared within the framework of the provisions of the "Communiqué on Principles Regarding Real Estate Investment Trusts", Serial: III, No: 48.1, published in the Official Gazette No. 28660 on 28 May 2013, on the control of compliance with portfolio limitations.

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