

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Consolidated Financial Statements for the
Period January 1 – December 31, 2023**

**(Convenience Translation of Consolidated 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

**Consolidated statement of financial position
as of December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

		Audited Current period December 31, 2023	Audited Prior period December 31, 2022
	Note		
Current assets		1.731.535.403	1.312.906.683
Cash and cash equivalents	4	57.631.848	91.693.166
Financial investments	5	93.129.712	5.257
Trade receivables			
<i>Due from related parties</i>	7-18	148.230.293	-
<i>Due from third parties</i>	7	705.981.642	58.868.902
Other receivables			
<i>Due from related parties</i>	8-18	3.187.382	268.124.417
<i>Due from third parties</i>	8	3.852.477	15.095.898
Inventories	9	295.541.592	338.063.633
Prepaid expenses			
<i>Due to related parties</i>	10-18	360.372.176	270.756.635
<i>Due to third parties</i>	10	6.604.879	262.907.556
Current income tax assets		31.897	105.398
Other current assets	11	56.971.505	7.285.821
Non-current assets		4.174.129.823	4.942.317.063
Financial investments	5	781.402	-
Trade receivables			
<i>Due from related parties</i>	7-18	-	848.433.868
Other receivables			
<i>Due from third parties</i>	8	857.345	864.932
Investment properties	12	4.095.680.007	4.029.258.716
Property, plant and equipment	13	54.585.482	50.513.153
Prepaid expenses			
<i>Due to related parties</i>	10-18	13.029.560	-
<i>Due to third parties</i>	10	-	447.126
Deferred tax assets	17	9.196.027	12.799.268
Total assets		5.905.665.226	6.255.223.746

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Consolidated statement of financial position
as of December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

		Audited	Audited
		Current period	Prior period
		December 31,	December 31,
	Note	2023	2022
Current liabilities		361.120.059	910.095.898
Short-term borrowings	6	119.063.019	288.898.626
Short-term portion of long-term borrowings	6	5.223.037	-
Short-term leasing liabilities	6	31.675.765	-
Other financial liabilities		54.488	36.292
Trade payables			
<i>Due to related parties</i>	7-18	960.730	-
<i>Due to third parties</i>	7	119.691.373	127.360.052
Contract liabilities	10	254.490	26.713.508
Employee benefit obligations		809.554	1.350.489
Other payables			
<i>Due to related parties</i>	8-18	1.631.630	455.028.949
<i>Due to third parties</i>	8	30.875.483	699.358
Provisions			
<i>Other provisions</i>		360.565	2.053.023
Current income tax liabilities		-	5.317.125
Other current liabilities	11	50.519.925	2.638.476
Non-current liabilities		2.214.866.481	1.600.695.490
Long-term borrowings	6	2.006.153.469	1.352.535.846
Long-term leasing liabilities	6	15.543.862	-
Other payables			
<i>Due to related parties</i>	8-18	1.160.344	130.310.118
Provisions			
<i>Provision for employee benefits</i>		495.880	2.030.805
Deferred tax liabilities	17	191.512.926	115.818.721
Equity		3.329.678.686	3.744.432.358
Equity holders of the parent		3.118.620.735	3.744.432.358
Paid-in capital	15	669.833.747	669.833.747
Adjustment to share capital	15	1.787.200.218	1.787.200.218
Share premium		15.752	15.752
Other accumulated comprehensive income and expense not to be reclassified to profit or loss			
<i>Gain/ (loss) arising from defined benefit plans</i>		(531.593)	(590.197)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
<i>Currency translation differences</i>		(514.092.143)	(486.315.390)
Effect of combinations of businesses under common control		(1.424.043.311)	5.191.570
Restricted reserves	15	115.248.666	96.461.310
Retained earnings		1.524.924.167	2.133.069.346
Net profit for the period		960.065.232	(460.433.998)
Non-controlling interest		211.057.951	-
Total liabilities and equity		5.905.665.226	6.255.223.746

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Consolidated statement of profit or loss and other comprehensive income
for the year ended December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

		Audited	Audited
		Current period	Prior period
		January 1-	January 1-
		December 31,	December 31,
	Note	2023	2022
Revenue	19	896.366.309	310.474.604
Cost of sales (-)	19	(964.142.008)	(498.259.024)
Gross loss		(67.775.699)	(187.784.420)
General administrative expenses (-)	20	(119.908.769)	(114.746.032)
Other income from operating activities	21	1.311.950.846	922.714.516
Other expenses from operating activities (-)	21	(126.206.262)	(282.263.286)
Operating profit		998.060.116	337.920.778
Income from investment activities	22	523.668.435	-
Expenses from investment activities (-)	22	(227.783)	(620.409)
Operating income before financial income/ (expense)		1.521.500.768	337.300.369
Finance income	23	18.981.665	11.912.761
Finance expenses (-)	23	(124.104.524)	(64.303.152)
Net monetary position gain/(loss)		(291.938.655)	(732.610.711)
Profit/ (loss) before tax from continuing operations		1.124.439.254	(447.700.733)
Tax income/ (expense), continuing operations		(119.798.557)	(12.733.265)
Taxes on expense	17	-	-
Deferred tax expenses (-)	17	(119.798.557)	(12.733.265)
Net income		1.004.640.697	(460.433.998)
Equity holders of the parent		960.065.232	(460.433.998)
Non-controlling interest		44.575.465	-
Not to be reclassified to profit or loss		58.604	(590.197)
Gain/ (loss) arising from defined benefit plans		58.604	(590.197)
To be reclassified to profit or loss		(47.958.513)	(467.172.455)
Currency translation differences		(47.958.513)	(467.172.455)
Other comprehensive income		(47.899.909)	(467.762.652)
Total comprehensive income/ (loss)		956.740.788	(928.196.650)
Equity holders of the parent		932.347.083	(928.196.650)
Non-controlling interest		24.393.705	-
Earnings per share	16	0,39	(,19)

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

Consolidated statement of changes in equity for the year ended December 31, 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

	Paid-in capital	Adjustment to share 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 profit for the period	Equity holders of the parent	Non- controlling interest	Total
Balance at January 1, 2022	669.833.747	1.787.200.218	15.752	-	(19.142.935)	44.145.748	5.191.570	2.185.929.324	-	4.673.173.424	13.268.817	4.686.442.241
Transfers	-	-	-	-	-	52.315.562	-	(52.315.562)	-	-	-	-
Total comprehensive income	-	-	-	(590.197)	(467.172.455)	-	-	-	(460.433.998)	(928.196.650)	-	(928.196.650)
Transactions with non- controlling shareholders	-	-	-	-	-	-	-	(544.416)	-	(544.416)	(13.268.817)	(13.813.233)
Balance at December 31, 2022	669.833.747	1.787.200.218	15.752	(590.197)	(486.315.390)	96.461.310	5.191.570	2.133.069.346	(460.433.998)	3.744.432.358	-	3.744.432.358
Transfers	-	-	-	-	-	18.787.356	-	(479.221.354)	460.433.998	-	-	-
Total comprehensive income	-	-	-	58.604	(27.776.753)	-	-	-	960.065.232	932.347.083	24.393.705	956.740.788
Sale of shares of Subsidiaries without a change of control	-	-	-	-	-	-	-	(128.923.825)	-	(128.923.825)	186.664.246	57.740.421
Effect of combinations of businesses under common control	-	-	-	-	-	-	(1.429.234.881)	-	-	(1.429.234.881)	-	(1.429.234.881)
Balance at December 31, 2023	669.833.747	1.787.200.218	15.752	(531.593)	(514.092.143)	115.248.666	(1.424.043.311)	1.524.924.167	960.065.232	3.118.620.735	211.057.951	3.329.678.686

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Consolidated statement of cash flow
for the year ended December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

		Audited	Audited
		Current period	Current period
		January 1-	January 1-
		December 31,	December 31,
		2023	2022
A. Cash flows from operating activities		(494.353.694)	7.018.085
Net income/ (expenses)		1.004.640.697	(460.433.998)
Adjustments regarding net profit reconciliation for the period		(505.060.624)	(384.999.483)
Adjustments for depreciation and amortisation expense	13	9.659.579	11.763.074
Alacaklarda değer düşüklüğü (iptali) ile ilgili düzeltmeler		(1.391.173)	295.487
Stok değer düşüklüğü (iptali) ile ilgili düzeltmeler	9	(928.819)	(90.153.176)
Adjustments for provisions for employee benefits		(1.476.321)	399.426
Adjustments for interest income		(3.415.971)	(1.277.180)
Adjustments for interest expense		43.997.158	31.081.316
Adjustments for tax expense/ (income)	17	119.798.557	12.733.265
Adjustments for unrealised foreign exchange differences		(404.526.574)	(382.839.995)
Adjustments for fair value (gains)/ losses	12	(748.855.202)	(151.142.821)
Monetary (gain)/ loss		318.209.971	347.610.640
Adjustments for unrealised translation differences		164.009.871	(163.469.519)
Adjustments for other cash flows from investing or financing activities		(141.700)	-
Changes in operating assets and liabilities		(988.616.642)	856.894.508
Adjustments for decrease (increase) in trade receivables		(795.343.033)	469.147.548
Adjustments for decrease (increase) in other receivables		276.188.043	281.134.445
Adjustments for decrease (increase) in inventories		20.051.707	176.684.513
Decrease (increase) in prepaid expenses		154.104.702	(339.744.354)
Adjustments for increase (decrease) in trade payables		(6.707.949)	(8.041.611)
Increase (decrease) in employee benefit liabilities		(540.935)	367.876
Adjustments for increase (decrease) in other payables		(606.505.162)	263.350.056
Adjustments for other (increase) decrease in changes in operating assets and liabilities			
Adjustments for (increase) decrease in other assets		(49.612.183)	(1.724.168)
Adjustments for increase (decrease) in other liabilities		19.748.168	15.720.203
Cash flows from operating activities		(5.317.125)	(4.442.942)
Income taxes refund/ (paid)		(5.317.125)	(4.442.942)
B. Cash flows from investing activities		(26.950.533)	(327.587.409)
Cash outflow from purchase of property, plant, equipment	13	(13.708.218)	(28.383.228)
Cash inflow from sales of property, plant, equipment	13	-	5.774.731
Cash inflow from sales of investment properties	12	942.101.002	311.771.766
Cash outflows arising from project expenditures of investment properties	12	(402.666.328)	(602.937.445)
Cash outflows from purchase of funds		(108.572.534)	-
Cash inflow from sales of funds		15.589.780	-
Cash inflow/ outflow from sale of shares of Subsidiaries without a change of control		57.740.421	(13.813.233)
Cash inflow/ outflow from effect of combinations of businesses under common control		(517.434.656)	-
C. Cash flows from financing activities		449.682.032	(61.933.853)
Cash inflow from borrowings	6	699.822.559	535.188.863
Cash outflow from repayments of borrowings	6	(214.139.487)	(567.318.580)
Interest and comission paid		(39.417.011)	(31.081.316)
Interest received		3.415.971	1.277.180
D. Net change in cash and cash equivalents (A+B+C)		(71.622.195)	(382.503.177)
E. Effect of monetary gain/ loss		(24.789.655)	(393.804.529)
F. Effect of currency translation differences		62.350.532	84.219.966
G. Cash and cash equivalents at January 1		91.693.166	783.780.906
Cash and cash equivalents at December 31 (D+E+F+G)	4	57.631.848	91.693.166

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to consolidated financial statements as of and for the year ended December 31, 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 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 December 31, 2023, 60,83% 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. Yeniyoğ 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 December 31, 2023 is 31 (December 31, 2022: 24).

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

	December 31, 2023			December 31, 2022		
	Number of shares	Share (%)	Amount	Number of shares	Share (%)	Amount
Hasan Peker	262.364.967	39,17	262.364.967	173.958.175	25,97	173.958.175
Ayşegül Peker	-	-	-	87.306.792	13,03	87.306.792
Capital Union Bank Ltd.	54.382.059	8,12	54.382.059	-	-	-
Other	353.086.721	52,71	353.086.721	408.568.780	61,00	408.568.780

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 (%)			
			December 31, 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	51	100	100	100
Peker GYO Spain SL	Real estate projectst	Malaga – Spain	100	100	100	100

(*) 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.

(**) 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.

(***) On December 28, 2023, the Company sold 20% of its shares to DATE Investment GMBH, 20% to EN FA Investment GMBH, and 9% to Peker Holding GMBH.

**Notes to consolidated financial statements
as of and for the year ended December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

The 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 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.

Financial reporting in hyperinflationary economies

Pursuant to the decision of the CMB dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that entities applying TFRS to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies as of financial statements for the annual reporting period ending on or after 31 December 2023. In accordance with the aforementioned CMB decision and the announcement made by POA on November 23, 2023 and the "Guidance on Financial Reporting in Hyperinflationary Economies", the Group has prepared the consolidated financial statements as of December 31, 2023 by applying TAS 29.

As of 31 December 2023, the indices and adjustment coefficients which obtained from the Consumer Price Index ("CPI") of Turkey published by the Turkish Statistical Institute ("TÜİK") and used in the adjustment of the consolidated financial statements for the current and prior periods since January 1, 2005, the date on which TL ceased to be designated as the currency of a hyperinflationary economy, are as follows:

	2023	2022	2021	2020
Index	1.859,37	1.128,40	686,95	504,81
Average Index	1.488,92	967,70	561,61	469,59
Conversion Factor	1,00000	1,64780	2,70671	
Year - Inflation Rate	%64,78	%64,26	%36,08	
Three-year - Inflation Rate	%268,33	%123,53	%36,08	

Current period consolidated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

**Notes to consolidated financial statements
as of and for the year ended December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 unless otherwise indicated.)

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

2.1 Basis of presentation (cont'd)

Financial reporting in hyperinflationary economies (cont'd)

The Company has restated all non-monetary items in order to reflect the effect of inflation adjustment reporting on a current measurement unit basis as of December 31, 2023. As a result, the main items corrected are; "tangible assets", "prepaid expenses", "inventories", "long-term financial investments" and "equity". Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date.

Since the comparative amounts are presented in the current currency of December 31, 2023 and restated using the general price index of the current year, it is aimed to present the comparative financial statements in the current measurement unit as of the closing date of the reporting period, and the comparative amounts of previous reporting periods are rearranged by applying the general price index.

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Non-monetary items measured at historical cost have been adjusted to reflect the effect of inflation from the date assets were acquired and liabilities assumed. Actuarial losses/gains from previous periods under shareholders' equity are excluded from the financial statements. "Retained earning" have been rearranged in line with the inflation adjustments. Deferred tax has been recalculated based on the difference between the inflation-adjusted values of non-monetary items and their tax basis.
- Adjustments in the opening statement of financial position are transferred to the comparative period statement of financial position dated December 31, 2022 by using the "carryover coefficient"; "Retained earning" recorded in legal financials, adjustments recorded and carried in accordance with TFRS are carried with the carrying coefficient. Adjustments recorded within the scope of inflation accounting were similarly carried forward using the carrying coefficient. The "Statement of profit or loss and other comprehensive income" has been adjusted by separating the effects of inflation increases, period addition/disposal and other movements in the comparative period (Income/expense resulting only from the correction of non-monetary items).
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
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Comperative amounts:

- Current period consolidated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

**Notes to consolidated financial statements
as of and for the year ended December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 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 (TL) 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 consolidated financial statements is Turkish lira. According to TAS 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 consolidated statement of financial position as of December 31, 2023 are translated from EUR into TL using the Central Bank of Turkey's buying exchange rates which is TL 32,5739= EUR 1 and the liabilities has been translated from into TL using the Central Bank of Turkey's exchange selling rate which is TL 32,6326= EUR 1 on the balance sheet date.
- For the year ended December 31, 2023, consolidated statements of profit or loss are translated from the average TL 25,7198 = 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 consolidated financial statements in accordance with the going concern assumption.

Approval of the consolidated financial statements

The consolidated financial statements have been approved and authorized to be published on May 14, 2024 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

**Notes to consolidated financial statements
as of and for the year ended December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at December 31, 2023 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 consolidated financial statements as of December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

TAS 8	Definition of Accounting Estimates
TAS 1	Disclosure of Accounting Policies
TAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to TAS 12	International Tax Reform – Pillar Two Model Rules

ii) Standards issued but not yet effective and not early adopted

TAS 1	Classification of Liabilities as Current and Non-Current Liabilities
TFRS 16	Lease Liability in a Sale and Leaseback
TAS 7 ve TFRS 7	Disclosures: Supplier Finance Arrangements
TFRS 17	The new Standard for insurance contracts
TFRS 10 ve TAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Overall, the Group expects no significant impact on its balance sheet and equity.

iii) The new amendments that are issued by the International Accounting Standards Board ("IASB") but not issued by Public Oversight Authority ("POA")

IAS 21	Lack of exchangeability
IFRS 18	The new Standard for Presentation and Disclosure in Financial Statements

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

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

2.4 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Peker GYO, and its subsidiaries on the basis set out in sections below. The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements and are based on the statutory records with adjustments and reclassifications for the purpose of presentation in conformity TAS/IFRS promulgated by the POA as set out in the communiqué numbered II-14.1, and Group accounting and disclosure policies.

Subsidiaries are included in the scope of consolidation from the date on which control over their activities is transferred to the Group, and are excluded from the scope of consolidation on the date when control disappears.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- (i) has power over the investee,
- (ii) is exposed, or has rights, to variable returns from its involvement with the investee and
- (iii) has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The table below sets out all subsidiaries included in the scope of consolidation and discloses their direct and indirect ownership, which are identical to their economic interests (%) as of reporting date.

Subsidiaries	December 31, 2023		December 31, 2022	
	Ownership	Control power	Ownership	Control power
Peker GMBH	100%	100%	-	-
Peker GYO Global GMBH	100%	100%	100%	100%
OXO Investment GMBH	-	-	100%	100%
Blue Stone Investment GMBH	100%	100%	100%	100%
Nordstern Düsseldorf GMBH	51%	100%	100%	100%
Peker GYO Spain SL	100%	100%	100%	100%

On December 11, 2023, the Company establish the Germany-based Peker Real Estate GMBH which has euro 25.000 capital as part of the structuring it created to plan and realize real estate investments through subsidiaries established abroad and to realize new investments in Germany in order to benefit from lower-cost and long-term financing opportunities abroad. Since it is not active as of December 31, 2023 and is immaterial to the consolidated financial statements, it is not included in the consolidation. Peker Real Estate GMBH is accounted for as a long-term financial investment in the consolidated financial statements.

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

2.5 Summary of significant accounting policies

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a part of the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

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

2.5 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets (cont'd)

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

- a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
- b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

2.5 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification of financial assets (cont'd)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss.

Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each Reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

2.5 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit losses are estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value. A financial liability is subsequently classified at amortized cost except:

- a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
- b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Company continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
- c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where IFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

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

2.5 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Financial liabilities (cont'd)

The Entity does not reclassify any financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Related parties

Parties are considered related to the Company if:

a) A person or a close member of that person's family is related to a reporting entity if that;

The related person or entity that is related to the entity preparing its financial statements (for this note will be named as reporting entity):

- (i) Has control or joint control over the reporting entity;
- (ii) Has significant influence over the reporting entity; or
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same company (which means that each Parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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

2.5 Summary of significant accounting policies (cont'd)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

	<u>Useful life</u>
Vehicles	2 – 5 years
Furniture and fixtures	3 – 50 years

Expenses after the capitalization are added to the cost of related asset and reflected in financial statements as a separate asset if they shall mostly provide an economic benefit and their cost is measured in a trustable manner. Property, plant and equipment are reviewed for impairment if there are conditions showing that the securities are more than amount recoverable. Assets are grouped at the lowest level which is cash-generating unit in order to determine impairment (cash-generating unit).

Carrying amount of a tangible asset and recoverable value is the one which is higher than the net sales price following the deduction of commensurable value for the sale of the asset. Useful life of assets are reviewed as of date of balance sheet and adjusted, if required.

Maintenance and repair expenses are recorded as expense to the statement of profit or loss of the related period. The Company omits the carrying values of the changed pieces occurred with respect to renovations from the balance sheet without considering whether they are subject to depreciation in an independent manner from other sections. Main renovations are subject to depreciation based on the shortest of residual life of the related tangible asset or useful life of the renovation itself.

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

2.5 Summary of significant accounting policies (cont'd)

Revenue recognition

Company recognizes revenue when the goods or services are transferred to the customer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to the customer. The principal activities of the Company are production of iron and steel rolled products, alloyed and non-alloyed iron, steel and pig iron castings, cast and pressed products and their by-products.

Company recognizes revenue based on the following main principles:

- a) Identification of customer contracts
- b) Identification of performance obligations
- c) Determination of transaction price in the contract
- d) Allocation of price to performance obligations
- e) Recognition of revenue when the performance obligations are fulfilled

The Company evaluates the products it has committed in each contract with customers and determines each commitment it has made to transfer the said goods or services as a separate performance obligation. Whether the performance obligation for each contract will be realized at a certain time or over time is evaluated at the beginning of the contract. If the Company realizes the transfer of control of its goods and services over time and fulfills its performance obligation over time, it measures the progress in fulfilling the performance obligation and records the revenues in the financial statements.

Real estate (residence/ office) sales

Real estate inventories consist of buildings held for sale in the ordinary course of business, projects under construction or development for sale, and lands on which buildings are planned to be built for sale in the future, and are presented under the inventories. Revenue from the sales of real estate inventories are recognized only if the following conditions are met:

- the Group transfers all control over the property to the buyer (the transfer of risks and gains of the sold houses to the buyer usually occurs with the final delivery of the houses and/or delivery of the title deeds),
- the Group's ownership of the right to collect goods or services,
- the customer's legal ownership of the goods or services,
- transfer of possession of goods or services,
- the customer has control arising from ownership of the goods or services,
- takes into account the conditions under which the customer accepts the goods or services.

Sales of lands projected with the Revenue Sharing in Return for Land Sales ("RSRLS") method

The Group records the sales revenues of the lands it projects within the scope of the RSRLS contract when the control over the lands is completely transferred to the buyers and the sales revenues can be measured reliably. Revenue is recognized by signing a provisional acceptance protocol with the construction company or by transferring control to the buyers (the buyer actually taking delivery of the independent section by signing a delivery document acquitting the seller).

In cases where the provisional acceptance protocol is not signed or actual delivery or title deed transfer does not occur, the Group follows its share of income in its balance sheet as Contract Liabilities (Note 10). The Group's share in the Total Sales Revenue ("TSR") generated as a result of the projects is associated with the statement of comprehensive income as land sales revenue, and the cost of the relevant land tracked in inventories is associated with the statement of comprehensive income as the cost of the lands sold.

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

2.5 Summary of significant accounting policies (cont'd)

Inventories

Inventories of the Group consist of land and buildings classified as real estate, on which projects will be developed or are being developed to be sold.

The real estates contributed to the Company as in-kind capital in the partial division were first recorded at their fair values on April 25, 2017, when the division took place. These values are accepted as the cost value of the relevant inventories, and real estates are measured at the lower of cost or net realizable value in subsequent periods.

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of profit or loss under income (expense) from investment activities.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

No assets held under operating lease have been classified as investment properties.

Foreign currency transactions

The Group records foreign currency (currencies other than the functional currency of the related company) transactions using exchange rates of the date the transaction is completed. Foreign currency monetary items are evaluated with exchange rates as of reporting date and arising foreign exchange income/expenses are recorded in consolidated statement of profit or loss. All monetary assets and liabilities are evaluated with exchange rates of the reporting date and related foreign currency translation differences are transferred to consolidated statement of profit or loss.

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

2.5 Summary of significant accounting policies (cont'd)

Employee benefits

According to the Turkish and Romanian law and union agreements, employee termination payments are made to employees in the case of retiring or involuntarily leaving. Such payments are considered as a part of defined retirement benefit plan in accordance with TAS 19 (revised) Employee Benefits ("TAS 19").

The termination indemnities accounted in the balance sheet and seniority incentive premium in accordance with the union agreements in force represent the present value of the residual obligation.

The Group makes certain assumptions about discount rates, inflation rates, future salary increases and employee turnover rates in calculation of provisions for employee benefits. The impact of the changes in assumptions is recognized in the statement of profit or loss. The details related with the defined benefit plans are stated below:

	<u>December 31, 2023</u>
Interest rate %	25,05
Inflation rate %	21,41

IAS 19 ("Employee Benefits") has been restated for the accounting periods starting after January 1, 2013. In accordance with the revised standard, actuarial gains / losses on employee benefits are recognized in the statement of comprehensive income.

Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Group has a present obligation ("legal or constructive") as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group have not been recognized in these consolidated financial statements and treated as contingent liabilities and contingent assets.

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

2.5 Summary of significant accounting policies (cont'd)

Corporate tax and deferred tax

The company became a real estate investment corporation in September 2017, and according to Article 5/1(d) (4) of the Corporate Tax Law No. 5520 in Turkey, the profits obtained from real estate investment corporation are exempt from corporate tax. This exception also applies to provisional tax. In accordance with Article 15/(3) of Corporate Tax Law, the earnings of real estate investment company are subject to a 15% tax deduction within the institution, regardless of whether they are distributed or not. Within the framework of the authority within the scope of Corporate Tax Law Article 15/ (34), the Council of Ministers may reduce the tax withholding rates specified in Article 15 to zero separately for each payment and income, increase it up to the corporate tax rate, and provide funds for the earnings specified in the third paragraph within the same limits. or according to partnership types or the quality and distribution of assets in their portfolios. In accordance with the Council of Ministers Decision No. 2009/14594, 0% tax withholding is made on the portfolio management earnings of real estate investment corporation, which are exempt from corporate tax.

Deferred tax is calculated using the liability method, based on temporary differences between the recorded values and tax basis of assets and liabilities in the financial statements prepared in accordance with TAS. During this calculation, effective tax rates as of the balance sheet date are used.

Since the Company was exempt from corporate tax in accordance with the current tax legislation after the approval of the CMB for its transformation into a real estate investment corporation, no deferred tax assets or liabilities were recognized over temporary and taxable differences.

Statement of cash flow

Cash flows during the period are classified and reported as operating, investing, and financing activities in the statement of cash flows.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (investment of tangible and intangible assets and financial investments).

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

Subsequent events

Subsequent events include all events that take place between the balance sheet date and the date of authorization for the release of the balance sheet, although the events occurred after the announcements related to the net profit/ loss or even after the public disclosure of other selective financial information.

In the case that events occur requiring an adjustment, the Group adjusts the amounts recognized in its financial statements to reflect the adjustments after the balance sheet date. Post period end events that are not adjusting events are disclosed in the notes when material.

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

2.5 Summary of significant accounting policies (cont'd)

Earnings per share

Earnings per share disclosed in the consolidated income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

2.6 Critical accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. These estimates and assumptions are reviewed regularly, taking into account past experiences and factors expected to arise in the future under certain conditions. Uncertainty about these estimates and assumptions may require significant adjustments in the carrying values of assets and liabilities. Actual results may differ from estimates and assumptions.

The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

Fair value of investment properties

The basic assumptions of the appraisal reports used in determining the fair value of properties classified as investment properties in the financial statements are stated in Note 12.

Impairment of Assets

Non-monetary assets and liabilities are revalued using the increase in the general price index from the date of transactions to the balance sheet date in order to measure current units at the balance sheet date. Some problems arise when the book value of assets exceeds their net realizable value as a result of revaluation or when non-monetary assets are shown at fair value. The revalued book value should be compared to current values and to an appropriate standard with the difference, if any, recorded as a credit or debit to the income statement or equity.

The net realizable value of the asset may be less than the revalued amount. Therefore, although it is not necessary to show impairment of the asset in historical cost financial statements, as a result of the application of the normal impairment condition, there is a decrease in the book value in the reorganized financial statements.

3. Segmental 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).

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

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4. Cash and cash equivalents

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

	December 31, 2023	December 31, 2022
Cash on hand:		
- Turkish lira	520	4.800
Cash in bank:		
Time deposits		
- Turkish lira	166.308	5.932.180
- US dollar	58.876	-
Demand deposits		
- Turkish lira	851.620	26.793.978
- US dollar	103.125	7.017.090
- Euro	56.046.398	50.145.557
- British pound	405.001	1.799.561
Total	57.631.848	91.693.166

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

	Maturity	Interest rate	December 31, 2023
Turkish lira	January '24	42,50 – 47,50%	166.308
US dollar	January '24	4,10%	58.876
Total			225.184

	Maturity	Interest rate	December 31, 2022
Turkish lira	January '23	5,00%	5.932.180
Total			5.932.180

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

5. Financial investments

a) Short-term financial investments

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

	December 31, 2023	December 31, 2022
Stock certificates	60.550.600	-
Foreign funds (*)	32.579.112	5.257
Total	93.129.712	5.257

(*) As of December 31, 2023, the Group has short-term funds amounting to 1.000.000 euros.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

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5. Financial investments (cont'd)

As of December 31, 2023 the details of the stock certificates are as follows:

Code of stock	Number of shares	Amount	Fair value
EKGYO	3.470.000	6,88	23.873.600
KRDMD	950.000	23,76	22.572.000
THYAO	30.000	228,6	6.858.000
AVPGY	150.000	38,78	5.817.000
ADGYO	50.000	28,6	1.430.000

a) Long-term financial investments

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

	December 31, 2023	December 31, 2022
Peker Real Estate GMBH	781.402	-
Total	781.402	-

On December 11, 2023, the Company establish the Germany-based Peker Real Estate GMBH which has euro 25.000 capital as part of the structuring it created to plan and realize real estate investments through subsidiaries established abroad and to realize new investments in Germany in order to benefit from lower-cost and long-term financing opportunities abroad. Since it is not active as of December 31, 2023 and is immaterial to the consolidated financial statements, it is not included in the consolidation. Peker Real Estate GMBH is accounted for as a long-term financial investment in the consolidated financial statements.

6. Financial liabilities

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

	December 31, 2023	December 31, 2022
Short-term bank loans	119.063.019	288.898.626
Short-term portion of long-term borrowings	5.223.037	-
Short-term lease liabilities	31.675.765	-
Short-term financial liabilities	155.961.821	288.898.626
Long-term bank loans	2.006.153.469	1.352.535.846
Long-term lease liabilities	15.543.862	-
Long-term financial liabilities	2.021.697.331	1.352.535.846
Total	2.177.659.152	1.641.434.472

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6. Financial liabilities

The details of bank loans as of December 31, 2023 are as follows:

Currency	TL equivalent	Interest	Interest rate (%)
Euro	551.112.942	Fixed	2,09
Euro	503.558.388	Fixed	2,09
Euro	489.489.000	Fixed	12,00
Euro	195.795.600	Fixed	4,99
Euro	163.163.000	Fixed	4,85
Euro	82.070.989	Floating	2,90
Turkish lira	23.815.368	Fixed	47,40
Euro	22.743.938	Fixed	4,50
Turkish lira	18.947.710	Fixed	53,00
Euro	18.637.831	Fixed	4,50
Turkish lira	18.619.964	Floating	47,00
Turkish lira	9.662.365	Fixed	45,60
Turkish lira	8.047.680	Fixed	52,92
Turkish lira	5.034.832	Fixed	48,48
Turkish lira	4.124.050	Fixed	53,00
Turkish lira	4.087.715	Floating	47,00
Turkish lira	3.363.206	Fixed	20,68
Euro	3.097.463	Fixed	4,50
Turkish lira	2.553.560	Fixed	43,20
Turkish lira	2.513.924	Fixed	48,48

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

Currency	TL equivalent	Interest	Interest rate (%)
Euro	568.219.925	Fixed	2,09
Euro	518.595.625	Fixed	2,09
Euro	246.813.276	Fixed	12,00
Euro	116.232.599	Fixed	4,75
Euro	66.310.500	Floating	2,90
Turkish lira	56.850.055	Floating	17,80
Euro	39.079.103	Fixed	4,50
Euro	18.907.020	Fixed	4,50
Turkish lira	10.426.369	Fixed	20,68

Interest risks related to interest rate changes on floating rate bank loans are explained in Note 24.

Movement of bank loans for the periods ended December 31, 2023 and 2022 are as follows:

	2023	2022
January 1	1.641.434.472	2.113.122.131
Addition	649.822.559	535.188.863
Principal payments (-)	(211.722.759)	(567.318.580)
Interest accrual/ (paid), net	4.943.792	-
Translation differences	86.094.795	(393.364.053)
Monetary gain	(40.133.334)	(46.193.889)
December 31	2.130.439.525	1.641.434.472

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları**Notes to consolidated financial statements
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6. Financial liabilities (cont'd)

Movement of lease liabilities for the periods ended December 31, 2023 and 2022 are as follows:

	2023	2022
January 1	-	-
Addition	50.000.000	-
Principal payments (-)	(2.416.728)	-
Interest accrual/ (paid), net	(363.645)	-
December 31	47.219.627	-

7. Trade receivables and payables**a) Short-term trade receivables**

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

	December 31, 2023	December 31, 2022
Trade receivables from third parties (*)	705.676.149	56.890.578
Notes receivables	-	1.960.915
Income accruals	305.493	17.409
Trade receivables from related parties (Note 18)	148.230.293	-
Total	854.211.935	58.868.902

(*) As of December 31, 2023, trade receivables from third parties mainly consist of receivables arising from the sale of 40% of the shares of Nordstern Dusseldorf GMBH, operating in Germany, to DATE Investment GMBH and EN FA Investment GMBH on December 28, 2023.

b) Long-term trade receivables

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

	December 31, 2023	December 31, 2022
Trade receivables from related parties (Note 18)	-	848.433.868
Total	-	848.433.868

c) Short-term trade payables

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

	December 31, 2023	December 31, 2022
Trade payables to third parties	119.691.373	127.360.052
Trade payables to related parties (Note 18)	960.730	-
Total	120.652.103	127.360.052

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8. Other receivables and payables**a) Short-term other receivables**

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

	December 31, 2023	December 31, 2022
Receivables from the tax authorities	3.510.902	14.741.567
Deposits and guarantees given	325.739	328.493
Other receivables from third parties	15.836	25.838
Other receivables from related parties (Note 18)	3.187.382	268.124.417
Total	7.039.859	283.220.315

b) Long-term other receivables

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

	December 31, 2023	December 31, 2022
Deposits and guarantees given	857.345	864.932
Total	857.345	864.932

c) Short-term other payables

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

	December 31, 2023	December 31, 2022
Other payables to third parties (*)	30.012.636	654
Deposits and guarantees taken	862.847	698.704
Other payables to related parties (Note 18)	1.631.630	455.028.949
Total	32.507.113	455.728.307

(*) As of December 31, 2023, other payables to third parties mainly consist of payables to Deniz Yatırım Menkul Kıymetler A.Ş. within the scope of stock purchases.

d) Long-term other payables

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

	December 31, 2023	December 31, 2022
Other payables to related parties (Note 18)	1.160.344	130.310.118
Total	1.160.344	130.310.118

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9. Inventories

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

	December 31, 2023	December 31, 2022
Ataköy Nef 22 independent sections (*)	218.362.795	258.073.290
Land shares of Ataköy Project (**)	67.743.365	67.743.365
Sultan Makamı (***)	39.596.625	59.648.332
Inventories, gross	325.702.785	385.464.987
Ataköy Nef 22 independent sections (*)	(19.521.212)	(47.401.354)
Land shares of Ataköy Project (**)	(10.639.981)	-
Sultan Makamı (***)	-	-
Impairment (-)	(30.161.193)	(47.401.354)
Inventories, net	295.541.592	338.063.633

(*) 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 December 31, 2023, there is a 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 December 31, 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).

Movement of inventories for the periods ended December 31, 2023 and 2022 are as follows:

	2023	2022
January 1	338.063.633	441.566.036
Addition	-	3.188.424
Sales of inventories	(20.051.707)	(179.872.937)
Transfer to investment properties (*) (Note 12)	(23.399.153)	(16.971.066)
Impairment (-) (Note 21b)	(27.837.147)	(62.298.740)
Impairment reversal (Note 21a)	28.765.966	152.451.916
December 31	295.541.592	338.063.633

(*) Independent sections of Nef 22 which was previously reported in inventories has been classified into investment properties due to rental.

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10. Prepaid expenses and contract liabilities**a) Short-term prepaid expenses**

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

	December 31, 2023	December 31, 2022
Prepaid expenses for next months	6.597.855	789.451
Advances given to third parties ^(*)	7.024	262.118.105
Advances given to related parties (Note 18)	360.372.176	270.756.635
Total	366.977.055	533.664.191

^(*) 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 December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Prepaid expenses for next years	-	447.126
Advances given to related parties (Note 18)	13.029.560	-
Total	13.029.560	447.126

c) Contract liabilities

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

	December 31, 2023	December 31, 2022
Liabilities from customer contracts	254.490	26.713.508
Total	254.490	26.713.508

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11. Other assets and liabilities

a) Other current assets

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

	December 31, 2023	December 31, 2022
Deferred VAT	54.001.524	3.250.898
Personnel and job advances	49.983	458.585
Other	2.919.998	3.576.338
Total	56.971.505	7.285.821

b) Other current liabilities

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

	December 31, 2023	December 31, 2022
Taxes and funds payables	50.519.925	2.638.476
Total	50.519.925	2.638.476

As of December 31, 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.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

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12. Investment properties

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

	December 31, 2023	December 31, 2022
Hotel - Peker GMBH ⁽¹⁾	2.801.355.400	2.365.148.144
Düsseldorf 2 - Nordstern ⁽²⁾	359.941.595	-
Düsseldorf - Nordstern ⁽²⁾	348.540.730	351.487.294
Solingen - Peker GYO Global ⁽³⁾	212.544.692	145.358.064
Grevenbroich - Bluestone ⁽⁴⁾	91.369.790	92.963.462
Ritz Carlton A 95 - Peker GYO ⁽⁵⁾	62.000.000	-
Nef 22 - Peker GYO ⁽⁶⁾	50.750.000	22.245.674
House - Peker GMBH ⁽¹⁾	48.046.503	49.766.660
Parcela Benalmadena - Spain ⁽⁸⁾	45.525.425	-
Parcela Mijas - Spain ⁽⁸⁾	37.689.853	-
Grevenbroich - Peker GYO Global ⁽³⁾	22.475.991	25.261.096
Kaiserwall - Peker GYO ⁽⁷⁾	15.440.028	18.592.693
Land in Çamlıca ⁽⁹⁾	-	892.908.379
Marbella - Spain ⁽¹⁰⁾	-	65.527.250
Total	4.095.680.007	4.029.258.716

- (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 inventories, 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 December 31, 2023 and 2022 are as follows:

	2023	2022
January 1	4.029.258.716	4.324.311.681
Purchase of investment properties	300.212.751	53.529.543
Addition	102.453.577	549.407.902
Transfer from inventories (*) (Note 9)	23.399.153	16.971.066
Sales of investment properties	(942.101.002)	(311.771.766)
Translation differences	(166.398.390)	(754.332.531)
Increase due to fair value change (Note 21a)	748.855.202	151.142.821
December 31	4.095.680.007	4.029.258.716

(*) 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 December 31, 2023, the fair values of the investment properties and the methods that are used to identify the fair values are as follows:

December 31, 2023				
Name of investment property	Date of appraisal report	Fair value (Appraisal report)	Currency	Fair value (TL)
Hotel - Peker GMBH	December 14, 2023	86.000.000	Euro	2.801.355.400
Düsseldorf 2 - Nordstern	December 12, 2023	11.050.000	Euro	359.941.595
Düsseldorf - Nordstern	December 12, 2023	10.700.000	Euro	348.540.730
Solingen - Peker GYO Global	December 14, 2023	6.525.000	Euro	212.544.692
Grevenbroich - Bluestone	December 14, 2023	2.805.000	Euro	91.369.790
Ritz Carlton A 95 - Peker GYO	January 8, 2024	62.000.000	Turkish lira	62.000.000
Nef 22 - Peker GYO	January 8, 2024	50.750.000	Turkish lira	50.750.000
House - Peker GMBH	December 14, 2023	1.475.000	Euro	48.046.503
Parcela Benalmadena - Spain	January 15, 2024	1.397.604	Euro	45.525.425
Parcela Mijas - Spain	January 16, 2024	1.157.057	Euro	37.689.853
Grevenbroich - Peker GYO Global	December 14, 2023	690.000	Euro	22.475.991
Kaiserwall - Peker GYO	December 31, 2023	474.000	Euro	15.440.028

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12. Investment properties (cont'd)

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, Income discount	Precent comparison
Nef 22 - Peker GYO	Precent comparison, Income discount	Precent comparison
House - Peker GMBH	Precent comparison	Precent comparison
Parcela Benalmadena - Spain	Precent comparison	Precent comparison
Parcela Mijas - Spain	Precent comparison	Precent comparison
Grevenbroich - Peker GYO Global	Precent comparison, Income discount	Precent comparison
Kaiserwall - Peker GYO	Cost analysis, Income discount	Income discount

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 (Appraisal report)	Currency	Fair value (TL)
Hotel - Peker GMBH	December 30, 2022	72.000.000	Euro	2.365.148.144
Düsseldorf - Nordstern	December 20, 2022	10.700.000	Euro	351.487.294
Solingen - Peker GYO Global	December 13, 2022	4.425.000	Euro	145.358.064
Grevenbroich - Bluestone	December 19, 2022	2.830.000	Euro	92.963.462
Nef 22 - Peker GYO	December 31, 2022	13.500.000	Turkish lira	22.245.674
House - Peker GMBH	December 13, 2022	1.515.000	Euro	49.766.660
Grevenbroich - Peker GYO Global	December 30, 2022	769.000	Euro	25.261.096
Kaiserwall - Peker GYO	December 31, 2022	566.000	Euro	18.592.693
Land in Çamlıca	December 30, 2022	541.870.000	Turkish lira	892.908.379
Marbella - Peker GYO Spain	December 13, 2022	1.994.785	Euro	65.527.250

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

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12. Investment properties (cont'd)

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

	December 31, 2023	1. level	2. level	3. level
Hotel - Peker GMBH	2.801.355.400	-	2.801.355.400	-
Düsseldorf 2 - Nordstern	359.941.595	-	359.941.595	-
Düsseldorf - Nordstern	348.540.730	-	348.540.730	-
Solingen - Peker GYO Global	212.544.692	-	212.544.692	-
Grevenbroich - Bluestone	91.369.790	-	91.369.790	-
Ritz Carlton A 95 - Peker GYO	62.000.000	-	62.000.000	-
Nef 22 - Peker GYO	50.750.000	-	50.750.000	-
House - Peker GMBH	48.046.503	-	48.046.503	-
Parcela Benalmadena - Spain	45.525.425	-	45.525.425	-
Parcela Mijas - Spain	37.689.853	-	37.689.853	-
Grevenbroich - Peker GYO Global	22.475.991	-	22.475.991	-
Kaiserwall - Peker GYO	15.440.028	-	-	15.440.028
Total	4.095.680.007	-	4.080.239.979	15.440.028

	December 31, 2022	1. level	2. level	3. level
Hotel - Peker GMBH	2.365.148.144	-	2.365.148.144	-
Düsseldorf - Nordstern	351.487.294	-	351.487.294	-
Solingen - Peker GYO Global	145.358.064	-	145.358.064	-
Grevenbroich - Bluestone	92.963.462	-	92.963.462	-
Nef 22 - Peker GYO	22.245.674	-	22.245.674	-
House - Peker GMBH	49.766.660	-	49.766.660	-
Grevenbroich - Peker GYO Global	25.261.096	-	25.261.096	-
Kaiserwall - Peker GYO	18.592.693	-	-	18.592.693
Land in Çamlıca	892.908.379	-	892.908.379	-
Marbella - Peker GYO Spain	65.527.250	-	65.527.250	-
Total	4.029.258.716	-	4.010.666.023	18.592.693

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13. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation for the periods ended December 31, 2023 and 2022 are as follows:

	January 1, 2023	Addition	Translation difference	December 31, 2023
Cost:				
Vehicles	54.625.323	11.574.219	(74.669)	66.124.873
Furniture and fixtures	11.453.421	2.133.999	396.383	13.983.803
Total	66.078.744	13.708.218	321.714	80.108.676
Accumulated depreciation (-):				
Vehicles	14.116.728	8.303.309	(11.907)	22.408.130
Furniture and fixtures	1.448.863	1.356.270	309.931	3.115.064
Total	15.565.591	9.659.579	298.024	25.523.194
Book value	50.513.153			54.585.482

	January 1, 2022	Addition	Disposal	Translation difference	December 31, 2022
Cost:					
Vehicles	44.393.228	19.869.948	(7.559.673)	(2.078.180)	54.625.323
Furniture and fixtures	2.119.066	8.513.280	-	821.075	11.453.421
Total	46.512.294	28.383.228	(7.559.673)	(1.257.105)	66.078.744
Accumulated depreciation (-):					
Vehicles	5.109.824	11.191.145	(1.784.942)	(399.299)	14.116.728
Furniture and fixtures	983.071	571.929	-	(106.137)	1.448.863
Total	6.092.895	11.763.074	(1.784.942)	(505.436)	15.565.591
Book value	40.419.399				50.513.153

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

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

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

For the periods ended December 31, 2023 and 2022, depreciation expenses are included in general administrative expenses (Note 20).

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14. Provisions, commitments and contingencies

a) Provisions

As of December 31, 2023 and 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 December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Letter of guarantees taken ^(*)		
- Turkish lira	2.060.200	12.678.955
- US dollar	56.928.504	59.584.380
Total	58.988.704	72.263.335

^(*) As of December 31, 2023 and 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 December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
A. Total amount of guarantees provided by the Company on behalf of itself ^(*)	133.009.398	135.137.355
B. Total amount for guarantees provided on behalf of subsidiaries accounted under full consolidation method ^(**)	2.337.473.138	515.405.200
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	2.470.482.536	650.542.555

^(*) As of December 31, 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, amounting to 20.000.000 Turkish liras and 7.500.00 Turkish liras guarantee given to Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. As of December 31, 2022, guarantees, pledges and mortgages consist of amounting to 127.146.383 Turkish liras consist of mortgages on independent sections, amounting to 7.900.972 Turkish liras consist of pledges on vehicles.

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14. Provisions, commitments and contingencies (cont'd)

c) Contingent liabilities (cont'd)

(**) As of December 31, 2023, 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.

15. Shareholders's equity

a) Paid in capital

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

Name of shareholder	December 31, 2023		December 31, 2022	
	Share (%)	Amount	Share (%)	Amount
Hasan Peker	39,17	262.364.967	25,97	173.958.175
Ayşegül Peker	-	-	13,03	87.306.792
Capital Union Bank Ltd.	8,12	54.382.059	-	-
Other	52,71	353.086.721	61,00	408.568.780
Total	100	669.833.747	100	669.833.747
Inflation adjustment to share capital		1.787.200.218		1.787.200.218
Total		2.457.033.965		2.457.033.965

As of December 31, 2023 and 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	December 31, 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	220.198.300	220.198.300	145.875.175	145.875.175	B	Bearer
Ayşegül Peker	-	-	73.223.125	73.223.125	B	Bearer
Capital Union Bank Ltd.	54.382.059	54.382.059	-	-	B	Bearer
Halka açık kısım	353.086.721	353.086.721	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.

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15. Shareholders's equity (cont'd)

According to the Communiqué on Principles of Financial Reporting in the Capital Markets (Series: II-14.1) and the CMB announcements explaining it, "Paid-in capital", "Restricted reserves allocated from profit" and "Share issue premiums" must be shown at their amounts in the legal records. Differences in valuations that occur during the implementation of the said communiqué (such as differences resulting from inflation adjustment):

- If it arises from "Paid-in capital" and has not been added to the capital yet, with the "Capital Adjustment Differences" item to be opened after the "Paid-in capital" item;
- If it arises from "Restricted reserves" and "Share premiums" and has not yet been subject to profit distribution or capital increase, it must be associated with "Retained earnings". Other equity items are shown with their valued amounts within the framework of TAS and CMB announcements.

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.

b) Restricted reserves

As of December 31, 2023, the total amount of legal reserves is 115.248.666 Turkish liras (December 31, 2022: 96.461.310 Turkish liras).

It was published in the Official Gazette dated 30 December 2023 and numbered 32415 (Second Extraordinary) pursuant to the Tax Procedure Law. According to the relevant Communiqué, the balance sheet dated 31 December 2023, prepared in accordance with the Tax Procedure Law, has been corrected by using the Producer Prices General Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting application. The attached financial statements have been subjected to inflation adjustment using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and ultimately the amounts for the current and previous reporting period are expressed in terms of purchasing power as of December 31, 2023. Due to the use of distinct indices in the Tax Procedural Law and TAS 29 inflation accounting differences have emerged between The amounts included in the balance sheet prepared in accordance with the Tax Procedure Law regarding the items "Inflation Adjustment on Capital" and "Restricted reserves appropriated from profits" the amounts included in the financial statements prepared in accordance with TAS/ TFRS. These differences are accounted in the "Retained Earnings or Losses" item in the TAS/ TFRS financial statements, and these differences are given in detail below:

	December 31, 2023		
	Inflation adjustment to share capital	Share premium	Restricted reserves
According to TAS/ TFRS	1.787.200.218	15.752	115.248.666
According to Tax Procedure Law	2.603.885.002	19.370	136.718.836
Differences (*)	816.684.784	3.618	21.470.170

(*) These differences reflected to Group's retained earnings.

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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.

	December 31, 2023	December 31, 2022
Profit for the year	960.065.232	(460.433.998)
Weighted average number of ordinary shares with nominal value	2.457.033.965	2.457.033.965
Earnings per share	0,39	(0,19)

17. Taxation

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 December 31, 2023 (December 31, 2022: in Turkey 23%, in Germany 15,825%, in Spain 15%).

Deferred tax

The company was subject to the corporate tax applicable in Turkey when it was first established, and necessary provisions were made in its financial statements for estimated tax liabilities related to the operating results realized before the division. However, since the Company was approved as a Real Estate Investment Corporation by the CMB on September 21, 2017, all its earnings are exempt from corporate tax as of this date. For this reason, as of December 31, 2023, no accruals for corporate tax and deferred tax have been recorded in the individual financial statements.

Deferred tax is calculated using the liability method, based on temporary differences between the recorded values and tax basis of assets and liabilities in the financial statements prepared in accordance with TAS. During this calculation, effective tax rate of the balance sheet date are used. Since the Company is exempt from corporate tax in accordance with the current tax legislation after the approval of the CMB for its transformation into a real estate investment corporation, no deferred tax assets or liabilities have been recognized over temporary and taxable differences.

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 December 31, 2023, deferred tax asset is 9.196.027 Turkish liras (December 31, 2022: 12.799.268 Turkish liras) and deferred tax liability is 191.512.926 Turkish liras (December 31, 2022: 115.818.721 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 December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Peker Holding GMBH (*)	147.765.137	-
Peker Management GMBH	116.289	-
Peker Port GMBH	116.289	-
Pollux Construction GmbH	116.289	-
PekFor 95 GmbH	116.289	-
Total	148.230.293	-

As of December 31, 2023, 146,582,550 Turkish lira of short-term trade receivables from Peker Holding GMBH consists of the sale of 9% of the shares of Nordstern Dusseldorf GMBH, operating in Germany, to Peker Holding GMBH on December 28, 2023.

b) Long-term trade receivables from related parties

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

	December 31, 2023	December 31, 2022
UK Imperial Investment Ltd.	-	848.433.868
Total	-	848.433.868

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 December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Hasan Peker	2.996.390	2.861.535
Peker Holding GMBH	164.064	-
Peker Investment GMBH	26.928	-
Peker Holding A.Ş.	-	244.072.339
Pollux Construction GMBH	-	20.795.641
PekFor 95 GMBH	-	394.902
Total	3.187.382	268.124.417

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

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

	December 31, 2023	December 31, 2022
Peker Management GMBH	960.730	-
Total	960.730	-

e) Short-term other payables to related parties

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

	December 31, 2023	December 31, 2022
Peker Holding A.Ş.	1.631.630	442.848.039
Peker Investment GMBH	-	11.965.160
Peker Management GMBH	-	215.750
Total	1.631.630	455.028.949

f) Long-term other payables to related parties

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

	December 31, 2023	December 31, 2022
Peker Holding Ltd.	1.160.344	4.960.615
Peker Holding GMBH	-	125.349.503
Total	1.160.344	130.310.118

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18. Related parties (cont'd)**g) Short-term prepaid expenses to related parties**

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

	December 31, 2023	December 31, 2022
Marbella Lifestyle Investment SL (*)	271.917.751	211.234.287
Pollux Construction GMBH	88.454.425	59.522.348
Total	360.372.176	270.756.635

(*) 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).

g) Long-term prepaid expenses to related parties

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

	December 31, 2023	December 31, 2022
Marbella Lifestyle Investment SL	13.029.560	-
Total	13.029.560	-

g) Benefits of the key management

The key management of the Group consists of the Board of Directors, General Manager and Directors. For the period ended December 31, 2023, the total compensation consisting of short term benefits such as salaries and rental of car. For the periods ended December 31, 2023 and 2022, benefits of the key management are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Benefits of the key management	23.686.695	8.189.425
Total	23.686.695	8.189.425

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19. Sales and cost of sales

For the periods ended December 31, 2023 and 2022, the details of sales and cost of sales are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Domestic sales (*)	804.467.611	132.587.685
Export sales (**)	54.011.580	154.729.409
Other	37.887.118	23.157.510
Net sales	896.366.309	310.474.604
Domestic cost of sales (-)	(912.960.086)	(354.365.364)
Export cost of sales (-)	(49.192.623)	(137.279.339)
Other	(1.989.299)	(6.614.321)
Cost of sales (-)	(964.142.008)	(498.259.024)
Gross profit	(67.775.699)	(187.784.420)

(*) For the period ended December 31, 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 December 31, 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 December 31, 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 December 31, 2022, export sales consist of the sales of investment properties located in Gravesend, England.

20. General administrative expenses

For the periods ended December 31, 2023 and 2022, the details of general administrative expenses are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Personnel expenses	40.953.336	47.257.496
Consultancy expenses	20.659.538	26.377.907
Rent expenses	10.533.840	8.308.620
Amortization and depreciation expenses (Note 13)	9.659.579	11.763.074
Taxes, duties and other charges	9.353.509	4.372.218
Outsourced benefits and services	4.929.868	2.913.613
Donations and grants	4.356.214	173.233
Travel and accommodation expenses	3.884.225	3.218.225
Insurance expenses	2.833.170	2.623.932
Travel expenses	2.688.166	1.940.336
Maintenance and repair expenses	2.067.321	1.015.573
Other	7.990.003	4.781.805
Total	119.908.769	114.746.032

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

For the periods ended December 31, 2023 and 2022, the details of other income from operating activities are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Fair value differences of investment properties, net	748.855.202	151.142.821
Foreign exchange gains	504.786.103	600.845.704
Provision no longer required for inventories (Note 9)	28.765.966	152.451.916
Late interest income ^(*)	22.011.023	13.441.354
Taxes, duties and other charges refunds	3.436.900	-
Other	4.095.652	4.832.721
Total	1.311.950.846	922.714.516

^(*) As of December 31, 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 December 31, 2023 and 2022, the details of other expenses from operating activities are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Foreign exchange losses	96.377.482	215.987.768
Provision expenses for inventories (Note 9)	27.837.147	62.298.740
Taxes, duties and other charges	1.187.329	132.483
Commission expenses	352.298	2.687.736
Other	452.006	1.156.559
Total	126.206.262	282.263.286

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22. Income and expenses from investing activities**a) Income from investing activities**

For the periods ended December 31, 2023 and 2022, the details of income from investing activities are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Profit from sales of subsidiaries (*)	523.298.952	-
Fair value gain of stocks	279.700	-
Profit from sales of funds	89.783	-
Total	523.668.435	-

(*) For the period ended December 31, 2023 profits from sales of subsidiaries consist of 20%, 20% and 9% shares of Nordstern Dusseldorf respectively, to DATE Investment GMBH, EN FA Investment GMBH and Peker Holding GMBH realized on December 28, 2023 amounting to 24.500.000 euros.

b) Expense from investing activities

For the periods ended December 31, 2023 and 2022, the details of expense from investing activities are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Fair value loss of stocks	227.783	-
Loss from sales of property plant and equipment	-	620.409
Total	227.783	620.409

23. Income and expenses from financing activities**a) Income from financing activities**

For the periods ended December 31, 2023 and 2022, the details of income from financing activities are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Interest income from group companies	7.846.601	5.734.490
Interest income from time deposits	3.415.971	1.277.180
Late interest income	1.594.973	-
Other	6.124.120	4.901.091
Total	18.981.665	11.912.761

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23. Income and expenses from financing activities

b) Expense from financing activities

For the periods ended December 31, 2023 and 2022, the details of expense from financing activities are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Late interest expenses	56.179.274	16.511.843
Interest expenses related to loans	39.395.558	31.081.316
Interest expenses from group companies	12.844.315	8.132.570
Commission and other bank expenses	9.118.576	6.468.779
Interest and commission expense of lease liabilities	4.965.245	-
Other	1.601.556	2.108.644
Total	124.104.524	64.303.152

24. 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 financial debt/ equity ratio is as follows:

	December 31, 2023	December 31, 2022
Financial liabilities	2.177.659.152	1.641.434.472
Less: Cash and cash equivalents	(57.631.848)	(91.693.166)
Net financial debt	2.120.027.304	1.549.741.306
Total equity	3.329.678.686	3.744.432.358
Net financial debt/ Total equity ratio	%64	%41

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

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.

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.

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

b) Financial risk factors (cont'd)

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

Current period	Receivables		Bank deposits	Other
	Trade receivables	Other receivables		
December 31, 2023				
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	854.211.935	7.897.204	57.631.328	93.129.712
- The part of maximum risk under guarantee with collateral	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	854.211.935	7.897.204	57.631.328	93.129.712
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.

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

b) Financial risk factors (cont'd)

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

Prior period	Receivables		Bank deposits
December 31, 2022	Trade receivables	Other receivables	
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	907.302.770	284.085.247	91.688.366
- The part of maximum risk under guarantee with collateral	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	58.868.902	284.085.247	91.688.366
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	848.433.868	-	-
- Overdue (gross net book value)	-	-	-
- Impairment (-)	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-
- Undue (gross net book value)	850.783.084	-	-
- Impairment (-)	(2.349.216)	-	-
- 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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24. 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 December 31, 2023 and 2022, the maturity analysis of the financial liabilities is as follows:

Contractual maturity analysis December 31, 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 (*)	2.130.439.525	2.151.844.632	22.090.974	121.485.098	2.008.268.560
Lease liabilities	47.219.627	75.235.783	10.259.425	30.778.275	34.198.083
Trade payables	120.652.103	120.652.103	120.652.103	-	-
Other payables	33.667.457	33.667.457	30.875.483	1.631.630	1.160.344
Total liabilities	2.331.978.712	2.381.399.975	183.877.985	153.895.003	2.043.626.987

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 (*)	1.641.434.472	1.643.725.968	1.658.852	289.531.270	1.352.535.846
Trade payables	127.360.052	127.360.052	127.360.052	-	-
Other payables	586.038.425	586.038.425	699.358	455.028.949	130.310.118
Total liabilities	2.354.832.949	2.357.124.445	129.718.262	744.560.219	1.482.845.964

(*) As of December 31, 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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24. 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 December 31, 2023 and 2022, interest rate table of financial instruments is as follow:

	December 31, 2023	December 31, 2022
Fixed interest rate financial assets		
Time deposits (Note 4)	225.184	5.932.180
Fixed interest rate financial liabilities		
Bank loans (Note 6)	2.025.660.857	1.518.273.917
Lease liabilities (Not 6)	47.219.627	-
Floating interest rate financial liabilities		
Bank loans (Note 6)	104.778.668	123.160.555

The Group's floating rate bank loans are exposed to interest rate risk depending on interest rate changes. As of December 31, 2023, the interest rate of floating rate bank loans is 47 for Turkish lira and 2,9%+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 December 31, 2023 and 2022, details of foreign currency positions of assets and liabilities of the Group are as follows:

Foreign exchange position	Current period			
	December 31, 2023			
	TL equivalent	USD	EUR	GBP
1. Monetary financial assets	1.094.605	5.503	16.197	10.816
2. Trade receivables	837.156.312	-	24.500.000	1.044.177
3. Other receivables	69.123	-	-	1.846
4. Current assets (1+2+3)	838.320.040	5.503	24.516.197	1.056.839
5. Total assets (4)	838.320.040	5.503	24.516.197	1.056.839
6. Trade payables	(785.617)	-	(24.118)	-
7. Current liabilities (6)	(785.617)	-	(24.118)	-
8. Total liabilities (7)	(785.617)	-	(24.118)	-
9. Net foreign currency (liability)/ asset (5+7)	837.534.423	5.503	24.492.079	1.056.839

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24. 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 exchange position	Prior period			
	December 31, 2022			
	TL equivalent	USD	EUR	GBP
1. Monetary financial assets	30.324.512	375.278	1.078.904	80.020
2. Trade receivables	41.304.028	-	164.985	1.690.370
3. Current assets (1+2)	71.628.540	375.278	1.243.889	1.770.390
4. Trade receivables	848.433.879	-	-	37.726.281
5. Non-current assets (4)	848.433.879	-	-	37.726.281
6. Total assets (3+4)	920.062.419	375.278	1.243.889	39.496.671
7. Trade payables	(1.779.261)	-	(87.963)	(1.144)
8. Current liabilities (7)	(1.779.261)	-	(87.963)	(1.144)
9. Total liabilities (8)	(1.779.261)	-	(87.963)	(1.144)
10. Net foreign currency (liability)/ asset (6+9)	918.283.158	375.278	1.155.926	39.495.527

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 December 31, 2023 and 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	December 31, 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)	16.200	(16.200)
2- Hedged amount against US dollar risk (-)	-	-
3- Net effect of USD (1+2)	16.200	(16.200)
EUR against Turkish lira by 10%		
4- EUR denominated net assets/ (liabilities)	79.780.257	(79.780.257)
5- Hedged amount against EUR risk (-)	-	-
6- Net effect of EUR (4+5)	79.780.257	(79.780.257)
GBP against Turkish lira by 10%		
7- GBP denominated net assets/ (liabilities)	3.956.985	(3.956.985)
8- Hedged amount against GBP risk (-)	-	-
9- Net effect of GBP (7+8)	3.956.985	(3.956.985)
Total (3+6+9)	83.753.442	(83.753.442)

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24. 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	701.706	(701.706)
2- Hedged amount against US dollar risk (-)	-	-
3- Net effect of USD (1+2)	701.706	(701.706)
EUR against Turkish lira by 10%		
4- EUR denominated net assets/ liabilities	2.304.329	(2.304.329)
5- Hedged amount against EUR risk (-)	-	-
6- Net effect of EUR (4+5)	2.304.329	(2.304.329)
GBP against Turkish lira by 10%		
7- GBP denominated net assets/ liabilities	88.822.281	(88.822.281)
8- Hedged amount against GBP risk (-)	-	-
9- Net effect of GBP (7+8)	88.822.281	(88.822.281)
Total (3+6+9)	91.828.316	(91.828.316)

25. Subsequent events

The company issued the bonds through sales to qualified investors on January 18, 2024, approved by the decision of the Capital Markets Board dated November 2, 2023, numbered 66/1472, with an ceiling of 1.500.000.000 Turkish liras, ISIN code TRFPEGY32410, with an annual compound interest rate of 63,14%, 82.500.000 Turkish lira nominal amount of no coupon payment bonds have been redeemed on March 18, 2024. In addition, bonds with a nominal amount of 120.125.000 Turkish liras with a maturity date of June 10, 2024 were issued on March 21, 2024.

In addition, as of May 10, 2024, within the framework of the program initiated by the Company to buy back 25.000.000 shares with a nominal value of 25.000.000 Turkish liras between March 12, 2024 and March 11, 2025, in accordance with the decision of the board of directors dated March 12, 2024, a total of 13.000.000 shares have been purchased as of May 10, 2024. bought back its shares for 150.564.809 Turkish liras.

As of March 19, 2024, within the scope of the Nordstern Project located in Dusseldorf, Germany, within the Nordstern Düsseldorf GMBH, negotiations have started regarding the rental of 21.500 m² of the building, which is predicted as 23.000 m² of leasable commercial area, as a boarding house with the Hyatt group under the Hyatt House brand. Additionally, the remaining 1.500 m² is planned to be used as a fitness area.

26. Fees for services received from independent auditor/ independent audit firms

The Group's explanation regarding the fees for the services received from the independent audit firms, calculated based on purchasing power parity as of December 31, 2023, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Audit fees	1.028.376	3.992.919
Total	1.028.376	3.992.919