

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024

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

		Unaudited 31 March 2024	Audited 31 December 2023
	Notes		
ASSETS			
Current assets		126,959,959	127,603,024
Cash and cash equivalents	3	4,676,839	17,557,426
Trade receivables	6	6,233,180	8,755,422
<i>Trade receivables due from related parties</i>	24	2,856,282	4,350,208
<i>Trade receivables due from third parties</i>		3,376,898	4,405,214
Other receivables	7	361,703	1,045,897
<i>Other receivables due from third parties</i>		361,703	1,045,897
Inventories	8	98,011,982	93,844,787
Prepaid expenses		15,679,503	3,952,180
<i>Prepaid expenses to related parties</i>	24	12,118,562	-
<i>Prepaid expenses to third parties</i>	15	3,560,941	3,952,180
Other current assets	14	1,996,752	2,447,312
Non-current assets		9,867,933	11,430,574
Trade receivables	6	3,613,822	5,161,113
<i>Trade receivables due from third parties</i>		3,613,822	5,161,113
Other receivables	7	1,014	1,167
Financial investments	4	3,284,216	3,284,216
<i>Investments in subsidiaries, joint operations and associates</i>		3,284,216	3,284,216
Investment properties	9	2,493,020	2,501,299
Property, plant and equipment	10	469,810	475,126
Intangible assets	11	6,051	7,653
Total assets		136,827,892	139,033,598

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024**

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

		<i>Unaudited</i> 31 March 2024	<i>Audited</i> 31 December 2023
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		67,842,786	69,434,068
Short-term borrowings	5	841,325	1,099,762
Short-term portions of long-term borrowings	5	2,285,043	2,510,300
Trade payables	6	2,732,366	4,403,939
<i>Trade payables due to related parties</i>	24	218,210	-
<i>Trade payables due to third parties</i>		2,514,156	4,403,939
Other payables	7	1,561,489	1,292,863
<i>Other payables to third parties</i>		1,561,489	1,292,863
Deferred income	15	60,087,965	59,729,183
<i>Deferred income from related parties</i>	24	3,594,990	4,046,814
<i>Deferred income from third parties</i>		56,492,975	55,682,369
Short-term provisions		334,598	398,021
<i>Short-term provisions for employee benefits</i>	13	83,646	109,614
<i>Other short-term provisions</i>	12	250,952	288,407
Non-current liabilities		1,359,174	2,230,253
Long-term borrowings	5	591,986	1,453,632
Trade payables		369,086	425,165
<i>Trade payables to third parties</i>	6	369,086	425,165
Other payables		301,049	241,952
<i>Other payables to third parties</i>	7	301,049	241,952
Deferred income	15	4,738	5,452
<i>Deferred income from third parties</i>		4,738	5,452
Long-term provisions		92,315	104,052
<i>Long-term provisions for employee benefits</i>	13	92,315	104,052
Shareholders' equity		67,625,932	67,369,277
Paid-in capital	16	3,800,000	3,800,000
Adjustment to share capital		40,076,884	40,076,884
Treasury shares (-)		(51,522)	(51,522)
Share premium (discounts)		23,056,326	23,056,326
Other equity shares		(1,386,071)	(1,386,071)
Restricted reserves appropriated from profit		6,912,960	6,912,960
Retained earnings		(5,039,300)	(651,314)
Net profit for the period		256,655	(4,387,986)
Total liabilities and equity		136,827,892	139,033,598

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY - 31 MARCH 2024 AND 2023

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

	Notes	Unaudited 1 January- 31 March 2024	Unaudited 1 January- 31 March 2023
Profit or loss			
Revenue	17	2,106,977	9,171,729
Cost of sales (-)	17	(1,293,706)	(7,300,682)
Gross profit		813,271	1,871,047
General administrative expenses (-)	18	(427,236)	(1,805,666)
Marketing expenses (-)	18	(68,920)	(83,788)
Other income from operating activities	20	602,560	286,767
Other expenses from operating activities (-)	20	(119,432)	(1,844,035)
Operating profit		800,243	(1,575,675)
Income from investing activities		-	-
Operating profit before financial income / (expense)		800,243	(1,575,675)
Financial income	21	1,019,072	451,903
Financial expenses (-)	21	(288,562)	(440,043)
Monetary gain/(loss)		(1,274,098)	(1,483,122)
Profit for the period		256,655	(3,046,937)
Other comprehensive income		-	-
Items that will be reclassified to profit or loss			
Actuarial gains/losses related to employee benefit liabilities		-	-
Total comprehensive income		256,655	(3,046,937)
Earnings per share (in full TL)		0.0007	(0.0080)

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE FINANCIAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY – 31 MARCH 2024 AND 2023

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

	Other Accumulated Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss									
	Share capital	Adjustment to Share capital	Treasury shares	Share premium/ discounts	Other Equity Shares	Restricted reserves appropriated from profit	Gain/loss on revaluation and remeasurement	Prior years' profit	Net profit for the period	Total equity
1 January 2023	3,800,000	37,474,059	(2,602,035)	23,056,326	-	6,742,592	-	-556,947	1,515,852	69,429,847
Transfers	-	-	-	-	-	170,368	-	1,345,484	(1,515,852)	-
Dividend	-	-	-	-	-	-	-	(1,465,163)	-	(1,465,163)
(Increase)/decrease due to share repurchase transactions(*)	-	-	(340,561)	-	-	-	-	-	-	(340,561)
Increase (decrease) due to share based transactions	-	-	-	-	51,028	-	-	-	-	51,028
Total comprehensive income	-	-	-	-	-	-	-	-	(3,046,937)	(3,046,937)
31 March 2023	3,800,000	37,474,059	(2,942,597)	23,056,326	-	6,912,960	-	(676,626)	(3,046,937)	64,628,213
1 January 2024	3,800,000		(51,522)	23,056,326	-1,386,071	6,912,960	-	(651,314)	(4,387,986)	67,369,277
Transfers	-		-	-	-	-	-	(4,387,986)	4,387,986	-
Total comprehensive income	-		-	-	-	-	-	-	256,655	256,655
31 March 2024	3,800,000		(51,522)	23,056,326	(1,386,071)	6,912,960	-	(5,039,300)	256,655	67,625,932

(*) 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.

INTERIM STANDALONE FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY - 31 MARCH 2024 AND 2023

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

	Notes	Unaudited 1 January- 31 March 2024	Unaudited 1 January- 31 March 2023
Cash flows from operating activities			
Profit for the period		256,655	(3,046,937)
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	9, 10, 11	27,562	21,302
Adjustments related to (reversal of) impairments (net)		220,189	861,305
Adjustments related to impairment loss (reversal of) / cost provision of inventories (net)	8	220,189	861,305
Adjustments related to provisions		(22,611)	43,239
Adjustments related to (reversal of) provisions related with employee benefits		(9,238)	13,972
Adjustments related to (reversal of) lawsuit and/or penalty provisions	12, 20	321	26,934
Adjustments related to (reversal of) provisions for possible risks	18	(13,276)	219
Adjustments for (reversal of) other provisions	6	(418)	2,114
Adjustments related to interest (income) and expenses		(904,544)	(290,519)
Adjustments related to interest income	20, 21	(1,192,998)	(730,367)
Adjustments related to interest expense	20, 21	288,454	439,848
Monetary gain/(loss)		2,574,555	1,411,541
Net cash from operations before changes in assets and liabilities		2,151,806	(1,000,069)
Changes in net working capital:			
Adjustments related to (increase)/decrease in trade receivables		2,395,627	(305,808)
Decrease (increase) in trade receivables from related parties		984,645	(83)
Decrease (Increase) in trade receivables from third parties		1,410,982	(305,725)
Adjustments related to decrease/(increase) in inventories		(4,387,384)	404,375
Adjustments related to increase/(decrease) in trade payables		(894,624)	(1,607,623)
Increase (decrease) in trade payables to related parties		504,622	(1,343,463)
Increase (decrease) in trade payables to third parties		(1,399,246)	(264,160)
Adjustments related to (decrease) in other receivables from operating activities		(10,627,983)	(812,726)
Adjustments related to increase (decrease) in other payables from operating activities		921,881	6,768,481
Other adjustments related to other increase in working capital		(76,629)	(298,244)
Net cash flows from operating activities			
Interest received		124,230	124,830
Payments related with provisions for employee benefits		(1,129)	-
Cash flows from operating activities		(10,394,205)	3,273,216
Cash outflows arising from capital increase of subsidiaries		-	(1,034)
Purchases of investment properties, property, plant and equipment and intangible assets		(12,365)	(19,883)
Cash flows from investing activities		(12,365)	(20,917)
Cash outflow from purchasing own shares		-	(289,534)
Proceeds from borrowings		778,000	3,875,710
Proceeds from loans		-	1,947,593
Proceeds from issue of debt instruments		778,000	1,928,117
Repayments of borrowings		(1,489,143)	(1,304,390)
Loan repayments		(589,143)	(269,952)
Payments of issued debt instruments		(900,000)	(1,034,438)
Interest paid		(246,932)	(364,764)
Dividends paid		-	(1,465,163)
Interest received		745,976	447,578
Cash flow from financing activities		(212,099)	899,437
Inflation effect on cash and cash equivalents		(2,148,346)	(1,286,652)
Net (decrease) increase in cash and cash equivalents		(12,767,015)	2,865,084
Cash and cash equivalents at the beginning of the period	3	16,410,163	9,828,107
Cash and cash equivalents at the end of the period	3	3,643,148	12,693,191

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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

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

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

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

The registered address of the Company is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 31 March 2024, the number of employees of the Company is 475 (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 March 2024 have been approved by the Board of Directors on 14 June 2024.

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

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 MARCH 2024**

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

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

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

2.1. Basis of Presentation

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

The standalone financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 4 October 2022 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 Consolidated Financial Statements in Hyperinflation Periods

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

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

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TSI"). As at 31 March 2024, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.03.2024	2,139.47	1.00000	211%
31.12.2023	1,859.38	1.15063	268%
31.03.2023	1,296.75	1.68495	152%

Procedure of TAS 29 is presented below:

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

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

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

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 MARCH 2024**

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

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

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

Impact of TAS 29 is summarized below:

i. Restatement of Financial Statements

Accounts that are not presented in terms of unit of measurement effective at the end of period within financial statements are restated. In relation to this, monetary accounts are not restated because they are presented in terms of unit of measurement effective at the end of period. Non-monetary accounts are required to be restated unless they are presented by their current value at the end of reporting period.

Net monetary profit or loss resulting from restatement of non-monetary accounts are included in income statement and they are also presented in other comprehensive income statement.

ii. Restatement of Income Statement

All accounts of income statement are presented by the unit of measurement at the end period. Therefore, all accounts are restated by applying monthly price index changes.

Cost of sales is restated with adjusted inventory balances.

Depreciation and amortization expenses, property, plant and equipment, intangible assets, investment property using the restated balances of real estate and right-of-use assets has been corrected.

iii. Restatement of Cash Flow

All accounts of income statement are presented by the unit of measurement at the end period.

iv. Consolidated Financial Statements

A subsidiary's financial statements whose functional currency is a currency of a hyperinflation economy need to be restated before integrated into parent company's consolidated financial statements based on price correlations. If the subsidiary is based in a foreign economy, restatement is made by closing foreign exchange (FX) rates.

v. Comparative Balances

Balances of previous periods are restated with price correlations in order to present them in terms of unit of measurement effective at the end of period.

vi. Comparative Information and Restatement of Previous Periods' Consolidated Financial Statements

Company's financial statements are prepared comparatively to previous periods in order to detect financial position and performance trends. If necessary, comparative information is restated and material differences are explained in order to establish compliance with the presentation of current period consolidated financial statements.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

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

2.2. New and Revised Turkish Financial Reporting Standards

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

- **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.
- **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.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.
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However, the POA's Board Decision published in the Official Gazette dated 29 December 2023 announced that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024. 5 January 2024 dated "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" for the purpose of Determining the Entities that will be subject to Sustainability Reporting.

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 MARCH 2024**

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

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

2.6. 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 March 2024

- **Amendment to TFRS 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 TFRS 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.
- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide range of applications. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

On the other hand, the implementation date of TFRS 17 has been postponed to 1 January 2025 by POA.

- **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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 3 – CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash on hand	58	5
Banks	4,074,558	16,997,952
- Demand deposit	49,173	19,046
- Time deposits with maturities less than 3 months	4,025,385	16,978,906
Other cash and cash equivalents	602,223	559,469
	4,676,839	17,557,426

Maturities of cash and cash flows are as follows:

	31 March 2024	31 December 2023
Demand	49,173	19,046
Up to 3 month	4,025,385	16,978,906
	4,074,558	16,997,952

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

	31 March 2024	31 December 2023
	(%)	(%)
Effective interest rate	47.14	40.58

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

	31 March 2024	31 December 2023
Cash and cash equivalents	4,676,839	17,557,426
Less: Interest accruals on deposits	(72,185)	(138,040)
Less: LSRSA project deposits (*)	(965,661)	(1,028,345)
Add: the effect of provisions released under TFRS 9	4,155	19,122
	3,643,148	16,410,163

(*) 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 TRY965,661 (31 December 2023: TRY1,028,345).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 4 – FINANCIAL INVESTMENTS

Subsidiaries

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

	31 March 2024		31 December 2023	
	Share (%)	TRY	Share (%)	TRY
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	2,480,035	100	2,480,035
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	798,353	100	798,353
Total		3,278,388		3,278,388

Interests in Joint Ventures

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

	31 March 2024		31 December 2023	
	Share (%)	TRY	Share (%)	TRY
Merkez Cadde Yönetim A.Ş.	30	1,034	30	1,034
Büyükyalı Tesis Yönetim A.Ş.	37	191	37	191
İstmarina AVM Adi Ortaklığı	40	4,603	40	4,603
Total		5,828		5,828

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 5 – FINANCIAL LIABILITIES

	31 March 2024	31 December 2023
Short-term financial liabilities		
Short-term bank borrowings	63,325	64,189
Issued debt instruments (*)	778,000	1,035,573
Short-term portion of long-term borrowings	2,285,043	2,510,300
	3,126,368	3,610,062

	31 March 2024	31 December 2023
Long-term financial liabilities		
Long-term borrowings	591,986	1,453,632
	591,986	1,453,632

Borrowings used as of 31 March 2024 are denominated in TRY and the weighted average interest rate is 22.57% (31 December 2023: 20.66%).

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

	31 March 2024	31 December 2023
2025	591,986	1,453,632
	591,986	1,453,632

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

	31 March 2024	31 December 2023
Less than 3 months	778,000	1,035,573
Between 3 - 12 months	1,570,368	1,538,917
Between 1 - 5 years	591,986	1,453,631
	2,940,354	4,028,121

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

	31 March 2024	31 December 2023
Short-term trade receivables		
Receivables from lessees (Note 24)	2,856,282	4,350,208
Receivables from sale of residential and commercial units	2,134,977	2,159,163
Receivables from contractors of the lands invoiced	358,238	1,613,735
Receivables from land sales	1,257,723	939,723
Receivables from related parties	40,020	30,592
Other	4,114	9,864
Unearned finance income	(418,174)	(347,863)
	6,233,180	8,755,422
Doubtful receivables	1,696	2,114
Less: Provision for doubtful receivables	(1,696)	(2,114)
	6,233,180	8,755,422
	31 March 2024	31 December 2023
Long-term trade receivables		
Receivables from sale of residential and commercial units	3,892,014	4,627,853
Receivables from land sales	814,051	1,675,417
Unearned finance income	(1,092,243)	(1,142,157)
	3,613,822	5,161,113
	31 March 2024	31 December 2023
Short-term trade payables		
Trade payables	1,320,420	2,614,197
Payables to contractors according to revenue sharing basis	918,147	1,063,054
Interest accruals on time deposits of contractors (*)	275,589	726,688
Payables to related parties (Note 24)	218,210	-
	2,732,366	4,403,939
	31 March 2024	31 December 2023
Long-term trade payables		
Trade payables	369,086	425,165
	369,086	425,165

(*) 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	31 March 2024	31 December 2023
Short-term other receivables		
Advances given to contractor firms	317,712	620,742
Receivables from the authorities	41,709	32,214
Other	2,282	392,941
	361,703	1,045,897
	31 March 2024	31 December 2023
Long-term other receivables		
Deposits and guarantees given	1,014	1,167
	1,014	1,167
	31 March 2024	31 December 2023
Short-term other payables		
Taxes and funds payable	1,387,734	1,205,012
Payables to shareholders	66	76.00
Other	173,689	87,775
	1,561,489	1,292,863

As of 31 March 2024, other long-term payables are amount to TRY301,049 and consist of deposits and guarantees received (31 December 2023: TRY241,952).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 8 – INVENTORIES

	31 March 2024	31 December 2023
Lands	22,549,106	20,544,782
<i>Cost</i>	28,955,170	27,115,331
<i>Impairment</i>	(6,406,064)	(6,570,549)
Planned land by LSRSA	38,689,459	38,762,246
Planned land by turnkey project	27,406,861	24,758,411
<i>Planned land by turnkey project</i>	33,398,143	30,344,448
<i>Impairment (*)</i>	(5,991,282)	(5,586,037)
Residential and commercial units ready for sale	9,366,556	9,779,348
<i>Cost</i>	10,666,478	11,099,841
<i>Impairment</i>	(1,299,922)	(1,320,493)
	98,011,982	93,844,787

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

The determination of the net realizable value of the Company's assets classified as "Inventories" and the calculation of the provision for impairment, if any, is based on the valuation reports prepared by Acar Taşınmaz Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme A.Ş. as of 31 Decembet 2024.

The movements of impairment on inventories are as follows:

	2024	2023
Opening balance at 1 January	13,477,079	19,923,206
Impairment on inventories within the current period	420,708	1,834,852
Reversal of impairment on inventories within the current period	(200,519)	(973,547)
Closing balance at 31 March	13,697,268	20,784,511

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 8 – INVENTORIES (Continued)

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

Lands	31 March 2024	31 December 2023
İstanbul Küçükçekmece Lands	5,741,927	5,741,927
İstanbul Avcılar Lands	4,286,455	3,314,973
İstanbul Esenler Lands	3,993,196	3,993,196
Muğla Bodrum Lands	3,897,658	4,192,702
Antalya Aksu Lands	801,243	-
İstanbul Başakşehir Lands	722,096	722,067
İstanbul Arnavutköy Lands	637,580	510,250
İstanbul Çekmeköy Lands	554,021	554,001
İstanbul Eyüp Lands	457,484	455,484
İstanbul Kartal Lands	424,419	103,132
İzmir Urla Lands	365,891	365,891
Muğla Milas Lands	170,000	170,000
İzmir Seferihisar Lands	120,730	136,092
İstanbul Şişli Lands	112,662	-
Tekirdağ Çorlu Lands	84,948	84,948
İstanbul Tuzla Lands	73,431	73,420
İzmir Konak Umurbey Lands	56,046	56,044
Ankara Çankaya Lands	24,094	24,093
Kocaeli Lands	13,571	17,406
İstanbul Sarıyer Lands	11,376	11,376
İstanbul Ataşehir Lands	89	-
Balıkesir Lands	-	15,042
İzmir Dikili Lands	-	2,499
Other	189	239
	22,549,106	20,544,782

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 8 - INVENTORIES (Continued)

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

Planned lands by LSRSA	31 March 2024	31 December 2023
Nidapark İstinye Project	5,233,542	5,236,437
Nişantaşı Koru Project	3,650,219	3,652,239
Bizim Mahalle 2. Etap 2. Kısım Project	2,912,622	2,914,363
Merkez Ankara Project	2,612,567	2,614,012
Nidapark Küçükyalı Project	2,573,503	2,574,927
Yeni Levent Project	1,846,486	1,847,508
Bizim Mahalle 2. Etap 1. Kısım Project	1,697,320	1,698,259
Çekmeköy Çınarköy Project	1,606,719	1,607,608
Meydan Başakşehir Project	1,521,441	1,522,283
Batıyakası 2. Etap Project	1,374,860	1,375,620
Next Level İstanbul Project	1,273,162	1,273,867
Beşiktaş Akat Project	1,230,295	1,226,186
Ümraniye İnkılap Project	1,161,045	1,161,688
İstanbul Kayabaşı 9. Etap Project	1,136,902	1,137,530
Başakşehir Ayazma 4. Etap Project	1,027,253	1,027,822
İstanbul Tuzla Merkez Project	1,015,697	1,016,259
Batıyakası 1. Etap Project	894,416	894,911
İstanbul Kayabaşı 8. Etap Project	770,089	770,515
İstanbul Eyüpsultan Kemerburgaz Project	741,767	742,178.00
Avcılar Firüzköy 1. Etap 2. Kısım Project	717,223	717,620
Avcılar Firüzköy 2. Etap Project	708,085	708,477
Avcılar Firüzköy 1. Etap 1. Kısım Project	658,115	658,479
Bodrum Türkbükü Project	534,022	534,317
Nezihpark Project	327,426	327,607
Antalya Aksu Project	286,894	287,053
Barbaros 48 Project	282,084	282,240
İstanbul Ataşehir Küçükbakkalköy Project	265,378	265,525
İstanbul Kayabaşı 10. Etap Project	247,942	248,078
Cer İstanbul Project	163,474	163,565
Ankara Çayyolu 2. Etap Project	139,290	139,367
Düşler Vadisi Project	30,458	84,682
Allsancak Project	32,017	32,035
Evora İzmir Project	17,146	17,154
İdealist Cadde Project	-	1,835
	38,689,459	38,762,246

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 8 - INVENTORIES (Continued)

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

Planned lands by turnkey project	31 March 2024	31 December 2023
Çekmeköy Çınarköy Project	16,309,777	14,740,743
Emlak Konut Vadi Evleri Project	2,885,807	2,429,292
Ankara Saraçoğlu Project	2,553,809	2,588,216
Bizim Mahalle Project	2,244,677	1,971,042
Balıkesir Altıeylül Project	1,246,708	1,010,705
İstanbul Avcılar Firuzköy Project	901,044	1,821,892
Arnavutköy Yenişehir Project	895,732	196,521
Ümraniye Kentsel Dönüşüm Project	369,307	-
	27,406,861	24,758,411

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 8 - INVENTORIES (Continued)

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

Residential and commercial units completed	31 March 2024	31 December 2023
Merkez Ankara Project	4,342,104	4,378,842
Kuzey Yakası Project	1,438,633	1,578,110
Maslak 1453 Project	1,112,375	1,114,428
Komşu Finans Houses	838,540	838,540
Bizim Mahalle 1. Etap 1. Kısım Project	381,478	448,916
Denizli Merkez Efendi İkmal İşİ Project	344,011	410,934
Sarphan Finanspark Project	314,210	346,819
Bizim Mahalle 1. Etap 2. Kısım Project	263,662	256,630
Semt Bahçekent 1. Etap 2. Kısım Project	74,179	74,179
Köy 2. Etap Project	64,400	64,400
Avangart İstanbul Project	32,806	-
Karat 34 Project	31,033	44,100
Nidapark İstinye Project	38,048	38,048
Büyükyalı Project	34,602	34,602
Metropol İstanbul Project	22,306	22,306
Evora Denizli Project	16,508	16,508
Kocaeli Körfezkent Emlak Konutları	9,205	9,205
Göl Panorama Project	3,522	3,522
Başakşehir Ayazma Emlak Konutları	3,435	3,435
Temaşehir Project	1,499	2,717
Emlak Konut Florya Houses	-	89,095
Ormanköy Project	-	4,012
	9,366,556	9,779,348

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

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 March 2024 and 2023 are as follows:

	Lands, residential and commercial	Atasehir general management building A block	Total
Cost Value			
Opening balance as of 1 January 2024	2,389,282	300,547	2,689,829
Transfers to commercial units and land inventories	-	-	-
Transfers from residential and commercial unit inventories	-	-	-
Closing balance as of 31 March 2024	2,389,282	300,547	2,689,829
Accumulated Depreciation (-)			
Opening balance as of 1 January 2024	145,156	43,374	188,530
Charge for the period	6,776	1,503	8,279
Closing balance as of 31 March 2024	151,932	44,877	196,809
Carrying value as of 31 March 2024	2,237,350	255,670	2,493,020

	Lands, residential and commercial	Atasehir general management building A block	Total
Cost Value			
Opening balance as of 1 January 2023	3,573,686	300,547	3,874,233
Transfers to commercial units and land inventories	(1,254,545)	-	(1,254,545)
Transfers from residential and commercial units inventories	7,355	-	7,355
Closing balance as of 31 March 2023	2,326,496	300,547	2,627,043
Accumulated Depreciation (-)			
Opening balance as of 1 January 2023	65,888	31,351	97,239
Charge for the period	10,818	1,503	12,321
Closing balance as of 31 March 2023	76,706	32,854	109,560
Carrying value as of 31 March 2023	2,249,790	267,693	2,517,483

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 9 – INVESTMENT PROPERTIES (Continued)

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

	31 March 2024	31 December 2023
Atasehir general management building A block	1,427,737	1,427,737
Independent commercial units of Büyükyalı AVM	2,103,342	2,103,342
Independent commercial units of Istmarina AVM	1,331,456	1,331,456
Lands, residential and commercial units	715,033	715,033
	5,577,568	5,577,568

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

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

31 March 2024	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net carrying value as of 1 January 2024	407,751	24,218	43,143	14	475,126
Additions	-	3,751	8,614	-	12,365
Depreciation expense (-)	(10,600)	(1,798)	(5,281)	(2)	(17,681)
Net carrying value 31 March 2024	397,151	26,171	46,476	12	469,810
Cost	477,221	56,024	261,340	28	794,612
Accumulated depreciation (-)	(80,070)	(29,853)	(214,864)	(16)	(324,802)
Net carrying value 31 March 2024	397,151	26,171	46,476	12	469,810

31 March 2023	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net carrying value as of 1 January 2023	418,881	6,653	30,536	22	456,092
Additions	-	13,278	6,605	-	19,883
Depreciation expense (-)	(2,394)	(864)	(3,516)	(2)	(6,776)
Net carrying value 31 March 2023	416,487	19,067	33,625	20	469,199
Cost	478,867	42,962	231,101	26	752,956
Accumulated depreciation (-)	(62,380)	(23,895)	(197,476)	(6)	(283,757)
Net carrying value 31 March 2023	416,487	19,067	33,625	20	469,199

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT (Continued)

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

NOTE 11 – INTANGIBLE ASSETS

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

	Licenses	Computer software	Total
31 March 2024			
Net carrying value as of 1 January 2024	6,723	930	7,653
Additions	-	-	-
Amortization expense (-)	(1,438)	(164)	(1,602)
Net carrying value 31 March 2024	5,285	766	6,051
Cost	92,641	28,222	120,863
Accumulated amortization (-)	(87,356)	(27,456)	(114,812)
Net carrying value 31 March 2024	5,285	766	6,051
31 March 2023			
Net carrying value as of 1 January 2023	13,400	1,586	14,986
Additions	-	-	-
Amortization expense (-)	(2,108)	(97)	(2,205)
Net carrying value 31 March 2023	11,292	1,489	12,781
Cost	91,144	28,222	119,366
Accumulated amortization (-)	(79,852)	(26,733)	(106,585)
Net carrying value 31 March 2023	11,292	1,489	12,781

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

	31 March 2024	31 December 2023
Provisions		
Provision for lawsuits	250,952	288,407
	250,952	288,407

According to the opinions of the Company's lawyers, the total litigation risk amount against the Company is TRY610,531 (31 December 2023: TRY695,141) and a provision for litigation amounting to TRY250,952 has been set aside as of 31 March 2024 (31 December 2023: TRY288,407). As of 31 March 2024, there are 1 deficiency lawsuit, 10 lawsuits for loss of rent, 7 lawsuits for cancellation and registration of deed, 2 labor lawsuits and 35 other miscellaneous lawsuits filed against the Company.

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

	2024	2023
Opening balance at 1 January	288,407	494,531
Provision added within the current period (Note 18)	321	26,934
Monetary loss/gain	(37,776)	(233,058)
Closing balance at 31 March	250,952	288,407

12.1 Continuing Lawsuits and Provisions

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

The contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. İzmir Karsiyaka Commercial Court of First Instance issued an expert report and determine that the level of work was at around 83%, and that the legal relationship of the parties were not related to construction right in return of the flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. As a result of the examination of the additional report at the hearing on 11 June 2014, the second expert committee was examined however, since the expert report was not received, the date of the case was not finalized. In addition, the file was transferred to the delegation, as the Commercial Courts turned into Delegation Judges. According to the various expert reports submitted to the file during the proceedings, the plaintiff has not recognized the value of the lawsuit and increased it to TRY76,161. As of 31 March 2024, a provision amounting to TRY139,770 has been provided including interest and legal expenses. The lawsuit has been partially accepted and partially rejected and the trial is ongoing.

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.2 The filed by the contractor firm is action of debt, deed cancellation and registration case. The decision of the contractor's contract was terminated unfairly, passing through degrees. Lawsuits filed by the company and amounting to TRY2,071 have been partially accepted and the decision was appealed by the parties, the trial is ongoing at the Istanbul 16th Commercial Court of First Instance. As of 31 March 2024 a provision amounting to TRY8,181 has been made including interest and litigation costs.

12.1.3 Within the scope of Revenue Sharing in Return for Riva Land Sale Tender for immovables parcel numbered 3201, 3202, 3203 located in Istanbul Province, Beykoz/Riva District as per the Article 14 of Bidding Specification of the aforementioned tender, bid bonds have been submitted to the client company by the Joint Venture, in the second session of the tender held on 15 June 2017, it was decided to leave the tender under the responsibility of the Joint Venture, which gave the most economically advantageous bid however, companies that have applied to the client company and invited for signature were requested to revise the terms and criteria of the tender, with the justification that the Planned Areas Type Zoning Regulation by the Ministry of Environment and Urbanization published on Official Gazette No. 30113 dated 3 July 2017 contains regulations that cause a significant reduction in the construction area subject to the tender, with the entry into force of the provisions of the said Regulation, the revision requests of the plaintiff companies were rejected on the grounds that there would be no change in the construction field based on the precedent and the Company gave a deadline until 15 August 2017 for the signing of the contract, as the client company did not come to sign the contract at the end of the period, the bid bonds submitted by the plaintiff companies within the scope of the Revenue Sharing in Return for Riva Land Sale Tender were registered as revenue and the tender was awarded to the non-litigated contractor who submitted the second most appropriate bid for the subject matter and there are pecuniary and non-pecuniary damages lawsuits filed on the grounds that the claimant's revision requests regarding the conditions and criteria of the aforementioned tender were rejected and that the recognition of the letters of guarantee as revenue was unfair. Provision amounting to TRY11,792 has been made including interest and litigation costs as of 31 March 2024.

12.1.4 This is a lawsuit filed by Şekerbank T.A.Ş. who has been assigned a receivable of TRY46,000, which has arisen and will arise from the Istanbul Ümraniye 1st Stage Revenue Sharing Work contractor Yeni Sarp-Özarak Ordinary Partnership's Emlak Konut GYO A.Ş. alleging that TRY34,135 of the assignment receivable remaining from the assignment has not been unfairly paid to him. At the same time with this lawsuit, the plaintiff requested to place a mortgage equal to the amount of the lawsuit to some of the immovables within the scope of the project in order to constitute the guarantee of the receivable subject to the lawsuit. On 15 October 2020, the court decided to reject the case. The plaintiff requested an appeal and the appeal court overturned the decision. As of 31 March 2024, a provision has been made in the amount of TRY72,915 including interest and litigation costs.

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

12.2 Contingent Liabilities of Emlak Konut

In the financial statements prepared as of 31 March 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 2023 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 Concerning the İzmir Mavisehir Upper North Area Phase 2 LSRSA project, a lawsuit was filed based on the assignments given by the contractor in favor of the complainant. The case is proceeding. According to the opinion of the company lawyer, no liability is expected to arise as a result of the related lawsuit.

12.3 Contingent Assets of Emlak Konut

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

31 March 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,392,700	8,592,643	11,985,343
2 year	1,728,529	5,840,654	7,569,183
3 year	955,346	3,889,741	4,845,087
4 year	597,232	1,250,995	1,848,227
5 year and above	1,424,958	491,011	1,915,969
	8,098,765	20,065,044	28,163,809

31 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,098,886	10,712,992	13,811,878
2 year	2,360,399	7,556,218	9,916,617
3 year	1,782,500	4,977,046	6,759,546
4 year	583,893	1,460,114	2,044,007
5 year and above	1,576,478	877,542	2,454,020
	9,402,156	25,583,912	34,986,068

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NOTE 13 – EMPLOYEE BENEFITS

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

	31 March 2024	31 December 2023
Short-term provisions		
Unused vacation provision	83,646	109,614
	83,646	109,614

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

	31 March 2024	31 December 2023
Long-term provisions		
Provision for employment termination benefit	92,315	104,052
	92,315	104,052

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 March 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.

If the discount rate is 1% lower, the severance pay liability will be TRY9,232 more.

Leaving the other assumptions the same, if the probability of leaving the job voluntarily is 1% higher, the severance pay liability will be TRY4,616 more.

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NOTE 14 – OTHER ASSETS

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

	31 March 2024	31 December 2023
Other current assets		
Deferred VAT	1,684,355	1,641,357
Income accruals	115,864	409,942
Progress payments to contractors	28,697	243,852
Receivables from tax office	167,836	152,161
	1,996,752	2,447,312

NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

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

	31 March 2024	31 December 2023
Short-term deferred income		
Advances taken from turnkey project sales	22,102,884	21,783,786
Deferred income from LSRSA projects(*)	20,288,563	19,406,097
Advances taken from LSRSA contractors(**)	13,839,938	14,067,063
Advances received from related parties(Note 24)	3,594,990	4,046,814
Deferred income related to sales of independent units	261,590	425,423
	60,087,965	59,729,183

(*) 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.

	31 March 2024	31 December 2023
Prepaid expenses		
Given inventory advances(*)	12,118,562	-
Inventory advances given	3,560,941	3,950,902
Prepaid expenses	-	1,278
	15,679,503	3,952,180

(*) It consists of the amount paid by the Company for 1.615 independent units purchased from Yeni Fikirtepe project, which was undertaken on behalf of the Ministry of Environment, Urbanization and Climate Change.

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NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES (Continued)

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

	31 March 2024	31 December 2023
Long-term deferred income		
Other advances received	4,738	5,452
	4,738	5,452

NOTE 16 – SHAREHOLDERS' EQUITY

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

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

Shareholders	31 March 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		40,076,884		40,076,884
		43,876,884		43,876,884

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

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

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

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

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NOTE 16 – SHAREHOLDERS' EQUITY (Continued)

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	67,266,564	40,076,884	(27,189,680)
Share premium	38,532,148	23,056,326	(15,475,822)
Restricted reserves appropriated from profit	10,353,629	6,912,960	(3,440,669)

NOTE 17 – REVENUE AND COST OF SALES

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

	1 January- 31 March 2024	1 January- 31 March 2023
Sales income		
Land sales	421,081	5,026,024
<i>Sales of planned lands by way of LSRSA</i>	79,292	1,015,134
<i>Land sales income</i>	341,789	4,010,890
Residential and commercial units sales	987,823	3,588,621
Consultancy income	672,806	513,545
Rent income	25,267	46,900
	2,106,977	9,175,090
Sales returns (-)	-	(3,361)
Net sales income	2,106,977	9,171,729
Cost of sales		
Cost of lands	(384,699)	(2,547,495)
<i>Cost of lands planned by way of LSRSA</i>	(75,328)	(951,711)
<i>Cost of lands sold</i>	(309,371)	(1,595,784)
Consulting costs	(274,703)	-
Cost of residential and commercial units sold	(634,304)	(4,753,187)
	(1,293,706)	(7,300,682)
Gross Profit	813,271	1,871,047

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

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

	1 January- 31 March 2024	1 January- 31 March 2023
General administrative expenses		
Personnel expenses	(261,506)	(162,954)
Security and cleaning expenses	(56,989)	(34,347)
Consultancy expenses	(32,043)	(127,792)
Depreciation and amortization	(27,562)	(21,302)
Due and contribution expenses	(16,535)	(10,576)
Travel expenses	(14,333)	(7,767)
Taxes, duties and fees	(7,048)	(168,571)
Maintenance and repair expenses	(4,344)	(7,332)
Communication expenses	(1,697)	(1,361)
Lawsuit and notary expenses	(1,606)	(2,636)
Insurance expenses	(1,350)	-
Donations	-	(1,246,957)
Information technologies expenses	-	(13,747)
Other	(2,223)	(324)
	(427,236)	(1,805,666)

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

	1 January- 31 March 2024	1 January- 31 March 2023
Marketing and sales expenses		
Advertising expenses	(44,375)	(63,500)
Personnel expenses	(14,171)	(12,509)
Consultancy expenses	(9,720)	(6,503)
Other	(654)	(1,276)
	(68,920)	(83,788)

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NOTE 19 –EXPENSES BY NATURE

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

	1 January - 31 March 2024	1 January - 31 March 2023
Expenses from residential and commercial units sales	634,304	4,753,187
Land costs	384,699	2,547,495
Personnel expenses	275,677	175,463
Consulting costs	274,703	-
Security and cleaning expenses	56,989	34,347
Advertising expenses	44,375	63,500
Consultancy expenses	41,763	134,295
Depreciation and amortisation (Note 9, 10, 11)	27,562	21,302
Due and contribution expenses	16,535	10,576
Taxes,duties and fees	7,048	168,571
Maintenance and repair expenses	4,344	7,332
Insurance expenses	1,350	-
Lawsuit and notary expenses	1,605	2,636
Communication expenses	1,697	1,361
Donations	-	1,246,957
Information processing expenses	-	13,747
Other	17,211	9,367
	1,789,862	9,190,136

NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

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

	1 January- 31 March 2024	1 January- 31 March 2023
Other income from operating activities		
Reversal of impairment of land and housing inventories	420,708	-
Financial income from forward sales	124,230	124,830
Income from transfer commissions	49,472	110,937
Default interest income from projects	1,125	47,022
Income from tender contract sales	-	1,110
Other	7,025	2,868
	602,560	-279,043

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

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

	1 January- 31 March 2024	1 January- 31 March 2023
Other expenses from operating activities		
Reversal of unaccrued financial expense, net	(110,106)	273,742
Provision for lawsuits (Note 12)	(321)	4,073
Provision for impairment of land and residential inventories	-	363,061
Other	(9,005)	(482)
	(9,326)	366,701

NOTE 21 – FINANCIAL INCOME/EXPENSES

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

	1 January- 31 March 2024	1 January- 31 March 2023
Financial income		
Interest income from time deposits	745,976	447,578
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest income (*)	272,195	-
Foreign exchange gains	901	4,325
	1,019,072	388,212
Financial expenses		
Borrowings interest and lease certificate expenses	(288,454)	(422,056)
Foreign exchange losses	(108)	(195)
Interest discount on pay off debt	-	(13,991)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expenses (*)	-	(3,801)
	(288,562)	(440,043)

(*) As of 31 March 2024, this amount consists of interest income accrued for the land acquired from the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey.

NOTE 22 – TAX ASSETS AND LIABILITIES

The company is exempt from Corporate Tax in accordance with the paragraph 4-d of Article 8 of the Corporate Tax Law. According to the paragraph 6-a of Article 94 of the Income Tax Law the earnings of real estate investment companies are subject to withholding and withholding tax rate is determined as "0" according to the Council of Ministers Decision, No: 93/5148.

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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 March 2024	1 January- 31 March 2023
Net income attributable to equity holders of the parent in full TL	256,655	(3,046,937)
Weighted average number of ordinary shares	3,804,550,291	3,938,879,862
Earnings per share in full TL	0.0007	(0.0077)

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.

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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 March 2024, the Company has deposits amounting to TRY3,930,624 in state banks (31 December 2023: TRY9,603,387). Average effective interest rates of time deposits of the Company as of 31 March 2024 are explained in Note 3.

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

Trade receivables from related parties	31 March 2024	31 December 2023
Çevre Şehircilik Bakanlığı	2,856,282	4,333,685
İstmarina AVM Adi Ortaklığı	-	13,678
Büyükyalı Tesis Yönetim A.Ş.	-	2,544
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	-	301.00
	2,856,282	16,523.00

(*) The Company's trade receivables from the Çevre ve Şehircilik Bakanlığı 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.

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

Deferred income from related parties	31 March 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş. (*)	3,594,990	4,046,814
	3,594,990	4,046,814

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

Deposits at related parties	31 March 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş.	44,926	51,693
	44,926	51,693

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

Prepaid expenses to related parties	31 March 2024	31 December 2023
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	12,118,562	-
	12,118,562	-
Financial income from related parties	31 March 2024	31 December 2023
T.C. Çevre ve Şehircilik Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	272,195	-
	272,195	-
Purchases from related parties	1 January- 31 March 2024	1 January- 31 March 2023
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	254,151	-
Emlak Basın Yayın A.Ş.	-	2,496
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	13,047,080	6,615,470
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	468,750	8,581,906
	13,301,231	15,199,872
Sales to related parties	1 January- 31 March 2024	1 January- 31 March 2023
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	816	-
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	352	-
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	-	222,443
İller Bankası A.Ş.	-	1,316,424
	1,168	1,538,867

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:

Compensation to key management	1 January- 31 March 2024	1 January- 31 March 2023
Salaries and other short-term benefits	11,008	10,423
	11,008	10,423

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 25 - COMMITMENTS

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

	31 March 2024	31 December 2023
Guarantees received (*)	28,738,569	27,713,441
Mortgages received (**)	752,162	865,465
	29,490,731	28,578,906

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

	31 March 2024	31 December 2023
A. Total amount of CPM given on behalf of the Company's own legal entity	148,368	442,422
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	-	-
	148,368	442,422

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2024

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

NOTE 26 – EVENTS AFTER THE REPORTING PERIOD

The Company signed a protocol with the Ministry of Environment, Urbanization and Climate Change (Urban Transformation Services Presidency) for the purchase of 12 immovable properties located in Musalla Mahallesi, Çeşme, İzmir, 2 immovable properties located in Zümrüt Mahallesi, Konyaaltı, Antalya, 5 immovable properties located in Ovacık Mahallesi, Çeşme, İzmir and 2 immovable properties located in Terakki Mahallesi, Merkez, Zonguldak for a total consideration of TRY1,677,934,790 (excluding VAT).

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Unconsolidated (Separate) Financial Statement Main Account Items	Related Regulation	31 March 2024	31 December 2023
A	Money and Capital Market Instruments	Communiqué No. III-48.1, Art.24/(b)	3,643,148	14,261,817
B	Real Estate, Real Estate Based Projects, Real Estate Based Rights	Communiqué No. III-48.1, Art.24/(a)	103,392,541	86,620,419
İŞ	Subsidiaries	Communiqué No. III-48.1, Art.24/(b)	3,284,216	2,854,261
	Due from Related Parties (Non-trade)	Communiqué No. III-48.1, Art.23/(f)	-	-
DV	Other Assets		26,507,987	17,095,435
D	Total Assets		136,827,892	120,831,932
E	Financial Liabilities	Communiqué No. III-48.1, Art.24/(b)	3,718,354	4,400,778
F	Other Financial Liabilities	Communiqué No. III-48.1, Art.24/(a)	-	-
G	Financial Leasing Liabilities	Communiqué No. III-48.1, Art.24/(b)	-	-
H	Due to Related Parties (Non-trade)	Communiqué No. III-48.1, Art.23/(f)	-	-
İ	Equity		67,625,932	58,549,588
EB	Other Liabilities		65,483,606	57,881,566
D	Total Liabilities	Communiqué No. III-48.1, Art.3/(k)	136,827,892	120,831,932
	Non-Consolidated (Separate) Other Financial Information	Related Regulation	31 Mart 2024	31 Aralık 2023
A1	Part of Money and Capital Market Instruments Held for 3-Year Real Estate Payments	Communiqué No. III-48.1, Art.24/(b)	3,643,148	14,261,817
A2	Maturity / Demand / Foreign Currency	Communiqué No. III-48.1, Art.24/(b)	4,676,839	15,258,885
A3	Foreign Capital Market Instruments	Communiqué No. III-48.1, Art.24/(d)	-	-
B1	Foreign Real Estate, Real Estate Based Projects, Real Estate Based Rights	Communiqué No. III-48.1, Art.24/(d)	-	-
B2	Idle Land / Plots of Land	Communiqué No. III-48.1, Art.24/(c)	9,094,315	10,054,883
C1	Foreign Subsidiaries	Communiqué No. III-48.1, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Communiqué No. III-48.1, Art.28	3,279,614	1,048,000
J	Non-Cash Loans	Communiqué No. III-48.1, Art.31	153,959	148,368
K	Mortgage costs of mortgaged lands on which the project will be developed, the ownership of which does not	Communiqué No. III-48.1, Art.22/(e)	-	-
	Portföy Sınırlamaları	Related Regulation	31 Mart 2024	31 Aralık 2023
	Mortgage costs of mortgaged lands on which the project will be developed, the ownership of which does not			
1	not belong to the partnership	Communiqué No. III-48.1, Art.22/(e)	0%	0%
2	Real Estate, Real Estate Based Projects, Real Estate Based Rights	Communiqué No. III-48.1, Art.24/(a), (b)	78%	83%
3	Money and Capital Market Instruments and Subsidiaries	Communiqué No. III-48.1, Art.24/(b)	2%	2%
	Foreign Real Estate, Real Estate-Based Projects,			
4	Real Estate Rights, Subsidiaries, Capital Market Instruments	Communiqué No. III-48.1, Art.24/(d)	0%	0%
5	Idle Land / Plots of Land	Communiqué No. III-48.1, Art.24/(c)	7%	8%
6	Participation in an Operating Company	Communiqué No. III-48.1, Art.28	2%	1%
7	Borrowing Limit	Communiqué No. III-48.1, Art.31	6%	8%
8	Maturity/Demand TRY/FX	Communiqué No. III-48.1, 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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