

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed Interim Consolidated Financial
Statements for the Period January 1 –
September 30, 2023**

**(Convenience Translation of Financial Statements
Originally Issued in Turkish)**

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

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Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed consolidated statement of financial position
as of September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

		Unaudited	Audited
		Current period	Prior period
		September 30,	December 31,
	Note	2023	2022
Current assets		505.083.118	656.566.460
Cash and cash equivalents	4	74.863.614	55.644.873
Financial investments	5	34.737.359	3.190
Trade receivables:			
<i>Due from related parties</i>	7-18	250.000	-
<i>Due from third parties</i>	7	50.990.065	35.725.157
Other receivables			
<i>Due from related parties</i>	8-18	2.597.864	162.713.870
<i>Due from third parties</i>	8	7.861.924	9.161.090
Inventories	9	55.126.298	65.065.271
Prepaid expenses			
<i>Due to related parties</i>	10-18	239.738.408	164.311.257
<i>Due to third parties</i>	10	11.745.302	159.456.321
Current income tax assets	17	15.177	63.962
Other current assets	11	27.157.107	4.421.469
Non-current assets		3.636.301.750	2.992.057.720
Trade receivables:			
<i>Due from related parties</i>	7-18	-	514.880.218
Other receivables			
<i>Due from third parties</i>	8	764.140	524.892
Investment properties	12	3.578.451.130	2.445.194.235
Property, plant and equipment	13	34.495.615	23.430.323
Prepaid expenses			
<i>Due to third parties</i>	10	14.245.827	260.694
Deferred tax assets	17	8.345.038	7.767.358
Total assets		4.141.384.868	3.648.624.180

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed consolidated statement of financial position
as of September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

		Unaudited	Audited
		Current period	Prior period
		September 30,	December 31,
		2023	2022
Current liabilities	Note	207.100.360	552.300.408
Short-term borrowings	6	53.813.871	175.320.898
Short-term portion of long-term borrowings	6	3.637.631	-
Other financial liabilities		-	22.024
Trade payables			
<i>Due to related parties</i>	7-18	69.093	-
<i>Due to third parties</i>	7	101.017.625	77.289.667
Contract liabilities	10	307.231	16.211.348
Employee benefit obligations		783.869	819.558
Other payables			
<i>Due to related parties</i>	8-18	-	276.138.673
<i>Due to third parties</i>	8	1.227.489	424.412
Provisions			
<i>Other provisions</i>		333.615	1.245.896
Current income tax liabilities	17	-	3.226.748
Other current liabilities	11	45.909.936	1.601.184
Non-current liabilities		1.950.917.542	971.397.387
Long-term borrowings	6	1.779.405.549	820.799.330
Other payables			
<i>Due to related parties</i>	8-18	1.034.121	79.079.943
Provisions			
<i>Provision for employee benefits</i>		915.216	1.232.413
Deferred tax liabilities	17	169.562.656	70.285.701
Equity		1.983.366.966	2.124.926.385
Equity holders of the parent		1.983.366.966	2.124.926.385
Paid-in capital	15	669.833.747	669.833.747
Share premium		4.722	4.722
Other accumulated comprehensive income and expense not to be reclassified to profit or loss			
<i>Loss arising from defined benefit plans</i>		(915.735)	(225.297)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
<i>Currency translation differences</i>		326.557.222	151.732.683
Restricted reserves	15	40.693.320	29.292.034
Effect of combinations of businesses under common control		(1.074.113.090)	(35.185.090)
Retained earnings		1.298.072.300	909.226.754
Net profit for the period		723.234.480	400.246.832
Total liabilities and equity		4.141.384.868	3.648.624.180

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed consolidated statement of profit or loss and other comprehensive income
for the period ended September 30, 2023**
(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

		Unaudited Current period January 1- September 30, 2023	Unaudited Current period July 1- September 30, 2023	Unaudited (*) Prior period January 1- September 30, 2022	Unaudited (*) Prior period July 1- September 30, 2022
	Note				
Revenue	19	652.449.719	19.323.669	139.245.200	13.205.958
Cost of sales (-)	19	(592.861.579)	(4.987.195)	(137.127.731)	(3.718.888)
Gross profit		59.588.140	14.336.474	2.117.469	9.487.070
General administrative expenses (-)	20	(74.173.762)	(27.908.782)	(42.341.672)	(17.596.488)
Other income from operating activities	21	912.096.002	90.802.878	273.483.246	97.846.090
Other expenses from operating activities (-)	21	(13.350.199)	(773.495)	(316.479.624)	(115.999.124)
Operating profit/ (loss)		884.160.181	76.457.075	(83.220.581)	(26.262.452)
Income from investment activities		14.217	14.217	-	-
Expenses from investment activities (-)		-	-	(364.574)	(13.260)
Operating income before financial income/ (expense)		884.174.398	76.471.292	(83.585.155)	(26.275.712)
Finance income	22	4.966.082	2.005.179	4.599.075	1.196.286
Finance expenses (-)	22	(67.206.725)	(24.562.814)	(25.074.616)	(8.060.625)
Profit/ (loss) before tax from continuing operations		821.933.755	53.913.657	(104.060.696)	(33.140.051)
Tax income/ (expense), continuing operations		(98.699.275)	(13.510.518)	27.288.564	8.058.367
Taxes on expense	17	-	-	(152.425)	(38.190)
Deferred tax income/ (expense)	17	(98.699.275)	(13.510.518)	27.440.989	8.096.557
Net profit/ (loss) for the period		723.234.480	40.403.139	(76.772.132)	(25.081.684)
Not to be reclassified to profit or loss		(690.438)	82.605	(68.573)	(31.314)
Loss arising from defined benefit plans		(690.438)	82.605	(68.573)	(31.314)
To be reclassified to profit or loss		174.824.539	16.190.258	54.383.276	16.087.350
Currency translation differences		174.824.539	16.190.258	54.383.276	16.087.350
Other comprehensive income		174.134.101	16.272.863	54.314.703	16.056.036
Total comprehensive income/ (loss)		897.368.581	56.676.002	(22.457.429)	(9.025.648)
Equity holders of the parent		723.234.480	40.403.139	(76.772.132)	(24.555.391)
Non-controlling interest		-	-	-	(526.293)

(*) Restated (Note 2.4)

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed consolidated statement of changes in equity
for the period ended September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

	Paid-in capital	Share premium	Gain/ (loss) arising from defined benefit plans	Currency translation differences	Restricted reserves	Effect of combinations of businesses under common control	Retained earnings	Net income for the period	Equity holders of the parent	Non- controlling interest	Total
Balance at January 1, 2022	669.833.747	4.722	132.870	66.423.615	9.963.926	(35.185.090)	934.154.750	-	1.645.328.540	5.109.551	1.650.438.091
Transfers	-	-	-	-	19.328.108	-	(19.328.108)	-	-	-	-
Total comprehensive income	-	-	(68.573)	54.383.276	-	-	-	(76.772.132)	(22.457.429)	-	(22.457.429)
Transactions with non-controlling shareholders	-	-	-	-	-	-	(5.599.889)	-	(5.599.889)	(5.109.551)	(10.709.440)
Balances at September 30, 2022	669.833.747	4.722	64.297	120.806.891	29.292.034	(35.185.090)	909.226.753	(76.772.132)	1.617.271.222	-	1.617.271.222

	Paid-in capital	Share premium	Loss arising from defined benefit plans	Currency translation differences	Restricted reserves	Effect of combinations of businesses under common control	Retained earnings	Net income for the period	Equity holders of the parent	Non- controlling interest	Total
Balance at January 1, 2023	669.833.747	4.722	(225.297)	151.732.683	29.292.034	(35.185.090)	909.226.754	400.246.832	2.124.926.385	-	2.124.926.385
Transfers	-	-	-	-	11.401.286	-	388.845.546	(400.246.832)	-	-	-
Total comprehensive income	-	-	(690.438)	174.824.539	-	-	-	723.234.480	897.368.581	-	897.368.581
Effect of combinations of businesses under common control	-	-	-	-	-	(1.038.928.000)	-	-	(1.038.928.000)	-	(1.038.928.000)
Balances at September 30, 2023	669.833.747	4.722	(915.735)	326.557.222	40.693.320	(1.074.113.090)	1.298.072.300	723.234.480	1.983.366.966	-	1.983.366.966

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed consolidated statement of cash flow
for the period ended September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

		Unaudited	Unaudited (*)
		Current period	Prior period
		January 1- September 30, 2023	January 1- September 30, 2022
A. Cash flows from operating activities	Note	542.001.276	146.836.931
Net profit/ (loss)		723.234.480	(76.772.132)
Adjustments regarding net profit reconciliation for the period		(683.696.455)	100.343.938
Adjustments for depreciation and amortization expense	13	4.454.867	3.395.965
Adjustments for impairment loss	21	(1.499.876)	88.315
Adjustments for provisions for employee benefits		(77.227)	471.163
Adjustments for other provisions		(912.281)	217.488
Adjustments for interest income	22	(1.465.050)	(300.573)
Adjustments for interest expense	22	20.100.446	12.576.266
Adjustments for unrealized foreign exchange differences		(173.936.206)	(57.538.776)
Adjustments for fair value (gains)/ losses		(629.056.381)	167.981.400
Adjustments for tax expense/ (income)	17	98.699.275	(27.288.564)
Adjustments for losses/ (gains) on disposal of property, plant and equipment	13	-	364.574
Adjustments for cash flows from investing or financing activities	5	(4.022)	376.680
Changes in operating assets and liabilities		506.571.622	119.692.331
Trade receivables		674.791.197	(70.920.477)
Other receivables		161.175.924	149.749.409
Inventories		3.334.773	4.684.178
Prepaid expenses		(8.757.189)	(4.096)
Trade payables		23.797.051	(4.366.277)
Employee benefit obligations		(35.689)	363.294
Other payables		(353.381.418)	42.787.066
Contract liabilities		(15.904.117)	(172.883)
Other assets		(22.735.638)	(34.625.461)
Other liabilities		44.286.728	32.197.578
Cash flows from operating activities		(4.108.371)	3.572.794
Payments related to provisions for employee termination benefits		(930.408)	-
Income taxes (paid)/ refund	17	(3.177.963)	3.572.794
B. Cash flows from investing activities		(1.514.783.540)	(383.777.961)
Cash outflow from purchase of property, plant, equipment	13	(10.595.198)	(9.473.322)
Cash inflow from sales of property, plant, equipment	13	-	3.275.661
Cash inflow from sales of investment properties	12	581.635.840	93.947.276
Cash outflows arising from project expenditures of investment properties		(682.778.476)	(416.722.836)
Cash outflow from purchase of investment properties	12	(329.397.754)	(44.095.300)
Cash outflows from purchase of funds	5	(39.036.603)	-
Cash inflow from sales of funds	5	4.316.651	-
Cash outflows from subsidiary acquisition		(1.038.928.000)	(10.709.440)
C. Cash flows from financing activities		352.712.110	36.295.980
Cash inflow from borrowings	6	472.939.950	233.514.679
Cash outflow from repayments of borrowings	6	(101.741.037)	(184.943.006)
Interest paid	22	(19.951.853)	(12.576.266)
Interest received	22	1.465.050	300.573
D. Net increase/ (decrease) in cash and cash equivalents before currency translation differences (A+B+C)		(620.070.154)	(200.645.050)
Effect of currency translation differences		639.288.895	205.370.269
E. Net increase/ (decrease) in cash and cash equivalents		19.218.741	4.725.219
F. Cash and cash equivalents at January 1		55.644.873	289.569.694
Cash and cash equivalents at September 30 (E+F)	3	74.863.614	294.294.913

(*) Restated (Note 2.4)

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

Notes to condensed consolidated financial statements

as of and for the period ended September 30, 2023

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

1. Group's organisation and nature of operations

Peker Investment Gayrimenkul Anonim Şirketi was established as of April 25, 2017 by separating part of Peker Holding Anonim Şirketi through division. The Company was registered in the trade registry as of April 25, 2017, and at the same time, it applied to the Capital Markets Board for be a Real Estate Investment Corporation. It was approved in accordance with the Capital Markets Board's decision dated September 21, 2017 and numbered 34/1144. The title of the Company, Peker Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company"), was registered in the trade registry on September 28, 2017, pursuant to the permissions of the CMB and the Ministry of Customs and Trade.

The Company's shares have been traded on the Borsa İstanbul Anonim Şirketi (formerly known as the Istanbul Stock Exchange) ("BIST") since February 21, 2018. As of September 30, 2023, 60,90% of its shares are traded on BIST.

The Company is affiliated to the İstanbul Ticaret Odası and its registered address is as follows: Cumhuriyet Mahallesi Silahşor Cad. Yeni Yol Sk. No:8/1-G Şişli/ İstanbul.

The main objective and operations of the Company are real estate buying-selling, renting, developing real estate projects etc.

Number of employees of the Group as of September 30, 2023 is 24 (December 31, 2022: 25).

As of September 30, 2023 and December 31, 2022, the shareholder structure is as follows:

	September 30, 2023			December 31, 2022		
	Number of shares	Share (%)	Amount	Number of shares	Share (%)	Amount
Hasan Peker	261.864.967	39,10	261.864.967	173.958.175	25,97	173.958.175
Ayşegül Peker	-	-	-	87.306.792	13,03	87.306.792
Halka açık	407.968.780	60,90	407.968.780	408.568.780	61,00	408.568.780

Ayşegül Peker who is vice chairman of the Board of Directors transferred her shares to Hasan Peker who is Chairman of the Board of Directors with a total nominal value of 87.306.792 Turkish liras outside the stock market. These shares including group A shares with a nominal value of 14.083.667 Turkish liras and group B shares with a nominal value of 73.223.125 Turkish liras which are 13,03% of the Company's capital. The share transfer did not lead to a change in the Company's management control.

On September 18, 2023, Hasan Peker purchased 600.000 shares of the Company's publicly traded shares with a total nominal value of 600.000 Turkish liras.

The main operations of the companies included in the consolidation and the share percentage of the Group for these companies are as follows:

Name of the Company	Operation	Country of Operation	Voting right and ownership ratios (%)			
			September 30, 2023		December 31, 2022	
			Voting right	Total	Voting right	Total
Peker GMBH	Real estate projectst	Düsseldorf - Germany	100	100	-	-
Peker GYO Global GMBH	Real estate projectst	Düsseldorf - Germany	100	100	100	100
OXO Investment GMBH	Real estate projectst	Grevenbroich - Germany	-	-	100	100
Blue Stone Investment GMBH	Real estate projectst	Grevenbroich - Germany	100	100	100	100
Nordstern Düsseldorf GMBH	Real estate projectst	Düsseldorf - Germany	100	100	100	100
Peker GYO Spain SL	Real estate projectst	Malaga - Spain	100	100	100	100

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

Notes to condensed consolidated financial statements as of and for the period ended September 30, 2023

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

1. Group's organisation and nature of operations (cont'd)

Peker GMBH

The Company has purchased 100% shares of the capital of Peker GMBH, established in Germany and with a capital amounting to 1.000.000, euros from its related parties, Peker Holding GMBH and Goldstein Investment GMBH, for 40.000.000 euros. The value of the related shares has been determined as 41.428.663 euros in the valuation report dated June 23, 2023 prepared by Konfident Steuerberatungsgesellschaft MBH which is established in Germany. Peker GMBH owns the Northgate Düsseldorf project.

Peker GYO Global GMBH

The Group has established Peker GYO Global GMBH, headquartered in Düsseldorf/ Germany, as part of its restructuring to plan and realize real estate investments through subsidiaries established abroad and to realize new investments to be made in Germany in order to benefit from lower cost and long-term financing opportunities abroad.

OXO Investment GMBH

The Group has established OXO Investment GMBH, headquartered in Grevenbroich/ Germany, as part of its restructuring to plan and realize real estate investments through subsidiaries established abroad and to realize new investments to be made in Germany in order to benefit from lower cost and long-term financing opportunities abroad. With the notary contract signed on March 22, 2023, the merger process of OXO Investment GMBH and Nordstern Düsseldorf GMBH within the scope of the Nordstern project has started and the merger has been registered by the court on April 5, 2023. As a result of the registration, OXO Investment GMBH was dissolved.

Blue Stone Investment GMBH

On October 6, 2021, the Group purchased 100% shares of Blue Stone Investment GMBH, which was established to acquire land in Germany, from Peker Holding GMBH. This transaction is considered as a business combination under common control. Therefore, Blue Stone Investment GMBH has been consolidated since 2021.

Nordstern Düsseldorf GMBH

On December 1, 2021, the Group has purchased 89% of the shares of the capital of Nordstern Düsseldorf GMBH, established in Germany, from Peker GMBH. The remaining 11% of the shares were purchased from Peker GMBH on August 26, 2022 for a payment of 13.367.707 Turkish liras. With this share purchase, the Company has become the owner of all the shares of the related company. This transaction is considered as a business combination under common control and has been consolidated since 2021.

Peker GYO Spain SL

The Group established the Spain-based company Peker GYO Spain SL as part of its restructuring to plan and realize its real estate investments through subsidiaries established abroad and to realize new investments to be made in Spain in order to benefit from lower cost and long-term financing opportunities abroad.

**Notes to condensed consolidated financial statements
as of and for the period ended September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

The condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") and in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The condensed interim consolidated financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on October 4, 2022 by POA and the format and mandatory information recommended by CMB.

The Company maintain its legal books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation. These consolidated financial statements are based on the statutory records with adjustments and reclassifications, for the purpose of fair presentation in accordance with Turkish Financial Reporting Standards ("TFRS"). The financial statements are prepared on the basis of historical cost, with the exception of investment properties carried at fair value. In determining the historical cost, generally the fair value of the amount paid for the assets is taken as basis.

The Group prepared its condensed consolidated interim financial statements for the period ended September 30, 2023 in accordance with TAS 34 "Interim Reporting" standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

Financial reporting in hyperinflationary economies

POA made an announcement on January 20, 2022 in order to eliminate the hesitations about for the entities which apply Turkish Financial Reporting Standards ("TFRS") will apply TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended December 31, 2022. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, Afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the consolidated financial statements, POA did not make an additional announcement and no adjustment was made to the consolidated financial statements for the period ended September 30, 2023 in accordance with TAS 29.

**Notes to condensed consolidated financial statements
as of and for the period ended September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements (cont'd)

2.1 Basis of presentation (cont'd)

Functional and reporting presentation currency

Items included in the financial statements of each of the Group's entities 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 Turkish lira and the foreign subsidiaries is euro.

The accompanying condensed consolidated financial statements are prepared in Turkish lira (TRY) in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on June 13, 2013.

In accordance with the Public Oversight, Accounting and Auditing Standards Authority's ("POA") announcement "On the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards" dated March 15, 2021, the Group carried out a valuation for the assets and liabilities in the condensed consolidated financial statements based on the current buying and selling rates effective as of the end of the reporting period, and translated them into the presentation currency at the same exchange rates.

Presentation currency of the condensed consolidated financial statements is Turkish lira. According to TMS 21 ("The Effects of Changes in Foreign Exchange Rates") financial statements, that are prepared in euro, have been translated in Turkish lira as the following method:

- The assets on condensed consolidated statement of financial position as of September 30, 2023 are translated from EUR into TRY using the Central Bank of Turkey's buying exchange rates which is TRY 29,0305= EUR 1 and the liabilities has been translated from into TRY using the Central Bank of Turkey's exchange selling rate which is TRY 29,0828= EUR 1 on the balance sheet date.
- For the six months period ended September 30, 2023, condensed consolidated statements of profit or loss are translated from the average TRY 23,9427 = EUR 1.
- Share capital and other reserves are presented in the accompanying financial statements at their values in the statutory records and other equity items at their historical cost values.

The differences between the values arising from translation of the historical values of these items into the presentation currency and their carrying values from statutory records are recognized as foreign currency translation differences in the statement of other comprehensive income.

Going concern

The Group prepared condensed interim consolidated financial statements in accordance with the going concern assumption.

Approval of the consolidated financial statements

The condensed interim consolidated financial statements have been approved and authorized to be published on November 7, 2023 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

**Notes to condensed consolidated financial statements
as of and for the period ended September 30, 2023**

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements (cont'd)

2.2 New and amended standards and interpretations

The accounting policies adopted in preparation of the condensed interim consolidated financial statements as of September 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/ TFRS and TFRIC interpretations effective as of January 1, 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) Standards, amendments, and interpretations applicable as of September 30, 2023

Narrow scope amendments to TAS 1	Practice statement 2 and TAS 8
Amendment to TAS 12	Deferred tax related to assets and liabilities arising from a single transaction
TFRS 17	"Insurance Contracts"
Amendment to TAS 12	International tax reform - pillar two model rules

ii) Standards, amendments, and interpretations that are issued but not effective as of September 30, 2023

Amendment to TAS 1	Non-current liabilities with covenants
Amendment to TFRS 16	Leases on sale and leaseback
Amendments to TAS 7 and TFRS 7	Supplier finance arrangements
TSRS 1	"General requirements for disclosure of sustainability-related financial information"
TSRS 2	"Climate-related disclosures"

The Group assessed that the adoption of these amendments that are effective from 2023 do not have any effect on the Group's consolidated financial statements.

2.3 Comparative information and restatement of consolidated financial statements with prior periods

The Group's condensed consolidated financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends in accordance with a new illustrative financial statements. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period consolidated financial statements.

**Notes to condensed consolidated financial statements
as of and for the period ended September 30, 2023**

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2. Basis of presentation of the consolidated financial statements (cont'd)

2.4 Restatement and errors in the accounting policies and estimates

On June 23, 2023, the Company has purchased 100% shares of the Peker GMBH from its related parties Peker Holding GMBH and Goldstein Investment GMBH for 40.000.000 euros. In business combinations under common control; the part of the capital value exceeding the purchase price is shown under the item "Effect of business combinations under common control" in the equity in accordance with the Turkish Financial Reporting Standards Resolution dated October 17, 2018. In line with the TFRS 3 "Business Combinations", the consolidated financial statements have been restated retrospectively, since the related transaction is a business combination under common control. In addition, it has been decided that investment properties, which were previously accounted at cost in the consolidated financial statements, will be accounted at fair value. The effects of the change have been corrected retrospectively in accordance with TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" standard. Therefore, the consolidated financial statements of December 31, 2022, September 30, 2022 and January 1, 2022 have been restated and presented comparatively at September 30, 2023. The effect of this restatement on the consolidated financial statements as of September 30, 2022 is as follows:

	Previously reported January 1- September 30, 2022	Effect of restatement	Restated January 1- September 30, 2022
Revenue	127.724.796	11.520.404	139.245.200
Cost of sales (-)	(73.357.376)	(63.770.355)	(137.127.731)
Gross profit/ (loss)	54.367.420	(52.249.951)	2.117.469
General administrative expenses (-)	(35.865.367)	(6.476.305)	(42.341.672)
Other income from operating activities	221.443.914	52.039.332	273.483.246
Other expenses from operating activities (-)	(97.866.550)	(218.613.074)	(316.479.624)
Operating profit/ (loss)	142.079.417	(225.299.998)	(83.220.581)
Expenses from investment activities (-)	-	(364.574)	(364.574)
Operating income before financial income/ (expense)	142.079.417	(225.664.572)	(83.585.155)
Finance income	338.175	4.260.900	4.599.075
Finance expense (-)	(14.741.957)	(10.332.659)	(25.074.616)
Profit before tax from continuing operations	127.675.635	(231.736.331)	(104.060.696)
Tax income/ (expense), continuing operations	(152.425)	27.440.989	27.288.564
Taxes on expense	(152.425)	-	(152.425)
Deferred tax income	-	27.440.989	27.440.989
Net income	127.523.210	(204.295.342)	(76.772.132)
Not to be reclassified to profit or loss	(68.573)	-	(68.573)
Loss arising from defined benefit plans	(68.573)	-	(68.573)
To be reclassified to profit or loss	24.989.547	29.393.729	54.383.276
Currency translation differences	24.989.547	29.393.729	54.383.276
Other comprehensive income	24.920.974	29.393.729	54.314.703
Total comprehensive income/ (loss)	152.444.184	(174.901.613)	(22.457.429)

2.5 Summary of significant accounting policies

The condensed interim consolidated financial statements for the six months period ended September 30, 2023 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements for the six months period ended September 30, 2023, are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2022. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

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3. Segment reporting

Within the framework of TFRS 8 - Operating Segments, there are no operating segments that meet limits and require segment reporting. (December 31, 2022: None).

4. Cash and cash equivalents

The details of cash and cash equivalents as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Cash on hand:		
- <i>Turkish lira</i>	2.520	2.913
Cash in bank:		
Time deposits		
- <i>Turkish lira</i>	10.321	3.600.000
- <i>US dollar</i>	2.042.912	-
Demand deposits		
- <i>Turkish lira</i>	841.580	16.260.182
- <i>US dollar</i>	138.385	4.258.437
- <i>Euro</i>	71.494.076	30.431.620
- <i>British pound</i>	333.820	1.091.721
Total	74.863.614	55.644.873

As of September 30, 2023 and December 31, 2022, the details of the time deposits are as follows:

	Maturity	Interest rate	September 30, 2023
Turkish lira	Ekim '23	5,00 %	10.321
US dollar	Ekim '23	0,01 %	455.063
US dollar	Ekim '23	4,10 %	1.587.849
Total			2.053.233

	Maturity	Interest rate	December 31, 2022
Turkish lira	Ocak '23	5,00 %	3.600.000
Total			3.600.000

As of September 30, 2023, there is no blockage on the bank accounts (December 31, 2022: None).

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5. Financial investments

The details of short-term financial investments as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Domestic funds	5.697.566	-
Foreign funds	29.039.793	3.190
Total	34.737.359	3.190

As of September 30, 2023, the details of the domestic funds are as follows:

Type	ISIN Code	Number	Price	Fair value
Short-term hedge fund	TRMDLYWWWWW9	3.204.884	1,77777	5.697.566

Movement of domestic funds for the periods ended September 30, 2023 are as follows:

	2023
January 1	-
Addition	10.000.000
Disposal	(4.316.651)
Profit on sales of fund	4.022
Fair value change	10.195
September 30	5.697.566

Movement of foreign funds for the periods ended September 30, 2023 and 2022 are as follows:

	2023	2022
January	3.190	379.582
Addition	23.946.531	-
Disposal	-	(420.675)
Currency translation difference	5.090.072	43.995
September 30	29.039.793	2.902

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6. Financial liabilities

The details of financial liabilities as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Short-term bank loans	53.813.871	175.320.898
Short-term portion of long-term borrowings	3.637.631	-
Short-term financial liabilities	57.451.502	175.320.898
Long-term bank loans	1.779.405.549	820.799.330
Long-term financial liabilities	1.779.405.549	820.799.330
Total	1.836.857.051	996.120.228

Movement of financial liabilities for the periods ended September 30, 2023 and 2022 are as follows:

	2023	2022
January 1	996.120.228	780.697.921
Addition	472.939.950	233.514.679
Principal payments (-)	(101.741.037)	(184.943.006)
Translation differences	469.389.317	152.395.054
Accrued/ (paid) interest, net	148.593	-
September 30	1.836.857.051	981.664.648

The details of bank loans as of September 30, 2023 are as follows:

Currency	Original balance	TL equivalent	Interest	Effective interest rate (%)
Euro	16.983.726	493.934.312	Fixed	2,09
Euro	15.595.799	453.569.503	Fixed	2,09
Euro	15.000.000	436.242.000	Fixed	12,00
Euro	6.000.000	174.496.800	Fixed	4,99
Euro	5.000.000	145.414.000	Fixed	4,85
Euro	2.015.000	58.601.842	Floating	2,90
Turkish lira	34.500.000	34.500.000	Floating	44,60
Euro	571.141	16.610.379	Fixed	4,50
Turkish lira	10.060.540	10.060.540	Fixed	52,92
Turkish lira	9.253.331	9.253.331	Fixed	16,80
Turkish lira	4.174.344	4.174.344	Fixed	20,68

The details of bank loans as of December 31, 2022 are as follows:

Currency	Original balance	TL equivalent	Interest	Effective interest rate (%)
Euro	17.266.695	344.829.703	Fixed	2,09
Euro	15.758.744	314.714.721	Fixed	2,09
Euro	7.500.000	149.781.000	Fixed	12,00
Euro	3.532.000	70.536.866	Fixed	4,75
Euro	2.015.000	40.241.162	Floating	2,90
Euro	1.187.510	23.715.528	Fixed	4,50
Turkish lira	34.500.000	34.500.000	Floating	17,8
Euro	574.534	11.473.906	Fixed	4,50
Turkish lira	6.327.342	6.327.342	Fixed	20,68

Interest risks related to interest rate changes on floating rate bank loans are explained in Note 23.

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7. Trade receivables and payables

a) Short-term trade receivables

The details of short-term trade receivables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Trade receivables from third parties	49.494.572	34.524.592
Notes receivables	1.190.000	1.190.000
Income accruals	305.493	10.565
Income accruals from related parties (Note 18)	250.000	-
Total	51.240.065	35.725.157

b) Long-term trade receivables

The details of long-term trade receivables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Trade receivables from related parties (Note 18)	-	514.880.218
Total	-	514.880.218

c) Short-term trade payables

The details of short-term trade payables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Trade payables to third parties	101.017.625	77.289.667
Trade payables to related parties (Note 18)	69.093	-
Total	101.086.718	77.289.667

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8. Other receivables and payables

a) Short-term other receivables

The details of short-term other receivables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Deposits and guarantees given to third parties	4.644.880	199.349
Receivables from tax authorities	3.200.205	8.946.061
Other receivables from third parties	16.839	15.680
Other receivables from related parties (Note 18)	2.597.864	162.713.870
Total	10.459.788	171.874.960

b) Long-term other receivables

The details of long-term other receivables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Deposits and guarantees given to third parties	764.140	524.892
Total	764.140	524.892

c) Short-term other payables

The details of short-term other payables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Deposits and guarantees taken from third parties	1.065.479	424.015
Other payables to third parties	162.010	397
Other payables to related parties (Note 18)	-	276.138.673
Total	1.227.489	276.563.085

d) Long-term other payables

The details of long-term other payables as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Other payables to related parties (Note 18)	1.034.121	79.079.943
Total	1.034.121	79.079.943

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9. Inventories

The details of inventories as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Ataköy Nef 22 independent sections (*)	36.315.628	42.919.828
Land shares of Ataköy Project (**)	11.266.309	11.266.309
Sultan Makamı (***)	7.544.361	10.879.134
Total	55.126.298	65.065.271

(*) With the protocol signed between the Company and Timur Gayrimenkul on December 28, 2017, 23 commercial areas amounting to 74.898.337 Turkish liras in the Ataköy project were purchased by the Company. 15 of the purchased commercial areas were returned, and 45 independent sections (16 commercial areas and 29 residences) were purchased within the framework of property sharing between the Company and Nef. As of September 30, 2023, there is an inventory of 1 residence and 11 commercial areas (December 31, 2022: 1 residence and 12 commercial areas).

(**) The "Revenue Sharing Project for Land Sale" is carried out with the contract concluded between Nef and the Company on the Company's land located in Istanbul, Bakırköy, Ataköy. The sales revenue will be shared between the landowner Peker GYO and the contractor Nef, 50% of the landowner and 50% of the contractor. There are 1.438 residences and 125 workplaces in the project. The delivery of the independent sections sold by Nef has started, and the land share invoices of the delivered independent sections have been invoiced to Nef. In addition, the land shares (76 in total) of the independent sections subject to the independent section sharing between the Company and Nef in the current period were invoiced to Nef. As of September 30, 2023, the land shares of 5 commercial areas that were not delivered are included in the inventories (December 31, 2022: 5 commercial areas).

(***) It consists of an independent section in the "Sultan Makamı Konutları" located on the parcel 879 of the Çengelköy, in the Istanbul, Üsküdar. (December 31, 2022: 3 independent sections).

10. Prepaid expenses and contract liabilities

a) Short-term prepaid expenses

The details of short-term prepaid expenses as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Prepaid expenses for next months	9.496.969	479.086
Advances given to third parties (*)	2.248.333	158.977.235
Advances given to related parties (Note 18)	239.738.408	164.311.257
Total	251.483.710	323.767.578

(*) As of December 31, 2022, advances given to third parties consist of advance given for land purchase contract amounting to 7.971.810 euros within the scope of Nordstern project investment. The relevant land is 9.163 m² and is purchased from the Municipality of Düsseldorf.

b) Long-term prepaid expenses

The details of long-term prepaid expenses as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Advances given to third parties	14.245.827	-
Prepaid expenses for next years	-	260.694
Total	14.245.827	260.694

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10. Prepaid expenses and contract liabilities (cont'd)

c) Contract liabilities

The details of contract liabilities as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Liabilities from customer contracts	307.231	16.211.348
Total	307.231	16.211.348

11. Other assets and liabilities

a) Other current assets

The details of other current assets as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Deferred VAT	24.306.685	1.972.837
Personnel and job advances	337.371	278.297
Other	2.513.051	2.170.335
Total	27.157.107	4.421.469

b) Other current liabilities

The details of other current liabilities as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Taxes and funds payable	45.909.936	1.601.184
Total	45.909.936	1.601.184

As of September 30, 2023, taxes and funds payables mainly consist of VAT amounts related to the sale of the undesignated investment property with an area of 11.020 m² in Üsküdar.

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12. Investment properties

The details of investment properties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Hotel - Peker GMBH ⁽¹⁾	2.496.623.000	1.435.312.800
Düsseldorf 2 - Nordstern ⁽²⁾	320.787.025	-
Düsseldorf - Nordstern ⁽²⁾	310.626.350	213.303.430
Solingen - Peker GYO Global ⁽³⁾	189.424.013	88.211.933
Grevenbroich - Bluestone ⁽⁴⁾	82.156.315	56.415.767
Ritz Carlton A 95 - Peker GYO ⁽⁵⁾	50.000.000	-
House - Peker GMBH ⁽¹⁾	44.706.970	30.201.374
Nef 22 - Peker GYO ⁽⁶⁾	27.700.000	13.500.000
Grevenbroich - Peker GYO Global ⁽³⁾	22.324.455	15.329.938
Kaiserwall - Peker GYO ⁽⁷⁾	16.431.263	11.283.153
Parcela Benalmadena - Spain ⁽⁸⁾	9.953.460	-
Parcela Mijas - Spain ⁽⁸⁾	7.718.279	-
Land in Çamlıca ⁽⁹⁾	-	541.870.000
Marbella - Spain ⁽¹⁰⁾	-	39.765.840
Total	3.578.451.130	2.445.194.235

- (1) Peker GMBH owns the Northgate Düsseldorf project. Related project; It is a project with a gross indoor construction area of 26.200 m² located in Düsseldorf, Germany. The project, which was developed on a land of 11.600 m², has a total net usage area of 24.000 m² (8.400 m² hotel, 5.800 m² boarding, 1.800 m² office, 8.000 m² common use area). The 431-room hotel project, the construction of which started in 2019, was completed at the beginning of 2023. The related hotel is one of the largest hotels in the city of Düsseldorf and has been leased to the Novum Hotels Group for 25+5 years. The hotel continues to operate.
- (2) Nordstern Düsseldorf GMBH owns a land of 8.891 m² in Düsseldorf, Germany, and continues its project development activities on the relevant land. In addition, with the purchase agreement signed between Nordstern Düsseldorf GMBH and Düsseldorf Municipality on August 31, 2023, a new land of 9.163 m² was purchased on the parcel adjacent to the mentioned land.
- (3) Peker GYO Global GMBH owns 3 adjoining buildings in Grevenbroich, Nordrhein-Westfalen, Germany, and plans to design these three real estates together. In addition, it has a land area of 2.690 m² in the city of Solingen, and it is planned to build a project with a total of 45 flats, 33 indoor parking lots, 14 outdoor parking lots and motor parking lots.
- (4) It is planned to develop a residential project on a land of 2.370 m² in Grevenbroich, Germany.
- (5) On July 26, 2023, the Company purchased the independent section numbered 95 amounting to 48.303.840 TL + VAT, which is located on the 14th floor of the A Block of the project. Related project; It is located in İstanbul, Şişli, Teşvikiye. The project is located on a parcel with a surface area of 5.032,56 m², registered with the parcel number 840 and 114. There are 3 blocks in the project, consisting of blocks A, B and C.
- (6) Due to the rental of 2 residences, which were previously in Nef 22 independent section stocks, the related residences were classified as investment properties as of December 31, 2022 and March 31, 2023, respectively.
- (7) A real estate consisting of 3 flats and 1 commercial area with a leasable area of 417 m² in the city of Recklinghausen, Westphalia, Germany, was purchased for 500.000 euros. Rental income is obtained from the said real estate.
- (8) As part of the restructuring the Group has created for new investments to be made in Spain; Avellano purchased a 609.11 m² plot at the address 9.3, Benalmadena 1 29639 Malaga and a 670 m² plot at the address of Ficus Buena Vista Sol, 2, Buenavista, 29650, Mijas, Malaga.
- (9) Çamlıca Land is located in Üsküdar, İstanbul, has a size of 11.020 m² and has not been designed yet. For the period ended June 30, 2023, the relevant land was sold.
- (10) The Group has purchased residences amounting to 1.400.000 euros 18 and 19 in the Urbanisation Oasis Club project in Marbella, Malaga. For the period ended March 31, 2023, both residences have been sold.

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12. Investment properties (cont'd)

Movement of investment properties for the periods ended September 30, 2023 and 2022 are as follows:

	2023	2022
January 1	2.445.194.235	1.597.627.079
Addition	749.834.400	428.499.984
Purchase of investment properties	329.397.754	44.095.300
Transfer from inventories (*)	6.604.200	-
Sales of investment properties	(581.635.840)	(93.947.276)
Translation differences	176.323.532	(182.716.003)
Fair value change	452.732.849	14.734.603
September 30	3.578.451.130	1.808.293.687

(*) Independent sections of Nef 22 which was previously reported in inventories has been classified into investment properties due to rental. The fair value difference is accounted in the income statement.

As of September 30, 2023, the fair values of the investment properties and the methods that are used to identify the fair values are as follows:

September 30, 2023				
Name of investment property	Date of appraisal report	Fair value	Currency	Fair value (TL)
Hotel - Peker GMBH	30.06.2023	86.000.000	Euro	2.496.623.000
Düsseldorf 2 - Nordstern	30.06.2023	11.050.000	Euro	320.787.025
Düsseldorf - Nordstern	20.12.2022	10.700.000	Euro	310.626.350
Solingen - Peker GYO Global	30.06.2023	6.525.000	Euro	189.424.013
Grevenbroich - Bluestone	19.12.2022	2.830.000	Euro	82.156.315
Ritz Carlton A 95 - Peker GYO	26.07.2023	50.000.000	Turkish lira	50.000.000
House - Peker GMBH	30.06.2023	1.540.000	Euro	44.706.970
Nef 22 - Peker GYO	31.12.2022	27.700.000	Turkish lira	27.700.000
Grevenbroich - Peker GYO Global	30.12.2022	769.000	Euro	22.324.455
Kaiserwall - Peker GYO	31.12.2022	566.000	Euro	16.431.263
Parcela Benalmadena - Spain	2.04.2023	342.862	Euro	9.953.460
Parcela Mijas - Spain	4.04.2023	265.868	Euro	7.718.279

Name of investment property	Valuation method use	Based on valuation method
Hotel - Peker GMBH	Precent comparison, income discount	Income discount
Düsseldorf 2 - Nordstern	Precent comparison	Precent comparison
Düsseldorf - Nordstern	Precent comparison	Precent comparison
Solingen - Peker GYO Global	Cost analysis, precent comparison, income discount	Precent comparison
Grevenbroich - Bluestone	Precent comparison	Precent comparison
Ritz Carlton A 95 - Peker GYO	Precent comparison	Precent comparison
House - Peker GMBH	Precent comparison	Precent comparison
Nef 22 - Peker GYO	Precent comparison	Precent comparison
Grevenbroich - Peker GYO Global	Precent comparison, income discount	Precent comparison
Kaiserwall - Peker GYO	Cost analysis, income discount	Income discount
Parcela Benalmadena - Spain	Precent comparison	Precent comparison
Parcela Mijas - Spain	Precent comparison	Precent comparison

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12. Investment properties (cont'd)

As of December 31, 2022, the fair values of the investment properties and the methods that are used to identify the fair values are as follows:

December 31, 2022				
Name of investment property	Date of appraisal report	Fair value	Currency	Fair value (TL)
Hotel - Peker GMBH	31.12.2022	72.000.000	Euro	1.435.312.800
Land in Çamlıca - Peker GYO	30.12.2022	541.870.000	Turkish lira	541.870.000
Düsseldorf - Nordstern	20.12.2022	10.700.000	Euro	213.303.430
Solingen - Peker GYO Global	13.12.2022	4.425.000	Euro	88.211.933
Grevenbroich - Bluestone	19.12.2022	2.830.000	Euro	56.415.767
Marbella - Peker GYO Spain	9.12.2022	1.994.785	Euro	39.765.840
House - Peker GMBH	31.12.2022	1.515.000	Euro	30.201.374
Grevenbroich - Peker GYO Global	30.12.2022	769.000	Euro	15.329.938
Nef 22 - Peker GYO	31.12.2022	13.500.000	Turkish lira	13.500.000
Kaiserwall - Peker GYO	31.12.2022	566.000	Euro	11.283.153

Name of investment property	Valuation method use	Based on valuation method
Hotel - Peker GMBH	Precent comparison, income discount	Income discount
Land in Çamlıca - Peker GYO	Precent comparison, income discount	Precent comparison
Düsseldorf - Nordstern	Precent comparison	Precent comparison
Solingen - Peker GYO Global	Cost analysis, precent comparison, income discount	Precent comparison
Grevenbroich - Bluestone	Precent comparison, income discount	Precent comparison
Marbella - Peker GYO Spain	Precent comparison	Precent comparison
House - Peker GMBH	Precent comparison	Precent comparison
Grevenbroich - Peker GYO Global	Precent comparison, income discount	Precent comparison
Nef 22 - Peker GYO	Precent comparison	Precent comparison
Kaiserwall - Peker GYO	Cost analysis, income discount	Income discount

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12. Investment properties (cont'd)

As of September 30, 2023 and December 31, 2022, the fair values classification of the investment properties are as follows:

	September 30, 2023	1. level	2. level	3. level
Hotel - Peker GMBH	2.496.623.000	-	2.496.623.000	-
Düsseldorf 2 - Nordstern	320.787.025	-	320.787.025	-
Düsseldorf - Nordstern	310.626.350	-	310.626.350	-
Solingen - Peker GYO	189.424.013	-	189.424.013	-
Grevenbroich - Bluestone	82.156.315	-	82.156.315	-
Ritz Carlton A 95 - Peker GYO	50.000.000	-	50.000.000	-
House - Peker GMBH	44.706.970	-	44.706.970	-
Nef 22 - Peker GYO	27.700.000	-	27.700.000	-
Grevenbroich - Peker GYO	22.324.455	-	22.324.455	-
Kaiserwall - Peker GYO	16.431.263	-	-	16.431.263
Parcela Benalmadena - Spain	9.953.460	-	9.953.460	-
Parcela Mijas - Spain	7.718.279	-	7.718.279	-
Total	3.578.451.130	-	3.562.019.867	16.431.263
	December 31, 2022	1. level	2. level	3. level
Hotel - Peker GMBH	1.435.312.800	-	1.435.312.800	-
Land in Çamlıca - Peker GYO	541.870.000	-	541.870.000	-
Düsseldorf - Nordstern	213.303.430	-	213.303.430	-
Solingen - Peker GYO Global	88.211.933	-	88.211.933	-
Grevenbroich - Bluestone	56.415.767	-	56.415.767	-
Marbella - Peker GYO Spain	39.765.840	-	39.765.840	-
House - Peker GMBH	30.201.374	-	30.201.374	-
Grevenbroich - Peker GYO Global	15.329.938	-	15.329.938	-
Nef 22 - Peker GYO	13.500.000	-	13.500.000	-
Kaiserwall - Peker GYO	11.283.153	-	-	11.283.153
Total	2.445.194.235	-	2.433.911.082	11.283.153

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13. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation for the periods ended September 30, 2023 and 2022 are as follows:

	January 1, 2023	Addition	Translation difference	September 30, 2023
Cost:				
Vehicles	22.659.401	9.199.856	2.466.272	34.325.529
Furniture and fixtures	6.776.383	1.395.342	3.184.084	11.355.809
Total	29.435.784	10.595.198	5.650.356	45.681.338
Accumulated depreciation:				
Vehicles	5.231.133	3.645.449	480.828	9.357.410
Furniture and fixtures	774.328	809.418	244.567	1.828.313
Total	6.005.461	4.454.867	725.395	11.185.723
Book value	23.430.323			34.495.615

	January 1, 2022	Addition	Disposal	Translation difference	September 30, 2022
Cost:					
Vehicles	13.982.889	4.581.025	(4.442.328)	815.325	14.936.911
Furniture and fixtures	774.313	4.892.297	-	492.250	6.158.860
Total	14.757.202	9.473.322	(4.442.328)	1.307.575	21.095.771
Accumulated depreciation:					
Vehicles	1.705.805	3.221.709	(802.093)	(134.183)	3.991.238
Furniture and fixtures	368.512	174.256	-	33.697	576.465
Total	2.074.317	3.395.965	(802.093)	(100.486)	4.567.703
Book value	12.682.885				16.528.068

As of September 30, 2023 and December 31, 2022, there are pledges on vehicles amounting to 4.849.398 Turkish liras (Note 14).

As of September 30, 2023 and December 31, 2022, there are no property, plant and equipment acquired through financial leasing.

As of September 30, 2023 and December 31, 2022, there is no capitalized borrowing cost.

For the periods ended September 30, 2023 and 2022, depreciation expenses are included in general administrative expenses.

Notes to condensed consolidated financial statements

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14. Provisions, commitments and contingencies

a) Provisions

As of September 30, 2023 and December 31, 2022, there are 8 lawsuits to which the Group is a party. The Group does not foresee a significant cash outflow risk for the related lawsuits.

b) Contingent assets

The details of collaterals, pledges and mortgages ("CPM") received as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Letters of guarantees taken		
- Turkish lira	7.694.345	7.694.345
- US dollar	52.941.911	36.159.352
Total	60.636.256	43.853.697

As of September 30, 2023 and December 31, 2022, letter of guarantees taken consist of the letter of guarantees received from the customers regarding the undelivered residences and workplaces within the scope of the sales contracts made within the scope of Nef 22 Project.

c) Contingent liabilities

The details of collaterals, pledges and mortgages ("CPM") given as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
A. Total amount of guarantees provided by the Company on behalf of itself (*)	102.009.398	82.009.398
B. Total amount for guarantees provided on behalf of subsidiaries accounted under full consolidation method (**)	2.079.454.715	312.778.581
C. Provided on behalf of third parties in order to maintain operating activities	-	-
D. Other guarantees given	-	-
i. Total amount of guarantees given on behalf of the parent company	-	-
ii. Total amount of guarantees provided on behalf of the associates which are not in the scope of B and C	-	-
iii. Total amount of guarantees provided on behalf of third parties which are not in the scope of C	-	-
Total	2.181.464.113	394.787.979

(*) As of September 30, 2023, guarantees, pledges and mortgages consist of amounting to 77.160.000 Turkish liras consist of mortgages on independent sections, amounting to 4.849.398 Turkish liras consist of pledges on vehicles and amounting to 20.000.000 Turkish liras guarantee given to Kuveyt Türk Katılım Bankası A.Ş. As of December 31, 2022, guarantees, pledges and mortgages consist of amounting to 77.160.000 Turkish liras consist of mortgages on independent sections, amounting to 4.849.398 Turkish liras consist of pledges on vehicles.

(**) As of December 31, 2022, guarantees provided on behalf of subsidiaries accounted under full consolidation method consist of mortgage amounting to 11.000.000 euros related to land in Nordstern, amounting to 10.000.000 euros related to land in Solingen, amounting to 50.000.000 euros related to Hotel in Northgate and amounting to 630.000 euros related to real estates in Grevenbroich. As of December 31, 2022, guarantees provided on behalf of subsidiaries accounted under full consolidation method consist of mortgage amounting to 5.690.000 euros related to land in Nordstern and amounting to 10.000.000 euros related to land in Solingen.

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15. Shareholders's equity

a) Paid in capital

The details of paid-in capital as of September 30, 2023 and December 31, 2022 are as follows:

Name of shareholder	September 30, 2023		December 31, 2022	
	Share (%)	Amount	Share (%)	Amount
Hasan Peker	39,10	261.864.967	25,97	173.958.175
Ayşegül Peker	-	-	13,03	87.306.792
Publicly traded	60,90	407.968.780	61,00	408.568.780
Total	100	669.833.747	100	669.833.747

As of September 30, 2023 and December 31, 2022, the Company's share capital consists of 669.833.747 units of shares with the nominal value of Turkish lira 1.

Name of shareholder	September 30, 2023		December 31, 2022		Group	Type
	Units of share	Amount	Units of share	Amount		
Hasan Peker	42.166.667	42.166.667	28.083.000	28.083.000	A	Registered
Ayşegül Peker	-	-	14.083.667	14.083.667	A	Registered
Hasan Peker	219.698.300	219.698.300	145.875.175	145.875.175	B	Bearer
Ayşegül Peker	-	-	73.223.125	73.223.125	B	Bearer
Publicly traded	407.968.780	407.968.780	408.568.780	408.568.780	B	Bearer
Total	669.833.747	669.833.747	669.833.747	669.833.747		

Shares are divided into groups A and B, and group A shares are privileged. The nominal amount of the privileged shares is amounting to 42.166.667 Turkish liras. Group A shares have the privilege to nominate candidates in the election of the members of the Board of Directors. If the Board of Directors consists of 5 members, 3 of them, in case of 6 or 7 members, 4 of them are selected by the General Assembly from among the candidates nominated by the group A shareholders.

The management control of the Company belongs to group A shareholders, and this control is achieved by owning the majority of the privileges granted to the shares.

Ayşegül Peker who is vice chairman of the Board of Directors transferred her shares to Hasan Peker who is Chairman of the Board of Directors with a total nominal value of 87.306.792 Turkish liras outside the stock market. These shares including group A shares with a nominal value of 14.083.667 Turkish liras and group B shares with a nominal value of 73.223.125 Turkish liras which are 13,03% of the Company's capital. The share transfer did not lead to a change in the Company's management control.

On September 18, 2023, Hasan Peker purchased 600.000 shares of the Company's publicly traded shares with a total nominal value of 600.000 Turkish liras.

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15. Shareholders's equity (cont'd)

b) Restricted reserves

In accordance with the Turkish Commercial Code ("TCC"), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the Company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The Turkish Commercial Code ("TCC") stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

As of September 30, 2023, the total amount of legal reserves is 40.693.320 Turkish liras (December 31, 2022: 29.292.034 Turkish liras).

16. Earnings per share

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income per share by the weighted average number of shares that have been outstanding during the year.

	September 30, 2023	December 31, 2022
Profit/ (loss) for the year	723.234.480	(76.772.132)
Weighted average number of ordinary shares with nominal value	669.833.747	669.833.747
Earnings per share	1,08	(0,11)

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17. Taxation

Movement of tax assets and liabilities for the periods ended September 30, 2023 and 2022 are as follows:

	2023	2022
January 1	-	(3.547.198)
Translation difference	-	(423.666)
Corporation and income taxes	-	(152.425)
Prepaid taxes and funds	15.177	46.193
Corporate tax payable	-	(4.123.289)
Current income tax assets	15.177	46.193

Corporate tax

All earnings of The Group, except its subsidiaries in Germany and Spain, are exempt from corporate tax due to the approval of the Group as a Real Estate Investment Trust ("REIT") by the CMB.

The effective corporate tax rate in Turkey is 25%, 15,825% in Germany and 15% in Spain as of September 30, 2023 (December 31, 2022: in Turkey 23%, in Germany 15,825%, in Spain 15%).

As of January 1, 2022, the corporate tax payable amounting to 3.547.198 Turkish liras consists of tax expense, which is required to be paid according to German laws, for the sale of the Hagen building in Germany. The relevant tax payment was made in 2022.

Deferred tax

Subsidiaries in Germany and Spain deferred tax assets and liabilities based upon the temporary differences arising between its taxable statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences consist of fair value differences related to investment properties. As of September 30, 2023, deferred tax asset is 8.345.038 Turkish liras (December 31, 2022: 7.767.358 Turkish liras) and deferred tax liability is 169.562.656 Turkish liras (December 31, 2022: 70.285.701 Turkish liras).

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18. Related parties**a) Short-term trade receivables from related parties**

The details of short-term trade receivables from related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Hasan Peker	250.000	-
Total	250.000	-

As of September 30, 2023, short-term trade receivables from related parties consist of income accruals related to rental income from Hasan Peker.

b) Long-term trade receivables from related parties

The details of long-term trade receivables from related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
UK Imperial Investment Ltd.	-	514.880.218
Total	-	514.880.218

On June 23, 2023, long-term trade receivables from related parties was transferred to Peker Holding GMBH during the acquisition of Peker GMBH.

c) Short-term other receivables from related parties

The details of short-term other receivables from related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Hasan Peker	2.583.350	1.736.550
Peker Investment GMBH	14.514	-
Peker Holding A.Ş.	-	148.117.636
Pollux Construction GMBH	-	12.620.034
Pekfor 95 GMBH	-	239.650
Total	2.597.864	162.713.870

d) Short-term trade payables to related parties

The details of short-term trade payables to related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Peker Management GMBH	69.093	-
Total	69.093	-

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18. Related parties (cont'd)**e) Short-term other payables to related parties**

The details of short-term other payables to related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Peker Holding A.Ş.	-	268.746.573
Peker Investment GMBH	-	7.261.170
Peker Management GMBH	-	130.930
Total	-	276.138.673

f) Long-term other payables to related parties

The details of long-term other payables to related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Peker Holding Ltd.	1.034.121	3.010.397
Peker Holding GMBH	-	76.069.546
Total	1.034.121	79.079.943

g) Short-term prepaid expenses to related parties

The details of short-term prepaid expenses to related parties as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Marbella Lifestyle Investment SL (*)	169.629.750	128.189.550
Pollux Construction GMBH	70.108.658	36.121.707
Total	239.738.408	164.311.257

(*) The Company signed a real estate purchase agreement amounting to 8.900.000 euros with its related party, Marbella Life Style Investments SL, regarding the purchase of a villa with 16 rooms and a total construction area of 1.992 m² on a 7,100 m² land in Malaga, Spain. Pursuant to the aforesaid agreement, the title deed will be transferred after the permissions for the construction of 4 additional villas on the land area excluding the existing villa are obtained. Within the scope of the relevant agreement, an advance of 8.500.000 euros was paid to the seller (December 31, 2022: 6.500.000 euros).

f) Benefits of the key management

The key management of the Group consists of the Board of Directors, General Manager and Directors. For the nine months period ended September 30, 2023, the total compensation consisting of short term benefits such as salaries and rental of car. For the periods ended September 30, 2023 and 2022, benefits of the key management are as follows:

	January 1 - September 30, 2023	January 1 - September 30, 2022
Benefits of the key management	15.305.291	2.472.093
Total	15.305.291	2.472.093

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19. Sales and cost of sales

For the periods ended September 30, 2023 and 2022, the details of sales and cost of sales are as follows:

	January 1 - September 30, 2023	July 1 - September 30, 2023	January 1 - September 30, 2022	July 1 - September 30, 2022
Domestic sales (*)	584.306.296	-	45.539.954	8.597.124
Export sales (**)	50.279.670	5.201.342	81.376.800	-
Other	17.863.753	14.122.327	12.328.446	4.608.834
Net sales	652.449.719	19.323.669	139.245.200	13.205.958
Domestic cost of sales (-)	545.613.752	-	38.815.278	3.718.888
Export cost of sales (-)	47.247.827	4.987.195	98.312.453	-
Cost of sales (-)	592.861.579	4.987.195	137.127.731	3.718.888
Gross profit	59.588.140	14.336.474	2.117.469	9.487.070

(*) For the period ended September 30, 2023, domestic sales consist of sales of the investment property with an area of 11.020 m² in Üsküdar, and residences and warehouses in Sultan Makamı Residences. For the period ended September 30, 2022, domestic sales consist of two investment units in Sultan Makamı Residences and share of land sales related to Ataköy project.

(**) For the period ended September 30, 2023, export sales consist of the sales of investment properties numbered 18 and 19 in the Urbanization Oasis Club project in Malaga Marbella, Spain. For the period ended September 30, 2022, export sales consist of the sales of investment properties located in Gravesend, England.

20. General administrative expenses

For the periods ended September 30, 2023 and 2022, the details of general administrative expenses are as follows:

	January 1 - September 30, 2023	July 1 - September 30, 2023	January 1 - September 30, 2022	July 1 - September 30, 2022
Personnel expenses	25.215.502	9.305.197	19.338.995	7.558.020
Consultancy expenses	15.311.425	5.518.520	7.536.209	3.089.338
Taxes, duties and charges	5.303.344	2.205.179	1.511.157	378.268
Amortization and depreciation expenses	4.454.867	1.924.181	3.395.965	2.309.664
Outsourced benefits and services	4.322.515	2.662.908	1.412.817	403.085
Donations and grants (*)	3.240.635	138.841	66.350	21.750
Travel and accommodation expenses	2.378.938	534.254	1.264.307	274.557
Insurance expenses	1.651.655	427.771	1.181.467	854.750
Maintenance and repair expenses	1.635.006	753.233	321.026	111.766
Travel expenses	1.358.657	607.292	835.483	398.352
Other	9.301.218	3.831.406	5.477.896	2.196.938
Total	74.173.762	27.908.782	42.341.672	17.596.488

(*) For the period ended September 30, 2023, donations and grants mainly consist of donations related to Kahramanmaraş-centered earthquake on February 6, 2023.

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21. Other income and expenses from operating activities**a) Other income from operating activities**

For the periods ended September 30, 2023 and 2022, the details of other income from operating activities are as follows:

	January 1 - September 30, 2023	July 1 - September 30, 2023	January 1 - September 30, 2022	July 1 - September 30, 2022
Fair value differences of investment properties	641.295.208	75.857.690	34.677.231	6.135.121
Foreign exchange gains (*)	249.183.903	12.503.027	234.753.423	87.693.490
Late interest income (**)	16.000.077	-	3.805.525	3.805.525
Taxes, duties and other charges refunds	2.406.353	1.926.603	-	-
Provision no longer required	1.499.876	-	-	-
Other	1.710.585	515.558	247.067	211.954
Total	912.096.002	90.802.878	273.483.246	97.846.090

(*) As of September 30, 2023, foreign exchange differences are shown as net-off.

(**) As of September 30, 2023, late interest income consists of interest income related to trade receivables from UK Imperial Investment Ltd.

b) Other expenses from operating activities

For the periods ended September 30, 2023 and 2022, the details of other expenses from operating activities are as follows:

	January 1 - September 30, 2023	July 1 - September 30, 2023	January 1 - September 30, 2022	July 1 - September 30, 2022
Fair value differences of investment properties	12.238.827	-	202.658.631	57.116.650
Taxes, duties and other charges	767.886	708.695	61.732	30.458
Comission expenses	226.546	64.800	1.134.107	-
Provision expenses	74.232	-	88.315	-
Foreign exchange losses (*)	-	-	112.105.837	58.837.528
Other	42.708	-	431.002	14.488
Total	13.350.199	773.495	316.479.624	115.999.124

(*) As of September 30, 2023, foreign exchange differences are shown as net-off.

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22. Income and expenses from financing activities

a) Income from financing activities

For the periods ended September 30, 2023 and 2022, the details of income from financing activities are as follows:

	January 1 - September 30, 2023	July 1 - September 30, 2023	January 1 - September 30, 2022	July 1 - September 30, 2022
Interest income from time deposits	1.465.050	795.170	300.573	17.384
Late interest income (*)	650.548	-	1.095.115	1.095.115
Interest income from group companies	980	980	1.179.879	47.820
Other	2.849.504	1.209.029	2.023.508	35.967
Total	4.966.082	2.005.179	4.599.075	1.196.286

(*) As of September 30, 2023, interest income consists of interest income calculated in accordance with the contract for receivables related to the sale of investment real estate located in Gravesend, England.

b) Expense from financing activities

For the periods ended September 30, 2023 and 2022, the details of expense from financing activities are as follows:

	January 1 - September 30, 2023	July 1 - September 30, 2023	January 1 - September 30, 2022	July 1 - September 30, 2022
Late interest expenses	33.710.343	10.272.308	3.144.846	1.394.335
Interest expenses related to loans	20.100.446	10.544.950	12.576.266	5.004.502
Commission and other bank expenses	8.749.623	1.392.094	3.298.970	988.882
Interest expenses to group companies	2.847.925	1.696.309	4.189.266	328.197
Interest expenses related to other liabilities	1.208.663	125.034	815.797	303.896
Other	589.725	532.119	1.049.471	40.813
Total	67.206.725	24.562.814	25.074.616	8.060.625

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23. Nature and level of risks arising from financial instruments

The primary financial instruments of the Group consist of bank loans, cash and short-term deposits. The main objective of the related financial instruments is to finance the Group's business activities. The Group also has other financial instruments such as trade receivables and trade payables arising directly from its operating activities.

a) Capital risk management

The Group manages its capital through the optimization of the debt and the equity balance that minimizes the financial risk.

Through the forecasts regularly prepared by the Group, the future capital amount, debt to equity ratio and similar ratios are forecasted and required precautions are taken to strengthen the capital.

The capital structure of the Group consists of debt which includes the financial liabilities disclosed in Note 4, cash and cash equivalents and equity attributable to equity holders of the parent company, comprising issued capital, reserves and retained earnings as disclosed in Note 15.

As of reporting date the net (credit) debt/ equity ratio is as follows:

	September 30, 2023	December 31, 2022
Financial liabilities	1.836.857.051	996.120.228
Less: Cash and cash equivalents	(74.863.614)	(55.644.873)
Net debt	1.761.993.437	940.475.355
Total equity	1.983.366.966	2.124.926.385
Net debt/ Total equity ratio	0,89	0,44

b) Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. Group Management and Board of Directors examines and approves the policies on the management of risks stated below. In addition, the Group also considers the market risk of all of its financial instruments.

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23. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk of receivables is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are bank guarantees, mortgages and cheques-notes negotiated.

In credit risk control, for the customers which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors. Individual risk limits are set in accordance and the utilization of credit limits is regularly monitored.

Current period	Receivables		Bank deposits	Financial investments
September 30, 2023	Trade receivables	Other receivables		
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	51.240.065	11.223.928	74.861.094	34.737.359
- The part of maximum risk under guarantee with collateral	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	51.240.065	11.223.928	74.861.094	34.737.359
B. Net book value of financial assets that are renegotiated	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	-	-	-
- The part of maximum risk under guarantee with collateral	-	-	-	-
D. Net book value of impaired asset	-	-	-	-
- Overdue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
- Undue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Credit risk off the statement of financial position	-	-	-	-

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the balance.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

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23. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management (cont'd)

Pripr period	Receivables		Bank deposits	Financial investments
December 31, 2022	Trade receivables	Other receivables		
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	550.605.375	172.399.852	55.641.960	3.190
- The part of maximum risk under guarantee with collateral	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	35.725.157	172.399.852	55.641.960	3.190
B. Net book value of financial assets that are renegotiated	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	-	-	-
- The part of maximum risk under guarantee with collateral	-	-	-	-
D. Net book value of impaired asset	514.880.218	-	-	-
- Overdue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
- Undue (gross net book value)	516.305.862	-	-	-
- Impairment (-)	(1.425.644)	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Credit risk off the statement of financial position	-	-	-	-

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the balance.

There is no additional impairment in the financial assets except for the provisions in the consolidated financial statements.

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(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

23. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.2) Liquidity risk management

Liquidity risk is the risk of the Group not meeting its net funding requirements. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group management eliminates of the liquidity risk with the principle of managing the balance sheet in accordance with the expected cash flow by keeping sufficient cash and cash equivalents for daily transactions and ensuring the availability of high quality credit providers. The Group management also tries to adjust the maturity structures of the financial debts used for construction costs and investment property development according to the cash flow of the incomes to be obtained from these real estates as much as possible.

As of September 30, 2023 and December 31, 2022, the maturity analysis of the financial liabilities is as follows:

Contractual maturity analysis September 30, 2023	Carrying value	Total cash outflow according to contract (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Bank loans ^(*)	1.836.857.051	1.840.856.797	13.812.516	47.504.318	1.779.539.963
Trade payables	101.086.718	101.086.718	82.530.678	18.556.040	-
Other payables	2.261.610	2.261.610	162.010	1.065.479	1.034.121
Total liabilities	1.940.205.379	1.944.205.125	96.505.204	67.125.837	1.780.574.084

Contractual maturity analysis December 31, 2022	Carrying value	Total cash outflow according to contract (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Bank loans ^(*)	996.120.228	997.510.845	1.006.690	131.772.465	864.731.690
Trade payables	77.289.667	77.289.667	63.033.469	14.256.198	-
Other payables	355.643.028	355.643.028	276.563.085	-	79.079.943
Total liabilities	1.429.052.923	1.430.443.540	340.603.244	146.028.663	943.811.633

^(*) As of September 30, 2023, bank loans are presented with their discounted amount in the consolidated financial statements. As of December 31, 2022, the difference between their principal amounts and their discounted amounts is considered as immaterial.

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(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

23. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.3) Interest rate risk

Changes in interest rates create significant risks over financial results with due to the impact on interest sensitive assets and liabilities. These exposures are managed by establishing a fixed-floating balance in the consolidated financial statements and balancing interest rate sensitive assets and maturity with inter balance sheet items.

As of September 30, 2023 and December 31, 2022, interest rate table of financial instruments is as follow:

	September 30, 2023	December 31, 2022
Fixed interest rate financial assets		
Time deposits (Note 4)	2.053.233	3.600.000
Fixed interest rate financial liabilities		
Bank loans (Note 6)	1.743.755.209	921.379.066
Floating interest rate financial liabilities		
Bank loans (Note 6)	93.101.842	74.741.162

The Group's floating rate bank loans are exposed to interest rate risk depending on interest rate changes. As of September 30, 2023, the interest rate of floating rate bank loans is 44,60 for Turkish lira and 2,90%+3 months libor for euro (December 31, 2022: %17,80 and %2,90+3 month Libor) (Note 6).

b.4) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions.

As of September 30, 2023 and December 31, 2022, details of foreign currency positions of assets and liabilities of the Group are as follows:

Foreign exchange position	Current period			
	September 30, 2023			
	TL equivalent	USD	EUR	GBP
1. Monetary financial assets	8.138.851	79.677	193.718	9.970
2. Trade receivables	34.346.010	-	-	1.025.817
3. Other receivables	224.900		1.496	5.420
4. Current assets (1+2+3)	42.709.761	79.677	195.214	1.041.207
5. Other receivables	396.972.416	-	13.674.322	-
6. Non-current assets (5)	396.972.416	-	13.674.322	-
7. Total assets (4+6)	439.682.177	79.677	13.869.536	1.041.207
8. Trade payables	(193.303)	-	(6.659)	-
9. Other payables	(82.985.650)	-	(2.858.568)	-
10. Current liabilities (8+9)	(83.178.953)	-	(2.865.227)	-
11. Total liabilities (10)	(83.178.953)	-	(2.865.227)	-
12. Net foreign currency (liability)/ asset (7+11)	356.503.224	79.677	11.004.309	1.041.207

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(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

23. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.4) Foreign currency risk (cont'd)

	Prior period			
	December 31, 2022			
Foreign exchange position	TL equivalent	USD	EUR	GBP
1. Monetary financial assets	18.402.704	227.741	654.743	48.561
2. Trade receivables	25.065.746	-	100.123	1.025.817
3. Current assets (1+2)	43.468.450	227.741	754.866	1.074.378
4. Trade receivables	514.880.218	-	-	22.894.555
5. Other receivables	72.530.287	-	3.638.357	-
6. Non-current assets (4+5)	587.410.505	-	3.638.357	22.894.555
7. Total assets (3+6)	630.878.955	227.741	4.393.223	23.968.933
8. Trade payables	(1.081.750)	-	(53.381)	(694)
9. Current liabilities (8)	(1.081.750)	-	(53.381)	(694)
10. Total liabilities (9)	(1.081.750)	-	(53.381)	(694)
11. Net foreign currency (liability)/ asset (7+10)	629.797.205	227.741	4.339.842	23.968.239

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, EUR and GBP.

In foreign currency sensitivity analysis gain/ loss section as of September 30, 2023 and December 31, 2022 the exposure of the 10% loss/ gain of Turkish lira against foreign currencies on the comprehensive financial income statement is disclosed. During the foreign currency sensitivity analysis, all variables, especially interest rates are assumed to be fixed.

Foreign currency sensitivity table		
Current period	September 30, 2023	
	Profit/ (loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
US dollar against Turkish lira by 10%		
1- US dollar denominated net assets/ (liabilities)	218.131	(218.131)
2- Hedged amount against US dollar risk (-)	-	-
3- Net effect of USD (1+2)	218.131	(218.131)
EUR against Turkish lira by 10%		
4- EUR denominated net assets/ (liabilities)	31.946.062	(31.946.062)
5- Hedged amount against EUR risk (-)	-	-
6- Net effect of EUR (4+5)	31.946.062	(31.946.062)
GBP against Turkish lira by 10%		
7- GBP denominated net assets/ (liabilities)	3.486.129	(3.486.129)
8- Hedged amount against GBP risk (-)	-	-
9- Net effect of GBP (7+8)	3.486.129	(3.486.129)
Total (3+6+9)	35.650.322	(35.650.322)

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(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

23. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.4) Foreign currency risk (cont'd)

Foreign currency sensitivity (cont'd)

Foreign currency sensitivity table		
Prior period	December 31, 2022	
	Profit/ (loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
US dollar against Turkish lira by 10%		
1- US dollar denominated net assets/ liabilities	425.837	(425.837)
2- Hedged amount against US dollar risk (-)	-	-
3- Net effect of USD (1+2)	425.837	(425.837)
EUR against Turkish lira by 10%		
4- EUR denominated net assets/ liabilities	8.651.432	(8.651.432)
5- Hedged amount against EUR risk (-)	-	-
6- Net effect of EUR (4+5)	8.651.432	(8.651.432)
GBP against Turkish lira by 10%		
7- GBP denominated net assets/ liabilities	53.902.652	(53.902.652)
8- Hedged amount against GBP risk (-)	-	-
9- Net effect of GBP (7+8)	53.902.652	(53.902.652)
Total (3+6+9)	62.979.921	(62.979.921)

24. Subsequent events

On October 23, 2023, Hasan Peker purchased 500.000 shares of the Company's publicly traded shares with a total nominal value of 500.000 Turkish liras. After the relevant share purchase, the Company's capital distribution is as follows:

	October 23, 2023	September 30, 2023		
Shareholders	Share amount	Share amount	Group	Type
Hasan Peker	42.166.667	42.166.667	A	Registered
Hasan Peker	220.198.300	219.698.300	B	Bearer
Publicly traded	407.468.780	407.968.780	B	Bearer
Total	669.833.747	669.833.747		

In addition, the Company's application for the issuance of debt instruments (bonds and/ or financial bills) within one year, with an issue limit of 1.500.000.000 Turkish liras, which does not give shareholder rights, to be sold to qualified investors in domestic without publicly traded, was approved by the decision dated November 2, 2023, numbured 66/1472 of Capital Markets Board.