

Akfen REIT

Annual Report / 2024



Ibis Hotel Zeytinburnu - Ibis Hotel İstanbul Esenyurt - Novotel Bosphorus Karaköy - Ibis Hotel Tuzla - Ibis Hotel Bursa - Ibis Hotel Alsancak - Ibis Hotel Eskişehir
- Ibis Hotel Ankara Airport - Ibis Hotel Adana - Novotel Trabzon - Novotel and Ibis Hotel Gaziantep - Novotel and Ibis Hotel Kayseri - Ibis Hotel Moscow - Ibis
Hotel Kaliningrad - Ibis Hotel Yaroslavl - Ibis Hotel Samara and Samara Office - Bodrum Loft - Isparta Student Dormitory - Kutahya Student Dormitory -
Terminal Kadıköy / Sogutluceme Project - Yalıkavak Project - Kıyıkışlacık (İsos Loft) Project - Florida Project - Hadımköy Factory

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OVERVIEW

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Overview of Akfen REIT



Akfen REIT concluded 2024 with its investment property portfolio valued at a strong 776 million Euros.

Aksel Tourism Investments and Operations Inc. was established in 1997 under its current name and was converted into a real estate investment trust (REIT) in 2006. Akfen REIT pioneered the "Contemporary City Hotels" project in the sector in 2007. Since then, over 17 years, the company has built a portfolio consisting of 19 hotels, 1 holiday village, 2 dormitories, 1 plot of land, 1 office building, and an elderly care project (located in Florida, USA). Additionally, work is ongoing on two new investments, one in Istanbul and the other in Bodrum, which are set to be completed by 2025.

Following its public offering in 2011, Akfen REIT's shares began trading on the Borsa Istanbul on May 11, 2011. With a free float rate of 44.16%, Akfen REIT's share price closed at 2.09 TL in 2024 (market capitalization: 8.15 billion TL / 222 million euros). The company is currently traded on the Yıldız Market and has been included in the BIST 100 Index, BIST Sustainability Index, and the Capital Markets Board's Group 1 companies throughout 2024.

From Hotel Investments to Portfolio Diversification

Akfen REIT has developed Novotel and Ibis hotel projects in Turkey and Russia, leasing a total of 19 hotels (15 in Turkey and 4 in Russia) to Accor Group, one of the world's largest hotel operators, under long-term lease agreements. The company's portfolio also includes Bodrum Loft, a 5-star holiday village in Bodrum. As of December 31, 2024, the 19 hotels owned by Akfen REIT have a total of 3,342 rooms.

In addition to its hotel portfolio, Akfen REIT owns an office building in Russia, two dormitory complexes con-

Akfen REIT Net Asset Value

687
million euros

Akfen REIT Total Real Estate Value

776
million euros

sisting of 13 blocks in Turkey, a factory investment, and a 210 m² plot of land in Bodrum's Eskicesme neighborhood. The company continues to focus on sustainability-driven projects, including a dining and cultural arts center in Istanbul's Sogutlucesme, luxury villas in Bodrum's Yalıkavak, a tourism facility in Milas' Kiyıkışlacık, and preparations for an elderly care center project on a 6-acre plot in Florida, USA.

Strategic Partnership with Accor

Akfen REIT entered into a strategic partnership with Accor, one of the world's leading hotel chains, in 2005. The company has signed long-term lease agreements for the 19 hotels it operates in Turkey and Russia, ensuring regular and predictable rental income. The contracts with Accor include minimum guaranteed rental income for Akfen REIT, calculated as a percentage of either revenue or adjusted hotel gross profit, whichever is higher. This arrangement provides both a minimum income guarantee and the potential for shared revenue growth based on hotel performance.

Bodrum Loft Holiday Village is operated by Akfen Tourism, while the dormitory complexes are managed by the Credit and Dormitories Institution.

Financial Strengthening

The company has consistently pursued its vision of reducing financial leverage and strengthening its financial structure. By the end of 2024, Akfen REIT significantly improved its financial position, reducing its net financial debt by 51% to 48 million euros (December 31, 2023: 106 million euros). As of December 31, 2024, Akfen REIT and its subsidiaries employ 44 people (December 31, 2023: 43).

Akfen REIT

Real Estate Portfolio



Hotels

Location	Unit	Operator	Portfolio Value (Million EUR)
Türkiye	15	Tamaris (Accor)	380.4
Russia	4	Tamaris (Accor)	75.6

Holiday Resort

Location	Unit	Operator	Portfolio Value (Million EUR)
Türkiye (Bodrum Loft)	1	Akfen Turizm	47.7

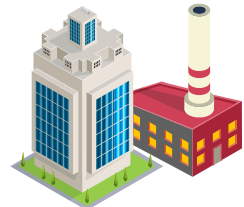


Student Dormitories

Location	Unit	Operator	Portfolio Value (Million EUR)
Türkiye (Isparta and Kutahya)	2	State Inst. of Dormitories	33.2

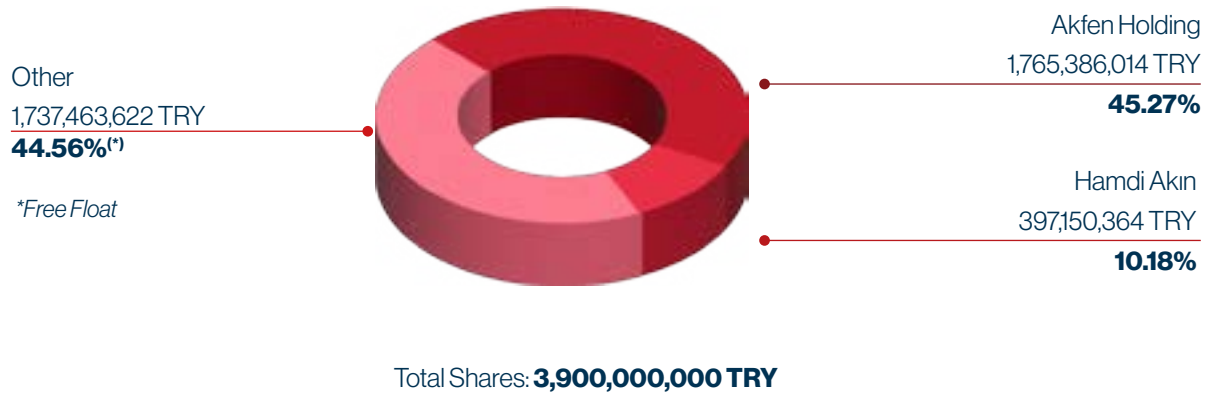
Other

Location	Unit	Operator	Portfolio Value (Million EUR)
Türkiye (İasos Loft / Kıyıkışlacık Terminal Kadıköy / Sogutluceme, Yalıkavak Projects)	3	Investment Phase	227.9
Rusya (Samara Office)	1	Corporate Tenant	3.7
Hadımköy Factory	1	Corporate Tenant	3.1
Eskicesme Bodrum Projects	1		0.4
Florida Projects ^(*)	1		3.8



^{*} Portfolio value includes Akfen REIT's 43% share.

Capital/ Shareholder Structure



Group	Registered/ Bearer	Each Share Nominal Value (TL)	Total Nominal Value (TL)	Capital Ratio (%)	Privilege Type	Traded on stock exchange or not
A	Regist	1	11,315.949	<0.001	Privilege to elect two board Member at General Assembly	Not traded
B	Bearer	1	3,899,966,052.156	99.99	Privilege not available	Traded shares on BIST Star Market
C	Regist	1	11,315.949	<0.001	Privilege to elect two board Member at General Assembly	Not Traded
D	Regist	1	11,315.949	<0.001	Privilege to elect two board Members at General Assembly	Not Traded
Total			3,900,000,000	100+		

Group A, C and D shares have the privilege to nominate candidates for the election of Board Members. Two members of the Board of Directors are elected by the General Assembly from among the candidates nominated by Group A, two by Group C and two by Group D shareholders.

Subsidiaries/ Indirect Subsidiaries

Title of Business	Field of Activity	Paid / Issued Capital	Company's Share in Capital	Currency	Company's Share in Capital (%)	The Nature Relations With the Company
Akfen Karaköy G.Menkul Yatırım ve İnş. A.Ş.	Investing in real estate	358,000,000	358,000,000	TL	100%	Subsidiaries
Yaroslavl Otel Invest Ltd.	Developing a hotel project in Yaroslavl (Russia)	5,000,000	4,889,845	Ruble	%97,8	Subsidiaries
Samstroykom Ltd.	Developing an office project in Samara (Russia)	5,000,000	4,889,845	Ruble	%97,8	Subsidiaries
Volgastroykom Ltd.	Developing a hotel project in Samara (Russia)	5,000,000	4,808,303	Ruble	%96,2	Subsidiaries
KaliningradInvest Ltd.	Developing a hotel project in Kaliningrad (Russia)	5,000,000	4,889,845	Ruble	%97,8	Subsidiaries
Severnyi Avtovokzal Ltd.	Developing a hotel project in Kaliningrad (Russia)	136,709,700	136,709,700	Ruble	100%	Subsidiaries
Fıratcan İnşaat Ticaret ve Turizm A.Ş.	Construction of the High Speed Train Viaduct and Terminal in Söğütlüçeşme, Kadıkoy and operation of the commercial areas until 2052	760,000,000	760,000,000	TRY	100%	Subsidiaries
Gökliman Yatırım İnş. Tur. ve Jeotermal Ticaret A.Ş.	Making tourism investments	58,000,000	58,000,000	TRY	100%	Subsidiaries
Akfen Bafra G.Menkul Tic. ve İnş. A.Ş.	Investing in real estate	50,000	50,000	TRY	100%	Subsidiaries
Akfen Kuzey G.Menkul İşletme A.Ş.	Investing in real estate, creating and developing a real estate portfolio	676,000,000	676,000,000	TRY	100%	Subsidiaries

Milestones

2005 • Cooperation was established between Akfen Holding and Accor S.A.

2006 • Following the CMB approval, Aksel Turizm Yatırımları A.Ş. was transformed into Akfen REIT

2007 • Goldman Sachs purchased shares and became minority.
• Novotel Zeytinburnu (208 rooms)
• Ibis Hotel Zeytinburnu (228 rooms)
• Ibis Hotel Eskişehir (108 rooms)
• Merit Park Hotel (286 rooms)

2008 • Novotel Trabzon (200 rooms)

2010 • The authorized capital of the company was increased from TRY 72 million to TRY 138 million.
• Akfen Holding bought back 32.46% of the shares held by Goldman Sachs.
• Novotel Gaziantep (92 rooms)
• Ibis Hotel Gaziantep (177 rooms)
• Novotel Kayseri (96 rooms)
• Ibis Hotel Kayseri (160 rooms)
• Ibis Hotel Bursa (200 rooms)

2011 • Akfen REIT went public on Borsa Istanbul with the code "AKFGY".
• Akfen REIT increased its paid-in capital in May 2011, from TRY 128 million to TRY 184 million with the public offering.
• The Company increased its share in its joint investments in Russia from 50% to 95%
• Ibis Hotel Yaroslavl (177 rooms)

2012 • Ibis Hotel Samara (204 rooms)
• Samara Office (4.637 m2)
• Ibis Hotel Adana (165 rooms)

2013 • Ibis Hotel Esenyurt (156 oda)
• Ibis Hotel Alsancak (140 oda)
• Ibis Hotel Kaliningrad (167 oda)

2014 • Ibis Hotel Ankara Airport (147 rooms)

2015 • Project financing of EUR 220 million with a 10-year maturity was secured from Credit Europe Bank and Fibabanka for the refinancing of existing investments and the financing of the last 5 Tamaris (Accor) hotels.
• Ibis Hotel Moskova (317 rooms)

• Novotel İstanbul Bosphorus (200 rooms)

2016 • The share corresponding to 2.3% of the company was bought back on the stock exchange.

2017 • Bulvar Loft was taken over from Akfen Construction.

• Ibis Hotel Tuzla (200 rooms)
• Issued Convertible Bonds for the first time as a publicly traded company in Turkey (Nominal TRY 170 mn)

2018 • Transfer of 1,000 Group A and D privileged shares of Akfen Holding to Hamdi Akın.
• The Bulvar Loft Project, based on the 'Revenue Sharing Model with İller Bank, was completed at the end of 2018. Akfen Construction (1%) and Akfen REIT (99%) 822 residences and 31 commercial areas were built in the project.

• Bulvar Loft Project was sold in its wholesale phase. The project generated TRY 380 million revenue.

2019 • The ratio of repurchased shares to the company's capital reached 3.39% with the repurchases made during the year

2020 • As part of the coronavirus measures, 13 hotels were suspended for an average of 4 month.

• Three hotels allocated to health workers for two months.

• A protocol was signed with Credit Europe Bank and Fibabanka for the restructuring of the existing bank debt of EUR 177.7 million with a maturity of 10 years



Kiyıkışlacık Project (Muğla)

2021 ● TRY 238 million of convertible bonds were converted into shares and redeemed.

- TRY 238 million of convertible bonds were converted into shares and redeemed.
- The lease agreements of 19 hotels with Tamaris (Accor) were revised and approximately a 15% rent increase was achieved
- EUR 177.7 million of financial debt was refinanced with a 10year maturity.
- After the 3rd capital increase of EUR 55 million, financial debt was reduced to EUR 132 million.
- BBB rating from JCR.
- 51% of Fıratcan Construction, owner of the Sogutluceme Project EUR 6,2 million.
- All repurchased shares (6,2 million shares) were sold
- The Euribor-based interest rate of the loans was hedged with the IRS transaction.
- 44% bonus issue was realized and the capital was increased to TRY 1,300,000,000.

2022 ● Capital ceiling raised to TRY 6.5 billion

- A total of 133,707,223 shares, corresponding to 10.29% of Hamdi Akin's shares, were sold, increasing the Company's free float to 24.5%.
- The share buyback program was terminated with the approval of the General Assembly.
- Akfen REIT started to be traded on BIST 100 with the share code AKFGY.
- In Yalıkavak, Bodrum,
- Muğla, a 22,197 m² plot of land was purchased for TL 365 million with all licenses and permits ready.

- Shares with a total nominal value of TRY 259,980,000, corresponding to 20% of the Company's capital, including TRY 129,990,000 owned by Akfen Holding A.Ş. and TRY 129,990,000 owned by Akfen International Holding B.V., two of Akfen REIT's shareholders whose shares are traded on the Stars Market, were sold at a price of TRY 3,70 per share with a nominal value of TRY 1.

- Gökliman Yatırım İnşaat Turizm ve Jeotermal Tic. A.Ş., which owns 83.625 m² of land in Kiyıkışlacık, Milas, Muğla, for TRY 477 million at a 40% discount from Akfen GPYŞ

2023 ● Akfen GT and Akfen Holding acquired 7.25% and 1.27% of Akfen Karaköy's 8.53% shares held by third parties for USD 1.5 million. Akfen REIT's direct and indirect Freehold in Akfen Karaköy became

- 98.73%. At the General Assembly held on April 19, the company decided to amend Article 8 titled "Capital and Shares" in the Company's Articles of Association.
- Akfen REIT has signed a contract to transfer the hotel operated under the name Merit Park Hotel & Casino to Merit Cyprus Tourism Ltd. (the buyer) for 70 million USD plus a variable amount.
- Our long-term national institutional credit rating has been upgraded from A- (high credit quality) to AA- (very high credit quality). Our short-term rating has also been upgraded from J2 (BBB) to J1+ (AA) compared to the previous year.
- Akfen REIT has acquired a 1.27% stake in Akfen Karaköy, owned by Akfen Holding, for 16,048,940 TL. Following the transfer, Akfen Karaköy has become a 100% subsidiary of Akfen REIT.
- A buyback program has been initiated.
- The factory building and land of Eraysan A.Ş. in Arnavutköy, Istanbul, were purchased for 3.1 million euros.

- 2023** ● A forward transaction fixed at an exchange rate of 23.79 for 5 million euros was realized, resulting in a profit of 28 million TL.
- The remaining 49% stake in Firatcan Construction, which owns the operation of the Sogutlucesme High-Speed Train Station project in Kadikoy, Istanbul, until 2051 (51% of which was acquired on March 31, 2021), was purchased for 10 million euros in TL.
 - The transfer of 77.80% of the factory building and land owned by Eraysan A.Ş. (the remaining portion belongs to TCDD) has been completed. The factory building and land have been leased to Eraysan A.Ş. for an annual fee of 314,000 euros.
 - The "Share Buyback Program" initiated by the company on April 24, 2023, was concluded on July 25, 2023. Within this framework, 30 million shares (2.31% of the capital) were repurchased at a cost of approximately 103.6 million TL.
 - All shares were sold at an average price of 5.2534 TL, and no shares remained to be repurchased as of July 25.

- The spin-off process of Akfen GT has been completed, with 78.83% of the shares of Akfen Karaköy Real Estate Investment and Construction Inc. transferred to the newly established Akfen Güney Real Estate Management Inc., and the shares of our subsidiaries in Russia transferred to the newly established Akfen Kuzey Real Estate Management Inc. through the same spin-off.
- The preliminary concept design for the mixed-use project on the Penguen Food land in Bursa Görükle has been completed, and zoning work has begun.
- At the end of 2022, a forward transaction of 8 million euros fixed on October 13, 2023, was realized at an exchange rate of 25.51, resulting in an operational profit of approximately 31 million TL.
- The "AKFGY" share began trading on the BIST Sustainability Index for the period from October 1, 2023, to December 31, 2023.
- The application to increase the issued capital from 1.3 billion TL to 3.9 billion TL through a 200% paid-in capital increase was approved by the Capital Markets Board at its meeting on December 7, 2023.

Terminal Kadikoy /
Sogutlucesme High-Speed
Train Station Project (Istanbul)



Highlights of 2024

Completion of Capital Increase Transactions

Within the company's registered capital ceiling of 6.5 billion TL, the issued capital of 1.3 billion TL was increased by 2.6 billion TL (200%) to 3.9 billion TL through a fully cash-based capital increase, utilizing the pre-emptive rights of existing shareholders. The pre-emptive rights for the issued shares with a nominal value of 2.6 billion TL were exercised over a 15-day period from December 14, 2023, to December 28, 2023. Following the exercise of pre-emptive rights, the remaining shares with a nominal value of 9,296,716.21 TL were sold on the Borsa Istanbul Primary Market over two business days, January 2–3, 2024. The public offering process was completed as of January 3, 2024.

Increase in Registered Capital Ceiling

The company decided to increase its current registered capital ceiling to 50 billion TL for the years 2024–2028. In this context, Article 8 titled "Capital and Shares" of the company's articles of association was amended as outlined in the appendix. Necessary applications were made to the Capital Markets Board and the Ministry of Trade to obtain the required approvals, and other legal procedures were completed.

Sale of Akfen GT (TRNC)

On January 17, 2024, all shares of our subsidiary Akfen GT were transferred for a total consideration of 73,000,000 USD plus a variable amount. The financial asset sale transaction was finalized upon receipt of the payment. This cash receipt significantly improved the company's net debt position. After using the proceeds to repay a loan (approximately 30 million euros) and other debts, the company's financial obligations were substantially reduced, contributing significantly to its financial sustainability.

Long-Term National Institutional Rating

JCR Eurasia Rating Agency upgraded the company's long-term national institutional credit rating from "AA- (tr) / Stable" last year to "AA (tr) / Stable" (very high credit quality) this year.

Credit Refinancing

The credit used by Akfen Real Estate Investment Trust Inc. and its subsidiary Akfen Karaköy Real Estate Investments and Construction Inc. for their investments in the Republic of Turkey, with a remaining balance of 53,166,145.39 euros from Credit Europe Bank N.V., was refinanced through a loan agreement with Türkiye Vakıflar Bankası T.A.O. with an 84-month term and improved commercial terms. The closing of the refinancing was completed on May 24, 2024.

Bodrum Land Purchase

The company participated in an auction conducted by the Bodrum (Sulh Civil Court) Execution Office for the sale of a plot of land located in Muğla province, Bodrum district, Eskicesme neighborhood, parcel no. 811/23. The auction was won by the company for 9,000,000 TL, and the property was registered in the company's name on July 22, 2024.

Indirect Investment in EO AT Fountains

As announced in the company's Public Disclosure Platform (KAP) statement on August 2, 2024, the closing transactions for the indirect investment of 4,686,932.45 USD for a 43% stake in EO AT Fountains, LLC were completed. The 43% shares of EO AT Fountains, LLC were transferred to Bafra Real Estate Investments (Florida), Inc., in which the company holds all indirect shares.

Environmental Impact Assessment

The Ankara Provincial Directorate of Environment, Urbanization, and Climate Change issued a decision stating that an Environmental Impact Assessment (EIA) is not required for the Esenboğa Novotel (175 rooms) project planned in Ankara's Akyurt district, Balkhisar neighborhood (parcel no. 215057/10). The decision was communicated to the company via a letter dated October 7, 2024. The EIA process for the company's "Tuzla Novotel (150 rooms)" project was also completed with a similar decision stating that an EIA is not required.

Bulk Sale Transaction

Shares with a nominal value of 1,221,670,260 TL, representing 31.32% of the company's capital owned by Akfen International Holding B.V., were sold to Akfen Holding A.Ş. at a price of 2.00 TL per share with a nominal value of 1 TL under the Bulk Sale and Purchase Procedures.

Sale of Akfen Karaköy Real Estate Investments and Construction Inc. Shares

All 25,611,697 shares owned by the company in Akfen Karaköy Real Estate Investments and Construction Inc. were sold to Akfen Güney İşletme A.Ş., a 100% subsidiary, at a unit price of 28.61 TL as determined by an independent valuation report dated November 14, 2024.

Merger Application

An application was made to the Capital Markets Board for the simplified merger of the company and its 100% subsidiary, Akfen Karaköy Real Estate Investments and Construction Inc.

SPK Approval for Change in Capital Increase Fund Usage Report

To replace the section related to the new fund usage area dated August 21, 2024, the funds originally planned for the Tersane Hotel Project (830 million TL) as stated in the Fund Usage Report were reallocated. Considering the final evaluations, increased costs, and risks associated with the Tersane Hotel Project, the funds were instead allocated to the Yalıkavak Villa Project and the Tuzla 2 Hotel (Tuzla Novotel) Project, which are already included in the Fund Usage Report. The Fund Usage Report was amended as outlined below.

New Fund Usage Areas Due to the Abandonment of the Tersane Hotel Istanbul Project

Fund Usage Location ^(*)	Fund Usage Ratio
Yalıkavak Villa Project	70–80%
Tuzla 2 Hotel (Tuzla Novotel) Project	20–30%

^(*) Up to 10% flexibility is allowed between fund usage items if needed.

Amendment to Sogutlucemesme Project Lease Agreement

Due to delays in the completion of the investment and the subsequent opening, the lease agreement was revised. The start date of the lease agreement was set as April 1, 2025, with 50% of the first year's rent payable by October 1, 2025, and the remaining balance by April 1, 2026. The parties reached an agreement on these terms as of December 31, 2024.

Significant Developments After the Reporting Period

Acquisition of Akfen Karaköy

At the Board of Directors meeting held on December 6, 2024, it was decided that the company would merge with Akfen Karaköy, its 100% subsidiary, by acquiring all assets and liabilities of Akfen Karaköy at their book values and dissolving Akfen Karaköy without liquidation. This decision was made in accor-

dance with Articles 19 and 20 of the Corporate Tax Law No. 5520, the relevant provisions of the Turkish Commercial Code No. 6102 (TTK), and the Capital Markets Board's (SPK) Merger and Division Communiqué No. II-23.2 (Communiqué-). As of the reporting date, the related process is ongoing.

Vision



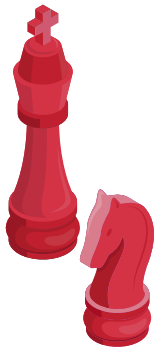
Akfen REIT, which has been implementing high-quality projects in the real estate sector, aims to maintain its reliable position in the industry by ranking among the top REITs in Turkey in terms of net asset value.

Mission



Akfen REIT has made it its mission to continuously increase the regular rental income generated from its strong equity and high-quality portfolio, while elevating the size and value of its portfolio to a higher level. In doing so, the company is committed to providing transparent information to its shareholders.

Strategy

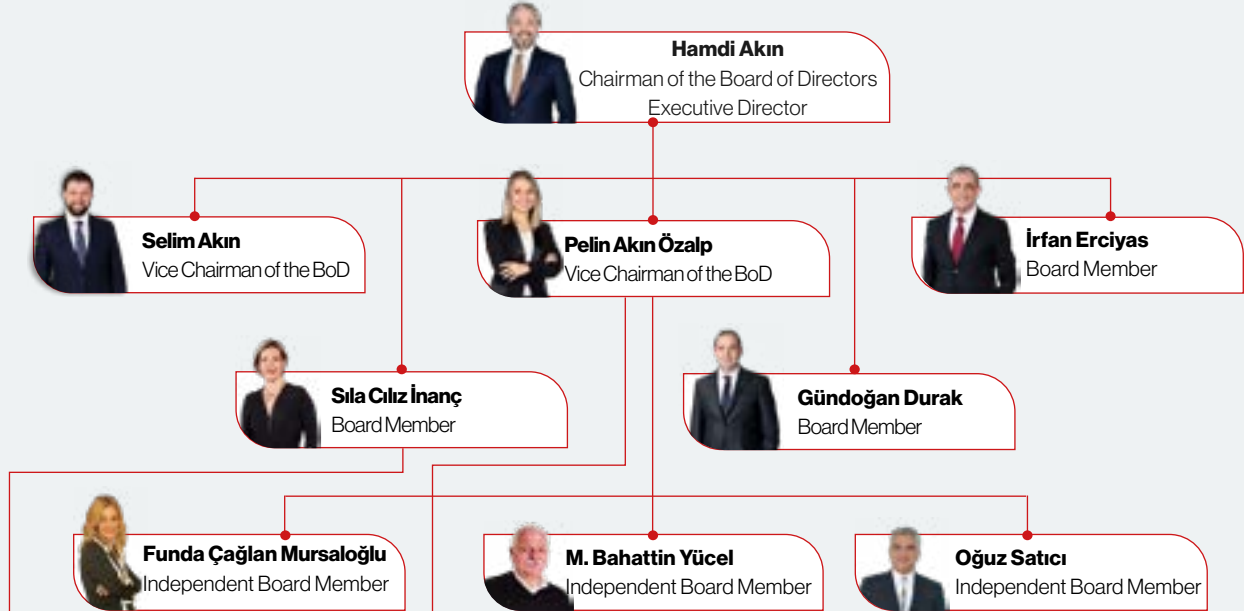


- Earlier dividend distribution with reduced debt and increased revenue
- Growth in revenue and profitability through new investments without additional financial burden
- Evaluating new real estate investment opportunities with high profit margins that will increase portfolio diversification
- A growing portfolio with sustainable cash flow through long-term contracts and new asset acquisitions expected to increase profitability in the long term
- Increased trading volume and liquidity as a result of increased actual circulation
- Potential to make new investments and repay loans early with rapidly decreasing net debt/EBITDA contribution and increasing cash surplus due to operational profitability
- Stronger balance sheet and income statement with rapidly growing assets and profitability, minimal currency risk and high EBITDA margin driven by low operational/overhead expenses
- Increase in net asset value, potential to create more value in the future with the transition from premium to discount

Organizational Structure



BOARD OF DIRECTORS



COMMITTEES



SENIOR MANAGEMENT

Benefits Provided to Executives
(thousand TRY)

31 December 2024	26,562
31 December 2023	30,844

44 Number of employees and subsidiaries/ associates in Turkey and Russia

Apart from this, no material rights, allowances, representation expenses, in-kind cash rights, insurance or similar guarantees have been granted. Disclosures made pursuant to legal regulations are complied with and transactions are carried out in line with the Company's remuneration policy.

Summary of Key Developments in 2024

Stronger Balance Sheet and Income Statement

- Capital increases
- Steady growth in revenues
- Keeping operating expenses under control despite high inflation
- Decreasing financing costs

Growing Portfolio with Long-Term Contracts and New Real Estate Investments Ensuring Sustainable Cash Flow and Profitability

- Reduction of credit debt and earlier achievement of dividend distribution due to positive cash flow generated by increasing rental income
- Healthy growth of the portfolio through new investments with quick returns and low financing costs

Declining Net Debt/EBITDA Profile

- Continued reduction of net debt through early repayment of loan principals using the cash surplus generated by maintaining high EBITDA margins from hotel rental income performance.

Operational Map

Number of Countries in Operation

3 (Turkey, Russia, USA)

Number of Hotels

19 14 Ibis Hotel
5 Novotel

Resort

1 Bodrum Loft

Student Dormitory

2 Kutahya S. Dorm.
Isparta S. Dorm.

Ongoing Projects

4 Terminal Kadikoy (Istanbul)
Yalikavak (Muğla)
Kiyikışlacık (Muğla)
Florida (USA)

Factory Building

1 Hadımköy Factory

Istanbul

Novotel Karakoy
Zeytinburnu Novotel
Zeytinburnu Ibis
Esenyurt Ibis
Tuzla Ibis
Hadımköy Factory
Terminal Kadikoy (Sogutluceme P.)
(Cons. Ongoing)

Eskisehir

Eskisehir Ibis

Ankara

Ibis Ankara
Airport

Trabzon

Trabzon Novotel

Bursa

Bursa Ibis

Kayseri

Kayseri Novotel
Kayseri Ibis

Muğla

Bodrum Loft
Yalikavak P. (Cons. Ongoing)
Kiyikışlacık P. (Cons. license received)
Eskicesme Land

Kutahya

Kutahya
Student Housing

Gaziantep

Gaziantep Novotel
Gaziantep Ibis

Adana

Adana Ibis

Isparta

Isparta Student Housing

İzmir

Ibis Alsancak

USA

Florida Project

Russia

Kaliningrad Ibis
Moscow Ibis
Samara Ibis
Samara Office



Subsidiary Values

Subsidiaries	31.12.2024 (*) Equity Value
Akfen Kuzey Real Estate Management Inc.	€ 68,0 million
Akfen Karaköy Real Estate Investment and Construction Inc. (Akfen Karaköy)	€ 100,2 million
Firatcan Construction Tourism and Trade Inc. (Firatcan)	€ 61,1 million
Gökliman Investment Construction Tourism Geothermal Inc.	€ 44,4 million

(*) The values of the companies are determined based on the total equity value as per their balance sheets as of December 31, 2024.

Company Activities and Significant Developments Related to Operations

Based on the lawsuits filed against the Group, and in light of the opinions of our legal advisors, we do not foresee any significant outcome that would affect our financial position.

There are no administrative or judicial sanctions imposed on the Group or its executives.

Akfen REIT is not a subsidiary of a corporate group. Therefore, there are no legal transactions conducted under the direction of a parent company for the benefit of the parent or its subsidiaries, nor any measures taken or avoided in the past fiscal year for the benefit of the

company or its subsidiaries that require reconciliation.

As there are no transactions of the nature described in the previous paragraph, Akfen REIT has no losses that require reconciliation.

As of December 31, 2024, the company's capital is 3,900,000,000 TL (December 31, 2023: 3,890,703,214 TL), and its equity as of December 31, 2024, amounts to 23.4 billion TL (December 31, 2023: 22.8 billion TL). In other words, the company has preserved its capital. The company has the ability to repay its debts and is not insolvent.

CHAPTER

02

1. OVERVIEW
2. **MANAGEMENT**
3. SECTOR ASSESSMENT
4. AKFEN REIT PORTFOLIO
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8. FINANCIAL STATEMENTS

Management

- Message from the CEO
- Board of Directors
- Senior Management
- Declarations of Independence

Dear Stakeholders,



Thanks to effective asset management and our experienced team, the value of our portfolio has continued to grow steadily. In line with this, our net asset value increased by 7% in 2024, reaching approximately 687 million euros.

Ece Demirpençe

Akfen REIT
General Manager

As Akfen Real Estate Investment Trust, we demonstrated strong performance in 2024 and took significant steps toward achieving our strategic goals. We successfully continued our efforts to further strengthen our real estate portfolio, provide sustainable returns to our investors, and reinforce our financial stability. Thanks to effective asset management and our experienced team, the value of our portfolio has continued to grow steadily. In line with this, our net asset value increased by 7% in 2024, reaching approximately 687 million euros.

Our revenues exceeded our projected targets. This remarkable growth not only signaled positive trends in our sector but also increased our motivation to launch new projects. With this increase in revenues, our debt coverage ratio continued to improve. In 2024, our Net Debt/EBITDA ratio decreased to 1.65, a 40% reduction.

Our company's financial stability was confirmed by the high credit ratings assigned by independent credit rating agencies. Sustainable growth and financial resilience remained our priority in 2024. Despite macroeconomic fluctuations and sectoral challenges, we followed a proactive strategy to quickly adapt to changing market conditions.

We also demonstrated strong performance in the tourism sector. In 2024, the average hotel occupancy rate across Turkey was 69%. The occupancy rate of our hotels in Istanbul reached 74%, while in Anatolia, it was recorded at 65%. The Novotel and Ibis hotels in our portfolio continued to perform strongly under the management of the Accor Group.

We have largely completed the construction of two new projects planned to open in 2025. We aimed to launch a new concept in collaboration with our investors. As part of the Sogutluceme Train Station Viaduct and Surrounding Area Development Project in Istanbul's Kadikoy district, we transformed a long-idle area into Terminal

Kadikoy, a modern dining and cultural center. Additionally, while construction and development processes continue for other prestigious investments such as the Yalıkavak Loft in Bodrum and the Iasos Loft in Kiyıkışlacık, we have also completed the preliminary preparations for our hotel investment in Istanbul's Tuzla district.

In 2024, we continued our sustainability efforts with determination. In the real estate sector, we are not only constructing physical structures but also laying solid foundations for a sustainable future. By placing environmental, social, and governance (ESG) principles at the core of our business model, we are progressing with a greater sense of responsibility each year. This year, we further strengthened our sustainability approach at every stage of our operations. We took concrete steps to reduce our carbon footprint. By achieving a "B Management Level" rating in the CDP Climate Change Reporting, we demonstrated transparent and accountable sustainability performance.

We are concluding 2024 with our investable-grade high credit rating and a portfolio value of 776 million euros. In the coming period, we will continue to diversify our investments and seize new opportunities while maintaining our financial stability.

As Akfen REIT, we aim to achieve even greater goals in 2025 with the support of our valued stakeholders.

***Sincerely,
Ece Demirpençe***

Board of Directors



Hamdi Akin

Chairman of
the Board of
Directors /
Executive
Director

Hamdi Akin, born in Istanbul in 1954, graduated from Gazi University's Mechanical Engineering department. In 1976, he founded Akfen Holding, which today focuses on investing in, managing, and coordinating subsidiaries and affiliates operating in industries such as infrastructure and superstructure construction, port operations, maritime transportation, water distribution and wastewater services, energy, and real estate. In addition to serving as the Chairman of the Board of Akfen Holding, he also holds the positions of Chairman of the Board of Akfen Renewable Energy and Akfen REIT, as well as being a member of the Board of Directors of Mersin International Port (MIP). In 1997, he established the TAV brand to undertake the construction and operation of Turkey's first large-capacity airport, one of the world's most challenging sectors, and served as its Chairman of the Board until 2017.

Alongside his entrepreneurial ventures, Akin has also carried out infrastructure, energy, and investment projects under privatization programs. He has extended his dynamism and dedication in the business world to civil society organizations by serving as a founder and executive in numerous associations, foundations, and professional chambers.

Hamdi Akin served as the Vice President of Fenerbahçe Sports Club from 2000 to 2002, as the Chairman of the Ankara Regional Representatives Council of the Metal Industrialists' Union (MESS) from 1992 to 2004, as the Chairman of the Board of the Young Businessmen Association of Turkey (TÜGIAD) from 1998 to 2000, as a member of the Board of Directors of the Turkish Confederation of Employer Associations (TİSK) from 1995 to 2001, as a member of the Board of Directors of the Turkish Industry and Business Association (TÜSİAD) and Chairman of the Information Society & New Technologies Committee from 2008 to 2009, and as a member of the Board of Directors of the Marine Environment Protection Association (TURMEPA) from 2011 to 2018.

A founding member of the Contemporary Turkish Studies Chair at the London School of Economics, Akin has been the Founding Member and Honorary President of the Turkish Human Resources and Education Foundation (TİKAV), established in 1999 to provide Turkey with well-trained human resources, and a member of the Board of Trustees of the Basketball Education and Support Foundation (BİDEV).

Pelin Akin Özalp

Vice Chairman of the Board of Directors



Pelin Akin Özalp, who graduated from the University of Surrey in the UK in 2010, began her career at Deutsche Bank. After returning to Turkey, she joined the Management Trainee (MT) program at TAV Airports Holding. In 2012, Özalp transitioned to Akfen Holding as a member of the Board of Directors.

Pelin Akin Özalp actively serves as a Member of the Board of Trustees and the Board of Directors at TIKAV (Turkish Human Resources, Education, and Health Foundation), established by Akfen Holding. She also holds the position of Vice President of the Duke of Edinburgh International Award Turkey Program. A member of the YPO network from 2013 to 2020, Özalp has been the Chair of the Advisory Board for the Contemporary Turkish Studies Chair at the London School of Economics (LSE) since 2010.

At DEİK (Foreign Economic Relations Board of Turkey), Pelin Akin Özalp serves as a Board Member for the Spain, UK, and US Business Councils. She is also a Board Member of the Turkish Tourism Investors Association (TTYD), the Turkish Women Entrepreneurs Association (TIKAD), the Marine Environment Protection Association (TURMEPA), the Turkish Enterprise and Business Confederation (TÜRKONFED), and the American Turkish Society (ATS).

Having previously held positions on the boards of various NGOs and associations, such as the Family Business Association (TAİDER), the Young Entrepreneurs Advisory Council of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), and the Women on Boards Association (YKKD), Özalp was elected as the youngest member of the Board of Directors of TÜSİAD (Turkish Industry and Business Association) in 2014.

Pelin Akin Özalp currently serves as a Board Member of Akfen Holding, Akfen Renewable Energy, Akfen REIT, Istanbul Sea Buses (İDO), and Travelex.

Selim Akin

Board Member



Selim Akin, graduated from Surrey University, Business Administration Department in the United Kingdom, and after coming back to Turkey Mr. Akin started his professional career in the Akfen Holding Accounting Department and later served in the Project Development and Finance Departments.

The main projects in which he participated are the privatization and financing of Vehicle Inspection Stations, the privatization and financing of Mersin Port and Akfen Holding's public offering and bond issue. Besides his Chairman of the Board of Directors role at Akfen İnşaat ve Turizm A.Ş. and Istanbul Fast Ferries (İDO), Mr. Akin also serves as the Vice Chairman of the Board of Directors and CEO at Akfen Holding and its various subsidiaries.

Mr. Akin is a member of TÜSİAD, Turkish Tourism Investors Association (TTYD), Young Businessmen Association of Turkey (TÜGİAD) and Turkish Contractors Association (TMB) Supervisory Board. He has also been serving as DEİK representative since 2018.

İrfan Erciyas

Board Member



İrfan Erciyas, graduated from Economics and Finance Department of Gazi University in 1977, has started to work in Türkiye Vakıflar Bankası. After having worked as inspector and Branch manager in Türkiye Vakıflar Bankası, he continued to work as Vice General Manager between 1996 and 2002 and as General Manager between 2002-2003.

Erciyas who joined Akfen Holding in 2003 as Vice Chairman of the Board of Administrators, had worked especially on privatization of Vehicle Inspection Stations, Mersin International Port and IDO and also during the foundation and investment processes of Akfen REIT and Akfen Enerji, for the public offering of Akfen Holding and Akfen REIT and on the subjects of the share sales of the shareholdings and long term financing. İrfan Erciyas is working in Akfen Holding , as Executive Board Member since March 2010 and he is also Chairman of the Board of Administrators, Vice Chairman and Member of Board of Administrators of several subsidiaries and affiliates of Akfen Holding.

Sıla Cılız İnanc

Board Member



Sıla Cılız İnanc, graduated from Marmara University, Faculty of Law in 1995, joined Akfen Holding in 1997 upon having carried out law internship in 1996.

She took part in Public Private Partnership projects (PPP) in Turkey, mergers and acquisitions, worked in concern with infrastructure, construction, energy and competition law. She took an active role in secondary legislation of Public Tender Law. She worked at every stage of build-operate-transfer projects, transfer of rights/ concession and all process of privatizations implementations including tenders and transfers in which Akfen and its subsidiaries participated, also dealt with establishment of financial structures, facility agreements and both share and bond issues laws and regulations. She conducted company and holding structure works.

She is Board Member of Akfen Holding A.Ş. and also Board Member of various Akfen Holding subsidiaries and Akfen İnşaat Turizm ve Ticaret A.Ş.

Gündoğan Durak

Board Member



In 2001, Mr. Durak graduated from Hacettepe University, Faculty of Economics and Administrative Sciences and started his professional career as an Assistant Account Specialist at the Ministry of Finance in the same year. Between 2005 and 2008, Mr. Durak worked as an Account Specialist at the Ministry of Finance and Special Advisor to the Minister of Finance, and served as Group Manager at the Ankara Tax Office between 2008 and 2009. After completing his master's degree in Finance at the University of Illinois between 2010-2011, he returned to Turkey and was appointed as Chief Tax Inspector in 2012. In June 2013, he joined Deloitte Turkey and worked as a certified public accountant with the titles of tax director and tax partner until August 2017. Gündoğan Durak is a Certified Public Accountant (CPA) registered in Illinois, USA. He also holds CMA and CGMA certificates. He is a Certified Public Accountant, Independent Auditor, CMB Level 3, Derivatives and Corp. Governance licenses and is also a member of TUSIAD Tax Working Group.

He currently serves as the Assistant General Manager in charge of Financial Affairs at Akfen Holding A.Ş.

Independent Board Member



Oğuz Satıcı

Independent
Board Member

Oğuz Satıcı, was born on 27.01.1965'te in Istanbul. After completing elementary school in Resitpaşa Primary School, secondary education-mini Mahmutpaşa Middle School, he continued his high school education in Kabatas Men's High School. Oğuz Seller, who started his business life at an early age in Oğuz İplik, a family company, successfully raised the company. In 1990', he became the youngest Assembly Member in Istanbul Chamber of Commerce (ITO). 1996-1998 Member of the Board of Directors of the Foundation for Economic Development (IKV), Istanbul Textile and Raw Materials Exporters' Association (ITHIB) between 1999-2001,

He assumed the position of Chairman of the

Board of Directors. Between 2001-2008,

he was the President of Turkish Exporters Assembly (TIM) for three consecutive terms. During his presidency, Turkish exports increased by 500. He was also a member of the Investment Environment Improvement Coordination Authority of Turkey (YOKK) between 2001-2008 and the Investment Advisory Council of Turkey (YDK) in 2004-2009. He is also, DEİK

(Foreign Economic Relations Board) is the President of Turkey - Central America and Caribbean Business Council. Oğuz Satıcı is still a Member of the Board of Directors of Turkish Eximbank. He holds a Washington International University business license.



**Funda Çağlan
Mursaloğlu**

Independent
Board Member

Funda Çağlan Mursaloğlu graduated from İzmir American High School in 1990 and earned her degree in Psychology from Boğaziçi University in 1995. She then completed her MBA and Master's in International Finance at Yeditepe Univ.

Between 1996 and 2000, she worked at Demir Yatırım A.Ş. as an International Sales Representative for Foreign Markets, an Analyst in the Foreign Markets Research Unit, and a Domestic Markets Sales Representative.

In 2000, she joined TEB Investment as an Assistant Manager for one year, where she played an active role in initial public offering (IPO) processes, among other responsibilities.

From 2001 to 2006, she worked as a Manager at İş Yatırım Menkul Değerler A.Ş., where she was responsible for preparing the foreign sales unit to market capital market products, providing

services to foreign brokerage firms and asset management companies in bond and futures transactions, and developing digital marketing strategies for the Corporate Communications Department.

Between 2006 and 2019, Mursaloğlu served as Deputy General Manager at İş Yatırım Menkul Değerler A.Ş. She played a leading role in various capital market brokerage transactions both in Turkey and abroad, the development of technical infrastructure for these transactions, investor relations planning and strategy development, as well as corporate communication initiatives.

Mursaloğlu has also held high-level roles and responsibilities in various non-governmental organizations, including TAİK and DEİK.



**Mehmet
Bahattin Yücel**

Independent
Board Member

Bahattin Yücel was born in Nazilli, 1949 who graduated from Fatih Saraçhanabaşı Elementary School (Istanbul), Bakırköy-Kartaltepe Elementary School, Konya Ereğli High School and then Istanbul University, Faculty of Law in 1968. He started his career in Kayhan Turizm (Hertz Rent a Car) while studying history in Faculty of Literature of Istanbul University and graduated in 1975.

He became co-founder of Esin Turizm A.Ş (Europcar) between 1975-1982 and worked as the general secretariat of Association of Turkish Travel Agencies (TÜRSAB) between 1979-

1983. Then he continued his management business in Ekin Turizm in between 1982-1991. Between 1991-1995, been elected as 19th era senator to the Parliament of Turkey, Deputy, he used to be members of Commission of Public Works, Transportation and Tourism, Commission of Investigation of Unidentified Murders and Commission of Investigation of Events in Gazi District. Committee member in 1995 He was a Parliament of Turkey's Gazi Neighbor's case investigation committee member. After he was reelected to Parliament he became the Minister of Tourism between 1996-1997

Senior Management



Ece Demirpençe
General Manager

Ece Demirpençe, Acting General Manager of Akfen GYO, completed her undergraduate education in the Department of Urban and Regional Planning at Mimar Sinan University, Faculty of Architecture, and holds a Master's degree from Istanbul Technical University in Real Estate Development. Demirpençe started her professional career as a Real Estate Development Consultant in Proje Yönetim A.Ş. between 2003 and 2005.

In 2005, she joined Multi Development, a Netherlands-based company, where she spent a decade working on the development and management of large-scale international real estate projects. She undertook roles and responsibilities respectively as Assistant Project Manager, Commercial Project Manager, Director of Investment and Operations, and Commercial Director.

In 2016, she moved to the United States and established her own company in the online retail sector and progressed successful steps in the entrepreneurship ecosystem under her own brand. Ece Demirpençe who started her role as the Real Estate Development Coordinator at Akfen Holding at the beginning of 2023, and as of December 31, 2023, she was appointed as Assistant General Manager at Akfen REIT A.Ş. and served as General Manager by proxy.



Yusuf Anil
Deputy General Manager /
Financial and Administrative
Affairs

Yusuf Anil was graduated from the School of Economics of Anadolu University in 1994 and began his professional career in 1988. After completing his military duty in 1995, he worked as the Accounting and Financial Affairs Manager at Tam Group from 1996 until 2000.

Between 2000 and 2004, he opened his own Independent Accounting and Financial Advising office. He worked as the Accounting Manager Borusan Telekom and other technology companies of Borusan Holding from 2004 until 2007. He had worked as the Accounting Manager of Akfen Real Estate Investment Trust since February 2008 and Anil has been working as Deputy General Manager since 2018.

He received his independent accountant and financial advisor certificate in 2001 and Independent Auditor certificate of Public Oversight Authority.



Memduh Okyay Turan

Deputy General Manager /
Operations

Memduh Okyay Turan graduated from Bilkent University, Department of Tourism and Hotel Management in 1993. He began his professional career at Antalya Club Hotel Sera City & Resort and also at Antalya Dedeman Convention Center. He holds a Tourism Agencies Information Certificate granted by the Ministry of Tourism.

Mr. Turan held managerial positions at the Front Office and Sales & Marketing Departments of Mega Residence Hotel and has served as the General Manager of St. Paul Tourism & Travel Agency and of the Mersin Hotel Chain Group. In addition, Mr. Turan served as General Coordinator at City Residence and at Kuşadası Mersin Beach Resort, both of which belong to the same group. Mr. Turan joined Akfen Group in June 2005 and has served as Deputy General Manager of Operations at Akfen REIT since 2008.



Cüneyt Baltaoğlu

Russia Coordinator

After graduating from the German High School, Istanbul and Istanbul Technical University, Faculty of Architecture; Cüneyt Baltaoğlu began his professional career in 1994 working at the construction of a hotel project in Tyumen, Russia for Gama Construction.

Having involved in real estate development/investment projects at Koray-Enka JV between 1995-1998 in Moscow and further at Koray Construction in Istanbul. Baltaoğlu studied at the Rotterdam School of Management of Erasmus University between 1999 and 2001 and received his MBA degree. He subsequently worked as the Managing Director of Lycos-Europe of Bertelsmann Group in Moscow, Russia and has been working as the Coordinator of Akfen Real Estate Investment Trust's investment projects in the Russian Federation since 2007.



Mustafa Emre Yılmaz

Investor Relations Director

Mustafa Emre Yılmaz began his professional career as an independent auditor in Deloitte Touche Tohmatsu advisory company in 2008 and till the end of 2011 served as a senior independent auditor in various production, real estate, FMCG, and energy sectors. Then he started working as an internal auditor in Global Investment Holding between 2011-2013, and between 2013-2016 in Turk Telekom he undertook the same role and was then promoted to a senior role, performing audits in both the main company and its affiliates in financial, compliance, performance, and fraud audit.

Between 2016-2018 and 2020-2022, he served as Financial Controller and Investor Relations and Finance Manager in GSD Holding (open to the public) respectively. Between 2018 and 2020 he served as Finance and Controlling Manager in Enerco Energy. As of September 2022, He has been serving as the Director of Investor Relations in Akfen REIT married with 2 children, Mr. M. Emre Yılmaz graduated from Yeditepe University with an honor degree in the Department of Business Administration and also holds an MBA degree from the same university.

Declarations of Independence

I, as a candidate to serve as an "independent board member" in the Board of Directors of Akfen GYO A.Ş. ("Company") in accordance with the criteria set out in the Capital Markets Legislation, Corporate Governance Principles, and the Company's Articles of Association, declare as follows:

a) There has been no employment relationship, in the last five years, with the Company, the partnerships where the Company has management control or significant influence, and legal entities controlled by the Company's shareholders who hold significant influence over the Company, or with my spouse and my relatives up to the second degree by blood or marriage in managerial positions with significant responsibilities. I do not own, either alone or together, more than 5% of the share capital or voting rights, nor do I have significant commercial relations with them.

b) In the last five years, I have not worked as a partner (with 5% or more shareholding) or held an important managerial position or been a board member in any companies from which the Company has significantly purchased or sold products or services (including audit, tax audit, legal audit, internal audit, rating, and consultancy services), during the periods of such purchases or sales.

c) As stated in my resume, I have the professional education, knowledge, and experience to properly fulfill the duties I will undertake as an independent board member.

d) I am not employed full-time in any public institutions or organizations.

e) According to Article 193 of the Income Tax Law No. 31/12/1960 (G.V.K.), I am considered a resident of Turkey for tax purposes.

f) I believe I can make positive contributions to the Company's activities, maintain my impartiality in cases of conflicts of interest between the Company and its shareholders, and freely make decisions by taking into account the rights of stakeholders. I have strong ethical standards, professional reputation, and experience.

g) I have the time and availability to follow the operations of the Company and fulfill the duties required of me to the fullest extent.

h) I do not serve as an independent board member in more than three companies controlled by the same individual, or more than five publicly traded companies.

i) I confirm that I have not been registered or announced on behalf of a legal entity as a board member.

Mehmet Bahattin Yücel

Oğuz Satıcı

Funda Çağlan Mursaloğlu

CHAPTER

03

1. GENERAL OVERVIEW
2. MANAGEMENT
3. **SECTOR EVALUATION**
4. AKFEN REIT PORTFOLIO
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Sector Evaluation

- GDP
- REIT Sector
- Tourism Sector

Sector Assessment

Growth Expectations

2.1%

2024 Q3 GDP growth rate*

4.0%

OVP 2025 GDP growth forecast**

3.1%

IMF 2024 GDP growth forecast***

The Turkish economy managed to close 2023 with a growth rate of 4.5%, despite the ongoing effects of the Kahramanmaraş earthquake, the global energy crisis, and the Russia-Ukraine war. In 2024, however, Turkey's growth rate in the third quarter was below expectations at 2.1%, influenced by municipal elections, tightening monetary policies, and global economic uncertainties.

The relatively strong Turkish Lira positively contributed to foreign trade growth, while the continuation of construction projects after the earthquake kept the construction sector active. The primary reason for the growth falling below expectations was the slowing of production and investments due to the tightened monetary policy.

The expected increase in the minimum wage and pensions, in line with inflation, is anticipated to reduce the growth in consumption in 2025. As a result, both the government and international organizations have projected growth rates around 3%.

In its World Economic Outlook Report published in January 2025, the International Monetary Fund (IMF) forecasts Turkey's 2024 growth at 2.8%, with a similar projection of 2.6% for 2025 (and 3.2% for 2026). The Organisation for Economic Co-operation and Development (OECD) has set its 2024 growth forecast at 3.2%, with expectations of 3.3% for 2025 and 2026. The cautious approach by both institutions is attributed to concerns that disruptions in energy supply could lead to an increase in energy prices.

The government's Medium-Term Program (MTP) predicts a growth rate of 3.5% for 2024 and 4% for 2025.

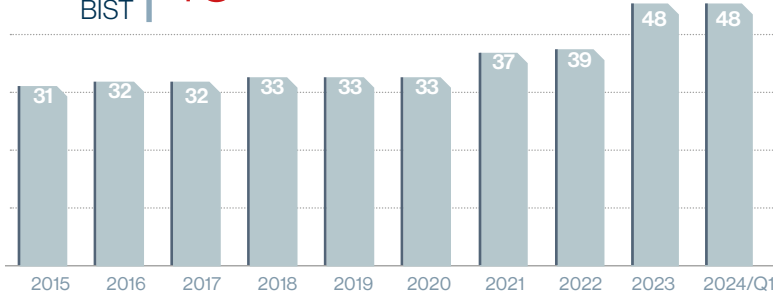
*Source: TÜİK (Turkish Statistical Institute) Data from TÜİK for the 4th Quarter of 2024.
<https://data.tuik.gov.tr>

**Source: Presidency of the Republic of Turkey, Strategy and Budget Directorate
https://www.sbb.gov.tr/wp-content/uploads/2024/09/Medium-Term-Program_2025-2027.pdf

*** Source: IMF World Economic Outlook Report, January 2025
<https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

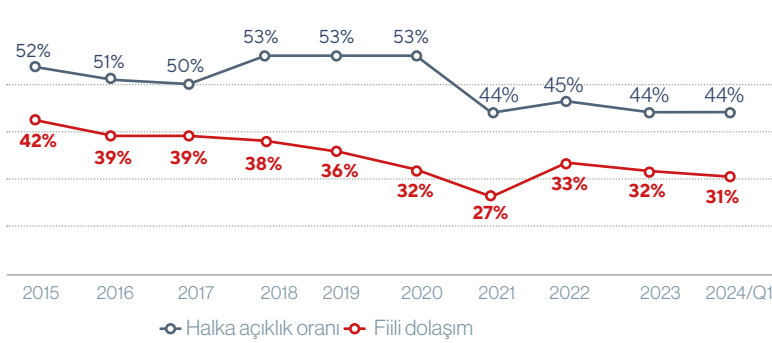
Number of REITs Traded on BIST

Number of
REITs on
BIST | **48**



The real estate investment trust (REIT) sector in Turkey was established in 1995. The trading of these companies on the stock exchange began in 1997. The number of REITs, which was 11 in 2009, increased to 21 in 2010 after the public offering requirement was reduced from 49% to 25%. While the number of active REITs remained at 33 between 2018 and 2020, the number of publicly traded companies rose to 38 in 2022. By 2023, the number of REITs traded on the stock exchange reached 48. As of the first quarter of 2024, this level has been maintained.****

Free Float and Actual Free Float in REITs (%)



Public Float

44%

Free Float

31%

According to BIST data, as of the end of the first quarter of 2024, the public float ratio of REITs was calculated at 44%, while the free float ratio stood at 31%.

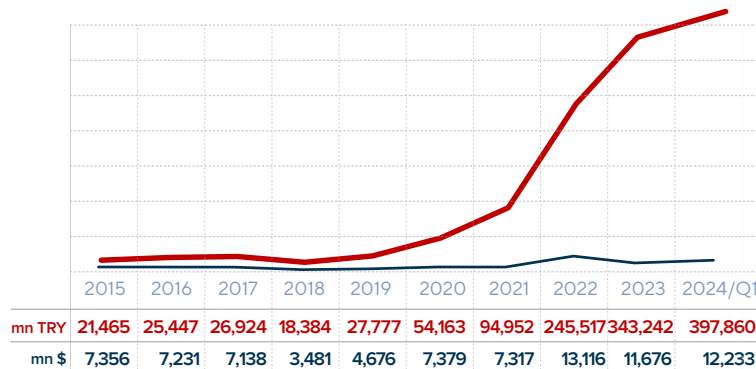
Market Value of REITs (TL-USD)

Market Value
(billion TRY)

355.3

Market Value
(billion USD)

13.0

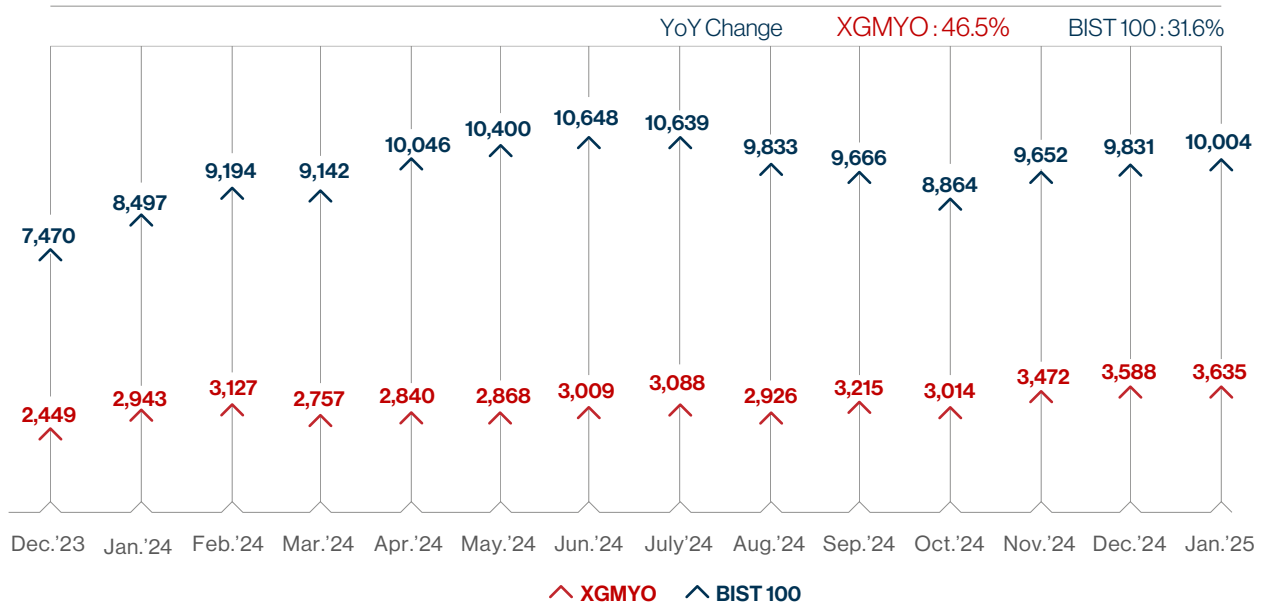


The impact of the rising exchange rate on the market value of publicly traded REITs is clearly evident. According to the data, while the market value in USD has remained around 7 billion USD over the last three years, it has experienced a rapid increase in TL terms, nearly doubling by the end of 2022 to exceed 13 billion USD. Due to the rapid rise in valuations in TL terms, the market values of REIT companies have shown a very sharp increase over the last three years.

Based on data compiled by GYODER from the Central Registry Agency, the market value of REITs exceeded 343 billion TL by the end of 2023, marking a 40% increase compared to the previous year. As of the first quarter of 2024, the value of REITs surpassed TRY397 billion.****

**** Source: GYODER Indicator 2024 Q1 Report

BIST REIT Index Performance (TL)

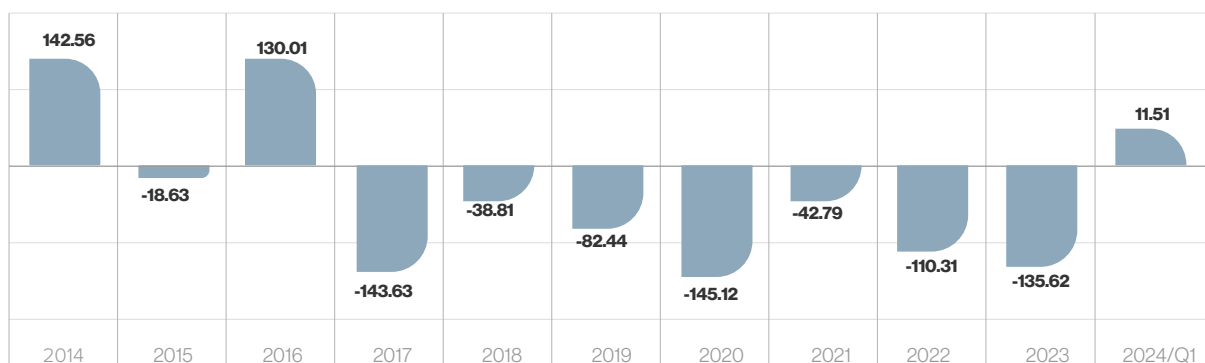


BIST REIT Index
Performance
Annual Change
(2023/24)

46.5%

The BIST REIT Index has provided significant gains to its investors in recent years. In particular, the record 191% increase in 2022 once again demonstrated the attractiveness of the sector. In 2023 and 2024, a steady upward trend continued. This strong performance of the index shows that confidence in the real estate sector has increased and investors' interest in the sector has intensified.

Foreign Investor Net Inflows-Outflows (million USD)

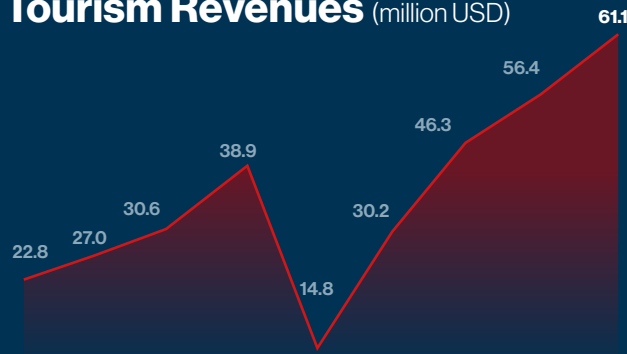


Foreign
Inflows
(2023)

\$11.5 million

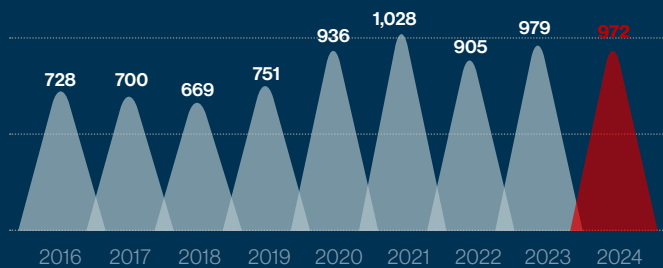
The elimination of election uncertainty in 2023 and the subsequent tightening of monetary policy, while creating a favorable environment for carry trade, facilitated foreign inflows into the country. This development, which helped reserves turn positive, became the primary reason for foreign investors shifting to a net positive investment position.

Tourism Revenues (million USD)



Tourism revenue broke records again in 2024. After surpassing the 50 billion dollar mark for the first time in 2022 and setting a record of 56.4 billion dollars in 2023, tourism revenues concluded 2024 at 61 billion 103 million dollars. The increase was calculated at 8.4% compared to the previous year. This year's revenue consisted of 43 billion 92 million dollars from personal expenditures and 17 billion 405 million dollars from package tour expenditures.

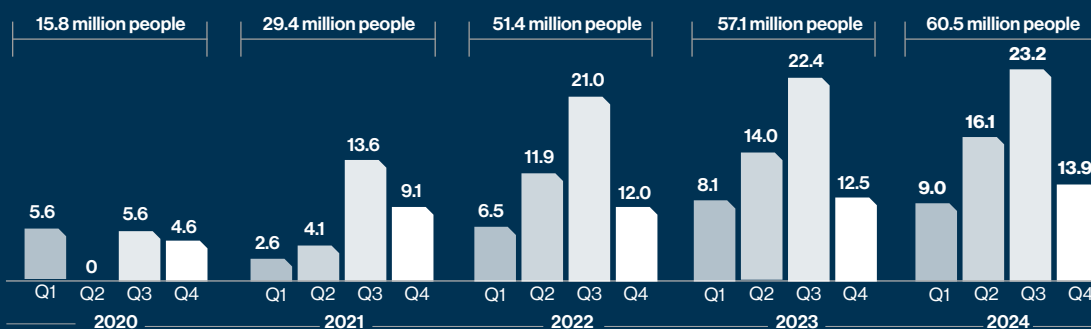
Tourism Revenue Per Capita (USD)



Despite the rapid depreciation of the TL, the average tourism expenditure per capita exceeded the 1,000-dollar threshold for the first time on an annual basis in 2021, reaching 1,028 dollars. The primary reason for this increase was the post-pandemic surge in travel demand.

In 2022, the depreciation of the TL, the energy crisis, and global inflation caused by the Russia-Ukraine war negatively impacted global consumption expenditures. Despite the rapid increase in tourist numbers, tourism expenditure per capita declined. Although it began to rise again in 2023 and 2024, tourism expenditure per capita continued to remain below the 1,000-dollar threshold.

Number of Visitors (million people)



Source:
TurkStat

The number of visitors to Turkey in 2022 matched the pre-pandemic peak of 2019. 2023 was the year when the number of visitors increased even further. The number of visitors, which reached 51.4 million in 2022, surpassed 57.1 million in 2023 and exceeded 60.5 million in 2024, reaching the highest level in history.

CHAPTER

04

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2. MANAGEMENT
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Akfen REIT Portfolio

- Ibis Hotel Istanbul Esenyurt
- Ibis Hotel Tuzla
- Novotel Karaköy
- Ibis Hotel Bursa
- Ibis Hotel Alsancak
- Ibis Hotel Eskişehir
- Ibis Hotel Ankara Airport
- Ibis Hotel Adana
- Novotel Trabzon
- Novotel and Ibis Hotel Gaziantep
- Novotel and Ibis Hotel Kayseri
- Ibis Hotel Moscow
- Ibis Hotel Kaliningrad
- Ibis Hotel Yaroslavl
- Ibis Hotel Samara and Samara Office
- Bodrum Loft
- Isparta Student Dormitory
- Kutahya Student Dormitory
- Terminal Kadıköy Soğutluceme Project
- Yalıkavak Project
- Kıyıkışlacık (İasos Loft) Project Project
- Hadımköy Factory
- Florida Project (USA)

Real Estate Portfolio Table



19 Hotels

(3,342 rooms)

Turkey (2,477 rooms)

Russia (865 rooms)

	Capacity	Opening Date	Operator	Lease End Date	Appraisal Value 31.12.2024 (m EUR)
HOTELS					
Turkey					
Novotel and Ibis Hotel Zeytinburnu	208/228 rooms	03.2007	Tamaris (Accor)	2067	81.6
Ibis Hotel Eskişehir	108 rooms	04.2007	Tamaris (Accor)	2029	1.3
Novotel Trabzon	200 rooms	10.2008	Tamaris (Accor)	2058	35.3
Novotel and Ibis Hotel Gaziantep	92 / 177 rooms	01.2010	Tamaris (Accor)	2038	20.2
Novotel and Ibis Hotel Kayseri	96 / 160 rooms	03.2010	Tamaris (Accor)	2058	15.5
Ibis Hotel Bursa	200 rooms	11.2010	Tamaris (Accor)	2040	10.1
Ibis Hotel Adana	165 rooms	09.2012	Tamaris (Accor)	Freehold	19.5
Ibis Hotel Esenyurt	156 rooms	01.2013	Tamaris (Accor)	Freehold	14.5
Ibis Hotel İzmir Alsancak	140 rooms	06.2013	Tamaris (Accor)	2059	19.1
Ibis Hotel Ankara Airport	147 rooms	09.2014	Tamaris (Accor)	Freehold	14.2
Novotel Bosphorus Karaköy	200 rooms	02.2016	Tamaris (Accor)	2058	116.3
Ibis Hotel Tuzla	200 rooms	04.2017	Tamaris (Accor)	Freehold	32.8
Russia					
Ibis Hotel Yaroslavl	177 rooms	09.2011	Accor	Freehold	13.2
Ibis Hotel Samara	204 rooms	03.2012	Accor	Freehold	11.5
Ibis Hotel Kaliningrad	167 rooms	08.2013	Accor	Freehold	19.5
Ibis Hotel Moscow	317 rooms	07.2015	Accor	2059	31.4

	Capacity	Opening Date	Operator	Lease End Date	Appraisal Value 31.12.2024 (m EUR)
OFFICE					
Samara Office	4,637 m ²	03.2012	Corp. Tenants	Freehold	3.7
HOLIDAY VILLAGE					
Bodrum Loft	92 rooms	07.2020	Akfen Tourism	2067	47.7
STUDENT HOUSING					
Isparta Student Housing	4,032 beds	12.2018	KYK	2042	19.2
Kutahya Student Housing	3,808 beds	09.2019	KYK	2045	14.1
OTHER					
Terminal Kadikoy / Sogutluceme P.	~18,250 m ²	Plan.2025/Q1.	Investment Phase	2052	101.4
Yalıkavak Project	~22,197 m ²	Plan. 2025	Investment Phase	Freehold	69.4
Kıyıkışlacık (Iasos Loft) Project	~83,625 m ²	2027Const. Perm. Obtained		Freehold	57.1
Hadımköy Factory	~7,027 m ²	-	-	Freehold	3.2
Florida Project (ABD)	6,000 m ²	-	Investment Phase	Freehold	3.8
Eskicesme Land (Muğla)	209.72 m ²	-	-	Freehold	0.4
TOTAL					776.0



1 Resort
(36 villas)



1 Office
(4,637 m²)



2 Student Housing
(7,840 beds)



1 Factory Building
(16,119 m²)



5 Ongoing Projects
(130,281.72 m²)

Novotel and Ibis Hotel Zeytinburnu



Novotel Istanbul and Ibis Hotel Zeytinburnu Decoupage received a 49-year allocation from the Treasury of Finance with the top-right agreement dated 04.12.2013 and the contract was extended for 49 years on 22.12.2018.

Zeytinburnu is a convenient accommodation point for commercial and touristic trips with its proximity to the historical regions of Istanbul and business centers on the beach.

Being 0.5 km away from Veliefendi Hippodrome and Abdi İpekçi Sports Stadium, 6 km away from Olympic Stadium, 10 km away from Sultanahmet and Beyazit districts, hotel visitors can easily access the activities they want.

Novotel and Ibis Hotel Zeytinburnu

Land Area	11,720 m ²
Construction Area	26,372 m ²
Number of Rooms (Ibis/Novotel)	228/208
Total Investment	€ 231 mn
Real Estate Value	€ 81.6 mn
Opening Date	March 2007
Operator	Tamaris Tourism (Accor)

Ibis Hotel Esenyurt



Ibis Hotel Istanbul Esenyurt, which is located in Esenyurt, one of the rapidly developing regions of Istanbul with Uydükent projects and whose land belongs to Akfen REIT, was opened to operation on January 25, 2013. The hotel is located facing the E-5 highway and close to the TÜYAP Fair and Congress Center.

Ibis Hotel Esenyurt

Land Area	1,755.4 m ²
Construction Area	7,331 m ²
Number of Rooms	156
Total Investment	€8.0 mn
Real Estate Value	€14.5 mn
Opening Date	January 2013
Operator	Tamaris Tourism (Accor)

Novotel Bosphorus Karaköy



Located on a 49-year usufruct agreement with the General Directorate of Foundations, Novotel Karaköy was built on the site of the historic Kozluca Han, situated on Karaköy Rıhtım Street, one of Istanbul's most valuable historical and tourist areas.

The hotel, which is the world's first five-star Novotel, opened in February 2016. Positioned opposite the Galataport Project, which is under construction and set to become Istanbul's tourist hub for cruise tourism upon completion, Novotel Karaköy is also home to the famous Mürver Restaurant.

Novotel Istanbul Bosphorus

Land Area	21,440 m ²
Construction Area	3,074.58 m ²
Number of Rooms	200
Total Investment	€35.6 mn
Real Estate Value	€116.3 mn
Opening Date	February 2016
Operator Tamaris	Tourism (Accor)



Ibis Hotel Tuzla

Ibis
Hotel Tuzla,
Istanbul's Anatolia
close to the Shipyard,
Metro, Organized it is located
on the E5 motorway in Tuzla,
Industrial zones and Sabiha
Gökçen Airport.

Ibis Hotel Tuzla

Land Area	4,668 m ²
Construction Area	9,480 m ²
Number of Rooms:	200
Total Investment	€16.0 mn
Real Estate Value	€32.8 mn
Opening Date	April 2017
Operator	Tamaris Tourism (Accor)



Ibis Hotel Bursa

Ibis Hotel Bursa land, which provides an advantage with its location close to commercial centers in Bursa, one of the most important industrial and commercial regions of Turkey, was rented from Bursa International Textile Trade Center Enterprise Cooperative on 09.05.2008. the 30-year permanent and separate upper right has been registered in the title deed.

Ibis Hotel Bursa

Land Area	7,962 m ²
Construction Area	7,523 m ²
Number of Rooms	200
Total Investment	€8.9 mn
Real Estate Value	€101.1 mn
Opening Date	November 2010
Operator	Tamaris Tourism (Accor)



Ibis Hotel Alsancak

The land on which Ibis Hotel Alsancak was built was opened on Dec. 25.08.2010. It has been leased from the General Directorate of Foundations of the Prime Ministry for 49 years.

Ibis Hotel Izmir Alsancak is a great place for the in Izmir, one of the contributing cities, with its central location, it offers a comfortable and modern transportation opportunity. Located in the Al-sancak district of Konak district, the hotel is also close to Alsancak Train Station and Alsancak Port Turkish economy with its location and workforce potential.



Ibis Hotel Alsancak

Land Area	629 m ²
Construction Area	5,555 m ²
Number of Rooms	140
Total Investment	€6.5 mn
Real Estate Value	€19.1 mn
Opening Date	June 2013
Operator	Tamaris Tourism (Accor)

Ibis Hotel Eskişehir



Ibis Hotel Eskişehir's plot, Eskişehir It is rented from the Metropolitan Municipality and the old silo building has been converted into an Ibis Hotel.

The hotel is within walking distance of all the important shopping, business and entertainment centers of Eskişehir and is also very close to the Anadolu University campus, one of the most important focal points of the city. The proximity of the hotel to the train station also enriches the transportation options.



Ibis Hotel Eskişehir

Land Area	6,806 m ²
Construction Area	5,868 m ²
Number of Rooms	108
Total Investment	€4.6 mn
Real Estate Value	€1.3 mn
Opening Date	April 2007
Operator	Tamaris Tourism (Accor)

Ibis Hotel Ankara Airport



The Ibis Hotel Ankara Airport land was purchased by Akfen REIT on 21.07.2011. Ibis Hotel is only 1 km away from Esenboğa Airport and only 28 km away from Ankara Airport and Ankara city center.

Ibis Hotel Ankara Airport

Land Area	14,443 m ²
Construction Area	7,593 m ²
Number of Rooms	147
Total Investment	€8.8 mn
Real Estate Value	€14.2 mn
Opening Date	September 2014
Operator	Tamaris Tourism (Accor)



Ibis Hotel Adana

The Ibis Hotel Adana land was purchased by Akfen REIT on 03.08.2010.

Ibis Hotel Adana is located in the city center of Adana Province, which is located decently among the important industrial, commercial and agricultural centers of Anatolia.

Ibis Hotel Adana

Land Area	2,213 m ²
Construction Area	9,047 m ²
Number of Rooms	165
Total Investment	€9.7 mn
Real Estate Value	€19.5 mn
Opening Date	September 2012
Operator	Tamaris Tourism (Accor)

Novotel Trabzon



Novotel Trabzon land located on the Black Sea coast was leased from Trabzon World Trade Center for 49 years on 09.12.2005. On February 27, 2008, the 49-year-old permanent and detached super-right was registered in the deed in favor of Akfen REIT.

Novotel Trabzon, which offers the advantage of transportation to its customers with its proximity to the airport and the city center, also carries a special importance by being the first international chain hotel of the city and the region.

Located right next to the World Trade Center, the hotel is one of the most acclaimed hotels in Trabzon with its central location and design. Novotel Trabzon has been entered into the 5-star hotel category as of 2021.

Novotel Trabzon

Land Area	13,450 m ²
Construction Area	15,232 m ²
Number of Rooms	200
Total Investment	€13.9 mn
Real Estate Value	€35.3 mn
Opening Date	October 2008
Operator	Tamaris Tourism (Accor)

Novotel and Ibis Hotel Gaziantep



Novotel and Ibis Hotel, which were leased from Gaziantep Metropolitan Municipality for 30 years on 31.05.2007, were registered on Gaziantep land on 17.07.2007 in favor of Akfen REIT as a 30-year permanent and detached upper share in the title deed.

The area where both hotels are located, Governorship, Metropolitan Municipality, etc. it is within walking distance to the city center, where public institutions, shopping places and historical sites are located.

Novotel ve Ibis Hotel Gaziantep

Land Area	6,750 m ²
Construction Area	18,825 m ²
Number of Rooms (Novotel/Ibis)	177/92
Total Investment	€16.2 mn
Real Estate Value	€20.2 mn
Opening Date	January 2010
Operator	Tamaris Tourism (Accor)

Novotel and Ibis Hotel Kayseri



Novotel and Ibis Hotel Kayseri land was leased from Kayseri Chamber of Industry and Commerce on 04.11.2006 for 49 years. On this land, on 17.08.2007 in favor of Akfen REIT, the 49-year-old permanent and detached upper right was registered in the deed.

The hotels located in the city center are 10 minutes from the airport and 30 minutes from the Erciyes Ski Center

Novotel and Ibis Hotel Kayseri

Land Area	11,035.4 m ²
Construction Area	11,064 m ²
Number of Rooms (Novotel/Ibis)	160/90
Total Investment	€12.2 mn
Real Estate Value	€15.5 mn
Opening Date	March 2010
Operator	Tamaris Tourism (Accor)

Ibis Hotel Moscow



Located in the center of Moscow, the hotel is next to the sports facilities in the Dynamo district it is located at the beginning, a 15-minute walk from the world-famous Tretyakov Gallery and a 10-minute walk from Paveletsky Train Station.

With its bright rooms furnished with a warm decoration and modern architectural design, Ibis Hotel Moscow offers a comfortable alternative for business and tourism-oriented trips. The metro station located near the hotel provides an advantage in urban transportation.

Ibis Hotel Moscow

Land Area	2,010 m ²
Construction Area	13,250 m ²
Number of Rooms	317
Total Investment	€33.0 mn
Real Estate Value	€31.4 mn
Opening Date	July 2015
Operator	RHPC (Accor)

Ibis Hotel Kaliningrad



The hotel is located on the Baltic Sea coast, 1.2 km from the city center of Leningrad, an important trans-fer and tourist center, by the Progolia River. It is located 20 km from the airport.



Ibis Hotel Kaliningrad

Land Area	4,432 m²
Construction Area	7,916 m²
Number of Rooms	167
Total Investment	€15.0 mn
Real Estate Value	€19.5 mn
Opening Date	August 2013
Operator	Tamaris Tourism (Accor)



Ibis Hotel Yaroslavl

The three-star Ibis Hotel Yaroslavl attracts attention with the quality service it offers in the city of Yaroslavl, which is one of the places frequented by domestic and foreign tourists.

Yaroslavl, located on the periphery 250 km from Moscow, is a very lively region with business tourism and cultural tourism, both a tourist cruise on the Volga River and a return of international conferences.

Ibis Hotel Yaroslavl

Land Area	7,916 m ²
Construction Area	4,432 m ²
Number of Rooms	177
Total Investment	€16.1 mn
Real Estate Value	€13.2 mn
Opening Date	September 2011
Operator	" Yarhotel (Accor)



Ibis Hotel Samara

Ibis Hotel Samara is located on the main street of Samara in the area of commercial centers. At the same time, the Volga River and the city beach are just 1.8 km away. Gorky Green Park, Botanical Garden and Samara University are located within 1.5 km from the hotel.

Bus and tram stops are a 7-minute walk away. The hotel is suitable for both family holidays and business trips. The hotel has secure underground parking and a restaurant

Ibis Hotel Samara

Land Area	3,095 m ²
Construction Area	8,453 m ²
Number of Rooms	204
Total Investment	14.7 mn
Real Estate Value	11.5 mn
Opening Date	March 2012
Operator	Samhotel (Accor)



Samara Office

Samara Office is located in the business district of Samara, on the main street of the city. At the same time, the Volga River and the city beach are just 1.8 km away. Gorky Green Park, Botanical Garden, Samara University- site are located 1.5 km from the office. Bus and tram services are a 7-minute walk away.

The entire Samara Office is rented with a long-term contract.

Samara Office

Land Area	1,048 m ²
Construction Area	5,933 m ²
Leasable Area	4,637 m ²
Total Investment	€ 7.3 mn
Real Estate Value	€ 3.6 mn
Opening Date	March 2012
Operator	Corporate Tenants



Bodrum Loft Holiday Village, which has become the favorite address of Bodrum in a short time with its modern architecture, cozy ambience and brand restaurants that respect nature, has been joined to Akfen REIT's portfolio on February 9, 2021.

Bodrum Loft, which is the choice of holidaymakers from all over the world, has been included in the lists of many press magazines and newspapers. Publications such as The Times, Tatler, Vanity Fair, Conde Nast Traveller, Time, The Telegraph, Forbes, Bodrum Loft, respectful architecture to nature and with its quality, the operator Akfen Tourism has praised it as a prominent holiday destination.

November May Bodrum Loft, which offers short and long term rental options with 36 different villa types, combines local delicacies and international cuisines with its unique nature. Bodrum Loft is a Decadent villa with 36 different villa types. While Loft Elia Restaurant attracts attention with its rich menu, restaurants such as Paper Moon Bodrum Loft and Vakko L'Atelier Patisserie de Bodrum Loft also offer sweet memories to holidaymakers.

Bodrum Loft

Bodrum Loft

Land Area	57,000 m ²
Construction Area	22,586 m ²
Bed Capacity	184
Independent Units	36 villas
Total Investment	€27.6 mn
Real Estate Value	€47.7 mn
Opening Date	July 2020
Operator	Akfen Tourism

Isparta Student Dormitory



Isparta Student Dormitory opened its doors to students in March 2017. The dormitory, which attracts attention with its modern architecture and sophisticated facilities, is located in the commercial area of Isparta City Hospitals. In the dormitory building consisting of six blocks; there are four dormitories and two social facilities blocks.

The dormitory, which was built as ground + seven floors, has a capacity of 1,016 rooms / 4,032 beds. With the Credit and Dormitories Institution (KYK) Isparta Student Dormitory, which became active in 2018 as a result of the contract, aims to provide students with a quality educational life and a warm home away from home. Designed to support the academic achievements of young people and contribute to their social development, the dormitory also offers students an encouraging learning environment with its advanced infrastructure.

Isparta Student Dormitory

Land Area	67,000 m ²
Number of Beds	4,032
Concession Period	25 years (until 2042)
Total Investment	€ 14.4 mn
Real Estate Value	€ 19.2 mn
Opening Date	December 2018
Operato	Credit and Dormitories Institution

Kutahya Student Dormitory



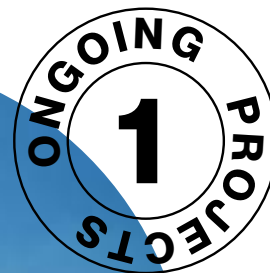
In 2017, the easement right of the land located in Kutahya Dumlupınar University was acquired for 29 years and the student dormitory was designed for realization. Completed in 2019, Kutahya Student Dormitory. It was delivered to the Credit Dormitories Institution.

Built on the Evliya Çelebi Campus, the dormitory aims to offer our students a contemporary living experience with its modern architecture and well-equipped facilities. With a total capacity of 3,808 beds, the dormitory allows students to focus on their academic lives in a comfortable and safe environment.

Kutahya Student Dormitory

Land Area	59,000 m ²
Number of Beds	3,808
Concession Period	29 years (until 2045)
Total Investment	€ 10.9 mn
Real Estate Value	€ 14.1 mn
Opening Date	September 2019
Operator	Credit and Dormitories Institution

Sogutlucemesme (Terminal Kadikoy) Project



Sogutlucemesme (Terminal Kadikoy) Project

Construction Area	21,000 m ²
Leasable Area	16,000 m ²
Operation Period	28 years (until 2052)
Investment Made	€ 44.1 mn ^(*)
Projected Rental Income	€ 8.0 mn ^(*)
Akfen Group's Share in Firatcan Inc.	100%
Real Estate Value	€101.4 mn
Planned Opening Date	May 1, 2025

51% of the shares were acquired on March 31, 2021. The remaining 49% of the shares of Firatcan Construction, Trade, and Tourism Inc., which holds the rights to operate the Sogutlucemesme High-Speed Train Station project in Istanbul's Kadikoy district (including 2 years for permits/licenses, 2 years for construction, and operation until 2052), were purchased for 10 million euros in Turkish lira at a price 8% below the value determined in the valuation report dated July 17, 2023, prepared in accordance with Capital Markets Board (SPK) regulations. The existing commercial areas will be operated until 2052.

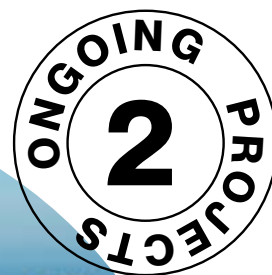
Within the scope of the 41,700-square-meter project, plans include:

An event space for concerts, theater performances, and corporate meetings, a dining area featuring gourmet flavors, a marketplace offering local and natural products, complementary retail stores for shopping.

The project is targeted to be operational by May 1, 2025

^(*) Including VAT

^(**) Rental income for the first lease period as of the opening date.



Akfen REIT acquired a 22,197-square-meter plot in Bodrum Yalıkavak on September 15, 2022, with all permits and licenses in place. A villa project is being developed on the land, and construction activities are ongoing.



Yalıkavak Project

Yalıkavak Project

Total Investment	€62 million ^(*) ^(**)
Number of Villas	29
Real Estate Value	€ 69.4 mn
Construction Start Date	December 2022
Planned Completion Date	2025 / Q2

^(*) Including VAT

^(**) Includes 20.4 million euros for land acquisition.



Kıyıkışlacık (Iasos Loft) Project



Iasos Loft is located within a natural harbor, offering a transportation advantage with its proximity to Milas Airport, just a 30-minute drive away. Additionally, access to central Bodrum by sea is planned. Designed by Tabanlıoğlu Architects, Iasos Loft is envisioned as an eco-friendly architectural project that harmonizes with its natural surroundings.

This unique location, overlooking its own bay, is planned to be a living space that combines accommodation, dining, entertainment, and sports with meticulous attention to detail. The neighboring parcel is expected to house a marina, offering a significant opportunity for boat enthusiasts.

The Environmental Impact Assessment (EIA) report and construction permit processes for the project have already been completed.



Kıyıkışlacık (Iasos Loft) Project

Land Area	83,000 m ²
Salable Area	45,000 m ² / 464 units
Land Value	€57.0 mn
Planned Project Completion Date	2028



Florida (USA) Project

The Fountains Senior Care project is planned as a 174-unit independent living facility in St. Johns County, Jacksonville, Florida. The project is part of a 100-acre mixed-use development and is being developed as an innovative senior care project, leveraging its unique location in response to the growing elderly population and increasing demand for senior care facilities in the region.

The closing transactions for the investment of 4,686,932.45 USD in EO AT FOUNTAINS, LLC, in which Akfen REIT indirectly holds a 43% stake, have been completed. This share transfer was carried out through Bafra Real Estate Investments Inc. (Florida), in which Akfen REIT indirectly holds all shares. Work on obtaining the construction permit for the project is ongoing.

Florida Project

Real Estate Value	\$8.8 mn
Akfen REIT'S Share	€3.8 mn

Hadımköy Factory Building and Land



The Hadımköy factory building and land have been leased to Eraysan, the company operating within it. The factory building and land will generate an annual rental income of 314,000 euros in Turkish lira, and the seller retains a 5-year buyback option at the same transfer price.

The property, located on a 7,027 m² plot owned by Eraysan Manufacturing Import Export Plastic Machinery Inc. (Eraysan) in Ömerli Neighborhood, Arnavutköy District, Istanbul (Parcel No. 5, Block 267), with a built-up area of 16,119 m², has been acquired.

On July 26, 2023, the transfer of 77.80% of the Hadımköy factory building and land (the remaining portion belongs to TCDD) to Akfen Karaköy was completed, finalizing the transaction.

Factory Hadımköy

Project Area	7,027 m ²
Closed Area	16,119 m ²
Appraisal Value	€3.2 mn
Investment Value	€3.1 mn

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Financial Development

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- Operational and Financial Performance Evaluation
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- Portfolio Limitations

Summary Financial Information

(million TRY)	31.12.2024	31.12.2023	(%)	Total Property Value (m EUR)*	
Revenue	1,216	1,581	(23)	31.12.2024	31.12.2023
EBITDA	1,081	1,421	(24)	735.7	741.6
Net Profit for the Period	1,445	1,049	35		
(million TRY)	31.12.2024	31.12.2023	(%)	Net Asset Value (m EUR)*	
Investment Properties	25,819	28,312	(9)	31.12.2024	31.12.2023
Financial Liability	3,489	7,059	(51)	687.1	640.7
Financial Liability (EUR)	95	192	(51)		
Net Financial Liability	1,780	3,919	(55)		
Net Financial Liability (EUR)	48	106	(55)		
Total Assets	30,710	33,756	(9)		
Total Equity	23,365	22,787	2		

Impact of IAS 29 on Financials

(million TRY)	IAS 29 Including Inflation Accounting		Except IAS 29 Inflation Accounting (*)	
Selected Balance Sheet Items	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Total Assets	30,710	33,756	29,774	22,979
Total Liability	7,345	10,969	9,325	7,889
Equity	23,365	22,787	20,449	15,091
Financial Debt	3,489	7,059	3,489	4,890
Net Financial Debt	1,780	3,919	1,780	2,714
Selected Income Statement Items	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Revenue	1,216	1,581	1,101	906
Gross Profit	1,168	1,526	1,057	876
Profit from Operating Activities	2,472 (**)	2,112	8,900 (***)	7,705 (***)
Net Profit for the Period	1,445	1,049	6,716 (***)	4,477 (***)
EBITDA	1,081	1,421	978	811

(*) Data excluding TAS 29 Inflation Accounting is not included in the Company's financial report dated December 31, 2024.

(**) Lower operating profit for the year ended December 31, 2024 compared to the same period of the previous year

The main rationale is that real estate value increases above inflation in the period 01.01.-31.12.2024 will remain at a more limited rate. is due to inflation accounting.

(***) The difference compared to the data including TAS 29 Inflation Accounting is mainly due to the difference in the fair value of the assets in the Company's assets. increase in the fair value of the assets and liabilities.

Investment Properties (*)

(Million TRY)	31.12.2024	31.12.2023	Değişim
Türkiye	22,911	21,059	9%
TRNC (**)	0	3,841	-100%
Russia	2,908	3,412	-15%
TOTAL	25,819	28,312	-9%

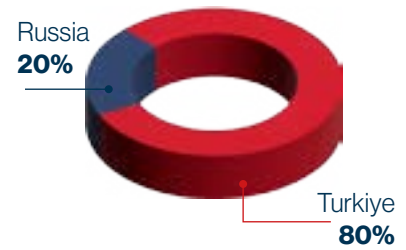
(*) Figures excluding land use rights.

(**) The real estate which is held for investment purposes, was classified as held for sale as of December 31, 2023, due to the sale of Akfen GT (TRNC), and all shares belonging to our subsidiary Akfen GT were sold and transferred on January 17, 2024.

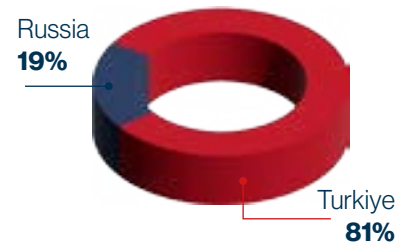
Portfolio Table

Assets (thousand EUR)	31.12.2024	31.12.2023
Projects		
Bodrum Land	396	-
Ibis Hotel ve Novotel Zeytinburnu	81,555	81,179
Ibis Hotel Eskişehir	1,340	1,444
Novotel Trabzon	35,335	34,644
Ibis Hotel and Novotel Kayseri	15,510	13,967
Ibis Hotel and Novotel Gaziantep	20,235	18,555
Ibis Hotel Esenyurt	14,470	15,782
Ibis Hotel Adana	19,540	17,309
Ibis Hotel İzmir Alsancak	19,075	18,498
Ibis Hotel Ankara Airport	14,245	11,731
Ibis Hotel Bursa	10,055	10,025
Ibis Hotel Tuzla	32,800	27,839
Isparta Student Housing	19,164	16,877
Kutahya Student Housing	14,072	12,469
Bodrum Loft	47,660	47,179
Yalıkavak Project	69,446	68,247
Subsidiaries		
Akfen Bafra	5,013	-
Akfen GT & Akfen Kuzey & Akfen Güney	67,969	172,370
Göklüman Yatırım İnş. Tur. Jeotermal A.Ş.	44,372	36,240
Fıratcan Construction Inc.	61,136	35,739
Akfen Karaköy Gayrimenkul Yat. ve İnş. A.Ş.	100,229	17,693
Money & Capital Market Instruments	42,456	83,846
TOTAL PORTFOLIO VALUE	735,676	741,633
Other Assets & Receivables	50,152	12,664
LIABILITIES	98,777	113,572
NET ASSET VALUE (NAV)	687,051	640,725

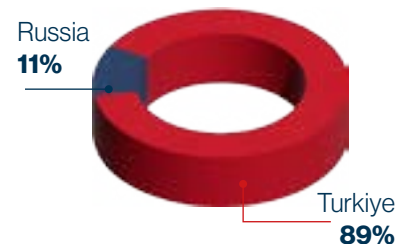
Regional Revenue Distribution (31.12.2024)



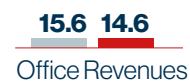
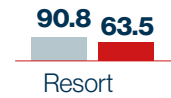
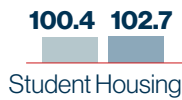
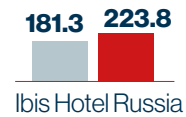
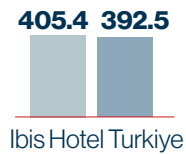
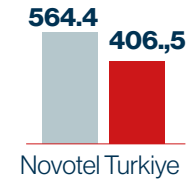
Regional EBITDA Distribution (31.12.2024)



Regional Real Estate Distribution (31.12.2024)



Rent Revenues



■ 2023 ■ 2024

(thousand TRY)	31.12.2024	31.12.2023	Change
Ibis Hotel Zeytinburnu	57,695	83,121	-31%
Novotel Zeytinburnu	75,387	109,826	-31%
Ibis Hotel Eskişehir	16,078	13,501	19%
Novotel Trabzon	36,973	75,762	-51%
Ibis Hotel Gaziantep	42,687	31,816	34%
Novotel Gaziantep	29,781	25,951	15%
Ibis Hotel Kayseri	25,633	19,499	31%
Novotel Kayseri	15,958	12,269	30%
Ibis Hotel Bursa	19,842	23,440	-15%
Ibis Hotel Adana	49,873	41,762	19%
Ibis Hotel Esenyurt	27,680	33,629	-18%
Ibis Hotel İzmir Alsancak	42,881	55,562	-23%
Ibis Hotel Ankara Airport	32,051	27,422	17%
Ibis Hotel Tuzla	78,031	75,601	3%
Novotel İstanbul Bosphorus, Karaköy	248,428	340,550	-27%
Ibis Hotel Yaroslavl	34,452	30,840	12%
Ibis Hotel Samara	26,066	18,339	42%
Samara Office	14,637	15,586	-6%
Ibis Hotel Kaliningrad	68,807	60,516	14%
Ibis Hotel Moscow	94,512	71,608	32%
Merit Park Hotel - TRNC Kyrenia	0	212,083	-100%
Isparta&Kutahya Student Housing	102,665	100,424	2%
Bodrum Loft	63,456	90,794	-30%
Factory Building Rent Revenue	12,710	10,911	16%
TOTAL	1,216,284	1,580,810	-23%
Türkiye Total - Ibis	392,450	405,353	-3%
Türkiye Total- Novotel	406,528	564,357	-28%
Türkiye Total- Ibis & Novotel	798,978	969,709	-18%
Student Housing Revenues	102,665	100,424	2%
Bodrum Loft	63,456	90,794	-30%
Other TR Rent Revenue	12,710	10,911	16%
Russia Total - Ibis	223,838	181,303	23%
Türkiye & Russia Grand Total	1,201,648	1,353,141	-11%
GRAND TOTAL	1,216,284	1,580,810	-23%

Total Financial Liabilities

Book Value (million TRY)	December 31, 2024	31 Aralık 2023	Change (%)
Less than 1 year	591	876	-33%
Between 1 – 2 years	1.218	736	66%
Between 2 – 3 years	328	1.537	-79%
Between 3 – 4 years	304	575	-47%
Between 4 – 5 years	348	597	-42%
5 years and more than 5 years	700	2,739	-74%
Total Financial Liabilities	3,489	7,059	-51%

Nominal Value (million TRY)

Less than 1 year	340.3	281.6	20.8
Between 1 – 2 years	1,202.1	343.7	249.8
Between 2 – 3 years	302.5	1,427.5	-78.8
Between 3 – 4 years	322.1	397.4	-19.0
Between 4 – 5 years	422.3	496.1	-14.9
5 years and more than 5 years	827.8	3,477.3	-76.2
Total Financial Liabilities	3.417,0	6.423,6	-46.8

Related Party Balances

Trade receivables from related parties /

Trade and other payables to related parties

Current trade receivables from related parties (Short Term-TRY)	Dec. 31, 2024	Dec. 31, 2023
Akfen Turizm Yat. ve İşl. A.Ş. (Akfen Turizm) (*)	59,724,619	16,480,676
Akfen İnşaat	640,258	-
	60,364,877	16,480,676

Trade payables due from related parties (Short Term-TRY)

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

Trade payables to related parties (Short Term-TRY)

Akfen International BV (****)	-	1,144,822,888
	-	1,144,822,888

Deferred income from related parties (Short Term-TRY)

Akfen Turizm (*****)	125,339,196	-
	125,339,196	-

(*) Comprises from trade receivables related to BodrumLoft project.

(**) As of December 31, 2024 and 2023 As of December 31, 2018, the related party to Akfen İnşaat Balance of trade payables to counter-parties, Regarding the Company's Yalıkavak project consists of debt balance.

(***) As of December 31, 2024 and 2023 to Akfen Holding as of trade payables due to related parties balance Holding general administration reflecting the expenses of the Group's shareholders.

(****) is owned by the Group's shareholders. As of December 31, 2023 The amount owed to Akfen International BV other payables balance represents the Group's within the scope of Gökliman share purchase and is composed of borrowings As of December 31, 2024 the related debt has been closed.

(*****) As of December 31, 2024 Income from Akfen Turizm deferred revenues, Sogutluceme project in advance Consists of advances received (December 31, 2023: None).

Transactions with Related Parties

Rent expenses/payments	Jan. 1 - Dec.31, 2024	Jan. 1 - Dec.31, 2023
Isparta City Hospital (Isparta Yurt)	4,097,829	4,279,603
Akfen GPYŞ 1. GMY Fonu (Center Office)	2,084,625	1,661,905
	6,182,454	5,941,508

Rent Revenues

Akfen Turizm (Bodrum Loft)	63,456,394	90,794,294
	63,456,394	90,794,294

Interest Revenues

Akfen International	-	61,416,453
	-	61,416,453

Interest Expenses

Akfen Holding	234,566	2,249,482
	234,566	2,249,482

Ongoing construction progress payments

Akfen Construction ^(*)	774,520,277	296,912,150
	774,520,277	296,912,150

(*) Construction progress billings of Akfen İnşaat consist of progress billings received by the Group for the Yalıkavak Project.

Shares Purchased

Akfen Holding (Note 3)	-	33,126,389
	-	33,126,389

On 2 May 2023, Akfen REIT acquired 1,27% of Akfen Karaköy shares of Akfen Holding for TRY 33.126.389.

Other Expenses

Akfen Holding ^(*)	6,397,708	4,374,156
	6,397,708	4,374,156

(*) Comprised of expense reflections.

Benefits Provided to Senior Managers

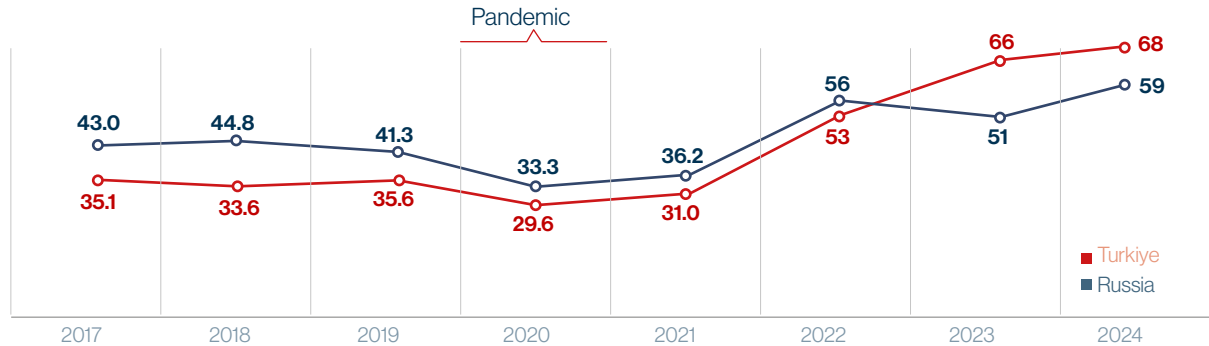
Benefits Provided to Senior Managers ^(*)	26,562,407	30,844,495
	26,562,407	30,844,495

(*) The Company's senior management consists of Independent Board Members, General Manager and Assistant General Managers

Accor Hotels Operational Data



Rate per Room (EUR)



Occupancy Rates and Room Prices

	Dec. 31, '24	Dec. 31, '23	Change (%)
Occupancy Rates %			
Türkiye Total - Ibis	68.7%	67.8%	0.9%
Türkiye Total - Novotel	68.2%	67.0%	1.3%
Türkiye Total - Ibis & Novotel	68.6%	67.5%	1.0%
Russia Total - Ibis	65.2%	62.8%	2.4%
Türkiye & Russia Grand Total	67.7%	66.3%	1.4%



Occupancy Rates (%)

2023	2024
66.3	67.7

Average Room Price (TRY - Excluding VAT)

Türkiye Total - Ibis	1,867	1,209	54%
Türkiye Total - Novotel	3,641	2,826	29%
Türkiye Total - Ibis&Novotel	2,434	1,724	41%
Russia Total - Ibis	2,081	1,307	59%
Türkiye & Russia Grand Total	2,339	1,600	46%



Room Price

2023	2024
1,600	2,339

(Türkiye&Russia Avg. Room Price - TRY)

All Inclusive Revenue per Room for Hotels (TRY - Excluding VAT)

Türkiye Total - Ibis	1,608	1,007	60%
Türkiye Total - Novotel	3,170	2,356	35%
Türkiye Total - Ibis & Novotel	2,110	1,440	47%
Russia Total - Ibis	1,665	1,041	60%
Türkiye & Russia Grand Total	1,988	1,319	51%

Room Price

2023	2024
1,319	1,998

(Türkiye&Russia All Inclusive Rev. per Room - TRY)

Operational and Financial Performance

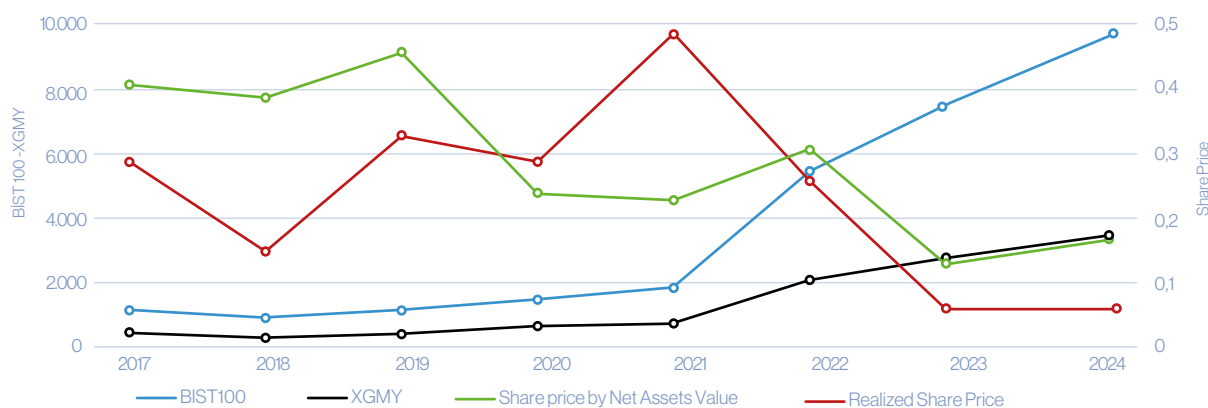
Thanks to the financial discipline it has maintained since 2021, our company has significantly reduced its debt burden and increased investor confidence. At the end of 2024, the financial debt figure decreased to €95 million (31.12.2023: €192 million)

Strengthening the Financial Structure

Thanks to the positive cash flows, net financial debt decreased by 55% to EUR 48 million at the end of 2024. (31.12.2023: EUR 106 m) As of December 31, 2024, the total number of employees of Akfen REIT and its subsidiaries is 44. (December 31, 2023: 43)



Thanks to the positive cash flows, net financial debt was reduced by 55% to EUR 48 million at year-end 2024.



	2017	2018	2019	2020	2021	2022	2023	2024
BIST 100	1,153	913	1,144	1,477	1,858	5,509	7,470	9,830
XGMYO	441	285	405	647	721	2,099	2,449	3,588
MCap. (m. EUR)	98	50	112	98	633	344	236	222
Net Asset Value (m. EUR)	141	135	157	83	299	408	641	687
Share price based on NAV	0.41	0.39	0.46	0.24	0.23	0.31	0.16	0.18
Realized Share Price (EUR)	0.29	0.15	0.33	0.29	0.49	0.26	0.06	0.06

Portfolio Limitations

The Group'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	Dec. 31, 2024	Dec. 31, 2023
A	Cash and capital market instruments	III-48.1. Md. 24 / (b)	1,559,662,807	3,080,169,555
B	Investment properties, investment, property-based projects,	III-48.1. Md. 24 / (a)	14,792,277,402	13,394,633,877
C	Participations	III-48.1. Md. 24 / (b)	4,655,371,744	5,267,450,250
	Due from related parties (non-trade) (*)	III-48.1. Md. 23 / (f)	557,195,835	14,996,237
	Other assets		1,233,700,180	395,208,817
D	Total assets	III-48.1. Md. 3 / (p)	22,798,207,968	22,152,458,736
E	Financial liabilities	III-48.1. Md. 31	1,826,576,734	2,641,143,054
F	Other financial liabilities	III-48.1. Md. 31	53,194,825	75,499,958
G	Finance lease liabilities	III-48.1. Md. 31	-	-
H	Due to related parties (non-trade)	III-48.1. Md. 23 / (f)	-	1,288,545,005
I	Shareholders' equity	III-48.1. Md. 31	19,162,968,582	17,970,247,348
	Other liabilities		1,755,467,827	177,023,371
D	Total liabilities	III-48.1. Md. 3 / (p)	22,798,207,968	22,152,458,736
Unconsolidated (separate) Other financial information		Related Regulation	Dec. 31, 2024	Dec. 31, 2023
A1	Cash and capital market instruments held for payments of investment properties for 3 years	III-48.1. Md. 24 / (b)	-	-
A2	Döviz cinsinden vadeli-vadesiz mevduat/özel cari katılma hesabı ve TL cinsinden vadeli mevduat/katılma hesabı	III-48.1. Md. 24 / (b)	45,822,262	2,891,622,433
A3	Foreign capital market instruments	III-48.1. Md. 24 / (d)	-	-
B1	Foreign inv. property, inv. property-based projects, investment property-based rights	III-48.1. Md. 24 / (d)	-	-
B2	Idle lands	III-48.1. Md. 24 / (c)	14,545,000	-
C1	Foreign subsidiaries	III-48.1. Md. 24 / (d)	-	-
C2	Participation to the operator company	III-48.1. Md. 28//1 (a)	-	-
J	Non-cash loans	III-48.1. Md. 31	294,692,491	1,745,826,755
K	Pledges on land not owned by the Investment Trust which will be used for project developments	III-48.1. Md. 22 / (e)	-	-
L	Money and capital market instrument Inv. held on One Unique Company	III-48.1. Md. 22 / (I)	41,390,674	2,860,972,365

Controlling Compliance with Portfolio Restrictions

Portfolio Constraints	Related Regulation	Current Period	Previous Period	Min./ Max. Ratio
1 Pledges on Land not Owned by the Investment Trust which will be Used for Project Developments	III-48.1. Md. 22 / (e)	0.00%	0.00%	<10%
2 Investment Property, Investment Property Based Projects, Investment Property Based Rights	III-48.1. Md. 24 / (a).(b)	64.88%	60.47%	>51%
3 Cash and Capital Market Instruments and Participations	III-48.1. Md. 24 / (b)	27.26%	37.68%	<50%
4 Foreign Investment Property, , Investment Property based Projects, Investment Property Based Rights, Participations, Cap. Market Instruments	III-48.1. Md. 24 / (d)	0.00%	0.00%	<50%
5 Idle Lands	III-48.1. Md. 24 / (c)	0.06%	0.00%	<20%
6 Participation to the Operator Company	III-48.1. Md. 28 / 1(a)	0.00%	0.00%	<10%
7 Borrowing Limit	III-48.1. Md. 31	11.35%	32.00%	<500%
8 Döviz cinsinden vadeli-vadesiz mevduat / özel cari-katılma hesabı ve TL cinsinden vadeli mevduat / katılma hesabı ^(*)	III-48.1. Md. 24 / (b)	0.20%	13.05%	<10%
9 Money and capital market instrument Investments held on One Unique Co. (**)	III-48.1. Md. 22 / (I)	0.18%	12.91%	<100%

(*) As of December 31, 2024 and 2023, all non-trade receivables from related parties are due from 100% subsidiaries of the Company. (Note 5).

(**) As of December 31, 2023, the excess of the limitation is attributable to the Company's rights issue in December 2023. As of December 31, 2024, there is no such excess.

CHAPTER

06

1. OVERVIEW
2. MANAGEMENT
3. SECTOR ASSESSMENT
4. AKFEN REIT PORTFOLIO
5. FINANCIAL DEVELOPMENT
- 6. CORPORATE GOVERNANCE**
7. COMPLIANCE WITH SUSTAINABILITY PRINCIPLES
8. FINANCIAL STATEMENTS

Corporate Governance

- Statement of Compliance with Corporate Governance Principles
- Shareholders
- Public Disclosure and Transparency
- Stakeholders
- Board of Directors

1. Declaration of Compliance with Corporate Governance Principles

The Company continues its efforts to comply with the principles that are not mandatory. The Company's approach to the principles not yet complied with is detailed in the report.

Akfen Real Estate Investment Trust Inc. ("Company" or "Akfen REIT") complies with all mandatory principles outlined in the Corporate Governance Principles attached to Serial: II-17.1 "Corporate Governance Communiqué" for the 2024 period.

The Company continues to take necessary steps to comply with non-mandatory principles, and the Company's approach and current status regarding principles not yet complied with are provided under the following headings.

The Company is continuously taking steps to achieve the highest standards in corporate governance and is working tirelessly to implement certain advisory provisions. Akfen REIT considers ethical rules, transparency, fairness, accountability, and sustainability principles as integral parts of its corporate culture.

The Articles of Association of Akfen REIT have been amended from time to time to align with the regulations required under the Corporate Governance Principles. The Investor Relations Department reports directly to the Vice Chairman of the Board of Directors and prepares and presents reports to the Board at least once a year regarding its activities. The Investor Relations Manager has been appointed as a member of the Corporate Governance Committee and the sustainability working group.

In line with the Corporate Governance Principles, the Board of Directors has established an Audit Committee and a Corporate Governance Committee.

In accordance with the Board of Directors' decision dated March 14, 2013, the duties of the Early Risk Detection Committee, carried out by the Corporate Governance Committee, have been decided to be performed by a separate committee, as per the amendments made by the Capital Markets Board's Serial IV, No. 63 Communiqué to Serial IV, No. 56 Communiqué.

In the Board of Directors' decision dated May 17, 2024, in accordance with the Capital Markets Board's Serial II-17.1 Corporate Governance Communiqué ("Communiqué"):

1. The Corporate Governance Committee has been appointed until May 17, 2026, with Independent Board Member Mehmet Bahattin Yücel, Vice Chairman of the Board Pelin Akın Özalp, Board Member Gündoğan Durak, and Investor Relations Manager Mustafa Emre Yılmaz. Mehmet Bahattin Yücel will serve as the Chairman of the Corporate Governance Committee.
2. The Corporate Governance Committee will also serve as the Nomination Committee and Remuneration Committee.
3. The Audit Committee has been appointed until May 17, 2026, with Independent Board Member Funda Çağlan Mursaloğlu, Independent Board Member Mehmet Bahattin Yücel, and Independent Board Member Oğuz Satıcı. Funda Çağlan Mursaloğlu will serve as the Chairman of the Audit Committee.
4. The Early Risk Detection Committee has been appointed until May 17, 2026, with Independent Board Member Oğuz Satıcı, Board Member Selim Akın, and Board Member İrfan Erciyas. Oğuz Satıcı will serve as the Chairman of the Early Risk Detection Committee.

The Board of Directors, senior management, and all employees of Akfen REIT support the integration of Corporate Governance Principles at every stage.

Following the adaptation of the Corporate Governance Principles within the Company, it has been declared that activities will be carried out in line with the principles of equality, transparency, accountability, and responsibility. The Corporate Governance Principles Compliance Report has been disclosed to the public as an annex to the Company's Activity Report.

Our Corporate Governance Principles Compliance Report has been published on the Public Disclosure Platform (<https://www.kap.org.tr/tr/Bildirim/1273284>), and a link to access the relevant reports has been provided on the Company's website (www.akfengyo.com.tr) for the information of shareholders and the public.



2.Shareholders

2.1. Investor Relations Department

The exercise of shareholder rights is carried out in compliance with legislation, the Company's Articles of Association, and other internal regulations, and measures are taken to ensure the exercise of these rights.

- The Investor Relations Department reports directly to the Vice Chairman of the Board, Pelin Akın Özalp.
- The Investor Relations Department is managed by Akfen REIT Investor Relations Manager Mustafa Emre Yılmaz, who holds Level 3 Capital Markets Board (SPK) and Corporate Governance Rating licenses.

The Investor Relations Department is responsible for providing accurate, timely, and consistent information and reports about Akfen REIT to current and potential investors; carrying out activities within the scope of the Corporate Governance Communiqué and Guide; enhancing the Company's visibility and credibility; reducing the Company's cost of capital through the implementation of corporate governance principles; and facilitating communication between the Board of Directors and capital market participants. Accordingly, the Company places great importance on communication with shareholders and investors and maintains an active investor relations program.

The primary responsibilities of the Investor Relations Department, which serves as a communication bridge between the Board of Directors, shareholders, and the finan-

cial world, are as follows:

- Ensuring that records of meetings, correspondence, and other information and documents between investors and the Company are maintained accurately, securely, and up-to-date.
- Responding to written information requests from shareholders regarding the Company.
- Preparing documents required to be made available to shareholders for information and review in relation to General Assembly meetings and ensuring that the General Assembly meeting is conducted in compliance with relevant legislation, the Articles of Association, and other internal regulations.
- Overseeing and monitoring the fulfillment of obligations arising from capital markets legislation, including all matters related to corporate governance and public disclosure.

The Investor Relations Unit prioritizes the use of electronic communication tools and the Company's website in all its activities.

The contact information for the Investor Relations Unit is published on the Company's website at www.akfengyo.com.tr and in activity reports. The Investor Relations Unit can be reached at gyoyatirimci@akfengyo.com.tr for any requests or questions.

2.2. Exercise of Shareholders' Right to Information

All shareholders, potential investors, and analysts are treated equally in exercising their right to access and review information, and disclosures are made with the same content and at the same time. Within the framework of information sharing, any information that may concern shareholders and market participants is announced through special circumstance disclosures, and all such disclosures are published on the Company's website.

Written and verbal information requests from shareholders are responded to promptly, in accordance with Capital Markets Legislation. To expand shareholders' right to information, any information that may affect the exercise of these rights is made available to

shareholders on the website in a timely manner. All information on the website is provided in both Turkish and English.

The Company's Articles of Association do not contain any provisions or restrictions regarding the appointment of a special auditor. The Company's Internal Directive on the Working Principles and Procedures of the General Assembly states that any shareholder's request for a special audit will be decided by the General Assembly, regardless of whether it is on the agenda. The Company avoids taking any actions that would hinder the appointment of a special auditor. No request for the appointment of a special auditor was made to the Company in 2024.

2.3 General Assembly Meetings

The Company's 2023 Ordinary General Assembly Meeting was held on May 17, 2024, at 10:00 AM in the Meeting Hall at the Company's headquarters.

The 2023 Ordinary General Assembly Meeting was conducted as follows:

- The invitation to the meeting, as required by Article 414 of the Turkish Commercial Code, was announced in the Turkish Trade Registry Gazette (Issue No. 11069, dated April 25, 2024), on the Company's website, the Public Disclosure Platform, and the Central Registry Agency's Electronic General Assembly System, within the specified timeframe and in accordance with the Turkish Commercial Code and the Company's Articles of Association.
- A total of 3,900,000,000 TL of the Company's capital was represented at the meeting as follows:
 - 11,315,949 TL worth of A Group shares (11,315,949 shares) were represented by proxy.
 - 3,899,966,052.156 TL worth of B Group shares (3,899,966,052.156 shares) were represented in person (9,509,928,282 shares) and by proxy (2,175,327,280.357 shares).
 - 11,315,949 TL worth of C Group shares (11,315,949 shares) were represented by proxy.
 - 11,315,949 TL worth of D Group shares (11,315,949 shares) were represented by proxy.
 - A total of 2,184,837,208.639 shares were represented at the meeting.

The minutes of the General Assembly meeting can be accessed on the Company's website (www.akfengyo.com.tr), the Public Disclosure Platform (<https://www.kap.org.tr/Bildirim/1287696>), and the Turkish Trade Registry Gazette.

Additionally, the upper limit for donations to be made in 2024 was set at 10,000,000 TRY, which was approved by a majority vote.

No extraordinary General Assembly meeting was held in 2024.

2.4. Voting Rights and Minority Rights

The Company avoids practices that hinder the exercise of voting rights and ensures that every shareholder is provided with the easiest and most convenient opportunity to exercise their voting rights.

According to the Company's Articles of Association, each share carries one vote. A, C, and D Group shares are registered and are not traded on Borsa Istanbul (BIST).

There is no provision in the Articles of Association that requires a waiting period before voting rights can be exercised after the acquisition of shares.

The Articles of Association do not contain any provisions preventing a non-shareholder from voting as a proxy.

The exercise of minority rights is subject to the Turkish Commercial Code, the Capital Markets Law, and relevant capital markets regulations. The Articles of Association do not include any additional provisions beyond these regulations. The Company ensures that minority rights are exercised in accordance with the relevant legislation.



2.5. Dividend Rights

Dividend distribution decisions are made in accordance with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Board Regulations and Decisions, Tax Laws, and other relevant legislation, as well as the provisions of the Articles of Association.

There is no preferential treatment among share groups in dividend distribution.

When making dividend distribution decisions, the Company considers its strategies, the capital needs of subsidiaries and affiliates, investment and financing policies, profitability, and cash position.

The method and timing of distributing the decided dividends are determined by the

General Assembly based on the proposal of the Board of Directors. Depending on the General Assembly's decision, dividends may be distributed entirely in cash, entirely as bonus shares, or partially in cash and partially as bonus shares.

The Company's dividend distribution policy is included in the activity report, announced in the Turkish Trade Registry Gazette, and disclosed to the public on the Public Disclosure Platform (KAP) and the Company's website.

The Board of Directors' proposal not to distribute dividends was approved by a majority vote at the General Assembly.

2.6. Transfer of Shares

The transfer and assignment of bearer shares in the Company are subject to the Turkish Commercial Code, the Capital Markets Law, and relevant legislation.

According to the Company's Articles of Association, the transfer of bearer shares cannot be restricted.



3. Public Disclosure and Transparency

3.1. Corporate Website and Content

The Company's website is actively used for public disclosure in accordance with the principles set by the Capital Markets Board (SPK).

All matters related to the "Investor Relations Department" are available on the Company's website at www.akfengyo.com.tr.

All information on the website is also prepared in English to benefit foreign investors.

All applicable Corporate Governance Principles of the Capital Markets Board are published and updated on the Company's website.

Information disclosed by the Company to the public is accessible online. The following information is available on www.akfengyo.com.tr:

- The history of our Company,
- The current management and Freehold structure,
- The Board of Directors and Board committees,
- The latest version of the Articles of Association,
- General Assembly meeting agenda, information documents, proxy voting forms, and meeting minutes,
- Prospectus and public offering circulars,
- Continuous disclosure forms,
- Real estate valuation reports,
- Monthly investor reports,
- Dividend distribution policy,
- Trade registry information,
- Activity reports,
- Corporate Governance Principles Compliance Report,
- Disclosure Policy,
- Dividend Distribution Policy,
- Code of Ethics,
- Special circumstance disclosures,
- Information and charts on share price and performance,
- Investor relations contact information,
- Company contact information,
- Sustainability Principles Compliance Report,
- Sustainability and Corporate Policies,
- Disaster Recovery Plan.

3.2. Activity Report

Akfen REIT's activity report is prepared in detail to ensure that the public has access to complete and accurate information about the Company's activities, in compliance with the requirements set by the relevant legislation. The activity reports are prepared in accordance with the rele-

vant legislation, taking into account all aspects specified in the Corporate Governance Principles.

The 2024 year-end activity report also includes a comprehensive sustainability compliance report.



4. Stakeholders

4.1. Disclosure of Stakeholders

The Company's corporate governance practices and ethical rules guarantee the rights of stakeholders as regulated by legislation and mutual agreements. Stakeholders are continuously informed within the framework of the Company's disclosure policy, established in accordance with current legislation.

Additionally, through press releases, activity reports, the Company's website, and transparency-based disclosure practices, the Company aims to keep all stakeholders informed.

Employees are expected to prioritize the Company's interests over their own, their families', or their close associates'

interests while performing their duties. Employees avoid any actions that could result in personal gain for themselves or their close associates.

Foreseeable potential conflicts of interest and situations defined by the Company's management are communicated to employees, and the Company's management takes necessary measures.

Stakeholders can report the Company's non-compliant or ethically inappropriate transactions to the Corporate Governance Committee and the Audit Committee through the independent members who serve as committee chairs.

4.2. Stakeholders' Participation in Management

The independent members on the Board of Directors ensure that not only the Company and its shareholders but also all stakeholders are represented in the management.

Stakeholder opinions are sought in significant decisions that may impact stakeholders.



4.3. Human Resources Policy

The main principles of the Company's human resources policy are summarized below:

- The principle of providing equal opportunities to individuals under equal conditions in recruitment, training and development, compensation, and career planning is adopted.
- Recruitment criteria are determined in writing and adhered to in practice.
- Employees are treated equally in matters of development and promotion; development policies and plans are created to enhance employees' knowledge, skills, and experience.
- Job descriptions, performance evaluation, and reward criteria are determined by managers and shared with employees.

Employee relations are managed by the Corporate Communications, Human Resources, and Administrative Affairs departments, and no discrimination is made among employees.

As of December 31, 2024, the total number of employees at Akfen REIT, its subsidiaries, and jointly controlled entities is 44.

Code of Ethics

Akfen REIT has defined its "Code of Ethics" to create financial value for shareholders and enhance corporate value. These rules, which all managers and employees must adhere to, have been published on the Company's website.

The Code of Ethics aims to ensure that Akfen REIT managers and employees exhibit high standards of behavior, are aware of the corporate impact of their actions and attitudes, and use the most appropriate methods and demonstrate the highest quality of conduct in their work and interactions with shareholders.

Social Responsibility

The Company is highly committed to acting responsibly toward its social responsibilities in its operations and supports organizations related to its sector.

There are no investigations, lawsuits, legal disputes, or sanctions initiated against the Company or its affiliates regarding these matters.

5. Board of Directors

5.1. Structure and Composition of the Board of Directors

The formation and election of the Board of Directors are carried out in accordance with the Corporate Governance Principles, and the related provisions are included in the Company's Articles of Association.

Accordingly:

The management of the Company, its representation, and binding authority toward third parties are entrusted to a Board of Directors consisting of 9 (nine) members elected by the General Assembly, in compliance with the Turkish Commercial Code and Capital Markets Legislation. The majority of the Board members are non-executive.

At its first meeting, the Board of Directors elects a Chairman from among its members to preside over Board meetings and a Vice Chairman to preside in the Chairman's absence.

The General Assembly elects a sufficient number of independent Board members, in line with the principles of Board member independence outlined in the Capital Markets Board's Corporate Governance Principles, with no fewer than 2 (two) independent members.

The annual activity report includes a statement regarding the independence of Board members.

In accordance with the Company's Articles of Association, the names of the Board members elected to serve in 2024 are as follows:

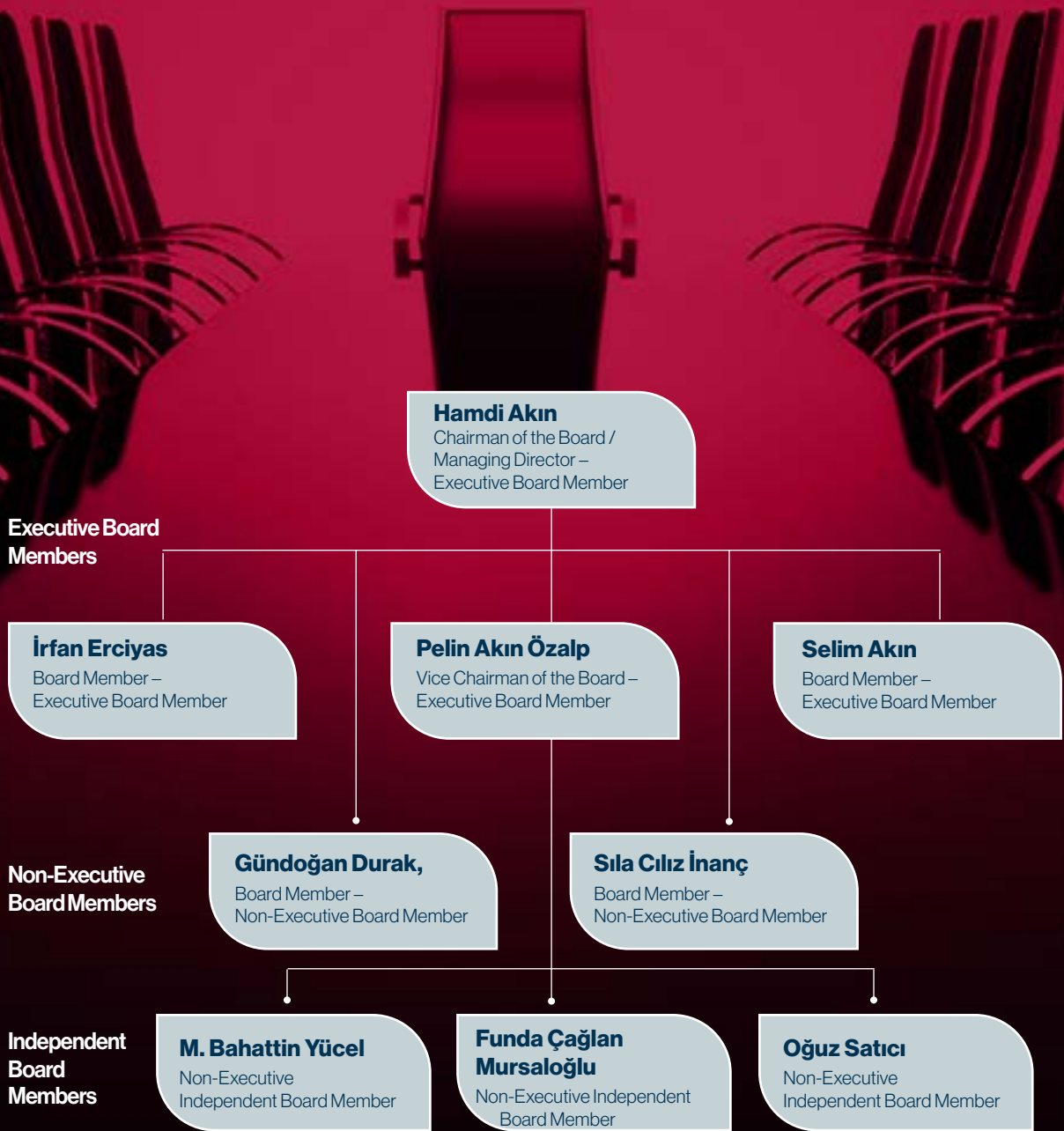
- **Hamdi Akın**, Chairman of the Board / Managing Director – Executive Board Member
- **Pelin Akın Özalp**, Vice Chairman of the Board – Executive Board Member

- **Selim Akın**, Board Member – Executive Board Member
- **Gündoğan Durak**, Board Member – Non-Executive Board Member
- **Sıla Cılız İnanc**, Board Member – Non-Executive Board Member
- **İrfan Erciyas**, Board Member – Executive Board Member
- **Mehmet Bahattin Yücel** – Non-Executive Independent Board Member
- **Funda Çağlan Mursaloğlu** – Non-Executive Independent Board Member
- **Oğuz Satıcı** – Non-Executive Independent Board Member

The Company does not have an Executive Committee. The Chairman of the Board and the General Manager are not the same person. There is no Board member authorized to represent and bind the Company individually.

In accordance with legislation, Independent Board Members must submit a declaration of independence to the Board and immediately inform the Board if their independence is compromised. A person who has served as a Board member for a total of six years within the last ten years cannot be appointed as an independent Board member.

There are no specific rules or restrictions regarding Board members holding positions outside the Company. The external roles of Board members are disclosed in their resumes.



Biographies of Our Board Members



Hamdi Akin

Chairman of the Board /
Managing Director /
Executive Board Member

Hamdi Akin, born in Istanbul in 1954, graduated from Gazi University's Mechanical Engineering department. In 1976, he founded Akfen Holding, which today focuses on investing in, managing, and coordinating subsidiaries and affiliates operating in industries such as infrastructure and superstructure construction, port operations, maritime transportation, water distribution and wastewater services, energy, and real estate. In addition to serving as the Chairman of the Board of Akfen Holding, he also holds the positions of Chairman of the Board of Akfen Renewable Energy and Akfen REIT, as well as being a member of the Board of Directors of Mersin International Port (MIP). In 1997, he established the TAV brand to undertake the construction and operation of Turkey's first large-capacity airport, one of the world's most challenging sectors, and served as its Chairman of the Board until 2017.

Alongside his entrepreneurial ventures, Akin has also carried out infrastructure, energy, and investment projects under privatization programs. He has extended his dynamism and dedication in the business world to civil society organizations by serving as a founder and executive in numerous associations, foundations, and professional chambers.

Hamdi Akin served as the Vice President of Fenerbahçe Sports Club from 2000 to 2002, as the Chairman of the Ankara Regional Representatives Council of the Metal Industrialists' Union (MESS) from 1992 to 2004, as the Chairman of the Board of the Young Businessmen Association of Turkey (TÜGİAD) from 1998 to 2000, as a member of the Board of Directors of the Turkish Confederation of Employer Associations (TİSK) from 1995 to 2001, as a member of the Board of Directors of the Turkish Industry and Business Association (TÜSİAD) and Chairman of the Information Society & New Technologies Committee from 2008 to 2009, and as a member of the Board of Directors of the Marine Environment Protection Association (TURMEPA) from 2011 to 2018.

A founding member of the Contemporary Turkish Studies Chair at the London School of Economics, Akin has been the Founding Member and Honorary President of the Turkish Human Resources and Education Foundation (TİKAV), established in 1999 to provide Turkey with well-trained human resources, and a member of the Board of Trustees of the Basketball Education and Support Foundation (BİDEV).



Pelin Akin Özalp

Vice Chairman of the Board
–Executive Board Member

After graduating from Surrey University, UK, in 2010, Pelin Akin Özalp started her career in the Deutsche Bank. Following her return to Turkey, she attended the MT Program of TAV Airports Holdings. Later moving on to the parent company, she has been serving as a Board Member in Akfen Holding as of 2012.

She is an active member of the Board of Trustees and the Board of Directors at TIKAV (Turkish Human Resources Education and Health Foundation) and Vice President of The Duke of Edinburgh's International Award-Türkiye National Committee. She is also Chairwoman at the Advisory Board of the Contemporary Turkish Studies Chair founded in London School of Economics since 2010.

She has been serving in DEİK (Foreign Economic Relations Board of Turkey)

as a Board Member in Spanish, British and US Business Councils.

Pelin Akin Özalp is a member of Public Policy and Democracy Studies (PODEM), the Association of Family Businesses (TAİDER) and the Young Entrepreneurs Advisory Board of the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

Pelin Akin Özalp is also a Board Member of the Turkish Businesswomen's Association (TİKAD), the Association of Women on the Board of Directors (YKKD) and the Turkish Marine Cleaning Association (TURMEPA).

Currently serving as Board Member of Akfen Holding, and Board of Directors Member of Akfen Renewable Energy, Akfen REIT, Istanbul Sea Buses (İDO) and Travelex.



Selim Akin

Board Member

Selim Akin, who graduated from the Business Department of the University of Surrey in the UK in 2006, began his career in the Accounting Department of Akfen Holding after returning to Turkey the same year. Selim Akin later worked in Akfen Holding's Project Development and Finance Departments.

Some of the key projects he has been involved in include the privatization and financing of Vehicle Inspection Stations, the privatization and financing of Mersin Port, and Akfen Holding's public offering and bond issuance. Currently serving as the Vice Chairman and CEO

of Akfen Holding, Selim Akin also holds the positions of Vice Chairman of the Board of Istanbul Sea Buses (İDO) and Chairman of the Board of Akfen Construction and its subsidiaries.

Selim Akin is a member of the Turkish Industry and Business Association (TÜSİAD), the Turkish Tourism Investors Association (TTYD), the Young Businessmen Association of Turkey, and the Audit Committee of the Turkish Contractors Association (TMB). He has also been serving as a DEİK representative since 2018.

**İrfan Erciyas**

Board Member

İrfan Erciyas graduated from Gazi University's Department of Economics and Finance in 1977. He began his career at Türkiye Vakıflar Bankası, where he served as an Inspector and Branch Manager. He continued his career there as Deputy General Manager from 1996 to 2002 and as General Manager from 2002 to 2003. In 2003, he joined Akfen Holding as Vice Chairman of the Board.

At Akfen Holding, he has played significant roles in key projects, including the privatization of vehicle inspection stations, Mersin International Port, and İDO, as well as the establishment

and investment processes of Akfen REIT and Akfen Energy. He has also been involved in Akfen Holding and Akfen REIT's public offerings, share sales of subsidiaries, and long-term financing.

Since March 2010, İrfan Erciyas has been serving as a Managing Director at Akfen Holding. He holds the positions of Chairman of the Board, Vice Chairman of the Board, and Board Member in many of the Holding's subsidiaries and affiliates, including Akfen REIT. He also serves as Vice Chairman of the Board of Akfen Renewable Energy Inc.

**Sıla Ciliz İnanç**

Board Member

Sıla Ciliz İnanç graduated from Marmara University's Faculty of Law in 1995. After completing her legal internship in 1996, she began working at Akfen Holding in 1997.

She has worked in Public-Private Partnerships (PPP), mergers and acquisitions, and the fields of infrastructure, construction, energy, and competition law in Turkey. She has actively participated in secondary legislation studies related to the Public Procurement Law. She has been involved in all processes of build-operate-transfer projects, rights/con-

cession transfers, and privatization applications in which Akfen and its affiliates are involved, including tenders and transfers. She has also participated in structuring project financing, credit agreements, and the share and bond issuances of Akfen Holding Inc. and Akfen REIT Inc. She has worked on corporate and holding structures.

Sıla Ciliz İnanç continues to serve as a Board Member in Akfen REIT's subsidiaries, as well as in Akfen Holding, Akfen Construction, and their affiliated companies.

**Gündoğan Durak,**

Board Member

Gündoğan Durak graduated from Hacettepe University's Faculty of Economics and Administrative Sciences in 2001. He began his career the same year as an Assistant Account Expert at the Ministry of Finance. From 2005 to 2008, he worked as an Account Expert and Special Advisor to the Minister of Finance. From 2008 to 2009, he served as Group Manager at the Ankara Tax Office.

After completing a master's program in Finance at the University of Illinois between 2010 and 2011, he returned to Turkey and was appointed as a

Senior Tax Inspector in 2012. In June 2013, he joined Deloitte Turkey and worked as a Tax Director and Tax Partner, providing certified public accounting services until August 2017. Gündoğan Durak holds the CPA (Certified Public Accountant) title registered in the state of Illinois, USA. He also holds CMA and CGMA certifications.

He is a member of the TÜSİAD Tax Working Group and the TÜSİAD Investment Environment Roundtable. He currently serves as Deputy General Manager – Financial Affairs at Akfen Holding Inc.

**Oğuz Satıcı**

Independent Board Member

Oğuz Satıcı was born in Istanbul in 1965. He started his education path at Reşitpaşa Elementary School, continued with Mahmutpaşa Junior High and Kabataş Erkek Lisesi (Kabataş Boys' School). He started his business life in his family business of Oguz Iplik Company.

He was elected as the youngest Assembly Member of Istanbul Chamber of the Commerce (ITO) in 1990.

He was a board member of Economic Development Foundation (İKV) between 1996 and 1998. He was the Chairman of Istanbul Textile and Raw Materials Export Association between 1999 and 2001.

Between 2001 and 2008, he served as the President of the Turkish Exporters

Assembly (TİM) for three consecutive terms. During his presidency, Turkish exports increased by 500%.

He was a board member of the Coordination Committee for the Improvement of the Investment Environment of Turkey (YOİKK) in 2001-2008.

He was a board member of the Investment Advisory Council of Turkey (YDK) in 2004-2008. He is also, DEİK (Foreign Economic Relations Board) is the President of Turkey - Central America and Caribbean Business Council.

Satıcı is currently a member of the Board of Directors at Turk Eximbank. Oğuz Satıcı holds a business administration degree from Washington International University.

**Mehmet Bahattin Yücel**

Independent Board Member

Mehmet Bahattin Yücel was born in November 1949 in Nazilli. He completed his primary education at Fatih Sarayhanbaşı Primary School (Istanbul) and Bakırköy Kartaltepe Primary School, followed by Konya Ereğli High School and Kayseri High School. He graduated from Istanbul University's Faculty of Law in 1968.

He started his career in Kayhan Turizm (Hertz Rent a Car) while studying history in Faculty of Literature of Istanbul University and graduated in 1975.

He became co-founder of Esin Turizm A.Ş. (Europcar) between 1975-1982 and worked as the general secretariat of Association of Turkish Travel Agencies (TÜRSAB) between 1979-1983.

From 1982 to 1991, he held managerial positions at Ekin Tourism (Hertz Rent a Car), where he was a founding partner.

He served as the Chairman of TÜRSAB from 1983 to 1987 and again from 1989 to 1991. Between 1988 and 1989, he worked as a lecturer at Istanbul University's Institute of Business Economics, Tourism Department.

Between 1991-1995, been elected as 19th era senator to the Parliament of Turkey, Deputy, he used to be members of Commission of Public Works, Transportation and Tourism, Commission of Investigation of Unidentified Murders and Commission of Investigation of Events in Gazi District. Committee member in 1995 He was a Parliament of Turkey's Gazi Neighbor's case investigation committee member. After he was reelected to Parliament he became the Minister of Tourism between 1996 and 1997.



**Funda Çağlan
Mursaloğlu**

Independent Board
Member

After graduating from Izmir American High School in 1990, Funda Çağlan Mursaloğlu graduated from Boğaziçi University, Department of Psychology in 1995 and then completed her MBA, Master's Degree in International Finance at Yeditepe University.

Between 1996 and 2000, Funda Çağlan Mursaloğlu served at Demir Yatırım A.Ş. as International Sales Representative for Overseas Markets, Research Unit Analyst for Overseas Markets and Sales Representative for Domestic Markets.

In 2000, she joined TEB Investment as an assistant manager for 1 (one) year and took an active role in the public offering processes, among other duties.

Between 2001 and 2006, she was the manager at İş Yatırım Menkul Değerler A.Ş., where she was responsible for the international sales unit's ability to mar-

ket capital markets products, providing services to foreign brokerage houses and asset management companies in bond and futures trading, and developing digital marketing strategies for the Corporate Communications Department.

Between 2006 and 2019, Mrs Mursaloğlu worked as Assistant General Manager at İş Yatırım Menkul Değerler A.Ş., where she took part in and led a wide range of capital markets brokerage transactions, both in Turkey and abroad, providing the technical infrastructure for these transactions, planning and strategy development for investor relations, and corporate communication activities.

Funda Çağlan Mursaloğlu has also held senior positions and responsibilities in various non-governmental organisations (TAİK, DEİK, etc.).



Qualifications of Board Members

In the election of members to the Board of Directors of our Company, all nominated and elected members possess the qualifications specified in the CMB's Corporate Governance Principles.

The Board of Directors is structured to ensure maximum impact and efficiency. Article 14 of the Company's Articles of Association sets forth the relevant principles.

It is essential that the members of the Board of Directors are elected from among persons who have basic knowledge of the legal principles governing the transactions and disposals related to the Company's field of activity, who are trained and experienced in company management, who have the ability to analyze financial statements and reports, and who preferably have higher education.

5.2. Principles of the Board of Directors' Activities

Members of the Board of Directors are provided with timely access to all kinds of information in order to ensure that they can fully fulfill their duties.

A Board of Directors Secretariat reporting to the Chairman of the Board of Directors has been established to provide service to all members of the Board of Directors in order to keep the documents related to the Board of Directors meetings in an organized manner.

Board meetings are planned and held in an effective and efficient manner. As stipulated in the Company's Articles of Association, the Board of Directors convenes whenever deemed necessary for the Company's business.

The Board of Directors may convene upon the call of the Chairman or the Vice Chairman or upon written request of each Board Member to the Chairman or the Vice Chairman to convene the Board of Directors.

- The agenda of the Board of Directors meetings is determined by the Chairman of the Board of Directors, and the agenda may be amended by a resolution of the Board of Directors.
- Independent Board Members receive a monthly attendance fee to be determined by the General Assembly. No remuneration is paid to non-independent Board Members.
- The meeting quorum of the Board of Directors is established with the participation of at least five members.

A total of 30 resolutions were taken by the Board of Directors in 2024. All decisions, except for those considered as related parties, were taken unanimously).

"Directors and Officers Liability Insurance" with a limit of USD 5,000,000 on a group basis for the period 2023-2024 was taken out for the members of the Board of Directors.



The number of decisions taken by the Board of Directors (*)

30

(*) All members of the Board of Directors were in full attendance at the Board meetings.

Prohibition of Transactions and Competition with the Company

Article 1.3.7 of the Communiqué on Determination and Implementation of Corporate Governance Principles published by the Capital Markets Board and Article 1.3.7 of the Turkish Commercial Code 395. and 396.

to authorize the Chairman and Members of the Board of Directors to carry out the transactions specified in Articles 395 and 396. at the General Assembly meeting dated 17.05.2024 approved by the shareholders.

Authorities and Responsibilities of Board Members and Executives

Pursuant to the Company's Articles of Association, the Board of Directors, consisting of 9 (nine) members who fulfill the requirements set forth in the Turkish Commercial Code and CMB legislation, is elected by the General Assembly for a maximum term of 3 (three) years and the majority of the Board of Directors is composed of non-executive members. In addition, not less than 2 (two) independent members who meet the independence criteria defined in the Corporate Governance Principles of the CMB are elected to the Board of Directors. Members whose term of office expires at the end of the term of office may be re-elected.

In the current situation, at the Ordinary General Assembly Meeting dated 17.05.2024 a total of 9 (nine) persons nominated by the Nomination Committee, 3 (three) of whom are independent board members, have been elected to the Board of Directors for a term of 1 (one) year and the term of office of the Board of Directors will expire on 17.05.2026.

The Board of Directors fulfills the duties assigned by the Turkish Commercial Code, the Capital Markets Law, the Company's Articles of Association, the resolutions of the General Assembly and the provisions of the relevant legislation. The Board of Directors is au-

thorized to take decisions on all matters other than those that are required to be resolved by the General Assembly.

The Company shall be managed by the Board of Directors and shall be represented and binded against outsiders. The Board of Directors is authorized to delegate the management partially or completely to one or more members of the Board of Directors or to a third party according to an internal directive to be issued by the Board of Directors. This internal directive shall regulate the management of the company; it shall define the duties required for this purpose, indicate their location and, in particular, determine who reports to whom and who is obliged to provide information. Unless delegated, management shall be vested in all members of the board of directors. The board of directors may delegate the power of representation to one or more managing directors or to third parties as managers. At least one member of the board of directors must have the power of representation

The aforementioned Management Internal Directive (Internal Directive), dated 13.01.2011 367 and 371 of the TCC No. 6102. pursuant to Articles 367 and 371 of the TCC No. 6102; 30.04.2015 at the Board of Directors Meeting dated approved and will be published on 14.08.2020. registered on 14.08.2020 dated and numbered 10138 Turkey Trade Published in the Registry Gazette entered into force. Internal Directive, Members of the Board of Directors, General Manager, Assistant General Managers clear duties, powers and responsibilities is organized in a way.

- Decisions of the Board of Directors the majority of respondents voting the same way is established by the Board of Directors.
- Each member shall have one vote the right to vote, the right to vote in person is used. One of the members of the meeting unless you request that it be done, that a member the consent of the other members to the proposal to notify in writing decisions may also be taken by way of a resolution.
- Board of Directors, legal entity the member representing the shareholder no connection with the legal entity in question the relevant legal entity that is no longer relevant person notified by the shareholder the member in question resigns. shall be deemed to have accepted and the management board replaces this member with the relevant by the legal entity shareholder designated person for the new management elects a member of the board.
- Members not attending the meeting, unless it is based on a legitimate excuse, in writing or otherwise cannot vote in any way.

Within the framework of the Internal Directive:

- **Ece Demirpençe** has been appointed as General Manager until 29.12.2026.
- **Yusuf Anıl** has been appointed as Deputy General Manager responsible for Financial Affairs until 29.12.2026.
- **Memduh Okyay Turan** has been appointed as Deputy General Manager responsible for Hotel Operations until 29.12.2026.

5.3. Number, Structure and Independence of the Committees of the Board of Directors

The Board of Directors establishes necessary committees within its structure to ensure the proper fulfillment of its duties and responsibilities in accordance with the regulations of the Capital Markets Board (CMB) and relevant legislation. The scope of duties, working principles, and composition of these committees are determined by the Board of Directors and disclosed to the public.

The Board of Directors may form committees or commissions from among its members as needed to monitor the progress of operations, prepare matters to be presented to the Board, decide on the preparation of financial statements, oversee the implementation of decisions, and address other important issues. Committees meet as frequently as necessary to ensure the effectiveness of their work.

Corporate Governance Committee

The Corporate Governance Committee, which reports directly to the Board of Directors, ensures that the Company complies with internationally recognized Corporate Governance Principles. The establishment and development of the necessary structures and practices for the management of the organization and its senior management, assists the Board of Directors in coordinating the remuneration, development and career planning of the executives.

The Corporate Governance Committee supports the Board of Directors by conducting studies on Akfen REIT's compliance with corporate governance principles, determination of Board Members and senior executives, remuneration, reward and performance evaluation, career planning, investor relations and public disclosure.

The Corporate Governance Committee consists of three members appointed from among the Board Members and the Investor Relations Department Manager. The Chairman of the Corporate Governance Committee is appointed by the Board of Directors.

In 2024, a sustainability working group was established and It was connected to the Corporate Governance Committee by the Board of Directors' resolution. The Group's activities are tabulated in the table 2024 was included in the year-end annual report and a comprehensive report was prepared with SUCSR LTD. The report

was disclosed in the integrated annual report for 2024.

The Corporate Governance Committee is responsible for monitoring the Company's compliance with corporate governance principles and is specifically tasked with the realization of the following issues:

- To investigate the extent to which corporate governance principles are applied in the Company, to determine the reasons for non-application, and to identify the negative consequences of non-application and to propose remedial measures to be taken,
- To be proposed to the Board of Directors
- To determine methods to ensure transparency in the nomination of member candidates,
- Members of the Board of Directors and the Managing-
- Developing recommendations by conducting studies on the number of performers,
- Members of the Board of Directors and Developing recommendations on principles and practices regarding the performance evaluation and rewarding of executives and monitoring their implementation.

Oversee the management of the Investor relations department and oversee the work of the sustainability working group.

The Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee within the framework of the principles and the Company's Articles of Association.

Corporate Governance Committee



Chairman
M. Bahattin Yücel
Independent Board Member



Member
Pelin Akın Özalp
Deputy Chairman of the BoD



Member
Gündoğan Durak
Board Member



Member
M. Emre Yılmaz
Investor Relations Director

Audit Committee

The Audit Committee supports the Board of Directors in overseeing Akfen REIT's accounting system, auditing and public disclosure of financial information, and the functioning and effectiveness of the internal control system. The Audit Committee consists of three members appointed from among the members of the Board of Directors.

Members of the Audit Committee and the Corporate Governance Committee are appointed in accordance with the principles set out in Akfen REIT's Articles of Association.

by the Board of Directors on the basis of

The Audit Committee is appointed and its duties and authorities are determined by the Board of Directors.

The Audit Committee is responsible for taking all necessary measures to ensure that all kinds of internal and independent external audits are conducted in an adequate and transparent manner, and for carrying out the duties assigned by the Capital Markets Legislation and Corporate Governance Principles.

The Audit Committee convenes at least four times a year, at least quarterly. The members of the Audit Committee are listed below:

In order to ensure the participation of minority and stakeholders in management, the three independent members of the Board of Directors are members of both the Corporate Governance Committee and the Audit Committee.

Audit Committee



Chairman
Funda Çağlan Mursaloğlu
Independent Board Member



Member
M. Bahattin Yücel
Independent Board Member



Member
Oğuz Satıcı
Independent Board Member

Early Risk Detection Committee

On 14 March 2013, our Company decided, through a Board of Directors resolution, to establish a separate committee to carry out the duties of the Early Risk Detection Committee, which were previously conducted by the Corporate Governance Committee, in accordance with the amendments made by the Capital Markets Board's Communiqué No. 63 to Communiqué No. IV: 56.

The Early Risk Detection Committee is responsible for identifying risks that could jeopardize the Company's existence, development, and continuity at an early stage, taking necessary measures to address the identified risks, and managing risks. The Committee reviews risk management systems at least once a year. Additionally, the Committee meets every two months to inform the Board of Directors about

the identified risks and the action plans taken.

In 2024, the Audit Committee made 6 decisions and reported them to the Board of Directors. These reports included evaluations of valuation reports and various significant matters affecting the Company's operations and financial position during 2024. Among these matters were the review of year-end and interim valuation reports, the impact of the sale of all Akfen GT shares, the building permit and risk assessment of the Muğla Kıyıkışlacık project, the effects of inflation accounting, the cash flow impact of the Florida elderly care project, the operational impacts of the Novotel projects in Ankara and İstanbul, and the risks associated with the merger process of our wholly-owned subsidiary, Akfen Karaköy.

Early Risk Detection Committee



Chairman
Oğuz Satıcı
Independent Board Member



Member
Selim Akın
Board Member



Member
İrfan Erciyas
Board Member

5.5. Company's Strategic Goals

Mission

To be the leading hotel investor in Turkey and the surrounding geography, developing hotel projects operated at the highest standards by international hotel operators.

Vision

To achieve stable balance sheet growth by developing highly profitable projects in the real estate sector, while providing high capital and dividend returns to its shareholders.

Strategic Perspective

Akfen REIT is optimally positioned for steady growth in the city hotel sector and specializes in city hotel investment at international standards.

- Strategic partnership with "Accor", Europe's largest and one of the world's leading hotel groups,
- Economic city hotel investment,
- Predictable, sustainable cash flow with long-term lease agreements,
- Growing portfolio with long-term contracts and asset purchases that provide sustainable cash flow and profitability
- Increasing rental income with the performance of hotels,
- Declining Net Debt/EBIT-DA profile
- Stronger balance sheet and income statement
- Know-how acquired through specialization in a single subject,
- The Company's ability to work with minimum staff as the hotel staff are Accor staff.

Corporate Policy

To use the know-how, organizational skills and technological opportunities that we have gained since the first day with the driving force created by quality people and expert teamwork.

Corporate Management Practices

Our Company has taken the necessary care to comply with the Corporate Governance Principles published by the Capital Markets Board. The Corporate Governance Information Form and Corporate Governance Compliance Report are disclosed in the related section <https://www.kap.org.tr/en/Bildirim/1273284>. The Corporate Governance Committee continues its activities.

Principles

Working with well-trained and experienced human resources; quality in production, construction and work management. To plan and complete the works under its responsibility in a timely and high quality manner.

The Board of Directors sets the strategic goals

for the relevant periods in discussion with the Managing Director and senior management. The Board of Directors also reviews the degree to which the Company has achieved its goals, its activities and past performance within the scope of the yearend performance evaluation process.

5.6. Financial Rights

In line with the Corporate Governance Principles of the Capital Markets Board, Independent Board Members are paid a determined fee to compensate for their time investment and to enable them to fulfill their responsibilities. At the Ordinary General Assembly Meeting held on 17.05.2024 for the 2024 activities, it was decided by the General Assembly to pay each Independent Board Member a monthly net fee of 35,000.00 TL, while no fees or attendance allowances were granted to other Board Members.

In accordance with the Corporate Governance Principles, information regarding payments made under the "Remuneration Policy" for Board Members and Senior Executives was provided to the shareholders at the 2023 Ordinary General Assembly held on 17.05.2024.

The Company does not engage in transactions such as providing loans, extending credit, or granting guarantees in favor of its Board Members or executives.

CHAPTER

07

1. OVERVIEW
2. MANAGEMENT
3. SECTOR ASSESSMENT
4. AKFEN REIT PORTFOLIO
5. FINANCIAL DEVELOPMENT
6. CORPORATE GOVERNANCE
7. **COMPLIANCE WITH SUSTAINABILITY PRINCIPLES**
8. FINANCIAL STATEMENTS

Sustainability Compliance with Principles

- Chairman's Message
- Akfen REIT and Sustainability
- Sustainability in Management
- Sustainability in Compliance
- Sustainability in Operation
- Social Sustainability in
- Current Status

Dear Stakeholders,

We review all our processes and develop innovative and environmentally friendly projects to reach our net zero emission target by 2050.

As Akfen REIT, we took necessary steps in 2024 that were in line with our goal of creating sustainable and long-term value. We are not only building physical structures in the real estate sector but also creating solid foundations for a sustainable future. By placing environmental, social, and governance (ESG) principles at the center of our business model, we move forward with a greater sense of responsibility every year. This year, we strengthened our focus on sustainability at every stage of our operations. Through the energy efficiency projects we carried out at our Bodrum Loft facility, we managed to reduce our energy consumption by 4% compared to the previous year. At the same time, we optimized our water consumption and reduced the daily water use per guest from 0.4 m³ to 0.33 m³. In line with our sensitivity in water management, we recovered 11,949 m³ of water and used it for green area irrigation in 2024 alone. We also took concrete steps to reduce our carbon footprint. We achieved a "B Management Level" rating in CDP Climate Change Reporting, demonstrating a transparent and accountable sustainability performance. In addition, in 2024, we eliminated plastic bottles in our head office switched to glass bottles, and reduced our total amount of hazardous waste by 17% within the framework of our waste management policy. To ensure sustainability in management, we continue to strengthen our corporate governance principles within the framework of transparency and ethical values. According to the results of the customer satisfaction survey we started in 2023 and continued

in 2024, 97.14% of our tenants stated that they were satisfied with our service quality. This rate is a reflection of the strong ties we have established with our stakeholders and our understanding of quality service. In the area of social sustainability, we made significant investments in the development of our employees. Throughout 2024, we provided our employees with 4,139 hours of education. As a result of the steps we have taken to increase our woman employment rate, our woman employee ratio reached 33% as of 2024. Our goal is to increase this ratio to over 40% in the next three years. We also continued to support educational projects for young people and provided "Zero Waste and Sustainability Awareness" education to nearly 200 students. Our achievements are not just numbers; they are also a valuable legacy we leave to society and the environment. As a UNGC signatory, we are working to further strengthen this legacy. In the coming period, we will continue to progress in combating climate change, energy and water efficiency, waste management, ethical governance, and employee satisfaction. By 2050, we are reviewing all our processes and developing innovative and environmentally friendly projects to reach our net zero emission target.

Satisfaction rate
of our tenants with
service quality

97.14%

Education provided
to employees

4,139
hours

With love and respect,

Ece Demirpençe



About the Report

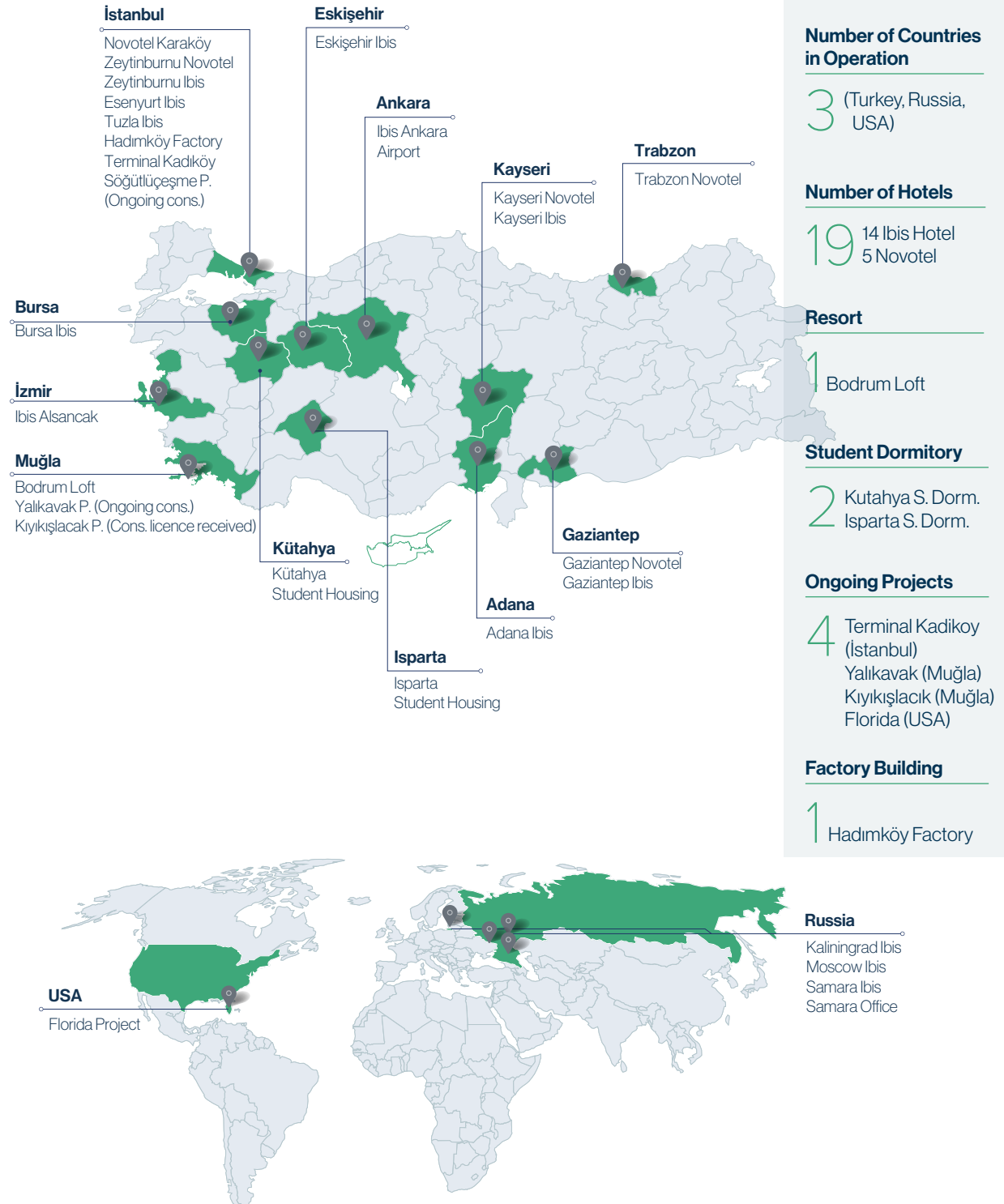
As Akfen REIT, we, present the efforts we have realized in line with the targets we set in our previous Sustainability Report and our contributions to the Sustainable Development Goals (SDGs) to our valuable stakeholders under the headings of Sustainability in Management, Sustainability in Compliance, Sustainability in Operations and Social Sustainability within the framework of our sustainability strategy. This is our fourth Sustainability Report covering our sustainability performance in Akfen REIT Head Office, Bodrum Loft and Bod-

rum Yalıkavak (Iasos Loft), Kızılkışlacık and Sogutluceme (Terminal Kadıkoy) projects between January 1, 2024 and December 31, 2024. The report has been prepared in Turkish and English by the global reporting initiative GRI Standards. Each year, the relevant report will be published on the Akfen REIT intranet site in line with the expectations of our stakeholders.



You can share your comments and suggestions about the report at surdurulebilirlik@akfen.com.tr.

Our Portfolio



Highlights in 2024

As Akfen REIT, we left behind a year in which we continued to fulfill our environmental and social responsibilities in the best way possible by adopting a sustainability-oriented business model. Throughout 2024, we took significant steps in many areas ranging from energy and water efficiency to waste management and reducing our carbon footprint. The development of our employees and the satisfaction of our stakeholders have always been a priority for us.

As a reflection of our sustainability journey, we were deemed worthy of the "Contribution to Sustainability Award" by GYODER and included in the Borsa Istanbul (BIST) Sustainability Index. With a transparent and accountable management approach, we continue our efforts to achieve our net zero emission target by 2050. We are proud to share the steps we have taken with the mission of leaving a more livable world for the future.

Contribution to the Turkish Economy!

- In 2024, we contributed approximately TRY730 million to the state's tourism export revenue with our foreign guests hosted in both Bodrum Loft and our Ibis and Novotel branded hotels operated by Accor.

We Took Significant Steps in Energy and Water Efficiency!

- We increased our sensitivity to water management and recovered 11,949 m³ of water and used it for irrigation of our green areas.
- We made a significant contribution to water saving by reducing our daily water consumption per guest from 0.4 m³ to 0.33 m³.

Reducing Our Carbon Footprint!

- We achieved a "B Management Level" rating in CDP Climate Change Reporting, demonstrating a transparent and accountable sustainability performance.
- In line with our waste management policy, we reduced the amount of hazardous waste by 17% at our Bodrum Loft facility.
- We prioritize our sustainability and green building practices!
- In our Terminal Kadikoy project, we increased the green area ratio by building low-rise structures.

We Care About Sustainability in Management and Satisfaction of Our Stakeholders!

- In the customer satisfaction survey we conducted for the first time, we found that 97.14% of our tenants were satisfied with our service quality.
- In line with the importance we attach to the development of our employees, we organized 4,139 hours of training programs.
- We increased our female employee ratio to 33% and aim to increase it to over 40% in the next three years. We shape our future strategies according to our **Net Zero Emission** target.
- By 2050, we are reviewing all our processes and developing environmentally friendly projects to achieve our net zero emission target.
- We make our operational processes more efficient with our digital transformation projects.
- We aim to carry our environmental and social investments even further by using sustainable financing sources.
- Reflecting our commitment to environmental responsibility, we spent TRY 9,353,606 on environmental initiatives throughout 2024.

Awards Achievements

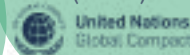
We were included in the Sustainability Index. (October 1, 2023)



GYODER - Contribution to Sustainability Award (October 2023)



We became a UNGC signatory (2024)



CDP - Carbon Disclosure Project Climate Change Reporting "B Management Level" (2024)



Sustainability in Management

As Akfen REIT, we conduct our activities in full compliance with legal regulations and applicable rules, respecting ethical standards and adhering to the principle of transparency.

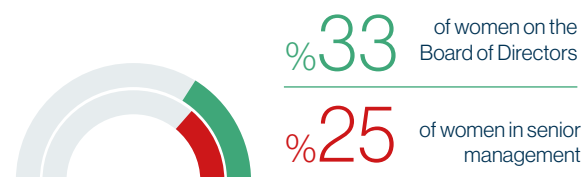
Corporate Governance

The highest governance body of Akfen REIT in corporate management practices is the Board of Directors. The Board of Directors consists of 1 Chairperson, 1 Vice Chairperson, 4 Board Members, and 3 Independent Board Members.

By the Turkish Commercial Code and Akfen REIT's Articles of Association, the maximum term of office of the members of the Board of Directors is determined as 3 years. Members of the Board of Directors whose term of office expires may be re-elected. However, Independent Members of the Board of Directors cannot hold office for a period exceeding 6 years within 10 years. The General Manager and Assistant General Managers are appointed for a term determined by the Board of Directors and may be re-appointed at the end of their term. There are no term limits set for other senior executives of the Company.

The Board of Directors is involved in all corporate governance matters and may exercise its discretionary authority to ensure that such matters do not harm the Company's business operations. In addition, the Board of Directors and the committees of the Board of Directors are authorized to engage independent legal, financial, or other advisors, if necessary, without consulting any officer of the company.

Women represent 33% of the Board of Directors and 25% of the Senior Management.



The Board of Directors of Akfen REIT

- **Hamdi Akın** - Chairperson of the Board of Directors
- **Selim Akın** - Board Member
- **Pelin Akın Özalp** - Vice Chairperson of the BoD
- **İrfan Erciyas** - Board Member
- **Sıla Cılız İnanç** - Board Member
- **Gündoğan Durak** - Board Member
- **Funda Çağlan Mursaloğlu** - Independent Board Member
- **M. Bahattin Yücel** - Independent Board Member
- **Oğuz Satıcı** - Independent Board Member

3 different committees are reporting to the BoD

- **Audit Committee**
- **Early Identification of Risk Committee**
- **Corporate Governance Committee**

Senior Management of Akfen REIT

- **Ece Demirpençe** - General Manager
- **Memduh Okyay Turan** - Deputy Gen. Manager Operations
- **Cüneyt Baltaoğlu** - Coordinator of Projects in Russia
- **Yusuf Anıl** - Deputy General Manager - Financial Affairs
- **M. Emre Yılmaz** - Investor Relations Director
- **Kadir Özcan** - Assistant Accounting Manager
- **Melis Aksungur** - Accounting Senior Specialist
- **Hülya Ay** - Administrative Staff
- **Oğuzhan Turan** - Administrative Staff
- **Fatih Akar** - Administrative Staff
- **Şevin Nar Yalçın** - Company Attorney

Board Structure and Shareholders' Rights



The management structure of Akfen REIT has been determined by the Company's Articles of Association and the Board of Directors Diversity Policy. The General Assembly of the Company has authorized the Board of Directors to purchase all kinds of services, consultancy, and goods. The Board of Directors has the authority to make and implement decisions on these matters by distributing duties within itself. Board members are required to disclose their declarations of independence to the public every year.

Observing the principle of independence, the Company takes all its decisions with the participation of shareholders and the voting rights are equal for each shareholder in proportion to the shares they hold. The members of the Board of Directors are generally elected by majority vote at the General Assembly and no shareholder has the right to dismiss the members of the Board of Directors. In the Company's Articles of Association, shareholders are notified before their pre-emptive rights are restricted and are entitled to object. All transactions of the Company are carried out by the corporate governance principles of the Capital Markets Board (CMB). Transactions and board decisions taken in line with the mandatory principles are deemed invalid and contrary to the articles of association. General assemblies of the Company may be

held with the participation of minority shareholders and each shareholder has equal rights in proportion to his/her shareholding.

The Company's Articles of Association do not contain any limitations on the shareholders' right to approve significant transitions such as mergers and acquisitions. The Company also does not have a ceiling right or a provision for the acquisition of control shares. While it is ensured that shareholders have equal rights in general assembly meetings, the right of shareholders to approve mergers, acquisitions, and other significant transactions is unlimited. In addition, if the pre-emptive rights of shareholders are to be limited, the necessary notifications and announcements are made, and the shareholders are informed and given the right to object.

The Company protects shareholders, the environment, customers, employees, and managers in all its transactions. In addition, insurance is taken out annually to cover any damages that may be incurred by the Company as a result of any negligence that may occur during the performance of the duties of the members of the Board of Directors. The Company's publicly traded shares are subject to the fair price provision by the Capital Markets Law No. 6362.

Risk and Opportunity Management

At Akfen REIT, it is our corporate priority to conduct all our business processes and relationships in line with the principles of responsibility, honesty, reliability, equality, and confidentiality. Within this framework, Akfen Holding's Code of Business Ethics and supporting policies are accepted as basic guidelines and we expect all our employees to exhibit attitudes and behaviors by these principles.

As Akfen REIT, we develop strategies to protect our business continuity and current value by monitoring our financial and non-financial risks periodically, always staying up-to-date, and anticipating any situation that may arise. We aim to create opportunities from potential risks by managing these processes most efficiently. While analyzing non-financial risks, we regularly review international sources, particularly the WEF Global Risks Report published every year.

We also develop strategies by assessing risks and opportunities in terms of environmental, management, and social sustainability indicators on the outputs of our current and under-construction projects. The Sustainability Management Committee and the Early Detection of Risk Committee are continuously working on risk and opportunity management.

The Early Detection of Risk Committee conducts studies to identify financial and non-financial risks and regularly obtains independent audit services to prepare internal audit reports. These reports are updated every two months presented directly to the Board of Directors and evaluated by the Board of Directors.

Internal Audit Business Ethics

As Akfen REIT, we continue to evaluate climate change and technological topics by taking climate change and technological topics to the center while carrying out our activities and determining our strategies and targets, and we continue our efforts to take remedial actions in these matters.

As Akfen REIT, we consider our risk management processes as one of the most essential parts of our operations and we continue to carry out our work in this direction. We take into account all the risks we measure at all levels of decision-making mechanisms and in all our business activities.

Corporate Risk Management

Corporate risk management is carried out by the Early Detection of Risk Committee based on the Risk Inventory Framework, Corporate Governance Principles, and the Early Detection of Risk Committee Regulation.

In line with the risks identified by the materiality analysis, the Board of Directors monitors 'high' and 'very high' level risks and we implement effective risk management by developing action plans for these risks. In our organization, a risk owner is assigned for each risk and we manage the relevant risk within the framework of the agreed action plan and assign these matters to the risk owner.

Board of Directors

Within Akfen REIT, we have systems covering risk management and information systems. We ensure that the effectiveness of our risk management and control systems is evaluated through our Board of Directors at least once a year.

In this context, we assess, measure, and prioritize our climate-related risks and opportunities. We also ensure that our non-financial risk items are converted into financial metrics. We support these processes through our policies and procedures. In 2022, we started entering data on the Refinitiv ESG platform.

To better assess our current position from an international perspective and to see where we are compared to our competitors, we decided to report within the scope of CDP within Akfen Holding in 2023. In the 2024 climate change and water security assessment conducted by the Carbon Disclosure Project (CDP), one of the prestigious environmental reporting platforms, Akfen REIT achieved the highest score of B in the SME category in the field of Climate Change.

We will continuously improve ourselves and explore new methods and techniques to bolster our knowledge of climate risks and opportunities. These efforts will contribute to our industry-leading position as part of our commitment to a sustainable future.

Our Commitment to Corporate Management and Sustainability

At Akfen REIT, we address financial and non-financial factors from an integrated perspective and consider governance and sustainability principles as an integral part of our business strategy.

In our annual reports and Management's Discussion and Analysis (MD&A) section, we comprehensively cover environmental, social, and governance (ESG) factors and transparently share our approach with our stakeholders.

By adopting the Principles for Responsible Investment (UN PRI), we prioritize long-term sustainable value creation in our investment decisions. With our performance-oriented incentive policies, we direct our managers towards goals that will contribute to sustainable growth and shape our corporate governance approach accordingly.

We conduct our corporate governance policies in line with the principles of transparency, accountability, and stakeholder participation. We adopt a strong governance model by presenting information on all critical topics from our voting processes to our management policies in a clear and accessible manner.

As Akfen REIT, we operate in full compliance with the CMB's corporate governance expectations and continue to implement the best practices in sustainability and governance.



Identifying Sustainability and Climate Change Risks

Overview

Akfen REIT is one of the leading real estate investment trusts. Its portfolio includes hotels, commercial real estate, and mixed-use projects, and the company has a stable cash flow based on rental income.

Akfen REIT has adopted sustainability principles and put environmental, social, and governance (ESG) factors at the center of its strategies for the last 3 years. Akfen REIT aims to create value in its portfolio by increasing its sustainability-oriented investments by 2024.

Financial Performance

As of 2024, Akfen REIT's financial performance has followed a positive course in terms of its portfolio in general.

Rental Income: Rental income from hotels and commercial real estate continued to grow steadily. In particular, the return on tourism-oriented investments increased.

Investment Expenses: Capital expenditures increased due to ongoing new investment projects (Sogutluceme Terminal Kadikoy, Yalikavak Villa Project, etc.) and necessary renovations in dormitories and hotels. Our new investments Sogutluceme Terminal Kadikoy and Bodrum Yalikavak projects have a significant share in capital expenditures for 2024.

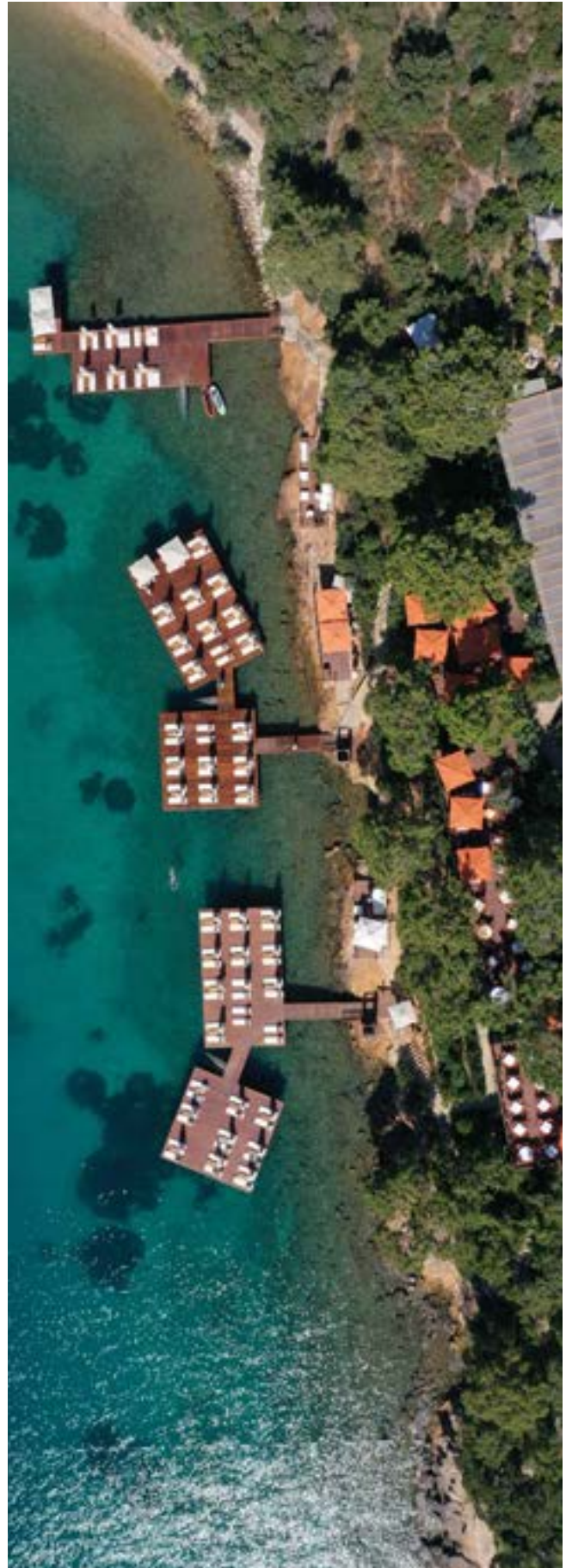
Liquidity and Financing: The Company manages its debt burden effectively with the financing sources it provides. It has strengthened its cash flow with liquidity provided by long-term healthy rental income and sustainable financing model mechanisms.

Operational Performance

Bodrum Loft: Operated with a 100% occupancy rate throughout the tourism season. High scores were obtained in guest satisfaction surveys and customer loyalty was increased.

Green Building Practices: LEED and other sustainability certifications are targeted for new projects. At Bodrum Loft, innovative solutions are being implemented to increase energy efficiency.

Water and Energy Efficiency: In 2024, although there was a slight increase in energy consumption at Bodrum Loft (due to the newly established restaurant and the increase in the number of guests), the total energy consumption in 2024 was realized as 4% compared to 2023 by subtracting the additional new investments. Through efficiency projects, groundwater consumption decreased by 27% compared to the previous year. The amount of water recovered was used for landscape irrigation and common area cleaning to minimize consumption.



Risks and Opportunities

Macroeconomic Risks: Inflation and fluctuations in interest rates are factors that can affect the financial structure of the company. Hedging strategies have been developed against exchange rate fluctuations.

Regulatory Risks: Legislative changes related to the real estate sector such as CMB, Tax, etc. are closely monitored. Internal compliance programs have been strengthened to comply with new regulations.

Sustainability and ESG Opportunities: Akfen REIT increases the use of renewable energy in its new projects in line with its carbon footprint reduction targets. Carbon emissions are minimized with rooftop solar panels and energy-efficient lighting systems.

Future Prospects and Strategies

Portfolio Growth Strategy: It plans to expand its real estate portfolio with new projects. In particular, investment opportunities with innovative and high return rates are evaluated.

Digital Transformation: Digitalization of lease agreements and operational functioning will be ensured. Operational efficiency will be increased by reducing costs with automation systems. With the Paperwork system, all contracts have been digitized.

Sustainability Goals: It aims to reduce its carbon footprint by 2030 in line with the requirements to be achieved both by public authorities and on a global scale. Within the scope of environmental sustainability projects, waste management and water-saving projects will be expanded. As a result, Akfen REIT has focused on sustainable growth in 2024 and adopted a transparent and effective management approach in line with ESG principles. The company aims to provide long-term returns to its investors through operational excellence, innovative solutions, and sustainable value-creation strategies.



At Akfen REIT, we are aware that the risks associated with sustainability and climate change present various opportunities and risks to our company's current and future activities, investor behavior, and stakeholder relations. With this understanding, we aim to identify our sustainability and climate-related risks and take proactive measures against these risks. In this context, we will continue our risk analysis studies on sustainability and climate change in 2024.

The Sustainability Management Committee and the Early Detection of Risk Committee evaluate the risks that may adversely affect our sustainability performance; They determine sustainability risks including environmental, social, and managerial factors, especially climate change. These risks are presented to the Board of Directors by Pelin Akın Özalp, Vice Chairperson Board of Directors and Chief Sustainability Officer of Akfen REIT, Chair of the Sustainability Management Committee.

In addition, the determination of the company's future sustainability and climate risks is the joint responsibility of the Sustainability Management Committee and the Early Detection of Risk Committee. Investments to be made within the framework of risks are examined in detail and strategies to improve performance are evaluated by the Sustainability Management Committee, and the findings are reported to the Board of Directors, Corporate Governance Committee, and the Board of Directors at regular intervals.

We will start comprehensive studies to analyze the financial impacts of the sustainability and climate change risks we have identified in 2025, and in this direction, we plan to report within the framework of Türkiye Sustainability Reporting Standards (TSRS) by June 30, 2025.

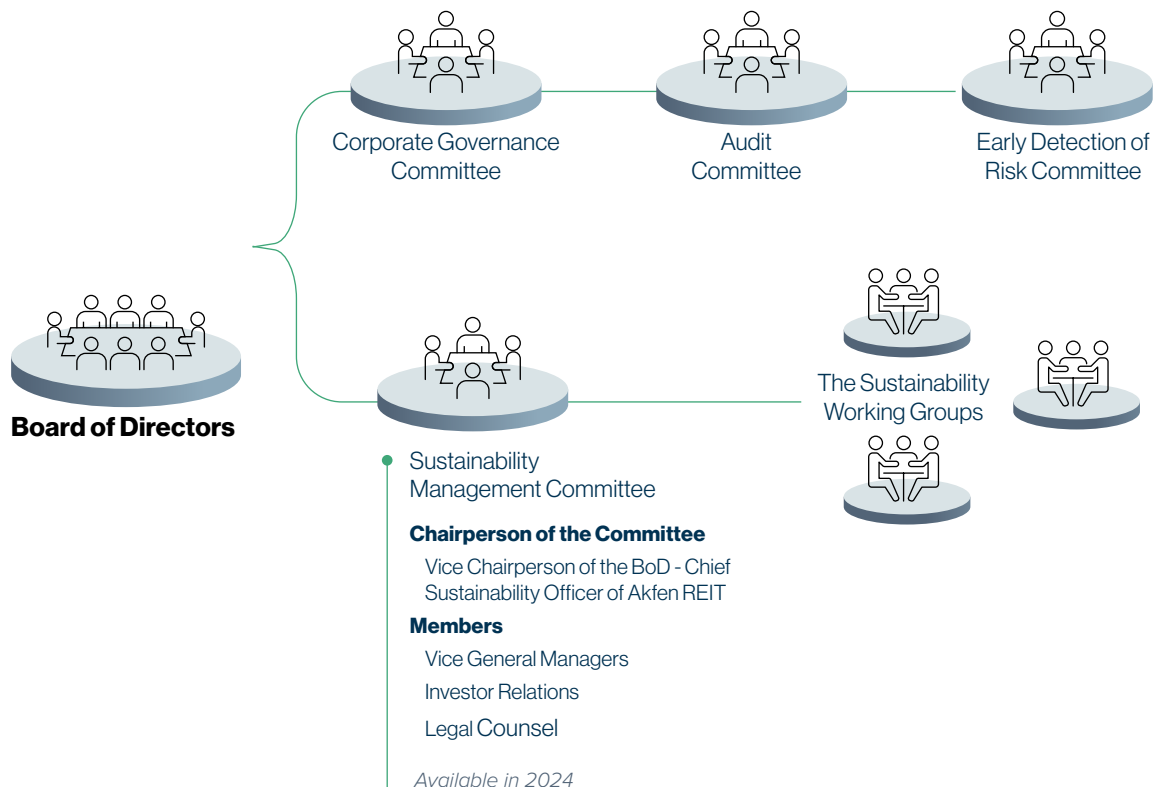
Sustainability Management

At Akfen REIT, we manage our environmental, social, and governance (ESG) topics in line with the sustainability priorities we have determined, by our corporate policies, under the leadership of the Sustainability Management Committee and reporting to the Board of Directors.

The Sustainability Management Committee holds regular evaluation meetings every month. In these meetings, current performance is analyzed in line with the reports of the Sustainability Working Groups, and action plans are created for opportunities by reviewing the company's ESG risks. The outcomes of the management meetings are shared with Pelin Akin Özalp, Vice Chairperson Board of Directors and Chief Sustainability Officer of Akfen REIT, and then reported to the Board of Directors and the Corporate Governance Committee.

Sustainability Working Groups are responsible for monitoring the environmental, social, and governance performance of the company, evaluating the work carried out during the activity period, following the sustainability agenda, monitoring existing laws and regulations, and implementing the actions to be taken in this direction. When necessary, Sustainability Working Groups hold meetings and submit their reports to the Sustainability Management Committee.

To improve its sustainability performance in line with our goals and strategy, Sustainability KPIs and targets have been added to the Senior Management and Executive performance criteria in 2024. One of the most significant goals added to the performance criteria of Senior Management and Management is "Adopting the concept of sustainability and reducing the carbon footprint" the performance criteria of the General Manager of Akfen REIT.



Our Sustainability Approach

Sustainability in Management

UN Sustainable Development Goals 2, 4, 5, 8, 10, 17

The basic principles adhered to in the management of the construction process of the projects allow these projects to be carried out in an egalitarian, inclusive, and appropriate manner with the understanding of ethical corporate governance, focusing on the health and safety of the employees and increasing their welfare.



Sustainability in Compliance

UN Sustainable Development Goals 6, 7, 9, 13, 14, 15 ve 17

Akfen REIT attaches utmost importance to the realization of all projects in its partnership in a way that will reduce the negative impact of human activities on climate change be compatible and resistant to actual climate change, and prioritize all business goals.



Sustainability in Operation

UN Sustainable Development Goals 4, 5, 8, 10 ve 17

Akfen REIT's value creation is based on qualified employment. The basis of employment is an understanding of justice that values fundamental rights and freedoms, and it is essential to protect the health and safety of employees and to develop their abilities.



Social Sustainability

UN Sustainable Development Goals 3, 5, 8, 10, 11 ve 17

Akfen REIT makes sure that all projects carried out in partnership with Akfen REIT are carried out with an understanding that adds social and economic value to society.





Sustainability in Management

- Main Quality Policy
- Sustainability Policy
- Global Compact Compliance Policy
- Efficient Use of Resources Policy
 - Business Continuity Policy
 - Information Security Policy
 - Investor Satisfaction

Our Sustainability Policies

As Akfen REIT, we support our sustainability governance structure and approach with the policies we create. All the policies have a positive impact on our sustainability performance while creating a guide for our activities.

Sustainability in Compliance

- Main Environmental Policy
 - Main Climate Policy
- Waste, Waste and Recycling Policy
 - Water Conservation Policy
 - Essential Emissions Policy
 - Biodiversity Conservation Policy

Sustainability in Operation

- Human Rights Policy
- Basic Human Resources Policy
 - Gender Equality Policy
 - Fair Remuneration Policy
- Employee Satisfaction Policy
- Occupational Health and Safety Policy

Social Sustainability

- Contribution to Employment Policy
- Taxation Policy

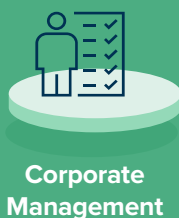


Sustainability Priorities

Taking into account our sustainability performance in 2024, we carried out studies to update our sustainability priorities by taking into account the changing sustainability agenda and the opinions of our internal and external stakeholders. With the contributions of our Sustainability Working Group, we evaluated the company's environmental, social, and governance performance, risks, and opportunities and identified 20 potential sustainability topics.

We conducted a survey with the participation of our internal and external stakeholders to assess which of these 20 potential matters will impact our current and future sustainability performance. In line with the feedback received through the survey, we have determined our sustainability priorities for the new period.

Our First Priorities



Strategic Sustainability Goals

Sustainability Goals in Management

Sustainability Goal	Current Status
Signing long-term lease agreements with expert and experienced tenants for sustainable income and business continuity	It has been completed for 2024 and the target for 2025 continues.
Creation of key performance indicators and action plans related to the targets	It has been completed for 2024 and new performance indicators have been determined for 2025.
Preparation of plans for digital transformation of business processes	In 2024, the digital transformation project of e-payment systems was commissioned.
Measurement and development of customer (tenant) satisfaction score	It was completed in 2024 and a customer satisfaction survey is planned to be conducted in 2025.
Updating Risk and Opportunity Analysis	It has been completed for 2024 and the target for 2025 continues.
Use of sustainable financing sources in projects	Financing to be provided from outside our shareholders until 2030
Internal-External Stakeholder Survey	It was completed by HR in 2024.
Employee Satisfaction Survey	It has been completed for 2024 and the target for 2025 continues.

Sustainability Goals in Environmental Compatibility

Sustainability Goal	Current Status
Monitoring performance data on energy, water, emission, and waste management in the enterprises (tenants) within the scope of Akfen REIT's responsibility	It has been completed for 2024 and the target for 2025 continues.
Determination of all mandatory/voluntary platforms where environmental information will be disclosed	It has been completed for 2024 and the target for 2025 continues.
Supporting public works related to the environment in the regions where it operates,	It has been completed for 2024 and the target for 2025 continues.
Conducting research and planning for sustainable energy production investments	It has been completed for 2024 and the target for 2025 continues.
Placing recycling information on garbage cans, presenting numerical data about water scarcity to its employees (in places such as bathrooms, kitchen sinks, etc.), raising awareness on this concern, and monitoring and reducing electricity consumption	Instead of using plastic bottled water in the head office, glass bottles were introduced.
Reducing and/or financially supporting plastic waste by supporting a climate action project	In addition, waste was collected on the Fenerbahçe beach, and recycling was supported.
5% energy consumption reduction in the Bodrum Loft facility	Compared to 2023, excluding the additional investments made in 2024, the total energy consumption in 2024 was 4% less.
Reduction of water density from 0.5 m ³ to 0.4 m ³ in Bodrum Loft facility	The target was achieved by reaching 0.33 m ³ in 2024.

Risk and Opportunity Analysis

- In new (and to-be-developed) projects, care is taken to ensure plenty of green space and that low-rise buildings are built without using all of the legal construction permits.
- We aim to reduce our emissions by using renewable energy in new projects and/or purchasing energy from institutions that produce renewable energy.
- In new projects, it is aimed to treat and reuse gray water. (Kıyıkışlacık) The feasibility of Green Building certification is targeted in new (and to-be-developed) projects.
- The use of environmentally friendly paints and flooring will be given maximum attention in renovations and new projects.
- Developing projects with minimal impact on biodiversity and ecosystems (Sogutlucemesme and Yalıkavak projects) Preparation of a letter of commitment to work with suppliers that will contribute to greenhouse gas emission targets
- While the precedent area was 24.400 m² in the Kadikoy Terminal Project, the project area used was 20.554 m², and low-rise buildings were built by designing the maximum commercial area height to be 2 floors. In addition, the green area is included in the project with a total of 5,400 m².
- In the Sogutlucemesme (Terminal Kadikoy) project, which is planned to be operational in the second semester of 2025, it is planned to be realized by the end of 2026 by receiving offers from renewable energy generation suppliers.
- The greywater project is expected to be realized by the end of 2027.
- A Green Building certificate is sought for new investments and is included in the feasibility study.
- In Terminal İstanbul (Sogutlucemesme Project), wood materials were used under the eaves, paints developed from natural marble dust were used in the paints of the locations under the viaduct, and recycled materials were used in the interior coatings.
- While choosing plants in the Sogutlucemesme project, trees that clean the air, and pollen-producing plants suitable for the nature of İstanbul were planted.
- In line with the targets of Akfen Management Group, it is aimed to prepare a letter of commitment to work with environmentally friendly suppliers by the end of 2025.



Sustainability Goals in Social Activities

Sustainability Goal	Current Status
Keeping the rate of women's employment above 40% at all levels and periods	By the end of 2024, our woman employee ratio is 33%. It is aimed to have a relevant rate of 40% or more within 3 years.
To provide its employees with a training program consisting of sustainability, climate change, and corporate climate adaptation	Akfen Holding's education activities were attended in 2024 and the target continues in 2025.
Employees have targets under the heading of sustainability in their performance scorecards	Built-in 2024.
Collaborating with relevant NGOs in at least 2 projects every year in social projects Supporting educational projects for young people	It was made in 2024 and the 2025 target continues, it will be supported through TIKAV in 2024. In addition, in 2024, approximately 200 students were trained on "Zero waste and sustainability awareness" at Düzce Hikmet Akın Secondary School.
The Working Group reports its activities to the Board of Directors and the Corporate Governance Committee of the Board of Directors before the public disclosure of the annual report.	The notes of the meetings held throughout 2024 were obtained from the consultant firm and presented to the Senior Management regularly.
All policies at Akfen REIT have been approved at the Board of Directors level, and the need for additional policies or procedures by the Sustainability Working Group will be re-evaluated in 2024.	There is no need for a new policy at the end of 2024, and an evaluation will be made according to current regulations in 2025 and the following years.

Ethical and Transparent Business Approach

As Akfen REIT, we carry out our business processes in strict accordance with ethical values and all legal regulations. Akfen REIT has clearly defined our internal and external code of ethics by taking the Code of Ethics and Codes of Ethics documents determined by Akfen Holding as a guide. In all our business activities, we act by this Code of Ethics with our employees. By making announcements emphasizing the ethical understanding of our employees at regular intervals, we keep an ethical and transparent business approach on the agenda and protect the reputation of Akfen REIT with these values. We have zero tolerance for bribery and corruption and reject any request for privileges, abuse of power, discrimination, and conflict of interest.

As Akfen REIT, we prioritize that all indefinite and temporary contracts we sign are fully compliant with our Code of Ethics; In the contracts to which we are a party, we declare that our practices will be maintained based on these Ethical Codes. As of 2024, we continue to receive this commitment from our suppliers by expanding the Supplier Human Rights Commitment application started in 2023.

With this commitment, our suppliers undertake to act according to all laws, the United Nations Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and our Code of Ethics, to ensure occupational health and safety in working environments, to protect the environment and to use natural resources consciously.

Code of Ethics

Internal Code of Ethics

- Understanding of Individual Responsibility
- Respect for People
- Safety, Health and Environment
- Protection of Information and Confidentiality
- Notification of Nonconformities

External Code of Ethics

- Corporate Citizenship
- Relations with Business Partners
- Relations with Tenants
- Understanding of Competition

As Akfen REIT, we act by the Code of Ethics and Code of Ethics in all our activities. Our employees and business partners who encounter any non-compliance, ethical violation, or similar situation can apply to the etik@akfen.com.tr e-mail address to report such situations or request guidance.

Information Security

As a company operating in the information age, we recognize the critical importance of protecting the integrity, security, and confidentiality of information. At Akfen REIT, we have a comprehensive Information Security Policy to effectively manage all the information we have at all levels of our organization.

This policy aims not only to comply with legal regulations and industry standards but also to protect our company's business

continuity, reputation, and the trust of our stakeholders. We take great care to ensure the security of the data of our employees, customers, suppliers, visitors, and business partners. In this direction, we have created a strong security infrastructure within the company to protect data, ensure business continuity, and take necessary measures against possible cyber-attacks.

This infrastructure is designed to cover not only physical se-

curity but also the protection of data in the digital environment. In addition, we offer regular education and awareness programs to our employees and adopt the information security culture at all levels. In this way, we ensure that awareness of data security is constantly increasing and we constantly update our security measures in parallel with technological developments.

Stakeholder Communication

At Akfen REIT, we prioritize staying in constant communication with our internal and external stakeholders in the sector we operate. Effective communication not only strengthens our company's reputation but also makes a significant contribution to increasing our corporate value by deepening our business relationships. By making the most of this opportunity, we aim to consolidate the credibility and commitment of our company, create long-term value, and achieve sustainable success.

To manage the wishes and expectations of our stakeholders more effectively, we first identified our key stakeholder groups and systematically defined the platforms through which we communicate with these groups. The solid and continuous communication we establish with our stakeholders not only guides our short-term goals but also our long-term business strategies, while contributing to our company's sustainability and growth targets.

Akfen REIT Key Stakeholders

Stakeholders	Communication Platform
Employees	Meetings, KAP, corporate website, media, social media, portal, surveys
Investors	Investor Meetings, KAP, corporate website, media, social media
Shareholders	General Assembly, Investor Meetings, KAP, corporate website, media, social media
Tenants	Meetings, KAP, corporate website, media, social media
Land Owners	Meetings, KAP, corporate website, media, social media
Public Institutions	Meetings, KAP, corporate website
Suppliers	Meetings, KAP, corporate website
Banks	Meetings, KAP, corporate website
Non-Governmental Organizations	Meetings, KAP, corporate website, media, social media
Society and Media	Press Releases, KAP, corporate website, media, social media
Group Companies	Meetings, KAP, corporate website, media, social media, portal, surveys

Value Chain Management

At Akfen REIT, we aim to create a sustainable value chain in all areas to maintain our service quality, which is appreciated by everyone, successful, and with a high level of satisfaction. In this direction, we are based on an ethical and transparent management approach that respects people by protecting nature, and we accept it as our main responsibility to support the development of our business partners in line with these principles.

Alignment with the Sustainable Development Goals is critical to protecting our common future. In this context, we meticulously monitor the sustainability performance of all companies in our value chain. In line with the goal of "Transferring the ethical business approach and new sustainability approach to the entire value chain", which we set in our 2022 report, we continued our work without slowing down as of 2024.

First of all, in the first half of 2024, we prepared the Supplier Human Rights Commitment and started to have our suppliers sign it in addition to our contracts. This commitment is an essential step to ensure that our suppliers prioritize respect for human rights and ethical values in all their business processes. In addition, we expect all our suppliers and subcontractors to fully comply with the current labor law and all other legal regulations.

We started to raise awareness in value chain management, primarily from our critical suppliers. In 2024, we provided a total of 80 person*hour education to our critical suppliers to ensure that the matter

of sustainability is internalized in our supply chain. With this education, our suppliers were enabled to act in line with our sustainability goals and to operate more effectively in the environmental, social, and governance areas.

As Akfen REIT, we are taking significant steps to improve our supply chain and increase sustainability performance by supporting local suppliers. In our Bodrum Loft project, we have set a primary goal to support the local people in the region economically by procuring many products from food materials to tools from local suppliers. As of 2023, we have increased our payments to suppliers in Bodrum Loft from 25% to 45% in 2024 and made them to our local suppliers. In addition, 60% of our critical suppliers in the project were selected from local suppliers.

In addition, as Akfen REIT, we choose all the materials we use in our hotel management activities with a focus on sustainability, starting from the construction processes. We prefer products that are not harmful to human health and the environment and have international certificates. In our ongoing projects, we minimize the use of imported materials by turning to up-to-date design and production methods to build sustainable cities. This approach aims to reduce our environmental impact and ensure more efficient use of local resources.

**Education given to
our suppliers**

80
person*hours



Customer Satisfaction

As Akfen REIT, to increase customer satisfaction, we carry out our practices in line with our Customer Satisfaction Policy; We develop it in a way that ensures the satisfaction of our tenants, from whom we provide rental income, our investors as a listed company, and our guests in the hotels we operate.

By prioritizing increasing the comfort we provide with digitalization in all our projects, we closely follow innovative practices and offer quick solutions to the problems faced by our guests and tenants in daily life. We care about the feedback from our customers and guests to improve ourselves at any time by keeping

the service quality we provide at high standards. In line with the target we set in our previous sustainability report, we conducted a customer (tenant) satisfaction survey for the first time in 2023. According to the results of our survey, 97.14 %(*) of our tenants stated that they are satisfied with our service quality.

As Akfen REIT, we will maintain this success in 2025 and regularly repeat the tenant satisfaction survey every year. In addition, in 2024, we successfully conducted a satisfaction survey for our guests staying in our hotels and completed our goal of measuring guest satisfaction in line with the results we obtained.



The rate of satisfied customers with service quality is

97.14%

(2) The average satisfaction score of 19 Tamaris (Accor) hotels and the satisfaction score of 2 dormitories..



Sustainability in Compliance

In all our projects, we try to reduce our environmental footprint to contribute to climate action, and we develop comprehensive applications in this direction and carry out innovative projects. We follow the performance data regarding energy, water, emission, and waste management in the enterprises (tenants) within the scope of our responsibility, and we try to ensure efficiency in all areas by carrying out maintenance, repair, and innovation works that fall on us.

As Akfen REIT, we have adopted a business approach that complies with all kinds of laws and regulations on the environment and we do not have any environmental penalties in 2024.

Energy Management

As Akfen REIT, we have taken essential steps in 2024 to achieve the energy efficiency targets we set in our 2023 report within the scope of combating climate change. In this process, we focused on reducing the energy we use through equipment maintenance and repair, as well as awareness-raising activities. In addition, we maintained our goal of increasing sustainable energy use by exploring potential clean energy generation investments. In our Bodrum Loft project, we have implemented a series of applications to increase energy efficiency. With automatic air conditioning systems, the ambient temperature is kept under constant control, and the systems are automatically deactivated when they reach certain temperature levels to prevent unnecessary energy consumption. Therefore, energy savings are achieved and energy waste is prevented. In addition, the common area lighting in Bodrum Loft is systematically turned off at night and only the necessary areas are illuminated. In this way, it is aimed to provide maximum benefit while minimizing energy consumption. The preferred lighting equipment in Bodrum Loft is LED lighting with high energy efficiency, thus providing a comfortable environment and significantly reducing the energy consumed due to lighting.

In order to encourage the use of clean energy, systems that benefit from solar energy have been preferred in some lighting elements used in common areas. Thus, energy consumption is managed in a more sustainable way by making use of environmentally friendly energy sources. As Akfen REIT, we implement our policies by researching suitable products, equipment, and technological alternatives to increase energy efficiency in line with the targets we have set in terms of energy efficiency. In this direction, we ensure achieve

Energy Consumption			
Bodrum Loft	2022	2023	2024
Total Energy Consumption (GJ)	9,551	9,454	10,055
Akfen REIT Indirect Energy Consumption	0.035	-	-
Akfen REIT Indirect Energy Consumption	0.044	0.035	0.025
Bodrum Yalıkavak	2023	2024	
Energy Consumption (GJ)	83	713.9	
Diesel (m³)	130	165	

our energy efficiency targets by acting jointly with all our stakeholders and departments.

Every year, we aim to reduce total energy consumption by 1% based on the previous year. In addition, we prefer electrically powered equipment to minimize environmental impacts and reduce greenhouse gas emissions. As part of our emission reduction policies, we prevent the emission of methane gas by using electrical systems instead of gas-powered pumps and equipment. By designing the system as a closed circuit, we minimize methane gas emissions. For example, the hood system used in our villas has a filtered structure and prevents air pollution by cutting off the connection with the outside atmosphere. In addition, we encourage the public transport system and aim to minimize vehicle traffic and reduce long-distance supplies with products procured from tradesmen in the region in the procurement processes. As Akfen REIT, we constantly offer innovative solutions to save energy and reduce our carbon footprint in our real estate portfolio. We monitor the energy consumption levels in the properties we rent through the reports we receive from our tenants at regular intervals.



Emission Management

As Akfen REIT, we manage our emissions from our activities in line with our Basic Emissions Policy to fix the global average temperature increase at 1.5°C to reach net zero emissions by 2050 by doing our part to reduce the destructive effects of climate change. In this direction, we started to calculate our greenhouse gas emissions to comply with the common cross-sectoral goals and strategies announced in the Republic of Turkey Climate Change Action Plan 2011-2023. As Akfen REIT, we will continue our efficiency and emission reduction efforts to comply with the Climate Change plans published by the Republic of Turkey in the coming years.

With the awareness that we need to measure to manage our emissions from our activities, we started to calculate our emissions from our head office in 6 categories according to ISO 14064-1:2018 in 2022. For 2024, we calculated the emissions of our head office and Bodrum Loft by ISO 14064-1:2018 and had them calculated by the accredited institution. In 2024, total emission amount was 14,940 tons (2023: 17,824.3) in total. Compared with prior year we reduced our emissions from the headquarters and Bodrum Loft by 16%. To prevent emissions caused by vehicle use in Bodrum Loft, we have positioned electric vehicle charging stations in various locations. With this application, we reduce vehicle emissions caused by the use of fossil fuels within the facility.

Emission Amount (tCO₂ eq)

Consolidated	2022	2023	2024
Category 1	20.83	23.28	21.38
Category 2	2.49	3.07	1.28
Category 3	5.12	6.77	5.68
Category 4	9.85	1,112.48	14,911.66
Category 5	13,623.31	16,678.07	0
Category 6	0	0.63	0.19
TOTAL	13,661.6	17,824.3	14,940.2

Consolidated	2022	2023	2024
Scope 1	20.83	18.55	21.38
Scope 2	2.49	3.07	1.28
Scope 3	16,638.28	17,791.18	14,917.53
TOTAL	16,661.6	17,813.8	14,940.2

Emission Amount (tCO₂ eq)

Bodrum Loft	2022	2023	2024
Category 1	1,054	683	127
Category 2	1,190	1,155	1,228
Category 3	45	300	78
Category 4	3,025	1,106	1,071
Category 5	270	494	207
Category 6	218	223	182
TOTAL	5,802	3,961	2,892

Water Management

By our Understanding of Sustainability, we approach our water management in our activities in scientific and rational ways to reduce our environmental impact by saying "Sustainability in Compliance". To get maximum benefit from the water we use, we review our processes with an integrated management approach and evaluate the available opportunities. With our seawater treatment plant in Bodrum Loft, we convert salt water into usable quality water for all our guests to clean water. As Bodrum Loft, we prevent marine litter that may arise from terrestrial activities with our expert staff and take care to protect the marine ecosystem. In addition, we treat and recycle the wastewater released with our treatment plant in Bodrum Loft. In 2024, we recovered 11,949 m3 of water for green area irrigation.

In addition, with the desalination facility in Bodrum Loft, the salt water drawn from the sea is purified and the water to be used for hotel activities is supplied from the salt water source. Desalination plant with environmental consultancy service received 3. Routine inspections are carried out by the Authority, followed up, and reported to the relevant ministry.

We carry out in Bodrum Loft; Thanks to efficiency projects such as the use of photocell sink faucets and the use of aerator faucets, we have reduced our groundwater consumption by 27%. Thus, we were able to reduce the amount of daily water consumption per guest. Our goal is to continue our efficiency projects in 2024 and achieve similar successes in our water consumption amounts.

 Amount of water recovered
11.949m³

Bodrum Loft Water Management (m³)

	2022	2023	2024
Groundwater	61,871	59,400	45,562
Amount of water recovered/reused (*)	11,250	14,400	11,949

* The amount of wastewater generated is recovered and reused.

Bodrum Loft Water Density (m³)

	2022	2023	2024
Daily water consumption per guest	0.5	0.4	0.33

The amount of wastewater generated is recovered and reused. In the wastewater treatment plant; the wastewater treatment capacity is 160 m³/day, the equivalent population is 800 people/day, BOI5 load is 52 kg/day.



Waste Management

At Akfen REIT, we carry out all our activities with our Waste, Residual, and Recycling Policy and Efficient Use of Resources Policy. We do not only treat wastes as products that are evaluated after production but also manage them with a zero-waste approach. By this understanding and our policies, we start waste management processes from the raw material stage, use natural resources with maximum efficiency in all kinds of products we use, and dispose of the final waste by separating it at its source. In 2023, we started the research and planning process to make zero waste certification for all our locations. In the Terminal Kadikoy project, which is planned to be opened in the second quarter of 2025, we plan to make "Zero Waste" certification until 2026.

In 2024, we have reduced the total amount of hazardous waste generated in Bodrum Loft by 17% compared to 2023. At the same time, we clean forest roads

every year with the awareness of protecting the environment and allocate a budget of 50,000 ₺ for these works. We pay 13,500 ₺ to the licensed company to dispose of hazardous wastes. In addition, we made improvements to the blower lines so that the treatment tank system can work more efficiently, and we found that we have spent 100,000 ₺ on these improvements. In addition, we invested 163,500 ₺ in environmental protection and improvement activities in general.



Bodrum Loft Waste Amount (tons)

	2022	2023	2024
Total Amount of Waste ^(*)	1.5	2.22	2.63
Total Amount of Non-Hazardous Waste	0.55	0.50	1.20
Total Amount of Hazardous Waste	0.95	1.72	1.43
Total Recycled and Reused Waste	0.55	1.42	1.20
Waste Recycling Rate	37%	22.52%	45%

Biodiversity

As Akfen REIT, we shape our understanding of biodiversity conservation with our Biodiversity Protection Policy and protect biodiversity, the basic element of life, in all our activities. In the projects we realize, landscape areas are meticulously evaluated by our team of landscape architects, taking into account the geographical and meteorological conditions of the region. In line with these evaluations, plants that can easily adapt to the project areas are selected and landscaping works are carried out carefully

without destroying the natural areas in order not to harm the living population in the region.

On the 57.000 m² land of Bodrum Loft, 42.000 m² of landscaping work was carried out by the habitat of the region, where the endemic species of Bodrum are predominantly selected from the species belonging to the Mediterranean/Aegean scrub vegetation. Activities in Bodrum Loft are carried out without harming the living population.

Many animals, from pets to wild boars, live in harmony with the facility. Organic products are used in our restaurant in Bodrum Loft, and organic products grown by local people are primarily provided in our menus, supporting sustainable agriculture and animal husbandry. Cage animals are not preferred in animal foods served in our restaurant, and organic free-range chicken eggs produced with care for animal welfare are used.



Akfen Memorial Forest Project

As Akfen REIT, we support the 100,000 trees project initiated by Akfen Holding for the 100th anniversary of our Republic. Launched in  anakkale Y kok ular and  anakkalan localities

In the Akfen Akfen Memorial Forest project, Akfen REIT planted 20,000 trees for the planting of 100,000 red pine and larch trees in March 2024. When the Akfen Hatıra Ormanı project is completed, the following environmental/social benefits will be achieved:

- 3,000 tons of oxygen production was realized annually.
- A reduction of 20-30 dB in noise pollution was achieved.
- The amount of carbon sequestered is equivalent to the carbon dioxide emissions per 10,000,000 kilometers of a vehicle.
- Enough oxygen was produced for 5,000 people per year.
- The effects of the climate crisis have been reduced by 20 times and landslides by 350 times.
- New nests were added to the fauna inventory of natural life and wildlife was contributed.
- Endemic plant species were helped to be transferred to new vegetation.

Reduction in
noise pollution by

20-30
decibels

Annual oxygen
production is

3,000
tons

Reduction in
landslides

350
times

If There is Sea, There is Life!

Akfen REIT raised awareness with its sustainable vision by participating in the event organized by the DenizTemiz Association (TURMEPA) as part of the "International Coastal Cleanup Day" on September 19. Akfen REIT contributed to the clean-up of the shores of Kadikoy Moda beach by participating in the event of TURMEPA, which operates with the aim of making the protection of Turkey's coasts and seas a national priority and leaving a livable Turkey for future generations. About 300 volunteers collected cigarette butts, plastic, paper, glass, and metal waste from the sea. Despite the rainfall, 130 kilograms of waste and approximately 20 thousand cigarette butts were collected at the event, which had intense participation.





Sustainability in Operation

At Akfen REIT, we develop various practices to support a decent work life in all our activities. By adopting a people-oriented approach, we prioritize contributing to both the professional and personal development of our employees. Thanks to the equitable and inclusive work environments we have established, we offer fair opportunities to all our employees and make differences valuable. We create a working culture where each individual can express themselves comfortably and maximize their potential.

In this environment, we offer a variety of programs and activities that support the development of our employees, helping them develop their skills and advance in their careers. We are constantly reviewing and improving our policies to adopt an egalitarian approach and ensure that each of our employees has equal opportunities.

With an inclusive work culture, we celebrate the differences of all our employees and make this diversity the strength of our company. By promoting a decent work life, we ensure that our employees have a more balanced and fulfilling experience not only at work but also in their lives. With this understanding, we aim to increase not only productivity but also employee satisfaction and loyalty. At Akfen REIT, we always consider it our primary goal to create a work environment where our employees feel valued and respected.

Human Resources Management

As a subsidiary of Akfen Holding, all Human Resources and Human Resources Management processes are carried out by the Human Resources department of Akfen Holding. Accordingly, Human Resources processes are managed by the principles of the United Nations Global Compact (UNGC), International Labor Organization (ILO) standards, and all laws and regulations, taking into account the welfare of our employees, and by Akfen Holding's

Basic Human Resources Policy.

As a signatory of the UNGC, Akfen Holding is committed to and implements these principles. As a company that attaches importance to qualified employment among our core values, we support the personal development of all our employees by protecting their fundamental rights and freedoms. We do not allow forced labor and child labor in any form.

Equity and Inclusion

Inclusion is the core value that must be achieved in any environment. Recognizing that all our employees have different skills, expertise, backgrounds, and experiences, we create a fair working environment that offers them equal opportunities, where they will be respected and not discriminated against. In terms of equality and inclusion, we accept the WEPs (Women's Empowerment Principles) and our Gender Equality Policy, of which Akfen

Holding is a signatory, as our guiding documents.

As Akfen REIT; We do not discriminate against our employees on any matter such as religion, language, race, ethnicity, gender, age, sexual orientation, or disability, and we grant equal rights in business processes, recruitment policies, and decision-making processes. In this context, the number of woman employees for 2024 is listed below.

Number of Akfen REIT Headquarters Employees

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Employees	3	6	2	7	4	6
Hired Employee	-	-	-	-	-	-
Employee Turnover Rate	%33	%0	%0	%0	%0	%0
Proportion of Employees Participating in Performance Evaluation	%66	%50	%50	%57	75%	66%
Hired Employee	-	-	1	1	1	-

The average length of service of employees for 2024 is 10.5 years.

(The Executive Director and the members of the Board of Directors are not included in the calculation.)



Talent Management and Employee Development

As Akfen REIT, we highly value the talents and potential of all our employees. With this understanding, we enable our employees to contribute not only to our company but also to their own personal and professional development. We implement a performance management system to support the development processes of our employees.

Thanks to this system, we identify the strengths and development areas of each of our employees and offer them a more effective career journey. In addition, we manage our promotion processes fairly and transparently in line with these performance evaluations, so that we recognize the achievements of our employees and enable them to advance in their careers. In addition, we offer our employees a wide range of training opportunities from business life to hobby areas. Our goal is to allow our employees to develop themselves not only in their professional lives but also in their personal lives.

By creating a stimulating environment for continuous learning and development, we enable our employees to increase both their professional skills and personal competencies. These training opportunities range from leadership development to technical skills, communication skills, and personal interests.

Thanks to these opportunities, our employees not only get to know themselves better but also gain the skills necessary for a more productive and successful working life. In addition, these training programs we offer to our employees not only support their individual development but also become an essential tool to strengthen team spirit and achieve our corporate goals. At Akfen REIT, we aim to maximize the potential of each of our employees and enable them to contribute to the future of our company by providing them with continuous development opportunities. This approach not only increases the loyalty of our employees but also creates a strong talent pool in our company.

Performance Management System

We see the performance management system as an integral part of employee development and carry out studies to support the professional development of our employees. The Performance Management System

we implement includes the evaluation of our employees' contributions to position-based company targets during the year. The following steps are followed while implementing the Performance Management System:

- At the beginning of the year, starting from the senior management, target distribution is made within the scope of the Company's goals and strategies,
- Targets are reviewed periodically and necessary revisions are made,
- Target assessment meetings are held at the end of the year,
- Employee-based feedback is given and development programs are planned.

Equal Pay for Equal Work

The basis of our human resources policy is the understanding of equality and justice. With this understanding, we evaluate all our employees only in line with their talents and skills, starting from the recruitment processes. We offer equal opportunities to our candidates and employees without discrimination such as language, race, color, gender, political opinion, belief, religion, sect, age, or physical disability. This approach fosters diversity and inclusion in our company's culture, ensuring that every individual feels valued.

Respect for human rights and equality is one of the most essential principles in the way we do business. We meticulously comply with our Fair Remuneration Policy in all our in-house remuneration processes.

The base wage we set for any position is calculated based solely on the requirements of the job and the job description. We offer equal wages to all our employees who have the same duties and responsibilities without discrimination between men and women. Thanks to our Fair Remuneration Policy, we aim to minimize the income differences between our upper and lower-level employees while securing the living income of our employees.

This policy is also an essential step that increases motivation within the company and provides a fair working environment. To improve the economic purchasing power of our employees and increase their quality of life, we make salary improvements and raises throughout the year. In this way, we contribute to raising the living standards of each of our employees.

Employee Development Education

In 2024,
we provided
624 person*hours
of Sustainability
education to our
employees.

As Akfen REIT, we offer various trainings to support the personal and professional development of our employees, to ensure that they have a good command of sectoral and global trends, and to increase their knowledge. In 2024, we provided training to our employees on environmental, social, and governance sustainability topics

through expert trainers so that they can handle the concept of sustainability in a multifaceted way. The total cost of the education provided for our employees in 2024 is 40,000.

In 2024, we provided 624 person*hours of Sustainability education to our employees.

Education Provided

Akfen REIT Headquarters	2022	2023	2024
Total Education Hours Provided to All Employees	73	75	124
Average Education Hours Per Employee Per Year	6.08	8.3	12.5
Total Cost of Education (TRY)	4,615	11,537	3,846

Bodrum Loft Education	2022	2023	2024
Total Education Hours Provided to All Employees	33	114	1,699
Average Education Hours Per Employee Per Year	1	3	19.52
Total Cost of Education (TRY)	1,320	13,680	14,615

Bodrum Yalıkavak Education	2022	2023	2024
Total Education Hours Provided to All Employees	27	108	958
Average Education Hours Per Employee Per Year	9	9	34.2
Total Cost of Education (TRY)	1,080	12,960	2,912

Firatcan İnşaat Education	2022	2023	2024
Total Education Hours Provided to All Employees	156	148	1,358
Average Education Hours Per Employee Per Year	7.80	5.28	48.51
Total Cost of Education (TRY)	6,240	17,760	10,769



Employee Engagement

With its employee-oriented approach and human resources policies, Akfen REIT managed to achieve an employee satisfaction rate of 93.86% in 2024.

We are aware that a happy business life directly affects all processes of the company. By giving the necessary importance to our employees, who are our key stakeholders in ensuring the quality of our activities, we are working hard to create working environments where everyone can work happily and feel belonging.

By applying the remote working model, which entered our lives with the pandemic, even today, we enable our employees to do their jobs in the environment they want without being

affected by city density, traffic, and similar factors.

In accordance with our Employee Satisfaction Policy, we ensure job satisfaction and support their personal development with the talent management programs we implement to ensure corporate belonging in our employees. As of 2024, we will conduct regular employee satisfaction surveys every year and continue our efforts to increase employee loyalty and satisfaction in line with the results.

Occupational Health and Safety

The health and safety of our employees is one of our company's top priorities. In all our activities, we manage our processes in full compliance with legal regulations through our Occupational Health and Safety Policy, taking into account the health and safety of our employees, business partners, and suppliers. We aim to make occupational health and safety our corporate culture and to reduce occupational accident rates. For this, we provide personal protective equipment to all our business partners and provide regular occupational health and safety education. In addition, as Akfen REIT, we ensure that all our employees complete their Occupational Health and Safety (OHS) education.

In addition, our Occupational Health and Safety team is constantly present at our construction sites and we take the necessary inspections and measures to ensure safety in the workplace and ensure that our employees work in a safe environment. In addition, we implement complementary health insurance in order to ensure that our employees have easy access to health services in their daily lives outside the work environment. Although our data for 2024 are given below, we do not have any accidents resulting in death.

Accident/Loss Statistics

Bodrum Loft (*)	2022	2023	2024
Total Number of Injuries (pcs)	3	4	23
Total Number Rate	18%	20%	18%
No. of Employees' Lost Work Days (days)	30	45	169
Contractors' Lost Work Days (days)	1	0	0
Total Number of Lost Work Days	31	45	169
Number of Employees	33	38	38

Bodrum Yalıkavak	2022	2023	2024
Total Number of Injuries (pcs)	3	2	4
Total Number Rate	18%	2,99%	10,5%
No. of Employees' Lost Work Days (days)	0	5	0
Total Number of Lost Work Days	31	5	5
Number of Employees	3	12	28

Fıratcan İnşaat	2022	2023(**)	2024
Total Number of Injuries (pcs)	3	4	0
Total Number Rate	18%	2%	0
No. of Employees' Lost Work Days (days)	30	19	0
Contractors' Lost Work Days (days)	1	4	0
Total Number of Lost Work Days	31	23	0
Number of Employees	33	38	28

REIT	2022	2023	2024
Total Number of Injuries (pcs)	3	0	0
Total Number Rate	18%	0%	0%
No. of Employees' Lost Work Days (days)	30	0	0
Contractors' Lost Work Days (days)	1	0	0
Total Number of Lost Work Days	31	0	0
Number of Employees	9	9	10



Digitalization and Innovation

Today, we are aware that digitalization plays an essential role in preserving our company's knowledge carrying it to the future, and following business processes more efficiently. As Akfen REIT, we effectively use digital infrastructure systems to carry out our daily work in our offices. In this way, we use our most valuable resource, time, more efficiently, while at the same time protecting our natural resources by reducing the use of paper.

Digitalization not only simplifies business processes but also helps us minimize our environmental impact. With the aim of making our processes completely digital, we use Paperwork and SAP systems, and we manage the approval mechanisms within the company through SAP. In this way, we are able to carry out every step in a trans-

parent and traceable way. By carrying out reconciliation transactions with our stakeholders through the e-reconciliation platform, we communicate in a faster, safer, and environmentally friendly way.

In addition, we continue the online meeting applications that entered our lives with the COVID-19 pandemic, thus ensuring that time is used more efficiently. Thanks to these practices, we prevent travel for meetings, reduce transportation-related emissions, and take an environmentally friendly approach. With digitalization and online solutions, we increase efficiency and fulfill our environmental responsibilities. With this strategy, we believe the any is creating a sustainable and efficient business model for the future.



Social Sustainability



In line with our understanding of social sustainability, our vision is to strengthen our reliable position in the sector by ranking first among real estate investment trusts (REITs) in Turkey. While achieving this goal, we make it our priority not only to achieve commercial success but also to provide social benefit.

By supporting long-term corporate social responsibility projects, we carry out various projects to contribute to society and support sustainable development. These projects are aimed at improving the quality of life of the community and we aim to create a strong impact for the common benefit of both our company and the society. With the awareness of fulfilling our social responsibilities, we take every step carefully and produce sustainable solutions on this path.



Product Liability

As Akfen REIT, we consider it among our most significant responsibilities to improve the user experience and create spaces in harmony with nature by prioritizing customer satisfaction in the properties from which we generate rental income. We take a careful approach to the use of eco-friendly materials to reduce environmental impacts on our properties, and we invest in a variety of areas, from applications to increase energy efficiency to innovative technological solutions such as wastewater recovery.

In addition, we aim to increase the accessibility of our properties with disabled-friendly applications and create spaces that everyone can use comfortably. In terms of environmentally friendly products, heat pumps used in heating and cooling systems save energy. In addition, the refrigerant R32 used in the system is an environmentally friendly substance and an alternative that does not harm the ozone layer and has a low greenhouse gas effect.

In this way, we contribute to minimizing environmental impacts while increasing energy efficiency. However, environmental criteria have been pri-

oritized in its procurement. Throughout the project, we used products with low emission and VOC values, such as PVC, linoleum, and acoustic felt coating made from recycled fibers.

In addition, we supplied thermowood wood products used in eaves cladding and façade cladding by Novawood, which has sustainable forest policies. This company also has FSC certification and we attach importance to environmentally friendly and sustainable production processes. Within the framework of the services we offer at Bodrum Loft, we provide our customers with organic products that do not harm health. We supply these products from local farmers in the region and offer them to our guests in our restaurant in Bodrum Loft. In addition, we take care to reduce the risk of obesity by offering them in appropriate portions, taking into account the nutritional values and calories of these products. Landscaping, bicycle paths, and living spaces intertwined with nature in Bodrum Loft offer our guests a healthy and active lifestyle. In addition, as Akfen REIT, we would like to point out that our revenues consist of rental income.

In the restaurants in Bodrum Loft, we offer organic products that we source from local farmers in the region.



Contribution to the Sector

With the sector we are in and the value we produce, we are an essential stakeholder in the tourism development policies of the state, and by leasing the treasury and foundation lands of the state, we create qualified living spaces with the construction of hotels where both domestic and foreign tourists will stay in the long term. In 2024, we make a significant contribution to the tourism income of the state, which will increase the export of services, with both Bodrum Loft and the hotels operated by our tenant Tamaris (Accor).

In 2024, we contributed approximately 730 million TRY to the state's tourism export revenue. In line with our belief in the development of the real estate sector, we are a member of GYODER. Our company aims to respond to the needs of the society by developing innovative and sustainable projects. We closely follow the developments

in the sector with GYODER projects, in which our General Manager Ece Demirpençe is also actively involved, and thus reflect them on our projects.

In addition to the returns we obtain from our projects, which also take into account factors such as sustainability and social impact, we also make positive contributions to our environment. We foresee that our Sogutluceme project will not only be a construction project but also an investment that strengthens the social and economic fabric of the region. While contributing to the future of our young people with the employment opportunities we will provide within the scope of the project, we will also be an essential support to the country's economy. In addition, we aim to stimulate the local economy and take steps towards a sustainable future by collaborating with local suppliers.

**Contribution to tourism
export revenues**

TRY **730** million



Support for Sports

Fenerbahçe College Men's Basketball Team Sponsorship

The place of sports is undeniable in keeping minds vigorous as well as beneficial to physical health. As Akfen REIT, we support youth teams for the development of basketball in Turkey. As an indication of our support for sports in 2023, we became the sponsor of the Fenerbahçe College Men's Basketball Team, which plays in the Türkiye Basketball League, for the 2023-2024 year.

Terminal Kadikoy is the Official Jersey Sponsor of Fenerbahçe Beko Men's Basketball Team

Terminal Kadikoy, which was implemented jointly by Akfen Holding and Akfen REIT, was opened in Sogutluceme, İstanbul. This project, which offers Europe's largest open-air food and beverage and entertainment area, has become the official jersey sponsor of the Fenerbahçe Beko Men's Basketball Team. The sponsorship agreement will cover the Türkiye Basketball Super League competitions throughout the 2024-2025 year. Terminal Kadikoy has become the new life and entertainment center of İstanbul with its gastronomy areas, performing arts center, and cultural events. With this project, Akfen Holding and Akfen REIT add value to İstanbul and contribute to

their sustainable growth targets.

Akfen Volunteers Take Their Steps for TİKAV at the İstanbul Marathon

In honor of the 101st anniversary of the Republic of Turkey, 101 Akfen Volunteers working in Akfen Holding and its subsidiaries and affiliates participated in the 46th İstanbul Marathon and came together and ran for the "Equality in Education Project" of the Türkiye İnsan Kaynakları Eğitim ve Sağlık Vakfı (TİKAV). Acting with a sense of social responsibility, Akfen REIT organized a donation campaign to support university students in the Eastern and South-eastern Anatolia regions.

The vast majority of our employees, including our General Manager, actively participated in this meaningful organization Akfen Volunteers collected donations for TİKAV's Individual Development Program, which has been carried out for 25 years for university students living in the Eastern and Southeastern Anatolia regions and studying at Firat University, with their various projects, at the fundraising event held at Karaköy Novotel after the İstanbul Marathon.





Zero Waste and Sustainability Education Was Given to Düzce Hikmet Akın Secondary School Students

Akfen Group continues to increase its environmental awareness by combining its efforts in the field of sustainability with social responsibility projects. In this context, Akfen Gayrimenkul Ortaklığı (Akfen REIT) and Akfen Çevre ve Su Company organized "Zero Waste and Environmental Awareness Education" for the students of Düzce Hikmet Akın Secondary School. In education, it was aimed to raise awareness of students on essential topics such as zero waste, sustainability, climate crisis, and waste management.

In the education held with the participation of Akfen Çevre ve Su General Manager and Akfen Group Sustainability Leader Emre Sezgin, Akfen REIT Investor Relations Director Emre Yılmaz and Akfen Çevre ve Su Environmental Engineer Mustafa Güryıldız,

students learned the meaning of the wastes they encounter in their daily lives and their responsibilities to increase environmental awareness. This education aims to contribute to the environmental awareness of young generations through projects implemented in line with Akfen Group's sustainability strategy. As of October 1, 2023, Akfen REIT was included in the Borsa İstanbul (BIST) Sustainability Index. This achievement shows that Akfen REIT supports its goal of leaving a more livable world to future generations through sustainable business practices and environmentally friendly projects. Akfen Group will continue to raise awareness about sustainability to a wider audience and create a more environmentally sensitive society through such social responsibility projects.

Appendices

Performance Indicators

Sustainability in Compliance

Waste Management

Bodrum Loft Waste Quantities

(tonnes)	2022	2023	2024
Total Waste Amount ^(*)	1.5	2.22	2.636
Total Amount of Non-Hazardous Waste	0.55	0.50	1.200
Total Hazardous Waste Amount	0.95	1.72	1.436
Total Recycled and Reused Waste	0.55	1.42	1.200
Waste Recycling Rate	%23	%37	%22,52

** These wastes represent the amount of registered waste given to licensed companies; municipal waste is not included.*

Bodrum Yalıkavak and Bodrum Kızılkışlacık are both in project phase therefore any waste from the construction will be collected by the municipality.

Water Management

Bodrum Loft Water Consumption

(m³)	2022	2023	2024
Ground-water	61.871	59.400	45.562
Amount of water recovered/reused ^(*)	11.250	14.400	11.949

** The amount of waste water generated is recovered and reused.*

In the waste water treatment plant; wastewater treatment capacity is 160 m³/day, equivalent population is 800 people/day, BOD5 load is 52 kg/day.

Bodrum Loft Water Density

(m³)	2022	2023	2024
Bodrum Loft Project daily water consumption per guest	0.5	0.4	0.33

Energy Management

Energy Consumption

Bodrum Loft	2022	2023	2024
Bodrum Loft Total Energy Cons. (GJ)	9,551	9,454	10,055
Akfen REIT Indirect Energy Cons.	0.035	-	-

Bodrum Yalıkavak	2023	2024
Electricity (GJ)	83,329	713.9
Diesel fuel (m ³)	130	165

Sustainability in Operation

Emissions Amount

Emissions Amount (tCO₂ eq)

Consolidated	2022	2023	2024
Category 1	20.83	23.28	21.38
Category 2	2.49	3.07	1.28
Category 3	5.12	6.77	5.68
Category 4	9.85	1,112.48	14,911.66
Category 5	13,623.31	16,678.07	0
Category 6	0	0.63	0.19
TOTAL	13,661.6	17,824.3	14,940.2

Emissions Amount (tCO₂ eq)

Consolidated	2022	2023	2024
Scope 1	20.83	18.55	21.38
Scope 2	2.49	3.07	1.28
Scope 3	16,638.28	17,791.18	14,917.53
TOTAL	16,661.60	17,813	14,940.2

Detailed Emissions Amounts for the Headquarters for the year

(tCO ₂ eq)	2023	2024
Category 1.1 Continuous Combustion	0.34	3.14
Category 1.1 WTT Continuous Combustion	0.06	0.47
Category 1.2 Mobile Combustion	18.18	18.22
Category 1.2 WTT Motion Combustion	4.67	2.73
Category 1.4 Leakage of Gas	0.02	0.017
Category 2.1 Electricity	3.07	1.28
Category 2.2 Heat / Steam	1.17	1.17
Category 3.1 Input Transport	0.01	0.01
Category 3.3 Commuting	1.32	2.1
Category 3.3 WTT Commuting	0.32	0.048
Category 3.5 WTT Business Trips	0.85	0.12
Category 3.5 Business Trip Transportation	4.06	3.09
Category 3.6 Accommodation for Business Trips	0.22	0.48
Category 3.13 Leased assets	16,678.07	11,620.01
Category 4.1 Purchase of Consumables and Supplies	2.69	0.69
Category 4.3 Waste	0.01	0.03
Category 4.5 Purchasing of Services	1,109.78	3,291.61
Category 5.1 Product Use	0	-
Category 6.1 Electricity	0.32	0.19
Category 6.1 Electrical Transmission/Distribution Loss	0.31	0.18

Sustainability in Operation

Employee Profile

Number of Employees

Akfen REIT HQ	2022		2023		2024	
	Woman	Man	Woman	Man	Woman	Man
Total Employee	3	6	2	7	4	6
Contract Employee	-	-	-	-	-	-
Employee Turnover Rate	33%	0%	0%	0%	0%	0%
Percentage of Employees Participating in Performance Evaluation	66%	50%	50%	57%	75%	66%
New hires	-	-	-	-	1	1

Employees for 2024 average service term is 10.5 years. (Managing Director and Members of the Board of Directors included in the calculation not provided).

Bodrum Loft	2022		2023		2024	
	Woman	Man	Woman	Man	Woman	Man
Headquarter	8	25	8	30	7	31
Contract Employee	-	-	-	-	-	-
Employee Turnover Rate*	154%		210%		237%	
Percentage of Employees Participating in Performance Evaluation	N/A	N/A	N/A	N/A	N/A	N/A

Bodrum Yalıkavak	2022		2023		2024	
	Woman	Man	Woman	Man	Woman	Man
Headquarter	0	3	3	9	5	23
Contract Employee	-	-	-	-	-	-
Employee Turnover Rate*	-	-	- 83.33%		57%	174.0%
Percentage of Employees Participating in Performance Evaluation	N/A	N/A	N/A	N/A	N/A	N/A

Fıratcan İnşaat	2022		2023		2024	
	Woman	Man	Woman	Man	Woman	Man
Headquarter	2	18	6	22	11	17
Contract Employee	-	-	-	-	-	-
Employee Turnover Rate	0%	9.09%	0%	65.0%	0%	52.0%
Percentage of Employees Participating in Performance Evaluation	50%	27.77%	66.66%	61.0%	54.0%	58.0%

Employee Development

Trainings

Akfen REIT Headquarters	2022	2023	2024
Total training hours provided to all employees	73	75	124
Average training hours per employee per year	6.08	8.3	12.5
Total cost of training (TRY)	4,615	11,537	3,846
Bodrum Loft Trainings	2022	2023	2024
Total training hours provided to all employees	33	114	1,699
Average training hours per employee per year	1	3	19.52
Total cost of training (TRY)	1,320	13,680	14,615
Bodrum Yalıkavak Trainings	2022	2023	2024
Total training hours provided to all employees	27	108	958
Average training hours per employee per year	9	9	34.2
Total cost of training (TRY)	1,080	12,960	2,912
Fıratcan İnşaat Trainings	2022	2023^(*)	2024
Total training hours provided to all employees	156	148	1,358
Average training hours per employee per year	7.80	5.28	48.51
Total cost of training (TRY)	6,240	17,760	10,769

* As of 18.07.2023 Akfen REIT has owned 100% shares of Fıratcan İnşaat Ticaret ve Turizm A.Ş.

Occupational Health and Safety

Bodrum Loft ^(*)	2022	2023	2024
Number of Injury of Employees (piece)	3	4	23
Total Employee Injury Rate	18%	20%	13%
Number of Lost Work Days of Employees (days)	30	45	169
Contractors' Lost Work Days (days)	1	0	0
Total Number of Lost Work Days	31	45	169
Total Employee	33	38	38

* There are no fatal accidents or occupational diseases.

Bodrum Yalıkavak	2022	2023	2024
Number of Injury of Employees (piece)	3	2	4
Total Employee Injury Rate	18%	2.99%	14%
Number of Lost Work Days of Employees (days)	0	5	0
Total Number of Lost Work Days	31	5	5
Total Employee	3	12	28

Fıratcan İnşaat	2022	2023^(*)	2024
Number of Injury of Employees (piece)	3	4	0
Total Employee Injury Rate	18%	2%	0
Number of Lost Work Days of Employees (days)	30	19	0
Contractors' Lost Work Days (days)	1	4	0
Total Number of Lost Work Days	31	23	0
Total Employee	33	38	28

Akfen REIT	2022	2023	2024
Number of Injury of Employees (piece)	3	0	0
Total Employee Injury Rate	18%	0%	0%
Number of Lost Work Days of Employees (days)	30	0	0
Contractors' Lost Work Days (days)	1	0	0
Total Number of Lost Work Days	31	0	0
Total Employee	9	9	10

Sustainability Compliance Report

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
A. General Principles				
A1. Strategy, Policy and Objectives	A1.1. Material environmental, social, and corporate governance (ESG) topics, risks, and opportunities are identified by the company's board of directors.	Yes	Risks and opportunities about material environmental, social, and corporate governance (ESG) topics have been identified by the Akfen REIT Board of Directors.	Sustainability and Climate Identifying Climate Change Risks (Pg.103-104-105) Sustainability Management (Pg. 108)
	A1.1. ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) are established and disclosed to the public by the board of directors.	Yes	As Akfen REIT, we carry out our corporate sustainability activities in line with the policies we have determined under four main headings. All of our policies have been approved at the Board of Directors level and are publicly disclosed on our company's website in line with our principle of transparency.	Our Sustainability Policies (Pg. 106)
	A1.2. Short and long-term targets set within the scope of ESG policies are disclosed to the public.	Yes	Sustainability targets and progress towards these targets are shared in the sustainability report and disclosed to the public on our company's website by the principle of transparency.	Sustainability Goals in Management (Pg. 110), Sustainability Goals in Environmental Compliance (Pg. 111), Sustainability Goals in Social Activities (Pg. 112)
A2. Execution/ Monitoring	A2.1. Committees and/or units responsible for executing ESG policies and the highest level of persons responsible in the company related to ESG topics and their duties are identified and disclosed to the public.	Yes	At Akfen GYO, we manage the execution of environmental, social, and governance (ESG) policies under the leadership of the Sustainability Management Committee and reporting to the Board of Directors. The units, committees, and senior managers responsible for the execution of ESG policies are coordinated by the Sustainability Management Committee and Corporate Governance Committee in particular and disclosed to the public through Akfen GYO's website and sustainability reports.	Sustainability Management (P.106)
	A2.1. The activities carried out by the responsible committee and/or unit within the scope of the policies are reported to the board of directors at least once a year.	Yes	At Akfen GYO, the Sustainability Management Committee manages environmental, social, and governance (ESG) topics in line with the identified sustainability priorities and holds monthly evaluation meetings. The outputs of these meetings are reported to the Board of Directors and Corporate Governance Committee.	Sustainability Management (P.106)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
A. General Principles				
A2. Execution/ Monitoring	A2.2. Execution and action plans are established and disclosed to the public in line with ESG objectives.	Yes	As Akfen GYO, implementation, and action plans have been created and implemented in line with our ESG targets. These plans are disclosed through sustainability reports and the company website.	Sustainability Goals in Management (Pg. 110), Sustainability Goals in Environmental Compliance (Pg. 111), Sustainability Goals in Social Activities (Pg. 112)
	A2.3. ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis are disclosed to the public.	Yes	Akfen GYO's current short and long-term targets set by Akfen Holding are shared under the heading of Sustainability Goals, and the relevant KPIs are monitored on an annual basis and disclosed to the public through the sustainability report and the company website.	Sustainability Goals in Management (Pg. 110), Sustainability Goals in Environmental Compliance (Pg. 111), Sustainability Goals in Social Activities (Pg. 112)
	A2.4. Activities to improve sustainability performance for business processes or products and services are disclosed to the public.	Yes	Activities to improve the sustainability performance of our business processes and services have been identified and these activities are disclosed to the public through the Sustainability Report and the company website.	Sustainability Goals in Management (Pg. 110), Sustainability Goals in Environmental Compliance (Pg. 111), Sustainability Goals in Social Activities (Pg. 112)
A3. Reporting	A3.1. Information on the company's sustainability performance, goals, and actions is provided in annual reports in an understandable, accurate, and sufficient manner.	Yes	Sustainability performance, targets, and actions regarding our company's activities in the field of sustainability are disclosed accurately, comprehensibly, and adequately in Akfen Holding Sustainability and Corporate Social Responsibility Report and Akfen GYO Annual Reports. In addition, Public Disclosure Platform (KAP) disclosures, material event disclosures, and general assembly information are regularly presented to our stakeholders in the 'Investor Relations' section of our website.	About the Report (Pg. 96)
	A3.2. A3.2. Information on which of the United Nations (UN) 2030 Sustainable Development Goals the Company's activities are related to is disclosed to the public.	Yes		Sustainability Approach (Pg. 107)
	A3.3. Lawsuits filed against and/or finalized on ESG topics, which are essential in terms of ESG policies and/or will significantly affect operations, are disclosed to the public.	Yes		Ethical and Transparent Business Approach (Pg. 113)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
A4. Verification	A4.1. The Incorporation's ESG Key Performance Measures are verified by an independent third party and disclosed to the public.	Partially	Carbon emission value verified.	Appendices: Performance Indicators (Pg. 136-141)

B. Environmental Principles

	B1. The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard), and programs in the field of environmental management.	Yes	At Akfen GYO, our environmental management policies and practices are carried out by international standards, environmental impacts are evaluated at all stages of our operational processes and necessary measures are taken. Our environmental management systems and action plans are disclosed to the public in our sustainability reports and on our company's website.	Sustainability in Compliance (Pg. 117)
	B2. Restrictions on the scope of the report, reporting period, reporting date, reporting date, and reporting conditions regarding the environmental reports prepared for providing information on environmental management are disclosed to the public.	Yes	At Akfen GYO, information on our environmental performance is regularly disclosed to the public in our sustainability reports. The scope, reporting period, reporting date, and conditions of our environmental reports are specified together with the relevant restrictions, and this information is shared with our stakeholders in our sustainability reports and on our company website.	About the Report (Pg. 96)
	B4. Environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as board members, managers, and employees) are disclosed to the public.	Yes	In 2024, sustainability KPIs were added to the performance criteria of Senior Man. and Executives, and environmental targets were included in the reward system in this direction. In particular, the target of "Adopting the concept of sustainability and reducing the carbon footprint" was added to the performance criteria of the Akfen REIT Gen. Manager. This information was disclosed to the public through the Akfen REIT Sustainability and Annual Report.	Sustainability Management (Pg. 106)
	B5. How material environmental topics are integrated into business objectives and strategies is disclosed to the public.	Partially	Environmental priorities are integrated into business processes within the scope of Sustainability Strategic Goals. Energy, emission, and risk management have been aligned with business targets, and ESG targets are monitored through Key Performance Indicators (KPIs) up to individual performance. Akfen GYO Sustainability Working Group continues its efforts to ensure this integration.	Sustainability Goals in Environmental Compliance (Pg. 111)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
B. Environmental Principles				
A3. Reporting	B.7. Publicly disclosed how environmental topics are managed and integrated into business objectives and strategies, including suppliers and customers along the partnership value chain, including the operational process.	Yes	<p>Akfen GYO takes various steps to integrate its suppliers and customers into the sustainability process. In 2024, a Supplier Human Rights Commitment Letter was prepared and added to supply contracts and sustainability education was provided to critical suppliers. In addition, the environmental performance of its tenants in waste, water, energy efficiency, and emission reduction is monitored.</p> <p>Customer satisfaction surveys are conducted regularly and customer feedback is integrated into sustainability strategies and actions are taken to improve service quality. This information is disclosed in sustainability reports and on the company website.</p>	<p>Value Chain Management (Pg. 115)</p> <p>Customer Satisfaction (Pg. 116)</p>
	B8. Whether relevant institutions and non-governmental organizations are involved in policy-making processes on the environment and the cooperation with these institutions and organizations are disclosed to the public.	No	Akfen REIT collaborates with the public and private sectors within the scope of environmental sustainability efforts and carries out projects to raise environmental awareness. These collaborations and environmental policy contributions are disclosed to the public through the Akfen REIT Sustainability Report and Annual Report.	"Sustainability Goals in Environmental Compliance (Pg. 111), Akfen Memorial Forest Project (Pg. 122), Düzce Hikmet Akın Secondary School Zero Waste and Sustainability Education (Pg.135)
	B9. Information on environmental impacts in light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)) is disclosed to the public in a periodically comparable manner.	Yes	It is explained in the appendices of the sustainability report under the heading "Sustainability in Compliance".	Performance Indicators - Sustainability in Compliance (Pg. 136-141)
	B10. Details of the standard, protocol, methodology, and base year used to collect and calculate the data are publicly disclosed.	Yes	Akfen REIT uses ISO 14064-1:2018 standards in environmental data collection and calculation processes. Greenhouse gas emission calculations are made by the Rep. of Türkiye Climate Change Action Plan and 2022 has been determined as the base year. This information is disclosed to the public through the sustainability and annual report.	Emission Management (Pg. 119)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
B. Environmental Principles				
	B11. The increase or decrease in environmental indicators for the reporting year in comparison with previous years is disclosed to the public.	Yes	It is explained in detail in the appendices of the sustainability report under the heading 'Sustainability in Compliance'.	Performance Indicators - Sustainability in Compliance (Pg. 136-141)
	B12. Short and long-term targets have been set to reduce environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.	Yes	Sustainability targets and progress towards these targets are shared in the report.	Sustainability Goals in Environmental Compliance (Pg. 111)
	B13. A strategy to tackle the climate crisis was developed and planned actions were made public.	Yes	Akfen REIT has developed strategies to combat climate change and publicly discloses its actions accordingly. Within the Company, a main climate policy has been established within the framework of 'Planet Policies'.	Risk and Opportunity Management (Pg. 105), Identifying Sustainability and Climate Change Risks (Pg. 103), Energy Man. (Pg. 118) Emissions Man. (Pg. 119)
	B14. Programs or procedures have been established and disclosed to the public to prevent or minimize the potential negative impact of products and/or services on the environment.	Partially	Akfen REIT's energy consumption data are reported within Scope-1 and Scope-2. Detailed information on natural gas, diesel, gasoline, LPG, electricity, and heating-cooling consumption is transparently disclosed to the public in the sustainability report.	Sustainability in Compliance (Pg. 119)
	B14. Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	Partially	Akfen REIT monitors the environmental performances of its tenants within the scope of waste, water, energy efficiency, and emission reduction in accordance with the contracts it has made. In this direction; studies have been carried out to monitor performance data on energy, water, emission, and waste management in the enterprises (tenants) within the scope of Akfen REIT's responsibility in 2024.	Stratejik Sürdürülebilirlik Hedefleri (Sf. 110-111-112)
	B15. Environmental benefits/gains and cost savings from initiatives and projects to reduce environmental impacts are disclosed to the public.	Yes	At Akfen REIT, different examples of practices continue to contribute to the solution of environmental problems.	Akfen Hatıra Ormanı Project (Pg. 122), Deniz Varsa, Hayat Var! (Pg. 122)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
B. Environmental Principles				
	B16. Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed in Scope-1 and Scope-2.	Yes	It is explained in the appendices of the sustainability report under the heading "Sustainability in Compliance".	Performance Indicators - Sustainability in Operations - Emission Management (Pg. 135-138)
	B17. Public disclosure has been made on electricity, heat, steam, and cooling generated in the reporting year.	No	There is no electricity, heat, etc. generated as of the reporting year.	-
	B18. Studies on increasing the use of renewable energy and transition to zero or low-carbon electricity have been conducted and disclosed to the public.	Partially	Akfen REIT monitors the environmental performance of its tenants within the scope of waste, water, energy efficiency, and emission reduction by the contracts it has made with them. In this direction; studies have been carried out to monitor performance data on energy, water, emission, and waste management in the enterprises (tenants) within the scope of Akfen REIT's responsibility in 2024.	Performance Indicators -Energy Management (Pg.137) Emission Management (Pg. 137-138)
	B19. Renewable energy production and utilization data are publicly disclosed.	Partially	Akfen REIT monitors the environmental performance of its tenants within the scope of waste, water, energy efficiency, and emission reduction in accordance with the contracts it has made with them. In this direction; studies have been carried out to monitor performance data on energy, water, emission, and waste management in the enterprises (tenants) within the scope of Akfen GYO's responsibility in 2024.	Performance Indicators -Energy Management (Pg.137)
	B20. Energy efficiency projects were carried out and the amount of energy consumption and emission reductions achieved through energy efficiency projects were disclosed to the public.	Partially	Akfen REIT has disclosed the energy efficiency projects it has realized in its Sustainability Report.	Performance Indicators -Energy Management (Pg.137)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
B. Environmental Principles				
	B21. Water consumption, amounts, sources, and procedures for underground or surface water withdrawals, recycling, and discharges, if any, are publicly disclosed.	Yes	Akfen GYO discloses information on water consumption, recovery and utilization procedures in its Sustainability Report	Performance Indicators -Water Management (Pg. 136)
	B22. It is publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade, or Carbon Tax).	Irrelevant		
	B23. Information on carbon credits accumulated or purchased during the reporting period is disclosed to the public.	Irrelevant		
	B24. If carbon pricing is applied within the partnership, details are disclosed to the public.	Irrelevant		
	B25. The platforms where the Company discloses its environmental information are publicly disclosed.	Yes	Akfen GYO discloses its environmental data to the public through the CDP Carbon Disclosure Project.	https://www.akfengyo.com.tr/download/files/6953572348_12-02-2025-akfen-gyo-cdp-notu-basarisi.pdf
C. Social Principles				
C1. Human Rights and Employee Rights	C1.1. A Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, the responsible parties for the implementation of the policy have been identified and the policy and responsible parties have been disclosed to the public.	Yes	Akfen REIT accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation regulating human rights and working life. Child labor and forced or compulsory labor are not permitted in Akfen REIT. It is ensured that the working environment is egalitarian and human-oriented.	Sürdürülebilirlik Politikalarımız (Sf. 108)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
C. Social Principles				
C1. Human Rights and Employee Rights	C1.2. Considering supply and value chain impacts, fair labor, improvement of labor standards, women's employment, and inclusion topics (such as non-discrimination on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the policy on employee rights.	Yes	Akfen REIT accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation regulating human rights and working life. Child labor and forced or compulsory labor are not permitted in Akfen REIT. It is ensured that the working environment is egalitarian and human-oriented.	Our Sustainability Policies (Pg. 108)
	C1.3. Measures taken along the value chain to protect the rights/equal opportunities of groups sensitive to certain economic, environmental, and social factors (low-income groups, women, etc.) or minority rights/equal opportunities are disclosed to the public.	Yes	Measures and practices taken in line with our human resources policies and strategies are explained in the Sustainability Principles Compliance Report.	Value Chain Management (Pg. 115)
	C1.4. Progress on preventing and remedying discrimination, inequality, human rights violations, forced labor, and child labor is made public.	Yes	Akfen REIT accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation regulating human rights and working life. Child labor and forced or compulsory labor are not permitted in Akfen REIT. It is ensured that the working environment is egalitarian and human-oriented.	Ethical and Transparent Business Approach (Pg.113)
	C1.5. Investment in employees (training, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions, and talent management topics are included in the policy on employee rights.	Yes	Akfen GYO accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation regulating human rights and working life. Child labor and forced or compulsory labor are not permitted in Akfen GYO. It is ensured that the working environment is egalitarian and human-oriented.	Our Sustainability Policies (Pg. 108) Human Resources Management (Pg. 124) Talent Management and Employee Development (Pg. 125) Performance Management System (Pg. 126)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
C. Social Principles				
	C1.5. Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	Yes	Akfen GYO accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation regulating human rights and working life. Child labor and forced or compulsory labor are not permitted in Akfen GYO. It is ensured that the working environment is egalitarian and human-oriented.	Ethical and Transparent Business Approach (Pg.113)
	C1.5. Activities carried out during the reporting period to ensure employee satisfaction were disclosed to the public.	Yes	Akfen REIT disclosed the results of the Employee Satisfaction Survey on employee satisfaction in its Sustainability Report.	Employee Engagement (Pg.128)
	C1.6. Occupational health and safety policies are established and disclosed to the public.	Yes	Occupational Health and Safety Policy	Occupational Health and Safety (Pg.129)
	C1.6. Measures are taken to prevent occupational accidents and protect health and accident statistics are made public.	Yes	It is explained in the appendices of the sustainability report under the heading "Sustainability in Operations".	Occupational Health and Safety (Pg.129)
	C1.7. Personal data protection and data security policies have been established and disclosed to the public.	Yes	Information Security Policy	Our Sustainability Policies (Pg. 108)
	C1.8. Ethics policy has been established and disclosed to the public.	Yes	Global Compact Compliance Policy Ethical Business Approach at Akfen REIT	Our Sustainability Policies (Pg. 108) Ethical and Transparent Business Approach (Pg. 113)
	C1.9. Activities on social investment, social responsibility, financial inclusion, and access to finance are explained.	Partially	Social Investments	Social Sustainability (Pg. 131) Product Responsibility (Pg. 132) Support for Sports (Pg. 134) Contribution to the Industry (Pg.1335)"
	C1.10. Informative meetings and education programs were organized for employees on ESG policies and practices.	Yes	Employee Development	Talent Management and Employee Development (Pg. 125)

Principle Type	Current Situation Analysis	Comp. Status	Description	Reference
C. Social Principles				
C2. Stakeholders, International Standards and Initiatives	C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and announced to the public.	Yes	At Akfen GYO, the understanding of "Customer Satisfaction" is to continuously improve the experience provided to investors and tenants and to continuously increase the value we offer. In this context, an investor satisfaction policy has been published.	Customer Satisfaction (Pg. 116)
	C2.2. Information on communication with stakeholders (which stakeholder, topic, and frequency) is disclosed to the public.	Yes	Key Stakeholders and platforms for dialog with stakeholders	Stakeholder Communication (Pg. 114)
	C2.3. International reporting standards adopted in reporting are explained.	Yes	Akfen REIT 2024 Sustainability Report complies with GRI Standards.	About the Report (Pg.96) Manager (Pg.95)
	C2.4. Principles adopted on sustainability, international organizations, committees, and principles that are signatories or members are disclosed to the public.	Yes	Policies at Akfen REIT have been prepared in line with the UN SDGs and UNGC-CGC.	Message from the General Manager (Pg.95)
	C2.5. Developments were made and studies were carried out to be included in the sustainability indices of Borsa İstanbul and/or international index providers.	Yes	Akfen REIT is included in the BIST Sustainability Index.	Message from the General Manager (Pg.95)
D. Corporate Governance Principles				
	D1. Stakeholders' opinions were consulted in determining measures and strategies in the field of sustainability.	Yes	The prioritization of sustainability topics of Akfen REIT in 2021 was carried out under the leadership of the Sustainability Working Group, taking into account both the employees and the stakeholders with whom Akfen REIT has established relations. In 2024, work on the material topics identified in 2021 continued.	Sustainability Priorities (Pg. 109)
	D2. Efforts were made to raise awareness of sustainability and its importance through social responsibility projects, awareness-raising events, and education.	Partially	Akfen REIT provided sustainability education to its employees and suppliers.	Social Sustainability (Pg. 131)

About the Report

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CHAPTER

08

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Financial Statements

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**AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH
OF CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT FOR
THE PERIOD JANUARY 1– DECEMBER 31, 2024
(ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT

General Assembly of Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

A) Independent Audit of Consolidated Financial Statements

Opinion

The consolidated financial statements of Akfen Real Estate Investment Trust Inc. ("the Company") and its subsidiaries (collectively referred to as "the Group") as of December 31, 2024, and for the fiscal year ended on the same date; including the consolidated income statement, consolidated statement of changes in equity, and consolidated cash flow statement, as well as the summary of significant accounting policies, we have audited the consolidated financial statements, which consist of the consolidated financial statements and the notes thereto. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and consolidated cash flows for the fiscal year ended on the same date, in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("IAS") that are accepted within the framework of the Capital Markets Board ("CMB") regulations and published by the Public Oversight, Accounting and Auditing Standards Authority ("POAAS"). Our responsibilities under the ISAs are detailed in the section of our report titled "Responsibilities of the Independent Auditor for the Independent Audit of the Consolidated Financial Statements." We declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) ("Ethical Rules") published by the KGK and the ethical principles related to the independent audit of consolidated financial statements in the CMB legislation and other relevant legislation. We have also fulfilled other ethical responsibilities under the Ethical Rules and legislation. We believe that the independent audit evidence obtained during the independent audit provides a sufficient and appropriate basis for forming our opinion.

Key Audit Matters

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

Determination of the fair value of investment properties

For details on the accounting policies and significant accounting estimates and assumptions used in determining the fair value of investment properties, please refer to Note 2.4.

Key Audit Matter	How the subject matter was addressed in the audit
Determining the fair value of investment properties	
<p>As of December 31, 2024, investment properties amounting to TL 25,948,168,222 constitute 84% of the Group's total assets.</p> <p>The Group's investment properties consist of hotels, dormitories, offices, factory buildings, and land.</p> <p>As of December 31, 2024, a total value increase of 1,389,344,705 TL, determined by an independent valuation company, has been recognized in the consolidated financial statements for the period.</p> <p>Given that the book value of investment properties constitutes a significant portion of the Group's total assets and that the valuations conducted to determine their fair value involve subjective nature, significant assumptions, and judgments, "Determination of the fair value of investment properties" has been identified as a key audit matter.</p>	<p>During our audit, the following audit procedures were applied in relation to the fair value of investment properties.</p> <ul style="list-style-type: none"> • The procedures applied by group management in determining the fair value of investment properties were evaluated. • The impartiality, competence, and qualifications of the experts of the independent appraisal company that performed the valuation of investment properties were evaluated. • The consistency and appropriateness of the valuation methods used in the valuation reports for the real estate values identified, as well as the inputs and assumptions (discount rate, occupancy rate) that have a significant impact on fair value, were reviewed by comparing them with observable market prices to determine whether the estimated values fall within an acceptable range, with the assistance of our valuation experts. • Evaluating the appropriateness and adequacy of financial statement footnotes related to investment properties, including explanations of basic estimates and assumptions, in accordance with IFRS.

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

Group management is responsible for the preparation of consolidated financial statements in accordance with TFRS, for their fair presentation, and for the internal controls it deems necessary to ensure that they are prepared without material misstatement due to error or fraud.

When preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless there is an intention or obligation to liquidate the Group or cease trading activities.

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

Responsibilities of the Independent Auditor for the Independent Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as independent auditors are as follows:

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an independent auditor's report containing our opinion. Reasonable assurance obtained as a result of an independent audit conducted in accordance with ISAs is a high level of assurance, but it does not guarantee that every material misstatement will always be detected. Misstatements may arise from error or fraud. Misstatements are considered material if, individually or in the aggregate, they are reasonably likely to influence the economic decisions of financial statement users taken on the basis of these consolidated financial statements.

As required by ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatements in the consolidated financial statements arising from error or fraud; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Since fraud may involve acts such as collusion, deception, intentional neglect, misrepresentation, or violations of internal controls, the risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error.
- Internal controls related to the audit are evaluated not to express an opinion on the effectiveness of the Group's internal controls, but to design audit procedures appropriate to the circumstances.
- The appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures are evaluated.
- Based on the audit evidence obtained, a conclusion is reached regarding whether there is a significant uncertainty related to events or conditions that could cast serious doubt on the Group's ability to continue as a going concern, and whether management's use of the going concern basis is appropriate. If we conclude that a significant uncertainty exists, we are required to draw attention to the relevant disclosures in the consolidated financial statements in our report or, if such disclosures are inadequate, to express an opinion other than an unqualified opinion. Our conclusions are based on the audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may bring the Group's continuity to an end.
- The overall presentation, structure, and content of the consolidated financial statements, including the notes, and whether they fairly present the transactions and events underlying these statements are evaluated.
- We plan and perform the group audit to obtain sufficient and appropriate audit evidence about the financial information of the businesses or business units within the group to form the basis for our opinion on the group financial statements. We are responsible for directing, supervising, and reviewing the audit work performed in relation to the objectives of the group audit. We are solely responsible for the audit opinion we issue.

In addition to other matters, we report the planned scope and timing of the independent audit, including significant internal control deficiencies identified during the audit, and significant audit findings to those charged with governance.

We have communicated our compliance with ethical requirements regarding independence to those charged with governance. In addition, we have communicated to those charged with governance all relationships and other matters that could be considered to have an effect on independence, as well as the steps taken and measures implemented to eliminate any threats, if any.

Among the matters communicated to those charged with governance, we identify the most significant matters, i.e., key audit matters, in the independent audit of the consolidated financial statements for the current period. In cases where the legislation does not permit disclosure of the matter to the public, or in very exceptional cases where it is reasonably expected that the adverse consequences of disclosure to the public would outweigh the public benefit of disclosure, we may decide not to disclose the matter in our independent auditor's report.

B) Other Obligations Arising from Legislation

- 1) The Auditor's Report on the Early Detection of Risk System and Committee, prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), was submitted to the Company's Board of Directors on March 6, 2025.
- 2) In accordance with the fourth paragraph of Article 402 of the TCC, no significant issues were identified regarding the Company's bookkeeping system and consolidated financial statements for the accounting period from January 1 to December 31, 2024, in terms of compliance with the provisions of the TCC and the Company's articles of association relating to financial reporting.
- 3) In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code, the Board of Directors has provided the explanations requested within the scope of the audit and submitted the requested documents.

KPMG Independent Audit and Certified Public Accountant Firm

H. Nesrin Tuncer, CPA
Responsible Auditor
March 6, 2025
Istanbul, Turkey

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024

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

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

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

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

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

		Audited January 1 - December 31 2024	Audited January 1 - December 31 2023
PROFIT OR LOSS	Notes		
Revenue	24	1,216,284,193	1,580,810,406
Cost of sales (-)	24	(47,874,880)	(54,411,254)
GROSS PROFIT		1,168,409,313	1,526,399,152
General administrative expenses (-)	23	(88,110,649)	(113,531,204)
Other operating income from operating activities	24	1,395,020,160	716,556,095
Other operating expenses from operating activities (-)	24	(3,049,059)	(17,612,489)
PROFIT FROM OPERATING ACTIVITIES		2,472,269,765	2,111,811,554
Share of profit from investments accounted using the equity method	19	(1,686,674)	73,984,622
Income from investment activities	27	13,484,239	84,678,445
Expense from investment activities	27	(29,326,332)	-
PROFIT BEFORE FINANCE INCOME		2,454,740,998	2,270,474,621
Financial income	26	510,452,609	179,974,657
Financial expenses (-)	27	(657,768,777)	(4,731,011,869)
Monetary gain	30	318,218,642	3,137,761,842
PROFIT BEFORE TAX		2,625,643,472	857,199,251
Tax income/(expense)		(1,175,394,653)	198,443,5800
- Current tax expense	28	(8,333,939)	(6,860,254)
- Deferred tax (expense)/income	28	(1,167,060,714)	205,303,834
PROFIT FOR THE PERIOD		1,450,248,819	1,055,642,831
Profit for the period attributable to			
Non controlling interests		5,230,489	6,855,155
Owners of the Group		1,445,018,330	1,048,787,676
Net profit for the period		1,450,248,819	1,055,642,831
Profit per share (Full TRY)	31	0,37	0,72
Diluted earnings per share (Full TRY)	31	0,37	0,72
PROFIT FOR THE PERIOD		1,450,248,819	1,055,642,831
OTHER COMPREHENSIVE EXPENSE		(656,323,290)	(485,436,316)
Other comprehensive income/(expense) that will be reclassified to profit or loss		(656,323,290)	(485,436,316)
Losses on exchange differences on translation		(656,323,290)	(485,436,316)
TOTAL COMPREHENSIVE INCOME		793,925,529	570,206,515
Income for the period attributable to			
Non-controlling interest		(392,741)	12,327,259
Owners of the parent		794,318,270	557,879,256

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

31 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

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

	Other comprehensive income and items to be reclassified to profit or loss	Share premium	Share	Inflation adjustment on capital	Issued Capital	Exchange differences on translation	Restricted reserves appropriated from profits	Other equity shares	Retained earnings	Profit for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as at January 1, 2023	1,300,000,000	6,803,105,053	1,575,179,554	6,803,105,053	1,575,179,554	(448,513,961)	16,207	-	7,349,657,075	1,924,309,753	18,503,753,681	313,010,648	18,816,764,329
Transfers	-	-	-	-	-	-	-	-	1924,309,753	(1924,309,753)	-	-	-
Total comprehensive income	-	-	-	-	-	(490,908,420)	-	-	-	1048,787,676	557,879,256	12,327,259	570,206,515
Capital increase (Note 21)	-	-	50,982,115	-	-	-	-	-	-	-	50,982,115	-	50,982,115
Increase through treasury share transactions (Note 21)	-	-	50,982,115	-	-	-	-	-	-	-	50,982,115	-	50,982,115
Transactions with non-controlling shareholders (Note 21)	-	-	-	-	-	-	-	(237,372,357)	-	-	(237,372,357)	(145,982,467)	(383,354,824)
Balance as at December 31, 2023	3,890,703,214	7,952,827,311	1,618,359,249	7,952,827,311	1,618,359,249	(939,422,381)	16,207	(237,372,357)	9,273,966,828	1,048,787,676	22,607,865,747	179,355,440	22,787,221,187
Balance as at January 1, 2024	3,890,703,214	7,952,827,311	1,618,359,249	7,952,827,311	1,618,359,249	(939,422,381)	16,207	(237,372,357)	9,273,966,828	1,048,787,676	22,607,865,747	179,355,440	22,787,221,187
Transfers	-	-	-	-	-	-	-	-	1048,787,676	(1048,787,676)	-	-	-
Total comprehensive income	-	-	-	-	-	(650,700,060)	-	-	-	1445,018,330	794,318,270	(392,741)	793,925,529
Capital increase (Note 21)	9,296,786	3,282,567	6,965,987	-	-	-	-	-	-	-	19,545,340	-	19,545,340
Deferred tax impact from previous years (Note 28)	-	-	-	-	-	-	-	-	(235,964,010)	-	(235,964,010)	-	(235,964,010)
Balance as at Dec. 31, 2024	3,900,000,000	7,956,109,878	1,625,325,236	7,956,109,878	1,625,325,236	(1,590,122,441)	16,207	(237,372,357)	10,086,790,494	1,445,018,330	23,185,765,347	178,962,699	23,364,728,046

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

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

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

	Notes	Audited Jan, 1,-Dec, 31,,2024	Audited Jan, 1,-Dec, 31,,2023
A. Cash flows from operating activities			
Profit from continuing operations		1,450,248,819	1,055,642,831
Adjustments to reconcile profit:			
Adjustments for depreciation and amortisation expense	22,23	807,973	8,156,856
Adjustments for impairment loss		-	530,159
Adjustments for provisions		4,808,687	3,450,195
- Adjustments for provisions related with employee benefits	17	4,808,687	3,450,195
Adjustments for losses arising from the disposal of non-current assets held for sale or distribution to partners	3,25	24,252,312	-
Adjustment for negotiated acquisition earnings	3,25	-	(77,459,363)
Adjustments for interest income and expense	26,27	(139,880,924)	1,109,093,854
Adjustments for unrealised foreign exchange losses		292,098,438	2,902,738,358
Adjustments for fair value gains		(1,389,344,705)	(219,266,599)
- Adjustment for fair value (gains)/losses of investment properties	24	(1,389,344,705)	(714,023,576)
- Adjustments for fair value losses/(gains) on derivative financial instruments	26,27	-	494,756,977
Adj. for undistributed gains of inv. accounted using the equity method	19	1,686,674	(73,984,622)
Adjustments for tax expense/(income)	28	1,175,394,653	(198,443,580)
Adj. for other items that result in cash flows from investment or financing activities	25	(8,410,219)	(7,219,082)
Adjustments for monetary gain		(552,786,107)	(3107,526,195)
		858,875,601	1,395,712,8122
Changes in working capital:			
Adjustments for increase in trade accounts receivable		(138,699,626)	(210,864,058)
Adjustments for (increase)/decrease in other receivables related with operations		(625,960)	213,213,064
Adjustments for increase in inventories	13	(776,850,833)	(297,804,922)
Adjustments for increase in trade accounts payable		295,442,582	71,346,878
Adjustments for (decrease)/increase in other operating payables		(531,982,137)	211,940,888
Other adjustments for other decrease in working capital		(81,519,323)	(93,396,389)
Cash flows (used in)/from operations		(375,359,696)	1,290,148,273
Payments related with provisions for employee benefits	17	(442,908)	(1,419,133)
Tax payments		(11,719,179)	(7,535,322)
Net cash flows (used in)/ from operating activities		(387,521,783)	1,281,193,818
B. Cash flows from investing activities			
Cash outflow from purchase of property, plant, equipment, and intangible assets	11,12	(324,144)	(1,298,070)
Cash outflows from purchase of investment property	10	(888,080,856)	(504,063,175)
Cash inflows resulting from sales of fixed assets held for sale	3	3,014,469,257	-
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	19	(182,489,953)	-
Cash outflows related to acquisitions for gaining control of subsidiaries	3	-	(538,964,881)
Cash outflows related to additional share acquisitions in subsidiaries	3	-	(33,126,389)
Other cash inflows	25	8,410,219	7,219,082
Cash flows from/(used in) investing activities		1,951,984,523	(1,070,233,433)
C. Cash flows from financing activities			
Cash inflows from capital advances	21	19,545,340	3,164,749,715
Cash inflows from borrowing	7	2,179,165,685	-
Cash outflows for loan repayments	7	(4,019,199,361)	(455,029,237)
Cash outflows for payments of lease liabilities	7	(101,339,764)	(60,606,568)
Cash inflows from derivative instruments ^(*)		-	358,774,764
Interest received		124,723,728	32,805,040
Interest paid	7	(453,429,347)	(480,725,274)
Other cash inflows		-	45,697,695
Cash inflows from the sale of treasury shares	23	-	262,087,665
Cash outflows from the purchase of treasury shares	23	-	(211,105,550)
Net cash (used in)/from financing activities		(2,250,533,719)	2,656,648,250
Net decrease/(increase) in cash and cash equivalents before the effect of currency translation differences			
		(686,070,979)	2,867,608,635
Effect of foreign currency translation differences on cash and cash equivalents		219,038,624	105,198,6966
Net (decrease)/ increase in cash and cash equivalents		(467,032,355)	2,972,807,331
Cash and cash equivalents at the beginning of the period	6	3,141,074,165	277,258,172
Inflation effect on cash and cash equivalents		(965,495,207)	(108,991,338)
Cash and cash equivalents at the end of the period	6	1,708,546,603	3,141,074,165

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***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: 481, 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 İnşaat A.Ş. ("Akfen GT"), a subsidiary of Akfen Holding, have been transferred to the Company with a nominal value. Akfen GT's main operations are also investing in real estates, forming real estate portfolio and develop real estate projects. Akfen GT which is 100% owned subsidiary of Akfen GYO has 286 rooms Merit Park Hotel operating in the Turkish Republic of Northern Cyprus (TRNC). Pursuant to the decision of the Board of Directors of the Company dated April 13, 2023, a transfer agreement was signed between the Company and Merit Kıbrıs Turizm Ltd Şirket on April 13, 2023 regarding the transfer of the hotel, whose investment was completed in the TRNC and operated under Merit Park Hotel & Casino. Since the most appropriate transfer of the aforementioned hotel for the Company is to make the transaction in the form of a share transfer by turning the Company's subsidiary Akfen GT into a special purpose company related to the aforementioned hotel, Akfen GT has been rendered to have no activities or assets except the hotel. As a result of the fulfillment of the terms of the contract and the receipt of all necessary legal permissions, the transfer of all shares belonging to Akfen GT, a subsidiary of the Company, was completed on January 17, 2024. In this context, as of August 28, 2023, the division of Akfen GT in such a way that only the hotel will remain within its structure has been completed, and the shares of Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat Anonim Şirketi ("Akfen Karaköy"), which is 78.83% owned by Akfen GT, have been transferred to the newly established Akfen Güney Gayrimenkul İşletme Anonim Şirketi ("Akfen Güney") through a partial division. In addition, as a result of the aforementioned division process; while Akfen GT had 97,8 % shares of YaroslavlInvest Limited Company ("YaroslavlInvest"), Samstroykom Limited Company ("Samstroykom") and KaliningradInvest Limited Company ("KaliningradInvest"), which has hotel investments in Russia, and 96,17% shares of Volgastroykom Limited Company ("Volgastroykom"), where the office investment in Russia is located, and 100% shares of Severnyi Avto-vokzal Limited Company ("Severnyi"), which has a hotel investment in Moscow, these shares of subsidiaries have been transferred to the newly established Akfen Kuzey Gayrimenkul İşletme Anonim Şirketi (Akfen Kuzey). The main activities of Akfen Güney and Akfen Kuzey companies, which were registered on August 28, 2023 and are 100% owned, are to invest based on real estate, create and develop a real estate portfolio. 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 DECEMBER 31, 2024

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

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 İnşaat related 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 İnşaat 1%) established by Akfen GYO and Akfen İnşaat has been approved by İller Bankası. Within this scope, incorporation of Akfen İnşaat Turizm ve Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. joint venture ("Joint Venture") was completed on November 9, 2017 and all rights and liabilities regarding to Bulvar Loft project has been transferred to the Joint Venture. All sales of the Bulvar Loft project, which consists of 6 blocks, 822 independent sections and social facilities, have been completed as of the reporting date. The Ordinary Partnership was liquidated on November 30, 2023.

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

Akfen GYO has purchased 51% shares of Firatcan İnş. Turz. Tic. A.Ş. ("Firatcan Turizm") on June 30, 2021. With this purchase, the Company, with reference to the Lease Agreement for Areas Containing Buildings signed between Firatcan Turizm and TCDD on 5 July 2018; Sogutluceme 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 Sogutluceme 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 Firatcan Turizm's shares were purchased on July 18, 2023. After the acquisition, Firatcan Turizm became a 100% subsidiary of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)**

On September 15, 2022, Akfen GYO purchased a land of 22,197 square meters in Bodrum Yalıkavak, for which all licenses and permits are ready, and started the construction of the villa project planned to be sold on the land. The Company has purchased 100% shares of Gökliman Yatırım İnşaat Turizm ve Jeotermal Tic. A.Ş. ("Gökliman") from Akfen Gayrimenkul Portföy Yönetim A.Ş. 1. Gayrimenkul Yatırım Fonu ("Akfen GPYŞ 1. GMY Fonu") on December 29, 2022 for a consideration of TRY 785,966,822. Gökliman's main field of activity is to make and operate tourism investments, and there is a total of 83,624.59 m2 of land in Muğla province, Milas district, Kıyıkışlacık Neighborhood, Gökliman Locality. On April 3, 2023, Akfen Bafra Gayrimenkul Ticareti ve İnşaat A.Ş. ("Akfen Bafra"), a new 100% owned subsidiary, was established. The main activity of the Company is to invest in real estate in Cyprus, to create and develop a real estate portfolio.

The Company is registered in Levent Loft, Büyükdere Caddesi, C Blok No: 201, Kat: 8, Daire: 150, Levent- İstanbul address.

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

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

As of December 31, 2024, the number of employees of the company is 44 (December 31, 2023: 43).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**2.1. Basis of preparation****a. Statement of compliance**

The Group and its subsidiaries/affiliates, Akfen GT, Akfen Karaköy, Ordinary Partnership, Gökliman, Akfen Bafra, Akfen Güney, Akfen Kuzey and Fıratcan Tourism head offices maintain its legal books of account and prepare its statutory financial statements in accordance with accounting principles set out in the Turkish Commercial Code ("TTC"), tax legislation and uniform chart of account. Akfen GT, is also operating in Turkish Republic of Northern Cyprus ("Northern Cyprus"), its branch has been registered on September 2, 2002 by the decision of the Cabinet of Northern Cyprus as a foreign company under the limited liability companies Code Article 346, with the registry number YŞ00148, Chapter 113 of Northern Cyprus Corporate Registration Office. Akfen GT's branch operating in Northern Cyprus maintains its legal books of account and prepares its statutory financial statements in accordance with accounting principles set out in the Commercial Code accepted in Northern Cyprus. The Group's foreign entities Yaroslavinvest, Kalingradinvest, Samstroykom, Volgastroykom and Severnyi maintain their records and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

b. Measurement principles

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

As of January 1, 2023, within the scope of TAS 29, the amount of "Retained Earnings" without inflation adjustment is TRY 2,464,970,287, and TRY 3,089,426,730 after inflation adjustment. The amount of "Retained Earnings" dated 1 January 2023 is TRY 9,273,966,825 as brought to the purchasing power of December 31, 2024.

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.1. Basis of preparation (cont'd)****b. Measurement principles (cont'd)****Financial Reporting in Hyperinflationary Economies**

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

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

The indices and adjustment coefficients for December 31, 2024 and 2023 used in the restatement of consolidated financial statements are as follows:

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

In accordance with the POA's "Implementation Guide on Financial Reporting in Economies with High Inflation", the financial statements dated 1 January 2022, which are the opening amounts of the comparative financial table for the consolidated financial statements of the enterprises ending on December 31, 2024, are accepted as the opening statement of financial position.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)****2.1. Basis of preparation (cont'd)****b. Measurement principles (cont'd)****Financial Reporting in Hyperinflationary Economies (cont'd)**

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

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date.
- Property, plant and equipment are restated by applying the change in the index from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date. Depreciation is based on the restated amounts.
- All items in the income statement except for the depreciation charges explained above and deferred tax charges, are restated by applying the monthly conversion factors of the transactions to the reporting date.
- The effects of inflation on the net monetary positions of the Company, is included in the profit or loss statement as "monetary gain / (loss)".
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.
- All amounts for comparative periods have been rearranged by applying the index change from the relevant comparative period to December 31, 2024.

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

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

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.1. Basis of preparation (cont'd)****c. Compliance with Turkish Accounting Standards ("TAS")**

The individual financial statement has been prepared in accordance with the Turkish Accounting Standards ("TAS") published and entered into force by the Public Oversight Accounting and Auditing Standards Authority ("KGK") which is in accordance with the provisions of the CMB's Communiqué Serial II-14.1 on "Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676.

The financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on 15 April 2019 by POA and templates defined in the Illustrative Financial Statements and User Guide published by Capital Markets Board of Turkey ("CMB"). TAS is composed of Turkish Accounting Standards, Turkish Financial Reporting Standards, appendixes, and interpretations.

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

d. Functional and presentation currency

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

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

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

(**) On November 29, 2024, it merged with Akfen Karaköy.

(***) On August 2, 2024, 43% of the company was acquired.

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

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.1. Basis of preparation (cont'd)****Subsidiaries**

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

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

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

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

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

(**) On November 29, 2024, it merged with Akfen Karaköy.

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

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

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 or 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.

As of March 29, 2021, The Company has been purchased 51% shares of Firatcan Turizm which has the right to lease the Sogutluceme train station in Istanbul, Kadikoy, within the scope of the High-Speed Train Station Project for 2 years of permission and license, 2 years of construction period and 25 years to operate according to the Lease Contract for Construction Containing Areas signed with TCDD. According to the share transfer agreement, management of Firatcan Tourism will be carried out jointly by Akfen GYO and Firatcan Tourism companies, and decisions regarding Firatcan Tourism's activities that significantly affect its returns require unanimity of the parties. For this reason, Firatcan Tourism has been accounted for using the equity method. The remaining 49% of Firatcan Turizm's shares were purchased on July 18, 2023. After the acquisition, Firatcan Turizm became a 100% subsidiary of the Company and was accounted for with the full consolidation method as of December 31, 2024 and 2023.

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.1. Basis of preparation (cont'd)****Joint ventures (cont'd)**

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

e. Comparative information and restatement of prior periods' financial statements

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

f. Going Concern

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

2.2. Accounting estimates and evaluations

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

The estimates are used particularly in the following notes:

Not 10 Fair value measurement of investment property

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

Not 18 Long Term VAT receivables

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

Derivative Instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)****2.2. Accounting estimates and evaluations (cont'd)**

In addition, the Group provides hedging on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts to be realized in the future within the scope of the agreements it has made. Within the scope of the currency risk management strategy it has determined, the Group applies hedge accounting for the purpose of hedging the foreign currency risk component of the unrecorded firm commitment fair value risk, and provides a healthier income statement presentation by netting out the foreign exchange rate fluctuations that have occurred on the hedged item and the hedging instrument but have not yet been realized.

Derivative instruments of the Group reflected in profit or loss consist of interest rate fixing agreements and currency risk management strategies explained above.

The fair value of financial instruments arising from transactions for exchange rate and interest rate clearing transactions is evaluated within the scope of level 2 according to the discounted cash flow approach method, which is one of the valuation method techniques.

2.3. Changes in accounting policies

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

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

The new standards, amendments, and interpretations that effective on December 31, 2024 are as follows:**Changes that have entered into force and have been implemented**

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

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures
- International Tax Reform – Pillar Two Model Rules- Amendments to IAS 12

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)****2.3. Changes in accounting policies (cont'd)****The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority ("POA")**

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

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

2.4. Summary of significant accounting policies

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

2.4.1. Revenue

Revenue includes rental income and real estate inventory sales.

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 confidently.

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

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 DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)****2.4. 2.4.4. Summary of significant accounting policies (cont'd)****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 DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)****2.4. 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:

<i>Equipment</i>	<i>5-10 years</i>
<i>Furniture and fixture</i>	<i>3-10 years</i>
<i>Motor vehicles</i>	<i>3- 5 years</i>

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 DECEMBER 31, 2024

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.4. 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 or 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 DECEMBER 31, 2024

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.4. 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 DECEMBER 31, 2024

*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)****2.4. Summary of significant accounting policies (cont'd)****2.4.8. Financial liabilities**

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

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

Financial liabilities and borrowing cost

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

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

2.4.9. Share capital**Ordinary shares**

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

2.4.10. Earnings per share and diluted earnings per share

Earnings per share, which is stated income statement, is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the period. The number of common share available during the period is the sum of number of common shares at the beginning of the period and the product of number of common shares exported during the period and a time weighted factor (Note 29).

In the calculation of diluted earnings per share presented in the comprehensive income statement, the profit or loss in the share of the ordinary shareholders of the parent company and the weighted average number of shares are adjusted according to the effects of dilutive potential ordinary shares. The profit or loss in the share of the parent shareholders of the parent company is increased by the amount of the post-tax dividend and interest accrued in the period with respect to the potential ordinary shares that are dilutive effects and by any other change resulting from the conversion of potential ordinary shares with dilutive effects and the weighted average number of existing ordinary shares is increased by the weighted average of the number of additional ordinary shares based on the assumption that all potential ordinary shares with dilution effects have been converted (Note 29).

2.4.11. Subsequent events

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

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

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

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.4. Summary of significant accounting policies (cont'd)****2.4.12. Provisions, contingent liabilities and contingent assets**

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

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

2.4.13. Leases

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

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

Group as a lessee

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.4. Summary of significant accounting policies (cont'd)****2.4.13. Leases (cont'd)****Group as a lessee (cont'd)**

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

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

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***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 DECEMBER 31, 2024

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.4. Summary of significant accounting policies (cont'd)****2.4.17. Taxation**

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

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

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

The aforementioned change will be applicable to the profits of institutions starting from the tax returns to be submitted from October 1, 2023, and for the tax periods of 2023 and subsequent years For institutions subject to a special accounting period, the tax rate of 25% will be in effect for the special accounting period starting in the 2023 calendar year and subsequent tax periods Therefore, in the tax calculations for the relevant companies, a tax rate of 25% has been used as of the reporting period. The branch of Akfen GT operating in Northern Cyprus is subject to a corporate tax rate of 23.5%, and companies located in Russia are subject to a corporate tax rate of 20% according to Russian legislation. Pursuant to Federal Law No. 176-FZ dated July 12, 2024, titled "Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and the Recognition of Certain Provisions of Legislative Acts of the Russian Federation as Invalid," the corporate tax rate in Russia has been increased from 20% to 25%, effective from January 1, 2025. Accordingly, deferred tax calculations for companies located in Russia have been made at a 25% rate as of December 31, 2024 (December 31, 2023: 20%).

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

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)**2.4.20. Offsetting**

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

2.5. Investment portfolio limitations on real estate investment trust

As of December 31, 2024 and 2023, in accordance with Capital Markets Board's Communiqué Serial: II, No:

14.1 "Financial Reporting in Capital Markets" Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1 "Real Estate Investment Company" published in the Official Gazette dated May 28, 2013 numbered 28660. In addition since the information given "Restrictions on the Investment Portfolio of Real Estate Investment" comprise unconsolidated data; such information may not match with the information disclosed in the consolidated financial statements.

The information in the footnotes may not correspond with the data in the consolidated tables due to the fact that the footnotes contain non-consolidated data.

2.6. Determination of fair values

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

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

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

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

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

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

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

**3. SHARE PURCHASES OF SUBSIDIARIES /
SALES OF ASSETS HELD FOR SALE****Share purchases of Subsidiaries****Akfen Karaköy**

As of February 16, 2023, 85.16% (7.25% of total shares) of 8.53% of Akfen Karaköy's shares owned by 3rd parties were taken over by Akfen GT, Akfen GT was taken over by Akfen Holding as a set-off against its existing receivables from other shareholders of Akfen Karaköy, together with interest accrued until the share transfer date, and 14.84% of the remaining shares (1.27% of total shares) were taken over by Akfen Holding. Following the share purchase, The Company's direct and indirect ownership ratio in Akfen Karaköy became 98.73%.

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

Akfen Karaköy

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

On May 2, 2023, the Company acquired 1.27% of Akfen Karaköy shares belonging to Akfen Holding for TRY 33,126,389, and with the said share transfer, Akfen Karaköy became a 100% subsidiary of the Company. As of December 31, 2023, Akfen REIT's direct and indirect ownership of Akfen Karaköy has reached 100%.

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

Akfen Karaköy

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

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

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

**3. SHARE PURCHASES OF SUBSIDIARIES /
SALES OF ASSETS HELD FOR SALE (cont'd)****a) Share purchases of Subsidiaries (cont'd)****Firatcan Turizm**

Firatcan Turizm's 49% of shares were purchased on July 18, 2023, and after the acquisition, Firatcan Turizm became a 100% subsidiary of the Company and was fully consolidated in the consolidated financial statements as of December 31, 2023. Firatcan Turizm's profit or loss and other comprehensive income items were accounted for in the shares account from the profits of investments valued by the equity method by the ownership ratio until June 30, 2023, which is the reporting period closest to the acquisition date, and by the full consolidation method in the consolidated financial statements after June 30, 2023.

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

Firatcan Turizm

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

As of June 30, 2023, the reporting period closest to the acquisition date, TRY 77,459,363, which is the difference between the value of Firatcan Turizm and the cost of the acquisition, was recognized as negotiated acquisition gain in the item of income from investment activities in the Group's consolidated profit or loss and other comprehensive income statement for the year ended December 31, 2023.

The details of the cash outflow from the acquisitions are as follows:

Firatcan Turizm

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

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

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

**3. SHARE PURCHASES OF SUBSIDIARIES /
SALES OF ASSETS HELD FOR SALE (cont'd)****a) Share purchases of Subsidiaries (cont'd)**

As of June 30, 2023, the reporting period closest to the date of acquisition, the summary financial statement of Firatcan Turizm is as follows:

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

b) Sales of assets held for sale

Pursuant to the decision of the Board of Directors of the Company dated April 13, 2023, a transfer agreement was signed between the Company and Merit Kıbrıs Turizm Ltd Company on April 13, 2023 regarding the transfer of the hotel, whose investment was completed in the TRNC and operated under the title of Merit Park Hotel & Casino. Since the most appropriate transfer of the hotel in question for the Company was to make the transaction in the form of share transfer by turning the Company's subsidiary Akfen GT into a special purpose company related to the hotel in question, Akfen GT was made to have no activities or assets other than the hotel, and Akfen GT was transferred to the buyer on January 17, 2024 with a variable price of 73,000,000 USD + variable.

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

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

3. SHARE PURCHASES OF SUBSIDIARIES / SALES OF ASSETS HELD FOR SALE (cont'd)

b) Sales of assets held for sale (cont'd)

As of December 31, 2023, all assets related to the Akfen GT TRNC branch, where Merit Park Hotel is located, and Akfen GT company are listed in the liabilities related to the assets held for the purpose of sale, and the liabilities are shown in the liabilities related to the assets held for the purpose of sale. As of December 31, 2023, the assets held for sale are as follows:

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

As of December 31, 2024, the assets and liabilities held by Akfen GT for the purpose of sale due to the sale on January 17, 2024 are not included in the Group's consolidated financial statements, but the transaction details for the aforementioned sale are as follows:

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

The difference between the value of Akfen GT as of the sale date and the selling price, which amounts to TRY 24,252,312, has been accounted for as losses arising from the disposal of long-term assets held for sale in the consolidated income statement for the interim accounting period ending on June 30, 2024, in the Group's financial statements.

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

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

4. SEGMENT REPORTING

The Group has three reporting segments, which are the Group's strategic business units. The Group management evaluates the performance and determines allocation of resources based on these business units. The Group management reviews the business units based on resource allocation and performance results regularly, since they are affected from different economic conditions and geographical locations each of the strategic business units, although the strategic business units offer same services. Since the Group's sole business activity is real estate investment, segment reporting has been prepared as of December 31, 2024, based on the Group's geographical segments: Turkey, TRNC, Russia, and the USA (December 31, 2023: Turkey, TRNC, and Russia). Operating performance is measured based on profit/(loss) for the period.

December 31, 2024:	Türkiye	TRNC ^(*)	Russia	USA	Elimination	Total
Revenue	977,809,842	-	238,474,351	-	-	1,216,284,193
Cost of sales	(31,977,093)	(105,148)	(15,792,639)	-	-	(47,874,880)
GROSS PROFIT/(LOSS)	945,832,749	(105,148)	222,681,712	-	-	1,168,409,313
General administrative expenses	(72,615,812)	(109,805)	(15,385,032)	-	-	(88,110,649)
Other operating income from operating activities	970,823,028	-	424,197,132	-	-	1,395,020,160
-Other operating expense from operating activities	(689,689)	(2,359,208)	(162)	-	-	(3,049,059)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	1,843,350,276	(2,574,161)	631,493,650	-	-	2,472,269,765
Income from investment activities	13,484,239	-	-	-	-	13,484,239
Expense from investment activities	(29,326,332)	-	-	-	-	(29,326,332)
Shares in losses of investments valued by the equity method	-	-	-	(1,686,674)	-	(1,686,674)
PROFIT/(LOSS) BEFORE FINANCE INCOME/(EXPENSE)	1,827,508,183	(2,574,161)	631,493,650	(1,686,674)	-	2,454,740,998
Financial income	501,457,968	-	8,994,641	-	-	510,452,609
Financial expenses	(589,793,492)	(225,017)	(67,750,268)	-	-	(657,768,777)
Monetary gain	295,603,875	22,614,767	-	-	-	318,218,642
PROFIT/(LOSS) BEFORE TAX	2,034,776,534	19,815,589	572,738,023	(1,686,674)	-	2,625,643,472
Tax expense	(1,273,744,802)	260,814,021	(162,463,872)	-	-	(1,175,394,653)
- Current tax expense	-	-	(8,333,939)	-	-	(8,333,939)
- Deferred tax expense	(1,273,744,802)	260,814,021	(154,129,933)	-	-	(1,167,060,714)
PROFIT/(LOSS) FOR THE PERIOD	761,031,732	280,629,610	410,274,151	(1,686,674)	-	1,450,248,819
Reportable segment assets	38,016,665,167	-	3,227,188,378	182,489,953	(10,716,608,124)	30,709,735,374
Reportable segment liabilities	7,670,525,189	-	1,056,911,079	-	(1,382,428,940)	7,345,007,328
Inv. and inventory expenditures, net ^(**)	1,662,387,124	-	2,868,709	-	-	1,665,255,833
Depreciation and amortization expenses	690,896	-	117,077	-	-	807,973

^(*) In accordance with the decision of the Company's Board of Directors dated April 13, 2023, a transfer agreement was signed between the Company and Merit Cyprus Tourism Ltd. Company on April 13, 2023, for the transfer of the company where the completed investment in Northern Cyprus operates under the name of Merit Park Hotel & Casino. The transfer was completed on January 17, 2024. The revenue/(expenses) in the relevant section are the amounts realized up to the transfer date.

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

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

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

4. SEGMENT REPORTING (cont'd)

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

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

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

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

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

5. RELATED PARTY DISCLOSURES

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

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

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

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

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

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

Other payables to related parties (Short term):	December 31, 2024	December 31, 2023
Akfen International BV (*)	-	1,144,822,888
	-	1,144,822,888

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

Prepaid expense from related parties (Short term):	December 31, 2024	December 31, 2023
Akfen Turizm (*)	125,339,196	-
	125,339,196	-

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

5.2. Related party transactions

a) Rent expense/payments

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

b) Rent incomes

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

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

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

5. RELATED PARTY DISCLOSURES (cont'd)**5.2. Related party transactions (cont'd)****c) Interest expense**

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

d) Interest income

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

e) Ongoing construction progress payments

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

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

f) Purchase of share

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

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

g) Other expenses

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

(*) It consists of expense allocations.

h) Remuneration of top management

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

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

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

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

6. CASH AND CASH EQUIVALENTS

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

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

Demand deposits

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

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

Time deposits

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

Currency	Maturity	Interest rate	December 31, 2024
Rubble	January 2025	17,25%	128,890,437
Avro	January 2025	0,01%	9,865,804
TRY	January 2025	39%-42%	3,244,684
Total			142,000,925
Currency	Maturity	Interest rate	December 31, 2023
TRY	January 2024	20%-44%	1,396,683,035
US Dollar	January 2024	0,75%	1,334,578,861
Rubble	January 2024	9,5%	29,332,537
Total			2,760,594,433

7. FINANCIAL LIABILITIES

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

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

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

7. FINANCIAL LIABILITIES (cont'd)

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

December 31, 2024

Book value

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

Nominal value

Currency	Nominal interest rate	Original amount	Short term	Long term	Total
EUR ⁽¹⁾	4.40% + euribor ^(*)	49,368,564	279,520,250	1,537,361,377	1,816,881,627
Ruble ⁽⁵⁾	%9.8	1,835,647,498	6,952,385	627,951,738	634,904,123
USD ⁽⁶⁾	%7.0	25,000,000	-	883,595,000	883,595,000
TRY ⁽⁷⁾	%31.5	81,613,270	53,777,768	27,835,502	81,613,270
			340,250,403	3,076,743,617	3,416,994,020

December 31, 2023

Book value

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

Nominal value

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

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

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

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

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

7. FINANCIAL LIABILITIES (cont'd)*(2) The loans to be used within the scope of the contract are secured within the following issues:*

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

*The entire amount of the mentioned credit has been paid off on May 23, 2024.**(3) The loans used within the scope of the contract are secured within the following issues:*

- Some portion of the shares which are non-public shares, of Akfen Holding – shareholder of the Group has been pledged to the favor of creditor,
- Akfen GYO's shares in Akfen GT and all shares in Akfen Karaköy are pledged in favor of the creditor, and Akfen GYO has corporate guarantee in amount of the loan,
- Rent revenue of Merit Park Hotel is alienated in favor of the creditor,
- Right of tenancy of Merit Park Hotel is pledged in favor of the creditors in the 1st degree. The entire amount of the mentioned loan has been paid off on January 17, 2024.

*(4) The Group has agreed with its existing creditors on the restructuring of its existing loan debt with a maturity of 10 years. An agreement was reached on 18 December 2020 and the relevant transactions were carried out as of 11 April 2021 in this context as planned and agreed with the creditors. In general, the loan term is the same as the previous contract, and the loan maturity has been extended to December 30, 2030.**The loans used within the scope of the contract are secured within the following issues:*

- Some portion of the shares which are not publicly open, of Akfen Holding – shareholder of the Group has been pledged to the favor of creditor and right of tenancy of Merit Park Hotel are pledged in favor of the creditors in the 2nd degree,
- Rent revenue of Novotel İstanbul Bosphorus, Karaköy is alienated in favor of the creditor. The entire amount of the mentioned loan has been paid off on May 23, 2024.

*(5) The Group has reached an agreement with its existing creditors on the restructuring of the existing loan debt until 2030 (2033 with 3 year extension option) on December 18, 2020, and the related transactions as of September 3, 2021 in this scope of the loan agreements have been carried out as planned and agreed with the creditors. EUR 9,500,000 of the loans of companies in Russia were transferred to Akfen GT and all loans in Russian companies were converted from Euro to Ruble. The interest rate of the loan in ruble basis was determined as 6% for the first 2 years, 9.8% for the next 8 years and mosprime (3 months) + 5% for the remaining periods, and the loan maturity was extended until October 28, 2033.**Bank borrowings obtained with this agreement is secured by the followings:*

- Some of Akfen Holding's non-public shares in Akfen GYO are pledged in favor of the lender, and Akfen GT has given a guarantee equal to the loan amount used.
- The shares and operating rental income of Russian companies are pledged in favor of the lender. The lands and hotel buildings belonging to the Group on which Ibis Hotel Yaroslavl, Ibis Hotel Samara, Samara Ofis, Ibis Hotel Kaliningrad and Ibis Hotel Moscow are built have also been given as mortgages in favor of the lenders.

*(6) On November 1, 2021, Firatcan Tourism used a project loan of USD 25,000,000. The interest rate of the loan in question is 7%, the term is 5 years, and the principal will be paid at the end of the term. Akfen International is the guarantor for the loan.**(7) On June 2, 2023, Firatcan Turizm used a leasing loan of TRY 120,000,000, with a maturity of 3 years, with a down payment of TRY 2,000,000 and a 6-month non-refundable interest rate of 31.5% after a down payment of TRY 2,000,000 for the Sogutluceme Project investment. Akfen İnşaat has a guarantee for the borrowing in question.*

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

7. FINANCIAL LIABILITIES (cont'd)

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

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

Banka kredilerinin nominal değerinin vade kırılımı aşağıdaki gibidir:

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

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

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

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

Operational lease liabilities

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

Details of operational lease borrowings are as follows:

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

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

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

7. FINANCIAL LIABILITIES (cont'd)

The movements of the lease liabilities in the periods of December 31, 2024 and 2023 are as follows:

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

8. TRADE RECEIVABLES AND PAYABLES

a) Short term trade receivables

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

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

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

b) Short term-long term trade payables

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

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

9. OTHER RECEIVABLES AND PAYABLES

a) Other current receivables

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

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

b) Other non-current receivables

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

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

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

9. OTHER RECEIVABLES AND PAYABLES (cont'd)

c) Other current payables

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

10. INVESTMENT PROPERTY

Investment property and investment property under development

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

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

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

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

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

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

10. INVESTMENT PROPERTIES (cont'd)

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

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

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

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

(*) It was purchased on July 22, 2024.

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

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

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

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

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

10. INVESTMENT PROPERTIES (cont'd)

Right of use of lands

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

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

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

11. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

12. INTANGIBLE ASSETS

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

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

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

13. INVENTORIES

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

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

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

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

14. GOVERNMENT GRANTS AND INCENTIVES

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

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

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The number of cases in which the Group is a party to the lawsuit as of December 31, 2024 is 12 (December 31, 2023: 13) and there are no significant lawsuits that require provisioning at group level.

16. COMMITMENT AND CONTINGENCIES

16.1. CPM are given by the Company

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

CPM are given by the Company	December 31, 2024	December 31, 2023
A. Total amount of CPM is given on behalf of own legal personality	5,340,363,141	13,716,803,091
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	634,904,123	4,311,611,143
C. Total amount of CPM is given for assurance of third party's debts to conduct of usual business activities	-	-
D. Total Amount of other CPM	-	-
i. Total amount of CPM is given in favor of parent company	-	-
ii. Total amount of CPM is given in favor of other company companies, which B and C doesn't include	-	-
iii. The amount of CPM is given in favor of third party which C doesn't include	-	-
	5,975,267,264	18,028,414,234

As of December 31, 2024, the balances of CPMs provided by the Group on behalf of its own legal entity in EUR and USD are EUR 138,000,000 and USD 770,424, respectively (December 31, 2023: EUR 283,052,185 and USD 770,424). As of December 31, 2024, the foreign currency balance of CPMs provided by the Group on behalf of its fully consolidated subsidiaries is EUR 17,251,704 (December 31, 2023: EUR 81,676,585).

Within the scope of the loans used for each project used from Credit Europe for projects in Russia (Ibis Hotel Samara, Ibis Hotel Yaroslavl, Ibis Hotel Kaliningrad), Akfen GT and Cüneyt Baltaoğlu own 97.8% and 2.2% shares, respectively pledged to lenders.

As of December 31, 2024, and 2023, the CPMs provided by Akfen REIT on behalf of its fully consolidated subsidiaries consist solely of CPMs provided for 100% owned subsidiaries. As of December 31, 2024, EUR 6,897,648 of the CPMs granted by the Group for its fully consolidated subsidiaries represents the guarantee provided for the loans used by Severnyi (December 31, 2023: Akfen GT, EUR 28,756,152 and Severnyi, EUR 7,592,451). As of December 31, 2023, TRY 321,000,000 of the CPMs provided by the Group consisted of share pledges granted as collateral for loans used by Akfen GT (December 31, 2024: None). The remaining portion of EUR 10,354,057 represents the guarantee provided for the loans used by Akfen GT's Russian subsidiaries (December 31, 2023: Russia, EUR 11,737,194; Karaköy, EUR 12,590,787). Additionally, as of

December 31, 2023, EUR 21,000,000 (December 31, 2024: None) was related to the second-degree mortgage placed on Merit Park Hotel as collateral for the loans used by Akfen Karaköy. The CPMs provided by the Group were granted in relation to loans used within the scope of project financing.

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

16. COMMITMENT AND CONTINGENCIES (cont'd)**16.2. The Group as lessee**

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***16. COMMITMENT AND CONTINGENCIES (cont'd)****16.2. The Group as lessee (cont'd)**

- On December 25, 2020, an agreement with Isparta City Hospital for constructing student dormitory with a gross indoor area of 67.000 m², a social life center and a car park on the 178,651.12 m² part of the immovable property belonging to Isparta City Hospital in Isparta Province, İstiklal 2 District 9 block, 112 parcel, which the Group added to its portfolio as of February 9, 2021. According to the agreement, the rental period is until July 1, 2042.
- The lease agreement was signed on July 22, 2016 for the purpose of establishing easement rights in order to make the Private Student Dormitory with a closed area of at least 30,000 m² and the Social Life Center of at least 2,500 m², parking lot and landscaping on the 24,878 m² immovable property located in Kutahya province, Merkez Civil neighborhood 25.11-2 section, 15 volumes, 102 block, 2 parcel of which top right belongs to the Dumlupınar University and which the Group has added to its portfolio as of February 9, 2021. The right of easement is 29 years starting from December 16, 2016, and the rental amount consists of the fixed rent to be paid annually as determined by Dumlupınar University and the rent amounting

16.3. The Group as lessor

Other guarantees given by the shareholders and the alienation of rent revenue which will be generated from the hotels are presented at Note 7.

The operating lease agreements of the Group as lessor as of December 31, 2024 are as follows;

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

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

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

16. COMMITMENT AND CONTINGENCIES (cont'd)**16.3. The Group as lessor (cont'd)**

All of the twelve agreements have similar clauses described below;

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

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

Yearly rent amount to be paid by lessee to lessor:

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

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

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

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

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

The details of the operating lease agreements signed by the Group, in its capacity as lessor, in addition to the above-mentioned lease agreements signed with ACCOR S.A. for hotels in Turkey and Russia, are given below:

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

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

16. COMMITMENT AND CONTINGENCIES (cont'd)**16.3. The Group as lessor (cont'd)**

- The lease agreement for the 20-year lease of the 5-star Merit Park Hotel, located in the TRNC/Girne, in the portfolio of Akfen GT, together with the casino and all its outbuildings, was signed between the parties on May 15, 2012 and the beginning of the contract was determined as January 2013. In first 5 year, the rent amount will not increase, from 6th year, the rent will increase if yearly Euribor is less than 2%, in ratio of Euribor, if yearly Euribor is higher than 2%, in ratio of 2%, additional to previous year's rent amount. In the 8th, 9th and 10th years, the new rental amount will be determined by applying an annual Euribor rate increase to the previous year's rental amount. At the end of the 10th year, the parties will discuss the new lease amount and if no agreement is reached, the new lease amount will be determined by applying an annual Euribor rate increase to the previous year's lease amount.
- The Group signed a rent agreement for a bar/café and a restaurant in Eskişehir İbis Hotel on at May 11, 2007 and February 1, 2019.
- Volgastroykom leased 1,562 square meters of a total leasable area of 4,637 square meters of the Samara Office in its portfolio through its subsidiary Volgastroykom with an agreement signed to OAO Bank VTB on 1 March 2013. With the additional contract signed on May 1, 2019, the rental period was extended until April 30, 2024. 1,205 square meters of the areas in the same building will be transferred to Hilti Group until September 30, 2025 with the contract signed on August 31, 2018 and the supplemental contract dated July 19, 2022, and the 1,246 square meters section will be transferred to Benchmark company with the contract signed on March 1, 2020 and the supplemental contract dated July 19, 2022 until February 28, 2025, the remaining 624 square meter section was leased to AVITO company until September 30, 2025 with the contract signed on October 1, 2022.
- YaroslavlOtelInvest has signed a lease agreement on August 2, 2014 for use of the shop located in the basement of Ibis Hotel Yaroslavl as a gym, and the lease expires on September 30, 2020. Additionally, Ibis Hotel Yaroslavl signed a lease agreement on March 1, 2015 for the use of the shop on the ground floor as a flower shop and the lease term is extended for 11 months each year.
- 3 shops (5 independent sections) in Novotel Istanbul Bosphorus (Karaköy) were rented on October 10, 2018, January 31, 2019 and July 1, 2020, respectively.
- A commercial area in Kutahya Dormitory was rented for 4 years with the contract signed in October 2019, and a commercial area for 2 years with the contract signed in December 2021.
- As of July 2023, the factory building, which has been purchased by Akfen Karaköy and is included in the Group's portfolio as of December 31, 2023, has been leased for a period of 10 years.
- Firatcan Tourism is developing a food and beverage, cultural facility, and service area project at the Sogutlucemesme High-Speed Train Station in Kadikoy, Istanbul, located on Block 3478, Parcel 1 and Block 3479, Parcels 1 and 2. To operate these areas, a lease agreement was signed between Firatcan Tourism and Akfen Tourism on August 8, 2024, with a start date of November 1, 2024. The lease agreements will be renewed annually upon mutual agreement. For the lease of Block 3478, Parcel 1, the annual rent is 7 million Euros + VAT, while for the lease of Block 3479, Parcels 1 and 2, the annual rent is 1 million Euros + VAT, making the total annual rent 8 million Euros + VAT. In addition to paying the rent, Akfen Tourism will make all necessary investments and organize the works to make the areas delivered by Firatcan in shell & core condition ready for operation. All costs for these works will be borne by Akfen Tourism. For the first year, the rent payment will be made in installments. The lease agreement's start date is April 1, 2025, with 50% of the first year's rent due by October 1, 2025, and the remaining balance due by April 1, 2026.

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

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

17. EMPLOYEE TERMINATION BENEFITS AND PROVISIONS

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

The Group, in accordance with existing social legislation in Turkey, leaving due to retirement or resignation and the end of the job for reasons other than misconduct staff is obliged to pay a certain amount of severance pay. These indemnities are calculated based on the wage on the date of the termination of the employment and the salary of 30 days for each year worked (As of December 31, 2024 and 2023, the ceiling of severance payments is TRY 46,655/year and TRY 35,059/year, respectively).

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

As of December 31, 2024 and 2023, the liability is calculated using the following assumptions:

	December 31, 2024	December 31, 2023
Net discount rate	4.27%	3.00%
Anticipated retirement turnover rate	100.00%	100.00%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied reflects the expected realization of the inflation rate. As the termination indemnity provision is issued every six months, is calculated over the ceiling amounting to TRY 46.655 which is effective from January 1, 2025. (December 31, 2023: TRY 35,059 effective from January 1, 2023).

The severance pay provision is calculated based on the present net value of the future liabilities arising from the retirement of all employees and is reflected in the accompanying financial statements.

Movement of provision for employee termination benefits is as follows:

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

Movement of vacation pay liability is as follows:

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

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

18. PREPAID EXPENSES AND DEFERRED REVENUE

a) Short term prepaid expenses

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

b) Long term prepaid expenses

	December 31, 2024	December 31, 2023
Prepaid expenses ⁽²⁾	66,596,046	65,097,919
	66,596,046	65,097,919

(1) As of December 31, 2024 and 2023, a significant part of the order advances consist of advances related to the construction works of the Sogutluceme project.

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

c) Short-term deferred revenue

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

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

(**) As of December 31, 2024 and 2023, all other deferred income consists of advances received in advance related to the office project in Russia.

d) Long term deferred revenue

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

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

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

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

19. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

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

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

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

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

Pursuant to the Lease Agreement for Areas Containing Construction signed with TCDD, the company has the right to lease for 2 years permit, license, 2 years construction period and 28 years of operation within the scope of the Sogut-lucesme train station High Speed Train Station project in Kadikoy, Istanbul. It purchased 51% of the shares of Turz. Tic.A.Ş ("Firatcan Turizm") on June 30, 2021, and the contract was renewed within the scope of the project change on September 6, 2022 and the lease period was extended until 2051. According to the share transfer agreement, the management of Firatcan Turizm will be jointly carried out by Akfen GYO and Firatcan Turizm Şirketi. Decisions related to Firatcan Turizm's significant activities require unanimous approval from both parties. Therefore, as of June 30, 2023, Firatcan Turizm has been accounted for through the equity method. The remaining 49% stake in Firatcan Turizm was acquired on July 18, 2023. Following this acquisition, Firatcan Turizm became a wholly-owned subsidiary of the company and has been consolidated using the full consolidation method as of December 31, 2023 (Note 3). Therefore, as of December 31, 2024 and 2023, the Group does not have investments valued by the equity method.

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

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

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

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

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

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

Özet gelir tablosu bilgileri:

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

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

20. OTHER CURRENT AND NON-CURRENT ASSETS

a) Other current assets

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

b) Other non-current assets

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

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21. EQUITY

21.1. Paid in capital

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

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

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

The share company of A, C, D owning 1,000-unit share for each, has the privilege to select 2 nominees for each for the board of directors' member selection.

On August 6, 2018, Akfen GYO's 1000 Group A and 1000 Group D shares of Akfen Holding were transferred to Hamdi Akin, 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 Akin has been issued and the issued capital of the company in amount of TRY 243,066,196 increased to TRY 344,646,332. The process of increasing the Company's issued capital from TRY 344,646,332 to TRY 900,000,000 by using the preferred rights of the existing shareholders by TRY 555,353,668, all in cash, was completed as on August 20, 2021. With this, the process of increasing the Company's paid-in capital from TRY 900,000,000 to TRY 1,300,000,000 by increasing TRY 400,000,000 to be covered by emission premiums was published in the trade registry gazette numbered 10467 on December 7, 2021. As of December 31, 2023, a capital increase of TRY 2,590,703,214 was made, raising the Company's paid-in capital to TRY 3,890,703,214. On January 4, 2024, the unpaid capital of 9,296,786 TL was contributed to the Company. As of December 31, 2024, the Company's capital consists of 3,900,000,000 shares, each with a nominal value of 1 TL (December 31, 2023: 3,900,000,000 shares with a nominal value of TRY 1), and its paid-in capital amounts to TRY 3,900,000,000 (December 31, 2023: TRY 3,890,703,214). With the implementation of inflation accounting in 2023, as of December 31, 2024, capital positive adjustment differences amounting to TRY 7,956,109,878 have been recognized in the consolidated financial statements (December 31, 2023: TRY 7,952,827,311).

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

21. EQUITY (cont'd)**21.1. Paid in capital (cont'd)**

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

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

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

21.2. Foreign currency translation reserves

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***21. EQUITY (cont'd)****21.3. Share Premiums**

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

21.4. Restricted reserves allocated from profit

As of December 31, 2024, the legal reserve of the Company is TRY 16,207 (December 31, 2023: TRY 16,207). The legal reserves consist of first and second legal reserves, according to the Turkish Commercial Code "TCC"). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. If the second category legal reserves exceed 5% of the paid-up capital, 10% of the distributed profit shall be allocated. The first and second category legal reserves cannot be distributed as long as they do not exceed 50% of the total capital; however, they can be used to cover losses if the optional reserves are depleted. Accordingly, the inflation adjustments provided for within the framework of TAS/TFRS, for paid-in capital has been presented under inflation adjustment on capital, whereas for share premium and legal reserves and special reserves under restricted reserves inflation effects has been presented under retained earnings. Other equity items have been presented with their TAS/TFRS values.

21.5. Other equity shares

As of February 16, 2023, 85.16% (7.25% of total shares) of 8.53% of Akfen Karaköy's shares owned by 3rd parties were taken over by Akfen GT, Akfen GT was taken over by Akfen GT as a set-off against its existing receivables from other shareholders of Akfen Karaköy together with interest accrued until the share transfer date, and 14.84% of the remaining shares (1.27% of total shares) were taken over by Akfen Holding. Following the purchase of the shares, Akfen GYO's direct and indirect ownership ratio in Akfen Karaköy became 98.73%. On May 2, 2023, the Company acquired 1.27% of Akfen Karaköy shares belonging to Akfen Holding, and as of December 31, 2024, Akfen GYO's direct and indirect ownership rate in Akfen Karaköy became 100% (December 31, 2023: 100%). As a result, as of December 31, 2024 and 2023, TRY 237,372,357, which is the difference between the total purchase prices of TRY 383,354,824 and the value of the shares purchased is TRY 145,982,467, was recognized in the other equity shares account (Note 3).

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

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

22. REVENUE AND COST OF SALES

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

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

23. GENERAL ADMINISTRATIVE EXPENSES

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

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

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23. GENERAL ADMINISTRATIVE EXPENSES (cont'd)**Personnel expenses**

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

24. OTHER OPERATING INCOME/EXPENSES**a) Other operating income**

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

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

b) Other operating expenses

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

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

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

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

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

25. INCOME/(EXPENSE) FROM INVESTMENT ACTIVITIES**a) Income from investment activities**

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

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

b)**Expense from investment activities**

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

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

26. FINANCIAL INCOME

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

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

(*)As of December 31, 2024, the Company's interest income includes revenues from the cancellation of amortized cost adjustments amounting to TRY 369,804,105, related to the loans of Akfen GYO, Akfen GT and Akfen Karaköy that were closed in the first half of 2024 (As of December 31, 2023: None).

(**) As of December 31, 2023, the Company's consolidated financial statements include fair value gains arising from derivative instruments accounted for the purpose of hedging currency risk (As of December 31, 2024: None).

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

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

27. FINANCIAL EXPENSES

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

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

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

28. TAX ASSETS AND LIABILITIES

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

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

The deferred tax arising from the timing differences between the legal financial statements of the Group's subsidiaries and the financial statements prepared in accordance with TFRS, is reflected in the consolidated financial statements. The corporate tax rate for the Group's subsidiaries in Turkey is 20%. However, according to Article 21 of the Law on the Establishment of Motor Vehicle Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Published in the Official Gazette No 32249 on July 15, 2023, which amended Article 32 of the Corporate Tax Law No 5520 regulating the corporate tax rate, the general rate applied to corporate tax has been increased from 20% to 25%, and for banks and financial institutions, the rate which was previously 25% has been raised to 30%. The same article (Article 21) of the mentioned law has ensured that the corporate tax rate, which is current TRYy applied at a discounted rate of 1 point for the profits obtained exclusively from exports by export-oriented institutions, will now be applied at a discounted rate of 5 points for the purpose of promoting exports. This change will be applicable starting from the declarations that must be submitted from October 1, 2023, and will apply to the profits earned by corporations in the 2023 tax year and subsequent periods. For corporations subject to special accounting periods, the tax rate of 25% will be used for the calculation of profits obtained in the special accounting period starting in the 2023 calendar year and subsequent taxation periods. Therefore, the tax rate of 25% has been used for tax calculations for the relevant companies as of the reporting period.

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

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

28. TAX ASSETS AND LIABILITIES (cont'd)

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

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

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

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

	(%)	January 1,- December 31, 2024	(%)	January 1,- December 31, 2023
Profit before tax		2,625,643,472		857,199,251
Tax expense calculated using the statutory rate	(30)	(787,693,042)	(30)	(257,159,775)
Income exempt from tax ⁽¹⁾	5	124,618,746	48	412,070,971
Non-deductible expenses	(10)	(271,362,892)	(4)	(31,733,126)
Tax loss not subjected to deferred tax asset	(1)	(30,140,165)	(9)	(76,989,599)
The deferred tax effect associated with losses from previous years	9	235,964,009	-	-
Deferred tax effect of inflation adjustments that have no effect on the corporate tax base	(20)	(516,112,202)	(10)	(82,772,675)
Effect of different tax rates in foreign countries	4	102,156,736	1	6,928,635
The effect of the shares in the (losses)/profit of investments accounted using the equity method	(0)	(506,002)	3	22,195,387
Deferred tax effect arising from inflation accounting adjustments in statutory financial statements	-	-	51	436,254,058
Tax base increase	-	-	(0)	(2,627,252)
Effect of change in legal tax rate	(2)	(47,491,705)	(27)	(227,723,044)
Deferred tax impact due to cash capital deduction	1	13,692,117	-	-
Other	0	1,479,747	-	-
Tax (expense)/income	(45)	(1,175,394,653)	23	198,443,580

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

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

28. TAX ASSETS AND LIABILITIES (cont'd)

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

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

Recognized deferred tax assets and liabilities

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

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

Expiration schedule of carry forward tax losses is as follows:

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

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

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

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

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

29. EARNINGS PER SHARE

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

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

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

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

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

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

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

31. THE FAIR VALUE EXPLANATIONS

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

Financial Instruments

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

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

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.

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

31. THE FAIR VALUE EXPLANATIONS (cont'd)

Financial Liabilities

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

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

The classes of financial instruments and their fair values

December 31, 2024	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
Financial Assets					
Cash and cash equivalents	1,708,465,400	-	1,708,465,400	1,708,465,400	6
Trade receivables from related parties	60,364,877	-	60,364,877	60,364,877	8
Trade receivables from third parties	300,822,724	-	300,822,724	300,822,724	8
Other receivables from third parties	2,466,985	-	2,466,985	2,466,985	9
Financial Liabilities					
Financial liabilities	-	3,616,506,055	3,616,506,055	3,616,506,055	7
Trade payables to related parties	-	270,130,628	270,130,628	270,130,628	5
Trade payables to third parties	-	46,054,698	46,054,698	46,054,698	8
Other payables to third parties	-	48,660,971	48,660,971	48,660,971	9

December 31, 2023	Credits and receivables (including cash and cash equivalents)	Financial liabilities increasing in value with the effective interest method	Book value	Fair Value	Note
Financial Assets					
Cash and cash equivalents	3,140,765,388	-	3,140,765,388	3,140,765,388	6
Trade receivables from related parties	16,480,676	-	16,480,676	16,480,676	8
Trade receivables from third parties	330,534,502	-	330,534,502	330,534,502	8
Other receivables from third parties	1,911,735	-	1,911,735	1,911,735	9
Financial Liabilities					
Financial liabilities	-	7,209,710,935	7,209,710,935	7,209,710,935	7
Trade payables to related parties	-	59,227,758	59,227,758	59,227,758	5
Trade payables to third parties	-	25,654,882	25,654,882	25,654,882	8
Other payables to related parties	-	1,144,822,888	1,144,822,888	1,144,822,888	9
Other payables to third parties	-	77,947,334	77,947,334	77,947,334	9

Non-Financial Assets

The real estate appraisal reports that are prepared by the real estate valuation Group authorized by the CMB are based on while determining the fair values of the investment real estates which are measured with their fair values in the consolidated financial statements (Note 10). As of December 31, 2024, and December 31, 2023, the fair values of investment properties include the values adjusted for purchasing power as of December 31, 2024, based on the appraisal reports dated December 31, 2024, and 2023, as well as the expenditures incurred up to the reporting date.

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31. THE FAIR VALUE EXPLANATIONS (cont'd)

Non-Financial Assets (cont'd)

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

December 31, 2024

Fair Value Level

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

December 31, 2023

Fair Value Level

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

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

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

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

	December 31, 2024	December 31, 2023	Valuation method	Unobservable significant inputs	Weighted average amount Dec. 31, 2024	Weighted average amount Dec. 31, 2023	
Hotel				* Room price (per day) – EUR	79	74	
				* Villa price (per day) – EUR	965	730	
	Level 3	18,500,823,945	18,608,809,069	Discounted cash flows	* Occupancy rate ^(**)	76%	%74
	Dormitory			Discounted cash flows			
Level 3	1,220,970,000	1,080,010,962	Discounted cash flows	* Total no. of beds	7,232	7,232	
Office			Discounted	* Rentable area /m ²	4,637	4,637	
Level 3	134,053,820	211,430,184	nakit akış	* Occupancy rate	%97	%97	
Sogutluceme Project			Discounted	* Rentable area /m ²	14,559	14,559	
Level 3	3,726,290,000	2,651,126,314	cash flows	* Occupancy rate ^(**)	%92	%92	
Factory Building			Discounted				
Level 3	126,245,000	144,424,796	cash flows				
Land			Market		-	-	
Level 2	2,110,445,000	1,775,858,889	approach		-	-	

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

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

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

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

31. THE FAIR VALUE EXPLANATIONS (cont'd)

Discounted cash flows (DCF)

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

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

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

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

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

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**(i) General**

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

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

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

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

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

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

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

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

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

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

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

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

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

In monitoring customer credit risk, customers are companied according to their credit characteristics, geographic location, industry, ageing profile, maturity, and existence of previous financial difficulties (Note 4).

(iii) Market risk

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

Currency risk

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

As of December 31, 2024 and 2023, the companies in the Group have foreign currency balances other than their functional currencies, such as Euro, as mentioned in the related notes of the consolidated financial statements.

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

Interest rate risk

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

(iv) Liquidity risk

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

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

*(Amounts are expressed in Turkish Lira ("TRY") at purchasing power as of December 31, 2024 to reflect the effects of inflation, unless otherwise stated.)***32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

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

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

(v) Operational risk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.1. Credit risk disclosures**

The ownership of the financial assets brings the risk of not meeting the obligations of the agreement of the counter party. The maximum exposure to credit risk as December 31, 2024 and 2023, is as follows:

December 31, 2024	Receivable					
	Trade Receivable		Other Receivable		Deposits on bank	Other
	Related party	Other party	Related party	Other party		
Exposure to maximum credit risk as of reporting date (A+B+C+D)	60,364,877	300,822,724	-	2,466,985	194,547,502	1,513,768,486
- The portion of maximum risk covered by guarantee	-	-	-	-	-	-
A Net carrying value of financial assets which are neither impaired nor overdue	60,364,877	300,822,724	-	2,466,985	194,547,502	1,513,768,486
B Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-
C Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
- Undue (gross book value)	-	529,815	-	-	81,203	-
- Impairment (-)	-	(529,815)	-	-	(81,203)	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
- ...	-	-	-	-	-	-
D Off balance sheet items with credit risks	-	-	-	-	-	-

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.1. Credit risk disclosures (cont'd)**

December 31, 2023	Trade Receivable		Other Receivable		Deposits on bank	Other
	Related party	Other party	Related party	Other party		
Exposure to maximum credit risk as of reporting date (A+B+C+D)	16,480,676	792,021,201	-	1,911,735	2,952,052,227	188,442,907
- The portion of maximum, risk covered by guarantee	-	-	-	-	-	-
A Net carrying value of financial assets which are neither impaired nor overdue	16,480,676	330,534,502	-	1,911,735	2,952,052,227	188,442,907
B Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-
C Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
- Undue (gross book value)	-	572,970	-	-	308,777	-
- Impairment (-)	-	(572,970)	-	-	(308,777)	-
- Covered portion of net book value (with letter of guarantee etc.)	-	-	-	-	-	-
D Off balance sheet items with credit risks	-	461,486,699	-	-	-	-

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

(**) As of December 31, 2023, the guarantee cheque amounting to EUR 9,812,645 received by the Group from the operator of Merit Park Hotel is the TRY equivalent.

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.2. Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The table analyses the financial liabilities of the Group by companying the terms.

The contractual cash flow is not discounted:

December 31, 2024

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

December 31, 2023

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

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.3. Market risk****a) Foreign currency position table and sensitivity analysis****December 31, 2024****Original amount**

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.3. Market risk (cont'd)****a) Foreign currency position table and sensitivity analysis (cont'd)**

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

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.3. Market risk (cont'd)****Foreign currency position table and sensitivity analysis**

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

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**32.3. Market risk (cont'd)**

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

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

32. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**b) Interest rate risk table and sensitivity analysis**

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

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

Cash flow sensitivity analysis for variable rate instruments

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

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

Euribor	Increase/ (Decrease)	Effect profit / (loss) before tax and equity
December 31, 2024	(0.01%)	106,606
	0.01%	(106,582)
Euribor	Increase/ (Decrease)	Effect profit / (loss) before tax and equity
December 31, 2023	(0.01%)	1,882,961
	0,01%	(1,882,961)

33. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR

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

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

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

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

34. SUBSEQUENT EVENTS

At the meeting of the Board of Directors on December 6, 2024, it was decided, in accordance with Articles 19 and 20 of the Corporate Tax Law No. 5520, the relevant provisions of the Turkish Commercial Code No. 6102 ("TCC"), and the Capital Markets Board's ("CMB") Communiqué No. II-

23.2 on Mergers and Divisions ("Communiqué"), that Akfen Karaköy, a 100% subsidiary of the Company, will be merged with the Company through a non-liquidation dissolution, with all assets and liabilities of Akfen Karaköy being acquired as a whole at their registered values. As of the reporting date, the related process is ongoing.

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

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

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	Dec.31,2024	Dec.31,2023
A	Cash and capital market instruments	III-48.1. Md. 24 / (b)	1.559.662.807	3.080.169.555
B	Investment properties, inv. property- based projects, investment property-based rights	III-48.1. Md. 24 / (a)	14,792,277,402	13,394,633,877
C	Affiliates	III-48.1. Md. 24 / (b)	4,655,371,744	5,267,450,250
	Due from related parties (non-trade) ^(*)	III-48.1. Md. 23 / (f)	557,195,835	14,996,237
	Other assets		1,233,700,180	395,208,817
D	Total assets	III-48.1. Md. 3 / (p)	22,798,207,968	22,152,458,736
E	Financial liabilities	III-48.1. Md. 31	1,826,576,734	2,641,143,054
F	Other financial liabilities	III-48.1. Md. 31	53,194,825	75,499,958
G	Finance lease liabilities	III-48.1. Md. 31	-	-
H	Due to related parties (non-trade)	III-48.1. Md. 23 / (f)	-	1,288,545,005
I	Shareholders' equity	III-48.1. Md. 31	19,162,968,582	17,970,247,348
	Other liabilities		1,755,467,827	177,023,371
D	Total liabilities and equity	III-48.1. Md. 3 / (p)	22,798,207,968	22,152,458,736
Unconsolidated (separate) other financial information		Related Regulation	Dec.31,2024	Dec.31,2023
A1	The portion of money and capital market instruments held for 3-year real estate payment	III-48.1. Md. 24 / (b)	-	-
A2	Time and demand deposits/special current participation accounts in foreign currency and time deposits/participation accounts in TRY	III-48.1. Md. 24 / (b)	45,822,262	2,891,622,433
A3	Foreign capital market instruments	III-48.1. Md. 24 / (d)	-	-
B1	Foreign investment property, investment property-based projects, investment property- based rights	III-48.1. Md. 24 / (d)	-	-
B2	Idle lands	III-48.1. Md. 24 / (c)	14,545,000	-
C1	Foreign subsidiaries	III-48.1. Md. 24 / (d)	-	-
C2	Participation to the operator company	III-48.1. Md. 28//1 (a)	-	-
J	Non-cash loans	III-48.1. Md. 31	294,692,491	1,745,826,755
K	Pledges on land not owned by the Investment Trust which will be used for project developments	III-48.1. Md. 22 / (e)	-	-
L	Money and capital market instrument Investments held on One Unique Company	III-48.1. Md. 22 / (I)	41,390,674	2,860,972,365

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

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

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

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

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

(*) As of December 31, 2024 and 2023, all non-trade receivables from related parties consist of receivables from 100% subsidiaries of the Company (Note 4).

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

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Akfen Real Estate Investment Trust Inc.

Opinion

We have audited the complete set of consolidated financial statements of Akfen Real Estate Investment Trust Inc. ("the Company") and its subsidiaries (collectively referred to as "the Group") for the financial year ending December 31, 2024, and as a result, we have also audited the annual activity report for this financial year.

In our opinion, the consolidated financial information included in the annual activity report of the board of directors, along with the analyses conducted by the Board of Directors regarding the Group's financial position using the information contained in the audited financial statements, are consistent in all material respects with the audited full set of consolidated financial statements and the information obtained during the independent audit, and accurately reflect the truth.

Basis for Opinion

The independent audit we conducted was performed in accordance with the independent audit standards published by the Capital Markets Board ("CMB") and the Independent Audit Standards ("IAS") published by the Public Oversight, Accounting, and Auditing Standards Authority ("POAAS"), which are part of the Turkey Auditing Standards. Our responsibilities under these standards are detailed in the section of our report titled "Responsibilities of the Independent Auditor for the Independent Audit of the Annual Activity Report." We declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) ("Ethical Rules") published by the KGK and the ethical provisions in the legislation related to independent auditing. We have also fulfilled other ethical responsibilities under the Ethical Rules and legislation. We believe that the independent audit evidence obtained during the independent audit provides a sufficient and appropriate basis for forming our opinion.

Our Auditor's Opinion on the Complete Set of Consolidated Financial Statements

We have issued an unqualified opinion in our auditor's report dated March 6, 2025, on the complete set of consolidated financial statements of the Group for the financial period from January 1, 2024, to December 31, 2024.

Management's Responsibility for the Annual Activity Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and the provisions of the Capital Markets Board's II-14.1 No. "Communication on the Principles of Financial Reporting in the Capital Markets" ("Communication") regarding the annual activity report:

- a) Prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.
- b) Prepares the annual activity report in a manner that accurately, completely, straightforwardly, truthfully, and honestly reflects the flow of the Group's activities for that year and its consolidated financial position in all respects. In this report, the financial position is evaluated based on the consolidated financial statements. The report also clearly indicates the Group's development and the risks it may encounter. The board of directors' assessment of these issues is also included in the report.
- c) The activity report also includes the following matters:
 - Events of particular importance that occurred in the Group after the end of the activity year,
 - The Group's research and development activities,
 - Financial benefits such as salaries, bonuses, and gratuities paid to members of the board of directors and senior managers, allowances, travel, accommodation, and representation expenses, in-kind and cash benefits, insurance, and similar guarantees.

When preparing the activity report, the board of directors also takes into account the secondary legislation regulations issued by the Ministry of Trade and relevant institutions.

Responsibility of the Independent Auditor for the Independent Audit of the Annual Activity Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual activity report and the Board of Directors' analysis of the Group's financial statements, which are subject to audit, whether they are consistent with the audited consolidated financial statements of the Group and the information obtained during the independent audit, and whether they accurately reflect the truth.

The independent audit we conducted was carried out in accordance with the independent audit standards and BDS published by the CMB. These standards require that the independent audit be planned and conducted to obtain reasonable assurance that the consolidated financial information included in the activity report and the Group's analysis of the information contained in the audited financial statements regarding the Group's condition are consistent with the audited consolidated financial statements and the information obtained during the audit and accurately reflect the truth.

KPMG Independent Audit and Certified Public Accountant Firm

H. Nesrin Tuncer, CPA

Responsible Auditor

March 6, 2025

Istanbul, Turkey

AUDITOR'S REPORT ON THE EARLY RISK DETECTION SYSTEM AND COMMITTEE

To the General Assembly of Akfen Real Estate Investment Trust Inc.

We have audited the early risk detection system and committee established by Akfen Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("the Company").

Responsibility of the Board of Directors

Pursuant to the first paragraph of Article 378 of the Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors is responsible for establishing a specialized committee, operating and developing the system for the early detection of causes that endanger the Company's existence, development, and continuity, and for implementing the necessary measures and remedies and managing risks.

The Auditor's Responsibility

Our responsibility is to reach a conclusion regarding the early detection of risk system and committee based on the audit we have conducted. Our audit was conducted in accordance with the Turkish Commercial Code, the "Principles Regarding the Auditor's Report on the Early Risk Detection System and Committee" published by the Public Oversight, Accounting, and Auditing Standards Authority, and ethical rules. These principles require us to determine whether the company has established an early risk detection system and committee, and if so, to assess whether the system and committee operate in accordance with Article 378 of the Turkish Commercial Code. The appropriateness of the measures taken by the early risk detection committee against risks and the applications made by management in response to risks are not within the scope of our audit.

Information on the Early Risk Detection System and Committee

The purpose of the Early Risk Detection and Management Committee ("Committee") is to conduct studies aimed at early detection of risks that may endanger the Company's existence, development, and continuity in light of risk projects carried out at the corporate level, implementation of necessary measures regarding identified risks, and risk management. The Committee consists of a total of 3 members, including one chairperson. The Committee convened a total of six times in 2024, on January 31, 2024, April 30, 2024, June 28, 2024, August 27, 2024, October 31, 2024, and December 31, 2024, and submitted its reports to the Board of Directors.

Conclusion

As a result of the audit we conducted, it was concluded that Akfen Real Estate Investment Partnership Inc.'s early risk detection system and committee are sufficient in all material respects in accordance with Article 378 of the Turkish Commercial Code.

KPMG Independent Audit and Certified Public Accountant Firm

H. Nesrin Tuncer, CPA
Responsible Auditor
March 6, 2025
Istanbul, Turkey

Abbreviations

Akfen GT	Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.
Akfen GYO	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Akfen Karaköy	Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş.
ATS	American Turkish Society
BIST	Borsa İstanbul
CPA	Yeminli Mali Müşavir Sertifikası (Certified Public Accountant)
ÇSY	Çevresel Sosyal ve Yönetimsel
DEİK	Foreign Economic Relations Board of Türkiye
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBRD	European Bank for Reconstruction and Development
ESG	Environmental, social and administrative
EUR	Euro
GDP	Gross Domestic Product
GYODER	Turkey's Real Estate Platform
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ICMA	International Capital Market Association
ILO	International Labour Organization
IDO	İstanbul Sea Buses
IKV	Economic Development Foundation
ITHIB	İstanbul Textile and Raw Materials Exporters Association
ITL	Income Tax Law
İTO	İstanbul Chamber of Commerce
KAP	Public Disclosure Platform
TRNC	Turkish Republic of Northern Cyprus
LSE	London School of Economics
MESS	Turkish Employers' Association of Metal Industries
MIP	Mersin International Port
NAV	Net Asset Value
NOX	Nitrogen Oxides
OECD	The Organisation for Economic Co-operation and Development

OHSAS	Occupational Health and Safety Assessment Series
PDT	Convertible bond
PODEM	Center for Public Policy and Democracy Studies
PPP	Public, Private Partnership
PSA	Port of Singapore Authority
SKD	Turkey Business World and Sustainability Development Association
SOX	Sulphure Oxide
RUB	Russian Ruble
TAIDER	Family Business Association
TBMM	The Grand National Assembly of Turkey
TCC	Turkish Commercial Code No. 6102
TIKAV	Turkish Human Resources in Health & Education Foundation
TIKAD	Türkiye İş Kadınları Derneği
TIKAD	Turkish Businesswomen Association
TİM	Turkish Exporters Assembly
TL, TRY	Turkish Lira
TCA	Turkish Contractors Association
TOBB	The Union of Chambers and Commodity
TTYD	Turkish Tourism Investors Association
TURMEPA	Turkish Marine Environment Protection Association
TÜGİAD	Young Business People Association of Turkey
TÜİK, TURKSTAT	Turkish Statistical Institute
TÜRSAB	Associaiton of Turkish Travel Agencies
TÜSİAD	Turkish Industry & Business Association
UN	United Nation
UNEP-FI	The Equator Principles, United Nations Environment Programme Finance Initiative
UNGC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
USD	US Dollar
UNSDG	United Nation Sustainability Development Goals
YDK	Investment Advisory Council of Turkey
YKKD	Women on Board Association Turkey (WOB Turkey)

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