

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

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

Key Audit Matters	How the key audit matter was addressed in the audit
Revenue recognition The Company realizes sales mostly in the form of turnkey and Land Subject to Revenue Sharing Agreements (“LSRSA”) projects. The Company obtained sales revenue of 21.058.216 thousand TL from land sales and residential and commercial unit sales projected using the “LSRSA” method within the accounting period of 1 January - 31 December 2024. In turnkey projects, it is the Company’s responsibility to maintain and complete the project and the Company recognizes revenue when performance obligation is fulfilled (independent units are transferred to the customer). In LSRSA projects, the contractor completes the construction and regarding the project, the Company receives advance payments from the buyer and makes payments to the contractor. Revenue in LSRSA project is recognized when performance obligation is fulfilled (the earlier of the signing of the temporary acceptance protocol with the contractor and the signing of the delivery protocol with the buyer). As of the balance sheet date, there may be cases where the construction has been completed, but the delivery has not been realized for turnkey projects. In LSRSA projects, there may be cases where the construction has been completed as of the balance sheet date, but the delivery has not been realized and the temporary acceptance protocol has not been signed. Based on the above-mentioned situations, whether the revenue is recognized in the correct period in accordance with the principle of seasonality of sales has been determined as a key audit matter. Explanations regarding the Company’s revenue accounting policies and amounts are given in Note 2 and Note 17.	We performed the following procedures in relation to the revenue recognition in turnkey and LSRSA projects: The design and implementation of the controls on the revenue process have been evaluated. The sales and delivery procedures of the Company have been analyzed. For the turnkey projects, the provisions regarding the delivery of residential in the contracts with customers have been examined and the timing of the revenue recognition in the financial statements has been evaluated. Through substantive procedures, it has been focused on the record of receivables and advances received and the evaluation of the situations where the performance obligation is not fulfilled for the independent units sold as of the balance sheet date for the turnkey projects. For the LSRSA projects, provisions regarding the temporary acceptance and the delivery of residential in the projects made with contractors and timing of the revenue recognition in the financial statements has been evaluated. Through substantive procedures, it has been focused on the record of receivables and advances received and the evaluation of the situations where the performance obligation is not fulfilled for the independent units sold as of the balance sheet date for the LSRSA projects. In addition, the adequacy of the disclosures presented in Note 17 Revenue and Cost of Sales has been evaluated under TFRS.



Key Audit Matters	How the key audit matter was addressed in the audit
Impairment of inventories Inventories, as of December 31, 2024, amount to TL 163,343,744 thousand in the Company's financial statements and constitute 81% of total assets. Inventories consist of vacant land and plots and completed residential and commercial unit held by the Company for sale. The accounting policy regarding inventories is explained in footnote 2, and the total inventory balance as of the end of the year is explained in footnote 8. The Company takes into consideration independent expert valuation reports for inventory separately at least once a year and uses these reports to assess impairment if any. The current impairment is recognized in other expenses from main activities in the profit or loss and other comprehensive income statement in the period during which they are incurred. Due to the accounting of the impairment, impairment of vacant land and plots and completed residential and commercial unit to be sold is considered a key audit matter for our audit since it has a significant impact on both the statement of financial position and the statement of profit or loss and other comprehensive income.	We performed the following procedures in relation to the impairment on inventories: The qualification, competence and qualifications of the independent real estate appraisers appointed by the Company have been assessed. The appropriateness of the valuation methods included in the valuation reports have been assessed. It has been assessed whether the values assessed by the appraisers are within a reasonable range. The fair values of the inventories have been compared with the recorded cost values and the calculation of the impairment has been checked. The adequacy of the inventory impairment provision allocated in the current period has been assessed by comparing it with the impairment realized in the past period and the accounting of the inventory impairment allocated or reversed in the income statement has been checked. It has been assessed whether the amounts included in the inventory footnote and the standalone financial statements are consistent and whether the footnote explanations are sufficient in terms of TFRS.



4. Responsibilities of management and those charged with governance for the financial statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 7 March 2025.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 7 March 2025

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current assets		182,238,543	160,112,880
Cash and cash equivalents	3	7,906,893	22,030,591
Trade receivables		5,145,539	10,986,071
<i>Trade receivables due from related parties</i>	24	5,118	5,458,525
<i>Trade receivables due from third parties</i>	6	5,140,421	5,527,546
Other receivables		926,225	1,312,364
<i>Other receivables due from third parties</i>	7	926,225	1,312,364
Inventories	8	163,343,744	119,464,583
Prepaid expenses		3,356	1,603
<i>Prepaid expenses to third parties</i>	15	3,356	1,603
Other current assets	14	4,912,786	6,317,668
Non-current assets		19,369,884	14,342,779
Trade receivables		4,345,978	6,476,027
<i>Trade receivables due from third parties</i>	6	4,345,978	6,476,027
Other receivables	7	1,014	1,464
Financial investments		4,120,947	4,120,947
<i>Investments in subsidiaries, joint operations and associates</i>	4	4,120,947	4,120,947
Investment properties	9	3,074,892	3,138,562
Property, plant and equipment	10	866,959	596,177
Intangible assets	11	5,939	9,602
Deferred tax asset	22	6,954,155	-
Total assets		201,608,427	174,455,659

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES AND EQUITY			
Current liabilities		103,315,705	87,124,021
Short-term borrowings	5	11,605,955	1,379,952
Short-term portions of long-term borrowings	5	1,296,184	3,149,858
Trade payables		7,997,331	5,525,946
<i>Trade payables due to third parties</i>	6	7,997,331	5,525,946
Other payables		2,903,136	1,622,250
<i>Other payables to third parties</i>	7	2,903,136	1,622,250
Deferred income		79,043,789	74,946,589
<i>Deferred income from related parties</i>	24	4,510,624	5,077,835
<i>Deferred income from third parties</i>	15	74,533,165	69,868,754
Short-term provisions		469,310	499,426
<i>Short-term provisions for employee benefits</i>	13	68,788	137,541
<i>Other short-term provisions</i>	12	400,522	361,885
Non-current liabilities		975,641	2,798,462
Long-term borrowings	5	-	1,823,979
Trade payables		369,224	533,485
<i>Trade payables to third parties</i>	6	369,224	533,485
Other payables		472,574	303,595
<i>Other payables to third parties</i>	7	472,574	303,595
Deferred income		4,738	6,841
<i>Deferred income from third parties</i>	15	4,738	6,841
Long-term provisions		129,105	130,562
<i>Long-term provisions for employee benefits</i>	13	129,105	130,562
Shareholders' equity		97,317,081	84,533,176
Paid-in capital	16	3,800,000	3,800,000
Capital adjustments	16	51,255,545	51,255,545
Treasury shares (-)		(64,648)	(64,648)
Share premium (discounts)		28,930,464	28,930,464
Other equity shares		(1,739,204)	(1,739,204)
Other comprehensive expenses not to be reclassified under profit and loss		(3,566)	-
<i>Loss arising from defined benefit plans</i>		(3,566)	-
Restricted reserves appropriated from profit		8,674,199	8,674,199
Retained earnings		(6,323,180)	(817,251)
Net profit/(loss) for the period		12,787,471	(5,505,929)
Total liabilities and equity		201,608,427	174,455,659

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 DECEMBER 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

		<i>Audited</i> 1 January- 31 December 2024	<i>Audited</i> 1 January- 31 December 2023
	Notes		
Revenue	17	31,522,873	40,283,010
Cost of sales (-)	17	(24,958,711)	(28,237,554)
Gross profit		6,564,162	12,045,456
General administrative expenses (-)	18	(2,699,741)	(4,564,076)
Marketing expenses (-)	18	(427,986)	(609,958)
Other income from operating activities	20	8,728,381	3,600,960
Other expenses from operating activities (-)	20	(4,088,264)	(4,978,348)
Operating profit		8,076,552	5,494,034
Income from investing activities		-	9,692
Expense from investing activities		(175)	-
Operating profit before financial income		8,076,377	5,503,726
Financial income	21	3,343,060	5,789,762
Financial expenses (-)	21	(2,010,172)	(1,991,696)
Monetary loss	25	(3,574,421)	(14,807,721)
Profit/(loss) for the period		5,834,844	(5,505,929)
Tax (expense)/income, continuing operations		6,952,627	-
Deferred tax income	22	6,952,627	-
Net profit/(loss)		12,787,471	(5,505,929)
Net profit/(loss) for the period		12,787,471	(5,505,929)
Attributable to			
Non-controlling interest		-	-
Equity holders of the parent		12,787,471	(5,505,929)
Other comprehensive income/expense			
Not to be reclassified to profit or loss			
Loss arising from defined benefit plans	13	(5,094)	-
To be reclassified to profit or loss			
Loss arising from defined benefit plans, tax effect	22	1,528	-
Other gain/ losses not to be reclassified to profit or loss, tax effect		(3,566)	-
Total comprehensive income/(loss)		12,783,905	(5,505,929)
Earnings per share (full TRY)	23	0.3361	(0.1447)

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STANDALONE FINANCIAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

							Other accumulated comprehensive income or expenses that will not be reclassified to profit or loss	Retained earnings		
	Share capital	Capital adjustments	Treasury shares	Share premium/ discounts	Other equity shares	Restricted reserves appropriated from profit	Gain/loss on revaluation and remeasurement	Prior years' loss	Net profit/(loss) for the period	Total equity
1 January 2023	3,800,000	51,255,545	(3,264,964)	28,930,464	-	8,460,426	-	(698,844)	1,902,053	90,384,680
Transfers	-	-	-	-	-	213,773	-	1,688,280	(1,902,053)	-
Dividends (*)	-	-	-	-	-	-	-	(1,806,687)	-	(1,806,687)
Decreases related to the acquisition of treasury shares (**)	-	-	(957,953)	-	-	-	-	-	-	(957,953)
Transfers due to share sales	-	-	4,158,269	-	(4,158,269)	-	-	-	-	-
Proceeds from share sales (**)	-	-	-	-	2,419,065	-	-	-	-	2,419,065
Total comprehensive loss	-	-	-	-	-	-	-	-	(5,505,929)	(5,505,929)
31 December 2023	3,800,000	51,255,545	(64,648)	28,930,464	(1,739,204)	8,674,199	-	(817,251)	(5,505,929)	84,533,176
1 January 2024	3,800,000	51,255,545	(64,648)	28,930,464	(1,739,204)	8,674,199	-	(817,251)	(5,505,929)	84,533,176
Transfers	-	-	-	-	-	-	-	(5,505,929)	5,505,929	-
Total comprehensive income	-	-	-	-	-	-	(3,566)	-	12,787,471	12,783,905
31 December 2024	3,800,000	51,255,545	(64,648)	28,930,464	(1,739,204)	8,674,199	(3,566)	(6,323,180)	12,787,471	97,317,081

(*) At the Ordinary General Assembly Meeting held on 31 March 2023, the decision to distribute a cash dividend of TRY 1,806,687 from the profits of 2022 was approved by majority vote. Since the Company owns its own shares with a nominal value of TRY1 at a rate of 4.26% as of 31 March 2023, the date of the profit distribution decision, the dividend related to the shares owned by the Company is netted off from the amount of dividends to be distributed. The dividend payment was made on 14 April 2023.

(**) As of 31 December 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 standalone financial statements.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STANDALONE FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Cash flows from operating activities			
Profit/(loss) for the period		12,787,471	(5,505,929)
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	9, 10, 11, 19	126,433	112,116
Adjustments for tax income	22	(6,952,627)	-
Adjustments related to (reversal of) impairments, net		(4,688,690)	(8,088,428)
Adjustments related to impairment loss (reversal of) / cost provision of inventories, net	8	(4,688,690)	(8,088,428)
Adjustments related to provisions		198,315	248,998
Adjustments related to (reversal of) provisions related with employee benefits		34,534	224,661
Adjustments related to provisions for lawsuits and/or penalties	12, 20	163,781	15,401
Adjustments related to provisions for possible risks		-	10,654
Adjustments for (reversal of) other provisions		-	(1,718)
Adjustments related to interest (income) and expenses		(1,520,750)	(5,273,442)
Adjustments related to interest income	20, 21	(5,137,993)	(8,174,025)
Adjustments related to interest expense	20, 21	3,617,243	2,900,583
Adjustments related to (gain) loss on disposal of property		175	(9,692)
(Gain)/loss on sale of property, plant and equipment		175	(9,692)
Adjustments related to monetary loss		3,759,030	9,807,224
Net cash from operations before changes in assets and liabilities		3,709,357	(8,709,153)
Changes in net working capital:			
Adjustments related to increase/(decrease) in trade receivables		3,047,195	(10,355,431)
Decrease/(increase) in trade receivables from related parties		4,419,657	(7,134,175)
Increase/(decrease) in trade receivables from third parties		(1,372,462)	(3,221,256)
Adjustments related to increase/(decrease) in inventories		(39,190,471)	18,622,534
Adjustments related to increase in trade payables		4,880,959	3,273,245
Increase in trade payables to related parties		-	(2,435,713)
Decrease in trade payables to third parties		4,880,959	5,708,958
Adjustments related to increase in other receivables from operating activities		(511,029)	(5,193,961)
Adjustments related to increase in other payables from operating activities		6,487,342	14,951,594
Other adjustments related to other increase/decrease in working capital		(875,676)	(166,007)
Net cash flows from operating activities			
Interest received		190,706	1,851,297
Payments related with provisions for employee benefits	13	(25,348)	(14,819)
Cash flows from operating activities		(22,286,965)	14,259,299
Cash outflows arising from capital increase of subsidiaries		-	(642,077)
Purchases of investment properties, property, plant and equipment and intangible assets	9, 10, 11	(330,241)	(68,438)
Cash inflows arising from sales of tangible and intangible assets	10, 11	184	14,547
Cash flows from investing activities		(330,057)	(695,968)
Cash inflow/outflow from purchasing own shares, net		-	1,461,110
Proceeds from borrowings	5	15,742,711	9,205,774
Proceeds from loans		6,933,435	2,195,194
Proceeds from issue of debt instruments		8,809,276	7,010,580
Repayments of borrowings	5	(6,930,449)	(12,499,722)
Loan repayments		(3,093,254)	(6,084,962)
Payments of issued debt instruments		(3,837,195)	(6,414,760)
Interest paid		(2,477,895)	(1,681,611)
Dividends paid		-	(1,806,687)
Interest received		4,947,287	4,864,574
Cash flow from financing activities		11,281,654	(456,562)
Inflation effect on cash and cash equivalents		(2,987,200)	(4,847,779)
Net increase (decrease) in cash and cash equivalents		(14,322,568)	8,258,990
Cash and cash equivalents at the beginning of the period	3	20,591,036	12,332,046
Cash and cash equivalents at the end of the period	3	6,268,468	20,591,036

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 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 TRY 625,000 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 31 December 2024, the number of employees of the Company is 480 (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 31 December 2024 have been approved by the Board of Directors on 7 March 2025.

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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 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 3 July 2024 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

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.

Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of the company is TRY and the reporting currency is thousand TRY.

Adjustment of Financial Statements in Hyperinflation Periods

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 2024, according to the rule number 81/1820 declared by CMB dated in 28 December 2023.

A statement has been made by POA at 23 November 2023 regarding the scope and implementation of TAS 29. POA stated that corporations implementing TAS/TFRS are required to present their financial statements for the year 31 December 2023 and forward adjusted to the inflation impact according to the accounting principles stated in TAS 29.

TAS 29 is implemented to any financial statements of a company whose functional currency is the currency of a hyperinflation economy, including financial statements. If an economy experiences hyperinflation, then according to TAS 29, a company whose functional currency is the currency of a hyperinflation economy needs to present its financial statements in terms of unit of measurement effective at the end of period.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 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)

Because of cumulative change of purchasing power for the last three years in relation to Consumer Price Index (CPI) is more than 100% as of current period, corporations operating in Turkey are obligated to implement TAS 29 for the year ended 31 December 2023 and forward.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the financial statements are as follows:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

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.
- Fixed assets, subsidiaries and similar assets are restated through their historic cost, in a way not exceeding their market value. Same method is applied to depreciation and amortization accounts. Equity balances are restated with price correlations according to the dates these balances.
- All income statement accounts, excluding income statement accounts that are counterparty to non-monetary accounts of balance sheet, are restated based on the price correlations of the date they entered financial statements.
- Net monetary profit or loss resulting from inflation is the difference of adjustments made to non-monetary balance sheet accounts, equity accounts and income statement accounts. Net monetary profit or loss is then included in net profit or loss.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.1. Basis of Presentation (Continued)

Offsetting

Financial assets and liabilities are offset and the net amount 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, Accounting Estimates and Errors

Significant changes in accounting policies and significant accounting errors are applied retrospectively and the financial statements of the previous periods are restated if the financial position, performance or cash flow effects of transactions and events are presented in a more appropriate and reliable manner.

2.3. Conformity with the Portfolio Limitations

The information presented in Additional Note of this report, regarding control of conformity with the portfolio limitations, is a summary information extracted from financial statements in accordance with Article 16 of Communiqué No: II-14.1, “Principles of Financial Reporting in Capital Markets” and is prepared in accordance with the provisions of the control of portfolio limitations of Communiqué No: III-48.1, “Principles Regarding Real Estate Investment Companies”.

2.4. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these standalone financial statements are summarized below:

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial. 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. However, since the Company does not have the right of disposition of the cash and cash equivalents used in the cash flow statements, except for keeping these amounts in time deposit accounts, these amounts are exempted from cash and cash equivalents in the cash flow statement (Note 3).

Related Parties

Shareholders, key management personnel, Board of Directors, close family members, and companies which are controlled by those are regarded as related party for the purpose of preparation of these standalone financial statements. In accordance with TAS 24 – Related party standards, the description of related parties has been restricted. The Company has also transactions with State owned banks and the Republic of Turkey Prime Ministry Undersecretariat of Treasury (the “Treasury”) however quantitative information regarding Turkish State Banks and Treasury is not disclosed in accordance with this exemption. The ultimate parent and ultimate controlling party of the Company is (“TOKİ”). TOKİ is a State institution under control of Republic of Turkey Prime Ministry. The transactions made between the Company and TOKİ and its affiliates are presented in Note 24.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

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

2.4. Summary of Significant Accounting Policies (Continued)

Foreign Currency Transactions

The foreign exchange transactions during the year are translated using the prevailing exchange rates on the related transaction dates. Monetary assets and liabilities based on foreign currency are converted into functional currency at the exchange rates valid on the date of the balance sheet. The foreign currency exchange gain and losses that arise by the exchange rate change based on monetary assets and liabilities are presented in the comprehensive income statement.

Financial Investments

Classification

The Company classifies its financial assets as “Financial assets at amortised cost”, “fair value through other comprehensive income”, “fair value through profit or loss”. The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Company makes the classification of its financial assets on the date of purchase. Financial assets are not reclassified after initial recognition, except where the business model of the Company used is changed for the management of financial assets, in case of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

“Financial assets measured at amortized cost” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. The Company’s financial assets that are recognized at amortized cost include “cash and cash equivalents”, “trade receivables” and “other receivables”. In the initial recognition, the related assets are measured at fair value, and, in subsequent accounting, they are measured at discounted cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in profit or loss.

“Financial assets measured at FVTOCI” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. Gains or losses resulting from the related financial assets are recognized in other comprehensive income, except for impairment losses or gains and foreign exchange income or expenses. In case of sale of such assets, the valuation differences classified in other comprehensive income are classified to prior years’ profits. For investments in equity-based financial assets, the Company may irrevocably choose the method of reflecting subsequent changes in the fair value of other comprehensive income to the financial statements for the first time.

In the event that such preference is made, dividends received from related investments are recognized in the income statement. “Financial assets measured at fair value through profit or loss”, are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the standalone statement of income.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Financial Investments (Continued)

Derecognition of Financial Assets

The Company derecognizes financial assets when the rights related to the cash flows that occur in accordance with the contract related to the financial asset expire or when the Company transfers the ownership of all the risks and returns related to the financial asset through a trading transaction. Any rights created or retained to the financial assets transferred by the Company are recognized as a separate asset or liability.

Impairment

Impairment on financial assets and contractual assets is calculated using the "expected credit loss financial model"(ECL). Impairment model is applied to amortized cost financial assets and contractual assets. Loss provisions were measured on the following basis;

- 12-month ECLs: ECLs resulting from possible default events within 12 months of the reporting date.
- Lifetime ECLs: the ECLs resulting from all possible default events during the expected life of a financial instrument. Lifetime ECL measurement is applied at the reporting date when the credit risk associated with a financial asset increases significantly after the initial recognition. In all other cases where the related increase was not observed, the 12 month estimation of ECL was applied.

The Company may determine that the credit risk of the financial asset does not increase significantly if the credit risk of the financial asset has a low credit risk at the reporting date. Nevertheless, lifelong ECL measurement (simplified approach) is always applicable to trade receivables and contract assets without a significant financing element.

Trade Receivables and Payables

Trade receivables are recognized at amortized value of the amount will be received in the following periods from receivables recorded at original invoice value. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. A "simplified approach" is applied for the impairment of trade receivables, which are accounted for at amortized cost and which do not include a significant financing component (less than one year). In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses are measured by an amount equal to the "life time expected loan losses".

In the event that all or some of the amount of the receivable that is impaired is collected following the provision for impairment, the amount collected is recognized in other income from operating activities by deducting the provision for impairment.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Trade Receivables and Payables (Continued)

Income/expenses from maturity differences and foreign exchange gains/loss related to transactions are recognized under “Other Income/Expenses from Operating Activities” in the statement of profit or loss. Trade payables consist of payables to suppliers for purchases of goods and services. Trade payables and other liabilities are offset from unaccrued financial expenses. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts to be paid of payables recognized at original invoice cost in the subsequent periods, using effective interest method. Short term payables without a determined interest rate stated at amortized cost if the effect of the original effective interest rate is not too significant. HAS payables are classified as short-term payables and stated at carrying value since they will be paid upon beneficiaries’ request.

Financial Liabilities

Financial liabilities are classified as at FVTPL on initial recognition. Financial liabilities are recognized with their acquisition costs including transaction costs and then measured at amortized cost value using the effective interest rate method. In cases where the contractual obligations are fulfilled or canceled; The Company derecognizes the financial liability from its records (Note 5).

Preparation of Standalone Financial Statements

The Company recognizes its investments in subsidiaries, joint ventures and associates at cost value under TAS 27 when it prepares its standalone financial statements.

Taxation

Corporate Tax

According to Article 5/1(d) (4) of the Corporate Tax Law No. 5520 (“CTL”), income derived from real estate investment trusts (REITs) is exempt from corporate tax. However, with Law No. 7524, certain conditions have been introduced for the corporate tax exemption applicable to REITs as of 1 January 2025. Accordingly, if at least 50% of the income derived from real estate is distributed as dividends, the tax rate applicable to corporate income will be 10%. Therefore, a 30% tax rate, applicable to undistributed profits, is used in the calculation of current and deferred tax assets and liabilities.

Deferred Tax

Due to tax regulations, taxable or deductible temporary differences recognized in the financial statements as of 31 December 2024, have been calculated by applying the 30% tax rate applicable to undistributed profits for periods after 1 January 2025, to determine deferred tax liabilities or assets. In accordance with the letter titled “Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds” sent to REITs by the Public Oversight, Accounting, and Auditing Standards Authority (POA) on 12 February 2025, the deferred tax asset arising from the legislative change is reflected in the statement of profit or loss for 2024 in the financial statements dated 31 December 2024.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Employment Termination Benefit

Provision for employee termination benefit defines the current value of total expected provision for the liabilities due to retirement of the employees. Under Turkish labor law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of TRY 41,828.42 as of 31 December 2024 (31 December 2023: TRY 23,489.83).

The provision for the present value of the defined benefit obligation is calculated by using the projected liability method. All actuarial profits and losses are recognized in the statement of comprehensive income. TFRS requires actuarial valuation estimates to be developed to estimate the obligation under defined benefit plans. In the individual financial statements, the Company calculates a liability on the basis of its experience in the previous years, based on its experience in the past, and on the beneficiaries of the severance payment as of the date of termination. This provision is calculated by estimating the present value of the future probable obligation of the employees.

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of TRY 46,655.43 which is effective from 1 January 2025 has been taken into consideration when calculating the liability (1 January 2024: TRY 41,828.42) (Note 13).

Provisions, Contingent Assets and Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in standalone financial statements and are treated as contingent assets or liabilities.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Land and Residentias Unit Inventories

The Company has four types of inventories in its standalone financial statements (Note 8). These are;

1. *Vacant Land and Plots*

Vacant land and plots are carried at lower of cost or net realizable value and represent vacant land and plot of the Company with no ongoing or planned construction project on them. Such land and plots are classified as inventories because the Company uses such land and plots the development of residual and commercial units, as explained below, which are also classified as inventories.

2. *Turnkey Projects*

Turnkey projects are valued at lower of cost or net realizable value. Turnkey projects costs consist of construction costs of the semi-finished residential units together with the cost of land (progress payments to contractor) on which these projects are developed. Upon completion of residential units costs including the cost of land are classified under completed residential unit inventories.

3. *Land Subject to Revenue Sharing Agreements ("LSRSA")*

The Company enters into revenue sharing agreements with construction entities to maximize sales proceeds from the sale of its vacant land and plots. Such land and plot sold subject to revenue share agreements to construction entities are accounted at cost until sale is recognized.

4. *Completed Residential and Commercial Unit Inventories*

Completed residential and commercial units comprise units build in Turnkey projects and units transferred to the Company by the contractor in order to meet minimum revenue stated in the agreements when the projects cannot reach the expected revenue as stated in the agreements signed within the framework of LSRSA.

Completed residential and commercial unit inventories are valued at lower of cost or net realizable value.

The Company takes into consideration independent expert valuation reports for inventory (land, finished and semi-finished residential and commercial units) separately at least once a year and uses these reports to assess impairment if any. Fair values are determined on the basis of the price that would be realized on the valuation date between a willing buyer and a willing seller in an arm's length transaction, using the arm's length comparison method. Impairments are recognized under other expenses from operations in the statement of profit or loss and comprehensive income in the period during which they are incurred. Impairments released are recognized under other income from operations when the relevant land or residential are sold.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. The cost value also includes costs that can be directly attributed to the asset to perform its operation as planned.

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives (Note 10).

The expected useful lives for property, plant and equipment are stated below:

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

The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed of performance of the existing asset will flow to the Company and major subsequent expenditures are depreciated over the remaining useful life of the related assets. All other expenses other than these items are recognized as expense.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the provision for impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by comparing the carrying of the property and equipment with the collected amount and then included in the related income and expense accounts, as appropriate.

Intangible Assets

Intangible assets comprise of licenses and computer software. They are initially recognized at acquisition cost and amortized on a straight-line basis over 5 years their estimated useful lives (Note 11).

Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount.

Investment Properties

Investment properties are defined as land and buildings held to earn rental income or capital appreciation or both, rather than for use in the production of goods or services or for administrative purposes; or sale in the ordinary course of business. The Company uses cost model for all investment properties. Investment properties are presented in the standalone financial statements at cost less accumulated depreciation and less impairment, if any (Note 9). Investment properties consist of residences and buildings and their economic life is 40 years.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Impairment of Assets

The Company reviews all assets subject to amortization at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is estimated. Impairment exists if the carrying value of an asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life.

Impairment losses are recorded in the comprehensive income statement. Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment. The Company takes the valuation reports for each property separately into consideration over investment property at least once a year to compare carrying value of assets with its net recoverable value and calculate the impairment if any.

Segment Reporting

Operating segments shall be reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. However, since the Company operates in only one geographical segment (Turkey) and all of its operations are concentrated in one industrial department (development of residential projects on its vacant land and plot inventories), the Company does not prepare a segment report.

Chief operating decision maker of the Company is its Board of Directors. Board of Directors uses quarterly standalone financial statements of the Company prepared in accordance with the TFRS when making decisions.

Revenue Recognition

The Company recognizes revenue in the financial statements within the 5-step model below in accordance with TFRS 15 “Revenue from Contracts with Customers” standard that is effective as of 1 January 2018.

- (a) Identify the contract(s) with a customer
- (b) Identify the performance obligations in the contract
- (c) Determine the transaction price
- (d) Allocate the transaction price to the performance obligations in the contract
- (e) Recognize revenue when the entity satisfies a performance obligation

Revenue is comprises of sale of vacant land and plots, sale of residential units produced by turnkey projects and sale of land and plots by way of LSRSA.

1. Sale of Vacant Land and Plots

Revenue is recognized when the unprojectized lands are transferred to the customer according to the contract and performance obligations are fulfilled. Unprojectized land are carried over when the customer takes control of the land.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

2. Sale of Residential units Produced by Turnkey Projects

Revenue is recognized when the independent units are transferred to according to the contract and performance obligations are fulfilled. Residential units are carried over when the customer takes control of the units.

3. Sale of Land and Plots by way of LSRSA

The Company recognizes the revenue for the sale of land by way of LSRSA when performance obligations (the one before the signing of the temporary acceptance protocol with the contractor or the signing of the delivery protocol with the buyer) are fulfilled. In cases where the temporary acceptance protocol or delivery protocol with the buyer is not signed, the Company follows-up its revenue share in the deferred revenue and the share of the construction entity as a liability to contractors. The Company's share in the Total Sales Revenue ("TSR") is recorded as revenue from sale of land and the related cost of land is recognised as cost of land sold in the comprehensive income statement.

4. Consultancy Revenues

The Company provides project consultancy services as its core business. Within the scope of consultancy services, the Company undertakes works such as controlling the production processes of the projects of the customers, sales and follow-up of the project to third parties. The Company recognizes consultancy revenues on a periodic accrual basis, taking into account the substance of the contract.

Interest Income and Expense

Interest income and expense are recognised on an accrual basis using the internal rate of return method. Interest income comprises mostly interest income from time deposits and interest income from credit sales of residences.

Paid-in Capital

Ordinary shares are classified in equity. Costs related to the issue of new shares are recognized in equity less the amounts discounted by tax effect.

Treasury Shares

Repurchased shares are recognized in the financial statements in accordance with the CMB's Communiqué No. II-22.1 "Treasury Shares". In the statements of shareholders' equity, it is recorded under "Repurchased Shares" account. In addition, in accordance with the related communiqué the amount equal to the repurchase price of the repurchased shares as "Reserves related to the repurchased shares restricted reserves".

Share Premium

Share premiums represent the difference between the fair value of the shares held by the Company at a price higher than the nominal value of the Company or the difference between the fair value and the fair value of the shares of the Company that the Company has acquired. Expenses that are directly attributable to the secondary public offering, in which the shares are re-issued and provide cash inflows to the Company, are deducted from the premiums on issue of share sales.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

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

2.4. Summary of Significant Accounting Policies (Continued)

Earnings Per Share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of their shares “bonus shares” to existing shareholders funded from retained earnings. For the purpose of earnings per share computations, such “bonus share” issuances are regarded as issued shares. Accordingly, the weighted average number of shares used in earnings per share computations are determined by taking into consideration the retroactive effect of aforementioned share distributions. In case of increase in issued shares after balance sheet date but before the date that standalone financial statement is prepared due to the bonus share distribution, earning per share calculation is performed taking account of total new share amount.

Payments for Housing Acquisition Support (“HAS”)

HAS was a compulsory of saving fund, established by the state to be used by fund participants in the future for acquisition of affordable housing between 1987 and 1995. This system aimed to collect the deducted amounts in a single account, apply interest to the savings and provide the employees with these contributions at the time they wish to acquire a house/residential unit in the future. However, this project was suspended in 1996 and as per decree law No. 588, issued in 1999, the decision was taken to terminate the HAS accounts. With this decree law, real estate corresponding to the monetary value of the HAS deductions which were held by Emlak Bankası was transferred to the Company.

Within the scope of Law No. 5664, dated 30 May 2007, and the regulation issued on 14 August 2007, the decision was taken to pay back these savings, which were still held as capital in kind in the accounts of the Company, to the HAS beneficiaries. Accordingly, the shares of HAS beneficiaries were removed from the Company’s equity capital and comprehensive income for the current period based on the ratios specified in the law and recognized as debts to HAS beneficiaries under other payables. The amount payable was determined as the share in the net asset value of the Company at 28 February 2008. The payable amount does not bear any interest or does not change with subsequent changes in the net asset value in subsequent periods and is payable on demand any date after 28 February 2008. The Company has borrowed funds from the Treasury to make such payments.

In addition, the Treasury has an interest liability against HAS beneficiaries calculated before 1999. In accordance with an agreement signed in 2008, the Company undertook this liability on behalf of the Treasury and recorded as payable be paid together with the Company's own payables. However, Company resources are not used for this extra liability. Since all payments are made on behalf of the Treasury, they are instantly collected by cashing the government bonds given for these payments from the Treasury to the Company beforehand.

In accordance with the relevant articles of the Law No. 5564 on HAS to the Owners of KEY and Payment to the Rightholders, the receivables that are not requested within five years from the announcement date are recorded as revenue to the Treasury. Due to the expiry of the payment request period of the beneficiaries in the current period, the Company's receivables and debts obligations within the scope of HAS have expired.

Dividend Distribution

Dividends payable are recognized as an appropriation of the profit in the period in which they are declared and reflected to Company’s financial statements as liability.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.4. Summary of Significant Accounting Policies (Continued)

Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Company generated from its main activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Company (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than 3 months.

Events After the Reporting Period

Events after the reporting period cover any events that arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its standalone financial statements if such events arise which require an adjustment to the standalone financial statements (Note 30).

2.5. Critical Accounting Judgements, Assumptions and Estimates

The preparation of standalone financial statements requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues expenses which are reported throughout the period. Even though these assumptions and estimates rely on the best estimates of the Company management both the actual results may differ and not material for these standalone financial statements.

Net Realizable Value of Lands and Residential Inventories

If the estimated net realizable value of land and residential inventories is lower than their cost value, a provision has been set aside to reduce the inventory value to its estimated net realizable value. In determining the net realizable value of land and residential inventories, valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş., and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. as of 31 December 2024, have been taken as a basis.

Provisions for Lawsuits

As of 31 December 2024, lawsuits filed against the Company, possible and potential lawsuits against the Company Provision has been recognized for the parts for which an outflow of resources is probable, based on the opinion of the lawyers. According to the legal judgment of the lawyers, there is no risk of outflow of resources for the cases for which no provision has been recognized. is not seen.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

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

2.6. Comparative Information

To facilitate the identification of financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period. Comparative information is reclassified when necessary to ensure consistency with the presentation of the current period's consolidated financial statements, and significant differences are explained.

Except for the changes mentioned in the paragraph below, the Group has applied consistent accounting policies in its consolidated financial statements for the presented periods and has not made any significant changes in accounting policies or estimates during the current period.

In order to align with the presentation in the cash flow statement dated 31 December 2024, the monetary loss/gain balance of TRY 9,695,557 on cash and cash equivalents as of 31 December 2023, has been reclassified to monetary loss/gain arising from operating activities.

2.7. New and Revised Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the financial statements as of 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations effective as of 1 January 2024.

i) The new standards, amendments and interpretations which are effective as of 31 December 2024 are as follows

- **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.
- **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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

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

2.7. New and Revised Turkish Financial Reporting Standards (Continued)

i) The new standards, amendments and interpretations which are effective as of 31 December 2024 are as follows (Continued)

- **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.
- ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 31 December 2024**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

- **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.
- **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).
- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS (Continued)

2.7. New and Revised Turkish Financial Reporting Standards (Continued)

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 31 December 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, 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 financial statements available for public use that comply with IFRS Accounting Standards.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 3 – CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	58	6
Banks	5,777,489	21,328,578
- Demand deposit	141,327	23,899
- Time deposits with maturities less than 3 months	5,636,162	21,304,679
Other cash and cash equivalents	2,129,346	702,007
	7,906,893	22,030,591

Maturities of cash and cash flows are as follows:

	31 December 2024	31 December 2023
Demand	141,327	23,899
Up to 3 month	5,636,162	21,304,679
	5,777,489	21,328,578

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

	31 December 2024	31 December 2023
	(%)	(%)
Effective interest rate	46.34	40.58

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

	31 December 2024	31 December 2023
Cash and cash equivalents	7,906,893	22,030,591
Less: Interest accruals on deposits	-	(173,208)
Less: LSRSA project deposits (*)	(1,641,783)	(1,290,341)
Add: the effect of provisions released under TFRS 9	3,358	23,994
	6,268,468	20,591,036

(*) 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 TRY 1,641,783 (31 December 2023: TRY 1,290,341).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 4 – FINANCIAL INVESTMENTS

Subsidiaries

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

	31 December 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	3,111,882	100	3,111,882
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	1,001,754	100	1,001,754
Total		4,113,636		4,113,636

Interests in Joint Ventures

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

	31 December 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Merkez Cadde Yönetim A.Ş.	30	1,298	30	1,298
Büyükyalı Tesis Yönetim A.Ş.	37	240	37	240
İstmarina AVM Adi Ortaklığı	40	5,773	40	5,773
Total		7,311		7,311

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 5 – FINANCIAL LIABILITIES

	31 December 2024	31 December 2023
Short-term financial liabilities		
Short-term bank borrowings	6,458,455	80,543
Issued debt instruments (*)	5,147,500	1,299,409
Short-term portion of long-term borrowings	1,296,184	3,149,858
	12,902,139	4,529,810

(*) The Company issued lease certificates on various dates, including 9 September 2024 (TRY 1,122,000 and TRY 500,000, maturing on 10 January 2025, at 45%), 10 October 2024 (TRY 1,000,000, maturing on 16 January 2025, at 46%), 13 November 2024 (TRY 1,000,000, maturing on 12 February 2025, at 44%), 25 November 2024 (TRY 300,000, maturing on 26 May 2025, at 43%), and 10 December 2024 (TRY 1,225,500, maturing on 12 June 2025, at 42.5%), while previously issuing two lease certificates on 5 October 2023 (TRY 577,515, maturing on 3 January 2024, with a 38% profit share) and 15 November 2023 (TRY 721,894, maturing on 15 February 2024, with a 40% profit share).

	31 December 2024	31 December 2023
Long-term financial liabilities		
Long-term borrowings	-	1,823,979
	-	1,823,979

Borrowings used as of 31 December 2024 are denominated in TRY and the weighted average interest rate is 48.38% (31 December 2023: 20.66%).

The maturity distributions of the remaining time of borrowings to repricing are as follows:

	31 December 2024	31 December 2023
Less than 3 months	2,345,300	1,299,409
Between 3 - 12 months	10,556,839	3,230,401
Between 1 - 5 years	-	1,823,979
	12,902,139	6,353,789

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

	31 December 2024	31 December 2023
2025	-	1,823,979
	-	1,823,979

As of 31 December 2024 and 2023, the movement schedule of financial liabilities is as follows:

	2024	2023
Opening balance as of 1 January	6,353,789	9,887,951
Additions during the period	15,742,711	9,205,774
Payments during the period	(6,930,449)	(12,499,722)
Accrual of interest	1,139,348	1,164,722
Monetary gain	(3,403,260)	(1,404,936)
Closing balance as of 31 December	12,902,139	6,353,789

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short-term trade receivables		
Receivables from related parties (Note 24)	5,118	5,458,525
Receivables from land sales	1,110,492	1,179,140
Receivables from sale of residential and commercial units	3,407,154	2,709,260
Receivables from contractors of the lands invoiced under LSRSA	1,225,209	2,024,872
Receivables from lessees	69,501	38,386
Other	19,483	12,377
Unearned finance income	(691,418)	(436,489)
	5,145,539	10,986,071
Doubtful receivables	1,696	2,652
Less: Provision for doubtful receivables	(1,696)	(2,652)
	5,145,539	10,986,071

	31 December 2024	31 December 2023
Long-term trade receivables		
Receivables from sale of residential and commercial units	5,762,153	5,806,907
Receivables from land sales	710,650	2,102,269
Unearned finance income	(2,126,825)	(1,433,149)
	4,345,978	6,476,027

	31 December 2024	31 December 2023
Short-term trade payables		
Trade payables	6,277,074	3,280,226
Payables to contractors according to revenue sharing basis	1,475,278	1,333,892
Interest accruals on time deposits of contractors (*)	244,979	911,828
	7,997,331	5,525,946

(*) 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.

	31 December 2024	31 December 2023
Long-term trade payables		
Trade payables	369,224	533,485
	369,224	533,485

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short-term other receivables		
Advances given to contractor firms	802,116	778,890
Receivables from the authorities	31,843	40,422
Other	92,266	493,052
	926,225	1,312,364
	31 December 2024	31 December 2023
Long-term other receivables		
Deposits and guarantees given	1,014	1,464
	1,014	1,464
	31 December 2024	31 December 2023
Short-term other payables		
Taxes and funds payable	2,804,910	1,512,017
Payables to shareholders	66	95
Other	98,160	110,138
	2,903,136	1,622,250

As of 31 December 2024, other long-term payables are amount to TRY 472,574 and consist of deposits and guarantees received (31 December 2023: TRY 303,595).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 8 – INVENTORIES

	31 December 2024	31 December 2023
Lands	48,112,117	25,779,046
<i>Cost</i>	51,789,541	34,023,596
<i>Impairment</i>	(3,677,424)	(8,244,550)
Planned land by LSRSA	43,820,333	48,637,834
Planned land by turnkey project	11,714,283	31,066,195
<i>Planned land by turnkey project</i>	11,714,283	38,075,406
<i>Impairment (*)</i>	-	(7,009,211)
Residential and commercial units ready for sale	42,040,049	12,270,865
<i>Cost</i>	50,130,009	13,927,785
<i>Impairment</i>	(8,089,960)	(1,656,920)
Advances given for inventories (**)	17,656,962	1,710,643
<i>Cost</i>	18,111,569	1,710,643
<i>Impairment</i>	(454,607)	-
	163,343,744	119,464,583

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

(**) As of 31 December 2024, TL 15,118,731 of the advances given for inventory consists of the amount paid for 1,615 independent units purchased within the scope of the Yeni Fikirtepe Project, undertaken on behalf of the Republic of Türkiye 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 any impairment provision, if necessary, have been based on valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş., and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. as of 31 December 2024.

The movements of impairment on inventories are as follows:

	2024	2023
Opening balance at 1 January	16,910,681	24,999,109
Impairment on inventories within the current period	2,418,720	10,007,089
Reversal of impairment on inventories within the current period	(7,107,410)	(18,095,517)
Closing balance at 31 December	12,221,991	16,910,681

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 8 – INVENTORIES (Continued)

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

Lands	31 December 2024	31 December 2023
İstanbul Esenler Lands	20,848,361	5,010,556
İstanbul Küçükçekmece Lands	8,316,344	7,204,817
İstanbul Avcılar Lands	5,808,911	4,159,539
Muğla Bodrum Lands	4,840,510	5,260,891
İzmir Çeşme Lands	1,691,905	-
Aydın Didim Lands	1,604,384	-
Antalya Alanya Lands	1,005,378	-
İstanbul Arnavutköy Lands	881,704	640,248
İstanbul Çekmeköy Lands	721,048	695,146
İstanbul Başakşehir Lands	658,733	906,030
İstanbul Kartal Lands	591,033	129,407
İzmir Urla Lands	486,495	459,110
Antalya Konyaaltı Lands	166,675	-
İzmir Seferihisar Lands	116,677	170,764
Tekirdağ Çorlu Lands	107,068	106,591
Zonguldak Merkez Lands	97,909	-
İstanbul Tuzla Lands	92,140	92,125
İstanbul Eyüp Lands	56,293	571,529
İstanbul Sarıyer Lands	14,022	14,275
Kocaeli Lands	6,438	21,840
Muğla Milas Lands	-	213,311
İzmir Konak Umurbey Lands	-	70,323
Ankara Çankaya Lands	-	30,231
Other	89	22,313
	48,112,117	25,779,046

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

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

Planned land by LSRSA	31 December 2024	31 December 2023
Nidapark İstinye Project	6,566,899	6,570,542
Bizim Mahalle 2. Etap 2. Kısım Project	3,654,680	3,656,865
Merkez Ankara Project	3,278,179	3,279,993
Nidapark Küçükyalı Project	3,229,163	3,230,950
Yeni Levent Project	2,319,672	2,318,203
Bizim Mahalle 2. Etap 1. Kısım Project	2,129,751	2,130,930
Çekmeköy Çınarköy Project	2,016,069	2,017,184
Batıyakası 2. Etap Project	1,725,138	1,726,092
Next Level İstanbul Project	1,597,530	1,598,414
Beşiktaş Akat Project	1,572,831	1,538,585
Ümraniye İnkılap Project	1,458,229	1,457,655
İstanbul Kayabaşı 9. Etap Project	1,426,554	1,427,343
Başakşehir Ayazma 4. Etap Project	1,288,970	1,289,684
İstanbul Tuzla Merkez Project	1,274,470	1,275,175
Meydan Başakşehir Project	986,009	1,910,120
Batıyakası 1. Etap Project	946,827	1,122,910
İstanbul Kayabaşı 8. Etap Project	973,331	966,822
İstanbul Eyüpsultan Kemerburgaz Project	930,793	931,265
Avcılar Firüzköy 1. Etap 2. Kısım Project	899,554	900,450
Avcılar Firüzköy 2. Etap Project	888,487	888,978
Avcılar Firüzköy 1. Etap 1. Kısım Project	826,583	826,242
Nişantaşı Koru Project	736,564	4,582,732
Bodrum Türkbükü Project	670,076	670,447
Nezihpark Project	410,857	411,072
Antalya Aksu Project	361,074	360,186
Barbaros 48 Project	354,194	354,147
İstanbul Ataşehir Küçükbakkalköy Project	332,992	333,174
İstanbul Kayabaşı 10. Etap Project	311,110	311,282
Muğla Milas Meşelik Project	213,322	-
Cer İstanbul Project	205,123	205,237
Ankara Çayyolu 2. Etap Project	174,842	174,874
Allsancak Project	37,926	40,196
Other	22,534	130,085
	43,820,333	48,637,834

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

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

Planned land by turnkey project	31 December 2024	31 December 2023
Arnavutköy Yenişehir Project	8,664,749	246,589
Çekmeköy Çınarköy Project	1,365,943	18,496,292
İstanbul Avcılar Firuzköy Project	1,130,607	2,286,062
Emlak Konut Vadi Evleri Project	-	3,048,211
Bizim Mahalle Project	-	2,473,211
Balıkesir Altıeylül Project	-	1,268,206
Ankara Saraçoğlu Project	-	3,247,624
Other	552,984	-
	11,714,283	31,066,195

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

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

Residential and commercial units ready for sale	31 December 2024	31 December 2023
Çekmeköy Konut Parselleri 2. Etap Project	5,276,075	-
Çekmeköy Villa Parselleri	4,847,232	-
Merkez Ankara Project	4,150,047	5,494,454
Çekmeköy Konut Parselleri 3. Etap 4. Kısım Project	3,855,318	-
Çekmeköy Konut Parselleri 3. Etap 1. Kısım Project	3,082,650	-
Çekmeköy Konut Parselleri 3. Etap 3. Kısım Project	2,789,659	-
Ataşehir Küçükbakkalköy Project	2,625,000	-
Bizim Mahalle 1. Etap 3. Kısım Project	2,510,550	-
Balıkesir Altıeylül Gümüşçeşme Project	2,237,388	-
Saraçoğlu Mahallesi Project	1,921,564	-
Kuzey Yakası Project	1,725,533	1,980,171
Maslak 1453 Project	1,309,970	1,398,355
Çekmeköy Konut Parselleri 4. Etap 3. Kısım Project	1,161,240	-
Bizim Mahalle 1. Etap 4. Kısım Project	939,834	-
Komşu Finans Evleri	798,858	1,052,178
Hoşdere Vadi Evleri 1. Etap Project	714,495	-
Çekmeköy Konut Parselleri 4. Etap 1. Kısım Project	381,011	-
Hoşdere Vadi Evleri 2. Etap Project	330,518	-
Samsun Canik Kentssel Dönüşüm Project	327,603	-
Sarphan Finanspark Project	314,015	435,179
Bizim Mahalle 1. Etap 1. Kısım Project	310,817	563,288
Bizim Mahalle 1. Etap 2. Kısım Project	121,593	322,012
Semt Bahçekent 1. Etap 2. Kısım Project	93,078	93,078
Denizli Merkez Efendi İkmal İşİ Project	74,063	515,629
Büyükyalı Project	43,418	43,418
İdealist Cadde / Koru	33,050	-
Metropol İstanbul Project	27,989	27,989
Karat 34 Project	18,472	55,336
Kocaeli Körfezkent Emlak Konutları	8,850	11,550
Göl Panorama Project	4,419	4,419
Başakşehir Ayazma Emlak Konutları	4,310	4,310
Temaşehir Project	1,430	3,408
Köy 2. Etap Project	-	80,807
Nidapark İstinye Project	-	47,742
Evora Denizli Project	-	20,714
Emlak Konut Florya Evleri	-	111,794
Ormanköy Project	-	5,034
	42,040,049	12,270,865

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 9 – 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 31 December 2024 and 2023 are as follows:

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2024	3,375,125	3,375,125
Transfers to commercial units and land inventories	-	-
Transfers from residential and commercial units inventories	-	-
Closing balance as of 31 December 2024	3,375,125	3,375,125

Accumulated Depreciation

Opening balance as of 1 January 2024	236,563	236,563
Charge for the period	63,670	63,670
Closing balance as of 31 December 2024	300,233	300,233
Net book value as of 31 December 2024	3,074,892	3,074,892

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2023	4,861,285	4,861,285
Transfers to commercial units and land inventories	(1,543,380)	(1,543,380)
Transfers from residential and commercial units inventories	57,220	57,220
Closing balance as of 31 December 2023	3,375,125	3,375,125

Accumulated Depreciation

Opening balance as of 1 January 2023	173,348	173,348
Charge for the period	63,215	63,215
Closing balance as of 31 December 2023	236,563	236,563
Net book value as of 31 December 2023	3,138,562	3,138,562

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 9 – INVESTMENT PROPERTIES (Continued)

As of 31 December 2024, the valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme ve 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:

	31 December 2024	31 December 2023
Independent commercial units of Büyükyalı AVM	2,537,028	2,639,218
Atasehir general management building A block	2,100,000	1,791,486
Independent commercial units of Istmarina AVM	1,446,784	1,670,676
Lands, residential and commercial units	1,182,841	897,204
	7,266,653	6,998,584

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2024 and 2023, the details of property, plant and equipment are as follows

31 December 2024	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2024	511,635	30,389	54,135	18	596,177
Additions	286,276	17,153	21,860	-	325,289
Disposal (-)	-	(359)	-	-	(359)
Depreciation expense (-)	(14,974)	(12,255)	(26,908)	(11)	(54,148)
Net book value 31 December 2024	782,937	34,928	49,087	7	866,959
Cost	885,080	82,385	338,974	35	1,306,474
Accumulated depreciation (-)	(102,143)	(47,457)	(289,887)	(28)	(439,515)
Net book value 31 December 2024	782,937	34,928	49,087	7	866,959

31 December 2023	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2023	525,601	8,348	38,315	29	572,293
Additions	-	29,563	36,996	-	66,559
Disposal (-)	(2,066)	(1,217)	(1,572)	-	(4,855)
Depreciation expense (-)	(11,900)	(6,305)	(19,604)	(11)	(37,820)
Net book value 31 December 2023	511,635	30,389	54,135	18	596,177
Cost	598,804	65,591	317,114	35	981,544
Accumulated depreciation (-)	(87,169)	(35,202)	(262,979)	(17)	(385,367)
Net book value 31 December 2023	511,635	30,389	54,135	18	596,177

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.

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NOTE 11 – INTANGIBLE ASSETS

As of 31 December 2024 and 2023, intangible assets are as follows:

31 December 2024	Licenses	Computer software	Total
Net book value as of 1 January 2024	8,435	1,167	9,602
Additions	4,952	-	4,952
Amortization expense (-)	(7,792)	(823)	(8,615)
Net book value 31 December 2024	5,595	344	5,939
Cost	121,196	35,412	156,608
Accumulated amortization (-)	(115,601)	(35,068)	(150,669)
Net book value 31 December 2024	5,595	344	5,939

31 December 2023	Licenses	Computer software	Total
Net book value as of 1 January 2023	16,814	1,990	18,804
Additions	1,879	-	1,879
Amortization expense (-)	(10,258)	(823)	(11,081)
Net book value 31 December 2023	8,435	1,167	9,602
Cost	116,244	35,412	151,656
Accumulated amortization (-)	(107,809)	(34,245)	(142,054)
Net book value 31 December 2023	8,435	1,167	9,602

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

	31 December 2024	31 December 2023
Provision for lawsuits	400,522	361,885
	400,522	361,885

According to the opinions of the Company's lawyers, the total litigation risk amount against the Company is TRY 671,069 (31 December 2023: TRY 872,272) and a provision for litigation amounting to TRY 400,522 has been set aside as of 31 December 2024 (31 December 2023: TRY 361,885). As of 31 December 2024, there are 2 incomplete defect lawsuits, 8 rental loss lawsuits, 5 title cancellation and registration compensation lawsuits, 10 labor lawsuits, and 34 other miscellaneous lawsuits filed against the Company.

The movements of provision for lawsuits as of 31 December 2024 and 2023 are as follows:

	2024	2023
Opening balance at 1 January	361,885	577,483
Provision added within the current period (Note 20)	163,781	15,401
Monetary loss gain	(125,144)	(230,999)
Closing balance at 31 December	400,522	361,885

12.1 Continuing Lawsuits and Provisions

12.1.1 On 21 December 2005, a contract was signed for the İzmir Mavişehir Project, consisting of 750 independent units in the İzmir Mavişehir Northern Upper Region 2nd Phase LSRSA project. However, due to the contractor's failure to fulfill the contractual obligations, the contract was terminated on December 21, 2009. Following the termination, the project was transferred to the Company, and the remaining portion of the project was tendered in accordance with the Public Procurement Law and completed by another construction company.

The sales of the related independent units have been carried out by the Company, similar to turnkey projects. The contractor filed a lawsuit claiming unjust termination and partial receivables, arguing that the level of completion was significantly high and that the legal relationship between the parties was based on a revenue-sharing construction contract. An expert report prepared upon the instruction of the İzmir Karşıyaka Commercial Court of First Instance determined that the completion level was approximately 83% and concluded that the legal relationship between the parties was not a revenue-sharing construction contract. Upon the Company's objections regarding unclear aspects of the report and the completion level, an additional expert report was requested. Subsequently, both the contractor and the Company filed additional lawsuits against each other. Regarding the case, the Istanbul 10th Commercial Court of First Instance ruled partial acceptance of the main claim and determined that the contract was unjustly terminated by the defendant. However, as the plaintiff had assigned its receivable and compensation claim to Vakıflar Bankası T.A.O., the court dismissed the claim in terms of active legal standing.

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.1 The court also ruled partial acceptance of the material compensation claim within the scope of a partial lawsuit, while dismissing the remaining claims due to the statute of limitations. Additionally, the court ordered the return of the letter of guarantee amount and dismissed the remaining claims. In the counterclaim, the court ruled partial acceptance, and in line with the rectification petition, ordered the payment of the relevant deposit pledge and building inspection costs to Emlak Konut GYO A.Ş. During the litigation process, based on various expert reports submitted to the case file, the plaintiff increased the claim amount to TRY 122,651. As of 31 December 2024, a provision amounting to TRY 238,452, including interest and litigation costs, has been recognized.

12.1.2 Within the scope of the İstanbul Riva Land Revenue Sharing Tender for the properties located in İstanbul Province, Beykoz District, Riva Neighborhood, parcels 3201, 3202, and 3203, the contractor participating in the tender submitted temporary letters of guarantee to the Company through the Joint Venture in accordance with Article 14 of the Tender Specifications. During the second session of the tender held on 15 June 2017, it was decided to award the tender to the Joint Venture, which submitted the most economically advantageous bid. However, the companies invited to sign the contract applied to the Company, requesting a revision of the tender conditions and criteria, citing the amendments introduced in the Planned Areas Zoning Regulation published in the Official Gazette No. 30113 dated 3 July 2017, by the Ministry of Environment, Urbanization, and Climate Change of the Republic of Turkey. These amendments significantly reduced the construction area subject to the zoning coefficient for the project. The Company rejected the revision requests, stating that the enforcement of the said regulation would not affect the construction area subject to the zoning coefficient, and granted a deadline until 15 August 2017, for the contract to be signed. Since the contract was not signed within the given period, the Company confiscated the temporary letters of guarantee submitted by the plaintiff companies as part of the İstanbul Beykoz Riva Land Revenue Sharing Tender and awarded the tender to the contractor that submitted the second most favorable bid.

The lawsuit in question is a material and moral compensation claim filed on the grounds that the rejection of the plaintiffs' revision requests and the confiscation of their letters of guarantee were unlawful. For the plaintiff, the court ruled that the guarantee amount should be collected from the defendant along with advance interest accruing from 17 August 2017, and paid to the plaintiff; additionally, the amount required under LSRSA and commissions should be collected from the defendant with advance interest accruing from 15 September 2017, and paid to the plaintiff. The court also ruled similarly for another plaintiff. Other claims regarding material and moral damages beyond these were rejected. The court further ruled that the prepaid portion of the court fees should be deducted from the total fee, with the remaining amount collected from the defendant and recorded as revenue for the Treasury. The entire litigation costs, including summons and expert fees, incurred by the plaintiffs should be recovered from the defendant and reimbursed to the plaintiffs. If any balance remains in the litigation advance fund after the finalization of the decision, it should be refunded to the plaintiffs. Additionally, according to the Attorney's Minimum Fee Tariff applicable at the date of the decision, the relative attorney's fee should be collected from the defendant and paid to the plaintiff. The case is currently at the appeal stage, and as of 31 December 2024, a provision amounting to TRY 14,276, including interest and litigation costs, has been recognized.

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.3 The lawsuit was filed by Şekerbank T.A.Ş., which had acquired the receivable of TRY 46,000 arising and to arise from Emlak Konut GYO A.Ş. on behalf of the contractor Yeni Sarp-Özarak Ordinary Partnership for the İstanbul Ümraniye 1st Phase Land Revenue Sharing Project. The plaintiff claimed that the remaining assigned receivable amounting to TRY 34,135 had been unjustly unpaid and sought the establishment of a mortgage on certain properties within the scope of the project as security for the claimed receivable. On 15 October 2020, the court ruled for the dismissal of the case. The plaintiff appealed the decision, and the appellate court overturned the ruling. Following the retrial after the reversal, the court ruled in favor of the plaintiff. This decision was subsequently appealed by the Company, and as of 31 December 2024, a provision amounting to TRY 94,617, including interest and litigation costs, has been recognized.

12.1.4 The lawsuit was filed for compensation due to defective construction in Çerkezköy Yıldızkent Ayışığı Complex. In the ongoing trial, the latest expert report has applied the principle of compensatory justice in its calculations. The litigation process is still ongoing, and as of 31 December 2024, a provision amounting to TRY 25,750, including interest and litigation costs, has been recognized.

12.2 Contingent Liabilities of Emlak Konut

In the financial statements prepared as of 31 December 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 31 December 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.

12.2.1 The lawsuit was filed due to the alleged wrongful termination of the contract related to the infrastructure and landscaping works within the Alemdağ Emlak Konutları Construction Area in Çekmeköy District, İstanbul, on 17 September 2012. The contractor claimed that the cost of the completed works was not included in the progress payments. However, the court dismissed the case, ruling that the plaintiff failed to provide sufficient evidence. The Appellate Court determined that the lower court's decision was based on an incomplete examination and that a new expert report should be obtained. The court instructed that the additional report should assess all contractual obligations of the parties by considering the annexes to the contract and the General Specifications for Construction Works. The assessment should determine which obligations were primary and whether the termination was justified based on the principle that a party failing to fulfill its primary obligation cannot demand performance from the other party. Consequently, the Appellate Court overturned the lower court's decision and remanded the case for further investigation and a new ruling in line with these principles. Following the reevaluation, the primary lawsuit was dismissed due to a lack of evidence, while the consolidated lawsuit was dismissed due to the statute of limitations. The plaintiff has appealed the decision. Based on the opinion obtained from the Company's legal counsel, no liability is expected to arise from this case.

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

12.3 Contingent Assets of Emlak Konut

12.3.1 As of 31 December 2024 and 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:

31 December 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	4,517,646	14,272,242	18,789,888
2 year	3,338,360	8,958,901	12,297,261
3 year	1,188,192	3,326,623	4,514,815
4 year	732,984	1,242,280	1,975,264
5 year and above	1,213,267	549,908	1,763,175
	10,990,449	28,349,954	39,340,403

31 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,888,400	13,442,377	17,330,777
2 year	2,961,765	9,481,341	12,443,106
3 year	2,236,634	6,245,065	8,481,699
4 year	732,654	1,832,112	2,564,766
5 year and above	1,978,123	1,101,116	3,079,239
	11,797,576	32,102,011	43,899,587

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NOTE 13 – EMPLOYEE BENEFITS

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

	31 December 2024	31 December 2023
Short-term provisions		
Unused vacation provision	68,788	137,541
	68,788	137,541

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

	31 December 2024	31 December 2023
Long-term provisions		
Provision for employment termination benefit	129,105	130,562
	129,105	130,562

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:

	31 December 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.

Movement in the provision for severance pay during the period is as follows:

	2024	2023
Balance at 1 January	130,562	91,409
Service cost	21,216	75,412
Interest cost	44,311	37,541
Payment within the period	(25,348)	(14,819)
Actuarial loss	5,094	-
Monetary gain	(46,730)	(58,981)
Closing balance at 31 December	129,105	130,562

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NOTE 14 – OTHER ASSETS

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

	31 December 2024	31 December 2023
Other current assets		
Deferred VAT	3,758,830	2,059,531
Progress payments to contractors	868,862	3,552,826
Income accruals	165,203	514,384
Receivables from tax office	119,891	190,927
	4,912,786	6,317,668

NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

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

	31 December 2024	31 December 2023
Short-term deferred income		
Advances taken from turnkey project sales	31,055,154	27,333,715
Deferred income from LSRSA projects(*)	25,269,533	24,350,254
Advances taken from LSRSA contractors(**)	16,990,601	17,650,976
Advances received from related parties(Note 24)	4,510,624	5,077,835
Deferred income related to sales of independent units	1,217,877	533,809
	79,043,789	74,946,589

(*) 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.

The details of prepaid expenses as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Prepaid expenses		
Prepaid expenses	3,356	1,603
	3,356	1,603

The details of long-term deferred income as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Long-term deferred income		
Other advances received	4,738	6,841
	4,738	6,841

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NOTE 16 – SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TRY 3,800,000 (31 December 2023: TRY 3,800,000) and consists of 380,000,000,000 (31 December 2023: 380,000,000,000) authorized number of shares with a nominal value of TRY 0.01 each.

The Company's shareholders and their shareholding percentages as of 31 December 2024 and 2023 is as follows:

Shareholders	31 December 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		51,255,545		51,255,545
		55,055,545		55,055,545

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 .

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	77,476,728	51,255,545	(26,221,183)
Share premium	44,380,812	28,930,464	(15,450,348)
Restricted reserves appropriated from pi	11,925,171	8,674,199	(3,250,972)
		Inflation accounting before balance	Inflation accounting after balance
Retail earnings			
31 December 2024		19,356,966	(6,323,180)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 17 – REVENUE AND COST OF SALES

As of 31 December 2024 and 2023, the details of revenue and cost of sales are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Sales income		
Land sales	12,013,198	21,235,958
<i>Sales of planned lands by way of LSRSA</i>	8,172,233	6,727,810
<i>Land sales income</i>	3,840,965	14,508,148
Residential and commercial units sales	12,885,983	16,972,361
Consultancy income	6,442,209	2,063,649
Rent income	183,771	189,984
	31,525,161	40,461,952
Sales returns	(2,288)	(178,942)
Net sales income	31,522,873	40,283,010
Cost of sales		
Cost of lands	(9,068,763)	(12,851,424)
<i>Cost of lands planned by way of LSRSA</i>	(6,617,950)	(5,057,679)
<i>Cost of lands sold</i>	(2,450,813)	(7,793,745)
Cost of residential and commercial units sold	(12,772,172)	(15,386,130)
Consultancy cost	(3,117,776)	-
	(24,958,711)	(28,237,554)
Gross Profit	6,564,162	12,045,456

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

As of 31 December 2024 and 2023, the details of general administrative expenses are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
General administrative expenses		
Personnel expenses	(1,415,659)	(1,311,569)
Taxes, duties and fees	(260,022)	(543,972)
Security and cleaning expenses	(221,137)	(198,620)
Consultancy expenses	(171,956)	(500,089)
Depreciation and amortization	(126,433)	(112,116)
Travel expenses	(84,389)	(43,714)
Maintenance and repair expenses	(75,293)	(47,005)
Donations	(72,967)	(1,565,679)
Due and contribution expenses	(69,711)	(53,095)
Information technologies expenses	(40,510)	(37,590)
Insurance expenses	(22,876)	(28,612)
Lawsuit and notary expenses	(17,878)	(23,922)
Communication expenses	(9,213)	(6,741)
Other	(111,697)	(91,352)
	(2,699,741)	(4,564,076)

As of 31 December 2024 and 2023, the details of marketing and sales expenses are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Marketing and sales expenses		
Advertising expenses	(270,050)	(471,528)
Personnel expenses	(88,166)	(93,228)
Consultancy expenses	(41,158)	(41,198)
Other	(28,612)	(4,004)
	(427,986)	(609,958)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 19 –EXPENSES BY NATURE

As of 31 December 2024 and 2023, the details of expenses by nature are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Expenses from residential and commercial units sales	12,772,172	15,386,130
Land costs	9,068,763	12,851,424
Consultancy cost	3,117,776	-
Personnel expenses	1,503,825	1,404,797
Security and cleaning expenses	221,137	198,620
Advertising expenses	270,050	471,528
Taxes,duties and fees	260,022	543,972
Consultancy expenses	213,114	541,287
Depreciation and amortisation (Note 10,11)	126,433	112,116
Maintenance and repair expenses	75,293	47,005
Donations	72,967	1,565,679
Due and contribution expenses	69,711	53,095
Information technologies expenses	40,510	37,590
Insurance expenses	22,876	28,612
Lawsuit and notary expenses	17,878	23,922
Communication expenses	9,213	6,741
Other	224,698	139,070
	28,086,438	33,411,588

NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

As of 31 December 2024 and 2023, the details other operating income are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Other income from operating activities		
Impairment provisions released	6,075,219	738,122
Financial income from forward sales	1,605,507	544,529
Income from transfer commissions	294,436	355,557
Default interest income from projects	190,706	1,851,297
Other	562,513	111,455
	8,728,381	3,600,960

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES (Continued)

As of 31 December 2024 and 2023, the details other operating income are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Other expenses from operating activities		
Provision for impairment of land and residential inventories	(2,272,764)	(4,028,913)
Reversal of unaccrued financial expense, net	(1,636,413)	(911,013)
Provision for lawsuits (Note 12)	(163,781)	(15,401)
Other	(15,306)	(23,021)
	(4,088,264)	(4,978,348)

NOTE 21 – FINANCIAL INCOME/EXPENSES

As of 31 December 2024 and 2023, the details financial income and expenses are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Financial income		
Interest income from time deposits	2,196,209	4,864,574
Interest and update income	1,145,571	913,625
Foreign exchange gains	1,280	11,563
	3,343,060	5,789,762
Financial expenses		
Borrowings interest and lease certificate expenses	(1,980,830)	(1,891,571)
Foreign exchange losses	(2,543)	(2,126)
The Ministry of Environment, Urbanisation and Climate Change interest expenses (*)	-	(97,999)
Other	(26,799)	-
	(2,010,172)	(1,991,696)

(*) This amount consists of interest expense accrued as of 31 December 2023 for the Company's debt in return for the land purchased from The Ministry of Environment, Urbanisation and Climate Change. As of 31 December 2024, there is no outstanding balance of interest expenses.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 22 – TAX ASSETS AND LIABILITIES

a) Corporate Tax

Significant amendments have been made to the tax legislation for Real Estate Investment Trusts (REITs) and Real Estate Investment Funds (REIFs) in Türkiye, effective as of 1 January 2025. According to these amendments, profits earned until 31 December 2024, are subject to the existing regulations and are exempt from corporate tax. However, as of 1 January 2025, new conditions and taxation practices will apply to profits earned.

b) Current Tax Income/Expense

	1 January- 31 December 2024
Deferred tax income	6,952,627
Total tax income	6,952,627

c) Deferred Tax Income/Expense

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from discrepancies between its statutory financial statements prepared for tax purposes and its financial statements prepared in accordance with TFRS (Turkish Financial Reporting Standards). These differences generally result from the recognition of certain income and expense items in different periods for tax purposes and TFRS-based financial statements.

As detailed in Note 2.4, the corporate tax exemption granted to Real Estate Investment Trusts (REITs) under Article 5, paragraph d-4 of the Corporate Tax Law has been amended by Law No. 7524, dated 2 August 2024. Effective from 1 January 2025, this exemption is subject to the condition that at least 50% of the earnings derived from real estate assets must be distributed as dividends.

Since the decision to distribute dividends falls under the authority of the General Assembly, the tax rate used in the calculation of deferred tax assets and liabilities for 2024 is 30% (31 December 2023: 30%).

As of 31 December 2024, the breakdown of the Company's accumulated temporary differences and the related deferred tax assets and liabilities, calculated using the applicable tax rates, is as follows:

31 December 2024	Temporary differences	Deferred tax assets
Adjustments related to TFRS 9 expected credit loss	(3,355)	1,007
Adjustments related to discount	(2,818,241)	845,473
Adjustments Related to Inventory	(14,766,978)	4,430,094
Prepaid expense adjustments	277,469	(83,240)
Adjustments related to tangible assets	(93,155)	27,947
Adjustments Related to intangible assets	(139,341)	41,803
Adjustments related to investment properties	(1,351,328)	405,399
Adjustments related to deferred income	(3,687,155)	1,106,147
Adjustments related to provisions	(598,415)	179,525
Deferred tax assets		6,954,155

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 22 – TAX ASSETS AND LIABILITIES (Continued)

As of 31 December 2024, the deferred tax movement table is as follows:

	1 January- 31 December 2024
Opening balance at 1 January	-
Recognized in profit or loss statement	6,952,627
Recognized in other comprehensive income	1,528
Closing balance at 31 December	6,954,155

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 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.

	1 January- 31 December 2024	1 January- 31 December 2023
Net income attributable to equity holders of the parent in full TL	12,787,471	(5,505,929)
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291
Earnings per share in full TRY	0.3361	(0.1447)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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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.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
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 Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
11. Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi – Emlak Konut GYO A.Ş. ("İstmarina AVM Adi Ortaklığı")
12. Türkiye Emlak Katılım Bankası A.Ş.
13. T.C. Çevre ve Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü
14. İller Bankası A.Ş.
15. Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.
16. Emlak Basın Yayın A.Ş.
17. Büyükyalı Tesis Yönetimi A.Ş.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

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 31 December 2024, the Company has deposits amounting to TRY 5,446,566 in state banks (31 December 2023: TRY 12,050,075). Average effective interest rates of time deposits of the Company as of 31 December 2024 are explained in Note 3.

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

Trade receivables from related parties	31 December 2024	31 December 2023
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	5,118	5,437,793
İstmarina AVM Adi Ortaklığı	-	17,162
Büyükyalı Tesis Yönetim A.Ş.	-	3,191
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	-	379
	5,118	5,458,525

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

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.

Deferred income from related parties	31 December 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş. (*)	4,510,624	5,077,835
	4,510,624	5,077,835

(*) The Company has received for 29 commercial units sold to Türkiye Emlak Katılım Bankası A.Ş. includes amounts.

Deposits at related parties	31 December 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş.	1,644,520	64,864
	1,644,520	64,864

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	1 January- 31 December 2024	1 January- 31 December 2023
Purchases from related parties		
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı		
Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	35,422,907	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	3,288,890	18,723
Marmara Kentsel Dönüşüm Müdürlüğü	6,222,605	-
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	523,031	-
Emlak Basın Yayın A.Ş.	-	3,690
	45,457,433	22,413

	1 January- 31 December 2024	1 January- 31 December 2023
Sales to related parties		
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	3,994	-
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	3,773	-
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı		
Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	-	1,681,223
İller Bankası A.Ş.	-	-
GEDAŞ Gayrimenkul Değerleme A.Ş.	-	46,311
	7,767	1,727,534

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- 31 December 2024	1 January- 31 December 2023
Compensation to key management		
Salaries and other short-term benefits	63,479	57,809
	63,479	57,809

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NOTE 25 - EXPLANATIONS ON MONETARY POSITION GAINS/(LOSSES)

The monetary position gains (losses) reported in the statement of profit or loss arise from the monetary/non-monetary financial statement items listed below:

31 December 2024

Non-monetary items

Statement of financial position items

Inventories	32,037,998
Financial investments	1,266,686
Given advances	277,467
Investment properties, tangible and intangible assets	1,190,405
Deferred tax assets	223
Deferred income	(16,407,736)
Share premiums / discounts	(8,892,571)
Paid-in capital	(16,922,830)
Treasury shares (-)	19,871
Restricted reserves appropriated from profit	(2,666,253)
Gain / (loss) arising from defined benefit plans	520
Other equity items	534,592
Retained earnings / accumulated losses	1,943,602

Statement of profit or loss items

Revenue	(9,139,009)
Cost of sales (-)	13,280,849
General administrative expenses (-)	290,547
Marketing expenses (-)	41,915
Other income from main operations	(158,756)
Other expenses from main operations (-)	67,213
Expenses from investing activities (-)	2
Finance income	(504,697)
Finance costs (-)	165,541

Monetary loss	(3,574,421)
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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Liquidity Risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity.

The Company management monitors the undiscounted estimated cash flows arising from the financial liabilities and trade payables of the Company with special reporting methods and analysis.

As of 31 December 2024 and 2023, the total expected cash outflows for financial liabilities based on their contractual payment schedules are as follows:

31 December 2024	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities (Non-derivative):					
Financial liabilities	12,902,139	14,202,945	2,345,300	11,857,645	-
Trade payables	7,997,331	7,997,331	7,997,331	-	-
Other payables	2,903,136	2,903,136	2,903,136	-	-
	23,802,606	25,103,412	13,245,767	11,857,645	-
Long-term financial liabilities (Non-derivative):					
Trade payables	369,224	369,224	-	-	369,224
Other payables	472,574	472,574	-	-	472,574
	841,798	841,798	-	-	841,798
31 December 2023	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities (Non-derivative):					
Financial liabilities	4,529,810	4,666,932	2,150,006	2,516,926	-
Trade payables	5,525,946	5,525,946	5,525,946	-	-
Other payables	1,622,250	1,622,250	1,622,250	-	-
	11,678,006	11,815,128	9,298,202	2,516,926	-
Long-term financial liabilities (Non-derivative):					
Financial liabilities	1,823,979	1,823,979	-	-	1,823,979
Trade payables	533,485	533,485	-	-	533,485
Other payables	303,595	303,595	-	-	303,595
	2,661,059	2,661,059	-	-	2,661,059

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk

The Company is vulnerable to interest rate arising from the change of interest rates due to its interest earning asset and interest-paid liabilities. This risk is managed through on-balance sheet method by balancing the amount and maturity of interest rate sensitive assets and liabilities. In this context, great importance is attached to the fact that not only the due dates of receivables and payables, but also the periods of interest renewal are similar.

The average effective annual interest rates for balance sheet items at 31 December 2024 and 2023 are as follows:

	31 December 2024 (%)	31 December 2023 (%)
Current assets		
Cash and cash equivalents	46.34	40.58
Trade receivables	16.75	15.25
Current liabilities		
Financial liabilities	24.55	18.83
Non-current liabilities		
Financial liabilities	00.00	14.74

The Company's interest rate-sensitive financial instruments are as follows:

	31 December 2024	31 December 2023
Financial instruments with fixed interest rate		
Time deposits	5,636,162	21,304,679
Financial liabilities	12,902,139	6,353,789
Financial instruments with floating interest rate		
Financial liabilities	-	-

Credit Risk Disclosures

The Company is subject to credit risk arising from trade receivables related to forward sales, other receivables and deposits at banks.

The Company manages credit risk of bank deposits by working mainly with state banks established in Turkey and having long standing relations with the Company. Majority of bank deposits in this regard are with the state owned retail banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (letter of guarantee, etc.),
- Mortgage on real estate,
- Retain the legal title to the goods solely to protect the collectability of the amount due.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit Risk Disclosures (Continued)

For customers that are not secured by guarantees, individual limits are determined as a result of the evaluation of the credit quality of the customer by taking into account the financial position of the customer, past experiences and other factors and the use of these credit limits is continuously monitored. is being monitored.

31 December 2024	Trade Receivables		Other Receivables		Deposits at Banks
	Related Party	Other	Related Party	Other	
Maximum credit risks exposed as of reporting date	5,118	9,486,399	-	927,239	5,777,489
Secured portion of the maximum credit risk by guarantees, etc,	5,118	9,486,399	-	927,239	5,777,489
A. Net carrying value of financial assets that are neither past due nor impaired	5,118	9,486,399	-	927,239	5,777,489
Secured portion by guarantees etc.	5,118	9,486,399	-	927,239	-
B. Net carrying value of assets with negotiated terms					
Secured portion by guarantees etc.	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-
Past due (Gross carrying value)	-	1,696	-	-	-
Impairment (-)	-	(1,696)	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit Risk Disclosures (Continued)

31 December 2023	Trade Receivables		Other Receivables		Deposits at Banks
	Related Party	Other	Related Party	Other	
Maximum credit risks exposed as of reporting date	5,458,525	12,003,573	-	1,313,828	21,328,578
Secured portion of the maximum credit risk by guarantees, etc.,	5,458,525	12,003,573	-	1,313,828	21,328,578
A. Net carrying value of financial assets that are neither past due nor impaired	5,458,525	12,003,573	-	1,313,828	21,328,578
Secured portion by guarantees etc.	5,458,525	12,003,573	-	1,313,828	-
B. Net carrying value of assets with negotiated terms					
Secured portion by guarantees etc.	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-
Past due (Gross carrying value)	-	2,652	-	-	-
Impairment (-)	-	(2,652)	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-

Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality. There is no any impairment on the Company's asset that subject to credit risk of financial activities. In addition, the Company does not have any items that include off-balance credit risk and assets that are overdue but not impaired.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk

The Company is subject to the foreign currency risk due to the foreign currency deposits in the bank deposit account. Since the Company does not use foreign currency in its main operations, the foreign currency risk is only originated from deposits of the Company.

Foreign Currency Position

Foreign currency denominated assets, liabilities and effects arising from foreign exchanges arising from having off-balance sheet items constitute exchange rate risk.

As of 31 December 2024 the Company's foreign currency assets and liabilities did not need to be balanced with any off-balance sheet items.

The table below summarizes the Company's foreign currency position of the Company as of 31 December 2024 and 2023. TRY equivalents of carrying values of assets and liabilities denominated in foreign currencies are as follows:

	31 December 2024		
	TL Equivalent (Functional currency)	US Dollar	EURO
1a. Monetary Financial Assets	10,235	177	109
2.CURRENT ASSETS	10,235	177	109
3. TOTAL ASSETS	10,235	177	109
4a. Monetary Other Liabilities	-	-	-
5. CURRENT LIABILITIES	-	-	-
6.TOTAL LIABILITIES	-	-	-
7.Net foreign currency asset / liability position	10,235	177	109
8. Monetary items net foreign currency asset / liability position (1a-4a)	10,235	177	109

	31 December 2023		
	TL Equivalent (Functional currency)	US Dollar	EURO
1a. Monetary Financial Assets	12,701	304	1
2.CURRENT ASSETS	12,701	304	1
3. TOTAL ASSETS	12,701	304	1
4a. Monetary Other Liabilities	-	-	-
5. CURRENT LIABILITIES	-	-	-
6.TOTAL LIABILITIES	-	-	-
7.Net foreign currency asset / liability position	12,701	304	1
8. Monetary items net foreign currency asset / liability position (1a-4a)	12,701	304	1

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital Risk Management

The Company attempts to manage its capital by minimizing the investment risk with portfolio diversification. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

While managing the capital, the Company's objectives are to maintain the Company's operability in order to maintain the most appropriate capital structure in order to provide benefits to its shareholders, benefit from other stakeholders and reduce the cost of capital.

Gearing ratio as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Financial Liabilities	12,902,139	6,353,789
Less: Cash and cash equivalents	(7,906,893)	(22,030,591)
Net Liability/(Asset)	4,995,246	(15,676,802)
Total Shareholder's Equity	97,317,081	84,533,176
Total Capital	102,312,327	68,856,374
Net liability (asset)/Total Capital Ratio	0.05	(0.23)

NOTE 27 – FINANCIAL INSTRUMENTS

	31 December 2024		31 December 2023		
	Net book Value	Fair value	Net book Value	Fair value	Note
<u>Financial assets</u>					
Cash and cash equivalents	7,906,893	7,906,893	22,030,591	22,030,591	3
Trade receivables	9,486,399	9,486,399	12,003,573	12,003,573	6
Due from related parties	5,118	5,118	5,458,525	5,458,525	24
Other receivables	927,239	927,239	1,313,828	1,313,828	7
Total financial assets	22,446,596	22,446,596	44,927,464	44,927,464	
<u>Financial liabilities</u>					
Borrowings	12,902,139	12,902,139	6,353,789	6,353,789	5
Trade payables	8,366,555	8,366,555	6,059,431	6,059,431	6
Other payables	3,375,710	3,375,710	1,925,845	1,925,845	7
Total financial liabilities	24,644,404	24,644,404	14,339,065	14,339,065	
Net	(2,197,808)	(2,197,808)	30,588,399	30,588,399	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 27 – FINANCIAL INSTRUMENTS (Continued)

Fair Value of Financial Instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The Company has determined the estimated fair values of financial instruments using current market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgment. As a result, the estimations presented here cannot be an indication of the amounts that the Company can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments that are practically possible to estimate fair values:

Financial Assets:

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade and other receivables are expected to reflect the fair value along with the relevant impairment provisions.

It is estimated that the fair values of the foreign currency balances converted with the exchange rates at the end of the period are close to their carrying values.

Financial Liabilities:

The Company's borrowing from the Treasury in order to finance HAS payments are calculated at each interest payment period based on the weighted average compound interest rate of the Government Debt Securities. Therefore, the carrying value of this financial borrowing of the Company approximate their fair value.

Short-term trade payables and other liabilities with no stated interest rate are measured at original invoice amount. Since, these trade payables and other liabilities will be paid when requested they are considered as short-term.

It is anticipated that there is no significant difference between the cost values and fair values of the borrowings with floating interest rates including its accruals for the regarding period.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

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NOTE 28 - COMMITMENTS

Company's mortgage and guarantees received as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Guarantees received (*)	47,658,762	34,774,088
Mortgages received (**)	670,005	1,085,962
	48,328,767	35,860,050

(*) 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 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
A. Total amount of CPM given on behalf of the Company's own legal entity	165,113	214,212
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	-	-
	165,113	214,212

NOTE 29 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees for the services received by the Company from the Independent Audit Firm (IAF) in the periods of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	2024			2023		
	BDK	Other BDK	Total	BDK	Other BDK	Total
Independent audit fee for the reporting period	2,634	-	2,634	1,515	-	1,515
Fees for tax advisory services	-	1,820	1,820	-	1,917	1,917
	2,634	1,820	4,454	1,515	1,917	3,432

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

NOTE 30 – EVENTS AFTER THE REPORTING PERIOD

Our Company has signed a protocol with the Republic of Turkey Ministry of Environment, Urbanization, and Climate Change Mass Housing Administration (TOKİ) for the purchase of the real estate located in Istanbul, Esenler district, Atışalanı neighborhood, parcel number 1692/2, for a total price of 6,884,300 TL (VAT exempt). This protocol has been executed in line with our strategy to expand our portfolio and develop our areas of operation.

In the scope of developing our Istanbul Esenler Atışalanı Phase 1 revenue-sharing land sale project, it has been decided to enter into a partnership based on the Musharakah principles with Türkiye Emlak Katılım Bankası A.Ş. This collaboration represents a strategic step towards diversifying financial resources and expanding our investment portfolio. Under the Musharakah model, the project's revenues and expenses will be shared equally between the parties.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2024, unless otherwise stated.)

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Unconsolidated (Separate) Financial Statement Main Account Items	Related Regulation	31 December 2024	31 December 2023
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	6,268,468	20,591,036
B	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a)	171,305,359	125,061,497
İŞ	Subsidiaries	Series: III-No.48, Art.24/(b)	4,120,947	4,120,947
	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
DV	Other Assets		19,913,653	24,682,179
D	Total Assets (Total Assets)		201,608,427	174,455,659
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	12,902,139	6,353,789
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		97,317,081	84,533,176
EB	Other Resources		91,389,207	83,568,694
D	Total Resources	Series: III-No.48, Art.3/(k)	201,608,427	174,455,659
	Non-Consolidated (Standalone) Other Financial Information	Related Regulation	31 December 2024	31 December 2023
	The Portion of Money and Capital Market Instruments Held for 3-			
A1	Year Real Estate Payments	Series: III-No.48, Art.24/(b)	6,268,468	20,591,036
A2	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	7,906,893	22,030,591
A3	Foreign Capital Market Instruments	Series: III-No.48, Art.24/(d)	-	-
	Foreign Properties, Projects based on properties and rights based on Properties	Series: III-No.48, Art.24/(d)	-	-
B1	Idle Land	Series: III-No.48, Art.24/(c)	14,900,885	14,517,117
C1	Foreign Subsidiaries	Series: III-No.48, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	4,393,955	1,513,090
J	Non-Cash Loans	Series: III-No.48, Art.31	165,113	214,212
K	Mortgage amount of servient lands which will be developed and not owned	Series: III-No.48, Art.22/(e)		

	Portfolio Restrictions	Related Regulation	31 December 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 Properties	Series: III-No.48, Art.24/(a),(b)	88%	83%
2	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 on Properties,			
3	Subsidiaries, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
4	Idle Land	Series: III-No.48, Art.24/(c)	7%	8%
5	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	2%	1%
6	Borrowing Limit	Series: III-No.48, Art.31	13%	8%
7	Term / Demand / Currency	Series: III-No.48, Art.22/(e)	1%	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.

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