

**AKFEN GAYRİMENKUL YATIRIM  
ORTAKLIĞI ANONİM ŞİRKETİ**

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



KPMG Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
İş Kuleleri Kule 3 Kat:2-9  
Levent 34330 İstanbul  
Tel +90 212 316 6000  
Fax +90 212 316 6060  
www.kpmg.com.tr

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

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

### *Introduction*

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

### *Scope of Review*

We conducted our review in accordance with Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the entity as at 30 June 2024, and its financial performance and its cash flows for the six month period then ended in accordance with in accordance with TAS 34.

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



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

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

TABLE OF CONTENTS	PAGE
STATEMENT OF SEPARATE FINANCIAL POSITION .....	1-2
STATEMENT OF SEPARATE PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	3
STATEMENT OF SEPARATE CHANGES IN SHAREHOLDERS' EQUITY .....	4
STATEMENT OF SEPARATE CASH FLOWS .....	5
NOTES TO THE SEPARATE FINANCIAL STATEMENTS .....	6-65
NOTE 1 ORGANIZATION AND OPERATIONS OF THE COMPANY .....	6-8
NOTE 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS .....	8-25
NOTE 3 SEGMENT REPORTING.....	25
NOTE 4 RELATED PARTY DISCLOSURES.....	26-27
NOTE 5 CASH AND CASH EQUIVALENTS .....	29
NOTE 6 FINANCIAL LIABILITIES .....	29-32
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	32
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	32-33
NOTE 9 FINANCIAL INVESTMENTS.....	33
NOTE 10 INVESTMENT PROPERTY .....	34-35
NOTE 11 TANGIBLE ASSETS .....	36
NOTE 12 INTANGIBLE ASSETS .....	37
NOTE 13 INVENTORIES .....	37
NOTE 14 GOVERNMENT GRANTS AND INCENTIVES .....	38
NOTE 15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	38
NOTE 16 COMMITMENT AND CONTINGENCIES.....	39-41
NOTE 17 EMPLOYEE BENEFITS .....	42
NOTE 18 PREPAID EXPENSES AND DEFERRED REVENUE .....	43
NOTE 19 OTHER CURRENT/NON-CURRENT ASSETS .....	43
NOTE 20 EQUITY .....	44-46
NOTE 21 REVENUE AND COST OF SALES .....	46
NOTE 22 GENERAL ADMINISTRATIVE EXPENSES.....	47
NOTE 23 OTHER OPERATING INCOME/EXPENSES.....	48
NOTE 24 INCOME/(EXPENSES) FROM INVESTMENT ACTIVITIES .....	49
NOTE 25 FINANCIAL INCOME.....	49
NOTE 26 FINANCIAL EXPENSES.....	49
NOTE 27 TAX ASSETS AND LIABILITIES.....	50
NOTE 28 EARNINGS PER SHARE .....	50
NOTE 29 FAIR VALUE EXPLANATIONS.....	51-53
NOTE 30 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS .....	54-64
NOTE 31 FINANCIAL INSTRUMENTS .....	65
NOTE 32 SUBSEQUENT EVENTS.....	65
APPENDIX COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS.....	66-67

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

		<i>Reviewed</i>	<i>Audited</i>
	Notes	June 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>		<b>2,752,289,965</b>	<b>2,930,612,840</b>
Cash and cash equivalents	5	2,001,182,219	2,661,081,540
Trade receivables		148,421,594	152,551,902
- <i>Trade receivables from related parties</i>	4,7	10,227,415	14,238,315
- <i>Trade receivables from third parties</i>	7	138,194,179	138,313,587
Other receivables		563,322,133	12,956,851
- <i>Other receivables from related parties</i>	4,8	563,321,329	12,955,849
- <i>Other receivables from third parties</i>	8	804	1,002
Prepaid expenses		33,163,920	103,963,716
- <i>Prepaid expenses from related parties</i>	4,18	-	422,865
- <i>Prepaid expenses from third parties</i>	18	33,163,920	103,540,851
Other current assets	19	6,200,099	58,831
<b>NON-CURRENT ASSETS</b>		<b>16,039,309,058</b>	<b>16,207,781,314</b>
Financial investments		3,700,300,766	4,550,760,720
- <i>Subsidiaries and affiliates</i>	9	3,700,300,766	4,550,760,720
Trade receivables		-	78,361,738
- <i>Trade receivables from related parties</i>	4,7	-	78,361,738
Other receivables		319,344,430	1,515,273
- <i>Other receivables from related parties</i>	4,8	317,814,249	-
- <i>Other receivables from third parties</i>	8	1,530,181	1,515,273
Inventories	13	1,396,153,589	1,099,934,835
Investment properties	10	10,548,593,790	10,472,224,523
Property, plant, and equipment	11	855,668	986,768
Intangible assets	12	281,498	279,403
Prepaid expenses	18	73,779,317	3,718,054
<b>TOTAL ASSETS</b>		<b>18.791.599.023</b>	<b>19.138.394.154</b>

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

		<i>Reviewed</i>	<i>Audited</i>
	Notes	June 30, 2024	December 31, 2023
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>		<b>486,538,867</b>	<b>1,507,001,978</b>
Current portion of non-current borrowings		399,608,549	291,983,722
- Bank loans	6	391,225,936	282,172,609
- Lease liabilities	6	8,382,613	9,811,113
Trade payables		83,083,076	62,081,892
- Trade payables to related parties	4,7	67,285,769	50,885,234
- Trade payables to third parties	7	15,797,307	11,196,658
Other payables		1,389	1,149,063,379
- Other payables to related parties	4,8	-	1,113,225,510
- Other payables to third parties	8	1,389	35,837,869
Deferred revenue	18	2,679,679	3,171,987
Current provisions		1,166,174	700,998
- Current provisions for employee benefits	17	1,166,174	700,998
<b>NON CURRENT LIABILITIES</b>		<b>1,735,680,887</b>	<b>2,106,177,531</b>
Non-current borrowings		1,524,207,024	2,055,032,713
- Bank loans	6	1,476,820,642	1,999,616,396
- Lease liabilities	6	47,386,382	55,416,317
Deferred revenue	18	210,024,196	49,672,468
Non-current provisions		1,449,667	1,472,350
- Non-current provisions for employee benefits	17	1,449,667	1,472,350
<b>EQUITY</b>		<b>16,569,379,269</b>	<b>15,525,214,645</b>
Paid in capital	20	3,900,000,000	3,890,703,214
Inflation adjustments on capital	20	6,342,967,007	6,341,395,988
Share Premium	20	1,510,302,744	1,504,284,550
Restricted reserves appropriated from profits		20,858	20,858
- Legal reserves	20	20,858	20,858
Retained earnings		3,788,810,035	2,615,352,006
Net profit for the period		1,027,278,625	1,173,458,029
<b>TOTAL LIABILITIES</b>		<b>18,791,599,023</b>	<b>19,138,394,154</b>

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

		<i>Reviewed</i>	<i>Not Reviewed</i>	<i>Reviewed</i>	<i>Not Reviewed</i>
		<b>January 1- June 30, 2024</b>	<b>April 1- June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1- June 30, 2023</b>
<b>PROFIT OR LOSS</b>	<b>Notes</b>				
Revenue	21	268,838,356	145,507,371	301,284,222	185,753,962
Cost of sales (-)	21	(10,683,264)	(6,273,724)	(12,601,623)	(6,865,710)
<b>GROSS PROFIT</b>		<b>258,155,092</b>	<b>139,233,647</b>	<b>288,682,599</b>	<b>178,888,252</b>
General administrative expenses (-)	22	(22,736,791)	(12,374,271)	(18,149,871)	(8,354,978)
Other operating income from operating activities	23	80,884,818	80,865,159	2,189,897,860	2,189,818,363
Other operating expenses from operating activities (-)	24	(95,261)	(91,951)	(2,579,031)	(2,454,804)
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>316,207,858</b>	<b>207,632,584</b>	<b>2,457,851,557</b>	<b>2,357,896,833</b>
Income from investment activities	24	478,885,281	-	739,088	739,088
Expenses from investment activities	24	(4,345,510)	(4,345,510)	-	-
<b>PROFIT BEFORE FINANCE INCOME</b>		<b>790,747,629</b>	<b>203,287,074</b>	<b>2,458,590,645</b>	<b>2,358,635,921</b>
Finance income	25	383,147,943	269,445,451	65,673,615	61,389,827
Finance expense (-)	26	(91,720,123)	(47,528,290)	(1,511,978,146)	(1,241,398,490)
Monetary (loss)/gain		(54,896,824)	(74,384,159)	564,308,539	217,961,127
<b>PROFIT BEFORE TAX</b>		<b>1,027,278,625</b>	<b>350,820,076</b>	<b>1,576,594,653</b>	<b>1,396,588,385</b>
Current period tax expense (-)	27	-	-	(2,059,871)	(2,059,871)
<b>PROFIT FOR THE PERIOD</b>		<b>1,027,278,625</b>	<b>350,820,076</b>	<b>1,574,534,782</b>	<b>1,394,528,514</b>
Earnings per share (TRY in full)	28	0.26	0.09	1.22	1.08
Diluted earnings per share (TRY in full)	28	0.26	0.09	1.22	1.08

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

	Issued capital	Inflation adjustment to share capital	Treasury shares	Share premium	Restricted reserves allocated from profits	Accumulated profits		Total equity
						Retained earnings	Net profit for the period	
<b>Balance as of January 1, 2023</b>	<b>1,300,000,000</b>	<b>5,700,596,197</b>		<b>1,466,979,886</b>	<b>20,858</b>	<b>2,101,738,342</b>	<b>513,613,665</b>	<b>11,082,948,948</b>
Transfers	-	-	-	-	-	513,613,665	(513,613,665)	-
Total comprehensive income	-	-	-	-	-	-	1,574,534,782	1,574,534,782
(Decrease)/Increase due to share repurchase transactions	-		(182,382,519)	-	182,382,519	(182,382,519)	-	(182,382,519)
<b>Balance as of June 30, 2023</b>	<b>1,300,000,000</b>	<b>5,700,596,197</b>	<b>(182,382,519)</b>	<b>1,466,979,886</b>	<b>182,403,377</b>	<b>2,432,969,488</b>	<b>1,574,534,782</b>	<b>12,475,101,211</b>
<b>Balance as of January 1, 2024</b>	<b>3,890,703,214</b>	<b>6,341,395,988</b>	-	<b>1,504,284,550</b>	<b>20,858</b>	<b>2,615,352,006</b>	<b>1,173,458,029</b>	<b>15,525,214,645</b>
Transfers	-	-	-	-	-	1,173,458,029	(1,173,458,029)	-
Total comprehensive income	-	-	-	-	-	-	1,027,278,625	1,027,278,625
Capital increase (Note 20)	9,296,786	1,571,019	-	6,018,194	-	-	-	16,885,999
<b>Balance as of June 30, 2024</b>	<b>3,900,000,000</b>	<b>6,342,967,007</b>	-	<b>1,510,302,744</b>	<b>20,858</b>	<b>3,788,810,035</b>	<b>1,027,278,625</b>	<b>16,569,379,269</b>

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



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

	<i>Notes</i>	<i>Reviewed January 1- June 30, 2024</i>	<i>Reviewed January 1- June 30, 2023</i>
<b>A. Cash flows from operating activities</b>			
<b>Profit from continuing operations</b>		<b>1,027,278,625</b>	<b>1,574,534,782</b>
<b>Adjustments to reconcile profit:</b>			
Adjustments for depreciation and amortisation expense	21, 22	308,959	4,248,659
Adjustments for provisions related with employee benefits	17	942,115	805,537
Adjustments for fair value gains		(80,865,158)	(2,209,243,239)
- <i>Adjustments to fair value (gains)/losses of investment properties</i>	23	<i>(80,865,158)</i>	<i>(2,189,030,465)</i>
- <i>Adjustments for fair value gains of derivative financial instruments</i>	25, 26	-	<i>(20,212,774)</i>
Adjustments for impairment loss		-	81,043
Adjustments for interest income and expense	25, 26	(270,859,546)	306,112,721
Adjustments for unrealised foreign exchange losses		(138,356,130)	783,869,486
Adjustments related to gains arising from the disposal of subsidiaries or joint ventures	24	(469,925,602)	-
Adjustments for monetary gain		170,563,275	(195,865,804)
Adjustments for tax expenses		-	2,059,871
		<b>239,086,538</b>	<b>266,603,056</b>
<b>Changes in working capital:</b>			
Adjustments for decrease in trade accounts receivable		39,384,558	76,015,033
Adjustments for increase in other receivables related with operations		(839,748,765)	(83,287,199)
Adjustments for increase in inventories		(296,218,754)	(102,979,394)
Adjustments for increase in trade accounts payable		33,208,857	27,666,689
Adjustments for (decrease)/increase in other operating payables		(810,561,328)	31,060,422
Other adjustments for other (decrease)/increase in working capital		(19,956,655)	16,955,662
<b>Cash flows from operations</b>		<b>(1,654,805,549)</b>	<b>232,034,269</b>
Payments related with provisions for employee benefits	17	-	(120,396)
Tax refund		-	2,414,006
<b>Net cash flows from operating activities</b>		<b>(1,654,805,549)</b>	<b>234,327,879</b>
<b>B. Cash flows from investing activities</b>			
Cash inflows arising from sales of shares or capital decrease of associates and/or joint ventures	9	2,491,664,380	-
Cash outflow from purchase of property, plant, equipment, and intangible assets	11,12	(179,954)	(308,979)
Cash outflows from acquisition of investment property	10	(4,567,854)	(491,326)
Cash outflows related to additional share purchases in subsidiaries	9	-	(28,710,540)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	9	(1,171,278,824)	(53,520,430)
<b>Cash flows used in investing activities</b>		<b>1,315,637,748</b>	<b>(83,031,275)</b>
<b>C. Cash flows from financing activities</b>			
Cash inflows from capital advances	20	16,885,999	-
Cash inflows from borrowing	6	1,852,276,627	-
Cash outflows for loan repayments	6	(1,771,878,146)	(101,796,227)
Cash outflows for payments of lease liabilities	6	(13,029,964)	(13,836,399)
Cash inflows from derivative instruments		-	170,537,884
Interest received		90,394,903	1,069,026
Interest paid	6	(113,891,520)	(77,950,156)
Cash outflows from the business own acquisition of shares		-	(182,382,519)
<b>Net cash flows obtained/(used) in financing activities</b>		<b>60,757,899</b>	<b>(204,358,391)</b>
<b>Net decrease in cash and cash equivalents before the effect of currency translation differences</b>		<b>(278,409,902)</b>	<b>(53,061,787)</b>
Effect of foreign currency translation differences on cash and cash equivalents		145,996,902	71,732,374
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(132,413,000)</b>	<b>18,670,587</b>
Cash and cash equivalents at the beginning of the period	5	2,661,348,305	188,178,275
Inflation effect on cash and cash equivalents		(527,739,394)	(31,067,188)
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>2,001,195,911</b>	<b>175,781,674</b>

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

**1. ORGANIZATION AND OPERATIONS OF THE COMPANY**

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

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

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

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

The Company was enlisted on Istanbul Stock Exchange (ISE) on May 11, 2011.

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

**1. ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)**

The Company has established a subsidiary, Akfen Karaköy Otel Yatırımları A.Ş. ("Akfen Karaköy"), to develop a hotel project in Istanbul Karaköy on May 31, 2011. After the capital increase on May 18, 2018, the Company's direct and indirect ownership interest in Akfen Karaköy increased from 69.99% to 91.47%. As of February 16, 2023, 85.16% of Akfen Karaköy's 8.53% shares (7.26% of total shares) owned by third parties were taken over by Akfen GT as a deduction for the existing receivables of Akfen GT from the other partners of Akfen Karaköy together with the accrued interest until the share transfer date, and 14.84% of the remaining shares (1.27% of the total shares) by Akfen Holding with a price of 1,500,000 USD. On May 2, 2023, the Company purchased the 1.27% Akfen Karaköy shares belonging to Akfen Holding and with the aforementioned share transfer, Akfen Karaköy became a 100% subsidiary of the Company. After the said share purchase, Akfen GYO's direct and indirect ownership in Akfen Karaköy was 100% As of December 31, 2023.

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**1. ORGANIZATION AND OPERATIONS OF THE COMPANY (cont’d)**

Akfen GYO has purchased 51% shares of Fıratcan İnş. Turz. Tic. A.Ş. (“Fıratcan Turizm”) on March 31, 2021 for a consideration of TRY 58,375,000 (EUR 6,200,000). With this purchase, the Company, with reference to the Lease Agreement for Areas Containing Buildings signed between Fıratcan Turizm and TCDD on 5 July 2018; Söğütlüçeşme train station located in Kadıköy, Istanbul, has the right to carry out the work within the scope of the High Speed Train Station project, 2 years permit-license, 2 years construction period and 28 years operating lease. In this context, the Company has undertaken the Söğütlüçeşme High Speed Train Station Project to TCDD, and viaduct, train station, commercial area and parking lot will be built within the scope of the project. Within the scope of the project change on September 6, 2022, the contract was renewed and its term was extended until 2051.

The Company purchased a 22,197 square meter land in Bodrum Yalıkavak on September 15, 2022, with all licenses and permits and started the construction of the villa project planned to be sold on the land.

The Company has purchased 100% shares of Gökliman Yatırım İnşaat Turizm ve Jeotermal Tic. A.Ş. (“Gökliman”) from Akfen Gayrimenkul Portföy Yönetim A. Ş. 1. Gayrimenkul Yatırım Fonu (“Akfen GPYŞ 1. GMY Fonu”) on December 29, 2022 for a consideration of TRY 904.361.904. Gökliman's main field of activity is to make and operate tourism investments, and there is a total of 83,624.59 m2 of land in Muğla province, Milas district, Kıyıkışlacık Neighborhood, Gökliman Locality.

On April 3, 2023, Akfen Bafra Gayrimenkul Ticareti ve İnşaat A.Ş. (“Akfen Bafra”), a new wholly owned subsidiary, was established. The main activity of the Company is to invest in real estate in Cyprus, to create and develop a real estate portfolio.

The Company is registered in Levent Loft, Büyükdere Caddesi, C Blok No: 201, Kat: 8, Daire: 150, Levent-İstanbul address. As of June 30, 2024, the number of employees of the company is 10 (December 31, 2023: 9).

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**2.1. Basis of preparation**

**a Statement of compliance**

The accompanying individual financial statements are based on the “Communiqué on Principles Regarding Real Estate Investment Companies” of the Capital Markets Board (“CMB”) published in the Official Gazette No: 28660, Serial: III, No: 48.1, “investment companies that have the obligation to prepare consolidated financial statements, are obliged to prepare annual and interim consolidated financial statements as well as annual and interim individual financial statements.

In the individual financial statements, the subsidiaries, joint operations, affiliates, and joint ventures of the Company are not consolidated and are reflected in the individual financial statements as financial investments in accordance with TAS 27 "Individual financial statements" and by deducting the provision for impairment, if any, from the acquisition costs.

The Company, in accordance with the Financial Reporting Standards Turkey also prepares the consolidated financial statements prepared As of June 30, 2024. Therefore, the attached individual financial statements should be examined together with the consolidated financial statements of the Company prepared as of June 30, 2024, in order to obtain comprehensive information about the financial status of the Company on June 30, 2024 and December 31, 2023 and the financial performance and cash flows of the year ending on the same date.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**2.1. Basis of preparation (cont'd)**

***b Measurement principles***

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

As of 1 January 2023, within the scope of TAS 29, the amount of "Retained Earnings" without inflation adjustment is TRY 1,148,702,621, and TRY 1,224,809,544 "Loss From Previous Year" after inflation adjustment. The amount of "Loss From Previous Year" dated 1 January 2022 is TRY 2,101,738,342 as brought to the purchasing power of June 30, 2024.

**Financial Reporting in Hyperinflationary Economies**

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

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

The indices and adjustment coefficients for the last three years used in the restatement of consolidated financial statements are as follows:

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

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

**b Measurement principles (cont’d)**

**Financial Reporting in Hyperinflationary Economies (cont’d)**

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

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

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

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

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

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

**d Functional and presentation currency**

The presentation currency of the accompanying financial statements is TRY and all financial information presented in TRY unless otherwise stated. All other currencies are stated full unless otherwise stated.

**e Subsidiaries/Affiliates**

The Company, in the separate financial statements, recognizes its investments in subsidiaries at their cost value by discounting impairment value, if any.

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

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

**g Foreign currency transaction**

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

Except for the currency used for measuring the items in the separate financial statement, all currency units used are named as foreign currency.

**h Comparative information and restatement of prior periods’ financial statements**

The accompanying individual financial statements are prepared in comparison with the previous period to determine the financial status, performance, and trends in cash flow of the Company. When the presentation or classification of the items of individual financial statements changes, to ensure comparability, the previous period's individual financial statements are also reclassified accordingly, and an explanation is made regarding these matters.

**ı Going concern**

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

**2.2. Accounting estimates and evaluations**

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

*Note 10 Fair value measurement of investment property*

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

*Note 19 Long term VAT receivables*

The Company classifies its VAT receivables which will be recovered more than one year based on its current operations, to non-current asset (Note 19).



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.2 Accounting estimates and evaluations (cont’d)**

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

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

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

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

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

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

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

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

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

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

---

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

**2.3 Summary of significant accounting policies**

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

**2.3.1 Revenue**

Revenue includes rental income and real estate inventory sales.

**Rental income**

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

*Income from real estate sales*

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

When the contractual terms of the projects that the Company has sold comply with the situations described above, the sales income and cost are reflected in the financial statements.

**2.3.2 Offsetting**

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

**2.3.3 Investment property**

**Operating investment properties**

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

The fair value of the investment properties is determined by adding the present values of the free cash flows to be generated by the investment properties in the following years. Fair valuation studies have been made considering the credibility of the tenants or those responsible for making the activity payments, the distribution of the maintenance and insurance of the investment property between the lessor and the lessee and the economic life of the investment property.

The fair value of the Company's investment property includes the fair value calculated by a real estate appraisal company, which is included in the list of “Real Estate Appraisal Companies” registered with the CMB, and the expenditures made for the real estates from the date of valuation to the end of the reporting period.

Gains or losses arising from changes in the fair value of investment properties are recognized in profit or loss in the period in which they arise.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.3 Investment property (cont’d)**

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

*Right to use assets*

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

*Lease liabilities*

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

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

***Lease liabilities (cont’d)***

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

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

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

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

**2.3.4 Property and equipment**

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

***Depreciation***

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

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

Equipment	2-10 years
Furniture and fixture	3-10 years
Vehicles	3-5 years

***Subsequent expenditure***

Expenses arising from replacing any part of tangible fixed assets, including basic maintenance and repair expenses, can be capitalized. Other subsequent expenses can be capitalized if they increase the future economic benefit of the tangible fixed asset. All other expenses are recognized in profit or loss on the date they occur. Losses or gains resulting from disposal of tangible fixed assets are determined by comparing the proceeds from sales with the book value of the fixed asset and are reflected in the relevant income or expense accounts in the current period.

**2.3.5 Intangible assets**

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.6 Impairment of assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the asset (or cash generating unit) is less than its book value, the book value of the asset (or cash generating unit) is reduced to its recoverable amount. In this case, impairment losses are recognized in profit or loss. The increase in the registered value of the asset (or cash-generating unit) due to the reversal of the impairment should not exceed the book value (net amount remaining after depreciation) that would occur if the impairment was not included in the financial statements in previous years. Cancellation of impairment is recorded in profit or loss.

**2.3.7 Financial instruments**

***Classification***

The Company recognizes its financial assets in three classes as “financial assets accounted for at amortized cost”, “financial assets at fair value through other comprehensive income” and “financial assets at fair value through profit or loss”. The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Company classifies its financial assets at the date of purchase. Financial assets are not reclassified after initial recognition unless the business model used by the Company in the management of financial assets changes; In the case of a business model change, financial assets are reclassified on the first day of the subsequent reporting period.

***Recognition and Measurement***

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.7 Financial instruments (cont’d)**

***Recognition and Measurement (cont’d)***

“Financial assets at fair value through profit or loss” consist of financial assets other than financial assets measured at amortized cost and fair value difference reflected to other comprehensive income. Gains and losses arising from the valuation of such assets are recognized in the individual income statement. Financial assets at fair value through profit or loss also include “derivatives” items in the statement of financial position. Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Company reflected in profit or loss consist of interest rate fixing contracts.

***Derecognition***

The Company derecognizes a financial asset when its rights to the cash flows that are incurred in accordance with the contract relating to financial assets expire or when the related rights are transferred to the ownership of all risks and returns related to this financial asset through a purchase and sale transaction. Any rights created or held by financial assets transferred by the Company are recognized as a separate asset or liability.

***Impairment***

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

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

**2.3.8 Financial liabilities**

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

***Financial liabilities***

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

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

During initial recognition of the convertible bond as financial liability, the fair value (the present value of the redemption value) is reclassified from equity. In accordance with TAS 32, financial instrument components that provide for the grant of an obligation to convert an entity into a financial instrument based on the equity of the entity that generates the financial liability are presented separately as debt and equity components in the balance sheet. When the compound financial instrument is allocated to the initial book value equity and liability components, the remaining amount is transferred to the equity component after deducting separately the amount determined separately for the liability component from the fair value of the instrument.

The difference between the fair value of the amount to be paid at the maturity date or the amount to be converted by using the current market interest rate and the original export amount is classified under "Additional capital contribution of shareholders" item under equity. In the initial recognition, the sum of the book values distributed to the debt and equity components is always equal to the fair value attributable to the entire instrument. The fair value calculation is performed on the cash flow after classification under equity and the interest expense related to the obligation is recognized in profit or loss and other comprehensive income statement in the separate financial statements.

***2.3.9 Share capital***

***Ordinary shares***

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

***2.3.10 Inventories***

Inventories are measured at the lower of cost or net realizable value. The cost elements included in the inventories consist of the lands owned by the Company to build real estate for sale and the costs of the real estates under construction on these lands. According to the construction completion and sales estimates of the real estates, these costs are accounted for under current and non-current assets. These costs include all acquisition costs, conversion costs, and other costs incurred to bring inventories to their current state and location. The unit cost of inventories is determined using the lower of cost or net realizable value method.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.11 Earnings per share and diluted earnings per share**

Earnings per share, which is stated income statement, is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the period. The number of common share available during the period is the sum of number of common shares at the beginning of the period and the product of number of common shares exported during the period and a time weighted factor (Note 28).

In the calculation of diluted earnings per share presented in the comprehensive income statement, the profit or loss in the share of the ordinary shareholders of the parent company and the weighted average number of shares are adjusted according to the effects of dilutive potential ordinary shares. The profit or loss in the share of the parent shareholders of the parent company is increased by the amount of the post-tax dividend and interest accrued in the period with respect to the potential ordinary shares that are dilutive effects and by any other change resulting from the conversion of potential ordinary shares with dilutive effects and the weighted average number of existing ordinary shares is increased by the weighted average of the number of additional ordinary shares based on the assumption that all potential ordinary shares with dilution effects have been converted (Note 28).

**2.3.12 Subsequent events**

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

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

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

**2.3.13 Provisions, contingent liabilities, and contingent assets**

For any provision amount to be included in the financial statements; The Company must have an existing legal or implied obligation arising from past events, for this obligation to be fulfilled, it is probable that the resources containing economic benefits will be withdrawn from the enterprise and that the amount of the obligation can be estimated reliably. If these criteria are not met, the Company discloses the related issues in the notes.

If it is probable that the economic benefit will enter the entity, the disclosure is made in the notes to the financial statements of the contingent asset. If it is certain that the economic benefit will enter the entity, the asset and the related income are recognized in the financial statements at the date of the change.

**2.3.14 Leases**

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

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



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.14 Leases (cont’d)**

***Company as a lessee***

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

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

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

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.14 Leases (cont’d)**

***Company as a lessee (cont’d)***

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

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

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

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

***The Company as a lessor***

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

When the company is in the position of lessor, it classifies each of the leases as operating leases or finance leases.

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.15 Related parties**

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

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

a) A person or a close member of that person's family is related to a reporting entity if that person:

The subject in question,

- (i) has control or joint control over the reporting entity.
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

**2.3.16 Taxation**

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

Joint Ventures are not considered as independent units in terms of tax legislation. Therefore, the partners of the ordinary companies are deemed to be jointly responsible for the application of tax. Since Akfen GYO is exempt from Corporate Tax, there is no tax liability arising from Joint Venture earnings.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**2.3 Summary of significant accounting policies (cont’d)**

**2.3.16 Taxation (cont’d)**

According to Article 15/ (3) the income of REITs is subject to 15% withholding tax irrespective of its distribution. The Council of Ministers has the authority to increase the withholding tax rate on REIT income to corporate income tax rate or reduce it to 0% or change it within the limits defined through Article 15/ (34) of New Corporate Tax Law. In accordance with New Corporate Tax Law Article 15 / (2), income subject to corporate tax is also exempt from withholding tax.

According to temporary Article (1) of the New Corporate Tax Law, resolutions of the Council of Ministers related with Income Tax Law numbered 193 and Tax Law No: 5422 are valid up to new Decrees published by the Council of Ministers. Determined rates cannot exceed statutory limits defined at New Corporate Tax Law.

Based on the resolution of the Council of Ministers numbered 2009/14594 related to the withholding tax rates which were determined as 15% according to the New Corporate Tax Law Article 15/ (3) published in the Official Gazette dated February 3, 2009 numbered 27130, the withholding tax rate is determined as 0% and this resolution is effective on the same date. According to Article 5/1(d) (4) the income of REITs is subject to 0% withholding tax irrespective of its distribution.

As the profit of the Company is exempted of the corporate income tax pursuant to article 5 of the Corporate Tax Law, no deferred tax is calculated.

**2.3.17 Employee termination benefits / Retirement pay provision**

***Retirement pay provision***

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

***Vacation pay provision***

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

**2.3.18 Statement of cash flows/Cash and Cash Equivalents**

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**2.4 Determination of fair values**

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

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

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

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

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

**2.5 Investment portfolio limitations on real estate investment trust**

As of June 30, 2024 and December 31, 2023 the information contained in the footnote titled "Control of Compliance with Portfolio Limitations" are in the nature of summary information derived from the financial statements in accordance with the Article 16 of the CMB Serial: II, No: 14.1 "Communiqué on the Principles of Financial Reporting in the Capital Markets" and have been prepared within the framework of the provisions regarding the control of compliance with portfolio limitations related to Communiqué on "Principles Regarding Real Estate Investment Trusts", Serial: III, No: 48.1, published in the Official Gazette No. 28660 on May 28 2013 and Communiqué Serial: III, No: 48.1a on the Amendment of the "Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette No. 28891 on January 23, 2014.

**3. SEGMENT REPORTING**

As of June 30, 2024 and December 31, 2023, since the Company carries out all its operational transactions from domestic markets, there are no different fields of activity and different geographical regions that require segment reporting.

**4. RELATED PARTY DISCLOSURES**

**4.1. Related party balances**

*Current trade receivables from related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen Turizm Yatırım ve İşletmecilik A.Ş. ("Akfen Turizm") (*)	10,227,415	14,238,315
	<b>10,227,415</b>	<b>14,238,315</b>

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

*Non-current trade receivables from related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen Kuzey (*)	-	78,361,738
	<b>-</b>	<b>78,361,738</b>

(\*) It is the receivables arising from Akfen GYO's selling its all shares related to 100% subsidiary of the Company at Russia, to Akfen GT on March 27, 2016 at fair value. The trade receivable aforementioned was transferred to Akfen North with the partial division that took place on August 28, 2023 at Akfen GT (June 30, 2024: None).

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**4.1. Related party balances (cont’d)**

*Current other receivables from related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Fıratcan İnşaat (*)	436,676,122	-
Akfen Karaköy (**)	82,887,770	-
Gökliman (***)	43,321,187	12,822,134
Akfen Bafra	436,250	133,715
	<b>563,321,329</b>	<b>12,955,849</b>

(\*) The related company is a subsidiary of the Company and the interest rate on the relevant balance is operated under market conditions (June 30, 2024: %56-%65, December 31, 2023: None).

(\*\*) The related company is a 100% subsidiary of the Company and the relevant balance was formed as a result of the loan refinancing carried out by the Company on May 23, 2024, and the interest rate is charged on the relevant balance under market conditions. (June 30, 2024: %64, December 31, 2023: None).

(\*\*\*) The related company is a subsidiary of the Company and the interest rate on the relevant balance is operated under market conditions (June 30, 2024: %56-%64, December 31, 2023: %14-%51).

*Current trade payables to related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen İnşaat (*)	66,922,769	47,047,840
Isparta Şehir Hastanesi	363,000	-
Akfen Holding	-	3,836,986
Akfen Danışmanlık	-	408
	<b>67,285,769</b>	<b>50,885,234</b>

(\*) As of June 30, 2024 and December 31, 2023 current trade payables to Akfen İnşaat consist of the Company's borrowings related to the Yalıkavak project.

*Current other payables to related parties:*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen International (*)	-	989,058,231
Akfen Karaköy (**)	-	54,933,672
Fıratcan İnşaat (**)	-	40,926,222
Akfen GT (**)	-	28,307,385
	-	<b>1,113,225,510</b>

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

(\*\*) These companies are subsidiaries of the Company and interest rates are charged on the relevant balances under market conditions (December 31, 2023: TRY: 51%, USD: 7%, June 30, 2024: None).

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**4.1. Related party balances (cont’d)**

*Prepaid expenses from related parties*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen İnşaat (*)	-	422,865
Akfen Kuzey (**)	61,752,075	-
	<b>61,752,075</b>	<b>422,865</b>

(\*) It consists of construction advances given for the project that the Company plans to develop on the Yalıkavak land.

(\*\*) It consists of capital advances sent by the Company.

*Non-current other receivables from related parties*

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Akfen Karaköy (*)	317,814,249	-
	<b>317,814,249</b>	<b>-</b>

(\*) The related company is a 100% subsidiary of the Company and the relevant balance was formed as a result of the loan refinancing carried out by the Company on May 23, 2024, and the interest rate is charged on the relevant balance under market conditions (June 30, 2024: 64%, December 31, 2023: None).

The details regarding significant guarantees provided and received from related parties is disclosed in Note 6.

**4.2. Related party transactions**

**a) Rent expenses**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Isparta Şehir Hastanesi (Isparta Yurt)	1,740,769	1,274,372	2,093,993	1,038,715
Akfen GPYŞ 1. GMY Fonu (Merkez Ofis)	682,467	317,164	1,218,531	584,169
	<b>2,423,236</b>	<b>1,591,536</b>	<b>3,312,524</b>	<b>1,622,884</b>

**b) Interest income**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Fıratcan İnşaat	56,091,736	44,734,473	-	-
Akfen Karaköy	26,297,127	26,297,127	-	-
Gökliman	8,329,156	5,473,841	127,610	111,325
Akfen Kuzey	872,499	-	1,137,801	1,137,801
Akfen Güney	32,187	104	-	-
Akfen GT	-	-	6,136,261	2,675,048
Akfen Holding	134,396	134,396	-	-
	<b>91,757,101</b>	<b>76,639,941</b>	<b>7,401,672</b>	<b>3,924,174</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

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

**c) Interest expense**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Akfen Karaköy	6,073,600	-	-	-
Akfen GT	435,523	-	-	-
Akfen International BV	-	-	26,987,471	16,498,656
	<b>6,509,123</b>	<b>-</b>	<b>26,987,471</b>	<b>16,498,656</b>

**d) Ongoing construction progress**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Akfen İnşaat (*)	260,399,051	50,932,623	101,877,431	43,225,644
	<b>260,399,051</b>	<b>50,932,623</b>	<b>101,877,431</b>	<b>43,225,644</b>

(\*) Ongoing construction progress payments belonging to Akfen İnşaat consist of progress payment invoices received by the Company within the scope of the Yalıkavak project.

**e) Remuneration of top management**

	<b>January 1 - June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1 - June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Remuneration of top management (*)	8,135,043	2,878,374	7,997,760	3,092,288
	<b>8,135,043</b>	<b>2,878,374</b>	<b>7,997,760</b>	<b>3,092,288</b>

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



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**5. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Cash on hand	80,154	90,771
Cash at banks	625,389,565	2,498,454,913
- Demand deposits	118,337,906	140,058,530
- Time deposits	507,051,659	2,358,396,383
Other cash and cash equivalents (*)	1,375,726,192	162,802,621
Impairment	(13,692)	(266,765)
<b>Cash and cash equivalents</b>	<b>2,001,182,219</b>	<b>2,661,081,540</b>
Impairment	13,692	266,765
<b>Cash and cash equivalents in cash flow statement</b>	<b>2,001,195,911</b>	<b>2,661,348,305</b>

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

**Demand deposits**

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Euro	109,885,899	3,782,518
TRY	4,939,125	135,796,815
US Dollar	3,512,882	479,197
<b>Total demand deposits</b>	<b>118,337,906</b>	<b>140,058,530</b>

**Time deposits**

As of June 30, 2024, time deposits are comprised of the following currencies:

<b>Currency</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2024</b>
US Dollar	July 2024	4.5%	505,477,433
TRY	July 2024	46%	1,574,226
<b>Total</b>			<b>507,051,659</b>

As of December 31, 2023, time deposits are comprised of the following currencies:

<b>Currency</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>December 31, 2023</b>
TRY	January 2024	28-44%	1,205,400,385
US Dollar	January 2024	0.75%	1,152,995,998
<b>Total</b>			<b>2,358,396,383</b>

**6. FINANCIAL LIABILITIES**

As of June 30, 2024 and December 31, 2023 financial liabilities are comprised of the following:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Short term financial liabilities</b>	<b>399,608,549</b>	<b>291,983,722</b>
Current portion of long term secured financial liabilities	391,225,936	282,172,609
Current portion of long term secured financial liabilities	8,382,613	9,811,113
<b>Long term financial liabilities</b>	<b>1,524,207,024</b>	<b>2,055,032,713</b>
Long term secured bank loans	1,476,820,642	1,999,616,396
Long term secured lease liabilities	47,386,382	55,416,317
<b>Total financial liabilities</b>	<b>1,923,815,573</b>	<b>2,347,016,435</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**6. FINANCIAL LIABILITIES (cont’d)**

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

**June 30, 2024:**

**Book value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR (1)	%4.40 + Euribor <sup>(*)</sup>	53,082,022	391,225,936	1,476,820,642	1,868,046,578
			<b>391,225,936</b>	<b>1,476,820,642</b>	<b>1,868,046,578</b>

**Nominal value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR (1)	%4.40 + Euribor <sup>(*)</sup>	53,166,145	267,286,720	1,603,720,322	1,871,007,042
			<b>267,286,720</b>	<b>1,603,720,322</b>	<b>1,871,007,042</b>

**December 31, 2023:**

**Book value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR (2)	% 6.00+Euribor <sup>(*)</sup>	56,057,910	282,172,609	1,999,616,396	2,281,789,005
			<b>282,172,609</b>	<b>1,999,616,396</b>	<b>2,281,789,005</b>

**Nominal value**

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR (2)	% 6.00+Euribor <sup>(*)</sup>	49,453,586	91,006,790	1,921,958,858	2,012,965,648
			<b>91,006,790</b>	<b>1,921,958,858</b>	<b>2,012,965,648</b>

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

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

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

<sup>(2)</sup> The loans to be used within the scope of the contract are secured within the following issues:

- Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and land, building and equipment of Tuzla, Ankara Esenboğa, Esenyurt and Adana and the land on which hotel is being built in Tuzla are pledged in favor of the creditors.
- Rent revenue of related hotels is alienated in favor of the creditor,
- The bank accounts opened in bank and financial corporations under related projects are pledged to the favor of creditor,
- Some of the non-public shares of Akfen Holding, one of the shareholders of the Company have been pledged in favor of the lender.

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**6. FINANCIAL LIABILITIES (cont'd)**

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Less than 1 year	391,225,936	282,172,609
1 - 2 years	349,325,417	275,622,371
2 - 3 years	301,160,801	268,506,278
3 - 4 years	258,690,729	273,350,543
4 - 5 years	271,477,150	262,465,651
5 years and over	296,166,545	919,671,553
<b>Total financial liabilities</b>	<b>1,868,046,578</b>	<b>2,281,789,005</b>

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Less than 1 year	267,286,720	91,006,790
1 - 2 years	267,286,720	115,423,245
2 - 3 years	267,286,720	144,279,057
3 - 4 years	267,286,720	190,892,291
4 - 5 years	334,108,400	221,967,781
5 years and over	467,751,762	1,249,396,484
<b>Total financial liabilities</b>	<b>1,871,007,042</b>	<b>2,012,965,648</b>

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

	<b>2024</b>	<b>2023</b>
<b>January 1,</b>	<b>2,281,789,005</b>	<b>2,278,795,803</b>
<i>Loans received</i>	<i>1,852,276,627</i>	<i>-</i>
<i>Cash outflows from debt repayment</i>	<i>(1,771,878,146)</i>	<i>(101,796,227)</i>
<i>Interest paid</i>	<i>(113,891,520)</i>	<i>(77,950,156)</i>
<i>Accrual</i>	<i>77,624,169</i>	<i>275,622,496</i>
<i>Adjustments related to loan restructuring (*)</i>	<i>(200,877,951)</i>	<i>-</i>
<i>Foreign exchange loss</i>	<i>138,361,399</i>	<i>737,835,938</i>
<i>Monetary gain</i>	<i>(395,357,005)</i>	<i>(407,144,136)</i>
<b>June 30</b>	<b>1,868,046,578</b>	<b>2,705,363,718</b>

(\*)It includes the revenues arising from the cancellation of amortized cost adjustments of TRY 200,877,951 of the Company's loans, which were closed in the first half of 2024.

**Operational lease liabilities**

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

Details of operational lease borrowings are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Less than 1 year	10,536,532	9,811,113
1 - 5 years	56,298,228	59,476,636
5 years and over	654,217,524	776,221,879
Less: Financial expense for future periods	(665,283,289)	(780,282,198)
<b>Total operational lease liabilities</b>	<b>55,768,995</b>	<b>65,227,430</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**6. FINANCIAL LIABILITIES (cont’d)**

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

	<b>2024</b>	<b>2023</b>
<b>January 1</b>	65,227,430	107,791,728
<i>Interest expense</i>	7,617,235	4,938,064
<i>Foreign exchange loss</i>	6,236,395	5,676,458
<i>Payments</i>	(13,029,964)	(13,836,399)
<i>Arrangements</i>	2,937,731	6,321,508
<i>Monetary gain</i>	(13,219,832)	(21,016,620)
<b>June 30</b>	<b>55,768,995</b>	<b>89,874,739</b>

**7. TRADE RECEIVABLES AND PAYABLES**

**a) Short term trade receivables**

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Trade receivables from related parties (Note 4)	10,227,415	14,238,315
Trade receivables from third parties <sup>(1)</sup>	138,194,179	138,313,587
	<b>148,421,594</b>	<b>152,551,902</b>

<sup>(1)</sup> As of June 30, 2024 and December 31, 2023, the majority of trade receivables from non-related parties consist of receivables based on hotel rental income, and the average maturity of trade receivables is approximately 45 days.

**b) Long term trade receivables**

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Trade receivables from related parties (Note 4)	-	78,361,738
	<b>-</b>	<b>78,361,738</b>

**c) Short term trade payables**

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Trade payables to related parties (Note 4)	67,285,769	50,885,234
Trade payables to third parties	15,797,307	11,196,658
- <i>Other trade payables</i>	11,141,474	3,060,926
- <i>Other expense accruals</i>	4,655,833	8,135,732
	<b>83,083,076</b>	<b>62,081,892</b>

**8. OTHER RECEIVABLES AND PAYABLES**

**a) Other current receivables**

As of June 30, 2024 and December 31, 2023, other current receivables comprise the followings:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Other receivables from related parties (Note 4)	563,321,329	12,955,849
Other receivables from third parties	804	1,002
- <i>Other</i>	804	1,002
	<b>563,322,133</b>	<b>12,956,851</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**8. OTHER RECEIVABLES AND PAYABLES (Cont’d)**

**b) Other non-current receivables**

As of June 30, 2024 and December 31, 2023, other non-current receivables comprise the followings:

	June 30, 2024	December 31, 2023
Other payables to related parties (Note 4)	317,814,249	-
Other payables to third parties	1,530,181	-
- Deposits and guarantees given	1,530,181	1,515,273
	<b>319,344,430</b>	<b>1,515,273</b>

**c) Other current payables**

3 As of June 30, 2024 and December 31, 2023, other current payables comprise the followings:

	June 30, 2024	December 31, 2023
Other payables to related parties (Note 4)	-	1,113,225,510
Other payables to third parties	1,389	35,837,869
- Taxes and funds payable	-	35,617,702
- Social security premiums payable	-	219,792
- Other	1,389	375
	<b>1,389</b>	<b>1,149,063,379</b>

**9. FINANCIAL INVESTMENTS**

**Subsidiaries and Affiliates**

As of June 30, 2024 and December 31, 2023, nominal values of the Company’s subsidiaries and affiliates in balance sheet are as below:

	Ownership ratio (%)	June 30, 2024	Ownership ratio (%)	December 31, 2023
Gökliman	100.00	980,372,484	100.00	980,372,484
Fıratcan Turizm	100.00	975,730,190	100.00	962,516,028
Akfen Kuzey	100.00	862,603,649	100.00	145,003,934
Akfen Güney	100.00	617,314,492	100.00	271,112,302
Akfen Karaköy <sup>(1)</sup>	21.17	264,188,622	21.17	264,188,622
Akfen Bafra	100.00	91,329	100.00	91,329
Akfen GT <sup>(2)</sup>	100.00	-	100.00	1,927,476,021
<b>Total</b>		<b>3,700,300,766</b>		<b>4,550,760,720</b>

<sup>(1)</sup> Akfen Karaköy is owned by the Company with a total of 100% (December 31, 2023: 91.47%), with a direct rate of 21.17% and an indirect rate of 78.83%.

<sup>(2)</sup> It was sold on January 17, 2024..

As of June 30, 2024, and 2023, the movement of the subsidiaries are as below:

	Akfen GT <sup>(1) (2)</sup>	Akfen Kuzey <sup>(2)</sup>	Akfen Güney <sup>(2)</sup>	Akfen Karaköy	Fırat Can İnşaat <sup>(2)</sup>	Gökliman	Akfen Bafra	Total
January 1, 2023	2.290.071.827	-	-	235.569.411	261.646.734	980.372.484	-	3.767.660.456
Additions	53.520.430	-	-	28.619.211	-	-	91.329	82.230.970
<b>June 30, 2023</b>	<b>2.343.592.257</b>	<b>-</b>	<b>-</b>	<b>264.188.622</b>	<b>261.646.734</b>	<b>980.372.484</b>	<b>91.329</b>	<b>3.849.891.426</b>
January 1, 2024	1.927.476.021	145.003.934	271.112.302	264.188.622	962.516.028	980.372.484	91.329	4.550.760.720
Additions	94.262.757	717.599.715	346.202.190	-	13.214.162	-	-	1.171.278.824
Disposals	(2.021.738.778)	-	-	-	-	-	-	(2.021.738.778)
<b>June 30, 2024</b>	<b>-</b>	<b>862.603.649</b>	<b>617.314.492</b>	<b>264.188.622</b>	<b>975.730.190</b>	<b>980.372.484</b>	<b>91.329</b>	<b>3.700.300.766</b>

<sup>(1)</sup> The disposals were due to the Company's transfer of all shares of its subsidiary Akfen GT on January 17, 2024. TRY 469,925,602, which is the difference between the sales price of TRY 2,491,664,380 and the Akfen GT value of TRY 2,021,738,778, was recognized as income from investment activities (Note 24).

<sup>(2)</sup> The additions during the relevant periods consist of cash capital increases.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**10. INVESTMENT PROPERTY**

As of June 30, 2024 and December 31, 2023, details of investment property and investment property under development are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Operating investment properties	10,499,997,000	10,412,826,024
Land leases	48,596,790	59,398,499
<b>Total</b>	<b>10,548,593,790</b>	<b>10,472,224,523</b>

***Operating investment properties***

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

	<b>2024</b>	<b>2023</b>
January 1	10,412,826,024	9,577,139,595
Additions	4,567,854	491,326
Fair value increase	82,603,122	2,190,879,547
<b>June 30</b>	<b>10,499,997,000</b>	<b>11,768,510,468</b>

Fair values of the Company's investment properties are calculated by a real estate appraisal company included in the list of authorized companies to offer appraisal services within the framework of the CMB legislation as of June 30, 2024 and December 31, 2023. As of June 30, 2024 and December 31, 2023, the fair value of investment properties consists of the valuation report values dated June 30, 2024 and December 31, 2023.

In the valuations, the rental period of the relevant right of construction for projects developed on lands with a right of construction, and a projection period suitable for the duration of the lease agreement with the operator in projects developed on lands owned by the Company are taken as basis. The cash flows obtained from projections in Euro and TRY currency have been discounted to the present value with a discount rate appropriate to the risk level of the economy, sector and enterprise and the values of investment properties have been calculated.

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

	<b>June 30, 2024</b>		<b>December 31, 2023</b>	
	<b>Date of appraisal report</b>	<b>Fair Value</b>	<b>Date of appraisal report</b>	<b>Fair value</b>
<b>Property</b>				
Ibis Otel ve Novotel Zeytinburnu <sup>(1)</sup>	June 30, 2024	2,598,625,000	December 31, 2023	2,581,082,955
Bodrum Loft <sup>(1)</sup>	June 30, 2024	1,517,240,000	December 31, 2023	1,500,058,168
Novotel Trabzon <sup>(1)</sup>	June 30, 2024	1,106,370,000	December 31, 2023	1,101,506,208
Ibis Otel Tuzla <sup>(2)</sup>	June 30, 2024	906,840,000	December 31, 2023	885,144,085
Ibis Otel ve Novotel Gaziantep <sup>(1)</sup>	June 30, 2024	608,075,000	December 31, 2023	589,957,185
Ibis Otel Alsancak İzmir <sup>(1)</sup>	June 30, 2024	587,875,000	December 31, 2023	588,132,318
Ibis Otel Adana <sup>(2)</sup>	June 30, 2024	557,663,000	December 31, 2023	550,341,480
Isparta Yurt <sup>(1)</sup>	June 30, 2024	533,270,000	December 31, 2023	536,608,202
Ibis Otel Esenyurt <sup>(2)</sup>	June 30, 2024	481,259,000	December 31, 2023	501,792,283
Ibis Otel ve Novotel Kayseri <sup>(1)</sup>	June 30, 2024	462,640,000	December 31, 2023	444,092,557
Kütahya Yurt <sup>(1)</sup>	June 30, 2024	401,740,000	December 31, 2023	396,456,418
Ibis Otel Ankara Airport <sup>(2)</sup>	June 30, 2024	380,441,000	December 31, 2023	372,991,347
Ibis Otel Bursa <sup>(1)</sup>	June 30, 2024	315,804,000	December 31, 2023	318,749,263
Ibis Otel Eskişehir <sup>(1)</sup>	June 30, 2024	42,155,000	December 31, 2023	45,913,555
<b>Total</b>		<b>10,499,997,000</b>		<b>10,412,826,024</b>

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

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

As of June 30, 2024, total insurance amount on operating investment properties is TRY 12,346,720,971 (December 31, 2023: TRY 6,902,707,068).

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**10. INVESTMENT PROPERTY (cont’d)**

As of June 30, 2024, the pledge amount on operating investment property is TRY 6,265,959,079 (December 31, 2023: TRY 7,247,460,972).

As of June 30, 2024 and December 31, 2023, in the calculation of the fair values of investment properties, the discount rates for the assets valued in EUR used in the valuation report prepared according to the operating model and leasing model are in the range of 9%-11% (December 31, 2023: 9.75%-12%), and the discount rate for the assets valued in TRY are in the range of 24%-25% (December 31, 2023: 27%). Sensitivity analysis regarding the fair values of investment properties is explained in Note 29.

**Land Leases**

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

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

	<b>2024</b>	<b>2023</b>
January 1	59,398,499	89,956,494
Arrangements	(9,063,745)	(8,893,232)
Fair value decrease, net	(1,737,964)	(1,849,082)
<b>June 30</b>	<b>48,596,790</b>	<b>79,214,180</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**11. TANGIBLE ASSETS**

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

	<b>Equipment</b>	<b>Vehicles</b>	<b>Furniture&amp; fixture</b>	<b>Total</b>
<b>Cost value</b>				
Balance on January 1, 2023	50,235	23,421,039	4,019,472	27,490,746
Additions	-	-	234,161	234,161
<b>Balance on June 30, 2023</b>	<b>50,235</b>	<b>23,421,039</b>	<b>4,253,633</b>	<b>27,724,907</b>
<b>Cost value</b>				
Balance on January 1, 2024	50,235	23,421,039	4,158,238	27,629,512
Additions	-	-	143,329	143,329
<b>Balance on June 30, 2024</b>	<b>50,235</b>	<b>23,421,039</b>	<b>4,301,567</b>	<b>27,772,841</b>
<b>Accumulated depreciation</b>				
Balance on January 1, 2023	(50,235)	(16,940,829)	(2,828,415)	(19,819,479)
Period expense	-	(3,952,326)	(255,416)	(4,207,742)
<b>Balance on June 30, 2023</b>	<b>(50,235)</b>	<b>(20,893,155)</b>	<b>(3,083,831)</b>	<b>(24,027,221)</b>
Balance on January 1, 2024	(50,235)	(23,381,230)	(3,211,279)	(26,642,744)
Period expense	-	(22,287)	(248,552)	(270,839)
<b>Balance on June 30, 2024</b>	<b>(50,235)</b>	<b>(23,403,517)</b>	<b>(3,463,421)</b>	<b>(26,917,173)</b>
<b>Net carrying value</b>				
January 1, 2023	-	6,480,210	1,191,057	7,671,267
June 30, 2023	-	2,527,884	1,169,802	3,697,686
<b>January 1, 2024</b>	<b>-</b>	<b>39,809</b>	<b>946,959</b>	<b>986,768</b>
<b>June 30, 2024</b>	<b>-</b>	<b>17,522</b>	<b>838,146</b>	<b>855,668</b>

As of June 30, 2024, there is no pledge on property and equipment (December 31, 2023: None).

As of June 30, 2024, depreciation expenses amounting to TRY 22,287 has been recognized in cost of sales and TRY 252,142 in general administrative expenses in total TRY 274,429 (December 31, 2023: TRY 3,963,988 cost of sales and TRY 243,754 general administrative expenses in total TRY 4.207.742).



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**12. INTANGIBLE ASSETS**

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

	<b>Software</b>
<b>Cost value</b>	
Balance on January 1, 2023	510,597
Additions	74,818
<b>Balance on June 30, 2023</b>	<b>585,415</b>
Balance on January 1, 2024	742,170
Additions	36,625
<b>Balance on June 30, 2024</b>	<b>778,795</b>
<b>Accumulated amortization</b>	
Balance on January 1, 2023	(389,227)
Charge for the period	(40,917)
<b>Balance on June 30, 2023</b>	<b>(430,144)</b>
Balance on January 1, 2024	(462,767)
Charge for the period	(34,530)
<b>Balance on June 30, 2024</b>	<b>(497,297)</b>
<b>Net carrying value</b>	
January 1, 2023	121,370
June 30, 2023	155,271
<b>January 1, 2024</b>	<b>279,403</b>
<b>June 30, 2024</b>	<b>281,498</b>

As of June 30, 2024, amortization expenses amounting to TRY 34,530 has been recognized in administrative expenses (June 30, 2023: TRY 40,917).

**13. INVENTORIES**

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

	<b>2024</b>	<b>2023</b>
January 1	1.099.934.835	841.957.496
Additions	296.218.754	102.979.394
<b>June 30</b>	<b>1.396.153.589</b>	<b>944.936.890</b>

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**14. GOVERNMENT GRANTS AND INCENTIVES**

None.

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

The number of cases in which the Group is a party to the lawsuit as of June 30, 2024 is 6 (December 31, 2023: 6) There is no significant lawsuit expected to result out of countenance of the Company.

**16. COMMITMENT AND CONTINGENCIES**

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

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

<b>CPM are given by the Company</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
A. Total amount of CPM is given on behalf of own legal personality	6,674,274,008	7,301,158,765
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated		
C. Total amount of CPM is given for assurance of third party’s debts to conduct of usual business activities	599,682,476	1,879,936,640
D. Total Amount of other CPM		
i. Total amount of CPM is given in favor of parent company	-	-
ii. Total amount of CPM is given in favor of other company companies, which B and C doesn't include	-	-
iii. The amount of CPM is given in favor of third party which C doesn't include		
A. Total amount of CPM is given on behalf of own legal personality	-	-
B. Total amount of CPM is given in favor of	-	-
	<b>7,273,956,484</b>	<b>9,181,095,405</b>

Total original amount of foreign currency denominated CPM given on behalf of the Company’s own legal personality are EUR 188,357,185 and USD 770,424 as of June 30, 2024 (December 31, 2023: EUR 178,052,185 and USD 775,223). Total original amount of foreign currency denominated other CPM is EUR 7,918,983 as of June 30, 2024 (December 31, 2023: EUR 36,348,603). As of June 30, 2024 and December 31, 2023, total amount of CPM is given in favor of subsidiaries which are fully consolidated of the Company includes CPMs given only for the subsidiaries owned by 100%.

As of June 30, 2024, the CPMs issued by the Company in favor of the partnerships included in the scope of full consolidation consist of the guarantee provided by Severnyi as collateral for the loans used by Severnyi (December 31, 2023: EUR 28,756,152 Akfen GT, a 100% subsidiary of Akfen REIT, and Severnyi, a 100% subsidiary of Akfen GT with EUR 7,592,451) and TRY 321,000,000 (December 31, 2023: TRY 369,354,231) of the share pledges given by Akfen GT as collateral for the loan used. The CPMs given by the Company are related to the loans for project financing.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**16.2. CPM are given by the Company**

*Operating lease arrangements*

As of June 30, 2024, the operating lease agreements of the Company as lessee are as follows;

- The Company signed a rent agreement with the Ministry of Treasury and Finance, on December 4, 2003 to lease a land and for constructing a hotel in Zeytinburnu, Istanbul. The lease term is 49 years starting from November 18, 2002. The lease payment composed of yearly fixed lease payments determined by Ministry of Treasury and Finance and 1% of the total annually revenue generated by the hotel constructed on the land. The lease term of the Treasury land was extended to 49 years as of December 22, 2018 upon the approval of the Company's application to the Ministry of Culture and Tourism.
- The Company signed a rent agreement with Municipality of Eskişehir on August 8, 2005 to lease an incomplete hotel construction site located at Eskişehir for 22 years starting from February 8, 2007. Related lease agreement is expounded in land registry office. The hotel started to be operated in 2007 after the construction was completed. The lease payment is the annually fixed lease amount determined by the agreement and 5% of the total annually revenue generated by the hotel constructed on the land.
- The Company signed a rent agreement with Trabzon Dünya Ticaret Merkezi A.Ş. on October 30, 2006 to lease a land and to construct a hotel in Trabzon. The lease term is 49 years starting from August 27, 2008.
- The Company signed a rent agreement with Kayseri Chamber of Industry on November 4, 2006 to lease a land and to construct a hotel in Kayseri. The term of the servitude right obtained with this agreement is 49 years starting from March 3, 2010.
- The Company signed a rent agreement with Municipality of Gaziantep on May 31, 2007 to lease a land and to construct a hotel in Gaziantep. The term of the servitude right obtained with this agreement is 30 years starting from December 3, 2009.
- The Company signed a rent agreement with Bursa International Textile Trading Centre Business Cooperative on May 9, 2008 to lease a land and to construct a hotel in Bursa. The lease term is 30 years starting from October 6, 2010.
- The Company signed a rent agreement with Prime Ministry General Directorate of Foundations on September 16, 2010 to lease a land and to construct a hotel in İzmir for 49 years starting from the agreement date. The relevant lease agreement was annotated in the Land Registry Office.
- The Company signed a land rent agreement with State Treasury on December 1, 2013, to establish the right of use and to construct a 5-star holiday village and units in Muğla Province, Bodrum District, Göltürkbükü neighbourhood for 49 years starting from October 1, 2012 to October 1, 2061, for Bodrum Loft Hotel, which the Company added to its portfolio in February 9, 2021. The rental amount consists of the fixed rent to be paid annually, determined by the State Treasury, and the rent amounting to 1% of the facility built on it and the total annual revenue of the Company from this facility. This rental agreement was renewed with the Official Deed on March 6, 2019 and extended the rental period until December 21, 2067.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**16.2. The Company as lessee (cont’d)**

- The Company signed a rent agreement on December 25, 2020, to be built for the student dormitory, social life centre and parking lot, with a gross indoor area of 67,000 m2, on the 178,651.12 m2 part belonging to the Isparta City Hospital, which is in Isparta Province, Istiklal 2 District, on block 9, parcel 112, that is the Company added to its portfolio in February 9, 2021. According to the contract, the lease term is until July 1, 2042.
- The Company signed a rent agreement on July 22, 2016, for the purpose of establishing an easement right to make parking lot and landscaping with a Private Student Dormitory with a closed area of at least 30,000 m2 and a Social Life Centre of at least 2,500 m2 on the 24,878 sqm immovable that the Company added to its portfolio in February 9, 2021, which is in Dumlupınar University, located in Kütahya province, Merkez Civli district, plot 25.I.1-2, volume 15, block 102 and 2 parcel. The right of easement is 29 years starting from December 16, 2016, and the rental amount consists of the fixed annual rent determined by Dumlupınar University and the rent amounting to 1% of the facility built on it and the Company's annual total revenue from this facility.

**16.3. The Company as lessor**

*Operating lease arrangements*

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

- The Company signed a rent agreement with ACCOR S.A. on November 18, 2005 to lease a hotel which was completed in 2007 and started operations in Eskişehir.
- The Company signed a rent agreement with ACCOR S.A. on December 12, 2005 to lease two hotels which were completed in 2007 and started operations in Istanbul.
- The Company signed a rent agreement with ACCOR S.A. on July 26, 2006 to lease a hotel which was completed and started operations in 2008 in Trabzon.
- The Company signed a rent agreement with ACCOR S.A. on March 24, 2008 to lease two hotels which was completed and started operations in 2010 in Kayseri.
- The Company signed a rent agreement with ACCOR S.A. on March 24, 2008 to lease two hotels which was completed and started operations in 2010 in Gaziantep.
- The Company signed a rent agreement with ACCOR S.A. on July 31, 2009 to lease a hotel which is completed and started operations in 2010 in Bursa.
- The Company signed a rent agreement with ACCOR S.A. on September 7, 2010 to lease a hotel which is completed and start its operations in 2012 in Adana.
- The Company signed a rent agreement with ACCOR S.A. on August 16, 2010 to lease a hotel which was completed at the end of 2012 and starts its operations in beginning of 2013 in Esenyurt.
- The Company signed a rent agreement with ACCOR S.A. on February 2, 2011 to lease a hotel which was completed and starts its operations in 2013 in Izmir.
- The Company signed a rent agreement with ACCOR S.A. on March 28, 2013 to lease a hotel which was completed and starts its operations in 2014 in Ankara Esenboğa.
- The Company signed a rent agreement with ACCOR S.A. on March 1, 2014 to lease a hotel which is planned to complete and starts its operations on July 1, 2017 in Tuzla.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**16.3. The Company as lessor (cont’d)**

*Operating lease arrangements (cont’d)*

All the eleven agreements have similar clauses described below;

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

The lease term is sum of the period between the opening date of the hotel and the end of that calendar year plus, twenty-five full calendar years with an optional extension of ten years. Both parties have mutually agreed to grant Tamaris the right to terminate the contract at the end of the fifteenth fiscal year.

Yearly rent amount to be paid by lessee to lessor:

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

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

Each time that a total of new 500 rooms in Turkey, Russia and Ukraine will be open to the public by Akfen GYO, AGOP ratios in agreements of the hotels in Turkey, except Karaköy and Ankara shall be increased by 2.5%. In any case, rent to be calculated based on AGOP for these hotels shall not exceed 80%.

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

The details of the operational leasing agreements signed by the company, in addition to the lease agreements mentioned above as the lessor and with ACCOR S.A. for hotels in Turkey, are provided below:

- On May 11, 2007 and February 1, 2019, the company signed a lease agreement for a bar/café and a restaurant located in the Eskişehir project.
- A commercial area in Kütahya Yurt was rented for 4 years with the contract signed in October 2019, and a commercial area for 2 years with the contract signed in December 2021.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**17. EMPLOYEE TERMINATION BENEFITS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Provision for vacation pay liability-short term	1,166,174	700,998
Provision for employee termination benefits-long term		1,472,350
	1,449,667	
	<b>2,615,841</b>	<b>2,173,348</b>

In accordance with existing social legislation in Turkey, leaving due to retirement or resignation and the end of the job for reasons other than misconduct staff is obliged to pay a certain amount of severance pay. These indemnities are calculated based on the wage on the date of the termination of the employment and the salary of 30 days for each year worked (As of June 30, 2024 and December 31, 2023, the ceiling of severance payments is TRY 41,828/year and TRY 23.490/year, respectively).

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

As of June 30, 2024 and December 31, 2022, the liability is calculated using the following assumptions:

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

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

Movement of provision for employee termination benefits is as follows:

	<b>2024</b>	<b>2023</b>
January 1	1,472,350	1,858,488
Interest and service costs	290,446	456,257
Monetary loss	(313,129)	(338,370)
<b>June 30</b>	<b>1,449,667</b>	<b>1,976,375</b>

Movement of vacation pay liability is as follows:

	<b>2024</b>	<b>2023</b>
January 1	700,998	1,094,168
Increase in current period	651,669	349,280
Payments	-	(120,396)
Monetary loss	(186,493)	(198,061)
<b>June 30</b>	<b>1,166,174</b>	<b>1,124,991</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**18. PREPAID EXPENSES AND DEFERRED REVENUE**

**a) Short term prepaid expenses**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Prepaid expenses to related parties (Note 4)	-	422,865
Prepaid expenses to third parties	33,163,920	103,540,851
- <i>Prepaid expenses</i>	14,798,789	4,673,897
- <i>Advances given to suppliers</i>	18,365,131	98,864,308
- <i>Other</i>	-	2,646
	<b>33,163,920</b>	<b>103,963,716</b>

**b) Long term prepaid expenses**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Advances given to related parties (Note 4)	61,752,075	-
Prepaid expenses	12,027,242	3,718,054
	<b>73,779,317</b>	<b>3,718,054</b>

**c) Deferred revenue**

As of June 30, 2024, all of the short-term deferred revenues amounting to TRY 2,679,679 (December 31, 2023: TRY 3,171,987) consist of the rental amounts collected in advance for the months after the reporting period for the dormitories, and all of the long-term deferred revenues of TRY 210,024,196 (December 31, 2023: TRY 49,672,468) consist of cash collections related to the sales of the Yalıkavak project.

**19. OTHER CURRENT ASSETS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Deferred VAT	5,702,624	58,831
Prepaid taxes and funds	497,372	-
Other	103	-
	<b>6,200,099</b>	<b>58,831</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**20. EQUITY**

**20.1. Paid in capital**

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

<b>Shareholders</b>	<b>(%)</b>	<b>June 30, 2024</b>	<b>(%)</b>	<b>December 31, 2023</b>
Publicly trade <sup>(1)</sup>	44.54	1,736,971,208	44.41	1,727,674,422
Akfen International BV	31.32	1,221,670,260	31.40	1,221,670,260
Akfen Holding	13.94	543,715,754	13.97	543,715,754
Hamdi Akın	10.18	397,150,364	10.21	397,150,364
Akfen Turizm	<0.001	492,391	<0.001	492,391
Akfen İnşaat	<0.001	23	<0.001	23
<b>Total</b>		<b>3,900,000,000</b>		<b>3,890,703,214</b>
Inflation adjustments		6,342,967,007		6,341,395,988
<b>Adjusted equity</b>		<b>10,242,967,007</b>		<b>10,232,099,202</b>

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

The share company of A, C, D owning 1,000-unit share for each, has the privilege to select 2 nominees for each for the board of directors’ member selection. On August 6, 2018, Akfen GYO's 1000 Group A and 1000 Group D shares of Akfen Holding were transferred to Hamdi Akın, the indirect owner of the management control of these shares.

On January 12, 2021, TRY 238,627,431.84 of the Convertible Bond was paid off, and because of the allocated capital increase in accordance with the decision of our Board of Directors dated December 30, 2020 and the approval of the CMB dated January 7, 2021, 59,066,196 new Group B shares were issued, and the Company The capital of Turkey has been increased to TRY 243,066,196.

On February 9, 2021, during the acquisitions of the companies, by providing TRY 450,000,002 of funds, 101,580,136 B group shares (tradable on stock exchange) with a nominal value of TRY 101,580,136 allocated to Hamdi Akın has been issued and the issued capital of the company in amount of TRY 243,066,196 increased to TRY 344,646,332. The process of increasing the Company's issued capital from TRY 344,646.332 to TRY 900,000,000 by using the preferred rights of the existing shareholders by TRY 555,353,668, all in cash, was completed as on August 20, 2021. With this, the process of increasing the Company's paid-in capital from TRY 900,000,000 to TRY 1,300,000,000 by increasing TRY 400,000,000 to be covered by emission premiums was published in the trade registry gazette numbered 10467 on December 7, 2021. As of June 30, 2023, the Company's capital consists of 1,300,000,000 shares(December 31, 2022: 1,300,000,000,TRY 1),each with a nominal value of TRY 1. The transaction to increase the issued capital of the Company, which is TRY 1,300,000,000 within the registered capital ceiling of TRY 6,500,000,000, to TRY 3,900,000,000 with a 200% increase of TRY 2,600,000,000, completely in cash, was approved in the CMB meeting dated December 7, 2023 and numbered 76/1684. As of June 30, 2024, the Company's capital consists of 3,900,000,000 shares issued with a nominal value of TL 1 each (December 31, 2023: TL 1 3,900,000,000) and its paid-in capital as of June 30, 2024 is TL 3,900,000,000 (December 31, 2023: TL 3,890,703,214). On January 4, 2024, the unpaid capital with amount of TRY 9,296,786 was contributed to the company.

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



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**20. EQUITY (cont'd)**

**20.1. Paid in capital (cont'd)**

Balance sheet dated 31 December 2023 prepared in accordance with the Tax Procedure Law has been corrected using the Producer Price Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting, according to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd Duplicate). The attached financial statements have been subject to inflation correction by using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and ultimately the amounts for the current and previous reporting period are expressed in terms of purchasing power as of December 31, 2023.

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

	<b>Inflation-adjusted amounts included in financial statements prepared in accordance with Law No. 6102 and other legislation</b>	<b>Amounts adjusted according to TAS 29 requirements in accordance with TFRS</b>	<b>Difference classified in retained earnings/(loss)</b>
<b>June 30, 2024</b>			
Share capital adjustments	8,816,436,704	6,342,967,007	(2,473,469,697)
Share premiums	1,238,724,400	1,510,302,744	271,578,344
Restricted reserves appropriated from profits	130,961	20,858	(110,103)

	<b>Amount Before Inflation Accounting</b>	<b>Amount After Inflation Accounting</b>
<b>Retained Earnings</b>		
December 31, 2022	1,148,702,621	2,101,738,342
January 1, 2022	69,185,822	(1,531,549,083)

**20.2. Share Premiums**

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**20. EQUITY (cont’d)**

**20.2. Share Premiums (cont’d)**

With this; The Company's capital increase amounting to TRY 400,000,000, which took place on December 7, 2021, was covered from share premiums. Akfen GYO, within the framework of the share buyback program, has repurchased 30,000,000 nominal shares for a total of 146,216,475 TRY starting from April 27, 2023, and subsequently sold these shares for 181,527,840 TRY on August 8, 2023 and the difference of 35,311,365 TRY between these amounts has been accounted for as share issuance premiums. Additionally, expenses such as taxes, fees, etc, totaling 5,396,799 TRY incurred during the capital increase in 2023, have also been deducted from this item. In addition, in 2024, a share issue premium of TRY 5,148,058 (with enfaslyon adjusted: TRY 6,018,194) was incurred, resulting in premiums related to shares reaching TRY 278,422,776 (inflation-adjusted: TRY 1,510,302,744) as of June 30, 2024. (31 December 2023: TRY 273,274,718, inflation adjusted: TRY 1,504,284,550).

**20.3. Restricted reserves allocated from profit**

As of June 30, 2024, the legal reserve of the Company is TRY 20,858 (December 31, 2023: TRY 20,858). The legal reserves consist of first and second legal reserves, according to the Turkish Commercial Code “TCC”). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s historical paid-in share capital. If the second category legal reserves exceed 5% of the paid-up capital, 10% of the distributed profit shall be allocated. The first and second category legal reserves cannot be distributed as long as they do not exceed 50% of the total capital; however, they can be used to cover losses if the optional reserves are depleted.

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

**21. REVENUE AND COST OF SALES**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Rent income	227,986,117	126,559,242	257,590,103	165,109,585
Dormitory incomes	40,852,239	18,948,129	43,694,119	20,644,377
<b>Total revenue</b>	<b>268,838,356</b>	<b>145,507,371</b>	<b>301,284,222</b>	<b>185,753,962</b>
Insurance expenses	(8,162,748)	(5,124,382)	(4,801,994)	(2,506,640)
Taxes and duties expenses	(2,182,146)	(1,140,427)	(2,473,524)	(1,702,862)
Outsourced service expenses	(64,543)	-	(1,158,826)	(521,183)
Depreciation	(22,287)	(8,915)	(3,963,988)	(1,939,263)
Other	(251,540)	-	(203,291)	(195,762)
<b>Total cost of sales</b>	<b>(10,683,264)</b>	<b>(6,273,724)</b>	<b>(12,601,623)</b>	<b>(6,865,710)</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**22. GENERAL ADMINISTRATIVE EXPENSES**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Personnel expenses	10,144,774	3,691,139	5,751,006	2,648,463
Consultancy expenses	7,400,626	5,806,432	4,798,937	3,053,901
Outsourced service expenses	1,685,826	949,393	637,701	287,351
Operating lease expenses	782,110	346,761	1,388,065	667,725
Travel and hosting expenses	584,459	360,936	928,576	843,597
Advertising expenses	453,011	210,528	67,178	-
Tax and duties expenses	439,351	384,299	229,922	121,462
Depreciation expense	252,142	132,392	243,754	144,796
Amortization expense	34,530	13,373	40,917	16,814
Donations and grants	5,772	-	3,499,519	239,721
Other	954,190	479,018	564,296	331,148
<b>Total</b>	<b>22,736,791</b>	<b>12,374,271</b>	<b>18,149,871</b>	<b>8,354,978</b>

<b>Personnel expenses</b>	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Wages and salaries	7,932,395	2,726,734	4,470,786	1,812,272
Social security premiums	925,070	417,513	354,082	194,764
Leave liability	651,669	145,291	349,280	252,541
Severance pay liability	290,446	241,066	456,257	331,653
Other	345,194	160,535	120,601	57,233
<b>Total</b>	<b>10,144,774</b>	<b>3,691,139</b>	<b>5,751,006</b>	<b>2,648,463</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**23. OTHER OPERATING INCOME/EXPENSES**

**a) Other operating income**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Investment property fair value increase, net	80,865,158	80,865,159	2,189,030,465	2,189,030,465
Foreign exchange gain	7,169	-	76,472	-
Other	12,491	-	790,923	787,898
<b>Total</b>	<b>80,884,818</b>	<b>80,865,159</b>	<b>2,189,897,860</b>	<b>2,189,818,363</b>

**b) Other operating expenses**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Foreign exchange loss	40,638	40,638	2,356,202	2,356,126
Other	54,623	51,313	222,829	98,678
<b>Total</b>	<b>95,261</b>	<b>91,951</b>	<b>2,579,031</b>	<b>2,454,804</b>

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

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Profit from sale of subsidiary (Note 8)	469,925,602	-	-	-
Profit from sale of securities	8,959,679	-	739,088	739,088
<b>Total</b>	<b>478,885,281</b>	<b>-</b>	<b>739,088</b>	<b>739,088</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

**24. INCOME/(EXPENSES) FROM INVESTMENT ACTIVITIES (cont’d)**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Losses from sale of securities	(4,345,510)	(4,345,510)	-	-
<b>Total</b>	<b>(4,345,510)</b>	<b>(4,345,510)</b>	<b>-</b>	<b>-</b>

**25. FINANCIAL INCOME**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Interest income <sup>(*)</sup>	359,130,395	254,453,934	8,470,698	4,186,910
Foreign exchange gains	24,017,548	14,991,517	-	-
Fair value increase of derivative instruments <sup>(**)</sup>	-	-	57,202,917	57,202,917
<b>Total</b>	<b>383,147,943</b>	<b>269,445,451</b>	<b>65,673,615</b>	<b>61,389,827</b>

<sup>(\*)</sup>As of June 30, 2024, the Company's interest income includes the revenues arising from the cancellation of amortized cost adjustments of TRY 200,877,951 of Akfen GYO loans closed in the first half of 2024 (June 30, 2023: None).

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

**26. FINANCIAL EXPENSES**

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

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
Interest expenses	88,270,849	46,646,700	314,583,419	1,051,190,927
Foreign exchange loss	-	-	1,159,702,860	189,883,829
Fair value decrease of derivative instruments <sup>(*)</sup>	-	-	36,990,143	-
Other	3,449,274	881,590	701,724	323,734
<b>Total</b>	<b>91,720,123</b>	<b>47,528,290</b>	<b>1,511,978,146</b>	<b>1,241,398,490</b>

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**27. TAX ASSETS AND LIABILITIES**

The Company is exempted of corporate income tax pursuant to subparagraph d-4 of article 5 of the Corporate Tax Law. Even if the revenues of real estate investment trusts are subject to withholding tax pursuant to subparagraph 6-a of article 94 of the Income Tax Law, the withholding rate was determined as “0” in the decision of the Council of Ministers numbered 93/5148. Therefore, the Company has no tax liability related to its revenues in the relevant period. On the other hand, period tax expense has been incurred due to the tax base increase as of June 30, 2023.

**28. EARNINGS PER SHARE**

Earnings per share are calculated by dividing net income for the years ended by the weighted average number of shares of the Company during the period. For the periods ended June 30, 2024 and 2023, the earnings per share computation are as follows:

	<b>January 1- June 30, 2024</b>	<b>April 1 - June 30, 2024</b>	<b>January 1- June 30, 2023</b>	<b>April 1 - June 30, 2023</b>
<b>Number of shares in circulation</b>				
January 1	3,890,703,214	3,900,000,000	1,300,000,000	1,300,000,000
Capital increase	9,296,786	-	-	-
<b>Closing balance</b>	<b>3,900,000,000</b>	<b>3,900,000,000</b>	<b>1,300,000,000</b>	<b>1,300,000,000</b>
Weighted average number of shares	3,899,795,675	3,900,000,000	1,294,224,823	1,288,385,478
Profit for the period	1,027,278,625	350,820,076	1,574,534,782	1,394,528,514
Earnings per share (Full TRY)	0.26	0.09	1.22	1.08
Diluted earnings per share (Full TRY)	0.26	0.09	1.22	1.08

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**29. THE FAIR VALUE EXPLANATIONS**

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

**Financial Instruments**

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

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

Financial Assets

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

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

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

Financial Liabilities

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

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

**Classes and fair values of financial instruments**

June 30, 2024	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
Financial Assets					
Cash and cash equivalents	2,001,182,219	-	2,001,182,219	2,001,182,219	5
Trade receivables - current	148,421,594	-	148,421,594	148,421,594	7
Other receivables - current	563,322,133	-	563,322,133	563,322,133	8
Other receivables – non-current	319,344,430	-	319,344,430	319,344,430	8
Financial Liabilities					
Financial liabilities	-	1,923,815,573	1,923,815,573	1,923,815,573	6
Trade payables	-	83,083,076	83,083,076	83,083,076	7
Other payables	-	1,389	1,389	1,389	8
December 31, 2023	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
Financial Assets					
Cash and cash equivalents	2,661,081,540	-	2,661,081,540	2,661,081,540	5
Trade receivables - current	152,551,902	-	152,551,902	152,551,902	7
Trade receivables – non-current	78,361,738	-	78,361,738	78,361,738	7
Other receivables - current	12,956,851	-	12,956,851	12,956,851	8
Other receivables – non-current	1,515,273	-	1,515,273	1,515,273	8
Financial Liabilities					
Financial liabilities	-	2,347,016,435	2,347,016,435	2,347,016,435	6
Trade payables	-	62,081,892	62,081,892	62,081,892	7
Other payables	-	1,149,063,379	1,149,063,379	1,149,063,379	8

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

Non-Financial Assets

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

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

<b>June 30, 2024</b>	<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Fair Value Level Level 3 TRY</b>
Operating investment properties	-	-	<b>10,499,997,000</b>
<b>December 31 2023</b>	<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Fair Value Level Level 3 TRY</b>
Operating investment properties	-	-	<b>10,412,826,024</b>

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

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

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>Valuation method</b>	<b>Unobservable significant inputs</b>	<b>Weighted average amount June 30, 2024</b>	<b>Weighted average amount December 31, 2023</b>
				* Room price (per day) – EUR	64	61
<b>Hotel</b>				* Villa daily fee (per day)-EUR	805	733
Level 3	<b>9,564,987,000</b>	9,479,761,404	Discounted cash flows	* Occupancy rate (*)	75%	74%
<b>Dormitory</b>						
Level 3	<b>935,010,000</b>	933,064,620	Discounted cash flows	* Total number of beds	7,232	7,232

(\*) Except for Bodrum Loft, the data is as follows. In the appraisal report dated December 31, 2023, the average occupancy rate for approximately 6 months of the operating season for Bodrum Loft was estimated to be 95%.



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**Discounted cash flows (DCF)**

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

Period of the cash flow and certain schedule of the inputs and outputs are determined by events such as review of the rents, renewal of the lease contracts and relative rental periods, rent again, re-development and renewal.

The costs incurred during the development of the assets and constructional costs, development costs and anticipated sales revenue will be estimated to reach a series of net cash flow which is discounted over the additional development and marketing expenditures that are foreseen for duration of the rent. Certain development risks such as planning, licenses, zoning permits should be separately evaluated.

*Discount rate:*

Used to reduce net cash flows (estimated up to 40 years) from rental activities during the analysis period.

Level 3 sensitivity analysis of significant changes in unobservable inputs used in fair value calculations

Significant unobservable inputs used in the appraisal study, which are evaluated as Level 3 in terms of measurement bases in determining the fair value of the Company's completed investment properties, are as follows:

- Leasable area (m2) (Office)
- Discount rate
- Annual rate of increase in room rate
- Occupancy rate (annual)

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

		If it increases	If it decreases
June 30, 2024	Sensitivity Analysis	Profit/(loss) effect on the fair value (TRY)	Profit/(loss) effect on the fair value (TRY)
<b>Hotel</b>			
Discount rate	0.50%	(351,986,568)	379,211,078
Room price	1 Euro	106,965,978	(108,019,830)
Occupancy rate	1%	108,371,114	(109,073,682)
<b>Dormitory</b>			
Discount rate	0.5%	(26,787,850)	28,077,377
<b>Bodrum Loft</b>			
Discount rate	0.5%	(90,982,556)	101,169,792
Room price	10%	161,941,924	(147,187,996)
Occupancy rate	1%	16,861,632	(16,510,348)
		If it increases	If it decreases
December 31, 2023	Sensitivity Analysis	Profit/(loss) effect on the fair value (TRY)	Profit/(loss) effect on the fair value (TRY)
<b>Hotel</b>			
Discount rate	0.50%	(336,673,014)	362,893,080
Room price	1 Euro	116,813,896	(116,813,896)
Occupancy rate	1%	108,281,403	(107,875,094)
<b>Dormitory</b>			
Discount rate	0.5%	(25,969,260)	27,117,782
<b>Bodrum Loft</b>			
Discount rate	0.5%	(84,106,005)	93,044,807
Room price	10%	156,835,352	(142,614,530)
Occupancy rate	1%	16,252,368	(16,252,368)

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

**30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**

**(i) General**

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

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

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

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

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

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

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

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

**(ii) Credit risk**

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**(iii) Market risk**

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

***Currency risk***

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

In respect of monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

To minimize risk arising from foreign currency denominated balance sheet items, the Company keeps part of its idle cash in foreign currencies.

The Company keeps cash in USD, EUR, and TRY to manage the foreign currency risk.

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

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

**(iii) Liquidity risk**

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

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

**(iv) Operational risk**

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

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

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

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

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**Capital management**

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

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

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

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

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Total liabilities	2,222,219,754	3,613,179,509
Cash and cash equivalents	(2,001,182,219)	(2,661,081,540)
<b>Net (asset)liabilities</b>	<b>221,037,535</b>	<b>952,097,969</b>
Equity	16,569,379,269	15,525,214,645
<b>Total capital</b>	<b>16,790,416,804</b>	<b>16,477,312,614</b>
<b>Net (asset) liabilities/ total equity rate</b>	<b>1%</b>	<b>6%</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

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

**30.1. Credit risk disclosures**

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

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

June 30, 2024	Receivables				Deposits on bank	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
Exposure to maximum credit risk as of reporting date (A+B+C+D)	10,227,415	138,194,179	881,135,578	1,530,985	625,389,565	1,375,726,191
- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A Net carrying value of financial assets which are neither impaired nor overdue	10,227,415	138,194,179	881,135,578	1,530,985	625,389,565	1,375,726,191
B Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-
C Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.	-	-	-	-	-	-
- Undue (gross book value)	-	244,517	-	-	13,702	-
- Impairment (-)	-	(244,517)	-	-	(13,702)	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D Off balance sheet items with credit risks	-	-	-	-	-	-

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

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

**30.1. Credit risk disclosures (cont'd)**

December 31, 2023	Receivables				Deposits on bank	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
Exposure to maximum credit risk as of reporting date (A+B+C+D)	92,600,053	138,313,587	12,955,849	1,516,275	2,498,454,913	162,802,621
- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A Net carrying value of financial assets which are neither impaired nor overdue	92,600,053	138,313,587	12,955,849	1,516,275	2,498,454,913	162,802,621
B Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-
C Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
- Undue (gross book value)	-	245,187	-	-	266,765	-
- Impairment (-)	-	(245,187)	-	-	(266,765)	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D Off balance sheet items with credit risks	-	-	-	-	-	-

As of June 30, 2024 and December 31, 2023, the Company does not have any financial assets which are overdue but not impaired.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

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

**30.2. Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The table analyses the financial liabilities of the Company by companying the terms. The contractual cash flow is not discounted:

**June 30, 2024:**

Contractual maturities	Book value	Contractual cash flows (I)+(II)+(III)+(IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>						
Financial liabilities	1,923,815,573	3,176,958,688	177,872,419	328,798,841	1,630,991,350	1,039,296,078
Trade payables	83,083,076	83,083,076	83,083,076	-	-	-
Other payables and liabilities (monetary items)	1,389	1,389	1,389	-	-	-

**December 31, 2023:**

Contractual maturities	Book value	Contractual cash flows (I)+(II)+(III)+(IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>						
Financial liabilities	2,347,016,435	3,905,686,327	154,899,222	229,133,270	1,450,602,688	2,071,051,147
Trade payables	62,081,892	62,081,892	62,081,892	-	-	-
Other payables and liabilities (monetary items)	1,149,063,379	1,149,063,379	35,837,869	-	1,113,225,510	-

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



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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**30.3. Market risk**

**a) Foreign currency position table and sensitivity analysis**

June 30, 2024		Original amount				
Foreign currency position		TRY Equivalent (Functional currency)	US Dollar	EUR	GBP	RUB
1	Trade receivables	-	-	-	-	-
2a	Monetary financial assets (cash and bank accounts included)	1,932,028,415	55,507,665	3,129,116	45	-
2b	Non-monetary financial assets	-	-	-	-	-
3	Other	-	-	-	-	-
4	<b>Current assets (1+2+3)</b>	<b>1,932,028,415</b>	<b>55,507,665</b>	<b>3,129,116</b>	<b>45</b>	-
5	Trade receivables	-	-	-	-	-
6a	Monetary financial assets	-	-	-	-	-
6b	Non-monetary financial assets	-	-	-	-	-
7	Other	-	-	-	-	-
8	<b>Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Total assets (4+8)</b>	<b>1,932,028,415</b>	<b>55,507,665</b>	<b>3,129,116</b>	<b>45</b>	<b>-</b>
10	Trade payables	10,085,542	-	286,589	-	-
11	Financial liabilities	393,216,854	63,411	11,114,313	-	-
12a	Other monetary financial liabilities	-	-	-	-	-
12b	Other non-monetary financial liabilities	-	-	-	-	-
13	<b>Short-term liabilities (10+11+12)</b>	<b>403,302,396</b>	<b>63,411</b>	<b>11,400,902</b>	<b>-</b>	<b>-</b>
14	Trade payables	-	-	-	-	-
15	Financial liabilities	1,497,026,974	598,098	41,980,306	-	-
16a	Other monetary financial liabilities	-	-	-	-	-
16b	Other non-monetary financial liabilities	-	-	-	-	-
17	<b>Long-term liabilities (14+15+16)</b>	<b>1,497,026,974</b>	<b>598,098</b>	<b>41,980,306</b>	<b>-</b>	<b>-</b>
18	<b>Total liabilities (13+17)</b>	<b>1,900,329,370</b>	<b>661,509</b>	<b>53,381,208</b>	<b>-</b>	<b>-</b>
19	<b>Net asset / (liability) position of off-balance sheet items (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a	Amount of derivative off-balance sheet items in foreign currency in asset characteristics	-	-	-	-	-
-	Amount of off derivative-balance sheet items in foreign currency in liability characteristics	-	-	-	-	-
20	<b>Net foreign currency position (9-18+19)</b>	<b>31,699,045</b>	<b>54,846,156</b>	<b>(50,252,092)</b>	<b>45</b>	<b>-</b>
	<b>Net foreign currency position of monetary assets / (liabilities)</b>	<b>31,699,045</b>	<b>54,846,156</b>	<b>(50,252,092)</b>	<b>45</b>	<b>-</b>
21	<b>(1+2a+5+6a-10-11-12a-14-15-16a)</b>					-
22	<b>Fair value of the financial instruments used in foreign currency hedging</b>	--	--	--	--	-
23	<b>Amount of foreign currency assets hedged</b>	--	--	--	--	-
24	<b>Amount of foreign currency liabilities hedged</b>	--	--	--	--	-

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED JUNE 30, 2024**

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

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

**30.3. Market risk (cont'd)**

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

December 31, 2023		Original amount				
Foreign currency position		TRY Equivalent (Functional currency)	US Dollar	EUR	GBP	RUB
1	Trade receivables	64,593,897	-	1,589,772	-	-
2a	Monetary financial assets (cash and bank accounts included)	1,157,324,110	31,413,700	94,090	45	-
2b	Non-monetary financial assets	-	-	-	-	-
3	Other	590,065	-	14,523	-	-
4	<b>Current assets (1+2+3)</b>	<b>1,222,508,072</b>	<b>31,413,700</b>	<b>1,698,385</b>	<b>45</b>	-
5	Trade receivables	49,743,897	-	1,224,287	-	-
6a	Monetary financial assets	-	-	-	-	-
6b	Non-monetary financial assets	-	-	-	-	-
7	Other	-	-	-	-	-
8	<b>Non-current assets (5+6+7)</b>	<b>49,743,897</b>	-	<b>1,224,287</b>	-	-
9	<b>Total assets (4+8)</b>	<b>1,272,251,969</b>	<b>31,413,700</b>	<b>2,922,672</b>	<b>45</b>	-
10	Trade payables	521,714	466	12,396	-	-
11	Financial liabilities	284,121,185	66,246	6,920,286	-	-
12a	Other monetary financial liabilities	1,029,969,439	26,886,511	1,005,456	-	-
12b	Other non-monetary financial liabilities	-	-	-	-	-
13	<b>Short-term liabilities (10+11+12)</b>	<b>1,314,612,338</b>	<b>26,953,223</b>	<b>7,938,138</b>	-	-
14	Trade payables	-	-	-	-	-
15	Financial liabilities	2,026,454,505	681,129	49,169,411	-	-
16a	Other monetary financial liabilities	-	-	-	-	-
16b	Other non-monetary financial liabilities	-	-	-	-	-
17	<b>Long-term liabilities (14+15+16)</b>	<b>2,026,454,505</b>	<b>681,129</b>	<b>49,169,411</b>	-	-
18	<b>Total liabilities (13+17)</b>	<b>3,341,066,843</b>	<b>27,634,352</b>	<b>57,107,549</b>	-	-
19	<b>Net asset / (liability) position of off-balance sheet items (19a-19b)</b>	-	-	-	-	-
19a	Amount of derivative off-balance sheet items in foreign currency in asset characteristics	-	-	-	-	-
-	Amount of off derivative-balance sheet items in foreign currency in liability characteristics	-	-	-	-	-
20	<b>Net foreign currency position (9-18+19)</b>	<b>(2,068,814,874)</b>	<b>3,779,348</b>	<b>(54,184,877)</b>	<b>45</b>	-
	<b>Net foreign currency position of monetary assets / (liabilities)</b>	<b>(2,069,404,939)</b>	<b>3,779,348</b>	<b>(54,199,400)</b>	<b>45</b>	-
21	<b>(1+2a+5+6a-10-11-12a-14-15-16a)</b>					-
22	<b>Fair value of the financial instruments used in foreign currency hedging</b>	--	--	--	--	-
23	<b>Amount of foreign currency assets hedged</b>	--	--	--	--	-
24	<b>Amount of foreign currency liabilities hedged</b>	--	--	--	--	-

(\*) TRY provisions of the related amounts included in the table brought to the purchasing power of June 30, 2024.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**Foreign currency position table and sensitivity analysis**

**June 30, 2024:**

	<b>Profit / (Loss) and Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>
20% change of the USD against TRY		
1- Net USD denominated asset/liability	360,070,358	(360,070,358)
2- Hedged portion of TRY against USD risk (-)	-	-
<b>3-Net effect of USD (1+2)</b>	<b>360,070,358</b>	<b>(360,070,358)</b>
20% change of the EUR against TRY		
4- Net Euro denominated asset/liability	(353,730,924)	<b>353,730,924</b>
5- Hedged portion of TRY against Euro risk (-)	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(353,730,924)</b>	<b>353,730,924</b>
20% change of other foreign currencies against TRY		
7- Net other foreign currencies denominated asset/liability	373	(373)
8- Hedged portion of TRY against other currencies risk	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>373</b>	<b>(373)</b>
<b>TOTAL (3+6+9)</b>	<b>6,339,807</b>	<b>(6,339,807)</b>

**December 31, 2023:**

	<b>Profit / (Loss) and Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>
20% change of the USD against TRY		
1- Net USD denominated asset/liability	27,389,176	(27,389,176)
2- Hedged portion of TRY against USD risk (-)	-	-
<b>3-Net effect of USD (1+2)</b>	<b>27,389,176</b>	<b>(27,389,176)</b>
20% change of the EUR against TRY		
4- Net Euro denominated asset/liability	(440,316,293)	440,316,293
5- Hedged portion of TRY against Euro risk (-)	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(440,316,293)</b>	<b>440,316,293</b>
20% change of other foreign currencies against TRY		
7- Net other foreign currencies denominated asset/liability	429	(429)
8- Hedged portion of TRY against other currencies risk	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>429</b>	<b>(429)</b>
<b>TOTAL (3+6+9)</b>	<b>(412,926,688)</b>	<b>412,926,688</b>

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

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

**b) Interest rate risk table and sensitivity analysis**

The interest rate profile of the Company’s interest-bearing financial instruments is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Fixed rate instruments</b>		
Financial assets	507,051,659	2,358,396,383
<b>Variable rate instruments</b>		
Financial liabilities	1,868,046,578	2,281,789,005

**Cash flow sensitivity analysis for variable rate instruments**

The floating interest loans which are classified by the Group as the financial liabilities in the consolidated financial statement are exposed to the interest risk depending on the interest changes.

The following table shows the sensitivity of the Group about the effect of the interest rates on the profit (loss) for a possible change (0.01%) when all other factors remain as fixed. As of December 31, 2024 and December 31, 2023, the mentioned calculation has been made for the portion that is not included in the Group's interest rate swap transaction.

<b>Euribor</b>	<b>Increase / (Decrease)</b>	<b>Effect profit / (loss) before tax and equity</b>
June 30, 2024	(0.01%) 0.01%	14,638 (14,628)

  

<b>Euribor</b>	<b>Increase / (Decrease)</b>	<b>Effect profit / (loss) before tax and equity</b>
December 31, 2023	(0.01%) 0.01%	890,091 (890,091)

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

---

**31. FINANCIAL INSTRUMENTS**

**32.1. Fair value risk**

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties.

A number of the Company’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Following assumptions and methods are used to estimate fair value of financial instruments if fair values are applicable. The assumptions used in determining the fair value of the related assets and liabilities are disclosed in the related notes.

**Financial assets**

The Company assumes that the carrying value of cash equivalents are close to their fair value because of their short-term nature and insignificant amount of impairment risk. Trade receivables after netting the allowance for doubtful receivables are close to their fair value due to short-term nature.

**Financial liabilities**

The Company assumes that the carrying value of the trade payables and other liabilities are close to their fair value because of their short-term nature. Bank borrowings are measured with their amortized cost value and transaction costs are added to their acquisition costs.

**32. SUBSEQUENT EVENTS**

The auction for the sale of the immovable property with the parcel number 811, located in Eskiçeşme Neighborhood, Bodrum District, Muğla Province, conducted by the Bodrum (Sulh Hukuk Mahkemesi) İzalei Şuyu Sales Office, was attended by our company. The said auction resulted in the property remaining in the possession of our company for a price of TRY 9,000,000, and the property was registered in the name of our company on July 22, 2024.

With the decision of the Board of Directors of the Company dated August 2, 2024; Bafra Capital Investment Ltd., which was established with 100% shareholding for special purposes within the borders of the United Kingdom by Akfen Bafra, which is a 100% subsidiary of the Company and was established for special purposes to invest in companies established abroad whose field of activity is only real estate, will be established in the United States with 100% shareholding, and EO AT FOUNTAINS, LLC in Florida (this company, It has been decided to become a 43% shareholder of EOA FOUNTAINS, LLC, which owns the real estate known as "Fountains East", consisting of approximately 6 (six) acres and located at 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259, at a rate of 43% for a price of 4,686,932 USD, and for this purpose, Akfen Bafra will be sent a capital advance in the amount of the said purchase price. The closing procedures for the investment of 4,686,932 USD, 43% of which is indirectly owned by the Company, have been completed and 43% of the shares of EO AT FOUNTAINS, LLC have been transferred to BAFRA REAL ESTATE INVESTMENTS (FLORIDA), INC, in which the Company indirectly owns all of the shares.

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**APPENDIX: COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS**

The Company's control of compliance of the portfolio limits according to the CMB Communiqué Serial: III, No. 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" is as follows:

	<b>Unconsolidated (separate) financial statement main account items</b>	<b>Related Regulation</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>A</b>	Cash and capital market instruments	III-48.1. Md. 24 / (b)	2,001,182,219	2,661,081,540
<b>B</b>	Investment properties, investment property-based projects, investment property-based rights	III-48.1. Md. 24 / (a)	11,944,747,379	11,572,159,358
<b>C</b>	Participations	III-48.1. Md. 24 / (b)	3,700,300,766	4,550,760,720
	Due from related parties (non-trade)	III-48.1. Md. 23 / (f)	881,135,578	12,955,848
	<b>Other assets</b>		264,233,081	341,436,688
<b>D</b>	<b>Total assets</b>	<b>III-48.1. Md. 3 / (p)</b>	<b>18,791,599,023</b>	<b>19,138,394,154</b>
<b>E</b>	Financial liabilities	III-48.1. Md. 31	1,868,046,578	2,281,789,005
<b>F</b>	Other financial liabilities	III-48.1. Md. 31	55,768,995	65,227,430
<b>G</b>	Finance lease liabilities	III-48.1. Md. 31	-	-
<b>H</b>	Due to related parties (non-trade)	III-48.1. Md. 23 / (f)	-	1,113,225,510
<b>I</b>	Shareholders' equity	III-48.1. Md. 31	16,569,379,260	15,525,214,645
	<b>Other liabilities</b>		298,404,181	152,937,564
<b>D</b>	<b>Total liabilities and equity</b>	<b>III-48.1. Md. 3 / (p)</b>	<b>18,791,599,023</b>	<b>19,138,394,154</b>
	<b>Unconsolidated (separate) other financial information</b>	<b>Related Regulation</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>A1</b>	Cash and capital market instruments held for payments of investment properties for 3 years	III-48.1. Md. 24 / (b)	-	-
<b>A2</b>	Time / demand TRY / foreign currency	III-48.1. Md. 24 / (b)	625,375,873	2,498,188,148
<b>A3</b>	Foreign capital market instruments	III-48.1. Md. 24 / (d)	-	-
<b>B1</b>	Foreign investment property, investment property-based projects, investment property-based rights	III-48.1. Md. 24 / (d)	-	-
<b>B2</b>	Idle lands	III-48.1. Md. 24 / (c)	-	-
<b>C1</b>	Foreign subsidiaries	III-48.1. Md. 24 / (d)	-	-
<b>C2</b>	Participation to the operator company	III-48.1. Md. 28/1 (a)	-	-
<b>J</b>	Non-cash loans	III-48.1. Md. 31	304,346,936	1,508,289,485
<b>K</b>	Pledges on land not owned by the Investment Trust which will be used for project developments	III-48.1. Md. 22 / (e)	-	-
<b>L</b>	Money and capital market instrument Investments held on One Unique Company	III-48.1. Md. 22 / (I)	611,647,713	2,471,708,330

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

**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

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

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

**APPENDIX: COMPLIANCE CONTROL ON PORTFOLIO LIMITATIONS (cont’d)**

<b>Portfolio Constraints Related Regulation</b>	<b>Portfolio Constraints Related Regulation</b>	<b>Current Period</b>	<b>Previous Year</b>	<b>Minimum /Maximum Ratio</b>
<b>1</b> Pledges on Land not Owned by the Investment Trust which will be Used for Project Developments	III-48.1. Md. 22 / (e)	0,00%	0,00%	<10%
<b>2</b> Investment Property, Investment Property Based Projects, Investment Property Based Rights	III-48.1. Md. 24 / (a).(b)	%63,56	%60,47	>51%
<b>3</b> Cash and Capital Market Instruments and Participations	III-48.1. Md. 24 / (b)	%30,34	%37,68	<50%
<b>4</b> Foreign Investment Property, Investment Property based Projects, Investment Property Based Rights, Participations, Capital Market Instruments	III-48.1. Md. 24 / (d)	%19,69	%23,78	<50%
<b>5</b> Idle Lands	III-48.1. Md. 24 / (c)	%0,00	%0,00	<20%
<b>6</b> Participation to the Operator Company	III-48.1. Md. 28 / 1(a)	%0,00	%0,00	<10%
<b>7</b> Borrowing Limit	III-48.1. Md. 31	%13,45	%32,00	<500%
<b>8</b> Time deposit / private current - participation account in foreign currency and time deposit / participation account in TRY (*)	III-48.1. Md. 24 / (b)	%3,33	%13,05	<10%
<b>9</b> Money and capital market instrument Investments held on One Unique Company	III-48.1. Md. 22 / (I)	%3,25	%12,91	<10%

Presented information in the footnote of “Compliance Control on Portfolio Limitations” as of June 30, 2024 and December 31, 2023, in accordance with Capital Markets Board’s Communiqué Serial: II, No: 14.1 “Financial Reporting in Capital Markets” Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board’s Communiqué Serial: III, No: 48.1 “Real Estate Investment Company” published in the Official Gazette dated May 28, 2013 numbered 28660. In addition, since the information given “Restrictions on the Investment Portfolio of Real Estate Investment” comprise unconsolidated data; such information may not match with the information disclosed in the consolidated financial statements and in the Official Gazette No. 28891 on January 23, 2014 published in the “Communiqué on Principles Regarding Real Estate Investment Trusts” with Series: III, No: 48.1a. The provisions of the Communiqué on Making Amendments regarding the control of compliance with portfolio limitations. It has been prepared within the framework.

(\*) As of December 31, 2023, the excess of this limitation is due to the Company's cash inflows related to the paid capital increase realized on December 31, 2023 and as of June 30, 2024, there is no such excess.