CONSOLIDATED FINANCIAL STATEMENTS WITH AUDITORS' REVIEW REPORT FOR THE PERIOD JANUARY 1-JUNE 30, 2025

(CONVENINCE TRANSLATION OF THE REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the General Assembly of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

Introduction

We have reviewed the accompanying consolidated statement of financial position of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group") as of June 30, 2025 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Financial Reporting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated interim financial information based on our review

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards 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 limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information has not been prepared, in all material respects, in accordance with the Turkish Accounting Standard 34 (TAS 34) "Interim Financial Reporting.

Other Matters

The audit of the consolidated financial statements of the Group for the year ended December 31, 2024, and the limited review of the consolidated interim financial information for the six-month period ended June 30, 2024, were performed by another independent audit firm. An unmodified opinion was issued in the independent auditor's report dated March 6, 2025 regarding consolidated financial statements as at 31 December 2024 and nothing had come to attention in the limited review report dated August 22, 2024, that causes to believe that consolidated separate financial information for the period ended June 30, 2024 has not been prepared in accordance with TAS 34.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Erman Ilgaz Partner

İstanbul, 13 August 2025

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

| | | Reviewed | Audited |
|---|-------|----------------|----------------|
| | | June 30, | December 31, |
| ASSETS | Notes | 2025 | 2024 |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 1,345,581,991 | 1,993,333,733 |
| Trade receivables | | 474,423,995 | 421,411,770 |
| - Trade receivables from related parties | 4,7 | 102,321,528 | 70,430,075 |
| - Trade receivables from third parties | 7 | 372,102,467 | 350,981,695 |
| Other receivables | | 69,449,843 | 281,972 |
| - Other receivables from related parties | 8 | 69,205,927 | · - |
| - Other receivables from third parties | 8 | 243,916 | 281,972 |
| Inventories | 12 | 2,678,872,148 | 2,391,829,625 |
| Prepaid expenses | | 156,159,833 | 126,391,029 |
| - Prepaid expenses from third parties | 17 | 156,159,833 | 126,391,029 |
| Other current assets | 19 | 99,515,105 | 40,603,315 |
| | | | |
| TOTAL CURRENT ASSET | | 4.824.002.915 | 4.973.851.444 |
| | | | |
| TOTAL CURRENT ASSET | | | |
| Other receivables | | 2,520,247 | 2,596,361 |
| - Other receivables from third parties | 8 | 2,520,247 | 2,596,361 |
| Investment property | 9 | 31,323,183,817 | 30,274,747,745 |
| Investments accounted for using equity method | 18 | 285,733,950 | 214,873,813 |
| Property, plant and equipment | 10 | 1,289,547 | 1,686,898 |
| Intangible assets | 11 | 395,449 | 401,742 |
| Prepaid expenses | 17 | 67,895,454 | 77,700,224 |
| Deferred tax assets | 27 | 56,515,927 | 45,506,340 |
| Other non-current assets | 19 | 179,152,712 | 238,890,723 |
| | | | |
| TOTAL NON-CURRENT ASSET | | 31,916,687,103 | 30,856,403,846 |
| TOTAL ASSETS | | 36,740,690,018 | 35,830,255,290 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

| | | Reviewed | Audited |
|--|-------|-----------------|-----------------|
| | | June 30, | December 31, |
| LIABILITIES | Notes | 2025 | 2024 |
| CURRENT LIABILITIES | | | |
| Short-term portions of non-current borrowings | _ | 735,237,983 | 703,627,332 |
| - Bank loans | 6 | 628,706,303 | 616,473,439 |
| - Lease liabilities | 6 | 106,531,680 | 87,153,893 |
| Trade payables | | 255,268,057 | 368,905,846 |
| - Trade payables to related parties | 4,7 | 202,272,306 | 315,172,021 |
| - Trade payables to third parties | 7 | 52,995,751 | 53,733,825 |
| Other payables | | 64,346,983 | 56,774,665 |
| - Other payables to third parties | 8 | 64,346,983 | 56,774,665 |
| Deferred Income | | 507,247,023 | 526,175,427 |
| - Deferred revenue from related parties | 4,17 | 34,226,906 | 146,238,168 |
| - Deferred revenue from third parties | 17 | 473,020,117 | 379,937,259 |
| Current provisions | | 6,336,166 | 6,506,674 |
| - Current provisions for employee benefits | | | |
| Deferred revenue | 16 | 6,336,166 | 6,506,674 |
| TOTAL CURRENT LIABILITIES | | 1,568,436,212 | 1,661,989,944 |
| NON-CURRENT LIABILITIES | | | _ |
| Non current borrowings | | 3,511,128,088 | 3,515,892,428 |
| - Bank loans | 6 | 3,435,758,759 | 3,356,474,896 |
| - Lease liabilities | 6 | 75,369,329 | 159,417,532 |
| Deferred revenue | | 2,231,827 | 2,773,663 |
| Non current provisions | | | |
| - Non current provisions for employee benefits | 16 | 2,231,827 | 2,773,663 |
| Deferred tax liability | 27 | 3,502,059,941 | 3,389,052,704 |
| TOTAL NON-CURRENT LIABILITIES | | 7,015,419,856 | 6,907,718,795 |
| EOUITY | | 28,156,833,950 | 27,260,546,551 |
| Equity attributable to owners of parent | | 27,945,492,617 | 27,051,743,734 |
| Share-capital | 20 | 3,900,000,000 | 3,900,000,000 |
| Share capital adjustment differences | 20 | 9,932,989,394 | 9,932,989,394 |
| Treasury Shares (-) | 20 | (34,874,631) | - |
| Share Premium | 20 | 1,896,330,836 | 1,896,330,836 |
| Other accumulated comprehensive income | | -,0.0,0.0,000 | -,0,0,0,000, |
| that will be reclassified in profit or loss | | (1,790,870,605) | (1,855,258,353) |
| - Foreign currency translation differences | | (1,790,870,605) | (1,855,258,353) |
| Restricted reserves appropriated from profits | | 34,893,540 | 18,909 |
| - Legal reserves | 20 | 18,909 | 18,909 |
| - Reserves related to treasury shares | 20 | 34,874,631 | 10,707 |
| Other equity shares | 20 | 54,074,051 | (276,951,659) |
| Retained earnings | 20 | 12,988,598,028 | 11,768,654,926 |
| Net profit for the period | | 1,018,426,055 | 1,685,959,681 |
| Non controlling interests | | 211,341,333 | 208,802,817 |
| • | | | |
| TOTAL LIABILITIES | | 36,740,690,018 | 35,830,255,290 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

| | | Reviewed 1 January - | Not Reviewed 1 April - | Reviewed 1 January - | Not Reviewed 1 April - |
|--|-------|-----------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| PROFIT OR LOSS | Notes | 30 June 2025 | 30 June 2025 | 30 June 2024 | 30 June 2024 |
| Revenue | 21 | 640,666,703 | 406,280,201 | 640,401,678 | 373,336,355 |
| Cost of sales (-) | 21 | (26,171,019) | (15,331,908) | (27,774,993) | (14,531,889) |
| GROSS PROFIT | | 614,495,684 | 390,948,293 | 612,626,685 | 358,804,466 |
| General administrative expenses (-) | 22 | (102,947,157) | (37,325,414) | (51,950,693) | (25,079,122) |
| Other operating income from operating activities | 23 | 2,999,801 | 29,480 | 789,079,288 | 787,176,514 |
| Other operating expenses from operating activities (-) | 23 | (11,325,571) | (208,495) | (2,868,334) | (111,283) |
| PROFIT FROM OPERATING ACTIVITES | | 503,222,757 | 353,443,864 | 1,346,886,946 | 1,120,790,575 |
| Share of profit from investments accounted | | | | | |
| using the equity method | 18 | (1,641,690) | (827,560) | - | - |
| Income from investment activities | 24 | 9,799,061 | 2,230,102 | 12,099,928 | (5.050.552) |
| Expense from investment activities PROFIT BEFORE FINANCE INCOME | 24 | 511,380,128 | 354,846,406 | (33,899,819) 1,325,087,055 | (5,868,553) 1,114,922,022 |
| TROFIT BEFORE FINANCE INCOME | | 311,300,120 | 334,040,400 | 1,525,007,055 | 1,114,722,022 |
| Financial income | 25 | 78,780,954 | 20,586,392 | 579,231,747 | 308,003,999 |
| Financial expenses (-) | 26 | (496,626,444) | (191,295,291) | (377,458,647) | (112,726,413) |
| Monetary gain PROFIT BEFORE TAX | 29 | 798,314,501 891,849,139 | 102,649,241 286,786,748 | 305,645,142 1,832,505,297 | 43,833,671 1,354,033,279 |
| TROTTI BELORE TAX | | 071,047,137 | 200,700,740 | 1,002,000,277 | 1,554,055,277 |
| Tax income/(expense) | | 127,877,528 | (38,335,709) | (301,978,149) | (204,798,712) |
| - Current tax expense | 27 | (8,485,661) | (6,258,160) | (3,456,136) | (2,923,097) |
| - Deferred tax income/(expense) | 27 | 136,363,189 | (32,077,549) | (298,522,013) | (201,875,615) |
| PROFIT FOR THE PERIOD | | 1,019,726,667 | 248,451,039 | 1,530,527,148 | 1,149,234,567 |
| Profit for the period attributable to | | | | | |
| Non controlling interests | | 1,300,612 | 916,274 | 4,612,214 | 4,507,180 |
| Owners of the Group | | 1,018,426,055 | 247,534,765 | 1,525,914,934 | 1,144,727,387 |
| Net profit for the period | | 1,019,726,667 | 248,451,039 | 1,530,527,148 | 1,149,234,567 |
| Profit per share (Full TL) | 28 | 0.26 | 0.06 | 0.39 | 0.29 |
| Diluted earnings per share (Full TL) | 28 | 0.26 | 0.06 | 0.39 | 0.29 |
| PROFIT FOR THE PERIOD OTHER COMPREHENSIVE | | 1,019,726,667 | 248,451,039 | 1,530,527,148 | 1,149,234,567 |
| INCOME/(EXPENSE) | | 65,625,652 | 175,245,417 | (123,952,118) | 78,604,793 |
| Other comprehensive income/(expense) that will be reclassified to profit or loss | | 65,625,652 | 175,245,417 | (123,952,118) | 78,604,793 |
| Gains/(Losses) on exchange differences on translation | | 65,625,652 | 175,245,417 | (123,952,118) | 78,604,793 |
| TOTAL COMPREHENSIVE INCOME | | 1,085,352,319 | 423,696,456 | 1,406,575,030 | 1,227,839,360 |
| | | | | | |
| Income for the period attributable to Non-controlling interest | | 2,538,516 | 3,642,849 | 5,624,972 | 6,466,365 |
| Owners of the parent | | 1,082,813,803 | 420,053,607 | 1,400,950,058 | 1,221,372,995 |
| | | .,,510,000 | ,500,007 | , , , , , , , , , , , , , , , , | ,,,,,, |

CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF FINANCIAL POSITION ORIGINALLY ISSUED IN TURKISH AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

Other comprehensive income and items to be reclassified to

nuofit on loca

Accumulated other comprehensive income or expenses that will not be reclassified

| | | | | | profit or loss | | | reclas | sified | | | |
|--|-------------------|---------------------------------------|--------------------|-------------------|---|--|---------------------------|----------------------|---------------------------------|--|----------------------------------|-----------------|
| | Issued Capital | Inflation adjustment on capital | Treasury shares | Share premiumi | Foreign currency Translation difference | Restricted reserves appropriated from profits | Other equity shares | Retained earnings | Net Profit for the period | Equity attributable to owners of the parent | Non- controlling interests | Total equity |
| Balance as at January 1, 2024 | 3,890,703,214 | 9,927,609,355 | - 1,8 | 388,203,348 | (1,096,061,018) | 18,909 | (276,951,659) | 10,820,301,608 | 1,223,661,805 | 26,377,485,562 | 209,261,041 | 26,586,746,603 |
| Transfers | - | - | - | - | - | - | - | 1,223,661,805 | (1,223,661,805) | - | - | - |
| Total comprehensive (expense)/income | - | - | - | - | (124,964,876) | - | - | - | 1,525,914,934 | 1,400,950,058 | 5,624,972 | 1,406,575,030 |
| Capital increase (Not 20) | 9,296,786 | 5,380,039 | - | 8,127,488 | - | - | - | - | - | 22,804,313 | - | 22,804,313 |
| Balance as at June 30, 2024 | 3,900,000,000 | 9,932,989,394 | - 1,8 | 896,330,836 | (1,221,025,894) | 18,909 | (276,951,659) | 12,043,963,413 | 1,525,914,934 | 27,801,239,933 | 214,886,013 | 28,016,125,946 |
| Balance as at January 1, 2025 | 3,900,000,000 | 9,932,989,394 | - 1,8 | 896,330,836 | (1,855,258,353) | 18,909 | (276,951,659) | 11,768,654,926 | 1,685,959,681 | 27,051,743,734 | 208,802,817 | 27,260,546,551 |
| Transfers | - | - | | - | - | - | - | 1,685,959,681 | (1,685,959,681) | - | - | - |
| Total comprehensive income | - | - | | - | 64,387,748 | - | - | - | 1,018,426,055 | 1,082,813,803 | 2,538,516 | 1,085,352,319 |
| (Decrease)/increase due to share | | | | | | | | | | | | |
| repurchase transactions (Note 20) | - | - | (34,874,631) | - | - | 34,874,631 | - | (34,874,631) | - | (34,874,631) | - | (34,874,631) |
| Effect of the merger (Notes 20 and 27) | - | - | | - | = | - | 276,951,659 | (431,141,948) | - | (154,190,289) | - | (154,190,289) |
| Balance as at June 30, 2025 | 3,900,000,000 | 9,932,989,394 | (34,874,631) 1,8 | 896,330,836 | (1,790,870,605) | 34,893,540 | - | 12,988,598,028 | 1,018,426,055 | 27,945,492,617 | 211,341,333 | 28,156,833,950 |

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

| | | Reviewed | Reviewed |
|---|-------|--------------------|------------------------|
| | | January 1 - | January 1 - |
| | Notes | June 30, 2025 | June 30, 2024 |
| A. Cash flows from operating activities | | 1 010 507 775 | 1 520 525 140 |
| Profit from continuing operations | | 1,019,726,667 | 1,530,527,148 |
| Adjustments to reconcile profit: | 21.22 | 102 611 | 507 211 |
| Adjustments for depreciation and amortisation expense Adjustments for provisions | 21,22 | 403,644 687,544 | 507,211 3,805,993 |
| Adjustments for provisions related with employee benefits | 16 | 687,544 | 3,805,993 3,805,993 |
| Adjustments for losses arising from the disposal of non-current assets | 10 | 007,544 | 3,003,993 |
| held for sale or distribution to partners | 24 | | 28,031,266 |
| Adjustments for interest income and expense | 25,26 | 77,500,419 | (340,804,034) |
| Adjustments for unrealised foreign exchange losses | 23,20 | 400,194,474 | 116,918,692 |
| Adjustments for fair value gains | | | (786,993,360) |
| - Adjustments for fair value gains of investment properties | 23 | _ | (786,993,360 |
| Adjustments for undistributed gains of | 23 | _ | (700,223,300) |
| investments accounted using the equity method | 18 | 1,641,690 | |
| Adjustments for tax (income)/expense | 27 | (127,877,528) | 301,978,149 |
| Adjustments for other items that result in cash flows from | 21 | (127,077,320) | 301,770,147 |
| investment or financing activities | 24 | (9,799,061) | (6,231,375 |
| Adjustments for monetary gain | 2-7 | (807,710,858) | (429,873,807) |
| radiustinents for monetary gain | | 554,766,991 | 417,865,883 |
| Changes in working capital: | | 334,700,771 | 417,000,000 |
| Adjustments for increase in trade accounts receivable | | (118,898,338) | (111,784,113) |
| Adjustments for increase in other receivables | | (110,070,330) | (111,704,113 |
| related with operations | | (72,610,693) | (80,142 |
| Adjustments for increase in inventories | 12 | (287,042,523) | (400,039,449 |
| Adjustments for (decrease)/increase in trade accounts payable | 12 | (63,963,199) | 59,352,063 |
| Adjustments for increase /(decrease) in other operating payables | | 134,483,373 | (918,533,070 |
| Other adjustments for other increase/(decrease) in working capital | | (73,268,554) | (106,944,294 |
| Cash flows from/(used in) operations | | 73,467,057 | (1,060,163,122 |
| Tax payments | | (3,013,742) | (5,208,919 |
| Net cash flows from/(used in) operating activities | | 70,453,315 | (1,065,372,041) |
| B. Cash flows from investing activities | | 7 0, 100,020 | (1,000,012,011, |
| Cash outflow from purchase of property, plant, equipment, and | | | |
| intangible assets | 10,11 | _ | (243,026 |
| Cash outflows arising from share purchases of investments accounted for using the | , | | (= 10,0=0 |
| equity method | 18 | (76,327,209) | |
| Cash outflows from purchase of investment property | 9 | (203,275,173) | (457,699,684) |
| Cash inflows resulting from sales of fixed assets held for sale | | (203,273,173) | 3,517,364,624 |
| Other cash inflows | 24 | 9,799,061 | 6,231,375 |
| Cash flows from/(used in) investing activities | 2-7 | (269,803,321) | 3,065,653,289 |
| C. Cash flows from financing activities | | (20),000,021) | 3,003,033,20 |
| Cash outflows related to the purchase of the company's own shares and other equity- | | | |
| based instruments | 20 | (34,874,631) | |
| Cash inflows from capital advances | 20 | (0.,07.,001) | 22,804,312 |
| Cash inflows from borrowing | 6 | _ | 2,501,474,711 |
| Cash outflows for loan repayments | 6 | (248,999,454) | (4,524,264,429) |
| Cash outflows for payments of lease liabilities | 6 | (48,078,625) | (30,302,301) |
| Interest received | ~ | 74,644,049 | 129,895,302 |
| Interest paid | 6 | (160,173,211) | (333,514,521) |
| Net cash flows used in financing activities | | (417,481,872) | (2,233,906,926) |
| Net decrease in cash and cash equivalents before the effect of currency | | (,,) | (-,,,, |
| translation differences | | (616,831,878) | (233,625,678 |
| Effect of foreign currency translation differences on cash and | | (===,===,==,=) | (,, |
| cash equivalents | | 218,918,512 | 203,958,493 |
| Net decrease in cash and cash equivalents | | (397,913,364) | (29,667,185 |
| Cash and cash equivalents at the beginning of the period | 5 | 1,993,428,476 | 3,664,814,688 |
| Inflation effect on cash and cash equivalents | - | (249,897,214) | (726,724,523 |
| Cash and cash equivalents at the end of the period | 5 | 1,345,617,896 | 2,908,422,980 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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 Group was enlisted on Istanbul Stock Exchange (ISE) on May 11, 2011. "The Group" phrase will be used for Akfen GYO and its subsidiaries in this report.

On February 21, 2007, the shares of Akfen Gayrimenkul Ticareti ve Insaat A.S. ("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 Limited Company ("KaliningradInvest"), which has hotel investments in Russia, and 96,17% shares of Volgastrovkom Limited Company ("Volgastrovkom"), where the office investment in Russia is located, and 100% shares of Severnyi Avtovokzal Limited Company ("Severnyi"), which has a hotel investment in Moscow 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, these shares of subsidiaries have been transferred to the newly established Akfen Kuzey Gayrimenkul Işletme Anonim Şirketi (Akfen Kuzey). The main activities of Akfen Güney and Akfen Kuzey companies, which were registered on August 28, 2023 and are 100% owned, are to invest based on real estate, create and develop a real estate portfolio. The simplified merger of Akfen Güney and Akfen Karaköy under Akfen Karaköy was completed with the registration dated November 29, 2024, and as a result of this merger, the Company's direct ownership interest in Akfen Karaköy became 100%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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 TRY 33.126.389. On May 2, 2023, the Company purchased the 1.27% Akfen Karaköy shares belonging to Akfen Holding and with the aforementioned share transfer, Akfen Karaköy became a 100% subsidiary of the Company. The acquisition of shares in question results in Akfen GYO's direct and indirect ownership stake in Akfen Karaköy being 100% as of December 31, 2024, and 2023. An application was made to the Capital Markets Board on December 6, 2024, for the merger of Akfen GYO by acquiring all assets and liabilities owned by Akfen Karaköy at their recorded values as a whole, through a dissolution without liquidation, and the process is ongoing as of the reporting date.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

On June 30, 2021, the Company acquired 51% of the shares of Firatcan İnş. Turz. Tic. A.Ş. ("Firatcan İnşaat"). Following this acquisition, the Company obtained the right to lease the property under the "Lease Agreement for Construction Areas" signed between Firatcan İnşaat and TCDD on July 5, 2018, regarding the Söğütlücesme High-Speed Train Station project in Kadıköv, Istanbul. The lease grants 2 years for permits and licenses, 2 years for construction, and 28 years for operation. Accordingly, the Company committed to the Söğütlüçeşme High-Speed Train Station Project (Terminal Kadıköy) with TCDD. As part of the project, a viaduct, terminal building, commercial area, and parking lot were constructed, and the Terminal Kadıköy project became operational as of May 1, 2025. Pursuant to a project amendment dated September 6, 2022, the contract was renewed and extended until 2051. The remaining 49% of Fıratcan İnşaat's shares were acquired on July 18, 2023. Following this acquisition, Firatcan İnsaat became a 100% wholly owned subsidiary of the Company. At the Board of Directors meeting dated March 28, 2025, Akfen GYO resolved to merge with Fıratcan İnşaat through a transfer of all assets and liabilities of Fıratcan İnşaat at their carrying amounts and dissolution without liquidation. The merger application was submitted to the Capital Markets Board ("CMB") on March 28, 2025, and the process is ongoing as of the reporting date. On September 15, 2022, Akfen GYO purchased a 22,197 square meter land in Bodrum Yalıkavak, for which all permits and licenses were ready. Construction began for a villa project planned to be sold on this land. On December 29, 2022, Akfen GYO acquired 100% of Gökliman Yatırım İnşaat Turizm ve Jeotermal Tic. A.Ş. ("Gökliman") from Akfen Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. First Real Estate Investment Fund ("Akfen GGSPYS 1. GMY Fund") for TRY 785,966,822. Gökliman's principal business is tourism investment and operations. Its assets include a total land area of 83,624.59 m² located in Kıyıkışlacık Neighborhood/Village, Milas District, Muğla Province, Gökliman area.

On April 3, 2023, the Company established a new wholly owned subsidiary, Akfen Bafra Gayrimenkul Ticareti ve İnşaat A.Ş. ("Akfen Bafra"). The main activities of the subsidiary are real estate investment, portfolio creation, and development.

The Company is registered at Levent Loft, Büyükdere Street, C Block No. 201, Floor: 8, Apartment: 150, Levent - Istanbul.

With the decision of the Company's Board of Directors dated August 2, 2024, a 43% partnership was established in EO AT FOUNTAINS, LLC ("EO at Fountains") in the United States of America ("USA") Florida, through a special-purpose company to be wholly owned and established in the USA by Bafra Capital Investment Ltd ("Bafra Capital Investment"), which was specially established by Akfen Bafra— a 100% subsidiary of the Company—to invest in foreign companies solely engaged in real estate.

EO at Fountains owns 70% of EOA FOUNTAINS, LLC, which holds a property known as "Fountains East," consisting of approximately six (6) acres located near the 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259. The partnership was acquired for a total price of 4,686,932 USD.

As of June 30, 2025, the number of employees of the company is 22 (December 31, 2024: 44).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1. Basis of preparation

a Statement of compliance

The accounting records of the Company and its subsidiaries/affiliates Gökliman, Akfen Kuzey, Akfen Bafra, and Fıratcan İnşaat are maintained in accordance with the Uniform Chart of Accounts published by the Ministry of Finance, and in compliance with the provisions of the Turkish Commercial Code ("TCC") and Turkish tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

2. PRINCIPLES OF FINANCIAL STATEMENT PRESENTATION (Continued)

2.1. Fundamental principles of presentation (Continued)

a Preparation method of the financial statements (Continued)

The Group's foreign entities Yaroslavlinvest, Kalingradinvest, Samstroykom, Volgastroykom and Severnyi maintain their records and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

b Measurement principles

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

Reporting in a high inflationary economy

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 November 23,2023 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 December 28,2023 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 started with the annual financial reports for the accounting periods ending as of December 31, 2023.

As a result, the financial statements of enterprises whose functional currency is TRY are adjusted in accordance with TAS 29 according to the changes in the general purchasing power of the Turkish Lira as of June 30, 2025. The correction is calculated with the consumer price index correction coefficients published by Turkish Statistical Institute, derived from Turkey in general.

The indices and adjustment coefficients for June 30, 2025 ,December 31,2024 and June 30, 2024 used in the restatement of consolidated financial statements are as follows:

| _ Date | Index | Conversion factor |
|-------------------|----------|-------------------|
| June 30, 2025 | 3,132,17 | 1,00000 |
| December 31, 2024 | 2,684,55 | 1,16674 |
| June 30, 2024 | 2,319,29 | 1,35049 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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)

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, 2025.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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 June 13, 2013 and numbered 28676.

The financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on July 3,2024 by POA and templates defined in the Illustrative Financial Statements and User Guide published by Capital Markets Board of Turkey ("CMB"). TAS is composed of Turkish Accounting Standards, Turkish Financial Reporting Standards, appendixes, and interpretations

The financial statements of the Group as at June 30, 2025 have been approved by the Board of Directors on August 13, 2025. The General Assembly and relevant regulatory bodies have the right to revise the financial statements in accordance with the applicable legislation.

d Functional and presentation currency

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

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

^(*) Merged with Akfen REIT on 28 March 2025.

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

^(**) Disposed of on 17 January 2024.

^(***) Merged with Akfen Karaköy on 29 November 2024.

^{(****) 43%} of the company was acquired on 2 August 2024.

^{(****) 32.5%} of the company was acquired on 25 April 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

2.1. Basis of preparation (cont'd)

Subsidiaries

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

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

The table below shows Akfen GYO's ownership ratio in subsidiaries as of June 30, 2025 and December 31, 2024:

| | Direct or indirect shares of the Company (%) | | | |
|--|---|--------------------------|--|--|
| The Company | June 30, 2025 | December 31, 2024 | | |
| Severnyi | 100.00 | 100.00 | | |
| Gökliman | 100.00 | 100.00 | | |
| Fıratcan İnşaat | 100.00 | 100.00 | | |
| Akfen Kuzey | 100.00 | 100.00 | | |
| Akfen Bafra | 100.00 | 100.00 | | |
| Yaroslavl Invest, KalingradInvest, Samstroykom | 97.80 | 97.80 | | |
| Volgastroykom | 96.17 | 96.17 | | |
| Akfen Karaköy (*) | - | 100.00 | | |

^(*) On March 28, 2025, the company merged with Akfen GYO.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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)

Transactions eliminated on consolidation

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

Transactions in foreign currencies are translated to the functional currencies of the Group entities at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognized in the consolidated statement of comprehensive income. The Group entities use TRY or RUB, as functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substances of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Assets and liabilities of the Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. Equity items are presented at their historical costs. The foreign currency differences are recognized directly in equity, under "Foreign Currency Translation Reserve" (FCTR). When the related Group entity is disposed of, in part of in full, the relevant amount in the FCTR is transferred to profit or loss.

Joint ventures

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

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

In accordance with the decision of the Company's Board of Directors dated August 2, 2024, Akfen Bafra, a 100% subsidiary of the Company established for the purpose of investing in overseas companies primarily focused on real estate, has acquired a 43% stake in EO at Fountains, a company in the United States, through a special-purpose entity established by Bafra Capital Investment Ltd ("Bafra Capital Investment"), a company incorporated in the United Kingdom with 100% ownership. The acquisition was made for USD 4,686,932.EO at Fountains owns a property in St. Johns County, Florida, approximately 6 acres in size, located at 10300 block of C E Wilson Road, Saint Johns, Florida 32259, and holds a 70% stake in EOA Fountains, LLC, which is commonly known as "Fountains East."The management of EO at Fountains will be jointly carried out by the Group and the other shareholders of the company. Decisions regarding activities that significantly affect the revenues of EO at Fountains will require unanimous consent from the parties. As a result, EO at Fountains is accounted for as an equity-accounted investment in the Group's consolidated financial statements as of June 30, 2025, and December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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)

Joint ventures (cont'd)

In accordance with the decision of the Company's Board of Directors dated April 25, 2025, Bafra Real Estate Investments (Florida), Inc., a 100% indirect subsidiary of the Company, acquired a 32.5% stake in EA Fountains Senior Care, LLC ("EA at Fountains") for USD 1,936,838. EA at Fountains owns property located near Interstate 95 Frontage Site, Fountains North, Saint Elizabeth Way, St. Johns County, Florida 32259, which consists of approximately 2.74 acres of land, commonly known as the "Fountains North Tract."

The management of EA at Fountains will be jointly carried out by the Group and the other shareholders of the company. Decisions regarding activities that significantly impact the revenues of EA at Fountains require unanimous consent from the parties. Therefore, as of June 30, 2025, EA at Fountains is accounted for as an equity-accounted investment in the Group's consolidated financial statements.

e Comparative information and restatement of prior periods' financial statements

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

f Going Concern

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

2.2. Accounting estimates and evaluations

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

The estimates are used particularly in the following notes:

Not 9 Fair value measurement of investment property

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

Not 17 Long Term VAT receivables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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)

2.3. Changes in accounting policies

The accounting policies applied in the preparation of the individual financial statements for the period 1 January – 30 June 2025 are consistent with those applied in the financial statements as of 30 June 2025, except for the new and revised Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and the interpretations of the Turkish Financial Reporting Interpretations Committee ("TFRIC") that became effective as of 1 January 2025, which are disclosed below.

Changes in accounting estimates are applied prospectively, meaning if the change relates only to the current period, it is applied in the current period; if it affects future periods, it is applied to those future periods as well. No changes in accounting estimates were made during the current period. Material accounting errors identified are applied retrospectively, and prior period financial statements are restated. No material accounting errors were identified during the current period.

New standards, amendments, and interpretations effective as of June 30, 2025:

Amendments that have come into effect and started to be applied

The amendments effective for annual periods beginning on or after 1 January 2025 are as follows:

- Amendments to TAS 21 – Lack of Exchangeability

These newly implemented amendments have not had a significant impact on the Group's financial statements.

Standards and amendments issued as of 30 June 2025 but not yet effective:

- TFRS 18: Presentation and Disclosures in Financial Statements
- TFRS 17: Insurance Contracts
- Amendments to IFRS 17: Insurance Contracts First-time Application of IFRS 17 and IFRS 9 Comparative Information
- Amendments to IFRS 9 and IFRS 7: Changes to Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7: Amendments Related to Electricity Purchase Agreements
- TFRS 19: Non-Publicly Accountable Subsidiaries Disclosures

The above-mentioned standards, amendments and improvements are not expected to have a significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

2.3. Changes in accounting policies

2.4. Summary of significant accounting policies

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

2.4.1. Revenue

Revenue includes rental income and real estate inventory sales.

Rental income

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

Sale of real estate stock (independent section)

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

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

Income from real estate sales

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

2.5. Summary of significant accounting policies

2.4.2. Statement of cash flows/ Cash and cash equivalents

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

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

2.4.3. Investment property

Operating investment properties

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

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

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

Right to use assets

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

Lease liabilities

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

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

- (a) Fixed payments,
- (b) Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

Lease liabilities (cont'd)

- (c) Amounts expected to be paid by the Group under residual value commitments
- (d) the use price of this option and if the Group is reasonably certain that it will use the
- (e) fines for termination of the lease if the lease shows that the Group will use an option to terminate the lease.

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

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

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

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

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

Lands

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

2.4.4. Property and equipment

Property, plant and equipment are carried at cost, which includes borrowing costs, less accumulated depreciation and any permanent impairment losses..

Depreciation

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

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

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

Subsequent expenditures

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

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

Intangible assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.5. Impairment of non-financial assets

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

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

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

2.4.6. Inventories

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

2.4.7. Financial assets

Classification

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

Recognition and Measurement

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.7 Financial assets (cont'd)

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

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

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

Derecognition

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

Impairment

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.8. . Financial liabilities

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

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

Foreign Exchange Effects

Transactions and Balances

The Company initially records foreign currency transactions using the exchange rates prevailing at the transaction date in the functional currency. Foreign currency monetary assets and liabilities are remeasured using the exchange rates at the reporting date, and resulting foreign exchange gains or losses are recognized in the comprehensive income statement for the period. Non-monetary items denominated in foreign currency and measured at cost are translated into the functional currency using the exchange rates at the date of the initial transaction. Non-monetary items denominated in foreign currency and measured at fair value are translated using the exchange rates at the date when the fair value is determined.

<u>Translation to presentation currency</u>

Foreign currency transactions during the period have been translated at the exchange rates prevailing at the transaction date. Foreign currency-denominated monetary assets and liabilities have been translated into Turkish Lira using the Central Bank of the Republic of Turkey's buying rate at the balance sheet date. Foreign exchange gains and losses arising from the translation of foreign currency-denominated monetary assets and liabilities are recognized in the profit or loss for the period. Exchange differences arising from trade receivables and payables related to the main operating activities are presented under operating income/expenses, while those arising from other items are recognized under finance income/expenses.

As of June 30, 2025 and December 31, 2024, the TRY and USD/TRY exchange rates are as follows:

| | EUR | /TRY | USD | /TRY |
|-------------------|---------|-----------|---------|-----------|
| | Asset | Liability | Asset | Liability |
| June 30, 2025 | 46,6074 | 46,6913 | 39,7408 | 39,8124 |
| December 31, 2024 | 36,7362 | 36,8024 | 35,2803 | 35,3438 |

Financial liabilities and borrowing cost

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

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

2.4.9. Share capital

Ordinary shares

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

2.4.10. Earnings per share and diluted earnings per share

Earnings per share, which is stated income statement, is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the period. The number of common share available during the period is the sum of number of common shares at the beginning of the period and the product of number of common shares exported during the period and a time weighted factor (Not 28).

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.11. Earnings per share and diluted earnings per share (cont'd)

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 (Not 28).

2.4.11. Subsequent events

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

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

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

Provisions, contingent liabilities and contingent assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.12. Leases

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

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

Group as a lessee

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.13. . Leases (cont'd)

Group as a lessee (cont'd)

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

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

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

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

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

2.4.14 Related parties

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

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

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

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

2.4.15. Segment reporting

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

2.4.16. Government grants and incentives

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.17 *Taxation*

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

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

As of 30 June 2025, Firatcan İnşaat, Gökliman, Akfen Bafra and Akfen Kuzey are subject to corporate income tax at a rate of 25% (2024: the Turkish headquarters of Akfen GT, Akfen Karaköy, Firatcan İnşaat, Gökliman, Akfen Bafra, Akfen Güney and Akfen Kuzey – 25%). Akfen GT's headquarters in Turkey, including Akfen Karaköy, Firatcan İnşaat, Gökliman, Akfen Bafra, Akfen Güney, and Akfen Kuzey, are subject to a corporate tax rate of 25% (2023: 25%) According to Article 21 of the Law published in the Official Gazette dated July 15, 2023 and numbered 32249, which addresses the compensation for economic losses caused by earthquakes occurring on February 6, 2023, amendments were made to Article 32 of the Corporate Tax Law No 5520 As a result, the general corporate tax rate has been increased from 20% to 25%, and for banks and financial institutions, the rate has been raised from 25% to 30%. The same provision of the mentioned law (Article 21) ensures that the corporate income tax rate, which is currently applied at a discounted rate of 1 point for institutions engaged in exports to encourage exports, is now applied at a discounted rate of 5 points.

This amendment will apply to the profits earned by corporations for the 2023 fiscal year and subsequent tax periods, starting from the tax returns to be filed as of October 1, 2023. For corporations subject to special accounting periods, the amendment will be effective for profits earned in the special accounting periods beginning in the 2023 calendar year and subsequent taxation periods. Therefore, a tax rate of 25% has been used for the tax calculations of the relevant companies as of the reporting period.

Companies located in Russia are subject to a corporate tax rate of 20% in accordance with Russian legislation. 176-FZ dated July 12, 2024, titled "Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and the Recognition of Certain Provisions of Legislative Acts of the Russian Federation as Invalid," the corporate tax rate in Russia has been increased from 20% to 25%, effective from January 1, 2025. Accordingly, deferred tax calculations for companies located in Russia have been made at a 25% rate as of June 30, 2025 (December 31, 2024: 20%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.17 Taxation (cont'd)

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

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

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

2.4.18. Non-current assets and labilities held for sale

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

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

2.4.19. Employee termination benefits

Provision for severance pay

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

Vacation pay provision

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

2.4.20. Offsetting

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

2.5. Real Estate Investment Portfolio Restrictions

As of June 30, 2025 and December 31, 2024, the information presented in the footnote titled "Compliance with Portfolio Restrictions" comprises summary data derived from the financial statements in accordance with Article 16 of the Capital Markets Board Communiqué No: II-14.1 on "Principles of Financial Reporting in Capital Markets". This information has been prepared within the scope of the provisions regarding compliance with portfolio restrictions set forth in the Communiqué No: III-48.1 on "Principles Regarding Real Estate Investment Trusts", published in the Official Gazette No. 28660 dated May 28, 2013, and the amending Communiqué No: III-48.1a, published in the Official Gazette No. 28891 dated January 23, 2014.

Since the data in the footnote is based on non-consolidated figures, it may not be consistent with the information presented in the consolidated financial statements

2.6. Determination of fair values

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

- Level 1: For identical assets or liabilities in active markets (unadjusted) prices;
- Level 2: 1st place other than quoted prices and asset or liability, either directly (as prices) or indirectly (i.e. derived from prices) observable data;
- Level 3: Asset or liability is not based on observable market data in relation to the data (non-observable data).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

3. SEGMENT REPORTING

The Group has three reporting segments, which are the Group's strategic business units. The Group management evaluates the performance and determines allocation of resources based on these business units. The Group management reviews the business units based on resource allocation and performance results regularly, since they are affected from different economic conditions and geographical locations each of the strategic business units, although the strategic business units offer same services. Since the Group's sole business activity is real estate investment, segment reporting has been prepared as of June 30, 2025, based on the Group's geographical segments: Turkey, TRNC, Russia, and the USA (June 30, 2024: Turkey, TRNC, and Russia). Operating performance is measured based on profit/(loss) for the period.

June 30, 2025:

| | Türkiye | Russia | USA | Elimination | Total |
|---|----------------|---------------|-------------|-----------------|----------------|
| Revenue | 493,483,387 | 147,183,316 | | _ | 640,666,703 |
| Cost of sales | (15,985,071) | (10,185,948) | - | - | (26,171,019) |
| Cost of sales | (13,963,071) | (10,163,946) | - | - | (20,171,019) |
| GROSS PROFIT | 477,498,316 | 136,997,368 | - | - | 614,495,684 |
| General administrative expenses | (92,293,930) | (10,653,227) | _ | - | (102,947,157) |
| Other operating income from | 2,999,801 | - | _ | _ | 2,999,801 |
| Other operating expense from | , , | (106 710) | | | , , |
| operating activities | (11,138,853) | (186,718) | - | - | (11,325,571) |
| PROFIT FROM | 377,065,334 | 126,157,423 | | | |
| OPERATING ACTIVITES | | | - | - | 503,222,757 |
| Income from investment activities | 9,799,061 | - | - | - | 9,799,061 |
| Shares in losses of investments valued by the | | | | | |
| equity method | - | - | (1,641,690) | - | (1,641,690) |
| PROFIT/(LOSS) BEFORE FINANCE | | | | | |
| INCOME/(EXPENSE) | 386,864,395 | 126,157,423 | (1,641,690) | - | 511,380,128 |
| Financial income | 63,531,774 | 15,249,180 | - | - | 78,780,954 |
| Financial expenses | (461,835,255) | (34,791,189) | - | - | (496,626,444) |
| Monetary gain | 798,314,501 | - | - | - | 798,314,501 |
| PROFIT/(LOSS) BEFORE TAX | 786,875,415 | 106,615,414 | (1,641,690) | - | 891,849,139 |
| Toy ovnonce | 151,377,410 | (23,499,882) | | _ | 127,877,528 |
| Tax expense Current tax expense | 131,377,410 | (8,485,661) | - | - | (8,485,661) |
| - Current tax expense - Deferred tax expense | 151,377,410 | (15,014,221) | - | - | 136,363,189 |
| - Deferred tax expense | 131,377,410 | (13,014,221) | | _ | 150,505,107 |
| PROFIT/(LOSS) FOR THE PERIOD | 938,252,825 | 83,115,532 | (1,641,690) | - | 1,019,726,667 |
| | | | | | |
| Reportable segment assets | 41,577,394,933 | 4,775,430,820 | 285,733,950 | (9,897,869,685) | 36,740,690,018 |
| Reportable segment liabilities | 7,861,139,866 | 1,501,512,531 | - | (778,796,329) | 8,583,856,068 |
| Investment and inventory | | | | | |
| expenditures, net (**) | 489,346,927 | 970,769 | - | - | 490,317,696 |
| Depreciation and amortization expenses | 332,533 | 71,111 | - | - | 403,644 |

^(*) Excludes investments related to acquisitions of subsidiaries and associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

3. SEGMENT REPORTING (con't)

June 30, 2024:

| June 30, 2024: | Turkey | TRNC (*) | Russia | USA | Elimination | Total |
|--|----------------|-----------------|---------------|-------------|------------------|----------------|
| Revenue | 502,852,357 | - | 137,549,321 | - | _ | 640,401,678 |
| Cost of sales | (16,797,677) | (122,680) | (10,854,636) | - | - | (27,774,993) |
| GROSS PROFIT | 486,054,680 | (122,680) | 126,694,685 | - | - | 612,626,685 |
| General administrative expenses | (40,209,459) | (128,114) | (11,613,120) | - | - | (51,950,693) |
| Other operating income from | 222,689,686 | - | 566,389,602 | | - | 789,079,288 |
| operating activities Other operating expenses from | (115,538) | (2,752,581) | (215) | - | _ | (2,868,334) |
| operating activities | (,, | (=,, = =,= = -) | (===) | - | | (=,000,000) |
| PROFIT/(LOSS) FROM | | | | | | |
| OPERATING ACTIVITES | 668,419,369 | (3,003,375) | 681,470,952 | - | - | 1,346,886,946 |
| Investment income | 12,099,928 | - | - | - | - | 12,099,928 |
| Investment expenses | (33,899,819) | - | - | - | - | (33,899,819) |
| PROFIT/(LOSS) BEFORE FINANCE INCOME/(LOSS) | (4((10 470 | (2.002.275) | (01 470 052 | | | 1 225 007 055 |
| FINANCE INCOME/(LOSS) | 646,619,478 | (3,003,375) | 681,470,952 | - | - | 1,325,087,055 |
| Financial income | 576,348,597 | - | 2,883,150 | - | - | 579,231,747 |
| Financial expenses | (358,191,300) | (262,536) | (19,004,811) | - | - | (377,458,647) |
| Monetary gain | 279,259,604 | 26,385,538 | - | - | - | 305,645,142 |
| PROFIT/(LOSS) BEFORE | | | | | | |
| TAX | 1,144,036,379 | 23,119,627 | 665,349,291 | - | - | 1,832,505,297 |
| Tax (expense)/income | (163,174,450) | (10,985,517) | (127,818,182) | - | - | (301,978,149) |
| - Current tax expense | - | - | (3,456,136) | - | - | (3,456,136) |
| - Deferred tax (expense)/income | (163,174,450) | (10,985,517) | (124,362,046) | - | - | (298,522,013) |
| PROFIT/(LOSS) FOR THE | | | | | | |
| PERIOD | 980,861,929 | 12,134,110 | 537,531,109 | - | - | 1,530,527,148 |
| December 31, 2024 | | | | | | |
| Reportable segment assets | 44,355,537,478 | - | 3,765,287,524 | 212,918,201 | (12,503,487,913) | 35,830,255,290 |
| Reportable segment liabilities | 8,949,503,224 | - | 1,233,139,697 | - | (1,612,934,182) | 8,569,708,739 |
| June 30, 2024 | | | | | | |
| Investment and inventory | | | | | | |
| expenditures, net (**) | 854,256,400 | - | 3,725,759 | - | - | 857,982,159 |
| Depreciation and amortization | | | | | | |
| expenses | 429,410 | - | 77,801 | - | - | 507,211 |

^(*) The transfer was completed on January 17,2024, and the statement of profit or loss figures up to the date of transfer are included in the table.

For the reporting period ended June 30,2025, 70% of the Group's revenue was generated from Tamaris, the operator of hotels under the Ibis and Novotel brands; 10% from the Credit Dormitories Institution ("KYK"), the tenant of student dormitories included in the Company's portfolio; 10% from rental income derived from Akfen Tourism under the Terminal Kadıköy project; and 5% from Akfen Tourism, the operator of Bodrum Loft (June 30, 2024: Tamaris: 85%; KYK: 9%; Akfen Tourism (Bodrum Loft): 2%; Akfen Tourism (Terminal Kadıköy).

^(**) Excludes investments related to acquisitions of subsidiaries and associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

4. RELATED PARTY DISCLOSURES

4.1. Related party balances

Trade receivables from related parties (short-term):

| | June 30, 2025 | December 31, 2024 |
|---|---------------|-------------------|
| Akfen Turizm Yat. Ve İşl. A.Ş. ("Akfen Turizm") (*) | 102,321,528 | 69,683,061 |
| Akfen İnşaat | - | 747,014 |
| | 102,321,528 | 70,430,075 |
| (*) They consist of trade receivables related to the Bodrum Loft and Terminal Kadıköy projects. | | |
| Other receivables from related parties (short-term): | | |

 Akfen Turizm (*)
 June 30, 2025
 December 31, 202

 69,205,927

 69,205,927

Trade payables to related parties (short-term):

| | June 30, 2025 | December 31, 2024 |
|--------------------------|---------------|-------------------|
| Akfen İnşaat (*) | 196,146,445 | 288,221,770 |
| Akfen Holding (**) | 6,125,861 | 26,891,915 |
| Akfen GGSPYŞ 1. GMY Fonu | - | 58,336 |
| | 202,272,306 | 315,172,021 |

^(*) As of June 30, 2025 and December 31, 2024, the balance of trade payables to related parties to Akfen İnşaat consists of the Company's payable balance related to the Yalıkavak project.

Deferred income from related parties (short-term):

| | June 30, 2025 | December 31, 2024 |
|------------------|---------------|--------------------------|
| Akfen Turizm (*) | 34,226,906 | 146,238,168 |
| | 34,226,906 | 146,238,168 |

^(*) As of June 30, 2025 and December 31, 2024, all deferred income obtained from Akfen Turizm consists of advance payments collected in relation to the Terminal Kadıköy Project.

4.2. Related Party Transactions

a) Rent expenses/payments

| | January 1 - | April 1 - | January 1 - | April 1 - |
|---|-------------|-------------|-------------|------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2025 | 2025 | 2024 | 2024 |
| Isparta City Hospital (Isparta Dormitory) | 3,018,753 | 1,916,702 | 2,449,384 | 1,836,372 |
| Akfen GGSPYŞ 1. GMY Fonu (Merkez Office) | 1,669,502 | 806,384 | 1,520,698 | 760,348 |
| | 4,688,255 | 2,723,086 | 3,970,082 | 2,596,720 |
| b) Rent income | | | | |
| | January 1 - | April 1 - | January 1 - | April 1 - |
| | June 30, | June 30, | June 30, | June 30, |
| | 2025 | 2025 | 2024 | 2024 |
| Akfen Turizm (Bodrum Loft ve | | | | |
| Terminal Kadıköy Rental Income) | 97,907,147 | 80,077,161 | 11,283,723 | 11,283,723 |
| | 97,907,147 | 80,077,161 | 11,283,723 | 11,283,723 |
| c) Progress payments for ongoing construction | | | | |
| | January 1 - | April 1 - | January 1 - | April 1 - |
| | June 30, | June 30, | June 30, | June 30, |
| | 2025 | 2025 | 2024 | 2024 |
| Akfen İnşaat (*) | 285,971,158 | 110,000,000 | 351,665,422 | 89,535,103 |
| | 285,971,158 | 110,000,000 | 351,665,422 | 89,535,103 |

^(*) Progress payments for ongoing construction related to Akfen Insaat consist of progress invoices received by the Group within the scope of its Yalıkavak project.

d) Interest income (related parties)

| | January 1 - June 30, 2025 | April 1 - June 30, 2025 | January 1 - June 30, 2024 | April 1 - June 30, 2024 |
|---------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Akfen Holding | - | - | 273,678 | 273,678 |
| | - | - | 273,678 | 273,678 |

^(*) As of June 30. 2025, the balance of other receivables from related parties consists of receivables arising from the Terminal Kadıköy project (December 31. 2024: None).

^(**) As of June 30. 2025 and December 31. 2024, the balance of trade payables to related parties to Akfen Holding consists of allocations of the Holding's general administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

7. 4. RELATED PARTY DISCLOSURES (cont'd)

4.2. Transactions with related parties (cont'd)

b) Other Expenses

| | January 1- | April 1 - | January 1- | April 1 - |
|---------------|------------|-----------|------------|-----------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2025 | 2025 | 2024 | 2024 |
| Akfen Holding | 5,384,497 | 5,384,497 | - | - |
| | 5,384,497 | 5,384,497 | - | - |

^(*) It consists of expense allocations.

e) Remuneration of top management

| | January 1- | April 1 - | January 1- | April 1 - |
|------------------------------------|------------|-----------|------------|-----------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2025 | 2025 | 2024 | 2024 |
| Remuneration of top management (*) | 23,130,866 | 7,798,184 | 18,836,078 | 7,216,800 |
| | 23,130,866 | 7,798,184 | 18,836,078 | 7,216,800 |

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

5. CASH AND CASH EQUIVALENTS

| | June 30, 2025 | December 31, 2024 |
|--|---------------|-------------------|
| Cash on hand | 199,805 | 174,325 |
| Cash at banks | 251,927,452 | 227,080,960 |
| - Demand deposits | 24,872,510 | 61,402,900 |
| - Time deposits | 227,054,942 | 165,678,060 |
| Other cash and cash equivalents(*) | 1,093,490,639 | 1,766,173,191 |
| Impairment | (35,905) | (94,743) |
| Cash and cash equivalents | 1,345,581,991 | 1,993,333,733 |
| Impairment | 35,905 | 94,743 |
| Cash and cash equivalents in cash flow statement | 1,345,617,896 | 1,993,428,476 |

^(*) As of June 30, 2025 and December 31, 2024, all other cash and cash equivalents consist of the Company's daily investment funds and repo assets. As of June 30, 2025, TRY 1,026,107,241 of the related balance consists of Euro assets, and the remaining amount consists of Turkish Lira assets (December 31, 2024: TRY 1,693,124,722 consisted of Euro assets). As of June 30, 2025, adjustments related to fair value gains on financial assets under income/(expenses) from investment activities amounting to TRY 9,799,061, net, have been accounted for in relation to these assets (Note 27) (June 30, 2024: TRY 6,231,375).

Demand deposits

As of June 30,2025 and December 31,2024 the TRY equivalent of demand deposits by currency is as follows:

| | June 30, 2025 | December 31, 2024 |
|-----------------------|---------------|-------------------|
| Euro | 21,116,918 | 42,251,916 |
| TRY | 2,286,651 | 3,959,083 |
| Ruble | 750,513 | 751,426 |
| US Dollar | 704,465 | 14,440,475 |
| Other | 13,963 | - |
| Total demand deposits | 24,872,510 | 61,402,900 |

Time deposits

As of 30 June 2025 and 31 December 2024, the Turkish Lira equivalent of time deposits by currency is as follows:

| Currency | Maturity | Interest rate | June 30, 2025 |
|-----------|-----------|---------------|---------------|
| Ruble | July 2025 | 17.25% | 205,398,657 |
| Euro | July 2025 | 0.01% | 15,393,251 |
| TRY | July 2025 | 31%-39% | 5,825,838 |
| US Dollar | July 2025 | 0.015% | 437,196 |
| Total | • | | 227,054,942 |

| Currency | Maturity | Interest rate | December 31, 2024 |
|----------|--------------|---------------|-------------------|
| Ruble | January 2025 | 17.25% | 150,381,539 |
| Euro | January 2025 | 0.01% | 11,510,821 |
| TRY | January 2025 | 39-%42% | 3,785,700 |
| Total | · | | 165,678,060 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

6. FINANCIAL LIABILITIES

| | June 30, 2025 | December 31, 2024 |
|---|---------------|--------------------------|
| Current financial liabilities | 735,237,983 | 703,627,332 |
| Current portion of long-term secured bank borrowings | 628,706,303 | 616,473,439 |
| Current portions of secured long-term financial lease liabilities | 57,995,648 | 73,000,047 |
| Current portions of secured long-term operational lease | | |
| liabilities | 48,536,032 | 14,153,846 |
| Non-current financial liabilities | 3,511,128,088 | 3,515,892,428 |
| Long-term secured bank borrowings | 3,435,758,759 | 3,356,474,896 |
| Long-term secured operational financial lease liabilities | - | 24,343,638 |
| Long-term secured operational lease liabilities | 75,369,329 | 135,073,894 |
| Total financial liabilities | 4,246,366,071 | 4,219,519,760 |

As of 30 June 2025 and 31 December 2024, summary information on the carrying and nominal values of the Group's bank borrowings and lease liabilities is presented below:

June 30, 2025

Book value

| Currency | Nominal interest rate | Original amount | Short term | Long term | Total |
|---------------|-----------------------|-----------------|-------------|---------------|---------------|
| EUR (1) | 4.40% + euribor (*) | 45,606,160 | 485,317,431 | 1,644,093,454 | 2,129,410,885 |
| Ruble (2) | 9.8% | 1,834,480,094 | 75,041,554 | 853,898,495 | 928,940,049 |
| USD (3) | 7.00% | 25,271,376 | 68,347,319 | 937,766,810 | 1,006,114,129 |
| TRY (4) | 31.5% | 57,995,648 | 57,995,647 | - | 57,995,647 |
| | | | 686,701,951 | 3,435,758,759 | 4,122,460,710 |
| Nominal value | | | | | |

| Currency | Nominal interest rate | Original amount | Short term | Long term | Total |
|-----------|-----------------------|-----------------|-------------|---------------|---------------|
| EUR (1) | 4.40% + euribor (*) | 45.570.982 | 354.628.064 | 1.773.140.320 | 2.127.768.384 |
| Ruble (2) | 9.8% | 1.689.522.800 | 2,305,142 | 853.231.745 | 855.536.887 |
| USD (3) | 7.00% | 25,000,000 | 2,303,142 | 995.310.000 | 995.310.000 |
| TRY (4) | 31.5% | 56,810,371 | 56,810,371 | - | 56,810,371 |
| - | | , , | 413,743,577 | 3,621,682,065 | 4,035,425,642 |

December 30, 2024 Book value

| Currency | Nominal interest rate | Original amount | Short term | Long term | Total |
|-----------|-----------------------|-----------------|-------------|---------------|---------------|
| EUR (1) | 4.40% + euribor (*) | 49,632,000 | 476,572,540 | 1,654,566,328 | 2,131,138,868 |
| Ruble (2) | 9.8% | 1,981,167,830 | 68,908,528 | 730,583,167 | 799,491,695 |
| USD (3) | 7.00% | 25,276,275 | 70,992,373 | 971,325,407 | 1,042,317,780 |
| TL (4) | 31.5% | 97,343,682 | 73,000,045 | 24,343,632 | 97,343,677 |
| | | | 689,473,486 | 3,380,818,534 | 4,070,292,020 |

Nominal value

| Currency | Nominal interest rate | Original amount | Short term | Long term | Total |
|-----------|-----------------------|-----------------|-------------|---------------|---------------|
| EUR (1) | 4.40% + euribor (*) | 49,368,564 | 326,127,262 | 1,793,699,944 | 2,119,827,206 |
| Ruble (2) | 9.8% | 1,835,647,498 | 8,111,621 | 732,655,974 | 740,767,595 |
| USD (3) | 7.00% | 25,000,000 | - | 1,030,925,016 | 1,030,925,016 |
| TRY (4) | 31.5% | 95,221,410 | 62,744,636 | 32,476,774 | 95,221,410 |
| | | | 396,983,519 | 3,589,757,708 | 3,986,741,227 |

^(*) As of 30 June 2025, the Euribor interest rate is 2.673% (31 December 2024: 3.685%).

- All of the loans belonging to Akfen GYO and Akfen Karaköy were refinanced on May 23, 2024, and the refinancing of these loans was carried out by Akfen GYO. The interest rate of the newly used loan is 4.4%+euribor (3 months) and the maturity date of the loan is April 25, 2031. The loans used within the scope of the contract are secured within the following issues:
 - Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Bursa and Zeytinburnu and land, building and equipment of Ankara Esenboğa, EsenDormitory and Adana and the land on which hotel is being built in Tuzla are pledged in favor of the creditors,
 - Rent revenue of related hotels is alienated in favor of the creditor,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

6. FINANCIAL LIABILITIES (cont'd)

The Group reached an agreement with its existing creditors on 18 December 2020 for the restructuring of the loan related to its Russia projects, extending the maturity until 2030 (with a 3-year extension option until 2033). In accordance with this agreement, the loan contracts were executed as planned and mutually agreed with the creditors as of 3 September 2021. A portion of the loans of the Russian subsidiaries amounting to EUR 9,500,000 was transferred to Akfen GT, and all loans of the Russian companies were converted from Euro to Ruble. The interest rate for the Ruble-denominated loan was determined as 6% for the first 2 years, 9.8% for the following 8 years, and Moprime (3-month) + 5% for the remaining period. The loan maturity was extended until 28 October 2033. Under the terms of the agreement, the loans are secured by the following:

- A portion of Akfen Holding's non-public shares in Akfen REIT pledged in favor of the lenders,
- Shares and operating rental income of the Russian companies pledged in favor of the lenders,
- Land and hotel buildings owned by the Group where Ibis Hotel Yaroslavl, Ibis Hotel Samara, Samara Office, Ibis Hotel Kaliningrad, and Ibis Hotel Moscow are located, mortgaged in favor of the lenders.
- (3) On 1 November 2021, Firatcan İnşaat obtained a project loan amounting to USD 25,000,000. The loan has an interest rate of 7%, a maturity of 5 years, and the principal is payable at maturity. Akfen International BV has provided a guarantee for the loan.
- (4) On 2 June 2023, Fıratcan İnşaat obtained a leasing loan amounting to TRY 120,000,000 for the Terminal Kadıköy Project investment. The loan has a maturity of 3 years, includes a TRY 2,000,000 down payment, a 6-month grace period, and bears an interest rate of 31.5%. Akfen İnşaat has provided a surety for this loan.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

6. FINANCIAL LIABILITIES (cont'd)

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

| | June 30, 2025 | December 31, 2024 |
|-----------------------------|---------------|--------------------------|
| Less than 1 year | 686,701,951 | 689,473,486 |
| 1 - 2 years | 1,373,144,397 | 1,421,118,787 |
| 2 - 3 years | 404,829,740 | 382,429,237 |
| 3 - 4 years | 391,935,499 | 355,080,201 |
| 4 - 5 years | 421,923,844 | 405,545,565 |
| 5 years and over | 843,925,279 | 816,644,744 |
| Total financial liabilities | 4.122.460.710 | 4,070,292,020 |

The maturity breakdown of the nominal value of bank borrowings is as follows:

| | June 30, 2025 | December 31, 2024 |
|-----------------------------|---------------|-------------------|
| Less than 1 year | 413,743,577 | 396,983,519 |
| 1 - 2 years | 1,359,851,829 | 1,402,500,253 |
| 2 - 3 years | 387,504,436 | 352,909,924 |
| 3 - 4 years | 422,925,202 | 375,787,621 |
| 4 - 5 years | 495,903,754 | 492,740,426 |
| 5 years and over | 955,496,844 | 965,819,484 |
| Total financial liabilities | 4,035,425,642 | 3,986,741,227 |

The movements in bank borrowings and financial debt instruments during the periods ended June 30, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|--|---------------|-----------------|
| January 1 | 4,070,292,020 | 8,236,524,469 |
| Loans received | - | 2,501,474,711 |
| Cash outflows from debt repayment | (248,999,454) | (4,524,264,429) |
| Interest paid | (160,173,211) | (333,514,521) |
| Accrual (*) | 148,447,158 | 217,114,034 |
| Adjustments related to loan restructuring (**) | - | (471,278,694) |
| Foreign exchange loss | 605,303,017 | 356,632,063 |
| Foreign currency coversion diffrence | 306,926,131 | 153,561,971 |
| Monetary gain | (599,334,951) | (1,318,244,896) |
| June 30 | 4,122,460,710 | 4,818,004,708 |

^(*) Includes the amortised cost adjustments related to the loans of Akfen GT, which were closed on January 17, 2024.
(**) Includes income arising from the reversal of amortised cost adjustments amounting to TRY 471,278,694 related to the loans of Akfen REIT, Akfen GT, and Akfen Karaköy, which were closed during 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:

| | June 30,2025 | December 31,2024 |
|--|-----------------|-------------------------|
| Less than 1 year | 48.536.032 | 14.153.846 |
| 1 - 5 years | 378.057.248 | 304.641.771 |
| 5 years and over | 1.621.328.370 | 2.151.130.883 |
| Less: Financial expense for future periods | (1.924.016.289) | (2.320.698.760) |
| Total operational lease liabilities | 123.905.361 | 149.227.740 |

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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, 2025 and December 31, 2024 are as follows:

| | 2025 | 2024 |
|-----------------------|--------------|--------------|
| January 1 | 149,227,740 | 175,328,653 |
| Interest expense | 34,714,097 | 20,768,354 |
| Foreign exchange loss | 7,282,114 | 12,785,501 |
| Payments | (48,078,625) | (30,302,301) |
| Arrangements | 2,297,171 | 3,967,366 |
| Monetary gain | (21,537,136) | (35,550,638) |
| June 30 | 123,905,361 | 146,996,935 |

7. TRADE RECEIVABLES AND PAYABLES

a) Short term trade receivables

As of June 30, 2025 and December 31, 2024 short-term trade receivables are as follows

| | June 30, 2025 | December 31, 2024 |
|--|---------------|-------------------|
| Trade receivables from related parties (Not 4) | 102,321,528 | 70,430,075 |
| Trade receivables from third parties (*) | 372,102,467 | 350,981,695 |
| | 474,423,995 | 421,411,770 |

^(*) As of June 30, 2025 and December 31, 2024, the majority of trade receivables from non-related parties consist of receivables based on hotel rental income, and the average maturity of trade receivables is approximately 45 days.

b) Short term-long term trade payables

As of June 30, 2025 and December 31, 2024, short-term trade payables are as follows:

| | June 30, 2025 | December 31, 2024 |
|--|---------------|-------------------|
| Trade payables to related parties (Note 4) | 202,272,306 | 315,172,021 |
| Trade payables to third parties | 52,995,751 | 53,733,825 |
| | 255,268,057 | 368,905,846 |

8. OTHER RECEIVABLES AND PAYABLES

a) Other current receivables

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

| | June 30, 2025 | December 31, 2024 |
|--|---------------|--------------------------|
| Other receivables to third parties (Not 4) | 69,205,927 | - |
| Other receivables from third parties | 243,916 | 281,972 |
| | 69,449,843 | 281,972 |

b) Other non-current receivables

As of June 30, 2025 and December 31, 2024, other non-current receivables are as follows:

| | June 30, 2025 | December 31, 2024 |
|-------------------------------|---------------|--------------------------|
| Deposits and guarantees given | 2,520,247 | 2,596,361 |
| | 2,520,247 | 2,596,361 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

8. FINANCIAL LIABILITIES (cont'd)

c) Other short term payables

| | June 30, 2025 | December 31, 2024 |
|------------------------------------|---------------|--------------------------|
| Other payables to third parties | 64,346,983 | 56,774,665 |
| - Taxes and funds payable | 62,928,089 | 54,427,742 |
| - Social security premiums payable | 912,646 | 2,194,264 |
| - Other | 506,248 | 152,659 |
| | 64,346,983 | 56,774,665 |

9. INVESTMENT PROPERTY

Operating and under construction investment properties

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

| | June 30, 2025 1 | December 31, 2024 |
|---|-----------------|-------------------|
| Operating investment properties | 28,710,094,029 | 23,313,893,016 |
| Investment properties under construction ^(*) | 2,481,581,839 | 6,809,948,134 |
| Land leases | 131,507,949 | 150,906,595 |
| Total | 31,323,183,817 | 30,274,747,745 |

^(*) The Terminal Kadıköy project, which became operational on May 1, 2025, is included in investment properties that are operational as of June 30, 2025 (December 31, 2024: Investment properties under construction).

As of June 30, 2025 and December 31, 2024 movements in operating and under construction investment property are as follows:

| | 2025 | 2024 |
|--|----------------|----------------|
| January 1 | 30,123,841,150 | 28,552,047,821 |
| Additions | 203,275,173 | 457,699,684 |
| Fair value increase, net | - | 789,342,747 |
| Foreign exchange translation differences | 864,559,545 | (195,888,674) |
| June 30 | 31,191,675,868 | 29,603,201,578 |

As of December 31, 2024, the fair values of the investment properties owned by the Group in Turkey are determined by a real estate appraisal company included in the list of "Real Estate Appraisal Firms" registered with the CMB, and the fair values of the investment properties owned by the Group in Russia are determined by a real estate appraisal company licensed in Russia as of December 31, 2024. As of June 30, 2025 and December 31, 2024, the fair value of investment properties consists of the valuation report values dated December 31, 2024 and the valuation report values dated November 30, 2024, adjusted for purchasing power as of June 30, 2025.

The fair values of the operating investment properties of which right of buildings are held are determined as the present value of aggregate of the estimated cash flows expected to be received from renting out the property, and the fair values of the investment properties which the Group owns are determined as the present value of aggregate of the estimated cash flows for the period of lease agreement made with Tamaris/ACCOR S.A. In the valuation process, a projection period which fits to the lease term for right of tenancy of each hotel is taken into consideration. The fair value is calculated by discounting the estimated cash flows at a rate which is appropriate for the risk level of the economy, market and the business to determine its present value.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

9. INVESTMENT PROPERTIES (cont'd)

As of June 30, 2025 and December 31, 2024, the fair values of the investment properties located in Turkey and Russia are as follows:

| | June | e 30, 2025 | Decembe | er 31, 2024 |
|---|-------------------|----------------|-------------------|----------------|
| | Date of | Fair | Date of | Fair |
| Property | appraisal report | value | Appraisal report | value |
| Novotel İstanbul Bosphorus, Karaköy (1) | November 30, 2024 | 5,008,739,920 | November 30, 2024 | 4,984,307,974 |
| Söğütlüçeşme Terminal Kadıöy Project ⁽¹⁾ | December 31, 2024 | 4,436,740,606 | December 31, 2024 | 4,347,609,003 |
| Ibis Otel ve Novotel Zeytinburnu (1) | December 31, 2024 | 3,496,130,291 | December 31, 2024 | 3,495,574,291 |
| Kıyıkışla Land (2) | December 31, 2024 | 2,464,611,616 | December 31, 2024 | 2,445,368,908 |
| Bodrum Loft (1) | December 31, 2024 | 2,108,161,893 | December 31, 2024 | 2,042,972,190 |
| Ibis Otel Moskova (1) | December 31, 2024 | 1,686,421,723 | December 31, 2024 | 1,343,953,351 |
| Novotel Trabzon (1) | December 31, 2024 | 1,514,594,023 | December 31, 2024 | 1,514,515,123 |
| Ibis Otel Tuzla (2) | December 31, 2024 | 1,406,138,578 | December 31, 2024 | 1,405,859,025 |
| Ibis Otel Kaliningrad (1) | December 31, 2024 | 1,048,723,997 | December 31, 2024 | 835,277,973 |
| Ibis Otel ve Novotel Gaziantep (1) | December 31, 2024 | 867,301,496 | December 31, 2024 | 867,301,496 |
| Ibis Otel Adana (2) | December 31, 2024 | 837,514,641 | December 31, 2024 | 837,514,641 |
| Isparta Yurt (1) | December 31, 2024 | 823,425,843 | December 31, 2024 | 821,396,138 |
| Ibis Otel Alsancak İzmir (1) | December 31, 2024 | 817,586,734 | December 31, 2024 | 817,586,734 |
| Ibis Otel Yaroslavl (1) | December 31, 2024 | 707,985,095 | December 31, 2024 | 564,211,744 |
| Ibis Otel ve Novotel Kayseri (1) | December 31, 2024 | 665,723,995 | December 31, 2024 | 664,784,721 |
| Ibis Otel Esenyurt (2) | December 31, 2024 | 620,207,112 | December 31, 2024 | 620,207,112 |
| Ibis Otel Samara (1) | December 31, 2024 | 618,130,153 | December 31, 2024 | 492,604,002 |
| Ibis Otel Ankara Airport (2) | December 31, 2024 | 610,562,845 | December 31, 2024 | 610,562,845 |
| Kütahya Yurt (1) | December 31, 2024 | 604,043,663 | December 31, 2024 | 603,157,551 |
| Ibis Otel Bursa (1) | December 31, 2024 | 430,972,498 | December 31, 2024 | 430,972,498 |
| Samara Office (1) | December 31, 2024 | 196,261,456 | December 31, 2024 | 156,405,861 |
| Fabrika Binası (2) | November 30, 2024 | 147,294,725 | December 31, 2024 | 147,295,004 |
| Ibis Otel Eskişehir (1) | December 31, 2024 | 57,432,742 | December 31, 2024 | 57,432,742 |
| Bodrum (Eskiçeşme) Land (2) | December 31, 2024 | 16,970,223 | December 31, 2024 | 16,970,223 |
| Total | | 31,191,675,868 | | 30,123,841,150 |

⁽¹⁾ It consists of real estate on land leased by the Company.

As of June 30, 2025, total insurance amount on operating investment properties is TRY 24,288,882,417 (December 31, 2024: TRY 23,257,023,152).

As of June 30, 2025 the pledge amount on operating investment property is TRY 6,443,399,400 (December 31, 2024: TRY 5.925.555.308).

As of December 31, 2024, in determining the fair value of investment properties, the discount rates used in the valuation reports prepared in accordance with the operational and lease models ranged between 8%–10% for Euro-denominated assets, 23% for TRY-denominated assets, and approximately 16% for Ruble-denominated assets. Sensitivity analysis related to the fair values of investment properties is disclosed in Note 30.

⁽²⁾ It consists of real estate on land owned by the Company.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

9. INVESTMENT PROPERTIES (cont'd)

Right of use lands

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

As of June 30, 2025 and 2024, the movement table of the land leases is as follows:

| | 2025 | 2024 |
|--------------------------|---------------------------------------|--------------|
| January 1 | 150,906,595 | 159,672,336 |
| Arrangements | (19,398,646) | (27,996,303) |
| Fair value decrease, net | · · · · · · · · · · · · · · · · · · · | (2,349,387) |
| June 30 | 131,507,949 | 129,326,646 |

10. TANGIBLE ASSETS

As of June 30, 2025, and 2024 the movement of tangible asset is as follows:

| | | | Furniture& | |
|----------------------------|---|-------------|--------------|--------------|
| | Equipment | Vehicles | fixture | Total |
| Cost value | - | | | |
| Balance on January 1, 2024 | 67,841 | 6,568,240 | 31,771,562 | 38,407,643 |
| Additions | - | 193,563 | - | 193,563 |
| Balance on June 30, 2024 | 67,841 | 6,761,803 | 31,771,562 | 38,601,206 |
| Cost value | | | | |
| Balance on January 1, 2025 | 67,841 | 6,896,968 | 31,771,562 | 38,736,371 |
| Balance on June 30, 2025 | 67,841 | 6,896,968 | 31,771,562 | 38,736,371 |
| Accumulated depreciation | | | | |
| Balance on January 1, 2024 | (67,841) | (4,469,542) | (31,648,945) | (36,186,328) |
| Period expense | - · · · · · · · · · · · · · · · · · · · | (419,674) | (30,098) | (449,772) |
| Balance on June 30, 2024 | (67,841) | (4,889,216) | (31,679,043) | (36,636,100) |
| Balance on January 1, 2025 | (67,841) | (5,302,589) | (31,679,043) | (37,049,473) |
| Period expense | ` , , , , , , , , , , , , , , , , , , , | (304,832) | (92,519) | (397,351) |
| Balance on June 30, 2025 | (67,841) | (5,607,421) | (31,771,562) | (37,446,824) |
| Net carrying value | | | | |
| January 1, 2024 | - | 2,098,698 | 122,617 | 2,221,315 |
| June 30, 2024 | - | 1,872,587 | 92,519 | 1,965,106 |
| January 1, 2025 | - | 1,594,379 | 92,519 | 1,686,898 |
| June 30, 2025 | - | 1,289,547 | - | 1,289,547 |

As of June 30, 2025 and December 31, 2024, there are no mortgages on property, plant and equipment. For the interim period ended June 30, 2025, all depreciation expenses related to property, plant and equipment have been recognized under general administrative expenses (June 30, 2024: TRY 30,098 under cost of sales and TRY 419,674 under general administrative expenses).

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11. INTANGIBLE ASSETS

As of June 30, 2025, and 2024 the movement of intangible assets is as follows:

| | Software |
|----------------------------|-----------|
| Cost value | |
| Balance on January 1, 2024 | 1,109,528 |
| Additions | 49,463 |
| Balance on June 30, 2024 | 1,158,991 |
| Balance on January 1, 2025 | 1,158,991 |
| Balance on June 30, 2025 | 1,158,991 |
| Accumulated amortization | |
| Balance on January 1, 2024 | (677,696) |
| Charge for the period | (57,439) |
| Balance on June 30, 2024 | (735,135) |
| Balance on January 1, 2025 | (757,249) |
| Charge for the period | (6,293) |
| Balance on June 30, 2025 | (763,542) |
| Net carrying value | |
| January 1, 2024 | 431,832 |
| June 30, 2024 | 423,856 |
| January 1, 2025 | 401,742 |
| June 30, 2024 | 395,449 |

As of June 30, 2025, amortization expenses amounting to TRY 6.293 has been recognized in administrative expenses (June 30, 2024: TRY 57.439).

12. INVENTORIES

As of June 30, 2025, and 2024 the movement of inventories is as follows:

| | 2025 | 2024 |
|----------------|---------------|---------------|
| January 1 | 2,391,829,625 | 1,485,447,224 |
| Additions, net | 287,042,523 | 400,039,449 |
| June 30 | 2,678,872,148 | 1,885,486,673 |

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, 2025 and 2024, 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, 2025 and, 2024, additions are related to the purchase of land and other costs incurred within the scope of the Company's villa project in Bodrum Yalıkavak.

As of June 30, 2025 and 2024, there is no pledge on the inventories.

13. GOVERNMENT GRANTS AND INCENTIVES

None.

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of June 30, 2025, the Group is involved in 11 legal cases (December 31, 2024: 12). There are no significant lawsuits at the Group level that require recognition of provisions.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

15. COMMITMENT AND CONTINGENCIES

15.1. CPM are given by the Company

As of June 30, 2025 and December 31, 2024, Company's position related to commitments, pledges, and mortgages ("CPM") are as follows:

| CPM are given by the Company | June 30, 2025 | December 31, 2024 |
|--|---------------|--------------------------|
| A. Total amount of CPM is given on behalf of | | |
| own legal personality | 6,708,474,058 | 6,230,811,577 |
| B. Total amount of CPM is given in favor of | | |
| subsidiaries which are fully consolidated | 855,536,887 | 740,767,595 |
| C. Total amount of CPM is given for assurance of | | |
| third party's debts to conduct of usual business | | |
| activities | - | - |
| D. Total Amount of other CPM | - | - |
| i. Total amount of CPM is given in | - | - |
| favor of parent company | | |
| ii. Total amount of CPM is given in favor of | | |
| other company companies, which B and C doesn't include | - | - |
| iii. The amount of CPM is given in favor of | | |
| third party which C doesn't include | | |
| | 7,564,010,945 | 6.971.579.172 |

As of June 30, 2025, the balances of guarantees given by the Group in its own legal entity name denominated in Euro and US Dollar amount to EUR 138,000,000 and USD 770,424, respectively (December 31, 2024: EUR 138,000,000 and USD 770,424). As of June 30, 2024, the foreign currency balance of guarantees given by the Group on behalf of fully consolidated subsidiaries amounted to EUR 18,323,261 (December 31, 2024: EUR 17,251,704).

Regarding projects in Russia (Ibis Hotel Samara, Ibis Hotel Yaroslavl, Ibis Hotel Kaliningrad), shares of 97.8% and 2.2%, respectively, belonging to Akfen Kuzey and Cüneyt Baltaoğlu have been pledged as collateral to lenders for the loans utilized from Credit Europe for each project.

As of June 30, 2025, and December 31, 2024, the guarantees given by Akfen GYO on behalf of fully consolidated subsidiaries consist solely of guarantees given for 100% owned subsidiaries. As of December 31, 2024, EUR 7,558,444 of the guarantees given on behalf of fully consolidated subsidiaries relates to the guarantees provided by Severnyi company for loans utilized (December 31, 2024: Severnyi, EUR 6,897,648). The remaining amount of EUR 11,300,932 relates to guarantees provided by Akfen GT for loans utilized by its Russian companies (December 31, 2024: Russia, EUR 10,354,057). The guarantees given by the Group have been provided in relation to loans obtained for project financing purposes.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

15. COMMITMENT AND CONTINGENCIES (cont'd)

15.2. The Group as lessee

As of June 30, 2025, the Group's operating lease agreements as lessee are as follows;

- On December 4, 2003, the Group signed a land lease agreement with the Treasury Treasury for 49 years, starting from November 18, 2002, in order to establish a property right and build a hotel in Zeytinburnu, Istanbul. The lease amount consists of the annual fixed rent to be paid as determined by the Treasury of the Treasury and the rental fee of the facility built on it and 1% of the total annual revenue obtained by the Group from this facility. The final allocation period of the Treasury land has been extended to 49 years as of December 22, 2018, with the approval of the Company's application to the Ministry of Culture and Tourism
- The Company signed a rent agreement with Municipality of Eskişehir on August 8, 2005 to lease an incomplete hotel construction site located at Eskişehir for 22 years starting from February 8, 2007. Related lease agreement is expounded in land registry office. The hotel started to be operated in 2007 after the construction was completed. The lease payment is the annually fixed lease amount determined by the agreement and 5% of the total annually revenue generated by the hotel constructed on the land.
- The Company signed a rent agreement with Trabzon Dünya Ticaret Merkezi A.Ş. on October 30, 2006 to lease a land and to construct a hotel in Trabzon. The lease term is 49 years starting from August 27, 2008
- The Group, with the Kayseri Chamber of Industry on November 4, 2006, with the purpose of establishing the upper usage right and building a hotel in Kayseri, with the lease term starting from March 3, 2010.
- The Group signed a land lease agreement with Gaziantep Metropolitan Municipality on May 31, 2007, for a 30-year lease term, starting from December 3, 2009, in order to establish a property right and build a hotel in Gaziantep.
- The Group signed a rent agreement with Bursa International Textile Trading Centre Business Cooperative on May 9, 2008 to lease a land and to construct a hotel in Bursa. The lease term is 30 years starting from October 6, 2010.
- The Company signed a rent agreement with Prime Ministry General Directorate of Foundations on September 16, 2010 to lease a land and to construct a hotel in İzmir for 49 years starting from the agreement date. The relevant lease agreement was annotated in the Land Registry Office.
- The Group has signed a lease agreement for the land located in Beyoğlu District of Istanbul, within the framework of the 49-year build-operate-transfer model, starting from the date of the lease agreement signed on September 1, 2009 between the 1st Regional Directorate of Foundations and Hakan Madencilik ve Elektrik Üretim Sanayi Ticaret Anonim Şirketi, and took over on June 22, 2011.
- Group signed a lease agreement with Moscow City Administration on April 20, 2010 valid till 24 September 2056 related to land on which Ibis Hotel Moscow was constructed and all object is projected as hotel. An additional lease agreement has been signed on June 2, 2011 related to aforesaid lease agreement.
- The Company signed a land rent agreement with State Treasury on December 1, 2013, to establish the right of use and to construct a 5-star holiday village and units in Muğla Province, Bodrum District, Göltürkbükü neighbourhood for 49 years starting from October 1, 2012 to October 1, 2061, for Bodrum Loft Hotel, which the Company added to its portfolio in 2021. The rental amount consists of the fixed rent to be paid annually, determined by the State Treasury, and the rent amounting to 1% of the facility built on it and the total annual revenue of the Company from this facility. This rental agreement was renewed with the Official Deed on March 6, 2019 and extended the rental period until December 21, 2067.
- On June 30, 2021, the Company acquired 51% ownership interest in Firatcan İnşaat. Following this acquisition, the Company obtained the right to carry out the leasing agreement signed between Firatcan İnşaat and TCDD on July 5, 2018, regarding areas including construction activities; under this agreement, the Company has the right to lease the Söğütlüçeşme High-Speed Train Station project located in Kadıköy, Istanbul, for a period comprising 2 years of permit/license, 2 years of construction, and 28 years of operation. Within this scope, the Company has committed to TCDD for the Söğütlüçeşme High-Speed Train Station project, which includes the construction of a viaduct, terminal building, commercial areas, and a parking facility. Following the project modification dated September 6, 2022, the agreement was renewed and its term extended until 2051. The remaining 49% ownership interest in Firatcan İnşaat was acquired on July 18, 2023.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

15. COMMITMENT AND CONTINGENCIES (cont'd)

15.2. The Group as lessee (cont'd)

- On December 25, 2020, an agreement with Isparta City Hospital for constructing student dormitory with a gross indoor area of 67.000 m2, a social life center and a car park on the 178,651.12 m2 part of the immovable property belonging to Isparta City Hospital in Isparta Province, İstiklal 2 District 9 block, 112 parcel, which the Group added to its portfolio as of February 9, 2021. According to the agreement, the rental period is until July 1, 2042.
- The lease agreement was signed on July 22, 2016 for the purpose of establishing easement rights in order to make the Private Student Dormitory with a closed area of at least 30,000 m2 and the Social Life Center of at least 2,500 m2, parking lot and landscaping on the 24,878 m2 immovable property located in Kütahya province, Merkez Civli neighborhood 25.I.1-2 section, 15 volumes, 102 island, 2 parcel of which top right belongs to the Dumlupinar University and which the Group has added to its portfolio as of February 9, 2021. The right of easement is 29 years starting from December 16, 2016, and the rental amount consists of the fixed rent to be paid annually as determined by Dumlupinar University and the rent amounting to 1% of the total annual revenue obtained by the facility built on it and the Group from this facility.

15.3. The Group as lessor

Other guarantees given by the shareholders and the alienation of rent revenue which will be generated from the hotels are presented at Note 6.

The operating lease agreements of the Group as lessor as of June 30, 2025 are as follows;

- The Company signed a rent agreement with ACCOR S.A. on November 18, 2005 to lease a hotel which was completed in 2007 and started operations in Eskişehir.
- The Company signed a rent agreement with ACCOR S.A. on December 12, 2005 to lease two hotels which were completed in 2007 and started operations in Istanbul.
- The Company signed a rent agreement with ACCOR S.A. on July 26, 2006 to lease a hotel which was completed and started operations in 2008 in Trabzon.
- The Company signed a rent agreement with ACCOR S.A. on March 24, 2008 to lease two hotels which was completed and started operations in 2010 in Kayseri.
- The Company signed a rent agreement with ACCOR S.A. on March 24, 2008 to lease two hotels which was completed and started operations in 2010 in Gaziantep.
- The Company signed a rent agreement with ACCOR S.A. on July 31, 2009 to lease a hotel which is completed and started operations in 2010 in Bursa.
- The Company signed a rent agreement with ACCOR S.A. on September 7, 2010 to lease a hotel which is completed and start its operations in 2012 in Adana.
- The Group signed a rent agreement with ACCOR S.A. on August 16, 2010 to lease a hotel which was completed at the end of 2012 and starts its operations in beginning of 2013 in Esenyurt.
- The Group signed a rent agreement with ACCOR S.A. on February 2, 2011 to lease a hotel which was completed and starts its operations in 2013 in Izmir.
- The Group signed a rent agreement with ACCOR S.A. on December 19, 2012 to lease a hotel which was completed and starts its operations in 2016 in Karaköy.
- The Group signed a rent agreement with ACCOR S.A. on March 28, 2013 to lease a hotel which was completed and starts its operations in 2014 in Ankara Esenboğa.
- The Group signed a rent agreement with ACCOR S.A. on March 1, 2014 to lease a hotel which is planned to complete and starts its operations on April 1, 2017 in Tuzla.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

15. COMMITMENT AND CONTINGENCIES (cont'd)

15.3. The Group as lessor (cont'd)

All of the twelve agreements have similar clauses described below;

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

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

Yearly rent amount to be paid by lessee to lessor:

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

15. COMMITMENT AND CONTINGENCIES (cont'd)

15.3. The Group as lessor (cont'd)

- The Group signed a rent agreement for a bar/café and a restaurant in Eskişehir İbis Hotel on at May 11, 2007 and February 1, 2019.
- Volgastroykom leased 1,562 square meters of a total leasable area of 4,637 square meters of the Samara Office in its portfolio through its subsidiary Volgastroykom with an agreement signed to OAO Bank VTB on 1 March 2013. With the additional contract signed on May 1, 2019, the rental period was extended until April 30, 2024. 1,205 square meters of the areas in the same building will be transferred to Hilti Group until September 30, 2025 with the contract signed on August 31, 2018 and the supplemental contract dated July 19, 2022, and the 1,246 square meters section will be transferred to Benchmark company with the contract signed on March 1, 2020 and the supplemental contract dated July 19, 2022 until February 28, 2025, the remaining 624 square meter section was leased to AVITO company until September 30, 2025 with the contract signed on October 1, 2022.
- YaroslavlOtelInvest has signed a lease agreement on August 2, 2014 for use of the shop located in the basement of Ibis Hotel Yaroslavl as a gym, and the lease expires on September 30, 2020. Additionally, Ibis Hotel Yaroslavl signed a lease agreement on March 1, 2015 for the use of the shop on the ground floor as a flower shop and the lease term is extended for 11 months each year.
- 3 shops (5 independent sections) in Novotel Istanbul Bosphorus (Karaköy) were rented on October 10, 2018, January 31, 2019 and July 1, 2020, respectively
- A commercial area in Kütahya Dormitory was rented for 4 years with the contract signed in October 2019, and a commercial area for 2 years with the contract signed in December 2021.
- Within the scope of the Söğütlüçeşme Train Station High-Speed Train Terminal project (Terminal Kadıköy) located in Kadıköy, Istanbul and undertaken by Fıratcan İnşaat, two separate lease agreements were signed between Fıratcan İnşaat and Akfen Tourism on August 8, 2024, for the operation of food & beverage, cultural facility, and service areas being developed on parcel 3478 block 1 and parcels 3479 block 1 and 2. The lease agreements are effective as of November 1, 2024, and are subject to annual renewal upon mutual agreement.
- Under the lease agreement for parcel 3478 block 1, the annual rent is EUR 7 million + VAT, while the lease agreement for parcels 3479 block 1 and 2 stipulates an annual rent of EUR 1 million + VAT, bringing the total annual rent to EUR 8 million + VAT.
- In addition to the rent payments, Akfen Tourism is responsible for undertaking all necessary investments and arrangements, at its own expense, to deliver the shell & core areas (to be handed over by Fıratcan İnşaat) as turnkey, fully operational premises as described in the lease agreement.
- The official commencement date of the lease is April 1, 2025. The rent payment for the first year will be made on a deferred basis by Akfen Tourism, with 50% due on October 1, 2025, and the remaining balance due on April 1, 2026.

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

EMPLOYEE TERMINATION BENEFITS AND PROVISONS

| | June 30, 2025 | December 31, 2024 |
|---|---------------|--------------------------|
| Provision for vacation pay liability-short term | 6,336,166 | 6,506,674 |
| Provision for employee termination benefits-long term | 2,231,827 | 2,773,663 |
| | 8,567,993 | 9,280,337 |

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, 2025 and December 31, 2024, the ceiling of severance payments is TRY 46.555/year and TRY 41.828/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, 2025 and December 31, 2024, the liability is calculated using the following assumptions:

| | June 30, 2025 | December 31, 2024 |
|--------------------------------------|----------------------|--------------------------|
| Net discount rate | 4.27% | 4.27% |
| Anticipated retirement turnover rate | 100.00% | 100.00% |

The principal assumption is that the ceiling amount, which is determined for each year of service, increases in proportion to inflation. Accordingly, the applied discount rate represents the real rate, net of the expected effects of inflation. Since the severance pay ceiling is revised every six months, the Group has applied the ceiling amount of TRY 53,920 effective from July 1, 2025 (June 30, 2024: TRY 41,828 effective from July 1, 2024).

The provision for employee severance indemnities has been calculated based on the present value of the future probable obligation of the Group arising from the retirement of employees.

Movement of provision for employee termination benefits is as follows:

| | 2025 | 2024 |
|---|-------------|-----------|
| January 1 | 2,773,663 | 3,329,449 |
| Service cost and interest cost | (156,830) | 932,208 |
| Monetary gain | (385,006) | (734,378) |
| June 30 | 2,231,827 | 3,527,279 |
| Movement of vacation pay liability is as follows: | | |
| | 2025 | 2024 |
| January 1 | 6,506,674 | 3,398,443 |
| Increase in current period | 844,374 | 2,873,785 |
| Monetary gain | (1,014,882) | (831,034) |
| June 30 | 6,336,166 | 5,441,194 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

18. PREPAID EXPENSES AND DEFERRED REVENUE

a) Short term prepaid expenses

| | June 30, 2025 | December 31, 2024 |
|-----------------------------------|---------------|--------------------------|
| Prepaid expenses to third parties | 156,159,833 | 126,391,029 |
| - Advances given to suppliers (1) | 135,047,886 | 116,019,527 |
| - Prepaid expenses (2) | 19,727,735 | 10,147,560 |
| - Advance payments | 1,384,212 | 223,942 |
| | 156,159,833 | 126,391,029 |

b) Long term prepaid expenses

| | June 30, 2025 | December 31, 2024 |
|---------------------------------------|-----------------------|--------------------------|
| Advances given to related parties (2) | arties (2) 67,895,454 | |
| | 67.895.454 | 77,700,224 |

⁽¹⁾ As of June 30, 2025 and December 31, 2024, the majority of advances given for inventory purchases consist of advances related to construction works for the Terminal Kadıköy project and hotel renovation works.

c) Short-term deferred revenue

| | June 30, 2025 December 31, 2024 | | |
|---|---------------------------------|-------------|--|
| Deferred income from related parties (Note 4) | 34,226,906 | 146,238,168 | |
| Deferred income from non-related parties | 473,020,117 | 379,937,259 | |
| - Revenue from villa sales (*) | 466,396,159 | 373,205,646 | |
| - Dormitory income | 3,944,940 | 4,602,717 | |
| - Other (**) | 2,679,018 | 2,128,896 | |
| | 507,247,023 | 526,175,427 | |

^(*) Consists of advance collections related to sales from the Group's Yalıkavak project.

⁽²⁾ As of June 30, 2025, TRY 67,895,454 (December 31, 2024: TRY 69,169,213) of the prepaid expenses related to future months and years pertains to the prepaid land lease amounts for the Novotel Istanbul Bosphorus (Karaköy), under Akfen Karaköy's land lease agreement transfer. The remaining balance largely consists of the Group's insurance policies related to future periods and other prepaid land lease expenses.

^(*) As of June 30, 2025 and December 31, 2024, all other deferred income consists of advances collected in advance related to the office project in Russia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

18. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

On 2 August 2024, the Company acquired a 43% interest in EO at Fountains for a consideration of USD 4,686,932. The management of EO at Fountains is jointly conducted by the Group and the other shareholders of the entity. Decisions regarding the activities that significantly affect the returns of EO at Fountains require the unanimous consent of the parties. Accordingly, as of 30 June 2025 and 31 December 2024, EO at Fountains is accounted for as an investment accounted for using the equity method in the Group's consolidated financial statements.

As of June 30, 2025 and December 31, 2024, the summary of EO at Fountains' assets and liabilities is as follows:

| Eo at Fountains | June 30, 2025 | December 31, 2024 |
|---|---------------|--------------------------|
| Entity assets | 348,034,631 | 366,197,662 |
| Entity liabilities | 104,410,389 | 109,859,299 |
| Net assets (*) | 243,624,242 | 256,338,363 |
| Group's ownership interest | 43% | 43% |
| Group's share in net assets | 104,758,424 | 110,225,496 |
| Goodwill (**) | 104,648,317 | 104,648,317 |
| Investments accounted for using the equity method as of | | |
| the reporting date | 209,406,741 | 214,873,813 |

^(*) A significant portion of the entity's assets consists of a plot of land approximately six (6) acres in size, located around 10300 block of C E Wilson Road, Saint Johns, St. Johns County, Florida 32259.

The movement of the Group's share in investments accounted for using the equity method for the interim period ended June 30, 2025 is presented below (June 30, 2024: None):

| Eo at Fountains | 2025 |
|--|-------------|
| Opening balance as of January 1 | 214,873,813 |
| Share of losses from investments accounted for using the equity method | (1,641,690) |
| Other comprehensive income and the Group's share thereof | (3,825,382) |
| Closing balance as of June 30 | 209,406,741 |

On April 25, 2025, the Company acquired a 32.5% shares in EA at Fountains for a consideration of USD 1,936,837. The management of EA at Fountains is jointly carried out by the Group and the other shareholders, and decisions regarding activities that significantly affect the returns of EA at Fountains require unanimous consent of the parties. Accordingly, EA at Fountains is accounted for as an investment using the equity method in the Group's consolidated financial statements as of June 30, 2025 (December 31, 2024: None). As of June 30, 2025, EA at Fountains has been recognized in the consolidated financial statements at an acquisition cost of TRY 76,327,209.

19. OTHER CURRENT AND NON-CURRENT ASSETS

a) Other current assets

| | June 30, 2025 | December 31, 2024 |
|-----------------------------|---------------|--------------------------|
| Deferred VAT | 99,515,105 | 39,725,314 |
| Prepaid taxes and funds | - | 824,250 |
| Other | - | 53,751 |
| | 99,515,105 | 40,603,315 |
| b) Other non-current assets | | |
| | June 30, 2025 | December 31, 2024 |
| Deferred VAT | 179,152,712 | 238,890,723 |
| | 179,152,712 | 238,890,723 |

^(**) The difference between the purchase price and the carrying amount of the 43% interest acquired in EO at Fountains as of the acquisition date has been recognized as "Goodwill" under "Investments accounted for using the equity method..

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EQUITY 20.

20.1. Paid in capital

The capital structure as of June 30, 2025 and December 31, 2024 is as follows:

| Owners | (%) | June 30, 2025 | (%) | December 31, 2024 |
|-----------------------|---------|----------------|---------|--------------------------|
| Akfen Holding | 45.27 | 1,765,386,014 | 45.27 | 1,765,386,014 |
| Publicly traded (1) | 44.54 | 1,736,971,208 | 44.54 | 1,736,971,208 |
| Hamdi Akın | 10.18 | 397,150,364 | 10.18 | 397,150,364 |
| Akfen Turizm | < 0.013 | 492,391 | < 0.013 | 492,391 |
| Akfen İnşaat | < 0.001 | 23 | < 0.001 | 23 |
| Total | | 3,900,000,000 | | 3,900,000,000 |
| Inflation adjustments | | 9,932,989,394 | | 9,932,989,394 |
| Adjusted equity | | 13,832,989,394 | | 13,832,989,394 |

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

The share company of A, C, D owning 1,000-unit share for each, has the privilege to select 2 nominees for each for the board of directors' member selection. On August 6, 2018, Akfen GYO's 1000 Group A and 1000 Group D shares of Akfen Holding were transferred to Hamdi Akın, the indirect owner of the management control of these shares. On January 12, 2021, TRY 238,627,431.84 of the Convertible Bond was paid off, and because of the allocated capital increase in accordance with the decision of our Board of Directors dated December 30, 2020 and the approval of the CMB dated January 7, 2021, 59,066,196 new Group B shares were issued, and the Company The capital of Turkey has been increased to TRY 243,066,196. On February 9, 2021, during the acquisitions of the companies, by providing TRY 450,000,002 of funds, 101,580,136 B group shares (tradable on stock exchange) with a nominal value of TRY 101,580,136 allocated to Hamdi Akın has been issued and the issued capital of the company in amount of TRY 243,066,196 increased to TRY 344,646,332. The process of increasing the Company's issued capital from TRY 344,646.332 to TRY 900,000,000 by using the preferred rights of the existing shareholders by TRY 555,353,668, all in cash, was completed as on August 20, 2021. With this, the process of increasing the Company's paid-in capital from TRY 900,000,000 to TRY 1,300,000,000 by increasing TRY 400,000,000 to be covered by emission premiums was published in the trade registry gazette numbered 10467 on December 7, 2021. As of 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. With the implementation of inflation accounting starting in 2023, as of June 30, 2025, capital positive adjustment differences amounting to TRY 9,149,162,539 have been recognized in the consolidated financial

statements (December 31, 2024: TRY 9,932,989,394).

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(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

20. EQUITY (cont'd)

20.1. Paid in capital (cont'd)

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

With the Tax Procedure Law dated December 30, 2023 and numbered 32415, according to the relevant Communiqué published in the Official Gazette No. 30, 2025, the balance sheet dated June 30, 2025, 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 2025; 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:

| June 30, 2025 | Inflation-adjusted amounts included in financial statements prepared in accordance with Law No. 6102 and other legislation | Amounts adjusted according to TAS 29 requirements in accordance with TFRS | Difference classified in retained earnings/(loss) |
|--|--|---|--|
| Share capital adjustments Share premiums Restricted reserves | 11,346,909,821 1,332,347,904 | 9,932,989,394 1,896,330,836 | (1,413,920,427) 563,982,932 |
| appropriated from profits | 34,711,450 | 34,893,540 | 182,090 |

21.2. Foreign currency translation reserves

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

20. EQUITY (cont'd)

20.3. Share Premiums

On April 24, 2023, the Company's Board of Directors resolved to conduct a share buyback in order to protect shareholders' interests by monitoring the share price and price movements. This buyback was approved at the 2022 Annual General Meeting held on May 11, 2023. According to the resolution, the duration of the buyback program is one year, with a maximum allocated fund of TRY 200,000,000 and a maximum number of shares subject to buyback of 65,000,000 shares (representing 5% of the Company's issued share capital).

Within the scope of this share buyback program, Akfen GYO repurchased 30,000,000 nominal shares starting from April 27, 2023, for a total consideration of TRY 211,105,550. All these shares were subsequently sold on August 8, 2023, for TRY 262,087,665. The difference between the selling price and the purchase price amounting to TRY 50,982,115 was recognized under equity as share premium in the Group's consolidated financial statements.

Additionally, share premiums of TRY 8,127,488 arose in 2024. As a result, the total share premiums related to the shares amounted to TRY 1,896,330,836 as of June 30, 2025 (December 31, 2024: TRY 1,896,330,836).

20.4 Restricted reserves allocated from profit

As of June 30, 2025, the legal reserve of the Company is TRY 18,909 (December 31, 2024: TRY 18,909). The legal reserves consist of first and second legal reserves, according to the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. If the second category legal reserves exceed 5% of the paid-up capital, 10% of the distributed profit shall be allocated. The first and second category legal reserves cannot be distributed as long as they do not exceed 50% of the total capital; however, they can be used to cover losses if the optional reserves are depleted.

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

20.5 Repurchased shares and related reserves

When shares previously recognized as paid-in capital are repurchased, the total amount paid, including any directly attributable costs net of tax, is deducted from equity. Repurchased shares are presented as a deduction from equity. On March 25, 2025, the Company's Board of Directors resolved to initiate a share buyback program in order to protect shareholder interests by monitoring the share price and its fluctuations. According to the resolution, the duration of the buyback program is one year, with a maximum fund allocation of TRY 200,000,000 and a maximum number of shares subject to repurchase of 85,000,000 shares (representing 5% of the Company's issued share capital). Within the scope of this share buyback program, Akfen GYO repurchased 17,149,723 nominal shares starting from March 28, 2025, for a total consideration of TRY 34,874,631 (December 31, 2024: None).

20.6 Other equity shares

As of February 16, 2023, 85.16% (7.25% of total shares) of 8.53% of Akfen Karaköy's shares owned by third parties were taken over by Akfen GT as a set-off against its existing receivables from other shareholders of Akfen Karaköy, together with interest accrued until the share transfer date. The remaining 14.84% (1.27% of total shares) were taken over by Akfen Holding.Following the purchase of the shares, Akfen GYO's direct and indirect ownership ratio in Akfen Karaköy became 98.73%. On May 2, 2023, the Company acquired 1.27% of Akfen Karaköy shares held by Akfen Holding, and as of June 30, 2025, Akfen GYO's direct and indirect ownership rate in Akfen Karaköy became 100% (December 31, 2024: 100%).As a result, as of December 31, 2024, the difference between the total purchase prices of TRY 447,275,141 and the value of the acquired shares (TRY 170,323,482), amounting to TRY 276,951,659, was recognized under the "Other Equity Interests" account. As of June 30, 2025, this amount was reclassified to retained earnings due to the merger of Akfen Karaköy with Akfen GYO on March 28, 2025.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

21. REVENUE AND COST OF SALES

For the periods ended June 30, 2025 and 2024, sales and cost of sales are as follows::

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|-----------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Rent income | 575,137,152 | 373,140,180 | 585,178,591 | 347,722,012 |
| Dormitory incomes | 65,529,551 | 33,140,021 | 55,170,400 | 25,589,194 |
| Other | - | - | 52,687 | 25,149 |
| Total revenue | 640,666,703 | 406,280,201 | 640,401,678 | 373,336,355 |
| Insurance expenses | (12,243,664) | (6,469,868) | (13,422,639) | (8,195,200) |
| Taxes and duties expenses | (10,481,283) | (6,542,950) | (11,820,695) | (5,739,116) |
| Outsourced service expenses | (2,253,836) | (1,259,194) | (1,466,973) | (397,707) |
| Depreciation | - | _ | (30,098) | (12,040) |
| Other | (1,192,236) | (1,059,896) | (1,034,588) | (187,826) |
| Total cost of sales | (26,171,019) | (15,331,908) | (27,774,993) | (14,531,889) |

22. GENERAL ADMINISTRATIVE EXPENSES

For the periods ended June 30, 2025 and 2024, administrative expenses are as follows:

| | January 1- | April 1 - | January 1- | April 1 - |
|------------------------------------|-------------|------------|------------|------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2025 | 2025 | 2024 | 2024 |
| | | | | |
| Advertising expenses | 45,743,978 | 8,351,236 | 611,785 | 284,317 |
| Personnel expenses | 31,961,896 | 10,332,070 | 29,122,896 | 10,140,039 |
| Consultancy expenses | 12,356,690 | 10,011,137 | 11,650,586 | 8,648,027 |
| Operating lease expenses | 2,168,710 | 1,066,700 | 1,660,963 | 813,807 |
| Outsourced service expenses | 1,821,825 | 948,183 | 2,676,675 | 1,562,243 |
| Travel and representation expenses | 1,718,970 | 1,280,618 | 1,295,843 | 799,658 |
| Taxes, duties, and fees expenses | 726,889 | 125,911 | 2,308,500 | 1,442,988 |
| Depreciation expenses | 397,351 | 90,365 | 419,674 | 210,774 |
| Donations and aids | 209,263 | 209,263 | 7,795 | - |
| Amortization expenses | 6,293 | 2,389 | 57,439 | 26,989 |
| Other expenses | 5,835,292 | 4,907,542 | 2,138,537 | 1,150,280 |
| Total | 102,947,157 | 37,325,414 | 51,950,693 | 25,079,122 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

22. GENERAL ADMINISTRATIVE EXPENSES (cont'd)

Personnel expenses

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|--------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Wages and salaries | 26,700,437 | 8,893,906 | 21,099,812 | 7,061,373 |
| Social security premiums | 3,537,702 | 1,420,879 | 3,615,986 | 1,279,787 |
| Other | 1,723,757 | 17,285 | 4,407,098 | 1,798,879 |
| Total | 31,961,896 | 10,332,070 | 29,122,896 | 10,140,039 |

^(*) Consists of severance pay, vacation liability expenses, and other personnel-related costs.

23. FINANCIAL INCOME

a) Other income from main operations

For the periods ended June 30, 2025 and 2024, financial income are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Foreign exchange gain Investment property fair value | 2,711,345 | 9,073 | 1,691,921 | 163,471 |
| increase,net (Note 9) | - | - | 786,993,360 | 786,993,360 |
| Other | 288,456 | 20,407 | 394,007 | 19,683 |
| Total | 2,999,801 | 29,480 | 789,079,288 | 787,176,514 |

b) Other expenses from main operations

Other expenses from main operations for the interim periods ended June 30, 2025 and 2024 are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|-----------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Foreign exchange loss | - | - | 32,451 | 32,451 |
| Other | 11,325,571 | 208,495 | 2,835,883 | 78,832 |
| Total | 11,325,571 | 208,495 | 2,868,334 | 111,283 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

24. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

a) Income from investment activities

For the periods ended June 30, 2025 and 2024, income from investment activities are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Fair value gains on financial assets (Note 5) | 9,799,061 | 2,230,102 | 12,099,928 | - |
| Total | 9,799,061 | 2,230,102 | 12,099,928 | - |

For the periods ended June 30, 2025 and 2024, expenses from investment activities are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Losses on disposal of non-current assets held for sale | - | - | 28,031,266 | - |
| Impairment losses on financial assets measured at fair value (Note 5) | - | - | 5,868,553 | 5,868,553 |
| Total | - | - | 33,899,819 | 5,868,553 |

25. FINANCIAL INCOME

For the periods ended June 30, 2025 and 2024, financial income are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|-----------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Interest income | 78,780,954 | 20,586,392 | 571,597,703 | 300,369,955 |
| Foreign exchange gain | - | - | 7,634,044 | 7,634,044 |
| Total | 78,780,954 | 20,586,392 | 579,231,747 | 308,003,999 |

26. FINANCIAL EXPENSES

For the periods ended June 30, 2025 and 2024, financial expenses are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|-----------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Foreign exchange loss | 339,964,727 | 114,325,499 | 137,941,601 | - |
| Interest expenses | 156,281,373 | 76,843,145 | 230,793,669 | 108,233,697 |
| Other | 380,344 | 126,647 | 8,723,377 | 4,492,716 |
| Total | 496,626,444 | 191,295,291 | 377,458,647 | 112,726,413 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

27. TAX ASSETS AND LIABILITIES

Pursuant to Article 5/1(d)(4) of the Corporate Tax Law No. 5520 ("CTL"), income derived from real estate investment trusts ("REITs") is exempt from corporate tax. However, with the Law No. 7524 on Amendments to Tax Laws and Some Laws and Decree Law No. 375 published in the Official Gazette dated August 2024, the application of the corporate tax exemption provided to REITs and real estate investment funds ("REIFs") is conditional on distributing at least 50% of the income earned from their properties as dividends by the end of the second month following the month in which the corporate tax return is filed. Furthermore, Article 32(c) added to the Corporate Tax Law introduced a 10% minimum domestic corporate tax application, stipulating that the exemption and deductions related to income earned by REITs and REIFs from real estate shall not be considered in the calculation of minimum corporate tax. Consequently, as of June 30, 2025, a 30% tax rate applicable to undistributed profits is used in the calculation of deferred tax assets and liabilities (December 31, 2024: 30%, June 30, 2024: exempt from corporate tax).

Deferred tax is calculated using the liability method based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. For Akfen GYO, taxable and deductible temporary differences as of June 30, 2025, have been multiplied by the 30% tax rate effective from January 1, 2025, to calculate deferred tax liabilities or assets. According to the letter titled "Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds" sent by the Public Oversight, Accounting and Auditing Standards Authority (KGK) dated February 12, 2025, the deferred tax liability arising from changes in legislation reflected in the financial statements dated December 31, 2024, is accounted for under equity as retained earnings or losses for years up to 2023, while the effects for 2024 and 2025 are reflected in the income statement.

Deferred tax arising from timing differences between the statutory financial statements of the Group's subsidiaries and the financial statements prepared in accordance with IFRS has been recognized in the consolidated financial statements. The corporate tax rate for the Group's subsidiaries resident in Turkey is 20%. However, pursuant to Article 21 of the Law published in the Official Gazette No. 32249 dated July 15, 2023, titled "Law on Imposition of Additional Motor Vehicle Tax for Compensation of Economic Losses Caused by Earthquakes on February 6, 2023, and Amendments to Certain Laws and Decree Law No. 375," changes made to Article 32 of the Corporate Tax Law increased the general corporate tax rate from 20% to 25%, and the rate for banks and financial institutions from 25% to 30%. The same article also provides a 5-point discounted corporate tax rate for export earnings to promote exports, instead of the previously applied 1-point discount. These changes are effective for corporate tax returns filed from October 1, 2023, onwards, applying to earnings from 2023 and subsequent tax periods. For entities with special accounting periods beginning in 2023, the changes apply accordingly. Therefore, the applicable tax rate used for tax calculations of the relevant subsidiaries as of the reporting date is 25%.

According to Federal Law No. 176-FZ dated July 12, 2024, titled "Amendments to the First and Second Parts of the Tax Code of the Russian Federation, Some Legislative Acts of the Russian Federation and the Recognition of Some Provisions of Legislative Acts of the Russian Federation as Invalid," the corporate tax rate in Russia increased from 20% to 25% effective January 1, 2025. Deferred tax calculations for the companies located in Russia as of June 30, 2025, have been carried out at the rate of 25% (December 31, 2024: 25%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

27. TAX ASSETS AND LIABILITIES (cont'd)

For the periods ended June 30, 2025 and 2024, the main components of tax expenses are as follows:

| | January 1- June 30, 2025 | April 1 - June 30, 2025 | January 1- June 30, 2024 | April 1 - June 30, 2024 |
|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Current period tax expense | (8,485,661) | (6,258,160) | (3,456,136) | (2,923,097) |
| Deferred tax (expense)/income | 136,363,189 | (32,077,549) | (298,522,013) | (201,875,615) |
| Total | 127,877,528 | (38,335,709) | (301,978,149) | (204,798,712) |

The movements of deferred tax liabilities for the interim periods ended June 30, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|--|-----------------|-----------------|
| Deferred tax liabilities, net, as of January 1 | (3,343,546,364) | (1,767,563,704) |
| Recognized in the statement of profit or loss | 136,363,189 | (298,522,013) |
| Foreign currency translation effect | (84,170,550) | 19,539,986 |
| Business combination effect (*) | (154,190,289) | - |
| As of June 30, deferred tax liabilities, net | (3,445,544,014) | (2,046,545,731) |

^(*) Deferred tax calculation for Akfen Karaköy was carried out at the corporate tax rate of 25% applicable to Akfen Karaköy until the merger date. Following the merger, the deferred tax liabilities acquired from Akfen Karaköy were remeasured at the 30% tax rate applicable to Akfen GYO's deferred tax assets and liabilities related to undistributed earnings.

Recognized deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as of June 30, 2025 and December 31, 2024 were attributable to the items detailed in the table below:

| | Deferr | ed tax | Deferre | ed tax | | |
|--|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| | ass | sets | liabil | ities | N | et |
| | June 30, | December 31, | June 30, | December 31, | June 30, | December 31, |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Investment property | - | - | (4,012,344,075) | (3,825,082,477) | (4,012,344,075) | (3,825,082,477) |
| Current period losses related to tax inflation adjustments (VUK) not yet recognized in statutory financial | | | | | | |
| statements | (41,081,040) | - | | | (41,081,040) | - |
| Accumulated losses | 556,489,553 | 454,942,422 | - | - | 556,489,553 | 454,942,422 |
| Cash capital reduction | 13,692,117 | 15,975,131 | - | - | 13,692,117 | 15,975,131 |
| Other | 37,699,431 | 10,618,560 | - | - | 37,699,431 | 10,618,560 |
| Deferred tax asset/(liability) | 566,800,061 | 481,536,113 | (4,012,344,075) | (3,825,082,477) | (3,445,544,014) | (3,343,546,364) |
| Net off tax | (510,284,134) | (436,029,773) | 510,284,134 | 436,029,773 | - | - |
| Net deferred tax asset/(liability) | 56,515,927 | 45,506,340 | (3,502,059,941) | (3,389,052,704) | (3,445,544,014) | (3,343,546,364) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

27. TAX ASSETS AND LIABILITIES (cont'd)

Expiration schedule of carry forward tax losses is as follows:

| | June 30, 2025 | December 31, 2024 |
|--------------------------------|---------------|--------------------------|
| 2025 | - | 79,258 |
| 2026 | 47,927,577 | 11,893,628 |
| 2028 | 62,202,842 | 72,574,501 |
| 2029 | 72,885,334 | 85,084,125 |
| 2030 | 8,405,771 | - |
| No fixed expiry ^(*) | 2,025,113,028 | 1,650,138,175 |
| Total | 2,216,534,552 | 1,819,769,687 |

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

As of June 30, 2025, the Group has a net loss of TRY 2,216,534,552 (December 31, 2024: TRY 1,819,769,687) and TRY 556,489,553 of deferred tax assets have been recognized (December 31, 2024: TRY 454,942,422). As of June 30, 2025, it has a financial loss of TRY 117,372,926 (December 31, 2024: TRY 140,662,862).

EARNINGS PER SHARE

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

| | January 1- June 30, 2025 | April 1- June 30, 2025 | January 1- June 30, 2024 | April 1- June 30, 2024 |
|---------------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|
| Number of shares in circulation | | | | |
| January 1 | 3,900,000,000 | 3,900,000,000 | 3,890,703,214 | 3,890,703,214 |
| Capital increase | - | - | 9,296,786 | 9,296,786 |
| End of the period | 3,900,000,000 | 3,900,000,000 | 3,900,000,000 | 3,900,000,000 |
| Treasury shares (nominal units) | (17,149,723) | (17,149,723) | - | - |
| Weighted average number of shares | 3,896,812,470 | 3,896,812,470 | 3,899,795,675 | 3,900,000,000 |
| Profit for the period | 1,018,426,055 | 247,534,765 | 1,525,914,934 | 1,144,727,387 |
| Earnings per share (Full TRY) | 0,26 | 0,06 | 0,39 | 0,29 |
| Diluted earnings per share (Full TRY) | 0,26 | 0,06 | 0,39 | 0,29 |

^(*) Calculated by taking into account treasury shares and capital increase amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

29. Disclosures on Net Monetary Position Gains/(Losses)

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

| Non-monetary items | January 1 – June 30, 2025 | January 1 – June 30, 2024 |
|---|------------------------------|------------------------------|
| Statement of Financial Position Items | 793,496,989 | 486,953,447 |
| Investment properties | 4,632,224,659 | 5,450,945,613 |
| Prepaid expenses | 44,054,034 | 7,519,201 |
| Deferred income | (34,120,524) | (21,776,961) |
| Deposits and guarantees given | 78,552 | 1,700,596 |
| Inventories | 219,536,567 | 207,188,604 |
| Property, plant and equipment and intangible assets | 44,867 | 112,555 |
| Deferred tax liabilities | (481,576,865) | (430,708,424) |
| Paid-in capital | (650,283,288) | (1,302,745,479) |
| Retained earnings and other equity items | (2,936,461,013) | (3,425,282,258) |
| Income Statement Items | 4,817,512 | (181,308,305) |
| Revenue | (21,561,364) | (35,693,707) |
| Cost of sales | 696,898 | 1,148,446 |
| General administrative expenses | 6,200,674 | 3,023,192 |
| Other income and expenses from main operations, net | 735,577 | (138,204) |
| Income and expenses from investing activities, net | (756,570) | (142,162,256) |
| Finance income and expenses, net | 19,502,297 | (7,485,776) |
| Total | 798,314,501 | 305,645,142 |

30. THE FAIR VALUE EXPLANATIONS

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

Financial Instruments

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

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

Financial Assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

30. THE FAIR VALUE EXPLANATIONS (cont'd)

Finansal yükümlülükler

Financial Liabilities

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

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

Classes and fair values of financial instruments

| | ~ | | | | |
|---|---|--|--|--|------------------|
| | Credits and | Financial liabilities | | | |
| June 30, 2025 | receivables | increasing in value | | | |
| June 50, 2025 | (including cash and | with the effective | | | |
| | cash equivalents) | interest method | Book value | Fair Value | Note |
| Financial Assets | | | | | |
| Cash and cash equivalents | 1,345,581,991 | - | 1,345,581,991 | 1,345,581,991 | 5 |
| Trade receivables from related parties | 102,321,528 | - | 102,321,528 | 102,321,528 | 7 |
| Trade receivables from third parties | 372,102,467 | - | 372,102,467 | 372,102,467 | 7 |
| Other receivables from third parties | 69,205,927 | - | 69,205,927 | 69,205,927 | 8 |
| Cash and cash equivalents | 2,764,163 | - | 2,764,163 | 2,764,163 | 8 |
| Financial Liabilities | | | | | |
| Financial liabilities | - | 4,246,366,071 | 4,246,366,071 | 4,246,366,071 | 6 |
| Trade payables to related parties | - | 202,272,306 | 202,272,306 | 202,272,306 | 4 |
| Trade payables to third parties | - | 52,995,751 | 52,995,751 | 52,995,751 | 7 |
| Other payables to third parties | - | 64,346,983 | 64,346,983 | 64,346,983 | 8 |
| | | | | | |
| | | | | | |
| | Credits and | Financial liabilities | | | |
| December 31, 2024 | receivables | increasing in value | | | |
| December 31, 2024 | receivables (including cash and | increasing in value with the effective | | | |
| | receivables | increasing in value | Book value | Fair Value | Note |
| December 31, 2024 Financial Assets | receivables (including cash and | increasing in value with the effective | Book value | Fair Value | Note |
| Financial Assets Cash and cash equivalents | receivables (including cash and | increasing in value with the effective | | Fair Value 1,993,333,733 | Note 5 |
| Financial Assets Cash and cash equivalents Trade receivables from related parties | receivables (including cash and cash equivalents) 1,993,333,733 70,430,075 | increasing in value with the effective | 1,993,333,733 70,430,075 | | |
| Financial Assets Cash and cash equivalents | receivables (including cash and cash equivalents) | increasing in value with the effective | 1,993,333,733 | 1,993,333,733 | 5 |
| Financial Assets Cash and cash equivalents Trade receivables from related parties | receivables (including cash and cash equivalents) 1,993,333,733 70,430,075 | increasing in value with the effective | 1,993,333,733 70,430,075 | 1,993,333,733 70,430,075 | 5 7 |
| Financial Assets Cash and cash equivalents Trade receivables from related parties Trade receivables from third parties | receivables (including cash and cash equivalents) 1,993,333,733 70,430,075 350,981,695 | increasing in value with the effective | 1,993,333,733 70,430,075 350,981,695 | 1,993,333,733 70,430,075 350,981,695 | 5 7 7 |
| Financial Assets Cash and cash equivalents Trade receivables from related parties Trade receivables from third parties Other receivables from third parties | receivables (including cash and cash equivalents) 1,993,333,733 70,430,075 350,981,695 | increasing in value with the effective | 1,993,333,733 70,430,075 350,981,695 2,878,333 | 1,993,333,733 70,430,075 350,981,695 | 5 7 7 |
| Financial Assets Cash and cash equivalents Trade receivables from related parties Trade receivables from third parties Other receivables from third parties Financial Liabilities | receivables (including cash and cash equivalents) 1,993,333,733 70,430,075 350,981,695 | increasing in value with the effective interest method | 1,993,333,733 70,430,075 350,981,695 2,878,333 | 1,993,333,733 70,430,075 350,981,695 2,878,333 | 5 7 7 8 |
| Financial Assets Cash and cash equivalents Trade receivables from related parties Trade receivables from third parties Other receivables from third parties Financial Liabilities Financial liabilities | receivables (including cash and cash equivalents) 1,993,333,733 70,430,075 350,981,695 | increasing in value with the effective interest method | 1,993,333,733 70,430,075 350,981,695 2,878,333 4,219,519,760 | 1,993,333,733 70,430,075 350,981,695 2,878,333 4,219,519,760 | 5 7 7 8 |

Non-Financial Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

30. THE FAIR VALUE EXPLANATIONS (cont'd)

Non-Financial Assets (cont'd)

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

| June 30, 2025 | | | Fair Value Level |
|--|----------------|----------------|------------------|
| | Level 1 TRY | Level 2 TRY | Level 3 TRY |
| Operating investment properties | - | - | 28,710,094,029 |
| Investment properties under construction (Land) | - | 2,481,581,839 | - |
| December 31, 2024 | | | Fair Value Level |
| | Level 1 TRY | Level 2 TRY | Level 3 TRY |
| Operating investment properties | - | - | 23,313,893,016 |
| Investment properties under construction (Project) | - | - | 4,347,609,003 |

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

Investment properties under construction (Land)

- 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.

2,462,339,131

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

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

| | | | | | Weighted average |
|------------------|----------------|----------------|------------|--------------------------|------------------|
| | | | | | amount |
| | June 30, | December 31, | Valuation | Unobservable significant | June 30, |
| | 2025 | 2024 | method | inputs | 2024 |
| | | | | *Daily Room Rate – EUR | 79 |
| Hotel | | | Discounted | * Daily Villa Rate – EUR | 965 |
| Level 3 | 22,502,327,736 | 21,585,638,462 | cash flows | * Occupancy Rate (*) | 76% |
| Dormitory | | | Discounted | | |
| Level 3 | 1,427,469,506 | 1,424,553,689 | cash flows | * Total Number of Beds | 7.232 |
| Office | | | Discounted | *Leasable Area (m²) | 4.637 |
| Level 3 | 196,261,456 | 156,405,861 | cash flows | * Occupancy Rate | 97% |
| Terminal | | | | | |
| Kadıköy Project | | | Discounted | * Leasable Area (m²) | 14.559 |
| Level 3 | 4,436,740,606 | 4,347,609,003 | cash flows | *Occupancy Rate | 92% |
| Factory Building | | | Discounted | | |
| Level 3 | 147,294,725 | 147,295,004 | cash flows | | |
| Land | | | Market | - | - |
| Level 2 | 2,481,581,839 | 2,462,339,131 | approach | - | - |
| (*) = 1 11 = 1 | | | | | |

^(*) Excluding Bodrum Loft. In the valuation report dated December 31, 2024, the average occupancy rate for Bodrum Loft during the approximately 6-month operational season within the year was estimated at 95%.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

30. THE FAIR VALUE EXPLANATIONS (cont'd)

Discounted cash flows (DCF)

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

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

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

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

| | | If it increases | If it decreases |
|--------------------------|----------------------|--|--|
| December 31, 2024 | Sensitivity Analysis | Profit/(loss) effect on the fair value (TRY) | Profit/(loss) effect on the fair value (TRY) |
| Hotel | | | |
| Discount rate | 0.5% | (864,086,481) | 934,141,469 |
| Room price | 1 Avro | 204,941,990 | (201,897,298) |
| Occupancy rate | 1% | 259,531,166 | (256,057,858) |
| Office | | | |
| Discount rate | 0.5% | (2,896,367) | 2,960,230 |
| Occupancy rate | 1% | 2,053,698 | (2,065,654) |
| Dormitory | | | |
| Discount rate | 0.5% | (42,204,786) | 44,284,551 |
| Bodrum Loft | | | _ |
| Discount rate | 0.5% | (132,442,246) | 147,872,411 |
| Villa price | 10% | 216,879,536 | (196,734,599) |
| Occupancy rate | 1% | 22,716,631 | (22,288,016) |
| Terminal Kadıköy project | | | |
| Discount rate | 0.5% | (174,917,557) | 185,943,243 |
| Rental value per unit | 10% | 215,263,401 | (215,263,401) |
| Occupancy rate | 1% | 22,500,568 | (22,494,733) |

As of June 30, 2025, and December 31, 2024, the fair values of investment properties include the appraisal report values dated December 31, 2024, adjusted for purchasing power as of June 30, 2025, along with expenditures incurred up to the reporting date and foreign exchange differences arising during the accounting of the hotels in Russia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

31. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

(i) General

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

(ii) Credit risk

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

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

In monitoring customer credit risk, customers are companied according to their credit characteristics, geographic location, industry, ageing profile, maturity, and existence of previous financial difficulties (Note 3).

(iii) Market risk

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

Currency risk

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

As of June 30, 2025 and December 31, 2024, the companies in the Group have foreign currency balances other than their functional currencies, such as Euro, as mentioned in the related notes of the consolidated financial statements.

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

Interest rate risk

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

(iv) Liquidity risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

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

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

(v) Operational risk

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

Capital management

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

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

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

As of June 30, 2025 and December 31, 2024, the net debt-to-invested capital rate is given below

| | June 30, 2025 | December 31, 2024 |
|------------------------------------|-----------------|--------------------------|
| Total liabilities | 8,583,856,068 | 8,569,708,739 |
| Cash and cash equivalents | (1,345,581,991) | (1,993,333,733) |
| Net liabilities | 7,238,274,077 | 6,576,375,006 |
| Equity | 28,156,833,950 | 27,260,546,551 |
| Total capital | 35,395,108,027 | 33,836,921,557 |
| Net liabilities/ total equity rate | 20% | 19% |

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.1. Credit risk disclosures

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

The maximum exposure to credit risk as June 30, 2025 and December 31, 2024, is as follows:

| | | Receivable | | | | | |
|---|---|-------------------|-------------|------------|-------------|-------------|---------------|
| | | Trade | receivables | Other | receivables | | |
| | | Related | Third | Related | _ | Deposits on | |
| | June 30, 2025 | party | party | party | Third party | bank | Other |
| | Exposure to maximum credit risk as of reporting date (A+B+C+D) | 102,321,528 | 372,102,467 | 69,205,927 | 2,764,163 | 251,891,547 | 1,093,490,639 |
| | - The portion of maximum risk covered by guarantee | - | - | - | - | - | - |
| A | Net carrying value of financial assets which are neither impaired nor overdue | 102,321,528 | 372,102,467 | 69,205,927 | 2,764,163 | 251,891,547 | 1,093,490,639 |
| В | 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) | - | 658,385 | - | - | 35,905 | - |
| | - Impairment (-) | - | (658,385) | - | - | (35,905) | - |
| | - Covered portion of net book value (with letter of guarantee etc.) | - | - | - | - | - | - |
| D | Off balance sheet items with credit risks | - | - | - | - | - | - |

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.1. Credit risk disclosures (cont'd)

| | | Receivables | | | | | |
|---|---|-------------|-------------|-------------------|-------------|-------------|---------------|
| | | Trade | receivables | Other receivables | | | |
| | | Related | Third | Related | | Deposits on | |
| | December 31, 2024 | party | party | party | Third party | bank | Other |
| | Exposure to maximum credit risk as of reporting date (A+B+C+D) | 70,430,075 | 350,981,695 | - | 2,878,333 | 226,986,217 | 1,766,173,191 |
| | - The portion of maximum risk covered by guarantee | - | - | - | - | - | - |
| A | Net carrying value of financial assets which are neither impaired nor overdue | 70,430,075 | 350,981,695 | - | 2,878,333 | 226,986,217 | 1,766,173,191 |
| В | 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) | - | 618,156 | - | - | 94,743 | - |
| | - Impairment (-) | - | (618,156) | - | - | (94,743) | - |
| | - Covered portion of net book value (with letter of guarantee etc.) | - | - | _ | - | - | - |
| D | Off balance sheet items with credit risks(**) | - | - | - | - | - | - |

^(*) It also includes financial investments included in the consolidated financial statements...

As of June 30, 2025 and December 31, 2024, the Group does not have any financial assets which are overdue but not impaired.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.2. Liquidity risk

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

Contractual cash 3 months or

More than 5

June 30, 2025:

| | | 0 0 000 000 000 000 | | | | |
|---|---------------|---------------------|-------------|-------------|---------------|---------------|
| Contractual maturities | | flows | less | 3-12 months | 1-5 years | years |
| | Book value | (I)+(II)+(III)+(IV) | (I) | (II) | (III) | (IV) |
| | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 4,246,366,071 | 7,873,514,422 | 436,253,983 | 590,823,438 | 3,762,976,158 | 3,083,460,843 |
| Trade payables | 255,268,057 | 255,268,057 | 255,268,057 | - | - | - |
| Other payables and liabilities (monetary items) | 64,346,983 | 64,346,984 | 64,346,984 | - | - | - |
| December 31, 2024: | | | | | | |
| | | Contractual cash | 3 months or | | | More than 5 |
| Contractual maturities | | flows | less | 3-12 months | 1-5 years | years |
| | Book value | (I)+(II)+(III)+(IV) | (I) | (II) | (III) | (IV) |
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 4,219,519,760 | 8,302,083,481 | 398,291,032 | 605,608,532 | 3.854.619.990 | 3,443,563,927 |
| Trade payables | 368,905,846 | 368,905,846 | 368,905,846 | - | - | - |
| Other payables and liabilities (monetary items) | 56,774,665 | 56,774,665 | 56,774,665 | _ | _ | _ |
| other payables and machines (monetary nems) | 5 5,77 1,005 | 30,771,003 | 30,771,003 | | | |

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

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.3. Market risk

a) Foreign currency position table and sensitivity analysis

| | | | | Original am | ount | |
|-----|---|---------------------------|--------------|--------------|-------|-----------------|
| | | TRY | | | | |
| Jun | 2 30, 2025 | Equivalent (Functional | | | | |
| For | eign currency position | (Functional currency) | US Dollar | EUR | GBP | RUB |
| 1 | Trade receivables | 122,378,310 | - CD Donai | - ECK | GDI - | 241,673,910 |
| 2a | Monetary financial assets (cash and bank accounts included) | 1,270,012,479 | 29,378 | 22,800,660 | 301 | 407,105,442 |
| 2b | Non-monetary financial assets | - | 2,5,0 | - | - | - 107,100,1.2 |
| 3 | Other | 12,390,979 | _ | 205,634 | _ | 5,543,124 |
| 4 | Current assets (1+2+3) | 1,404,781,768 | 29,378 | 23,006,294 | 301 | 654,322,476 |
| 5 | Trade receivables | 9,584,064 | | 205,634 | - | - |
| 6a | Monetary financial assets | - | _ | - | _ | - |
| 6b | Non-monetary financial assets | _ | - | - | - | - |
| 7 | Other | - | - | - | - | - |
| 8 | Non-current assets (5+6+7) | 9,584,064 | - | 205,634 | - | - |
| 9 | Total assets (4+8) | 1,414,365,832 | 29,378 | 23,211,928 | 301 | 654,322,476 |
| 10 | Trade payables | 3,335,949 | 61,854 | 7,720 | - | 1,012,908 |
| 11 | Financial liabilities | 630,475,906 | 1,771,046 | 10,385,763 | - | 148,192,810 |
| 12a | Other monetary financial liabilities | - | - | - | - | - |
| 12b | Other non-monetary financial liabilities | 33,576,143 | - | - | - | 66,306,503 |
| 13 | Short-term liabilities (10+11+12) | 667,387,998 | 1,832,900 | 10,393,483 | - | 215,512,221 |
| 14 | Trade payables | - | - | - | - | - |
| 15 | Financial liabilities | 3,455,520,494 | 24,068,493 | 35,197,082 | - | 1,686,287,284 |
| 16a | Other monetary financial liabilities | - | - | - | - | - |
| 16b | Other non-monetary financial liabilities | - | - | - | - | - |
| 17 | Long-term liabilities (14+15+16) | 3,455,520,494 | 24,068,493 | 35,197,082 | - | 1,686,287,284 |
| 18 | Total liabilities (13+17) | 4,122,908,492 | 25,901,393 | 45,590,565 | - | 1,901,799,505 |
| 19 | Net asset / (liability) position of off-balance sheet items (19a-19b) | - | - | - | - | - |
| 19a | Amount of derivative off-balance sheet items in foreign currency in asset characteristics | - | - | - | - | - |
| 19b | Amount of off derivative-balance sheet items in foreign currency in liability characteristics | - | - | - | - | - |
| 20 | Net foreign currency position (9-18+19) | (2,708,542,660) | (25,872,015) | (22,378,637) | 301 | (1,247,477,029) |
| | Net foreign currency position of monetary assets / (liabilities) | (2,687,357,496) | (25,872,015) | (22,584,271) | 301 | (1,186,713,650) |
| 21 | (1+2a+5+6a-10-11-12a-14-15-16a) | | | | | |
| 22 | Fair value of the financial instruments used in foreign currency hedging | - | - | - | - | - |
| 23 | Amount of foreign currency assets hedged | - | - | - | - | - |
| 24 | Amount of foreign currency liabilities hedged | - | - | - | - | - |

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.3. Market risk (cont'd)

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

| | | | Original amo | ount | |
|---|----------------------------------|--------------|--------------|------|-----------------|
| December 31, 2024 | TRY Equivalent (Functional | | | | |
| Foreign currency position | currency) | US Dollar | EUR | GBP | RUB |
| 1 Trade receivables | 90,545,704 | 160,000 | 239,872 | - | 182,577,448 |
| 2a Monetary financial assets (cash and bank accounts included) | 1,912,541,797 | 351,466 | 40,757,705 | 45 | 374,512,669 |
| 2b Non-monetary financial assets | - | - | - | - | - |
| 3 Other | 2,347,742 | - | - | - | 5,817,784 |
| 4 Current assets (1+2+3) | 2,005,435,243 | 511,466 | 40,997,577 | 45 | 562,907,901 |
| 5 Trade receivables | - | - | - | - | - |
| 6a Monetary financial assets | - | - | - | - | - |
| 6b Non-monetary financial assets | - | - | - | - | - |
| 7 Other | - | - | - | - | - |
| 8 Non-current assets (5+6+7) | - | - | - | - | - |
| 9 Total assets (4+8) | 2,005,435,243 | 511,466 | 40,997,577 | 45 | 562,907,901 |
| 10 Trade payables | 25,828,826 | 87,555 | 517,259 | - | 19,375 |
| 11 Financial liabilities | 617,940,357 | 1,777,910 | 11,078,933 | - | 170,757,693 |
| 12a Other monetary financial liabilities | - | - | - | - | - |
| 12b Other non-monetary financial liabilities | 18,552,291 | - | - | - | 45,973,215 |
| 13 Short-term liabilities (10+11+12) | 662,321,474 | 1,865,465 | 11,596,192 | - | 216,750,283 |
| 14 Trade payables | - | - | - | - | - |
| 15 Financial liabilities | 3,381,611,088 | 24,149,046 | 38,547,733 | - | 1,810,410,137 |
| 16a Other monetary financial liabilities | - | - | - | - | - |
| 16b Other non-monetary financial liabilities | - | - | - | - | - |
| 17 Long-term liabilities (14+15+16) | 3,381,611,088 | 24,149,046 | 38,547,733 | - | 1,810,410,137 |
| 18 Total liabilities (13+17) | 4,043,932,562 | 26,014,511 | 50,143,925 | - | 2,027,160,420 |
| 19 Net asset / (liability) position of off-balance sheet items (19a-19b) | - | - | - | - | - |
| 19a Amount of derivative off-balance sheet items in foreign currency in asset characteristics | - | - | - | - | - |
| 19b Amount of off derivative-balance sheet items in foreign currency in liability characteristics | - | - | - | - | - |
| 20 Net foreign currency position (9-18+19) | (2,038,497,319) | (25,503,045) | (9,146,348) | 45 | (1,464,252,519) |
| Net foreign currency position of monetary assets / (liabilities) | | | | | |
| 21 (1+2a+5+6a-10-11-12a-14-15-16a) | (2,022,292,770) | (25,503,045) | (9,146,348) | 45 | (1,424,097,088) |
| 22 Fair value of the financial instruments used in foreign currency hedging | - | - | - | - | - |
| 23 Amount of foreign currency assets hedged | - | - | - | - | - |
| 24 Amount of foreign currency liabilities hedged | - | - | - | - | - |

^(*) TRY provisions of the related amounts included in the table brought to the purchasing power of June 30, 2025.

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.3. Market risk (cont'd)

Foreign currency position table and sensitivity analysis

| June 30, 2025: | Profit / (Lo | oss) | Equity | | |
|---|----------------------------------|---------------------------------|----------------------------------|---------------------------------|--|
| | Appreciation of foreign currency | Devaluation of foreign currency | Appreciation of foreign currency | Devaluation of foreign currency | |
| 20% change of the USD against TRY | | | | | |
| 1- Net USD denominated asset/liability | (206,005,823) | 206,005,823 | (206,005,823) | 206,005,823 | |
| 2- Hedged portion of TRY against USD risk (-) | - | - | - | - | |
| 3- Net effect of USD (1+2) | (206,005,823) | 206,005,823 | (206,005,823) | 206,005,823 | |
| 20% change of the EUR against TRY | | | | | |
| 4- Net Euro denominated asset/liability | (209, 367, 027) | 209,367,027 | (209,367,027) | 209,367,027 | |
| 5- Hedged portion of TRY against Euro risk (-) | - | - | - | - | |
| 6- Net effect of Euro (4+5) | (209,367,027) | 209,367,027 | (209,367,027) | 209,367,027 | |
| 20% change of other foreign currencies against TRY | | | | | |
| 7- Net other foreign currencies denominated asset/liability | 3,274 | (3,274) | (126,335,668) | 126,335,668 | |
| 8- Hedged portion of TRY against other currencies risk | - | - | - | - | |
| 9- Net effect of other foreign currencies (7+8) | 3,274 | (3,274) | (126,335,668) | 126,335,668 | |
| TOTAL (3+6+9) | (415,369,576) | 415,369,576 | (541,708,518) | 541,708,518 | |

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

31.3. Market risk (cont'd)

| December 31, 2024: | Profit / (Lo | Profit / (Loss) | | Equity | | |
|---|----------------------------------|---------------------------------|----------------------------------|---------------------------------|--|--|
| | Appreciation of foreign currency | Devaluation of foreign currency | Appreciation of foreign currency | Devaluation of foreign currency | | |
| 20% change of the USD against TRY | | | | | | |
| 1- Net USD denominated asset/liability | (210,341,395) | 210,341,395 | (210,341,395) | 210,341,395 | | |
| 2- Hedged portion of TRY against USD risk (-) | - | - | - | - | | |
| 3- Net effect of USD (1+2) | (210,341,395) | 210,341,395 | (210,341,395) | 210,341,395 | | |
| 20% change of the EUR against TRY | | | | , , | | |
| 4- Net Euro denominated asset/liability | (79,179,969) | 79,179,969 | (79,179,969) | 79,179,969 | | |
| 5- Hedged portion of TRY against Euro risk (-) | - | - | - | - | | |
| 6- Net effect of Euro (4+5) | (79,179,969) | 79,179,969 | (79,179,969) | 79,179,969 | | |
| 20% change of other foreign currencies against TRY | | | | | | |
| 7- Net other foreign currencies denominated asset/liability | 464 | (464) | (118,178,087) | 118,178,087 | | |
| 8- Hedged portion of TRY against other currencies risk | - | - | - | - | | |
| 9- Net effect of other foreign currencies (7+8) | 464 | (464) | (118,178,087) | 118,178,087 | | |
| TOTAL (3+6+9) | (289,520,900) | 289,520,900 | (407,699,451) | 407,699,451 | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

b) Interest rate risk table and sensitivity analysis

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

| | June 30, 2025 | December 31, 2024 |
|---------------------------|---------------|--------------------------|
| Fixed rate instruments | | |
| Financial assets | 227,054,942 | 165,678,060 |
| Financial liabilities | 1,993,049,825 | 1,939,153,152 |
| Variable rate instruments | | |
| Financial assets | 1,093,490,639 | 1,766,173,191 |
| Financial liabilities | 2,129,410,885 | 2,131,138,868 |

Cash flow sensitivity analysis for variable rate instruments

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

The following table shows the sensitivity of the Group about the effect of the interest rates on the profit (loss) for a possible change (0.01%) when all other factors remain as fixed. As of June 30, 2025 and December 31, 2024, the mentioned calculation has been made for the portion that is not included in the Group's interest rate swap transaction.

| Euribor | | Effect of profit / (loss) before tax and |
|-------------------|-----------------------|--|
| | Increase / (Decrease) | equity |
| June 30, 2025 | (0.01%) | (162,193) |
| | 0.01% | 162,193 |
| | | |
| | | Effect of profit |
| Euribor | | / (loss) before tax and |
| | Increase / (Decrease) | equity |
| December 31, 2024 | (0.01%) | 124,382 |
| | 0.01% | (124,382) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

32. SUBSEQUENT EVENTS

At the Board of Directors meeting of Akfen REIT held on March 25, 2025:

Within the scope of the principles set out in the Capital Markets Board's (CMB) Communiqué on Share Buybacks (II-22.1), the CMB Board Resolution No. i-SPK.22.9 (dated March 19, 2025 and numbered 16/531) published in the CMB Bulletin dated March 19, 2025 and numbered 2025/16, as well as the Board Resolution dated March 23, 2025 and numbered 18/574 published in the -CMB Bulletin dated March 23, 2025 and numbered 2025/18; and for the purpose of protecting the rights and interests of our investors and contributing to the formation of a healthy price mechanism in the Company's stock market, it was resolved to initiate a share buyback program with the following principles:

- -The buyback program shall be valid for a maximum period of 1 year,
- -The maximum number of shares to be repurchased shall be 85,000,000,
- -The maximum fund to be allocated for the share buyback shall be TRY 200,000.
- -Shares repurchased under this program shall not be subject to resale for a period of 6 months from the repurchase date,
- -All necessary disclosures shall be made via the Public Disclosure Platform (KAP), and the share buyback resolution shall be submitted to the shareholders' information at the next General Assembly m eeting.

Within the scope of the said buyback program, as of July 31, 2025, a total of 23,754,495 shares have been repurchased. The ratio of the repurchased shares to the Company's capital is 0.6091%.

Additionally, the Company was notified by the Capital Markets Board (CMB) on August 1, 2025 that the announcement text regarding the merger of Firatcan İnşaat — a wholly owned subsidiary of the Company (100% of capital and voting rights) — via a simplified merger procedure pursuant to the relevant provisions of the Turkish Commercial Code No. 6102, the Corporate Tax Law No. 5520 (Articles 19 and 20), the Capital Markets Law No. 6362 and the CMB's Communiqué on Mergers and Demergers (II-23.2), was approved by the CMB Board with its decision dated July 31, 2025. The process regarding the said merger is ongoing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 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:

| | Unconsolidated (separate) financial | | | | |
|-----------------------|--|--|--|--|--|
| | statement main account items | Related Regulation | June 30, 2025 | December 31, 2024 | |
| A B | Cash and capital market instruments Investment properties, investment property- based projects, investment property-based | III-48.1. Md. 24 / (b) | 1,114,502,597 | 1,819,719,897 | |
| C | rights Participations Due from related parties (non-trade) Other assets | III-48.1. Md. 24 / (a) III-48.1. Md. 24 / (b) III-48.1. Md. 23 / (f) | 22,825,483,727 5,057,750,676 583,488,129 500,414,891 | 5,431,605,192 | |
| D | Total assets | III-48.1. Md. 3 / (p) | 30,081,640,020 | 26,599,565,310 | |
| E F G H I | Financial liabilities Other financial liabilities Finance lease liabilities Due to related parties (non-trade) Shareholders' equity Other liabilities | III-48.1. Md. 31 III-48.1. Md. 31 III-48.1. Md. 31 III-48.1. Md. 23 / (f) III-48.1. Md. 31 | 2,129,410,885 98,224,821 - - 25,064,531,081 2,789,473,233 | 62,064,493 - - 22,358,188,635 | |
| D | Total liabilities and equity | III-48.1. Md. 3 / (p) | 30,081,640,020 | 26,599,565,310 | |
| | Unconsolidated (separate) other financial information | Related Regulation | June 30, 2025 | December 31, 2024 | |
| A1 A2 A3 B1 | Cash and capital market instruments held for payments of investment properties for 3 years Time / demand TRY / foreign currency Foreign capital market instruments Foreign investment property, investment | III-48.1. Md. 24 / (b) III-48.1. Md. 24 / (b) III-48.1. Md. 24 / (d) | 20,902,780 - | - 53,462,636 - | |
| B2 C1 C2 | property-based projects, investment property- based rights Idle lands Foreign subsidiaries Participation to the operator company | III-48.1. Md. 24 / (d) III-48.1. Md. 24 / (c) III-48.1. Md. 24 / (d) III-48.1. Md. 28//1 (a) | - 16,970,222 - - | 16,970,223 - - | |
| J K | Non-cash loans Pledges on land not owned by the Investment Trust which will be used for project developments | III-48.1. Md. 31 | 387,166,528 | 343,829,312 | |
| L | Money and capital market instrument Investments held on One Unique Company | III-48.1. Md. 22 / (e) III-48.1. Md. 22 / (I) | 16,186,974 | 48,292,126 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of June 30, 2025 to reflect the effects of inflation, unless otherwise stated.)

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

| | Portfolio Constraints Related Regulation | Portfolio Constraints Related Regulation | Current Period | Previous Year | Minimum/ Maximum Ratio |
|---|---|---|-------------------|------------------|------------------------------|
| 1 | Pledges on Land not Owned by the Investment Trust which will be Used for Project Developments | III-48.1. Md. 22 / (e) | 0.00% | 0.00% | <10% |
| 2 | Investment Property, Investment Property Based Projects, Investment Property Based Rights | III-48.1. Md. 24 / (a).(b) | 75.88% | 64.88% | >51% |
| 3 | Cash and Capital Market Instruments and Participations | III-48.1. Md. 24 / (b) | 20.52% | 27.26% | <50% |
| 4 | Foreign Investment Property, Investment Property based Projects, Investment Property Based Rights, Participations, Capital Market | | | | |
| | Instruments | III-48.1. Md. 24 / (d) | 0.00% | 0.00% | < 50% |
| 5 | Idle Lands | III-48.1. Md. 24 / (c) | 0.06% | 0.06% | <20% |
| 6 | Participation to the Operator Company | III-48.1. Md. 28 / 1(a) | 0.00% | 0.00% | <10% |
| 7 | Borrowing Limit | III-48.1. Md. 31 | 10.43% | 11.35% | <500% |
| 8 | Time deposit / private current - participation | | | | |
| 9 | account in foreign currency and time deposit / participation account in TRY (*) Money and capital market instrument | III-48.1. Md. 24 / (b) | 0.07% | 0.20% | <10% |
| | Investments held on One Unique Company (*) | III-48.1. Md. 22 / (1) | 0.05% | 0.18% | <10% |

Presented information in the footnote of "Compliance Control on Portfolio Limitations" as of June 30, 2025 and December 31, 2024, in accordance with Capital Markets Board's Communiqué Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Article No: 16, comprised condensed information derived from the financial statements, and was 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, and the Communiqué Serial: III, No: 48.1a "Communiqué on Making Amendments to the Principles Regarding Real Estate Investment Trusts" published in the Official Gazette dated January 23, 2014, numbered 28891, regarding the provisions for control of compliance with portfolio limitations. In addition, since the information in the table comprises unconsolidated data, it may not match the information disclosed in the consolidated financial statements.

^(*) As of June 30, 2025 and December 31, 2024, all of the non-trade receivables from related parties consist of receivables from subsidiaries that are 100% owned by the Company (Note 4).