

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**STANDALONE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

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



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

**REPORT ON REVIEW OF INTERIM CONDENSED
FINANCIAL INFORMATION**

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

Introduction

We have reviewed the accompanying condensed statement of financial position of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2024 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the twelve-month period then ended. The management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim condensed financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with TAS 34.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 2 September 2024

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 30 JUNE 2024

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

		Reviewed 30 June 2024	Audited 31 December 2023
	Notes		
ASSETS			
Current assets		144,587,390	138,327,911
Cash and cash equivalents	4	7,640,118	19,033,107
Trade receivables		9,298,737	9,491,305
<i>Trade receivables due from related parties</i>	24	4,876,105	4,715,838
<i>Trade receivables due from third parties</i>	7	4,422,632	4,775,467
Other receivables		351,305	1,133,804
<i>Other receivables due from third parties</i>	8	351,305	1,133,804
Inventories	9	124,611,476	103,210,226
Prepaid expenses		920,106	1,384
<i>Prepaid expenses to third parties</i>	16	920,106	1,384
Other current assets	15	1,765,648	5,458,085
Non-current assets		10,062,512	12,391,301
Trade receivables		3,092,977	5,594,899
<i>Trade receivables due from third parties</i>	7	3,092,977	5,594,899
Other receivables	8	1,014	1,265
Financial investments		3,560,251	3,560,251
<i>Investments in subsidiaries, joint operations and associates</i>	5	3,560,251	3,560,251
Investment properties	10	2,683,060	2,711,530
Property, plant and equipment	11	720,271	515,060
Intangible assets	12	4,939	8,296
Total assets		154,649,902	150,719,212

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 30 JUNE 2024

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

		Reviewed 30 June 2024	Audited 31 December 2023
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		79,973,189	75,269,922
Short-term borrowings	6	863,325	1,192,196
Short-term portions of long-term borrowings	6	2,230,249	2,721,288
Trade payables		5,500,129	4,774,085
<i>Trade payables due to related parties</i>	24	218,210	-
<i>Trade payables due to third parties</i>	7	5,281,919	4,774,085
Other payables		1,814,207	1,401,527
<i>Other payables to third parties</i>	8	1,814,207	1,401,527
Deferred income		69,233,843	64,749,352
<i>Deferred income from related parties</i>	24	3,897,142	4,386,944
<i>Deferred income from third parties</i>	16	65,336,701	60,362,408
Short-term provisions		331,436	431,474
<i>Short-term provisions for employee benefits</i>	14	79,348	118,827
<i>Other short-term provisions</i>	13	252,088	312,647
Non-current liabilities		1,074,912	2,417,702
Long-term borrowings	6	246,982	1,575,808
Trade payables		369,105	460,899
<i>Trade payables to third parties</i>	7	369,105	460,899
Other payables		344,170	262,288
<i>Other payables to third parties</i>	8	344,170	262,288
Deferred income		4,738	5,910
<i>Deferred income from third parties</i>	16	4,738	5,910
Long-term provisions		109,917	112,797
<i>Long-term provisions for employee benefits</i>	14	109,917	112,797
Shareholders' equity		73,601,801	73,031,588
Paid-in capital	17	3,800,000	3,800,000
Capital adjustments	17	43,764,685	43,764,685
Treasury shares (-)		(55,852)	(55,852)
Share premium (discounts)		24,994,183	24,994,183
Other equity shares		(1,502,568)	(1,502,568)
Restricted reserves appropriated from profit		7,493,987	7,493,987
Retained earnings		(5,462,847)	(706,056)
Net profit/(loss) for the period		570,213	(4,756,791)
Total liabilities and equity		154,649,902	150,719,212

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 - 30 JUNE 2024 AND 2023

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

		<i>Reviewed</i> 1 January- 30 June 2024	<i>Unaudited</i> 1 April - 30 June 2024	<i>Reviewed</i> 1 January- 30 June 2023	<i>Unaudited</i> 1 April - 30 June 2023
	Notes				
Revenue	18	7,198,126	4,914,060	22,620,944	12,678,342
Cost of sales (-)	18	(4,755,765)	(3,353,324)	(17,457,409)	(9,543,113)
Gross profit		2,442,361	1,560,736	5,163,535	3,135,229
General administrative expenses (-)	19	(1,069,433)	(606,288)	(2,533,315)	(575,885)
Marketing expenses (-)	19	(163,047)	(88,334)	(323,203)	(232,373)
Other income from operating activities	21	826,358	173,154	2,148,205	1,837,336
Other expenses from operating activities (-)	21	(186,708)	(57,238)	(4,180,736)	(2,181,712)
Operating profit		1,849,531	982,030	274,486	1,982,595
Operating profit before financial income		1,849,531	982,030	274,486	1,982,595
Financial income	22	1,898,750	794,026	1,822,474	1,332,589
Financial expenses (-)	22	(539,320)	(226,505)	(1,174,629)	(697,601)
Monetary loss		(2,638,748)	(1,257,564)	(3,855,117)	(2,247,340)
Profit/(loss) for the period		570,213	291,987	(2,932,786)	370,243
Net Profit/(loss) for the period		570,213	291,987	(2,932,786)	370,243
Total comprehensive income/(loss)		570,213	291,987	(2,932,786)	370,243
Earnings per share (full TRY)	25	0.1499	0.0767	(0.7709)	0.0973

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 – 30 JUNE 2024 AND 2023

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

	Share capital	Capital adjustments	Treasury shares	Share premium/discounts	Other Equity Shares	Restricted reserves appropriated from profit	Other Accumulated Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	Retained Earnings	Net profit/(loss) for the period	Total equity
							Gain/loss on revaluation and remeasurement			
1 January 2023	3,800,000	43,764,685	(2,820,733)	24,994,183	-	7,309,300	-	(603,757)	1,643,257	78,086,935
Transfers	-	-	-	-	-	184,687	-	1,458,570	(1,643,257)	-
Dividend	-	-	-	-	-	-	-	(1,588,308)	-	(1,588,308)
Decreases Related to the Acquisition of Treasury Shares	-	-	(723,483)	-	81,842	-	-	-	-	(641,641)
Total comprehensive loss	-	-	-	-	-	-	-	-	(2,932,786)	(2,932,786)
30 June 2023	3,800,000	43,764,685	(3,544,216)	24,994,183	81,842	7,493,987	-	(733,495)	(2,932,786)	72,924,200
1 January 2024	3,800,000	43,764,685	(55,852)	24,994,183	(1,502,568)	7,493,987	-	(706,056)	(4,756,791)	73,031,588
Transfers	-	-	-	-	-	-	-	(4,756,791)	4,756,791	-
Total comprehensive income	-	-	-	-	-	-	-	-	570,213	570,213
30 June 2024	3,800,000	43,764,685	(55,852)	24,994,183	(1,502,568)	7,493,987	-	(5,462,847)	570,213	73,601,801

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 - 30 JUNE 2024 AND 2023

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

	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
Cash flows from operating activities			
Profit/(loss) for the period		570,213	(2,932,786)
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	20	53,125	44,513
Adjustments related to (reversal of) impairments (net)		(1,315,889)	(8,003,414)
Adjustments related to impairment loss (reversal of) / cost provision of inventories	9, 21	(1,315,889)	(8,003,414)
Adjustments related to provisions		(9,867)	14,677
Adjustments related to (reversal of) provisions related with employee benefits		(11,472)	(14,521)
Adjustments related to provisions for possible risks	21	1,605	29,198
Adjustments related to interest (income) and expenses		(1,415,280)	(1,403,249)
Adjustments related to interest income	21, 22	(2,126,873)	(3,206,798)
Adjustments related to interest expense	21, 22	711,593	1,803,549
Adjustments related to monetary loss		4,751,593	3,492,084
Net cash from operations before changes in assets and liabilities		2,633,895	(8,788,175)
Changes in net working capital:			
Adjustments related to (increase)/decrease in trade receivables		(326,173)	(4,051,646)
Increase in trade receivables from related parties		(1,202,720)	(43,631)
Decrease (Increase) in trade receivables from third parties		876,547	(4,008,015)
Adjustments related to increase/(decrease) in inventories		(20,038,891)	18,488,977
Adjustments related to increase in trade payables		1,768,321	(1,309,980)
Increase (decrease) in trade payables to related parties		171,740	-
Increase in trade payables to third parties		1,596,581	(1,309,980)
Adjustments related to increase in other receivables from operating activities		2,754,928	(1,565,879)
Adjustments related to increase in other payables from operating activities		5,045,760	9,790,140
Other adjustments related to other increase in working capital		(121,030)	(1,969,303)
Net cash flows from operating activities			
Payments related with provisions for employee benefits		(8,883)	(1,937)
Cash flows from operating activities		(8,292,073)	10,592,197
Cash flows from investing activities			
Purchases of investment properties, property, plant and equipment and intangible assets	11, 12	(226,509)	(21,339)
Sales of tangible and intangible assets	11, 12	-	120
Interest received		1,470	614,343
Cash flows from investing activities		(225,039)	593,124
Cash flows from financing activities			
Cash outflow from purchasing own shares		-	(641,641)
Proceeds from borrowings		1,732,590	5,231,998
Proceeds from loans		-	1,887,569
Proceeds from issue of debt instruments		1,732,590	3,344,429
Repayments of borrowings		(2,990,698)	(5,684,593)
Loan repayments		(1,148,311)	(2,813,344)
Payments of issued debt instruments		(1,842,387)	(2,871,249)
Interest paid		(711,593)	(1,803,549)
Dividends paid		-	(1,588,308)
Interest received		2,125,403	2,592,455
Cash flow from financing activities		155,702	(1,893,638)
Inflation effect on cash and cash equivalents		(2,781,555)	(2,439,175)
Net (decrease) increase in cash and cash equivalents		(11,142,965)	6,852,508
Cash and cash equivalents at the beginning of the period	4	17,789,418	10,654,146
Cash and cash equivalents at the end of the period	4	6,646,453	17,506,654

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 30 JUNE 2024

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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

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

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

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

The registered address of the Company is Barbaros Mah. Mor Sömbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 30 June 2024, the number of employees of the Company is 477 (31 December 2023 - 475).

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

The standalone financial statements at 30 June 2024 have been approved by the Board of Directors on 2 September 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.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

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

2.1. Basis of Presentation

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

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

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

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

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

Adjustment of Financial Statements in Hyperinflation Periods

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

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

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

2.1. Basis of Presentation (Continued)

Adjustment of Financial Statements in Hyperinflation Periods (Continued)

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

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
30 June 2024	2,319.29	1.00000	324%
31 December 2023	1,859.38	1.24735	268%
30 June 2023	1,351.59	1.71597	190%

Procedure of TAS 29 is presented below:

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

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

2.1. Basis of Presentation (Continued)

Functional and Reporting Currency

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

Netting Offsetting

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

2.2. Changes in accounting policies and estimates and errors

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

2.3. Compliance with Portfolio Restrictions

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

NOTE 3 - ACCOUNTING POLICIES

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

a) New standards, amendments and interpretations to existing standards effective as of 30 June 2024

- **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.

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2024**

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

NOTE 3 - ACCOUNTING POLICIES (Continued)

a) New standards, amendments and interpretations to existing standards effective as of 30 June 2024 (Continued)

- **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.

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. On 5 January 2024, "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)", the entities that fall within the scope of sustainability application are listed for the purpose of Determining the Entities that will be subject to Sustainability Reporting.

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

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

- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2025. This standard is an amendment to IFRS 17, 'Insurance Contracts', which currently permits a wide range of applications. It replaces TFRS 4. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 3 - ACCOUNTING POLICIES (Continued)

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

- **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).
- **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 INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 4 – CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Cash on hand	58	5
Banks	6,908,524	18,426,610
- Demand deposit	45,010	20,647
- Time deposits with maturities less than 3 months	6,863,514	18,405,963
Other cash and cash equivalents	731,536	606,492
	7,640,118	19,033,107

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

	30 June 2024	31 December 2023
	(%)	(%)
Effective interest rate	48.08	40.58

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

	30 June 2024	31 December 2023
Cash and cash equivalents	7,640,118	19,033,107
Less: Interest accruals on deposits	(14,644)	(149,642)
Less: LSRSA project deposits (*)	(1,003,950)	(1,114,777)
Add: the effect of provisions released under TFRS 9	24,929	20,730
	6,646,453	17,789,418

(*) 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 TRY1,003,950 (31 December 2023: TRY1,114,777).

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 5 – FINANCIAL INVESTMENTS

Subsidiaries

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

	30 June 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	2,688,479	100	2,688,479
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	865,455	100	865,455
Total		3,553,934		3,553,934

Interests in Joint Ventures

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

	30 June 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Merkez Caddede Yönetim A.Ş.	30	1,121	30	1,121
Büyükyalı Tesis Yönetim A.Ş.	37	207	37	207
İstmarina AVM Adi Ortaklığı	40	4,989	40	4,989
Total		6,317		6,317

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 6 – FINANCIAL LIABILITIES

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

	30 June 2024	31 December 2023
Short-term financial liabilities		
Short-term bank borrowings	63,325	69,585
Issued debt instruments (*)	800,000	1,122,611
Short-term portion of long-term borrowings	2,230,249	2,721,288
	3,093,574	3,913,484

(*) On 3 April 2024, the Company issued lease certificates with a maturity date of 11 July 2024 and a nominal amount of TRY400,000 (2023: TRY400,000) with a 53% (2023: 38%) profit share and on 14 May 2024, the Company issued lease certificates with a maturity date of 13 August 2024 and a nominal amount of TRY 498,938 (2023: TRY 623,673) with a 53.50% (2023: 40% profit share).

	30 June 2024	31 December 2023
Long-term financial liabilities		
Long-term borrowings	246,982	1,575,808
	246,982	1,575,808

Borrowings used as of 30 June 2024 are denominated in TRY and the weighted average interest rate is 20.67% (31 December 2023: 20.66%).

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

	30 June 2024	31 December 2023
2025	246,982	1,575,808
	246,982	1,575,808

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

	30 June 2024	31 December 2023
Less than 3 months	809,134	1,122,611
Between 3 - 12 months	1,484,440	1,668,262
Between 1 - 5 years	246,982	1,575,808
	2,540,556	4,366,681

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

	30 June 2024	31 December 2023
Short-term trade receivables		
Receivables from related parties (Note 24)	4,876,105	4,715,838
Receivables from land sales	2,623,107	1,018,706
Receivables from sale of residential and commercial units	1,939,673	2,340,638
Receivables from contractors of the lands invoiced under LSRSA	174,126	1,749,368
Receivables from lessees	76,915	33,163
Other	8,579	10,692
Unearned finance income	(399,768)	(377,100)
	9,298,737	9,491,305
Doubtful receivables	1,696	2,291
Less: Provision for doubtful receivables	(1,696)	(2,291)
	9,298,737	9,491,305

	30 June 2024	31 December 2023
Long-term trade receivables		
Receivables from sale of residential and commercial units	3,663,124	5,016,819
Receivables from land sales	585,315	1,816,234
Unearned finance income	(1,155,462)	(1,238,154)
	3,092,977	5,594,899

	30 June 2024	31 December 2023
Short-term trade payables		
Trade payables	3,968,648	2,833,917
Payables to contractors according to revenue sharing basis	961,905	1,152,403
Interest accruals on time deposits of contractors (*)	351,366	787,765
Payables to related parties (Note 24)	218,210	-
	5,500,129	4,774,085

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

	30 June 2024	31 December 2023
Long-term trade payables		
Trade payables	369,105	460,899
	369,105	460,899

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

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

	30 June 2024	31 December 2023
Short-term other receivables		
Advances given to contractor firms	277,525	672,914
Receivables from the authorities	41,751	34,922
Other	32,029	425,968
	351,305	1,133,804
	30 June 2024	31 December 2023
Long-term other receivables		
Deposits and guarantees given	1,014	1,265
	1,014	1,265
	30 June 2024	31 December 2023
Short-term other payables		
Taxes and funds payable	1,685,292	1,306,292
Payables to shareholders	66	82
Other	128,849	95,153
	1,814,207	1,401,527

As of 30 June 2024, other long-term payables are amount to TRY344,170 and consist of deposits and guarantees received (31 December 2023: TRY262,288).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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NOTE 9 – INVENTORIES

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

	30 June 2024	31 December 2023
Lands	24,212,986	22,271,547
<i>Cost</i>	30,514,422	29,394,344
<i>Impairment</i>	(6,301,436)	(7,122,797)
Planned land by LSRSA	41,942,585	42,020,168
Planned land by turnkey project	30,790,940	26,839,328
<i>Planned land by turnkey project</i>	36,846,477	32,894,865
<i>Impairment (*)</i>	(6,055,537)	(6,055,537)
Residential and commercial units ready for sale	12,102,639	10,601,290
<i>Cost</i>	13,482,244	12,032,770
<i>Impairment</i>	(1,379,605)	(1,431,480)
Advances given for inventories (**)	15,562,326	1,477,893
	124,611,476	103,210,226

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

(**) As of June 30, 2024, an amount of TRY 13,137,112 from the advances given for inventories consists of the payment made for 1,615 independent units purchased under the Yeni Fikirtepe project undertaken on behalf of the Republic of Turkey Ministry of Environment, Urbanization, and Climate Change.

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

The movements of impairment on inventories are as follows:

Opening balance at 1 January	14,609,814	21,597,729
Impairment on inventories within the current period	442,653	3,445,674
Reversal of impairment on invetories within the current period	(1,315,889)	(8,003,414)
Closing balance at 30 June	13,736,578	17,039,989

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 9 – INVENTORIES (Continued)

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

Lands	30 June 2024	31 December 2023
İstanbul Küçükçekmece Lands	6,224,529	6,224,529
Muğla Bodrum Lands	3,683,227	4,545,094
İstanbul Esenler Lands	3,674,261	4,328,819
İstanbul Avcılar Lands	4,561,238	3,593,592
İzmir Çeşme Lands	1,461,771	-
Antalya Alanya Lands	868,586	-
İstanbul Çekmeköy Lands	600,586	600,586
İstanbul Başakşehir Lands	569,703	782,756
İstanbul Eyüp Lands	495,877	493,767
İstanbul Kartal Lands	460,091	111,800
İzmir Urla Lands	396,643	396,643
İstanbul Arnavutköy Lands	266,301	553,136
Muğla Milas Lands	184,297	184,288
Antalya Konyaaltı Lands	144,015	-
İzmir Karşıyaka Lands	122,131	-
İzmir Seferihisar Lands	126,587	147,530
Zonguldak Merkez Lands	96,370	-
Tekirdağ Çorlu Lands	92,087	92,087
İstanbul Tuzla Lands	79,603	79,603
İzmir Konak Umurbey Lands	60,756	60,756
Ankara Çankaya Lands	26,119	26,119
İstanbul Ataşehir Lands	97	-
Other	18,111	50,442
	24,212,986	22,271,547

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NOTE 9 - INVENTORIES (Continued)

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

Planned lands by LSRSA	30 June 2024	31 December 2023
Nidapark İstinye Project	5,673,406	5,676,554
Nişantaşı Koru Project	3,958,833	3,959,206
Bizim Mahalle 2. Etap 2. Kısım Project	3,157,424	3,159,311
Merkez Ankara Project	2,832,150	2,833,717
Nidapark Küçükyalı Project	2,789,803	2,791,347
Yeni Levent Project	2,011,941	2,002,788
Bizim Mahalle 2. Etap 1. Kısım Project	1,839,977	1,840,995
Çekmeköy Çınarköy Project	1,741,762	1,742,726
Meydan Başakşehir Project	1,649,316	1,650,229
Batıyakası 2. Etap Project	1,490,415	1,491,239
Next Level İstanbul Project	1,380,170	1,380,934
Beşiktaş Akat Project	1,358,832	1,329,245
Ümraniye İnkılap Project	1,258,630	1,259,327
İstanbul Kayabaşı 9. Etap Project	1,232,457	1,233,139
Başakşehir Ayazma 4. Etap Project	1,113,593	1,114,209
İstanbul Tuzla Merkez Project	1,101,066	1,101,675
Batıyakası 1. Etap Project	969,288	970,127
İstanbul Kayabaşı 8. Etap Project	834,814	835,276
İstanbul Eyüpsultan Kemerburgaz Project	804,142	804,557
Avcılar Fırüzköy 1. Etap 2. Kısım Project	777,161	777,935
Avcılar Fırüzköy 2. Etap Project	767,599	768,023
Avcılar Fırüzköy 1. Etap 1. Kısım Project	713,429	713,824
Bodrum Türkbükü Project	578,906	579,226
Nezihpark Project	354,946	355,142
Antalya Aksu Project	311,007	311,179
Barbaros 48 Project	305,793	305,961
İstanbul Ataşehir Küçükbakkalköy Project	287,685	287,843
İstanbul Kayabaşı 10. Etap Project	268,781	268,929
Cer İstanbul Project	177,214	177,313
Ankara Çayyolu 2. Etap Project	151,366	151,081
Other	50,679	147,111
	41,942,585	42,020,168

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 9 - INVENTORIES (Continued)

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

Planned lands by turnkey project	30 June 2024	31 December 2023
Çekmeköy Çınarköy Project	18,902,609	15,979,686
Emlak Konut Vadi Evleri Project	3,672,022	2,633,471
Arnavutköy Yenişehir Project	2,746,075	213,039
Bizim Mahalle Project	2,513,928	2,136,706
Balıkesir Altıeylül Project	1,549,331	1,095,654
İstanbul Avcılar Firuzköy Project	976,776	1,975,020
Ankara Saraçoğlu Project	-	2,805,752
Other	430,199	-
	30,790,940	26,839,328

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

Residential and commercial units completed	30 June 2024	31 December 2023
Merkez Ankara Project	4,707,053	4,746,878
Saraçoğlu Mahallesi Project	2,141,969	-
Kuzey Yakası Project	1,559,549	1,710,749
Maslak 1453 Project	1,205,869	1,208,094
Komşu Finans Project	908,067	909,018
Bizim Mahalle 1. Etap 1. Kısım Project	399,774	486,647
Sarphan Finanspark Project	340,619	375,969
Bizim Mahalle 1. Etap 2. Kısım Project	279,851	278,199
Denizli Merkez Efendi İkmal Project	255,584	445,472
Semt Bahçekent 1. Etap 2. Kısım Project	80,414	80,414
Köy 2. Etap Project	49,201	69,813
Nidapark İstinye Project	41,246	41,246
Büyükyalı Project	37,510	37,510
İdealist Cadde / Koru Project	35,564	-
Metropol İstanbul Project	24,181	24,181
Karat 34 Project	13,281	47,807
Kocaeli Körfezkent Project	9,979	9,979
Göl Panorama Project	3,818	3,818
Evora Denizli Project	3,761	17,896
Başakşehir Ayazma Project	3,724	3,723
Temaşehir Project	1,625	2,944
Emlak Konut Florya Project	-	96,583
Ormanköy Project	-	4,349
	12,102,639	10,601,290

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 10 – INVESTMENT PROPERTIES

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

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

Cost Value	Lands, residential	Atasehir general management building A block	Total
Opening balance as of 1 January 2024	2,590,097	325,808	2,915,905
Transfers to commercial units and land inventories	-	-	-
Transfers from residential and commercial units inventories	-	-	-
Closing balance as of 30 June 2024	2,590,097	325,808	2,915,905

Accumulated Depreciation

Opening balance as of 1 January 2024	157,356	47,019	204,375
Charge for the period	25,212	3,258	28,470
Closing balance as of 30 June 2024	182,568	50,277	232,845
Net book value as of 30 June 2024	2,407,529	275,531	2,683,060

Cost Value	Lands, residential and commercial units	Atasehir general management building A block	Total
Opening balance as of 1 January 2023	3,874,050	325,808	4,199,858
Transfers to commercial units and land inventories	(1,290,224)	-	(1,290,224)
Transfers from residential and commercial units inventories	49,435	-	49,435
Closing balance as of 30 June 2023	2,633,261	325,808	2,959,069

Accumulated Depreciation

Opening balance as of 1 January 2023	109,261	40,503	149,764
Charge for the period	24,946	3,258	28,204
Closing balance as of 30 June 2023	134,207	43,761	177,968
Net book value as of 30 June 2023	2,499,054	282,047	2,781,101

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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NOTE 10 – INVESTMENT PROPERTIES (Continued)

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

	30 June 2024	31 December 2023
Independent commercial units of Büyükyalı AVM	2,280,126	2,280,126
Atasehir general management building A block	1,547,737	1,547,737
Independent commercial units of Istmarina AVM	1,443,364	1,443,364
Lands, residential and commercial units	775,131	775,131
	6,046,358	6,046,358

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

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

30 June 2024	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2024	442,022	26,253	46,771	14	515,060
Additions	217,751	7,593	1,165	-	226,509
Disposal (-)	-	-	-	-	-
Depreciation expense (-)	(5,536)	(4,344)	(11,413)	(5)	(21,298)
Net book value 30 June 2024	654,237	29,502	36,523	9	720,271
Cost	735,082	43,170	275,133	28	1,053,413
Accumulated depreciation (-)	(80,845)	(13,668)	(238,610)	(19)	(333,142)
Net book value 30 June 2024	654,237	29,502	36,523	9	720,271

30 June 2023	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2023	454,088	7,211	33,104	23	494,426
Additions	-	16,443	4,896	-	21,339
Disposal (-)	-	-	(120)	-	(120)
Depreciation expense (-)	(5,191)	(2,281)	(4,213)	(3)	(11,688)
Net book value 30 June 2023	448,897	21,373	33,667	20	503,957
Cost	519,116	48,620	248,141	28	815,905
Accumulated depreciation (-)	(70,219)	(27,247)	(214,474)	(8)	(311,948)
Net book value 30 June 2023	448,897	21,373	33,667	20	503,957

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

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NOTE 12 – INTANGIBLE ASSETS

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

30 June 2024	Licenses	Computer software	Total
Net book value as of 1 January 2024	7,289	1,007	8,296
Additions	-	-	-
Amortization expense (-)	(3,002)	(355)	(3,357)
Net book value 30 June 2024	4,287	652	4,939
Cost	100,427	3,554	103,981
Accumulated amortization (-)	(96,140)	(2,902)	(99,042)
Net book value 30 June 2024	4,287	652	4,939
30 June 2023	Licenses	Computer software	Total
Net book value as of 1 January 2023	14,528	1,718	16,246
Additions	-	-	-
Amortization expense (-)	(4,266)	(355)	(4,621)
Net book value 30 June 2023	10,262	1,363	11,625
Cost	98,805	3,554	102,359
Accumulated amortization (-)	(88,543)	(2,191)	(90,734)
Net book value 30 June 2023	10,262	1,363	11,625

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NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

	30 June 2024	31 December 2023
Provisions		
Provision for lawsuits	252,088	312,647
	252,088	312,647

According to the opinions of the Company's lawyers, provision for litigation amounting to TRY250,088 has been set aside as of 30 June 2024 (31 December 2023: TRY312,647). As of 30 June 2024, there are 1 deficiency lawsuit, 10 lawsuits for loss of rent, 7 lawsuits for cancellation and registration of deed, 2 labor lawsuits and 35 other miscellaneous lawsuits filed against the Company.

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

	2024	2023
Opening balance at 1 January	312,647	536,096
Provision added within the current period (Note 21)	1,605	29,198
Monetary gain loss	(62,164)	(252,647)
Closing balance at 30 June	252,088	312,647

13.1 Continuing Lawsuits and Provisions

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

The contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. İzmir Karsiyaka Commercial Court of First Instance issued an expert report and determine that the level of work was at around 83%, and that the legal relationship of the parties were not related to construction right in return of the flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. As a result of the examination of the additional report at the hearing on 11 June 2014, the second expert committee was examined however, since the expert report was not received, the date of the case was not finalized. In addition, the file was transferred to the delegation, as the Commercial Courts turned into Delegation Judges. According to the various expert reports submitted to the file during the proceedings, the plaintiff has not recognized the value of the lawsuit and increased it to TRY76,161. As of 30 June 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 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.1 Continuing Lawsuits and Provisions (Continued)

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

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

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

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NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.2 Contingent Liabilities of Emlak Konut

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

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

13.3 Contingent Assets of Emlak Konut

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

30 June 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	4,562,780	9,181,583	13,744,363
2 year	1,773,129	6,216,196	7,989,325
3 year	795,083	3,477,821	4,272,904
4 year	518,576	1,216,288	1,734,864
5 year and above	1,161,651	500,091	1,661,742
	8,811,219	20,591,979	29,403,198

31 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,359,344	11,613,406	14,972,750
2 year	2,558,787	8,191,309	10,750,096
3 year	1,932,318	5,395,361	7,327,679
4 year	632,969	1,582,835	2,215,804
5 year and above	1,708,979	951,298	2,660,277
	10,192,397	27,734,209	37,926,606

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NOTE 14 – EMPLOYEE BENEFITS

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

	30 June 2024	31 December 2023
Short-term provisions		
Unused vacation provision	79,348	118,827
	79,348	118,827

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

	30 June 2024	31 December 2023
Long-term provisions		
Provision for employment termination benefit	109,917	112,797
	109,917	112,797

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

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

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

NOTE 15 – OTHER ASSETS

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

	30 June 2024	31 December 2023
Other current assets		
Deferred VAT	1,508,179	1,779,311
Income accruals	117,527	444,398
Receivables from tax office	75,109	164,950
Progress payments to contractors	64,833	3,069,426
	1,765,648	5,458,085

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NOTE 16 – DEFERRED INCOME AND PREPAID EXPENSES

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

	30 June 2024	31 December 2023
Short-term deferred income		
Advances taken from turnkey project sales	26,402,429	23,614,689
Deferred income from LSRSA projects(*)	23,724,829	21,037,157
Advances taken from LSRSA contractors(**)	15,066,667	15,249,384
Advances received from related parties(Note 24)	3,897,142	4,386,944
Deferred income related to sales of independent units	142,776	461,178
	69,233,843	64,749,352

(*) 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.

	30 June 2024	31 December 2023
Prepaid expenses		
Given inventory advances	916,798	-
Prepaid expenses	3,308	1,384
	920,106	1,384

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

	30 June 2024	31 December 2023
Long-term deferred income		
Other advances received	4,738	5,910
	4,738	5,910

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NOTE 17 – SHAREHOLDERS' EQUITY

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

The Company's shareholders and their shareholding percentages as of 30 June 2024 and 31 December 2023 is as follows:

Shareholders	30 June 2024		31 December 2023	
	Share (%)	TRY	Share (%)	TRY
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		43,764,685		43,764,685
		47,564,685		47,564,685

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

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

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

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

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

	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Low
Adjustment to share capital	72,032,396	43,764,685	(28,267,711)
Share premium	41,262,148	24,994,183	(16,267,965)
Restricted reserves appropriated from profit	11,087,183	7,493,987	(3,593,196)

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NOTE 18 – REVENUE AND COST OF SALES

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Sales income				
Land sales	3,449,118	2,992,646	13,529,858	8,081,402
<i>Sales of planned lands by way of LSRSA</i>	592,579	506,623	2,386,652	1,286,197
<i>Land sales income</i>	2,856,539	2,486,023	11,143,206	6,795,205
Residential and commercial units sales	1,278,037	207,189	7,985,811	4,095,571
Consultancy income	2,388,475	1,659,120	1,007,157	450,449
Rent income	82,496	55,105	101,433	50,592
	7,198,126	4,914,060	22,624,259	12,678,014
Sales returns	-	-	(3,315)	328
Net sales income	7,198,126	4,914,060	22,620,944	12,678,342
Cost of sales				
Cost of lands	(2,686,579)	(2,269,547)	(8,222,263)	(5,460,654)
<i>Cost of lands planned by way of LSRSA</i>	(394,963)	(313,304)	(3,126,522)	(2,094,821)
<i>Cost of lands sold</i>	(2,291,616)	(1,956,243)	(5,095,741)	(3,365,833)
Consultancy cost	(1,133,622)	(835,831)	-	-
Cost of residential and commercial units sold	(935,564)	(247,946)	(9,235,146)	(4,082,459)
	(4,755,765)	(3,353,324)	(17,457,409)	(9,543,113)
Gross Profit	2,442,361	1,560,736	5,163,535	3,135,229

NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
General administrative expenses				
Personnel expenses	(626,930)	(343,445)	(499,753)	(323,103)
Security and cleaning expenses	(108,802)	(47,023)	(89,674)	(52,440)
Taxes, duties and fees	(87,143)	(79,503)	(296,130)	(113,391)
Consultancy expenses	(57,009)	(22,273)	(138,533)	-
Depreciation and amortization	(53,125)	(23,246)	(44,513)	(21,421)
Due and contribution expenses	(31,812)	(13,887)	(21,889)	(10,424)
Travel expenses	(31,434)	(15,896)	(16,568)	(8,148)
Information technologies expenses	(12,705)	(12,705)	(21,000)	(6,098)
Insurance expenses	(10,483)	(9,020)	(4,372)	(4,372)
Maintenance and repair expenses	(7,311)	(2,602)	(14,505)	(6,557)
Communication expenses	(3,599)	(1,759)	(1,475)	-
Lawsuit and notary expenses	(3,040)	(1,299)	(2,858)	-
Donations (*)	-	-	(1,356,260)	(4,498)
Other	(36,040)	(33,630)	(25,785)	(25,433)
	(1,069,433)	(606,288)	(2,533,315)	(575,885)

(*) With the decision of the Board of Directors dated 15 February 2023, the epicenter of the crisis was Kahramanmaraş, affecting eleven provinces. It was decided to donate TRY1,356,260 in cash and in kind to the aid campaign launched due to the earthquakes.

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NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES (Continued)

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Marketing and sales expenses				
Advertising expenses	(105,432)	(57,327)	(269,112)	(200,275)
Personnel expenses	(34,780)	(19,418)	(36,472)	(22,912)
Consultancy expenses	(21,882)	(11,345)	(14,633)	(7,583)
Other	(953)	(244)	(2,986)	(1,603)
	(163,047)	(88,334)	(323,203)	(232,373)

NOTE 20 –EXPENSES BY NATURE

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Land costs	2,686,579	2,269,547	8,222,263	5,460,654
Consultancy cost	1,133,622	835,830	-	-
Expenses from residential and commercial units sales	935,564	247,947	9,235,146	4,082,459
Personnel expenses	661,710	362,863	536,225	346,015
Security and cleaning expenses	108,802	47,023	89,674	52,440
Advertising expenses	105,432	57,327	269,112	200,275
Taxes,duties and fees	87,143	79,503	296,130	113,391
Consultancy expenses	78,891	33,618	153,166	7,584
Depreciation and amortisation (Note 10,11)	53,125	23,246	44,513	21,421
Due and contribution expenses	31,812	13,887	21,889	10,424
Information technologies expenses	12,705	12,705	21,000	6,098
Insurance expenses	10,483	9,020	4,372	4,372
Maintenance and repair expenses	7,311	2,602	14,505	6,557
Communication expenses	3,599	1,759	1,475	-
Lawsuit and notary expenses	3,040	1,299	2,858	-
Donations	-	-	1,356,260	4,498
Other	68,427	49,770	45,339	35,183
	5,988,245	4,047,946	20,313,927	10,351,371

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NOTE 21 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Other income from operating activities				
Impairment provisions released	456,068	-	549,916	549,916
Financial income from forward sales	226,653	91,982	778,340	643,018
Income from transfer commissions	114,766	61,136	163,805	43,544
Default interest income from projects	1,470	250	614,343	563,369
Other	27,401	19,786	41,801	37,489
	826,358	173,154	2,148,205	1,837,336

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Other expenses from operating activities				
Reversal of unaccrued financial expense, net	(173,507)	(54,147)	(651,132)	(651,132)
Provision for lawsuits (Note 13)	(1,605)	(1,257)	(29,198)	-
Provision for impairment of land and residential inventories	-	-	(3,445,674)	(1,487,286)
Other	(11,596)	(1,834)	(54,732)	(43,294)
	(186,708)	(57,238)	(4,180,736)	(2,181,712)

NOTE 22 – FINANCIAL INCOME/EXPENSES

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

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Financial income				
Interest income from time deposits	1,275,212	466,538	1,695,059	1,209,863
Interest and update income	623,538	327,488	119,056	119,056
Foreign exchange gains	-	-	8,359	3,670
	1,898,750	794,026	1,822,474	1,332,589
Financial expenses				
Borrowings interest and lease certificate expenses	(538,086)	(225,388)	(1,102,162)	(644,633)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expenses (*)	-	-	(50,255)	(46,135)
Interest discount on pay off debt	-	-	(21,482)	(6,315)
Foreign exchange losses	(1,234)	(1,117)	(730)	(518)
	(539,320)	(226,505)	(1,174,629)	(697,601)

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 23 – TAX ASSETS AND LIABILITIES

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

NOTE 24 – RELATED PARTY DISCLOSURES

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

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

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

- The Company keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 30 June 2024, the Company has deposits amounting to TRY6,788,910 in state banks (31 December 2023: TRY10,410,541). Average effective interest rates of time deposits of the Company as of 30 June 2024 are explained in Note 4.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

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

Trade receivables from related parties	30 June 2024	31 December 2023
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	4,876,105	4,697,926
İstmarina AVM Adi Ortaklığı	-	14,827
Büyükaly Tesis Yönetim A.Ş.	-	2,757
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	-	328
	4,876,105	4,715,838

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

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

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

Advances received from related parties	30 June 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş. (*)	3,897,142	4,386,944
	3,897,142	4,386,944

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

Deposits at related parties	30 June 2024	31 December 2023
Türkiye Emlak Katılım Bankası A.Ş.	44,926	56,038
	44,926	56,038

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

Purchases from related parties	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı				
Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	15,707,854	2,660,774	7,171,493	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	984,408	708,896	96,073	96,073
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	508,148	-	9,303,205	-
Emlak Basın Yayın A.Ş.	-	-	2,706	-
	17,200,410	3,369,670	16,573,477	96,073

Sales to related parties	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	1,679	795	-	-
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	704	322	-	-
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı				
Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	-	-	644,021	402,882
İller Bankası A.Ş.	-	-	1,427,068	-
GEDAŞ Gayrimenkul Değerleme A.Ş.	-	-	59,389	59,389
	2,383	1,117	2,130,478	462,271

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- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Salaries and other short-term benefits	26,033	14,100	29,524	18,225
	26,033	14,100	29,524	18,225

NOTE 25 – EARNINGS PER SHARE

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

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 25 – EARNINGS PER SHARE (Continued)

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Net income attributable to equity holders of the parent in full TL	570,213	291,987	(2,932,786)	370,243
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291	3,804,550,291	3,804,550,291
Earnings per share in full TL	0.1499	0.0767	(0.7709)	0.0973

NOTE 26 - COMMITMENTS

Company's mortgage and guarantees received as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Guarantees received (*)	34,041,228	30,042,724
Mortgages received (**)	752,162	938,206
	34,793,390	30,980,930

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

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

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

	30 December 2024	31 December 2023
A. Total amount of CPM given on behalf of the Company's own legal entity	154,227	185,066
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	-	-
	154,227	185,066

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

Due to the retirement of the Company's General Manager and Board Member, Cengiz Erdem, he resigned from both positions on July 9, 2024. Yasir Yılmaz has been appointed as the new General Manager.

With the Law No. 7524 on the Amendment of Tax Laws and Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024; the application of the corporate tax exemption provided to the earnings of Real Estate Investment Trusts ("REITs") and Real Estate Investment Funds ("REIFs") is conditional upon the distribution of at least 50% of the earnings from the immovable properties owned by these funds and partnerships as dividends until the end of the second month following the month in which the corporate tax return is required to be submitted, and the subparagraph c added to Article 32 of the Corporate Tax Law has introduced a 10% domestic minimum corporate tax application and the earnings of REITs and REIFs from immovable properties cannot be taken into account as exemption and discount from the corporate income to be calculated as minimum corporate tax. The subparagraph c added to Article 32 of the Corporate Tax Law introduces a 10% domestic minimum corporate tax and stipulates that REITs' and REIFs' earnings from immovable properties cannot be taken into account as exemption and discount from the corporate income to be calculated as minimum corporate tax.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

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

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Unconsolidated (Separate) Financial Statement Main Account Items	Related Regulation	30 June 2024	31 December 2023
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	6,646,453	17,789,418
B	Properties, Projects based on Properties and Rights based on	Series: III-No.48, Art.24/(a)	114,619,749	108,045,624
İŞ	Subsidiaries	Series: III-No.48, Art.24/(b)	3,560,251	3,560,251
DV	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
D	Other Assets		29,823,449	21,323,919
D	Total Assets (Total Assets)		154,649,902	150,719,212
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	3,340,556	5,489,292
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		73,601,801	73,031,588
EB	Other Resources		77,707,545	72,198,332
D	Total Resources	Series: III-No.48, Art.3/(k)	154,649,902	150,719,212
	Non-Consolidated (Standalone) Other Financial Information	Related Regulation	30 June 2024	31 December 2023
A1	The portion of Money and Capital Market Instruments held for Payables of			
A1	Properties for the following 3 years	Series: III-No.48, Art.24/(b)	6,646,453	17,789,418
A2	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	7,640,118	19,033,107
A3	Foreign Capital Market Instruments	Series: III-No.48, Art.24/(d)	-	-
B1	Foreign Properties, Projects based on properties and rights based on Properties	Series: III-No.48, Art.24/(d)	-	-
B2	Idle Land	Series: III-No.48, Art.24/(c)	12,890,288	12,541,917
C1	Foreign Subsidiaries	Series: III-No.48, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	3,555,261	1,307,218
J	Non-Cash Loans	Series: III-No.48, Art.31	154,527	185,066
K	Mortgage amount of servient lands which will be developed and not owned	Series: III-No.48, Art.22/(e)		

	Portfolio Restrictions	Related Regulation	30 June 2024	31 December 2023
1	Mortgage amount of Servient Lands Which Will be Developed And Not Owned	Series: III-No.48, Art.22/(e)	0%	0%
2	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a),(b)	78%	83%
3	Money and Capital Market Instruments and Affiliates	Series: III-No.48, Art.24/(b)	2%	2%
4	Foreign Properties, Projects based on properties and rights based on Properties,			
5	Subsidiaries, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
6	Idle Land	Series: III-No.48, Art.24/(c)	8%	8%
7	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	2%	1%
8	Borrowing Limit	Series: III-No.48, Art.31	5%	8%
9	TRY and Foreign Currency Time and Demand Deposits	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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