

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2024**

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

	Notes	Unaudited 30 September 2024	Audited 31 December 2023
ASSETS			
Current assets		169,449,615	154,689,890
Cash and cash equivalents	4	3,732,798	21,556,543
Trade receivables		8,010,096	10,741,933
<i>Trade receivables due from related parties</i>	24	3,360,674	5,116,960
<i>Trade receivables due from third parties</i>	6	4,649,422	5,624,973
Other receivables		540,789	1,338,263
<i>Other receivables due from related parties</i>	24	1,161	97,294
<i>Other receivables due from third parties</i>	7	539,628	1,240,969
Inventories	8	152,786,257	114,725,520
Prepaid expenses		310,238	175,398
<i>Prepaid expenses to third parties</i>	15	310,238	175,398
Other current assets	14	3,960,918	6,145,685
Current tax assets	22	108,519	6,548
Non-current assets		7,883,938	10,357,385
Trade receivables		3,390,094	6,139,667
<i>Trade receivables due from third parties</i>	6	3,390,094	6,139,667
Other receivables		25,749	32,511
<i>Other receivables due from third parties</i>	7	25,749	32,511
Investments accounted for using equity method		2,733	1,835
Investment properties	9	2,499,533	2,535,662
Right-of-use assets		4,852	6,592
Property, plant and equipment	10	1,835,505	1,538,894
Intangible assets	11	108,384	82,511
Deferred tax assets	22	17,088	19,713
Total assets		177,333,553	165,047,275

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

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

	Notes	Unaudited 30 September 2024	Audited 31 December 2023
LIABILITIES AND EQUITY			
Current liabilities		95,102,712	84,541,797
Short-term borrowings	5	4,150,325	1,426,922
Short-term portions of long-term borrowings	5	1,822,678	2,965,434
<i>Lease liabilities</i>	5	945	1,283
<i>Bank Loans</i>	5	1,821,733	2,964,151
Trade payables		6,330,565	5,530,729
<i>Trade payables due to related parties</i>	24	218,210	-
<i>Trade payables due to third parties</i>	6	6,112,355	5,530,729
Other payables		2,236,688	1,598,231
<i>Other payables to related parties</i>	24	604	815
<i>Other payables to third parties</i>	7	2,236,084	1,597,416
Deferred income		80,161,275	72,520,430
<i>Deferred income from related parties</i>	24	4,244,500	4,778,239
<i>Deferred income from third parties</i>	15	75,916,775	67,742,191
Short-term provisions		401,181	500,051
<i>Short-term provisions for employee benefits</i>	13	133,206	143,166
<i>Other short-term provisions</i>	12	267,975	356,885
Non-current liabilities		1,103,986	2,752,073
Long-term borrowings	5	90,979	1,724,026
<i>Lease liabilities</i>	5	5,640	7,663
<i>Bank Loans</i>	5	85,339	1,716,363
Trade payables	6	369,187	502,009
<i>Trade payables due to third parties</i>		369,187	502,009
Other payables	7	441,010	286,039
<i>Other payables to third parties</i>		441,010	286,039
Deferred income	15	35,918	75,608
<i>Deferred income from third parties</i>		35,918	75,608
Long-term provisions		166,892	164,391
<i>Long-term provisions for employee benefits</i>	13	166,892	164,391
Shareholders' equity		81,126,855	77,753,405
Total equity attributable to equity holders of the Company		81,126,855	77,753,405
Paid-in capital	16	3,800,000	3,800,000
Adjustment to share capital		48,007,236	48,007,236
Treasury shares (-)		(60,834)	(60,834)
Share premium (discounts)		27,223,550	27,223,550
Losses on Remeasurements Defined Benefit Plans		(18,657)	-
Other equity reserves		(1,636,590)	(1,636,590)
Restricted reserves appropriated from profit		8,172,877	8,172,877
Retained earnings		(7,752,834)	(2,217,457)
Net profit for the year		3,392,107	(5,535,377)
Non-controlling interests		-	-
Total liabilities and equity		177,333,553	165,047,275

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 30 SEPTEMBER 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

	Notes	Unaudited 1 January - 30 September 2024	Unaudited 1 July - 30 September 2024	Unaudited 1 January - 30 September 2023	Unaudited 1 July - 30 September 2023
Revenue	17	16,725,600	8,626,482	29,560,229	4,371,289
Cost of sales (-)	17	(10,436,632)	(5,882,742)	(23,239,623)	(3,759,826)
Gross profit		6,288,968	2,743,740	6,320,606	611,463
General administrative expenses (-)	18	(2,303,933)	(835,975)	(3,615,947)	(747,581)
Marketing expenses (-)	18	(292,494)	(63,198)	(536,226)	(120,474)
Other income from operating activities	20	1,756,456	670,232	3,255,731	758,487
Other expenses from operating activities (-)	20	(691,596)	(465,193)	(2,192,384)	2,353,780
Operating profit		4,757,401	2,049,606	3,231,780	2,855,675
Income from investing activities		-	-	8,820	8,820
Operating profit before financial income		4,757,401	2,049,606	3,240,600	2,864,495
Financial income	21	3,064,243	901,992	3,356,944	1,361,491
Financial expenses (-)	21	(933,125)	(278,557)	(1,707,508)	(205,663)
Monetary loss		(3,487,568)	(476,591)	(10,715,187)	(6,536,869)
Profit/(loss) from continuing operations, before tax		3,400,951	2,196,450	(5,825,151)	(2,516,546)
Tax (expense)/income from continuing operations		(8,844)	55,288	(16,178)	15,997
<i>Current period tax expense</i>	22	-	-	-	-
<i>Deferred tax expense</i>	22	(8,844)	55,288	(16,178)	15,997
Net profit for the period		3,392,107	2,251,738	(5,841,329)	(2,500,549)
Profit for the period is attributable to:					
Non-controlling interests		-	-	-	-
Owners of the Company		3,392,107	2,251,738	(5,841,329)	(2,500,549)
Other comprehensive income					
Items that will be reclassified to profit or loss					
<i>Actuarial losses related to employee benefit liabilities</i>		(24,876)	88	-	-
Taxes relating to Components of other comprehensive income that will not be reclassified to profit or loss		6,219	(22)	-	-
<i>Actuarial losses related to employee benefit liabilities, tax effect</i>		6,219	(22)	-	-
Other comprehensive expense		(18,657)	66	-	-
Total comprehensive income for the period		3,373,450	2,251,804	(5,841,329)	(2,500,549)
Total comprehensive income is attributable to:					
Non-controlling interests		-	-	-	-
Owners of the Company		3,373,450	2,251,804	(5,841,329)	(2,500,549)
Earnings per share (in full TRY)		0.08916	0.05919	(0.15354)	(0.06573)

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

							Other Accumulated Comprehensive Income and Expense not to be Reclassified to Profit or Loss	Retained Earnings				
	Share capital	Adjustment to Share capital	Treasury shares (-)	Share premium/ discounts	Other equity reserves	Other Restricted reserves appropriated from profit	Gain/Loss on remeasurement of defined benefit plans	Retained earnings	Net profit for the period	Equity attributable to the parent	Non-controlling interest	Total equity
1 January 2023	3,800,000	48,007,236	(3,072,329)	27,223,550	-	7,970,334	-	(1,544,436)	1,229,617	83,613,972	-	83,613,972
Transfers	-	-	-	-	-	201,160	-	1,028,457	(1,229,617)	-	-	-
Dividend	-	-	-	-	-	-	-	(1,729,980)	-	(1,729,980)	-	(1,729,980)
(Increase)/decrease due to share repurchase transactions (*)	-	-	3,011,495	-	(1,636,590)	-	-	-	-	1,374,905	-	1,374,905
Total comprehensive loss	-	-	-	-	-	-	-	-	(5,841,329)	(5,841,329)	-	(5,841,329)
30 September 2023	3,800,000	48,007,236	(60,834)	27,223,550	(1,636,590)	8,171,494	-	(2,245,959)	(5,841,329)	77,417,568	-	77,417,568
1 January 2024	3,800,000	48,007,236	(60,834)	27,223,550	(1,636,590)	8,172,877	-	(2,217,457)	(5,535,377)	77,753,405	-	77,753,405
Transfers	-	-	-	-	-	-	-	(5,535,377)	5,535,377	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	(18,657)	-	3,392,107	3,373,450	-	3,373,450
30 September 2024	3,800,000	48,007,236	(60,834)	27,223,550	(1,636,590)	8,172,877	(18,657)	(7,752,834)	3,392,107	81,126,855	-	81,126,855

(*) As of 30 September 2023, it shows the effect of purchase/sale considering the orders matched during the period for the shares repurchased.

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

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

		Unaudited 1 January - 30 September 2024	Unaudited 1 January - 30 September 2023
	Notes		
Cash flows from operating activities			
Profit/(loss) for the period		3,392,107	(5,841,329)
Adjustments related to reconcile of net profit for the period			
Adjustments related to depreciation and amortization expenses	9, 10, 11, 18, 19	161,078	112,795
Adjustments related to tax expense (income)	22	8,844	16,178
Adjustments related to (reversal of) impairments (net)		(1,048,684)	(8,190,303)
Adjustments related to (reversal of) impairment of inventories (net)	8	(1,048,684)	(8,190,303)
Adjustments related to provisions		(31,020)	110,630
Adjustments related to (reversal of) provisions for employee benefits	13	(33,905)	80,290
Adjustments related to (reversal of) provision for lawsuit and/or penalty	13	4,980	31,802
Adjustments related to (reversal of) provisions for others	5	(2,095)	(1,462)
Adjustments for interest (income) and expenses		(2,453,421)	(2,790,411)
Adjustments for interest income	21	(3,602,629)	(5,219,303)
Adjustments for interest expense	21	1,149,208	2,428,892
Monetary gain / loss		6,365,107	9,780,242
Net cash from operations before changes in assets and liabilities		6,394,011	(6,802,198)
Changes in net working capital:			-
Adjustments related to (increase)/decrease in trade receivable		1,176,936	(4,966,931)
Decrease/(increase) in trade receivables from related parties		1,758,142	(1,980,451)
Decrease/(Increase) in trade receivables from third parties		(581,206)	(2,986,480)
Adjustments related to decrease/(increase) in inventories		(37,012,053)	16,869,963
Adjustments related to increase/(decrease) in trade payables		2,588,349	(1,331,827)
Increase/(decrease) in trade payables to third parties		2,588,349	(1,331,827)
Adjustments related to decrease/(increase) in other receivables related to operations		897,741	(1,016,574)
Adjustments related to increase/(decrease) in other payables related to operations		9,079,882	14,704,523
Adjustments related to other increase/(decrease) in working capital		121,692	(643,740)
Net cash flows from operating activities			
Payments related to provisions for employee benefits		(19,862)	(23,891)
Cash flows from operating activities		(16,773,304)	16,789,325
Purchases of investment properties, property, plant and equipment and intangible assets, net		(447,433)	(192,749)
Interest received		661,648	1,871,637
Cash flows from investing activities		214,215	1,678,888
Payments to acquire entity's shares or other equity instruments		-	1,374,905
Proceeds from Borrowings		6,392,554	6,176,050
Proceeds from Loans		1,810,098	2,177,643
Proceeds from Issue of Debt Instruments		4,582,456	3,998,407
Repayments of borrowings		(4,720,403)	(6,322,087)
Loan Repayments		(1,881,572)	(2,537,792)
Payments of Issued Debt Instruments		(2,838,831)	(3,784,295)
Interest paid		(1,834,851)	(2,428,892)
Dividends paid		-	(1,729,980)
Interest received		2,940,981	3,347,666
Cash flow from financing activities		2,778,281	417,662
Inflation impact on cash and cash equivalents		(3,580,680)	(8,882,152)
Net increase (decrease) in cash and cash equivalents		(17,361,488)	10,003,723
Cash and cash equivalents at the beginning of the period	4	20,201,923	11,981,256
Cash and cash equivalents at the end of the period	4	2,840,435	21,984,979

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP

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

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

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

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

The registered address of the Group is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 30 September 2024, the number of employees of the Group is 1,235 (31 December 2023 - 1,142).

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

The consolidated financial statements on 30 September 2024 have been approved by the Board of Directors on 11 November 2024.

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

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

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AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

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

Subsidiaries

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

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

Shares in Joint Operations

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

Shares in Joint Operations	Main Operations			
İstmarina AVM Adi Ortaklığı	Shopping Mall and Office Management			
Büyükyalı Tesis Yönetimi A.Ş.	Shopping Mall and Office Management			
Merkez Cadde Yönetim A.Ş.	Shopping Mall and Office Management			
	30 September 2024		31 December 2023	
	Direct and indirect ownership rate	Effective ownership rate (%)	Direct and indirect ownership rate	Effective ownership rate (%)
Merkez Cadde Yönetim A.Ş.	30	30	30	30
İstmarina AVM Adi Ortaklığı	40	40	40	40
Büyükyalı Tesis Yönetimi A.Ş.	37	37	37	37

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

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

The interim condensed consolidated financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 4 July 2024 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

The Group has prepared its condensed consolidated financial statements for the interim period ending on September 30, 2024, in accordance with the CMB Communiqué No: XII, 14.1 and the related announcements, as well as in compliance with TAS 34 “Interim Financial Reporting Standard.

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

Basis of Consolidation

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

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

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

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

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

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AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Basis of Consolidation (Continued)

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

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

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

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

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

Changes in the Group's Ownership Interests in Existing Subsidiaries

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

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

Investments in Associates and Joint Ventures

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

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

2.1. Basis of Presentation (Continued)

Basis of Consolidation (Continued)

Investments in Associates and Joint Ventures (Continued)

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

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

Interests in Joint Operations

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

Adjustment of Consolidated Financial Statements in Hyperinflation Periods

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

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

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

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TSI"). As at 30 September 2024, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
30 September 2024	2,526.16	1.00000	343%
31 December 2023	1,859.38	1.35860	268%
30 September 2023	1,691.04	1.49385	254%

Procedure of TAS 29 is presented below:

- All accounts, excluding accounts that are presented with current purchasing power at the current period, are restated with their related price index correlation. Same method is applied for previous years.
- Monetary balance sheet accounts are not restated because these accounts are presented with current purchasing power at the current period. Monetary accounts are accounts that are either received or paid in cash.

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

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

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

2.1. Basis of Presentation (Continued)

Functional and Reporting Currency

Each item in the condensed separate financial statements of the Company is accounted for using the currency of the primary economic environment in which the Company operates ('functional currency'). The functional currency of the Company is TRY and the presentation currency is thousand TRY.

Netting Offsetting

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

2.2. Changes in accounting policies and estimates and errors

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated if they are of a nature to provide a more appropriate and reliable presentation of the effects of transactions and events on the entity's individual financial position, performance or cash flows in the financial statements.

2.3. Compliance with Portfolio Restrictions

Additional Note The information in the Control of Compliance with Portfolio Restrictions Table is summarized information derived from the financial statements in accordance with Article 16 of the Communiqué Serial: II, No: 14.1 "Communiqué on Principles Regarding Financial Reporting in Capital Markets" and is in the nature of summary information derived from the financial statements in accordance with Article 16 of the Communiqué Serial: III, No: 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" and has been prepared within the framework of the provisions regarding the control of compliance with portfolio limitations.

NOTE 3 - ACCOUNTING POLICIES

The condensed interim financial statements as at 30 September 2024 have been prepared by applying accounting policies consistent with the accounting policies applied in the preparation of the financial statements for the period ended 30 September 2024. Accordingly, the condensed interim financial statements should be read in conjunction with the year-end financial statements for completeness.

a) Standards, amendments, and interpretations applicable as of 30 September 2024

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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NOTE 3 - ACCOUNTING POLICIES (Continued)

a) Standards, amendments, and interpretations applicable as of 30 September 2024 (Continued)

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of POA published in the Official Gazette dated 29 December 2023, it was announced that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024. The 5 January 2024 dated "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" lists the entities that fall within the scope of sustainability application in order to determine the entities that will be subject to sustainability reporting.

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NOTE 3 - ACCOUNTING POLICIES (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2024:

IFRS codification has been preserved in the standards recently issued by the International Accounting Standards Board but not yet codified by the Public Oversight Authority.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2025. This standard is an amendment to IFRS 17, 'Insurance Contracts', which currently permits a wide range of applications. It replaces TFRS 4. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in the letter dated 6 April 2023 sent by the Public Oversight Authority (POA) to the Association of Insurance, Reinsurance and Pension Companies of Turkey, it has been reported that it has reached the opinion that it would be appropriate to apply TFRS 17 in the consolidated and separate financial statements of insurance, reinsurance and pension companies, banks that have partnerships/investments in these companies and other companies that also have partnerships/investments in these companies as of 1 January 2024. On the other hand, the implementation date of TFRS 17 has been postponed to 1 January 2025 by POA.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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NOTE 3 - ACCOUNTING POLICIES (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2024 (Continued):

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, managementdefined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability:** Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash on hand	95	105
Banks	3,035,405	20,894,099
- <i>Demand deposit</i>	142,638	106,221
- <i>Time deposits with maturities less than 3 months</i>	2,892,767	20,787,878
Other cash and cash equivalents	697,298	662,339
	3,732,798	21,556,543

Maturities of cash and cash flows are as follows:

	30 September 2024	31 December 2023
Demand	142,638	106,221
Up to 3 month	2,892,767	20,787,878
	3,035,405	20,894,099

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

	30 September 2024	31 December 2023
	(%)	(%)
Effective annual interest rate	46.55	40.58

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

	30 September 2024	31 December 2023
Cash and cash equivalents	3,732,798	21,556,543
Less: Interest accruals on deposits	(4,131)	(162,989)
Less: LSRSA project deposits (*)	(917,316)	(1,214,210)
Add: the effect of provisions released under TFRS 9	29,084	22,579
	2,840,435	20,201,923

(*) The contractors' portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. There is no blocked deposit (31 December 2023: None) project accounts amounting TRY917,316 (31 December 2023: TRY1,214,210).

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NOTE 5 – FINANCIAL LIABILITIES

	30 September 2024	31 December 2023
Short-term financial liabilities		
Short-term bank loans	1,728,325	204,179
Issued debt instruments (*)	2,422,000	1,222,743
Short-term portion of long-term borrowings	1,821,733	2,964,151
Lease obligation	945	1,283
	5,973,003	4,392,356

(*) The group has issued four different lease certificates: on 8 July 2024, a lease certificate with a nominal value of TRY400,000, a profit share rate of 45%, and a maturity date of 10 October 2024; on 13 August 2024, a lease certificate with a nominal value of TRY400,000, a profit share rate of 46%, and a maturity date of 13 November 2024; on 9 September 2024, a lease certificate with a nominal value of TRY1,122,000, a profit share rate of 45%, and a maturity date of 10 January 2025; and on the same date, 9 September 2024, another lease certificate with a nominal value of TRY500,000, a profit share rate of 45%, and a maturity date of 10 January 2025, while in 2023, the group issued lease certificates with nominal values of TRY543,441 at a 38% profit share rate and TRY679,302 at a 40% profit share rate).

	30 September 2024	31 December 2023
Long-term financial liabilities		
Long-term borrowings	85,339	1,716,363
Lease obligation	5,640	7,663
	90,979	1,724,026

Borrowings used as of 30 September 2024 are denominated in TRY and the weighted average interest rate is 24.77% (31 December 2023: 20.66%).

The redemption schedules of the borrowings as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
2025	85,339	1,716,363
	85,339	1,716,363

The maturity distributions of the borrowings are as follows:

	30 September 2024	31 December 2023
Less than 3 months	1,846,343	1,351,267
Between 3 - 12 months	1,703,715	1,817,063
Between 1 - 5 years	85,339	1,716,363
	3,635,397	4,884,693

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES

As at 30 September 2024 and 31 December 2023, details of trade receivables and payables are as follows:

	30 September 2024	31 December 2023
Short-term trade receivables		
Due from related parties (Note 24)	3,360,674	5,116,960
Receivables from land sales	1,619,030	1,109,570
Receivables from sale of residential and commercial units	2,488,954	2,637,709
Notes of receivables	104,972	287,205
Receivables from contractors of the lands invoiced under LSRSA	782,017	1,905,403
Receivables from lessees	74,035	93,623
Other	12,990	12,030
Unearned finance income	(432,576)	(420,567)
	8,010,096	10,741,933
Doubtful receivables	3,414	7,123
Less: Provision for doubtful receivables	(3,414)	(7,123)
	8,010,096	10,741,933
	30 September 2024	31 December 2023
Long-term trade receivables		
Receivables from sale of residential and commercial units	3,962,374	5,510,025
Receivables from land sales	429,637	1,978,234
Unearned finance income	(1,001,917)	(1,348,592)
	3,390,094	6,139,667
	30 September 2024	31 December 2023
Short-term trade payables		
Trade payables	5,036,107	3,417,507
Payables to LSRSA contractors invoiced	726,781	1,255,192
Interest accruals on time deposits of contractors (*)	349,467	858,030
Payables to related parties (Note 24)	218,210	-
	6,330,565	5,530,729

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

	30 September 2024	31 December 2023
Long-term trade payables		
Trade payables	369,187	502,009
	369,187	502,009

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

As at 30 September 2024 and 31 December 2023, details of other receivables and payables are as follows:

	30 September 2024	31 December 2023
Short-term other receivables		
Advances given to contractor firms	476,755	732,935
Receivables from the authorities	41,751	38,037
Other receivables from related parties (Note 24)	1,161	97,294
Other	21,122	469,997
	540,789	1,338,263
	30 September 2024	31 December 2023
Long-term other receivables		
Other receivables from third parties	24,735	31,134
Deposits and guarantees given	1,014	1,377
	25,749	32,511
	30 September 2024	31 December 2023
Short-term other payables		
Taxes and funds payable	2,177,299	1,471,512
Other payables to related parties (Note 24)	604	815
Other	58,785	125,904
	2,236,688	1,598,231

As of 30 September 2024, other long-term payables are amount to TRY441,010 and consist of deposits and guarantees received (31 December 2023: TRY286,039).

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NOTE 8 – INVENTORIES

As at 30 September 2024 and 31 December 2023, details of inventories are as follows:

	30 September 2024	31 December 2023
Lands	39,084,072	25,404,392
<i>Cost</i>	45,856,622	33,162,509
<i>Impairment</i>	(6,772,550)	(7,758,117)
Planned land by LSRSA	42,100,472	45,768,174
Planned land by turnkey project	39,853,353	29,322,631
<i>Planned land by turnkey project</i>	46,449,017	35,918,295
<i>Impairment</i>	(6,595,664)	(6,595,664)
Residential and commercial units ready for sale	12,810,781	11,613,215
<i>Cost</i>	14,306,825	13,172,376
<i>Impairment</i>	(1,496,044)	(1,559,161)
Inventories of Emlak Konut Asansör	1,978,487	1,007,394
Advances given for inventories	16,959,092	1,609,714
	152,786,257	114,725,520

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

(**) As of 30 September 2024, an amount of TRY 14,308,883 from the advances given for inventories consists of the payment made for 1,615 independent units purchased under the Yeni Fikirtepe project undertaken on behalf of the Republic of Turkey Ministry of Environment, Urbanization, and Climate Change.

The determination of the net realizable value of the Group assets classified as "Inventories" and the calculation of the provision for impairment, if any, is based on the valuation reports prepared by Acar Taşınmaz Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme A.Ş. as of 31 December 2023.

The movements of impairment on inventories are as follows:

	2024	2023
Opening balance at 1 January	15,912,942	23,524,147
Impairment on inventories within the current period	-	1,160,590
Reversal of impairment on inventories within the current period	(1,048,684)	(9,350,893)
Closing balance at 30 September	14,864,258	15,333,844

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NOTE 8 – INVENTORIES (Continued)

As of 30 September 2024 and 31 December 2023 the details of land and residential inventories of the Group are as follows:

Lands	30 September 2024	31 December 2023
İstanbul Esenler Lands	13,933,574	4,714,930
İstanbul Küçükçekmece Lands	6,817,494	6,779,729
İstanbul Avcılar Lands	4,968,079	3,914,124
Muğla Bodrum Lands	4,120,965	4,950,495
İzmir Çeşme Lands	1,592,082	-
Aydın Didim Lands	1,517,092	-
İstanbul Başakşehir Lands	1,120,250	1,383,094
Antalya Alanya Lands	946,060	-
İstanbul Çekmeköy Lands	654,155	654,132
İstanbul Eyüp Lands	540,107	537,809
İstanbul Kartal Lands	501,129	121,772
İzmir Urla Lands	432,022	432,022
İzmir Aliğa Lands	344,861	284,464
İstanbul Arnavutköy Lands	260,208	602,473
Muğla Milas Lands	200,736	200,726
İstanbul Resneli Lands	196,680	215,757
Antalya Konyaaltı Lands	156,841	-
İzmir Seferihisar Lands	137,878	160,689
İzmir Karşıyaka Lands	133,025	-
Zonguldak Merkez Lands	104,946	-
Tekirdağ Çorlu Lands	100,301	100,302
İstanbul Tuzla Lands	91,956	92,452
İzmir Konak Umurbey Lands	66,176	66,173
Sakarya Sapanca Lands	57,424	62,997
Yalova Lands	38,753	-
Ankara Çankaya Lands	28,448	28,448
İstanbul Sarıyer Lands	10,388	13,433
Kocaeli Lands	8,206	20,552
İstanbul Ataşehir Lands	106	-
Balıkesir Lands	-	17,761
Other	4,130	50,058
	39,084,072	25,404,392

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NOTE 8 - INVENTORIES (Continued)

As of 30 September 2024 and 31 December 2023, the Group's projected land details are as follows:

Planned land by LSRSA	30 September 2024	31 December 2023
Nidapark İstinye Project	6,179,448	6,182,876
Bizim Mahalle 2. Etap 1. Kısım Project	3,439,052	2,005,204
Merkez Ankara Project	3,084,765	3,086,471
Nidapark Küçükyalı Project	3,038,641	3,040,322
Yeni Levent Project	2,200,933	2,181,428
Bizim Mahalle 2. Etap 2. Kısım Project	2,004,095	3,441,107
Çekmeköy Çınarköy Project	1,897,120	1,898,169
Meydan Başakşehir Project	1,797,571	1,797,421
Batıyakası 2. Etap Project	1,623,354	1,624,251
Next Level İstanbul Project	1,503,275	1,504,107
Beşiktaş Akat Project	1,480,033	1,447,808
Ümraniye İnkılap Project	1,372,192	1,371,653
İstanbul Kayabaşı 9. Etap Project	1,342,387	1,343,129
Başakşehir Ayazma 4. Etap Project	1,212,920	1,213,592
İstanbul Tuzla Merkez Project	1,199,276	1,199,939
Batıyakası 1. Etap Project	1,055,744	1,056,658
İstanbul Kayabaşı 8. Etap Project	909,276	909,779
İstanbul Eyüpsultan Kemirburgaz Project	875,876	876,320
Avcılar Firüzköy 1. Etap 2. Kısım Project	846,480	847,323
Avcılar Firüzköy 2. Etap Project	836,065	836,527
Avcılar Firüzköy 1. Etap 1. Kısım Project	777,506	777,493
Nişantaşı Kuru Project	700,100	4,312,349
Bodrum Türkbükü Project	630,541	630,891
Nezihpark Project	386,616	386,819
Antalya Aksu Project	339,771	338,935
Barbaros 48 Project	335,095	333,252
İstanbul Ataşehir Küçükbakkalköy Project	313,345	313,517
İstanbul Kayabaşı 10. Etap Project	292,755	292,916
Cer İstanbul Project	193,021	193,128
Ankara Çayyolu 2. Etap Project	164,867	164,557
Other	68,352	160,233
	42,100,472	45,768,174

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NOTE 8 - INVENTORIES (Continued)

As of 30 September 2024 and 31 December 2023, the details of the Group's completed residential and commercial units are as follows:

Residential and commercial units ready for sale	30 September 2024	31 December 2023
Merkez Ankara Project	5,126,901	5,170,278
Saraçoğlu Mahallesi Project	2,197,770	-
Kuzey Yakası Project	1,698,653	1,863,340
Maslak 1453 Project	1,290,458	1,315,851
Komşu Finans Evleri Project	989,063	990,099
Bizim Mahalle 1. Etap 1. Kısım Project	357,685	530,054
Denizli Merkez Efendi İkmal İşİ Project	224,779	485,206
Sarphan Finanspark Project	371,000	409,503
Bizim Mahalle 1. Etap 2. Kısım Project	151,339	303,013
Semt Bahçekent 1. Etap 2. Kısım Project	87,587	87,586
Köy 2. Etap Project	53,590	76,040
Nidapark İstinye Project	44,925	44,925
Büyükyalı Project	40,856	40,856
İdealist Cadde / Koru Project	38,737	-
Metropol İstanbul Project	26,338	26,338
Karat 34 Project	14,465	52,071
Kocaeli Körfezkent Emlak Konutları Project	10,869	10,869
Göl Panorama Project	4,158	4,159
Başakşehir Ayazma Emlak Konutları Project	4,056	4,057
Temaşehir Project	1,770	3,208
Evora Denizli Project	-	19,492
Yalova Armutlu Project	-	66,337
Emlak Konut Florya Evleri Project	-	105,198
Other	75,782	4,735
	12,810,781	11,613,215

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NOTE 8 - INVENTORIES (Continued)

As of 30 September 2024 and 31 December 2023, the details of the Group's land plots designed as turnkey projects are as follows:

Planned land by turnkey project	30 September 2024	31 December 2023
Çekmeköy Çınarköy Project	22,094,108	17,405,000
Arnavutköy Yenişehir Project	7,023,509	232,040
Emlak Konut Vadi Evleri Project	4,234,651	2,868,365
Bizim Mahalle Project	2,949,974	2,327,290
Balıkesir Altıeylül Project	1,926,132	1,193,381
İstanbul Avcılar Firuzköy Project	1,063,900	2,151,183
Ankara Saraçoğlu Project	-	3,056,013
Other	561,079	89,359
	39,853,353	29,322,631

NOTE 9 – INVESTMENT PROPERTIES

Rent income is obtained in investment properties and the appraisal used in calculation of low value is made through a precedent comparison and income reduction.

The movements of investment properties as of 30 September 2024 and 2023 are as follows:

Cost Value	Lands, residential and commercial units	Atasehir general management building A block	Total
Opening balance as of 1 January 2024	2,386,042	354,869	2,740,911
Transfers to commercial units and land inventories	-	-	-
Transfers to residential and commercial unit inventories	-	-	-
Closing balance as of 30 September 2024	2,386,042	354,869	2,740,911
Accumulated Depreciation			
Opening balance as of 1 January 2024	154,036	51,213	205,249
Charge for the year	30,806	5,323	36,129
Closing balance as of 30 September 2024	184,842	56,536	241,378
Net book value as of 30 September 2024	2,201,200	298,333	2,499,533

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NOTE 9 – INVESTMENT PROPERTIES (Continued)

Cost Value	Lands, residential and commercial units	Atasehir general management building A block	Total
Opening balance as of 1 January 2023	3,784,517	354,869	4,139,386
Transfers to commercial units and land inventories	(1,406,307)	-	(1,406,307)
Transfers to residential and commercial unit inventories	98,258	-	98,258
Closing balance as of 30 September 2023	2,476,468	354,869	2,831,337
Accumulated Depreciation			
Opening balance as of 1 January 2023	110,531	44,115	154,646
Charge for the year	33,419	3,258	36,677
Closing balance as of 30 September 2023	143,950	47,373	191,323
Net book value as of 30 September 2023	2,332,518	307,496	2,640,014

As of 31 December 2023, the valuation reports prepared by Acar Taşınmaz Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme A.Ş. have taken into consideration when determining the fair values of investment properties. The fair values of the investment property determined by independent valuation experts are as follows:

	30 September 2024	31 December 2023
Independent commercial units of Büyükyalı AVM	2,483,503	2,483,503
Atasehir General Management Office A Block	1,685,788	1,685,788
Independent commercial units of Istmarina AVM	1,572,105	1,572,105
Lands and completed units	844,269	844,269
	6,585,665	6,585,664

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NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

As of 30 September 2024 and 2023, the details of property, plant and equipment are as follows:

30 September 2024	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net book value as of 1 January 2024	917,755	28,595	164,885	186,795	56,356	184,508	1,538,894
Additions	230,513	11,266	116,605	19,454	16,695	-	394,533
Disposal, (net) (-)	-	-	-	(82)	-	-	(82)
Depreciation expense(-)	(20,732)	(330)	(33,089)	(36,839)	(6,850)	-	(97,840)
Net book value 30 September 2024	1,127,536	39,531	248,401	169,328	66,201	184,508	1,835,505
Cost	1,249,965	72,986	310,089	494,253	86,709	184,508	2,398,510
Accumulated depreciation (-)	(122,429)	(33,455)	(61,688)	(324,925)	(20,508)	-	(563,005)
Net book value 30 September 2024	1,127,536	39,531	248,401	169,328	66,201	184,508	1,835,505

30 September 2023	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net book value as of 1 January 2023	865,423	7,856	125,624	107,645	63,902	219,919	1,390,369
Additions	25,680	24,588	33,221	62,026	318	1,552	147,385
Disposal, (net) (-)	(1,847)	(766)	-	(160)	(1,257)	-	(4,030)
Depreciation expense(-)	(8,815)	(4,103)	(12,470)	(28,835)	(6,066)	-	(60,289)
Net book value 30 September 2023	880,441	27,575	146,375	140,676	56,897	221,471	1,473,435
Cost	970,426	58,870	170,146	425,953	69,490	221,471	1,916,356
Accumulated depreciation (-)	(89,985)	(31,295)	(23,771)	(285,277)	(12,593)	-	(442,921)
Net book value 30 September 2023	880,441	27,575	146,375	140,676	56,897	221,471	1,473,435

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

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

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

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NOTE 11 – INTANGIBLE ASSETS

As of 30 September 2024 and 2023, intangible assets are as follows:

30 September 2024	Licenses	Computer software	Rights	Total
Net book value, 1 January 2024	7,938	34,265	40,308	82,511
Additions	15,255	6,982	30,745	52,982
Amortization expense (-)	(14,106)	(12,422)	(581)	(27,109)
Net book value 30 September 2024	9,087	28,825	70,472	108,384
Cost	124,640	80,959	91,918	297,517
Accumulated amortization (-)	(115,553)	(52,134)	(21,446)	(189,133)
Net book value 30 September 2024	9,087	28,825	70,472	108,384

30 September 2023	Licenses	Computer software	Rights	Total
Net book value, 1 January 2023	15,823	9,012	11,417	36,252
Additions	-	28,019	21,375	49,394
Amortization expense (-)	(7,242)	(7,232)	(1,355)	(15,829)
Net book value 30 September 2023	8,581	29,799	31,437	69,817
Cost	107,618	72,732	35,892	216,242
Accumulated amortization (-)	(99,037)	(42,933)	(4,455)	(146,425)
Net book value 30 September 2023	8,581	29,799	31,437	69,817

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 30 September 2024 and 31 December 2023, the details of provisions are as follows:

	30 September 2024	31 December 2023
Provisions		
Provision for lawsuits	267,975	356,885
	267,975	356,885

According to the opinions of the Group's lawyers, provision for litigation amounting to TRY267,975 has been set aside as of 30 September 2024 (31 December 2023: TRY356,885). As of 30 September 2024, there are 1 deficiency lawsuit, 10 lawsuits for loss of rent, 7 lawsuits for cancellation and registration of deed, 2 labor lawsuits and 35 other miscellaneous lawsuits filed against the Group.

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

The movements of provision for lawsuits as of 30 September 2024 and 2023 are as follows:

	2024	2023
Balance at 1 January	356,885	601,335
Provision added within the current period	4,980	31,802
Monetary gain loss	(93,890)	(243,556)
Closing balance at 30 September	267,975	389,581

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

12.1 Continuing Lawsuits and Provisions

12.1.1 The LSRSA Project Agreement dated 21 December 2005 regarding 750 units in İzmir Mavisehir Upper North Area 2. Phase was abolished on 21 December 2009 since the contractor did not meet the requirements of the provisions in the agreement. Following the cancellation of the agreement, the project was transferred to the Group and the remaining part of the project was completed by another construction Group which was assigned in accordance with Public Tender Law. The related units have been completed and are sold by the Group as in Turnkey projects.

The contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. İzmir Karsiyaka Commercial Court of First Instance issued an expert report and determine that the level of work was at around 83%, and that the legal relationship of the parties were not related to construction right in return of the flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. As a result of the examination of the additional report at the hearing on 11 June 2014, the second expert committee was examined however, since the expert report was not received, the date of the case was not finalized. In addition, the file was transferred to the delegation, as the Commercial Courts turned into Delegation Judges. According to the various expert reports submitted to the file during the proceedings, the plaintiff has not recognized the value of the lawsuit and increased it to TRY76,161. As of 30 September 2024, a provision amounting to TRY139,770 has been provided including interest and legal expenses. The lawsuit has been partially accepted and partially rejected and the trial is ongoing.

12.1.2 The filed by the contractor firm is action of debt, deed cancellation and registration case. The decision of the contractor's contract was terminated unfairly, passing through degrees. Lawsuits filed by the company and amounting to TRY2,071 have been partially accepted and the decision was appealed by the parties, the trial is ongoing at the Istanbul 16th Commercial Court of First Instance. As of 30 September 2024 a provision amounting to TRY8,181 has been made including interest and litigation costs.

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.3 Within the scope of Revenue Sharing in Return for Riva Land Sale Tender for immovables parcel numbered 3201, 3202, 3203 located in Istanbul Province, Beykoz/Riva District as per the Article 14 of Bidding Specification of the aforementioned tender, bid bonds have been submitted to the client company by the Joint Venture, in the second session of the tender held on 15 June 2017, it was decided to leave the tender under the responsibility of the Joint Venture, which gave the most economically advantageous bid however, companies that have applied to the client company and invited for signature were requested to revise the terms and criteria of the tender, with the justification that the Planned Areas Type Zoning Regulation by the Ministry of Environment and Urbanization published on Official Gazette No. 30113 dated 3 July 2017 contains regulations that cause a significant reduction in the construction area subject to the tender, with the entry into force of the provisions of the said Regulation, the revision requests of the plaintiff companies were rejected on the grounds that there would be no change in the construction field based on the precedent and the Company gave a deadline until 15 August 2017 for the signing of the contract, as the client company did not come to sign the contract at the end of the period, the bid bonds submitted by the plaintiff companies within the scope of the Revenue Sharing in Return for Riva Land Sale Tender were registered as revenue and the tender was awarded to the non-litigated contractor who submitted the second most appropriate bid for the subject matter and there are pecuniary and non-pecuniary damages lawsuits filed on the grounds that the claimant's revision requests regarding the conditions and criteria of the aforementioned tender were rejected and that the recognition of the letters of guarantee as revenue was unfair. Provision amounting to TRY11,792 has been made including interest and litigation costs as of 30 September 2024.

12.1.4 This is a lawsuit filed by Şekerbank T.A.Ş. who has been assigned a receivable of TRY46,000, which has arisen and will arise from the Istanbul Ümraniye 1st Stage Revenue Sharing Work contractor Yeni Sarp-Özarak Ordinary Partnership's Emlak Konut GYO A.Ş. alleging that TRY34,135 of the assignment receivable remaining from the assignment has not been unfairly paid to him. At the same time with this lawsuit, the plaintiff requested to place a mortgage equal to the amount of the lawsuit to some of the immovables within the scope of the project in order to constitute the guarantee of the receivable subject to the lawsuit. On 15 October 2020, the court decided to reject the case. The plaintiff requested an appeal and the appeal court overturned the decision. As of 30 September 2024, a provision has been made in the amount of TRY72,915 including interest and litigation costs.

12.2 Contingent Liabilities of the Group

In the financial statements prepared as of 31 December 2023, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Group Management and its lawyers, no provision has been made in the financial statements prepared as of 30 September 2024 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Group in order to fulfill its obligation.

12.2.1 Concerning the İzmir Mavisehir Upper North Area Phase 2 LSRSA project, a lawsuit was filed based on the assignments given by the contractor in favor of the complainant. The case is proceeding. According to the opinion of the Group lawyer, no liability is expected to arise as a result of the related lawsuit.

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

Contingent Liabilities of the Group (Continued)

12.2.2 In case it is not possible to register on behalf of the plaintiff with the reversal of the responsibility of TOKİ ¼ share (65,122.35 m2) of the parcel with an area of 260,489.41 m2 in Istanbul province, Tuzla district, Orhanlı Mah. 120 Island 1, which is still registered to TOKİ, and in case the immovable share value of TRY117,220 is not possible from the date of transfer for now, the lawsuit (total amount including interest TRY135,615) filed against our Company by the plaintiff of 2021/740 E. Anadolu Yakası Ticaret Lojistik ve Yapı A.Ş. of Istanbul Anadolu 1st Commercial Court of First Instance, is seen in the file numbered 2021/740 of the Istanbul Anadolu 1st Commercial Court of First Instance and has a hearing on 14 June 2023.

12.3 Contingent Assets of the Group

12.3.1 As of 30 September 2024 and 31 December 2023, breakdown of nominal commercial receivables from residential and commercial unit sales by maturities and based on the residential and commercial units that are under construction or completed but not yet delivered within the scope of the sales promise contract that is not yet included in the balance sheet as it does not meet the TFRS 15 criteria, expected collection times of nominal installments that are not due or collected by maturities are as follows:

30 September 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	4,107,984	11,401,601	15,509,585
2 year	1,798,886	7,154,951	8,953,837
3 year	847,624	2,769,258	3,616,882
4 year	559,198	1,304,920	1,864,118
5 year and above	1,186,303	564,819	1,751,122
	8,499,995	23,195,549	31,695,544

31 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,747,279	12,649,269	16,396,548
2 year	2,832,749	8,921,936	11,754,685
3 year	2,104,671	5,876,602	7,981,273
4 year	689,426	1,724,016	2,413,442
5 year and above	1,861,413	1,036,150	2,897,563
	11,235,538	30,207,973	41,443,511

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NOTE 13 -EMPLOYEE BENEFITS

As of 30 September 2024 and 31 December 2023, short-term and long-term employee benefits are as follows is as follows:

	30 September 2024	31 December 2023
Short-term provisions		
Unused vacation provision	133,206	143,166
	133,206	143,166
Long-term provisions		
Provision for employment termination benefit	166,892	164,391
	166,892	164,391

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

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

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

NOTE 14 – OTHER ASSETS

As of 30 September 2024 and 31 December 2023, details of other current assets are as follows:

Other current assets	30 September 2024	31 December 2023
Deferred VAT	2,145,019	2,107,676
Other payments to contractors	1,287,810	3,343,205
Income accruals	410,855	179,663
Receivables from tax office	105,732	496,536
Prepaid income tax	-	9,638
Other	11,502	8,967
	3,960,918	6,145,685

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NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

As of 30 September 2024 and 31 December 2023, the details of short-term deferred income are as follows:

Short-term deferred income	30 September 2024	31 December 2023
Advances taken from turnkey project sales	33,559,592	27,718,689
Deferred income from LSRSA projects (*)	23,716,924	22,911,630
Advances taken from LSRSA contractors (**)	17,381,564	16,609,558
Advances received from related parties (Note 24)	4,244,500	4,778,239
Deferred income related to sales of independent units	1,258,695	502,314
	80,161,275	72,520,430

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

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

Long-term deferred income	30 September 2024	31 December 2023
Other advances given	35,918	75,608
	35,918	75,608

Prepaid expenses	30 September 2024	31 December 2023
Advances given for inventory	306,880	175,398
Prepaid expenses	3,358	-
	310,238	175,398

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NOTE 16 – SHAREHOLDERS’ EQUITY

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

The Group’s shareholders and their shareholding percentages as of 30 September 2024 and 31 December 2023 is as follows:

Shareholders	30 September 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,119	50.66	1,925,119
T.C. Toplu Konut İdaresi Başkanlığı "TOKİ"	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	48	0.00	48
Other	0.00	2	0.00	2
Total paid-in capital	100	3,800,000	100	3,800,000
Share capital adjustments		48,007,236		48,007,236
		51,807,236		51,807,236

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

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

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

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

	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Low
Adjustment to share capital	72,032,396	48,007,236	(24,025,160)
Share premium	41,262,148	27,223,550	(14,038,598)
Restricted reserves appropriated from profit	11,087,183	8,172,877	(2,914,306)

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NOTE 17 – REVENUE AND COST OF SALES

As of 30 September 2024 and 2023, the details of revenue and cost of sales are as follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Sales income				
Land sales	9,354,989	5,598,225	15,459,246	545,738
<i>Sales of planned lands by way of LSRSA</i>	6,243,660	5,598,225	3,144,667	368,288
<i>Land sales income</i>	3,111,329	-	12,314,579	177,450
Residential and commercial units sales	2,364,571	772,667	12,141,660	3,439,208
Consultancy income	4,706,281	2,104,765	1,771,994	375,779
Elevator sales income	180,761	114,444	241,555	160,935
Rent income	128,016	38,161	185,427	74,946
	16,734,618	8,628,262	29,799,882	4,596,606
Sales returns	(9,018)	(1,780)	(239,653)	(225,317)
Net sales income	16,725,600	8,626,482	29,560,229	4,371,289
Cost of sales				
Cost of lands	(7,935,166)	(5,008,956)	(9,740,204)	(664,121)
<i>Cost of lands planned by way of LSRSA</i>	(5,439,148)	(5,008,956)	(4,189,946)	(664,121)
<i>Cost of lands sold</i>	(2,496,018)	-	(5,550,258)	-
Cost of residential and commercial units sold	(1,665,744)	(534,119)	(13,277,790)	(3,077,843)
Cost of consultancy	(835,722)	(339,667)	(221,629)	(17,862)
	(10,436,632)	(5,882,742)	(23,239,623)	(3,759,826)
Gross Profit	6,288,968	2,743,740	6,320,606	611,463

NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

As of 30 September 2024 and 2023, the details of general administrative expenses are as follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
General administrative expenses				
Personnel expenses	(1,318,325)	(428,268)	(1,016,805)	(401,887)
Security and cleaning expenses	(183,298)	(64,791)	(146,332)	(48,490)
Depreciation and amortization	(161,078)	(4,398)	(112,795)	(38,319)
Consultancy expenses	(135,492)	(42,752)	(233,227)	(103,609)
Taxes, duties and fees	(118,011)	(23,095)	(398,145)	(75,043)
Travel expenses	(56,512)	(22,274)	(29,553)	(11,476)
Due and contribution expenses	(50,567)	(15,918)	(45,667)	(21,784)
Donations (*)	(28,100)	(28,100)	(1,501,096)	-
Information technologies expenses	(27,557)	(13,719)	(33,719)	(10,807)
Insurance expenses	(14,292)	(2,874)	(8,769)	(8,465)
Maintenance and repair expenses	(11,871)	(3,908)	(28,730)	(12,904)
Communication expenses	(6,796)	(2,876)	(4,815)	(1,797)
Lawsuit and notary expenses	(4,298)	(987)	(6,191)	(1,420)
Other	(187,736)	(182,015)	(50,103)	(11,580)
	(2,303,933)	(835,975)	(3,615,947)	(747,581)

(*) With the decision made by the Board of Directors on 15 February 2023, it was decided to make a cash and in-kind donation of TRY1,501,096 to the aid campaign initiated due to the earthquakes centered in Kahramanmaraş, which affected eleven provinces

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES
(Continued)

As of 30 September 2024 and 2023, the details of marketing and sales expenses are as follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Marketing and sales expenses				
Advertising expenses	(144,079)	(17,838)	(337,817)	(45,585)
Personnel expenses	(95,440)	(32,628)	(97,193)	(35,062)
Consultancy expenses	(32,791)	(7,669)	(30,824)	(14,933)
Other	(20,184)	(5,063)	(70,392)	(24,894)
	(292,494)	(63,198)	(536,226)	(120,474)

NOTE 19 – EXPENSE BY NATURE

As of 30 September 2024 and 2023, the details of expenses by nature are as follows:

Expense by nature	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Land costs	7,935,166	5,008,957	9,740,204	664,122
Expenses from residential and commercial units sales	1,665,744	534,118	13,277,790	3,077,842
Personnel expenses	1,413,765	460,897	1,113,998	436,949
Cost of consultancy	835,722	339,668	221,629	17,862
Security and cleaning expenses	183,298	64,791	146,332	48,490
Consultancy expenses	168,283	50,421	264,051	140,377
Depreciation and amortisation (Note 9, 10,11)	161,078	4,398	112,795	38,319
Advertising expenses	144,079	17,838	337,817	45,585
Taxes,duties and fees	118,011	23,095	398,145	75,043
Due and contribution expenses	50,567	15,918	45,667	21,784
Donations	28,100	28,100	1,501,096	-
Information technologies expenses	27,557	13,719	33,719	10,807
Insurance expenses	14,292	2,874	8,769	8,465
Maintenance and repair expenses	11,871	3,908	28,730	12,904
Communication expenses	6,796	2,876	4,815	1,797
Lawsuit and notary expenses	4,298	987	6,191	1,420
Other	264,432	209,350	150,048	26,115
	13,033,059	6,781,915	27,391,796	4,627,881

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NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

As of 30 September 2024 and 2023, the details other operating income are as follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Other income from operating activities				
Impairment provisions released	661,441	164,694	598,966	-
Financial income from forward sales	496,747	249,878	1,048,152	173,925
Foreign exchange gains	196,948	35,565	223,942	181,786
Income from transfer commissions	174,745	49,742	247,925	63,939
Default interest income from projects	164,901	163,300	823,485	133,458
Other	61,674	7,053	313,261	205,379
	1,756,456	670,232	3,255,731	758,487

As of 30 September 2024 and 2023, the details other operating income are as follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Other expenses from operating activities				
Foreign exchange loss	(441,927)	(412,587)	(197,095)	(181,171)
Reversal of unaccrued financial expense	(220,836)	(31,853)	(757,278)	(48,068)
Provision for lawsuits (Note 12)	(4,980)	(3,018)	(31,802)	-
Provision for impairment of land and residential inventories (Note 8)	-	-	(1,160,590)	2,592,422
Other	(23,853)	(17,735)	(45,619)	(9,403)
	(691,596)	(465,193)	(2,192,384)	2,353,780

NOTE 21 – FINANCIAL INCOME / EXPENSES

As of 30 September 2024 and 2023, the details financial income and expenses are as follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Financial income				
Interest income from time deposits	1,836,844	413,962	3,191,890	1,335,624
Interest and updating income	1,104,137	424,982	155,776	25,721
Foreign exchange gains	123,262	63,048	9,278	146
	3,064,243	901,992	3,356,944	1,361,491
Financial expenses				
Borrowings interest and lease certificate expenses	(928,372)	(273,804)	(1,621,361)	(195,528)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expense (*)	-	-	(50,253)	4,075
Interest discount on pay off debt	(4,753)	(4,753)	(35,894)	(14,210)
	(933,125)	(278,557)	(1,707,508)	(205,663)

(*) As of 30 September 2024, this amount consists of interest expense accrued for the land acquired from the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey.

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

Corporate Tax

The Emlak Konut GYO is exempt from Corporate Tax in accordance with the paragraph 4-d of Article 8 of the Corporate Tax Law. According to the paragraph 6-a of Article 94 of the Income Tax Law the earnings of real estate investment companies are subject to withholding and withholding tax rate is determined as "0" according to the Council of Ministers Decision, No: 93/5148. The Group's subsidiaries, associates and joint operations are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

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

Article 21 of the "Law on the Amendment of Certain Laws and the Decree Law No. 375 and the Law on the Amendment of Certain Laws and the Decree Law No. 375 with Supplementary Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurred on February 6, 2023" published in the Official Gazette dated July 15, 2023 and numbered 32249. Pursuant to Article 21 of the Law numbered 5520 on the Amendment of Article 32 of the Corporate Tax Law numbered 5520 regulating the corporate tax rate, the general corporate tax rate has been increased from 20% to 25% and the rate of 25% for banks and financial institutions has been increased to 30%. With the same article (Article 21) of the aforementioned law, in order to encourage exports, the corporate tax rate, which was applied with a 1 point discount to the earnings of exporting companies exclusively from exports, was applied with a 5 point discount.

The current tax liability of the Group as of 30 September 2024 and 31 December 2023 is as follows:

	30 September 2024	31 December 2023
Current tax assets		
Prepaid taxes and funds	108,519	6,548
	108,519	6,548

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

Deferred Tax:

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

The tax rate used in the calculation of deferred tax assets and liabilities is 25% over the temporary timing differences expected to reverse in 2024, and 25% over the temporary timing differences that are expected to reverse after 2023. (2023: 25%).

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

	30 September 2024	31 December 2023
<u>Deferred tax (assets)/liabilities:</u>		
Adjustment to inventories	(142,368)	10,709
Effect of amortized cost method on receivables	(1,046)	584
Depreciation / amortization differences of property, plant and equipment and other intangible assets	113,440	(14,715)
Adjustment to deferred income	28,163	9,317
Provision for employment termination benefits	18,899	13,818
	17,088	19,713

The movements of deferred tax (asses)/ liabilities for the periods ended 30 September 2024 and 2023 are as follows:

	2024	2023
<u>Movement of deferred tax (assets)/liabilities:</u>		
Opening balance as of 1 January	19,713	(181,541)
Charged to profit or loss	(8,844)	201,254
Other comprehensive income	6,219	-
Closing balance at 30 September	17,088	19,713

	1 January- 30 September 2024	1 January- 30 September 2023
<u>Tax expense comprises:</u>		
Current tax expense	-	-
Deferred tax expense	(8,844)	(16,178)
Total tax expense	(8,844)	(16,178)

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

Reconciliation of tax provision:

	2024	2023
Profit/(loss) from operations before tax	3,400,951	(5,825,151)
Gelir vergisi oranı 2024: %25 (2023: %25)	(850,238)	1,339,785
Tax effects of:		
- revenue that is exempt from taxation	683,861	(1,106,429)
- monetary gain loss	67,483	(306,517)
- other	90,050	56,983
Total tax expense	(8,844)	(16,178)

NOTE 23 – EARNINGS PER SHARE

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

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

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Net income/loss attributable to equity holders of the parent in full TL	3,392,107	2,251,738	(5,841,329)	(2,500,549)
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291	3,804,550,291	3,804,550,291
Earnings/(loss) per share in full TL	0.0892	0.0592	(0.1535)	(0.0657)

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NOTE 24 – RELATED PARTY DISCLOSURES

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

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

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

- The Group keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 30 September 2024 the Group has deposits amounting to TRY2,743,641 in state banks (31 December 2023: TRY11,339,113). Average effective interest rates of time deposits of the Group as of 30 September 2024 are explained in Note 4.

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

	30 September 2024	31 December 2023
Trade receivables from related parties		
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	3,360,674	5,116,960
	3,360,674	5,116,960

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

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	30 September 2024	31 December 2023
Short-term other receivables from related parties		
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – FID.Öztaş Girişimi	696	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Şua İnşaat Adi Ortaklığı	224	12,643
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Adi Ortaklığı	170	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Güneri Adi Ortaklığı	71	35
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Ferzan Adi Ortaklığı	-	84,584
Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi	-	32
	1,161	97,294

	30 September 2024	31 December 2023
Trade payables to related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ") (*)	218,210	-
	218,210	-

(*) According to the protocols signed with TOKİ regarding to land purchases, the cost of lands purchased from TOKİ is kept in time deposit accounts of Emlak Konut in the name of TOKİ, until the payment date determined by TOKİ. Interest amounts on time deposits of TOKİ arising from these transactions are netted off from time deposit interest income in the financial statements. All of this accumulated interest income on time deposits will be paid to TOKİ.

	30 September 2024	31 December 2023
Deferred revenue from related parties		
Türkiye Emlak Katılım Bankası A.Ş.	4,244,500	4,778,239
	4,244,500	4,778,239

	30 September 2024	31 December 2023
Short-term other payables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	604	815
	604	815

	30 September 2024	31 December 2023
Deposits with related parties		
Türkiye Emlak Katılım Bankası A.Ş.	295,242	61,037
	295,242	61,037

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Purchases from related parties				
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	29,738,170	12,629,248	8,987,800	-
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	635,002	81,530	11,659,407	-
Emlak Basın Yayın A.Ş.	-	-	3,391	-
	30,373,172	12,710,778	20,650,598	-
Sales to related parties				
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	54,869	-	14,575	-
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	-	-	1,117,905	429,307
Gedaş Gayrimenkul Değerleme A.Ş.	-	-	63,500	-
İller Bankası A.Ş.	-	-	1,788,498	-
	54,869	-	2,984,478	429,307

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

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Compensation to key management				
Salaries and other short-term benefits	43,204	14,849	66,624	28,335
	43,204	14,849	66,624	28,335

NOTE 25 – COMMITMENTS

The Group's mortgage and guarantees received as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Guarantees received (*)	42,990,980	32,756,734
Mortgages received (**)	752,162	1,021,890
	43,743,142	33,778,624

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

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

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

NOTE 25 – COMMITMENTS (Continued)

The collaterals, pledges and mortgages ("CPM") of the Group as of 30 September 2024 and 31 December 2023 are as follows :

	30 September 2024	31 December 2023
A. CPM given on behalf of the Company's legal personality	332,874	398,753
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of majority shareholder	-	-
ii) Total amount of CPM given on behalf of other companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
	332,874	398,753

NOTE 26 - EVENTS AFTER THE REPORTING PERIOD

None.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 September 2024, unless otherwise stated.)

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Unconsolidated (Separate) Financial Statement Main Account Items	Related Regulation	30 September 2024	31 December 2023
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	4,158,699	19,376,153
B	Properties, Projects based on Properties and Rights based on			
İŞ	Properties	Series: III-No.48, Art.24/(a)	155,294,840	117,682,796
	Subsidiaries	Series: III-No.48, Art.24/(b)	3,877,809	3,877,809
	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
DV	Other Assets		12,066,362	23,225,916
D	Total Assets (Total Assets)		175,397,710	164,162,674
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	6,057,397	5,978,912
F	Other Financial Liabilities	Series: III-No.48, Art.24/(a)	-	-
G	Due from Financial Leases	Series: III-No.48, Art.24/(b)	-	-
H	Due to Related Parties (Non commercial)	Series: III-No.48, Art.23/(f)	-	-
İ	Shareholders' equity		82,591,933	79,545,670
EB	Other Resources		86,748,380	78,638,092
D	Total Resources	Series: III-No.48, Art.3/(k)	175,397,710	164,162,674
	Non-Consolidated (Standalone) Other Financial Information	Related Regulation	30 September 2024	31 December 2023
	The portion of Money and Capital Market Instruments held for			
	Payables of			
A1	Properties for the following 3 years	Series: III-No.48, Art.24/(b)	4,158,699	19,376,153
A2	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	3,216,430	20,730,773
A3	Foreign Capital Market Instruments	Series: III-No.48, Art.24/(d)	-	-
	Foreign Properties, Projects based on properties and rights based			
B1	on Properties	Series: III-No.48, Art.24/(d)	-	-
B2	Idle Land	Series: III-No.48, Art.24/(c)	14,062,907	13,660,598
C1	Foreign Subsidiaries	Series: III-No.48, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	3,555,261	1,423,816
J	Non-Cash Loans	Series: III-No.48, Art.31	160,837	201,573
	Mortgage amount of servient lands which will be developed and			
K	not owned	Series: III-No.48, Art.22/(e)		
	Portfolio Restrictions	Related Regulation	30 September 2024	31 December 2023
	Mortgage amount of Servient Lands Which Will be Developed			
1	And Not Owned	Series: III-No.48, Art.22/(e)	0%	0%
	Properties, Projects based on Properties and Rights based on			
2	Properties	Series: III-No.48, Art.24/(a),(b)	91%	83%
3	Money and Capital Market Instruments and Affiliates	Series: III-No.48, Art.24/(b)	2%	2%
	Foreign Properties, Projects based on properties and rights based			
4	on Properties,			
	Subsidiaries, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
5	Idle Land	Series: III-No.48, Art.24/(c)	8%	8%
6	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	2%	1%
7	Borrowing Limit	Series: III-No.48, Art.31	8%	8%
8	TRY and Foreign Currency Time and Demand Deposits	Series: III-No.48, Art.22/(e)	0%	1%

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

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