

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONDENSED STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2024**

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INDEX	PAGE
INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION	1-2
INTERIM CONDENSED STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY.....	4
INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS.....	5
NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS.....	6-37
NOTE 1 ORGANIZATION AND OPERATION OF THE COMPANY.....	6
NOTE 2 BASIS OF PRESENTATION OF THE STANDALONE FINANCIAL STATEMENTS.....	7-9
NOTE 3 ACCOUNTING POLICIES.....	9-11
NOTE 4 CASH AND CASH EQUIVALENTS.....	12
NOTE 5 FINANCIAL INVESTMENTS.....	13
NOTE 6 FINANCIAL LIABILITIES.....	14
NOTE 7 TRADE RECEIVABLES AND PAYABLES	15
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	16
NOTE 9 INVENTORIES.....	17-20
NOTE 10 INVESTMENT PROPERTIES	21-22
NOTE 11 PROPERTY, PLANT AND EQUIPMENT.....	22
NOTE 12 INTANGIBLE ASSETS.....	23
NOTE 13 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	24-26
NOTE 14 EMPLOYEE BENEFITS.....	27
NOTE 15 OTHER ASSETS.....	27
NOTE 16 DEFERRED INCOME AND PREPAID EXPENSES.....	28
NOTE 17 SHAREHOLDERS' EQUITY.....	29
NOTE 18 REVENUE AND COST OF SALES.....	30
NOTE 19 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES.....	30-31
NOTE 20 EXPENSES BY NATURE.....	31
NOTE 21 OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES	32
NOTE 22 FINANCIAL INCOME / EXPENSES.....	32
NOTE 23 TAX ASSETS AND LIABILITIES.....	33
NOTE 24 RELATED PARTY DISCLOSURES.....	33-35
NOTE 25 EARNING PER SHARE.....	35-36
NOTE 26 COMMITMENTS.....	36
NOTE 27 EVENTS AFTER THE REPORTING PERIOD.....	36
ADDITIONAL NOTE CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS.....	37

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STANDALONE 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.)

		Unaudited 30 September 2024	Audited 31 December 2023
	Notes		
ASSETS			
Current assets		164,446,105	150,666,127
Cash and cash equivalents	4	3,216,430	20,730,773
Trade receivables		7,611,082	10,337,886
<i>Trade receivables due from related parties</i>	24	3,351,220	5,136,469
<i>Trade receivables due from third parties</i>	7	4,259,862	5,201,417
Other receivables		535,824	1,234,934
<i>Other receivables due from third parties</i>	8	535,824	1,234,934
Inventories	9	149,496,705	112,416,103
Prepaid expenses		3,356	1,508
<i>Prepaid expenses to third parties</i>	16	3,356	1,508
Other current assets	15	3,582,708	5,944,923
Non-current assets		10,951,605	13,496,547
Trade receivables		3,390,094	6,093,938
<i>Trade receivables due from third parties</i>	7	3,390,094	6,093,938
Other receivables	8	1,014	1,378
Financial investments		3,877,809	3,877,809
<i>Investments in subsidiaries, joint operations and associates</i>	5	3,877,809	3,877,809
Investment properties	10	2,910,596	2,953,385
Property, plant and equipment	11	767,428	561,002
Intangible assets	12	4,664	9,035
Total assets		175,397,710	164,162,674

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONDENSED STANDALONE 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.)

		<i>Unaudited</i> 30 September 2024	<i>Audited</i> 31 December 2023
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		91,795,725	81,983,653
Short-term borrowings	6	4,150,325	1,298,534
Short-term portions of long-term borrowings	6	1,821,733	2,964,015
Trade payables		6,447,291	5,199,912
<i>Trade payables due to related parties</i>	24	218,210	-
<i>Trade payables due to third parties</i>	7	6,229,081	5,199,912
Other payables		2,163,790	1,526,536
<i>Other payables to third parties</i>	8	2,163,790	1,526,536
Deferred income		76,849,365	70,524,696
<i>Deferred income from related parties</i>	24	4,244,500	4,778,239
<i>Deferred income from third parties</i>	16	72,604,865	65,746,457
Short-term provisions		363,221	469,960
<i>Short-term provisions for employee benefits</i>	14	108,448	129,426
<i>Other short-term provisions</i>	13	254,773	340,534
Non-current liabilities		1,010,052	2,633,351
Long-term borrowings	6	85,339	1,716,363
Trade payables		369,187	502,009
<i>Trade payables to third parties</i>	7	369,187	502,009
Other payables		440,748	285,683
<i>Other payables to third parties</i>	8	440,748	285,683
Deferred income		4,738	6,437
<i>Deferred income from third parties</i>	16	4,738	6,437
Long-term provisions		110,040	122,859
<i>Long-term provisions for employee benefits</i>	14	110,040	122,859
Shareholders' equity		82,591,933	79,545,670
Paid-in capital	17	3,800,000	3,800,000
Capital adjustments	17	48,007,236	48,007,236
Treasury shares (-)		(60,834)	(60,834)
Share premium (discounts)		27,223,550	27,223,550
Other equity shares		(1,636,590)	(1,636,590)
Restricted reserves appropriated from profit		8,162,416	8,162,416
Retained earnings		(5,950,108)	(769,033)
Net profit/(loss) for the period		3,046,263	(5,181,075)
Total liabilities and equity		175,397,710	164,162,674

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONDENSED STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME 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.)

		<i>Unaudited</i> 1 January- 30 September 2024	<i>Unaudited</i> 1 July - 30 September 2024	<i>Unaudited</i> 1 January- 30 September 2023	<i>Unaudited</i> 1 July - 30 September 2023
	Notes				
Revenue	18	16,300,885	8,460,719	28,856,009	4,217,381
Cost of sales (-)	18	(11,262,651)	(6,082,694)	(22,524,892)	(3,510,362)
Gross profit		5,038,234	2,378,025	6,331,117	707,019
General administrative expenses (-)	19	(1,853,529)	(688,707)	(3,415,406)	(656,131)
Marketing expenses (-)	19	(223,439)	(45,849)	(435,502)	(83,471)
Other income from operating activities	21	1,549,955	649,890	3,023,685	683,870
Other expenses from operating activities (-)	21	(211,225)	(7,864)	(1,970,398)	2,583,240
Operating profit		4,299,996	2,285,495	3,533,496	3,234,527
Income from investing activities		-	-	8,819	8,819
Operating profit before financial income		4,299,996	2,285,495	3,542,315	3,243,346
Financial income	22	2,874,701	806,591	3,291,019	1,305,989
Financial expenses (-)	22	(913,818)	(326,393)	(1,656,669)	(377,268)
Monetary loss		(3,214,616)	(340,504)	(10,523,994)	(6,325,018)
Profit/(loss) for the period		3,046,263	2,425,189	(5,347,329)	(2,152,951)
Net Profit/(loss) for the period		3,046,263	2,425,189	(5,347,329)	(2,152,951)
Total comprehensive income/(loss)		3,046,263	2,425,189	(5,347,329)	(2,152,951)
Earnings per share (full TRY)	25	0.0801	0.0637	(0.1406)	(0.0566)

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STANDALONE FINANCIAL STATEMENT OF CHANGES IN EQUITY 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.)

	Share capital	Capital adjustments	Treasury shares	Share premium/discounts	Other Equity Shares	Restricted reserves appropriated from profit	Other Accumulated Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	Retained Earnings		Total equity
							Gain/loss on revaluation and remeasurement	Prior years' Loss	Net profit/(loss) for the period	
1 January 2023	3,800,000	48,007,236	(3,072,330)	27,223,550	-	7,961,256	-	(657,610)	1,789,828	85,051,930
Transfers	-	-	-	-	-	201,160	-	1,588,668	(1,789,828)	-
Dividend	-	-	-	-	-	-	-	(1,729,978)	-	(1,729,978)
Decreases Related to the Acquisition of Treasury Shares	-	-	3,011,496	-	(1,636,590)	-	-	-	-	1,374,906
Total comprehensive loss	-	-	-	-	-	-	-	-	(5,347,329)	(5,347,329)
30 September 2023	3,800,000	48,007,236	(60,834)	27,223,550	(1,636,590)	8,162,416	-	(798,920)	(5,347,329)	79,349,529
1 January 2024	3,800,000	48,007,236	(60,834)	27,223,550	(1,636,590)	8,162,416	-	(769,033)	(5,181,075)	79,545,670
Transfers	-	-	-	-	-	-	-	(5,181,075)	5,181,075	-
Total comprehensive income	-	-	-	-	-	-	-	-	3,046,263	3,046,263
30 September 2024	3,800,000	48,007,236	(60,834)	27,223,550	(1,636,590)	8,162,416	-	(5,950,108)	3,046,263	82,591,933

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONDENSED STANDALONE FINANCIAL STATEMENT 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.)

	Notes	Unaudited 1 January - 30 September 2024	Unaudited 1 January - 30 September 2023
Cash flows from operating activities			
Profit/(loss) for the period		3,046,263	(5,347,329)
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	10, 11, 12, 20	83,191	79,453
Adjustments related to (reversal of) impairments (net)		(1,048,684)	(8,190,303)
Adjustments related to impairment loss (reversal of) / cost provision of inventories	9	(1,048,684)	(8,190,303)
Adjustments related to provisions		24,603	(119,567)
Adjustments related to (reversal of) provisions related with employee benefits		19,623	(131,332)
Adjustments related to provisions for possible risks	21	4,980	11,765
Adjustments related to interest (income) and expenses		(2,596,957)	(2,697,502)
Adjustments related to interest income	21, 22	(3,699,791)	(5,088,695)
Adjustments related to interest expense	21, 22	1,102,834	2,391,193
Adjustments related to monetary loss		5,449,080	7,726,507
Net cash from operations before changes in assets and liabilities		4,957,496	(8,548,741)
Changes in net working capital:			
Adjustments related to (increase)/decrease in trade receivables		1,252,692	(4,942,218)
Increase (decrease) in trade receivables from related parties		492,016	(54,916)
Increase (decrease) in trade receivables from third parties		760,676	(4,887,302)
Adjustments related to increase/(decrease) in inventories		(35,985,448)	17,527,465
Adjustments related to increase in trade payables		2,922,782	(1,479,487)
Increase (decrease) in trade payables to related parties		171,740	-
Increase (decrease) in trade payables to third parties		2,751,042	(1,479,487)
Adjustments related to increase in other receivables from operating activities		1,737,773	85,672
Adjustments related to increase in other payables from operating activities		7,230,677	13,289,805
Other adjustments related to other increase in working capital		(27,033)	(291,974)
Net cash flows from operating activities			
Payments related with provisions for employee benefits		(17,338)	(2,110)
Cash flows from operating activities		(17,928,399)	15,638,412
Purchases of investment properties, property, plant and equipment and intangible assets	11, 12	(242,457)	(54,998)
Sales of tangible and intangible assets	11, 12	-	3,123
Interest received		164,901	794,959
Cash flows from investing activities		(77,556)	743,084
Cash outflow from purchasing own shares		-	1,374,906
Proceeds from borrowings		6,392,554	5,922,032
Proceeds from loans		1,810,098	1,716,546
Proceeds from issue of debt instruments		4,582,456	4,205,486
Repayments of borrowings		(4,720,403)	(7,612,302)
Loan repayments		(1,881,572)	(3,828,007)
Payments of issued debt instruments		(2,838,831)	(3,784,295)
Interest paid		(877,139)	(1,741,446)
Dividends paid		-	(1,729,978)
Interest received		3,534,890	4,293,736
Cash flow from financing activities		4,329,902	506,948
Inflation effect on cash and cash equivalents		(3,376,033)	(7,388,113)
Net (decrease) increase in cash and cash equivalents		(17,052,086)	9,500,331
Cash and cash equivalents at the beginning of the period	4	19,376,153	11,604,446
Cash and cash equivalents at the end of the period	4	2,324,067	21,104,777

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 COMPANY

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

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

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

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

The registered address of the Company is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 30 September 2024, the number of employees of the Company is 481 (31 December 2023 - 475).

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

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

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

**NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 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 STANDALONE FINANCIAL STATEMENTS

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

2.1. Basis of Presentation

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

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

The Company has prepared its condensed separate financial statements for the interim period ended 30 September 2024 in accordance with the Communiqué Serial: XII, 14.1 and the announcements clarifying this communiqué, in accordance with TAS 34 "Interim Financial Reporting Standard".

In accordance with TAS 34, entities are free to prepare their interim financial statements as a full set or condensed. In this context, the Company has preferred to prepare condensed interim financial statements.

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

Adjustment of Financial Statements in Hyperinflation Periods

The Company prepared its 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 Company has presented its financial statements as of 30 September 2024 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/TFRS are required to apply hyperinflation accounting by implementing TAS 29 to financial statements for the year ended 31 December 2023, according to the rule number 81/1820 declared by CMB dated in 28 December 2023.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 STANDALONE FINANCIAL STATEMENTS (Continued)

2.1. Basis of Presentation (Continued)

Adjustment of Financial Statements in Hyperinflation Periods (Continued)

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

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
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 financial statements for the current period presented in Turkish Lira are expressed in terms of the purchasing power at the balance sheet date and the amounts for previous reporting periods have been restated in accordance with the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by using the relevant adjustment factors.
- "All items in the statement of comprehensive income, except for the effect of non-monetary items in the balance sheet on the statement of comprehensive income, have been restated by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period has been recognized in the income statement in the net monetary position gains account.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 STANDALONE 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 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.

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

- **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.

**NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 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 3 - ACCOUNTING POLICIES (Continued)

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

- **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).
- **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, management-defined 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 4 – CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash on hand	63	5
Banks	2,520,831	20,070,179
- Demand deposit	136,854	22,489
- Time deposits with maturities less than 3 months	2,383,977	20,047,690
Other cash and cash equivalents	695,536	660,589
	3,216,430	20,730,773

The maturity distribution of cash and cash equivalents is as follows:

	30 September 2024	31 December 2023
Demand	136,854	22,489
Up to 3 month	2,383,977	20,047,690
	2,520,831	20,070,179

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

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

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

	30 September 2024	31 December 2023
Cash and cash equivalents	3,216,430	20,730,773
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
	2,324,067	19,376,153

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 5 – FINANCIAL INVESTMENTS

Subsidiaries

As of 30 September 2024 and 31 December 2023, the carrying values of the subsidiaries of the Company on the balance sheet are as follows:

	30 September 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	2,928,279	100	2,928,279
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	942,650	100	942,650
Total		3,870,929		3,870,929

Interests in Joint Ventures

As of 30 September 2024 and 31 December 2023, the carrying value of the Company's interest in joint ventures in the balance sheet is as follows:

	30 September 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Merkez Cadde Yönetim A.Ş.	30	1,221	30	1,221
Büyükyalı Tesis Yönetim A.Ş.	37	226	37	226
İstmarina AVM Adi Ortaklığı	40	5,433	40	5,433
Total		6,880		6,880

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 6 – FINANCIAL LIABILITIES

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

	30 September 2024	31 December 2023
Short-term financial liabilities		
Short-term bank borrowings	1,728,325	75,791
Issued debt instruments (*)	2,422,000	1,222,743
Short-term portion of long-term borrowings	1,821,733	2,964,015
	5,972,058	4,262,549

(*) 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
	85,339	1,716,363

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 remaining time of borrowings to repricing are as follows:

	30 September 2024	31 December 2023
Less than 3 months	1,846,343	1,222,743
Between 3 - 12 months	1,703,715	1,817,063
Between 1 - 5 years	85,339	1,716,363
	3,635,397	4,756,169

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 7 – TRADE RECEIVABLES AND PAYABLES

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

	30 September 2024	31 December 2023
Short-term trade receivables		
Receivables from related parties (Note 24)	3,351,220	5,136,469
Receivables from land sales	1,619,030	1,109,570
Receivables from sale of residential and commercial units	2,190,924	2,549,412
Receivables from contractors of the lands invoiced under LSRSA	782,017	1,905,403
Receivables from lessees	74,035	36,121
Other	11,003	11,647
Unearned finance income	(417,147)	(410,736)
	7,611,082	10,337,886
Doubtful receivables	1,696	2,496
Less: Provision for doubtful receivables	(1,696)	(2,496)
	7,611,082	10,337,886

	30 September 2024	31 December 2023
Long-term trade receivables		
Receivables from sale of residential and commercial units	3,962,374	5,464,296
Receivables from land sales	429,637	1,978,234
Unearned finance income	(1,001,917)	(1,348,592)
	3,390,094	6,093,938

	30 September 2024	31 December 2023
Short-term trade payables		
Trade payables	5,152,833	3,086,690
Payables to contractors according to revenue sharing basis	726,781	1,255,192
Interest accruals on time deposits of contractors (*)	349,467	858,030
Payables to related parties (Note 24)	218,210	-
	6,447,291	5,199,912

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 8 – 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	17,318	463,962
	535,824	1,234,934
	30 September 2024	31 December 2023
Long-term other receivables		
Deposits and guarantees given	1,014	1,378
	1,014	1,378
	30 September 2024	31 December 2023
Short-term other payables		
Taxes and funds payable	2,126,507	1,422,807
Payables to shareholders	66	90
Other	37,217	103,639
	2,163,790	1,526,536

As of 30 September 2024, other long-term payables are amount to TRY440,748 and consist of deposits and guarantees received (31 December 2023: TRY285,683).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 9 – INVENTORIES

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

	30 September 2024	31 December 2023
Lands	37,937,440	24,258,067
<i>Cost</i>	44,709,990	32,016,184
<i>Impairment</i>	(6,772,550)	(7,758,117)
Planned land by LSRSA	42,100,472	45,768,174
Planned land by turnkey project	39,764,702	29,233,271
<i>Planned land by turnkey project</i>	46,360,366	35,828,935
<i>Impairment (*)</i>	(6,595,664)	(6,595,664)
Residential and commercial units ready for sale	12,734,999	11,546,877
<i>Cost</i>	14,231,043	13,106,038
<i>Impairment</i>	(1,496,044)	(1,559,161)
Advances given for inventories (**)	16,959,092	1,609,714
	149,496,705	112,416,103

(*) 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 TRY14,308,883 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 Company's 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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 9 – INVENTORIES (Continued)

As of 30 September 2024 and 31 December 2023 the details of land and residential inventories of the Company 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	6,779,728
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	-
Antalya Alanya Lands	946,060	-
İstanbul Çekmeköy Lands	654,155	654,156
İstanbul Başakşehir Lands	620,518	852,574
İstanbul Eyüp Lands	540,107	537,809
İstanbul Kartal Lands	501,129	121,772
İzmir Urla Lands	432,022	432,022
İstanbul Arnavutköy Lands	260,208	602,473
Muğla Milas Lands	200,736	200,726
Antalya Konyaaltı Lands	156,841	-
İzmir Karşıyaka Lands	133,025	-
İzmir Seferihisar Lands	137,878	160,689
Zonguldak Merkez Lands	104,946	-
Tekirdağ Çorlu Lands	100,301	100,301
İstanbul Tuzla Lands	86,704	86,703
İzmir Konak Umurbey Lands	66,176	66,175
Ankara Çankaya Lands	28,448	28,449
İstanbul Sarıyer Lands	10,388	-
Kocaeli Lands	8,206	-
İstanbul Ataşehir Lands	106	-
Other	200	54,941
	37,937,440	24,258,067

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 9 - INVENTORIES (Continued)

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

Planned lands 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 Kemerburgaz 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 Koru 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
Allsancak Project	42,255	-
Other	26,097	160,233
	42,100,472	45,768,174

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 9 - INVENTORIES (Continued)

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

Planned lands by turnkey project	30 September 2024	31 December 2023
Çekmeköy Çınarköy Project	22,094,108	17,405,000
Arnavutköy Yenişehir Project	7,023,509	232,039
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	472,428	-
	39,764,702	29,233,271

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

Residential and commercial units completed	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	989,063	990,099
Sarphan Finanspark Project	371,000	409,503
Bizim Mahalle 1. Etap 1. Kısım Project	357,685	530,054
Denizli Merkez Efendi İkmal İşİ Project	224,779	485,206
Bizim Mahalle 1. Etap 2. Kısım Project	151,339	303,013
Semt Bahçekent 1. Etap 2. Kısım Project	87,586	87,586
Köy 2. Etap Project	53,590	76,040
Nidapark İstinye Project	44,925	44,925
Büyükyalı Project	40,856	40,856
Metropol İstanbul Project	26,338	26,338
İdealist Cadde / Koru Project	38,737	-
Karat 34 Project	14,465	52,071
Kocaeli Körfezkent Emlak Konutları	10,869	10,869
Göl Panorama Project	4,158	4,159
Başakşehir Ayazma Emlak Konutları	4,056	4,055
Temaşehir Project	1,771	3,207
Evora Denizli Project	-	19,492
Emlak Konut Florya Evleri	-	105,198
Ormanköy Project	-	4,737
	12,734,999	11,546,877

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 10 – INVESTMENT PROPERTIES

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

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

Cost Value	Lands, residential	Atasehir general management building A block	Total
Opening balance as of 1 January 2024	2,821,121	354,869	3,175,990
Transfers to commercial units and land inventories	-	-	-
Transfers from residential and commercial units inventories	-	-	-
Closing balance as of 30 September 2024	2,821,121	354,869	3,175,990
Accumulated Depreciation			
Opening balance as of 1 January 2024	171,392	51,213	222,605
Charge for the period	37,466	5,323	42,789
Closing balance as of 30 September 2024	208,858	56,536	265,394
Net book value as of 30 September 2024	2,612,263	298,333	2,910,596

Cost Value	Lands, residential and commercial units	Atasehir general management building A block	Total
Opening balance as of 1 January 2023	4,219,597	354,869	4,574,466
Transfers to commercial units and land inventories	(1,405,307)	-	(1,405,307)
Transfers from residential and commercial units inventories	53,845	-	53,845
Closing balance as of 30 September 2023	2,868,135	354,869	3,223,004
Accumulated Depreciation			
Opening balance as of 1 January 2023	119,006	44,115	163,121
Charge for the period	40,079	5,323	45,402
Closing balance as of 30 September 2023	159,085	49,438	208,523
Net book value as of 30 September 2023	2,709,050	305,431	3,014,481

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 10 – INVESTMENT PROPERTIES (Continued)

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

	30 September 2024	31 December 2023
Independent commercial units of Büyükyalı AVM	2,483,503	2,483,503
Atasehir general management building A block	1,685,788	1,685,788
Independent commercial units of Istmarina AVM	1,572,105	1,572,105
Lands, residential and commercial units	844,269	844,269
	6,585,665	6,585,664

NOTE 11 – 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	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2024	481,449	28,595	50,942	16	561,002
Additions	233,222	7,966	1,269	-	242,457
Disposal (-)	-	-	-	-	-
Depreciation expense (-)	(10,033)	(7,399)	(18,591)	(8)	(36,031)
Net book value 30 September 2024	704,638	29,162	33,620	8	767,428
Cost	796,697	46,717	299,673	31	1,143,118
Accumulated depreciation (-)	(92,059)	(17,555)	(266,053)	(23)	(375,690)
Net book value 30 September 2024	704,638	29,162	33,620	8	767,428

30 September 2023	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2023	494,591	7,854	36,056	26	538,527
Additions	-	24,588	30,410	-	54,998
Disposal (-)	(1,847)	(1,145)	(131)	-	(3,123)
Depreciation expense (-)	(8,478)	(4,103)	(13,650)	(8)	(26,239)
Net book value 30 September 2023	484,266	27,194	52,685	18	564,163
Cost	563,572	58,490	295,351	31	917,444
Accumulated depreciation (-)	(79,306)	(31,296)	(242,666)	(13)	(353,281)
Net book value 30 September 2023	484,266	27,194	52,685	18	564,163

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 12 – INTANGIBLE ASSETS

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

30 September 2024	Licenses	Computer software	Total
Net book value as of 1 January 2024	7,938	1,097	9,035
Additions	-	-	-
Amortization expense (-)	(3,790)	(581)	(4,371)
Net book value 30 September 2024	4,148	516	4,664
Cost	109,384	3,871	113,255
Accumulated amortization (-)	(105,236)	(3,355)	(108,591)
Net book value 30 September 2024	4,148	516	4,664

30 September 2023	Licenses	Computer software	Total
Net book value as of 1 January 2023	15,824	1,871	17,695
Additions	-	-	-
Amortization expense (-)	(7,231)	(581)	(7,812)
Net book value 30 September 2023	8,593	1,290	9,883
Cost	107,619	3,871	111,490
Accumulated amortization (-)	(99,026)	(2,581)	(101,607)
Net book value 30 September 2023	8,593	1,290	9,883

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 13 – 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	254,773	340,534
	254,773	340,534

According to the opinions of the Company's lawyers, provision for litigation amounting to TRY254,773 has been set aside as of 30 September 2024 (31 December 2023: TRY340,534). 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 Company.

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

	2024	2023
Opening balance at 1 January	340,534	583,913
Provision added within the current period (Note 21)	4,980	11,765
Monetary gain loss	(90,741)	(223,885)
Closing balance at 30 September	254,773	371,793

13.1 Continuing Lawsuits and Provisions

13.1.1 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 Company and the remaining part of the project was completed by another construction company which was assigned in accordance with Public Tender Law. The related units have been completed and are sold by the Company 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.1 Continuing Lawsuits and Provisions (Continued)

13.1.2 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.

13.1.3 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.

13.1.4 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.2 Contingent Liabilities of Emlak Konut

In the financial statements prepared as of 30 September 2024, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Company 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 Company in order to fulfill its obligation.

13.2.1 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 company lawyer, no liability is expected to arise as a result of the related lawsuit.

13.3 Contingent Assets of Emlak Konut

13.3.1 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	3,809,954	11,401,601	15,211,555
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
	8,201,965	23,195,549	31,397,514

31 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,658,982	12,649,269	16,308,251
2 year	2,787,019	8,921,936	11,708,955
3 year	2,104,672	5,876,602	7,981,274
4 year	689,427	1,724,016	2,413,443
5 year and above	1,861,412	1,036,150	2,897,562
	11,101,512	30,207,973	41,309,485

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 14 – EMPLOYEE BENEFITS

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

	30 September 2024	31 December 2023
Short-term provisions		
Unused vacation provision	108,448	129,426
	108,448	129,426

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

	30 September 2024	31 December 2023
Long-term provisions		
Provision for employment termination benefit	110,040	122,859
	110,040	122,859

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 15 – OTHER ASSETS

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

	30 September 2024	31 December 2023
Other current assets		
Deferred VAT	2,071,302	1,938,018
Progress payments to contractors	1,287,031	3,343,207
Income accruals	124,547	484,035
Receivables from tax office	99,828	179,663
	3,582,708	5,944,923

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 16 – DEFERRED INCOME AND PREPAID EXPENSES

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

	30 September 2024	31 December 2023
Short-term deferred income		
Advances taken from turnkey project sales	30,837,088	25,721,010
Deferred income from LSRSA projects(*)	23,716,924	22,913,575
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	669,289	502,314
	76,849,365	70,524,696

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

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

As of 30 September 2024 and 31 December 2023, the details of short-term prepaid expenses are as follows

	30 September 2024	31 December 2023
Prepaid expenses		
Prepaid expenses	3,356	1,508
	3,356	1,508

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

	30 September 2024	31 December 2023
Long-term deferred income		
Other advances received	4,738	6,437
	4,738	6,437

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 17 – SHAREHOLDERS' EQUITY

The Company'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 Company'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
Adjustment to share capital		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 Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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

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

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

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

	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Low
Adjustment to share capital	75,684,216	48,007,236	(27,676,980)
Share premium	43,354,012	27,223,550	(16,130,462)
Restricted reserves appropriated from profit	11,649,269	8,162,416	(3,486,853)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 18 – 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	722,587
<i>Sales of planned lands by way of LSRSA</i>	6,243,660	5,598,225	3,144,667	545,137
<i>Land sales income</i>	3,111,329	-	12,314,579	177,450
Residential and commercial units sales	2,113,688	721,656	11,669,502	2,971,393
Consultancy income	4,706,281	2,104,765	1,771,994	675,003
Rent income	128,016	38,162	185,427	74,947
	16,302,974	8,462,808	29,086,169	4,443,930
Sales returns	(2,089)	(2,089)	(230,160)	(226,549)
Net sales income	16,300,885	8,460,719	28,856,009	4,217,381
Cost of sales				
Cost of lands	(7,935,166)	(5,008,956)	(9,740,204)	(784,553)
<i>Cost of lands planned by way of LSRSA</i>	(5,439,148)	(5,008,956)	(4,189,946)	(784,553)
<i>Cost of lands sold</i>	(2,496,018)	-	(5,550,258)	-
Consultancy cost	(1,854,556)	(619,820)	-	-
Cost of residential and commercial units sold	(1,472,929)	(453,918)	(12,784,688)	(2,725,809)
	(11,262,651)	(6,082,694)	(22,524,892)	(3,510,362)
Gross Profit	5,038,234	2,378,025	6,331,117	707,019

NOTE 19 - 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	(993,352)	(310,503)	(861,540)	(317,211)
Security and cleaning expenses	(179,510)	(61,003)	(140,254)	(42,581)
Taxes, duties and fees	(116,620)	(21,704)	(381,607)	(59,064)
Consultancy expenses	(80,932)	(18,838)	(280,316)	(129,426)
Depreciation and amortization	(83,191)	(25,327)	(79,453)	(30,970)
Due and contribution expenses	(49,716)	(15,067)	(43,771)	(19,930)
Travel expenses	(53,416)	(19,178)	(28,325)	(10,279)
Information technologies expenses	(21,928)	(8,090)	(32,319)	(9,446)
Insurance expenses	(14,239)	(2,821)	(8,405)	(3,643)
Maintenance and repair expenses	(11,851)	(3,888)	(27,536)	(11,737)
Communication expenses	(6,661)	(2,741)	(4,615)	(3,008)
Lawsuit and notary expenses	(4,298)	(987)	(5,933)	(2,820)
Donations	(28,100)	(28,100)	(1,477,232)	-
Other	(209,715)	(170,460)	(44,100)	(16,016)
	(1,853,529)	(688,707)	(3,415,406)	(656,131)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 19 - 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	(129,638)	(14,802)	(338,378)	(45,262)
Personnel expenses	(59,828)	(21,946)	(62,834)	(23,109)
Consultancy expenses	(32,644)	(8,810)	(30,875)	(14,937)
Other	(1,329)	(291)	(3,415)	(163)
	(223,439)	(45,849)	(435,502)	(83,471)

NOTE 20 –EXPENSES BY NATURE

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

	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	784,553
Consultancy cost	1,854,556	619,820	-	-
Expenses from residential and commercial units sales	1,472,929	453,917	12,784,688	2,725,809
Personnel expenses	1,053,180	332,449	924,374	340,320
Security and cleaning expenses	179,510	61,003	140,254	42,581
Advertising expenses	129,638	14,802	338,378	45,262
Taxes,duties and fees	116,620	21,704	381,607	59,064
Consultancy expenses	113,576	27,648	311,191	144,363
Depreciation and amortisation (Note 10,11)	83,191	25,327	79,453	30,970
Due and contribution expenses	49,716	15,067	43,771	19,930
Information technologies expenses	21,928	8,090	32,319	9,446
Insurance expenses	14,239	2,821	8,405	3,643
Maintenance and repair expenses	11,851	3,888	27,536	11,737
Communication expenses	6,661	2,741	4,615	3,008
Lawsuit and notary expenses	4,298	987	5,933	2,820
Donations	28,100	28,100	1,477,232	-
Other	264,460	189,929	75,840	26,458
	13,339,619	6,817,250	26,375,800	4,249,964

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 21 – 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				
Financial income from forward sales	661,441	414,572	1,011,842	164,078
Impairment provisions released	496,747	-	723,268	124,302
Income from transfer commissions	174,745	49,742	239,336	60,920
Default interest income from projects	164,901	163,300	794,959	125,819
Other	52,121	22,276	254,280	208,751
	1,549,955	649,890	3,023,685	683,870

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				
Reversal of unaccrued financial expense, net	(191,496)	(2,513)	(735,870)	(6,623)
Provision for lawsuits (Note 13)	(4,980)	(3,232)	(11,765)	-
Provision for impairment of land and residential inventories	-	-	(1,160,590)	2,592,422
Other	(14,749)	(2,119)	(62,173)	(2,559)
	(211,225)	(7,864)	(1,970,398)	2,583,240

NOTE 22 – 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	1,769,312	380,357	3,128,650	1,282,400
Interest and update income	1,104,137	424,982	153,244	23,569
Foreign exchange gains	1,252	1,252	9,125	20
	2,874,701	806,591	3,291,019	1,305,989
Financial expenses				
Borrowings interest and lease certificate expenses	(911,338)	(325,257)	(1,569,795)	(369,325)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expenses (*)	-	-	(85,528)	(7,392)
Foreign exchange losses	(2,480)	(1,136)	(1,346)	(551)
	(913,818)	(326,393)	(1,656,669)	(377,268)

(*) This amount consists of interest expense accrued as of 30 September 2024, for the lands received by the Company from the Republic of Turkey Ministry of Environment, Urbanization, and Climate Change.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 23 – TAX ASSETS AND LIABILITIES

The company 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.

NOTE 24 – RELATED PARTY DISCLOSURES

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

1. T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")
2. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. ("EPP")
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (TOKİ iştiraki)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (TOKİ iştiraki)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (TOKİ iştiraki)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (TOKİ iştiraki)
7. Emlak Konut Spor Kulübü Derneği
8. Emlak-Toplu Konut İdaresi Spor Kulübü
9. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi
10. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Ortak Girişimi
11. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
12. Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi –
13. Emlak Konut GYO A.Ş. ("İstmarina AVM Adi Ortaklığı")
14. Türkiye Emlak Katılım Bankası A.Ş.
15. T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü
16. İller Bankası A.Ş.
17. Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.
18. Emlak Basın Yayın A.Ş.
19. Büyükyalı Tesis Yönetimi A.Ş.
20. T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Milli Emlak Genel Müdürlüğü
21. Merkez Cadde Yönetim 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 Company has transactions with state banks (T.C. Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş., Türkiye Emlak Katılım Bankası A.Ş.) and Republic of Turkey Undersecretariat of Treasury.

- The Company keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 30 September 2024, the Company has deposits amounting to TRY2,298,502 in state banks (31 December 2023: TRY11,339,113). Average effective interest rates of time deposits of the Company as of 30 September 2024 are explained in Note 4.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 24 – RELATED PARTY DISCLOSURES (Continued)

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

Trade receivables from related parties	30 September 2024	31 December 2023
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	3,351,220	5,116,960
İstmarina AVM Adi Ortaklığı	-	16,150
Büyükyalı Tesis Yönetim A.Ş.	-	3,003
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	-	356
	3,351,220	5,136,469

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

Trade payables to related parties	30 September 2024	31 December 2023
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.

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 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 Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	29,738,170	12,629,247	7,811,157	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	1,740,070	667,857	164,149	59,507
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	635,002	81,529	10,133,008	-
Emlak Basın Yayın A.Ş.	-	-	3,503	556
	32,113,242	13,378,633	18,111,817	60,063
Sales to related parties				
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	2,914	1,085	4,311	4,311
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	1,209	443	4,458	4,458
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	-	-	1,117,905	416,440
İller Bankası A.Ş.	-	-	1,554,356	-
GEDAŞ Gayrimenkul Değerleme A.Ş.	-	-	64,686	-
	4,123	1,528	2,745,716	425,209

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

	1 January- 30 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	55,397	23,239
	43,204	14,849	55,397	23,239

NOTE 25 – EARNINGS PER SHARE

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 – EARNINGS PER SHARE (Continued)

	1 January- 30 September 2024	1 July - 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2023
Net income attributable to equity holders of the parent in full TL	3,046,263	2,425,189	(5,347,329)	(2,152,951)
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291	3,804,550,291	3,804,550,291
Earnings per share in full TL	0.0801	0.0637	(0.1406)	(0.0566)

NOTE 26 - COMMITMENTS

Company'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 (*)	37,999,619	32,722,396
Mortgages received (**)	752,162	1,021,890
	38,751,781	33,744,286

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

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

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

	30 September 2024	31 December 2023
A. Total amount of CPM given on behalf of the Company's own legal entity	160,837	201,573
B. Total amount of CPM given against the subsidiaries included in full consolidation	-	-
C. Total amount of CPM given to maintain operations and collect payables from third parties	-	-
D. Total amount of other CPM given	-	-
i) In the name of the parent Company	-	-
ii) In the name of other group companies that are not included in the scope of item B and C	-	-
iii) In the name of third parties that are not included in the scope of item C	-	-
	160,837	201,573

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

None

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 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 Properties	Series: III-No.48, Art.24/(a)	155,294,840	117,682,796
İŞ	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 (Standole) 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)	-	-
B1	Foreign Properties, Projects based on properties and rights based 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
K	Mortgage amount of servient lands which will be developed and not owned	Series: III-No.48, Art.22/(e)		

	Portfolio Restrictions	Related Regulation	30 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%
2	Properties, Projects based on Properties and Rights based on 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%
4	Foreign Properties, Projects based on properties and rights based on Properties,			
4	Subsidiaries, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
5	Idle Land	Series: III-No.48, Art.24/(c)	8%	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%

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

.....