AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Akiş Gayrimenkul Yatırım Ortaklığı A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Akiş Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

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

3. Key audit matters

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

Key Audit Matters	**How the key audit matter was addressed in the audit**
TAS 29 "Financial Reporting in Hyperinflationary Economies" Standard Implementation	
Since the Group's functional currency ("Turkish Lira") is considered to be the highinflationary economy currency as of 31 December 2023, the Group has started to apply the "TAS 29 Financial Reporting in Hyperinflationary Economies" ("TAS 29") standard. In accordance with the application of TAS 29, the current period consolidated financial statements and the comparative consolidated financial statements are prepared in terms of the purchasing power index of the Turkish Lira at the end of the reporting period, adjusted for the effect of inflation, using the Turkish Consumer Price Indexes to reflect the changes in the general purchasing power of the Turkish Lira. Considering the significant impact on the Group's consolidated financial information, we identified the application of TAS 29 as a key audit matter.	We performed the following audit procedures in relation to the application of TAS 29: - Understanding the process related to application of TAS 29. - Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29. - Inspecting whether application of TAS 29 were applied consistently in the comparative financial statements of the current period. - Evaluate the completeness and accuracy of the calculations and obtaining detailed lists of non monetary items and testing original entry dates and amounts with supporting documents on a sample basis, - Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute, - Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation work related to determining the fair value of investment properties	
As of 31 December 2023, the Group's investment properties, which have a carrying value of TRY 21,925,156,162 and represent a significant share of its total assets, consisted of office and commercial units. The accounting policy Group management applies when recognizing these investment properties is the "fair value method", as described in detail in Note 2 and Note 11. The fair value of these assets is determined by an independent valuation institution accredited by the Capital Markets Board and used as the basis for the carrying values in the balance sheet after being assessed by Group management. When determining the fair value of investment properties, methods such as benchmark comparison and reduced cash flow are used, and these methods include inputs based on important assumptions such as real discount and inflation, which may lead to changes when determining fair value. Fair value is directly affected by factors such as market conditions and the detailed features of each property. The work carried out to determine the fair value of the investment properties was defined as a key audit matter because the book value of investment properties comprises a significant portion of the Group's aggregate assets and the valuations are subjective in nature and include material assumptions and reasoning.	During our audit, the following audit procedures were used to determine the fair value of investment properties: • The procedures used by Group management to determine the fair value of investment properties were evaluated. • As for the expert institution carrying out the valuation work, we performed the following procedures: - The expert institution's property valuation accreditation and license were checked. - The expert institution's competence, ability and neutrality were evaluated. • We tested the investment properties' title deed records and ownership rates. • We compared the consistency of the inputs that have significant impact on the property value determined and stated in the valuation reports, such as square meter details of areas that can be rented and unit sales value, against observable market prices, and then tested whether the appraised values fall within an acceptable range. • We have also tested inputs such as rental income, duration of rental contracts, occupancy rates and expenses used in the valuation reports that have a significant impact on property value. • We evaluated with our experts whether the assumptions used by the valuation experts in their valuations, the appraised values such as inflation and the real discount fall within an acceptable range. • We checked whether the fair values in the valuation report complied with the notes and whether the note explanations are sufficient in terms of TFRS.

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

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

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

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

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

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

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

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

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

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 5 April 2024.

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

Baki Erdal, SMMM
Independent Auditor

Istanbul, 5 April 2024

CONTENTS **PAGE**

CONSOLIDATED STATEMETS OF FINANCIAL POSITION **1-2**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME **3**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.. **4**

CONSOLIDATED STATEMENTS OF CASH FLOWS **5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **6-71**

NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.......... 6-10
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS 10-29
NOTE 3 SEGMENT REPORTING.......... 29-30
NOTE 4 CASH AND CASH EQUIVALENTS.......... 31
NOTE 5 FINANCIAL INVESTMENTS.......... 32
NOTE 6 BORROWINGS 33-36
NOTE 7 TRADE RECEIVABLES AND PAYABLES.......... 36-37
NOTE 8 OTHER RECEIVABLES AND PAYABLES.......... 37-38
NOTE 9 PREPAID EXPENSES AND DEFFERED INCOME.......... 38-39
NOTE 10 DERIVATIVE FINANCIAL INSTRUMENTS.......... 40-41
NOTE 11 INVESTMENT PROPERTIES 42
NOTE 12 INVENTORIES UNDER DEVELOPMENT AND INVENTORIES 43
NOTE 13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD.......... 43
NOTE 14 PROPERTY, PLANT AND EQUIPMENT 44
NOTE 15 INTANGIBLE ASSETS 45
NOTE 16 OTHER ASSETS AND LIABILITIES.......... 45
NOTE 17 COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES 46-48
NOTE 18 PROVISION FOR EMPLOYEE BENEFITS 48-49
NOTE 19 EQUITY.......... 49-51
NOTE 20 SALES AND COST OF SALES.......... 52
NOTE 21 GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES 52
NOTE 22 EXPENSE BY NATURE.......... 53
NOTE 23 OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES 54
NOTE 24 INCOME AND EXPENSES FROM INVESTING ACTIVITIES 54
NOTE 25 FINANCIAL INCOME AND EXPENSES.......... 55
NOTE 26 EARNING PER SHARE.......... 55
NOTE 27 INCOME TAXES (INCLUDED DEFERED TAX ASSESTS AND LIABILITIES) 56
NOTE 28 BALANCES AND TRANSACTIONS WITH RELATED PARTIES.......... 57-59
NOTE 29 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES 60-67
NOTE 30 FAIR VALUE OF FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING 68-69
NOTE 31 EVENTS AFTER THE REPORTING PERIOD.......... 69
NOTE 32 ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS..... 69-71

AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022

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

	Notes	Audited 31 December 2023	Audited 31 December 2022
ASSETS			
Current Assets		**1,618,013,143**	**2,262,975,931**
Cash and cash equivalents	4	786,561,346	938,735,677
Financial investments	5	49,521,397	85,581,447
Trade receivables		157,874,994	171,892,129
- Trade receivables from related parties	*28*	*16,886*	*14,597*
- Trade receivables from third parties	*7*	*157,858,108*	*171,877,532*
Other receivables		11,456,158	20,078,554
- Other receivables from third parties	*8*	*11,456,158*	*20,078,554*
Inventories	12	1,071,384	1,717,909
Inventories under development	12	417,600,000	836,773,039
Prepaid expenses	9	143,173,021	78,931,537
Derivative financial assets	10	48,622,804	126,892,640
- Derivative financial assets held for hedging		*48,622,804*	*126,892,640*
Other current assets		2,132,039	2,372,999
Non-current Assets		**22,313,235,917**	**21,311,183,830**
Other receivables		40,460,191	46,583,194
- Other receivables from related parties	*28*	*38,486,423*	*43,497,024*
- Other receivables from third parties	*8*	*1,973,768*	*3,086,170*
Financial investments	5	28,278,732	25,013,504
Investments accounted for using the equity method	13	8,530,216	136,358,941
Investment properties	11	21,925,156,162	20,654,961,381
Property, plant and equipment	14	174,906,942	180,415,756
Intangible assets		28,719,139	28,188,270
- Goodwill		*5,040,855*	*5,040,855*
- Other intangible assets	*15*	*23,678,284*	*23,147,415*
Prepaid expenses	9	96,911,200	113,850,850
Derivative financial assets	10	2,021,847	84,075,695
- Derivative financial assets held for hedging		*2,021,847*	*84,075,695*
Deferred tax assets		1,832,179	34,069,897
Other non-current assets	16	6,419,309	7,666,342
Total Assets		**23,931,249,060**	**23,574,159,761**

The consolidated financial statements for the 1 January - 31 December 2023 accounting period have been reviewed by the audit committee and approved by the Board of Directors resolution dated 15 March 2024.

AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 2022

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

	Notes	Audited 31 December 2023	Audited 31 December 2022
LIABILITIES			
Current Liabilities		**1,729,148,763**	**3,069,209,596**
Short-term borrowings	6	422,437,829	1,113,034,942
Short-term portion of long-term borrowings	6	534,329,709	1,076,169,014
Trade payables		52,832,534	78,058,067
- Trade payables to related parties	*28*	*25,052,886*	*46,757,955*
- Trade payables to third parties	*7*	*27,779,648*	*31,300,112*
Employee benefit related liabilities	18	25,194,511	22,584,384
Other payables		649,546,151	542,825,304
- Other payables to related parties	*28*	*591,871,592*	*504,115,641*
- Other payables to third parties	*8*	*57,674,559*	*38,709,663*
Deferred income (Excluding liabilities from customer contracts)	9	30,921,458	185,460,188
Derivative financial liabilities	10	-	24,945,827
- Derivative financial liabilities held for hedging		-	*24,945,827*
Short-term provisions		11,514,316	25,047,397
- Short-term provisions for employee benefits	*18*	*2,519,908*	*2,804,170*
- Other short-term provisions	*17*	*8,994,408*	*22,243,227*
Income tax payable		2,372,255	1,084,473
Non-current Liabilities		**1,969,432,272**	**3,601,190,725**
Long-term borrowings	6	1,947,483,941	3,573,279,405
Trade payables		11,115,055	10,524,605
- Trade payables to third parties	*7*	*11,115,055*	*10,524,605*
Deferred income (Excluding liabilities from customer contracts)	9	3,328,353	3,413,054
Long-term provisions		7,504,923	13,973,661
- Long term provisions for employee termination benefits	*18*	*7,504,923*	*13,973,661*
Equity		**20,232,668,025**	**16,903,759,440**
Equity of the parent company		**20,232,668,025**	**16,903,759,440**
Paid-in share capital	26	805,000,000	805,000,000
Adjustment to share capital		5,796,441,592	5,796,441,592
Combination offset account		5,398,672,995	5,398,672,995
Share premium		276,876,746	276,876,746
Treasury shares		-	(35,863,882)
Other comprehensive income / (expense) not to be reclassified to profit or loss	19	(2,109,446)	153,389
- Remeasurement loss arising from defined benefit plan		*(2,109,446)*	*(4,373,815)*
- Other revaluation and measurement gains/(losses)		-	*4,527,204*
Other comprehensive income / (expense) to be reclassified to profit or loss	19	110,119,269	216,465,045
- Currency translation differences arising from the translation of businesses abroad		*65,636,273*	*53,469,260*
- Cash flow hedge gains/(losses)		*44,482,996*	*162,995,785*
Restricted reserves appropriated from profit	19	913,235,325	949,099,207
Other reserves	19	339,301,224	339,301,224
Retained earnings	19	3,236,671,995	(738,229,317)
Net profit/(loss) for the year		3,358,458,325	3,895,842,441
Total Liabilities and equity		**23,931,249,060**	**23,574,159,761**

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

AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
PROFIT OR LOSS			
Revenue	20	2,577,152,443	1,701,787,022
Cost of sales (-)	20	(854,292,249)	(431,246,482)
Gross profit		**1,722,860,194**	**1,270,540,540**
General administrative expenses (-)	21	(151,729,790)	(130,051,421)
Marketing expenses (-)	21	(16,806,138)	(10,840,863)
Other operating income	23	54,250,298	70,804,951
Other operating expenses (-)	23	(41,142,436)	(71,417,722)
Operating profit		**1,567,432,128**	**1,129,035,485**
Income from investing activities	24	1,409,953,369	1,710,418,620
Expenses from investing activities	24	(26,843,112)	-
Share of profit of investment accounted for using the equity method	13	(114,496,913)	(4,782,514)
Operating profit before finance income/(expense)		**2,836,045,472**	**2,834,671,591**
Financial income	25	701,007,205	601,133,089
Financial expenses (-)	25	(1,912,464,729)	(2,838,528,099)
Monetary gain/(loss), net		1,758,468,895	3,268,773,924
Profit before tax from continuing operations		**3,383,056,843**	**3,866,050,505**
Current tax expense	27	(5,475,304)	(4,422,380)
Deferred tax income/expense	27	(19,123,214)	34,214,316
Net profit for the year from continuing operations		**3,358,458,325**	**3,895,842,441**
NET PROFIT FOR THE YEAR		**3,358,458,325**	**3,895,842,441**
Total income for the period attributable to:			
Non-controlling interests		-	-
Equity holders of the parent		3,358,458,325	3,895,842,441
Earnings per share	**26**	**4.17**	**4.84**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss		**5,706,569**	**153,389**
Remeasurement loss arising from defined benefit plan		2,264,369	(4,373,815)
Other revaluation measurement gains/(losses)		3,442,200	4,527,204
Items to be reclassified to profit or loss		**(106,345,776)**	**158,312,200**
Currency translation differences arising from the translation of businesses abroad		12,167,013	1,028,711
Other comprehensive income/(expense) related to cash flow hedge	10	(118,512,789)	157,283,489
OTHER COMPREHENSIVE INCOME		**(100,639,207)**	**158,465,589**
TOTAL COMPREHENSIVE INCOME		**3,257,819,118**	**4,054,308,030**
Total comprehensive income attributable to:			
Non-controlling interests		-	-
Equity holders of parent		3,257,819,118	4,054,308,030

The accompanying notes from an integral part of these consolidated financial statements.

AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

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

												Accumulated Profit		
PRIOR PERIOD	**Paid in capital**	**Adjustment to share capital**	**Share premium**	**Remeasurement gain/(loss) arising from benefit plan(1)**	**Other revaluation measurement gains (1)**	**Currency translation differences (2)**	**Cash flow hedge gain/(loss) (2)**	**Combination/ offsetting account**	**Treasury shares**	**Other reserves**	**Restricted reserves appropriated from profit**	**Retained earnings**	**Net profit for the year**	**Total equity**
As of January 2022	**805,000,000**	**5,796,441,592**	**276,876,746**	-	-	**52,440,549**	**5,712,296**	**5,398,672,995**	**(35,863,882)**	**339,301,224**	**949,099,207**	**(1,382,204,783)**	**643,975,466**	**12,849,451,410**
Transfers	-	-	-	-	-	-	-	-	-	-	-	643,975,466	(643,975,466)	-
Total comprehensive income	-		-	(4,373,815)	4,527,204	1,028,711	157,283,489	-	-	-	-	-	3,895,842,441	4,054,308,030
Balance as of 31 December 2022	**805,000,000**	**5,796,441,592**	**276,876,746**	**(4,373,815)**	**4,527,204**	**53,469,260**	**162,995,785**	**5,398,672,995**	**(35,863,882)**	**339,301,224**	**949,099,207**	**(738,229,317)**	**3,895,842,441**	**16,903,759,440**
CURRENT PERIOD														
As of January 2023	**805,000,000**	**5,796,441,592**	**276,876,746**	**(4,373,815)**	**4,527,204**	**53,469,260**	**162,995,785**	**5,398,672,995**	**(35,863,882)**	**339,301,224**	**949,099,207**	**(738,229,317)**	**3,895,842,441**	**16,903,759,440**
Transfers	-	-	-	-	(7,969,404)	-	-	-	-	-	-	3,903,811,845	(3,895,842,441)	-
Increase/(decrease) resulting from recovering of shares (3)	-	-	-	-	-	-	-	-	35,863,882	-	(35,863,882)	71,089,467	-	71,089,467
Total comprehensive income	-	-	-	2,264,369	3,442,200	12,167,013	(118,512,789)	-	-	-	-	-	3,358,458,325	3,257,819,118
Balance as of 31 December 2023	**805,000,000**	**5,796,441,592**	**276,876,746**	**(2,109,446)**	-	**65,636,273**	**44,482,996**	**5,398,672,995**	-	**339,301,224**	**913,235,325**	**3,236,671,995**	**3,358,458,325**	**20,232,668,025**

(1) Items not to be reclassified to other comprehensive income and expenses.
(2) Items to be reclassified to other comprehensive income and expenses.
(3) Explained in Note 19.

AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

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

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		**1,405,307,610**	**324,029,413**
Net profit/(loss) for the period		**3,358,458,325**	**3,895,842,441**
Adjustments to reconcile net profit/(loss)		**(2,647,078,083)**	**(3,745,425,176)**
Adjustments related to depreciation and amortization	22	19,946,297	19,976,596
Adjustments related to provisions		(2,772,595)	(5,682,805)
Adjustments related to interest income and expenses	25	652,100,044	785,959,361
Adjustments related to unrealized exchange differences		160,889,081	889,313,033
Adjustments related to tax income/expenses		24,598,518	(29,791,936)
Adjustments related to fair value gain, net	11	(1,336,283,770)	(1,592,907,418)
Adjustments related to undistributed profits of subsidiaries	13	114,496,913	4,782,514
Adjustments for other items that cause cash flow resulting from financing and investing activities	24	(73,669,599)	(113,600,079)
Other adjustments related to non-cash items		1,123,494	(909,351)
Adjustments for monetary loss and gain		(2,207,506,466)	(3,702,565,091)
Changes in net working capital		**1,108,284,986**	**654,374,457**
Adjustments for decreases/(increases) in inventories		431,824,717	116,253,738
Adjustments for decrease/(increase) in trade receivables		53,971,075	20,612,854
Adjustments for increase/(decrease) in trade payables		(25,993,948)	1,695,527
Adjustments for (decrease)/increase in financial investments		36,237,022	(80,408,556)
Adjustments related to other increase/(decrease) in operating capital		612,246,120	596,220,894
Decrease (increase) in other receivables arising from operating activities		*82,121,287*	*85,333,226*
Increase (decrease) in other payables arising from operating activities		*530,124,833*	*510,887,668*
Cash flows from operating activities		**1,819,665,228**	**804,791,722**
Taxes paid		(404,622,253)	(477,267,608)
Other cash proceeds/outflows		(9,735,365)	(3,494,701)
B. CASH FLOW FROM INVESTING ACTIVITIES		**78,622,907**	**916,403,229**
Cash outflows from purchase of property, plant and equipment and intangibles	14, 15	(16,030,408)	(16,169,571)
Cash inflows from sales of property, plant, equipment and intangibles		1,062,056	124,265
Cash outflows resulting from shared purchases or capital increases in subsidiaries and/or joint ventures		(34,453,172)	(11,772,829)
Cash proceeds from disposal of investment property	11, 24	140,403,532	945,594,334
Cash outflows from purchase of investment property	11	(2,472,726)	(1,372,970)
Other cash outflows		(9,886,375)	-
C. CASH FLOWS FROM INVESTING ACTIVITIES		**(1,949,294,429)**	**(1,259,777,129)**
Cash inflow arising from purchasing business's own share and other equity-based derivatives		71,802,214	-
Cash outflows arising from purchasing business's own share and other equity-based derivatives		(7,860,534)	-
Cash proceeds arising from borrowings	6	1,682,727,865	2,479,091,037
Cash outflow arising from repayments of borrowings	6	(3,470,508,654)	(3,416,997,708)
Cash inflows from derivative instruments		328,827,930	307,149,223
Cash outflows from derivative instruments		(17,443,544)	(6,553,880)
Interest received		86,628,596	54,032,908
Interest paid	6	(628,401,751)	(695,407,771)
Other cash outflows	4	4,933,449	18,909,062
Net increase/(decrease) in cash and cash equivalents before currency translation differences		**(465,363,912)**	**(19,344,487)**
D. Effects of currency translation differences on cash and cash equivalents		**318,123,030**	**261,836,046**
Cash inflows from the sale of the company's own shares and other equity instruments		**(467,646,966)**	**(517,077,849)**
Net increase (decrease) in cash and cash equivalents		**320,406,084**	**759,569,408**
E. Cash and cash equivalents at the beginning of the year	**4**	**828,032,514**	**585,540,955**
Cash and cash equivalents at the end of the year	**4**	**680,791,632**	**828,032,514**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Akiş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("Akiş GYO" or "the Company") was established on 22 November 2005 with the title of "Akiş Gayrimenkul Yatırımı A.Ş." in Istanbul/Turkey. The Company's legal title was changed to "Akiş Gayrimenkul Yatırım Ortaklığı A.Ş." The mentioned changes in the articles of association has been registered on 18 May 2012 and published on the Trade Register Gazette on 24 May 2012 and numbered 8075. The company, included in the Akkök Group, is a subsidiary of Akkök Holding A.Ş. which is the dominant partner in the Group.

The Company's main business activity is to engage in objectives and matters written in the regulations concerning the real estate investment trusts of the Capital Markets Board ("CMB"), such as, investment in real estate, real estate-based capital market instruments, real estate projects, real estate-based rights and capital market instruments.

At the meeting of the Board of Directors held on 17 August 2012, it was decided to merge with Ak-Al Gayrimenkul Geliştirme ve Tekstil Sanayi A.Ş. (Ak-Al), through takeover, in accordance with the article 136 of the Turkish Commercial Code No. 6120 and articles 18.19 and 20 of the Corporate Tax Law, and the merger was to be carried out based on the balance sheets of the entities dated 30 June 2012 prepared in accordance with the related arrangements of the CMB, and through transferring all assets and liabilities of Ak-Al to Akiş GYO and the merger operation was approved at the extraordinary general meeting held on 31 December 2012.

With the Company resolution dated 8 September 2016 and 134th and the following articles of the Turkish Commercial Code (TCC) numbered 6102, 18th, 19th and 20th articles of the Corporate Tax Law Taxes No: 5520 and since both companies are subject to the Capital Markets Law numbered 6362 (SPK.) and their shares are publicly traded and traded in the Borsa İstanbul A.Ş. (Stock Exchange), 23rd and 24th articles of the Capital Market Laws which was published in the Official Gazette dated 28 December 2013 and numbered 28865, that has the title of "Merger and separation" (II-23.2), and the article "Common Principles on Important Qualifications and Separation Articles" (II-23.1) published on Capital Markets Board's (CMB's) Official Gazette dated 24 December 2013 and numbered 28861, and in accordance other relevant legislative provisions; it has been decided to merge with Saf Gayrimenkul Yatırım Ortaklığı A.Ş. ("Saf GYO") within Akiş GYO, including assets and liabilities, as of the balance sheet date 30 June 2016, of Saf GYO to be taken over by Akiş GYO as a whole, within the context of the Extraordinary General Assembly held on 28 December 2016.

The simplified merger process, which was carried out with the decision of the Board of Directors and the approval of the Capital Markets Board dated 10 November 2023 and numbered 69/1502, within the framework of the "Facilitated Merger" provisions, by taking over Karlıtepe together with all its assets and liabilities, by the Company. It was registered by the Istanbul Trade Registry Office on 12 December 2023.

The Company is registered in İstanbul Trade Registry Office in Turkey, and the registered address is:

Acıbadem Mahallesi Çeçen Sokak No: 25, 34660 Akasya AVM, Acıbadem/Üsküdar - İstanbul.

Akiş GYO, together with its subsidiaries and joint ventures, is referred to as "the Group".

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The Company's shareholder structure as of 31 December 2023 is as follows:

	31 December 2023	
	Share rate (%)	**Share amount**
Raif Ali Dinçkök	14.92	120,138,980
Akkök Holding A.Ş.	14.66	118,039,924
Alize Dinçkök	8.98	72,297,587
Nilüfer Dinçkök Çiftçi	8.15	65,593,126
Alina Dinçkök	5.67	45,661,757
Other, publicly traded shares included (*)	47.62	383,268,626
Total paid capital	**100.00**	**805,000,000**

(*) As of 31 December 2023, 45.94% of Akiş GYO shares are traded on Borsa İstanbul A.Ş. ("BIST").

The Company's shareholder structure as of 31 December 2022 is as follows:

	31 December 2022	
	Share rate (%)	**Share amount**
Raif Ali Dinçkök	14.92	120,138,980
Akkök Holding A.Ş.	14.66	118,039,924
Alize Dinçkök	8.98	72,297,587
Nilüfer Dinçkök Çiftçi	8.15	65,593,126
Alina Dinçkök	5.67	45,661,757
Other, publicly traded shares included	47.62	383,268,626
Total paid capital	**100.00**	**805,000,000**

As of 31 December 2023, the share groups representing the issued capital consist of group A with 36,353,240 shares equivalent to TRY 36,353,240 (31 December 2022: Group A consists of 36,353,240 shares corresponding to TRY 36,353,240) while the rest of shares represent group B. The group A are registered shares, and group B are shares to bearer. The group A are registered shares, and group B are shares to bearer. Transfer of registered shares can't be restricted. Group A shares have the privilege of nominating candidates for the election of Board members. Five members of the Board of Directors are elected by the General Assembly among the candidates nominated by the majority vote of group A shareholders.

As of 31 December 2023, the registered share capital of the Company is TRY 2,000,000,000 (31 December 2022: TRY 2,000,000,000). As of 31 December 2023, the paid-in capital of the Company is TRY 805,000,000 and consists of 805,000,000 shares with a nominal value of TRY 1 per each (31 December 2022: TRY 805,000,000 consisting of 805,000,000 shares with a nominal value of TRY 1 per each).

As of 31 December 2023, number of employees of the Group is 265 (31 December 2022: 263).

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries

Akiş GYO's subsidiaries has operations in Turkey and Bulgaria, the main business activities are as follows:

Subsidiaries	Nature of business
Aksu Real Estate E.A.D. ("Aksu Real Estate")	Real estate investment
Akyaşam Yönetim Hizmetleri A.Ş. ("Akyaşam")	Shopping mall and office management
Akasya Çocuk Dünyası A.Ş. ("Akasya Çocuk")	Children entertainment industry

	31 December 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Akyaşam	100.00	100.00	100.00	100.00
Akasya Çocuk	100.00	100.00	100.00	100.00
Aksu Real Estate	100.00	100.00	100.00	100.00
Karlıtepe	-	-	100.00	100.00

Akyaşam

Akyaşam Yönetim Hizmetleri A.Ş. was established on 6 January 2014 with the aim of management of shopping malls and offices. Akiş GYO owns 100% of share capital.

Aksu Real Estate

Aksu Textiles E.A.D was established in Bulgaria on 18 December 2000 and its main business activity is the production of all kinds of textiles and clothing, importation and exportation. Aksu Textiles E.A.D whose all capital belongs to Ak-Al became a subsidiary of Akiş GYO with the merger registered on 4 January 2013.

With the Board of Directors' decision dated 16 August 2013, the title of Aksu Textile EAD was decided to be changed to Aksu Real Estate EAD. With the change of title, the operational activity of the Company was also changed as to perform real estate investment activities both locally and abroad.

Karlıtepe Gayrimenkul Geliştirme ve Yatırım A.Ş. ("Karlıtepe")

Karlıtepe Gayrimenkul Geliştirme ve Yatırım A.Ş. was registered on 12 May 2015 and established in İstanbul, and its main operating activities are: purchasing land or miscellaneous real estate in its own name, leasing, dividing up into plots, amalgamate, selling in sections, creating or having reconstruction plan created, acquisition of maps/projects and to make constructions at related land, providing architecture, engineering, technical consultancy and operating services for any kind of building, office, facility, landscape and environmental design and involving commercial activities in this context. On 28 May 2015, it became Akiş GYO's subsidiary. Karlıtepe was purchased in scope of business development process of Beykoz lands. The simplified merger process, which was carried out with the decision of the Board of Directors and the approval of the Capital Markets Board dated 10 November 2023 and numbered 69/1502, within the framework of the "Facilitated Merger" provisions, by taking over Karlıtepe together with all its assets and liabilities, by the Company. It was registered by the Istanbul Trade Registry Office on 12 December 2023.

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Akasya Çocuk Dünyası

Akasya Çocuk Dünyası A.Ş. provides children, inside Akasya shopping mall, with the opportunity to play in different roles in the thematic park scaled according to their own interior. The Company is the subsidiary of Akyaşam Yönetim Hizmetleri A.Ş. with the share of 100%.

Joint Ventures

WMG London Developments L.P

In order to make a real estate investment in London/England, an investment has been made to have 51% share of WMG London Developments L.P. ("WMG London") based in Jersey.

On 9 October 2023, the shares of Gamma Anglia I Limited Partnership, one of the limited partners of WMG London, of which the Company is a limited partner, were purchased and transferred by the Company.

Due to the significant influence of Akiş GYO on joint ventures, WMG London is accounted for using the equity method in the financial statements.

Joint Venture	Nature of Business
WMG London	Real estate investments

	31 December 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
WMG London Developments L.P	89.30	89.30	51.00	51.00

Joint Operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A participant of a joint operation is evaluated according to the owned asset, obligation, revenue and cost. Assets, liabilities, equity items, income and expenses and cash flows of the joint operations are consolidated on proportionate basis, the transactions and unrealized profit/losses with the joint operations are eliminated from the financial statements.

The joint ventures of Akiş GYO are operating in Turkey and the nature of their business is as follows:

Joint Operations	Nature of Business	Entrepreneur Partner
Akiş - Mudanya Ordinary Partnership	Real estate investments	Mudanya Gayrimenkul Geliştirme ve Yatırım A.Ş.

	31 December 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Akiş - Mudanya Ordinary Partnership	50.00	50.00	50.00	50.00

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Akiş - Mudanya Ordinary Partnership

Ordinary Partnership has been established on 28 May 2015 with the contract of project partnership signed by Akiş GYO and Mudanya Gayrimenkul Geliştirme ve Yatırım A.Ş. Akiş's share in partnership is 50%. The purpose of the project partnership is the execution of rights and obligations due to the construction in return for flat agreements on project development in İstanbul, Beykoz district, Gümüşsuyu neighbourhood.

Approval of Financial Statements

The consolidated financial statements for the year ended at 31 December 2023 has been approved by the Board of Directors on 15 March 2024

Accounting policies used for the preparation of consolidated financial statements are presented below. Unless otherwise indicated, these accounting policies are applied to all the periods presented.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation

Accounting Principles Applied

The consolidated financial statements of the Group have been prepared in accordance with communique No: II, 14.1 "Communique on Financial Reporting Standards in Capital Markets" ("Communique") promulgated by CMB, which is published at 13 June 2013 in the official Gazette numbered 28676 and in accordance with the Turkish Accounting Standards ("TAS"), issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS; Turkish Accounting Standards is composed of Turkish Financial Reporting Standards with related additions and interpretations. TAS/TFRS is updated via communiques in order to be parallel to changes in the International Financial Reporting Standards ("TFRS").

In addition, consolidated financial statements are presented in accordance with the formats announced by the POA with the announcement dated 4 October 2022.

The Group complies with the principles and conditions issued by the CMB, the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance in keeping accounting records and preparing legal financial statements. Business Partnerships operating in foreign countries have prepared their legal financial statements in accordance with the laws and regulations applicable in the countries in which they operate. Financial statements have been prepared on a historical cost basis, with the exception of financial assets and liabilities shown at their fair values, and have been prepared by reflecting the necessary corrections and classifications in order to ensure correct presentation in accordance with TFRS on legal records.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative instruments carried at fair value and revaluations arising from the differences between the recorded value and fair value of tangible and intangible assets arising during business combinations.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Preparation (Continued)

Preparation of Financial Statements in Hyperinflationary Economies

Based on the announcement made and published by the KGK on 23 November 2023 with the decision of the SPK dated 28 December 2023 and numbered 81/1820 and the "Implementation Guide on Financial Reporting in High Inflation Economies", issuers subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards and It has been decided that capital market institutions will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023.

As of 31 December, 2023, an adjustment has been made in accordance with the requirements of TAS 29 ("Financial Reporting in High Inflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. TAS 29 requirements require that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods are rearranged in the same way. One of the requirements that requires the application of TAS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexing process was carried out using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TURKSTAT").

The index and corresponding conversion factors for recent year ends to reach balance sheet date money values are as follows:

Date	Index	Conversion Factor	3 Years Cumulative Inflation Rate
31 December 2023	1,859.38	1.000	268%
31 December 2022	1,128.45	1.647	156%
31 December 2021	686.95	2.706	74%

The main elements of the Company's adjustment for financial reporting purposes in high-inflation economies are as follows:

- Current period financial statements prepared in TRY are expressed with the purchasing power of money effective at the balance sheet date, and the amounts from previous reporting periods are expressed by correcting the purchasing power of money as of the last balance sheet date.
- Monetary assets and liabilities are not restated as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant conversion factors.
- All items included in the income statements and other comprehensive income statements, except the cost of sales (excluding shopping mall costs), fair value increases/decreases of investment properties, depreciation expense, and profit/loss on asset sales, have been adjusted using the relevant monthly conversion factors. Cost of sales, depreciation expense, asset sale profit/loss items, fair value increases/decreases of investment properties have been recalculated on the basis of adjusted balance sheet items using conversion factors.
- All items in the statement of cash flows are expressed in the measurement unit in effect at the end of the reporting period.
- The effect of inflation on the Company's net monetary position is included in the statements of income as monetary gain or loss.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Preparation (Continued)

Comparative figures

The relevant figures for the previous reporting period are restated by applying the general price index so that comparative financial statements are presented in the unit of measurement effective at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit effective at the end of the reporting period.

Presentation and functional currency

Reporting currency of the Group is Turkish Lira (TRY) and all financial information are expressed in TRY unless otherwise is indicated. The reporting currency of the WMG London is the British Pound ("GBP"), the reporting currency of the Aksu Real Estate is Bulgarian Lev ("BGN"). The financial information expressed in the currencies other TRY is full unless otherwise indicated.

Netting/Offset

Financial assets and liabilities are clearly shown in cases, necessary legal rights, intention to clearly evaluate related assets and liabilities, or obtaining assets and fulfilment of obligations occurring simultaneously.

Periodicity of Activities

There is not any effect on the financial performance of the Group for the 12 months period that ends as of 31 December 2023 that is related to periodicity of activities.

Going Concern

The Group has prepared its consolidated financial statements in accordance with the going concern principle.

2.2 Amendments in accounting policies

2.2.1. The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRYK interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) Standards, amendments and interpretations applicable as at 31 December 2023

Effective from annual periods beginning on or after 1 January 2023.

Narrow scope amendments to TAS 1, Practice Statement 2 and TAS 8;
Effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Amendments in accounting policies (Continued)

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
Effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendment to TAS 12 - International tax reform ;
The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

TFRS 17, 'Insurance Contracts';
Effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which permited a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

These standards, amendments and interpretations did not have a significant impact on the financial position or performance of the Group.

ii) Standards, amendments and interpretations applicable as at 31 December 2023:

Amendment to TFRS 16 – Leases on sale and leaseback;
Effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to TAS 1 – Non-current liabilities with covenants;
Effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;
Effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendments to TAS 21 - Lack of Exchangeability;
Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

TFRS 1, 'General requirements for disclosure of sustainability-related financial information;
Effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Amendments in accounting policies (Continued)

TFRS 2, 'Climate-related disclosures';

Effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group will evaluate the effects of the above changes on its operations and implement the necessary ones.

2.3 Comparative figures and the restatement to the financial statements of the prior period

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. In order to comply with the presentation of consolidated financial statements the current period when deemed necessary, comparative information is reclassified, and material differences are presented.

As of 31 December 2023, consolidated financial statements are provided comparative with previous period.

Comparative information for the previous reporting period is expressed in purchasing power as of 31 December 2023. There are no adjustments made by the Company in its financial statements dated 31 December 2022, except for the adjustments made due to the application of the TAS 29 standard, the details of which are explained in Note 2.1.

2.4 Summary of Significant Accounting Policies

2.4.1 Basis of Consolidation

The consolidated financial statements include the accounts of the parent company, Akiş GYO and its subsidiaries on the basis set out in sections below. The financial statements of the subsidiaries which are included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and the required adjustments and reclassifications have been made in accordance with CMB Financial Reporting Standards and applying uniform accounting policies and presentation.

Subsidiaries

Control is achieved by having control over financial and operational policies in order to benefit from an operator's activities.

Subsidiaries are companies that either (a) are directly or indirectly entitled to exercise more than 50% of the voting rights relating to the shares in the company as a result of their own voting rights, or (b) refers to companies that have the power and power to control their financial and operating policies in the interests of the Company by using the actual dominance effect on the financial and operating policies, without having the authority to use more than 50%.

The existence of potential convertible or usable potential voting rights is also taken into account when evaluating whether the Group controls another company.

Subsidiaries subject to consolidation, their voting rights and effective ownership interests at 31 December 2023 and 2022 are shown in Note 1.

Subsidiaries have started to be consigned to the controlling Group since the date of the control, and the process of consoling is ended with the removal from the controlling Group. The accounting policies applied for the Subsidiaries are changed to ensure consistency with the accounting policies applied by the Group.

The results of subsidiaries purchased or disposed of during the period are included in the comprehensive income statement after the date of purchase or on the date of exclusion.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

The financial statements of the subsidiaries and profit or loss and other comprehensive income statements are consolidated using the full consolidation method and the carrying value of the shares held by the Company and its subsidiaries is offset against the related equity. Intra-group transactions and balances between the Company and its subsidiaries are eliminated during consolidation. The carrying value of the shares held by the Company and the dividends arising therefrom have been netted from the related equity and comprehensive income statement accounts.

Minority interests in the net assets of subsidiaries in the Consolidated Subsidiary are separately stated in the equity of the Group. Minority interests consist of the shares in the initial business combinations and minority interests in the changes in equity since the date of the combination. The accumulated loss on a non-consolidated basis of a consolidated subsidiary may exceed the amount of the non-parent equity on that subsidiary. In this case, the cumulative loss and the subsequent current year losses to be deducted from the minority interest are attributable to minority interests.

2.4.2 Joint Agreements

Joint Operations

The Group applies TFRS 11, "Joint Agreements" standard for its all joint agreements. In accordance with TFRS 11, investments in joint ventures are classified as joint ventures or joint ventures, depending on the investor's rights and obligations to the contract. The Group has assessed the project partnership agreements detailed in Note 1 and determined that it is a joint venture. Project partnerships subject to joint operations are accounted by proportional consolidation method.

Joint operations have been included in the scope since the date that the rights and obligations in the contract were transferred to the Company and were excluded from the scope at the date of completion of joint operation. Where necessary, adjustments have been made to accounting policies in the financial statements of the project partnerships in the scope of joint operations so as to be consistent with the accounting policies followed by the Group.

The financial statements of the joint ventures and the profit or loss tables are included in the financial statements of the Group using proportional consolidation method and the carrying values of the shares in which the project partnerships are held are offset against the related equity. Transactions and balances between the Group and the project partnerships in the scope of the joint operations are proportionately offset during the acquisition of the financial statements. The carrying values of the shares held by the Group and the dividends arising therefrom are eliminated from the related equity and comprehensive income statement.

2.4.3 Business combinations and goodwill

Business combinations are considered as a combination of separate entities or businesses reporting on a single entity. Business combinations are accounted for in accordance with TFRS 3, using method of acquisition. The fact that an entity obtains control of one or more non-business operating entities and the combination of these entities is not considered a business combination. If the entity obtains a group of assets or net assets, these transactions are also not included within the scope of business combinations.

The cost of the purchase of an operating entity is allocated to the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition of the acquiree. The difference between the cost of the acquisition and the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is accounted for in the Consolidated Financial Statements as goodwill. Not included in the financial statements of the acquiree in the business combinations; however, assets, intangible assets and contingent liabilities that can be separated within the goodwill are reflected to the financial statements with their fair values. Goodwill amounts included in the financial statements of the acquiree are not recognized as identifiable assets.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

If the acquirer's share of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of the business combination, the difference is recognized in profit or loss. The minority interest of the acquiree for each acquisition is accounted for at the proportionate share of the net assets of the acquired company.

The Group allocates the difference between the cost of each identifiable asset and liability and the fair value at the acquisition date for unobservable acquisitions within the business combinations. No such goodwill arises from such transactions.

The Group allocates the difference between the cost of each identifiable asset and liability and the fair value at the acquisition date for unobservable acquisitions within the business combinations. No such goodwill arises from such transactions. Goodwill is reviewed annually for impairment and carried in the balance sheet at fair value after deducting the accumulated impairment loss from cost value. Goodwill is allocated to cash-generating units for impairment testing. Distribution is made to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination generating the goodwill. The Group performs goodwill impairment tests on December 31 of each year. Provision for impairment on goodwill cannot be reversed. Profits and losses arising from the sale of an entity include the carrying amount of the goodwill on the entity being sold.

2.4.4 Segment Reporting

Segment reporting is designed as to supply consistence on reporting to the competent authority on taking decisions about the activities of the group. The competent authority is responsible for evaluation of the departments' performance and decision taking related to the resources which are to be allocated according to departments.

2.4.5 Related Parties

For the purpose of the consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures within the scope of TAS 24 - Related Party Disclosures are considered and referred to as related parties.

2.4.6 Effects of Foreign Currency Translations

Transactions in foreign currencies are translated into TRY at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the rate of exchange ruling at the balance sheet date. Exchange differences arising from such transactions are reflected in the comprehensive income statement.

2.4.7 Financial instruments

i) Financial assets

Classification

The Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase. Financial assets are not reclassified after initial recognition, unless the Group's business model for managing financial assets changes; In case of business model change, financial assets are reclassified on the first day of the following reporting period after the change.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Recognition and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables" and "other receivables". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the statement of income.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings. The Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income.

Derecognition

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets. Provision for loss measured as below;

- 12 - Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument. Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The Group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Trade receivables

Trade receivables are carried at amortized rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. The Group has preferred to apply "simplified approach" for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, the Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the statement of income or loss.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, bank deposits with maturity periods of less than three-months and other highly liquid short-term investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. The carrying values of these assets are close to their fair values.

ii) Non-derivative financial liabilities

Financial liabilities

Financial liabilities are recognized at fair value at the date of initial recognition. Financial liabilities are measured at amortized cost using the effective interest rate method, after they are recorded at acquisition costs after deducting transaction costs.

Trade and other payables

Trade payables are the debts arising from the purchase of products and services directly from the suppliers. Trade payables and other liabilities are carried at amortized cost. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts payable from the original invoice value in the following periods by using the effective interest method. Short-term payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

iii) Derivative financial instruments

Derivative financial instruments are recognized at their fair value at the contract date and related transaction costs associated with derivatives are recognized in profit or loss on the date that they are incurred. Subsequent to initial recognition, changes are accounted for at fair value and changes are recognized in profit or loss.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Cash flow hedge transactions

At the date of derivate contract signed, hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognized asset of liability or a high probable forecast transaction and could affect profit and loss are designed as cash flow hedges by the Group.

Changes in the fair value of derivatives, designated as cash flow hedges as effective, are recognized in equity as "Cash flow hedge gains/(losses)". Where the forecasted transaction of firm commitment results in the recognition of an asset or of a liability, the gains and losses previously recognized under equity are transferred from equity and included in the initial measurement of the cost of the asset of liability. Otherwise, amounts recognized under equity are transferred to the consolidated income statement in the period in which the hedge firm commitment or forecasted transaction affects the consolidated income statement.

If the forecasted transaction is no longer expected to occur, the cumulative gain or losses previously recognized in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

2.4.8 Offsetting

Financial assets and liabilities are carried at fair value if the legal right to net settlement exists, the net settlement or collection is possible or the obligation can be realized simultaneously.

2.4.9 Share premium

Share premium represents the difference as a result of its sale of the stocks of the investments which are evaluated through equity method with a higher price than their nominal prices or the stocks of its subsidiaries; or the difference between the nominal and net realizable values of the stocks of its acquired companies.

2.4.10 Paid-in capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.4.11 Dividends

Dividend income is recognized in the consolidated financial statements by the Group at the date the right to collect the dividend is realized. Dividend payables are recognized as a result of profit distribution in the period they are declared.

2.4.12 Earnings per share

Earnings per share disclosed in the consolidated statement of comprehensive income are determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. For the purpose of earnings per share computations, such "bonus share" issuances are regarded as issued shares for all periods presented. Accordingly, the weighted average number of shares used in earnings per share computations in prior periods is adjusted retroactively for the effects of these shares.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

2.4.13 Events after the reporting period

Events after the reporting period represent the events that occur against or in favor of the Company between the reporting date and the date when reporting was authorized for the issue. There are two types of events after the reporting period:

- Those that provide evidence of conditions that existed as at reporting date (adjusting events after the reporting date); and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If there is evidence of such events as of reporting date or if such events occur after reporting date and if adjustments are necessary, the Company's financial statements are adjusted according to the new situation. The Company discloses events after the reporting period that are not adjusting events but material.

2.4.14 Provisions, contingent liabilities and contingent assets

A provision is recognized in the consolidated financial statements when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. In case of the mentioned criteria unformed, the Company discloses the related situation in the notes.

If the inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur, such asset and income statement effect are recognized in the consolidated financial statements at the relevant period that income change effect occurs.

2.4.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessee are classified as financial leases. The rest of leases other than finance leases are classified as operating leases. The Group doesn't have any significant lease as lessee.

The Group as the lessor

The operating rental income is recognized on a straight-line basis over the lease term in the consolidated statement of comprehensive income.

Finance lease

The assets acquired under finance leases is recognized as property; as for that recognized financial lease payable in the consolidated financial statements. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments and financial costs of leasing are distributed over the lease period with a fixed rate. The property acquired under finance leases is depreciated in accordance with the principles applied for property, plant and equipment.

Liabilities under finance leases, decreased by the payment of principal and interest payments are recorded as expense in the statement of comprehensive income.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

2.4.16 Taxation

Corporate tax

According to Article 5/1(d) (4) of the Corporate Tax Law No: 5220, the income of Real Estate Investment Trusts ("REIT") is exempt from corporate income tax. This exemption is also applicable to advance corporate tax.

Since the Company is exempt from corporate income tax in conformity with Article 5 of the Corporate Tax Law, deferred tax is not recognized.

The Company's subsidiaries, Akyaşam, Akasya Çocuk Dünyası and Karlıtepe, have corporate tax obligation.

2.4.17 Employee benefits / provision for employee termination benefits

Provision for the employee termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising from retirement of its employees calculated in accordance with Turkish Labor Law. In conformity with the laws regulating the work life in Turkey and the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of amount of TRY 23,489.83 as of 31 December 2023 (31 December 2022: TRY 25,327.90).

Provision is related to fair value of defined benefit plan calculated with the method of estimated liability. All actuarial profit and losses are accounted under the consolidated comprehensive income statement. TFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. The liability for this unfunded plan recognized in the consolidated financial statements is the full present value of the defined benefit obligation at the end of the reporting period, calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows from the retirement of its employees.

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans.

Unused vacation rights

Liabilities for unused vacation rights are accrued in the relevant period.

2.4.18 Inventories

Inventories are valued at the lower of cost or net realizable value, Inventories comprise of construction costs of residences (completed and in-progress) and the cost of land used for these residence projects, Land held for future development of real estate are also classified as inventory. Cost elements included in inventory are purchase costs, conversion costs and other costs necessary to prepare the asset for its intended use. Unit costs of the inventories are valued at the lower of cost or net realizable value. Borrowing costs attributable to qualifying assets are capitalized. Lands which are currently used or will be used in near future for real estate construction are evaluated in inventory.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

2.4.19 Advances

Advances received consist of amounts received from customers who entered into preliminary sales contracts with the Group for its real estate projects and are classified as short-term and long-term considering the expected delivery date of residences. The advances received for other operational activities are classified as short-term and long-term according to nature and duration of advances. Advances are not subject to discount.

2.4.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.4.21 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. Any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

Depreciation is calculated over of the cost of property, plant and equipment using the straight-line method based on expected useful lives.

Estimated useful lives of property, plants and equipment is as follow;

Tangible assets	**Expected useful life (year)**
Buildings	50
Land improvements	3-25
Furniture and fixtures	3-10
Leasehold improvements	5

Subsequent costs incurred for property, plant and equipment for increasing the future benefits from the asset by enhancing its capacity are included in the asset's carrying amount and are amortized for its remaining economic life. The costs except from those are recognized as expense.

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

Gains and losses on the disposal of property, plant and equipment are determined by deducting the net book value of the property and equipment from its sales and are included in the related income and expense accounts, as appropriate.

2.4.22 Intangible assets

Intangible assets include licenses, computer software and other rights. They are recorded at acquisition cost and from the date of acquisition over the estimated useful lives of 3 to 15 years are amortized using the straight-line method.

Estimated useful life and amortization method are reviewed at the end of each annual reporting period where necessary any changes in the estimate being accounted for on a prospective basis.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

2.4.23 Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period whether there is objective evidence that the book value of a non-financial asset or group of non-financial assets is impaired. If the existence of the mentioned objective evidence, the Group estimates the recoverable amount of related non-current asset in order to determine the amount of impairment. In case of the assessment of recoverable amount is not possible, the recoverable amount of the cash generating unit relating that asset is calculated.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value in use is reduced the present value by using the discount rate before tax which is affected the projected future cash flows, time value of the money and risks in particular to relating non-financial asset.

In case of the recoverable amount of an asset (or a cash generating unit) is less than its book value, the book value of the asset is reduced to its recoverable amount. As a result of that impairment losses are accounted in the statement of income.

2.4.24 Revenue recognition

Group recognizes revenue based on the following five principles in accordance with the TFRS 15, "Revenue from Contracts with Customers Standard"; effective from 1 January 2018:

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations.

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation.

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognizes the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers..

Following indicators are considered while evaluating the transfer of control of the goods and services:

a) presence of Group's collection right of the consideration for the goods or services,
b) customer's ownership of the legal title on goods or services,
c) physical transfer of the goods or services,
d) customer's ownership of significant risks and rewards related to the goods or services,
e) customer's acceptance of goods or services.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized on an accrual basis as other operating income.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Rent income

Rent income from investment properties is recognized on the accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the amount of revenue can be measured reliably and when it is probable that future economic benefits associated with the transaction will flow to the Group. The seasonal rent discounts are netted off from rent revenue as incurred.

Revenue is presented net of discounts and sales taxes after elimination of intra-group sales transactions.

Residence sales income

Income obtained from the sales of the real estate is accounted in the statement of comprehensive income when all significant risks and rewards associated property has been transferred to the buyer.

2.4.25 Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

2.4.26 Dividend income

Dividend income is recognized when the right to receive payment is established.

2.4.27 Dividend distribution

Dividend distribution to the shareholders of the Company is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.4.28 Investment properties

Investment properties comprise of operative investment properties and investment properties under construction.

a) Operational investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as operative investment property. The operative investment properties of the Group comprise of shopping mall, lands and buildings.

An investment property can be accounted as an asset, if and only if, it is probable that economic benefits related to real estate would flow to the company and the cost of the investment property would be measured reliably.

Investment properties is measured initially at cost. These cots comprise of the transaction costs and subsequent expenditures or services. The borrowing costs related to qualifying assets is also recognized during the construction of the asset, the mentioned capitalization continues until the completion of the construction. The Group does not include the daily service expenses related to real estate in the book value of the investment property. Those costs are recognized in the profit or loss statement to the extent that they are realized. Daily services costs mainly comprise of the labor and consumables however, it may also include the cost of small pieces. These types of expenditures are classified as the "maintenance expenses" related with the real estates.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as discounted cash flow projections. The Group considers the conditions resulted with the difference in the determination of the fair value of the investment properties in order to make the most reliable estimation.

Gains and losses resulting from changes in fair value of investment properties are recognized in the consolidated statement of comprehensive income as incurred. Gains and losses resulting from malfunction or dispose of investment property is a difference between cash proceeds from disposal of investment properties and its book value and is accounted as fair value gain or loss of investment property as incurred.

b) Investment properties under construction

The purchase transaction costs and constructions costs of investment properties under construction and the related subsequent expenditures can be capitalized, if, it is enhancing the economic benefits of the mentioned property. The capitalization starts at the beginning date of the incurred expenditures and the mentioned capitalization continues until ready to use of the property. Investment properties under construction that is held for long-term rental yields or for capital appreciation or both is classified as investment property and is measured at fair value.

The Group measures the investment property under construction at fair value. Group, investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed.

In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others;

- The stage of completion,
- Comparability of the project in market,
- The level of reliability of cash inflows after completion,
- The development risk specific to the property,
- Past experiences with similar constructions and
- Status of construction permits.

Group transfers its investment properties to inventory or fixed assets if and only if a change occurs in use of the investment property. The aforementioned change in use is to start development for the purpose of sale after the development. If the Group decides on disposal of the investment properties without any development, until the disposal date, it is continued to be classified as investment property. Likewise, if the Group re-develops an existing investment property to be used as an investment property in the future, the classification of the property remained as investment property and cannot be reclassified to fixed assets during the course of development.

Transfers to, or from, investment property shall be made, and only when, there is a change in use, evidenced by:

- Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- Commencement of development with a view to sale, for a transfer from investment property to inventories;
- End of owner-occupation, for a transfer from owner-occupied property to investment property; or
- Commencement of an operating lease to another party, for a transfer from inventories to investment property.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in profit or loss.

The treatment of transfers from inventories to investment property that will be carried at fair value is consistent with the treatment of sales of inventories.

2.4.29 Fair value of financial instruments

Monetary assets

These assets are included in the financial statements at cost and include cash and cash equivalents, interest accruals on them and other short-term financial assets, and since they are short-term and foreign currency denominated, their fair values are considered to be close to their carrying values. It is thought that the carrying values of trade receivables after deducting rediscount and expected credit loss provision are close to their fair values.

Monetary obligations

Monetary liabilities are monetary obligations whose fair value approximates their carrying value. It is thought that the fair value of trade payables and other monetary liabilities approximates their carrying value due to their short-term nature. Financial debts arising from bank loans are expressed at discounted cost and transaction costs are added to the initial recording values of the loans. Since the interest rates are updated taking into account changing market conditions, it is thought that the fair value of the loans represents the value they carry. It is estimated that the fair value of the remaining trade payables after deducting the rediscount provision is close to their carrying value.

2.5 Control of compliance with the portfolio limitations

As of 31 December 2023, the information stated in Note "Control of Compliance with the Portfolio Limitations" are the condensed information which comprised of Serial: II. No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1"Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660, Capital Markets Board's Communiqué Serial: III. No: 48.1 a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891 and Capital Markets Board's Communiqué Serial: III. No: 48.1 e "Amendment on Real Estate Investment Company" published in the Official Gazette dated 9 October 2020 numbered 31269. The related information which is stated Note 32 may not be consistent with the information given in the consolidated financial statements.

2.6. Significant accounting judgement, estimations and assumptions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. Although these estimates rely on the best knowledge and belief of the management, due to their nature accounting estimates may differ from actual results.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.6. Significant accounting judgement, estimations and assumptions (Continued)

As of 31 December 2023, and 2022, the significant estimates and assumptions stated in the consolidated financial statements are as follow;

a) Current ratio balance

As of 31 December 2023, current assets of the Group are amount to TRY 1,618,013,143 and short-term liabilities of the Group are amount to TRY 1,729,148,763. Short term liabilities exceeded current assets TRY 111,135,620. The Group does not predict any shortcomings regarding the fulfilment of these short-term liabilities.

The Group anticipates that approximately TRY 2 billion of rental income from its investment properties will be collected in the following year.

b) Fair values of investment properties:

Significant evaluations, estimates and assumptions that are used at the time of determining the fair value of the real estates that are classified as investment property in the consolidated financial statements are explained below: 2022 valuation report values are calculated and stated with the purchasing power of 31 December 2023.

Akbatı Shopping Mall

The Group develops the Akbatı Project on a land piece of 50,838 m² in total that is classified under investment properties as of 31 December 2023 and 2022 and located in Istanbul Province, Esenyurt District, Kapadık Neighbourhood, plot number 383, and Parcel 3. Akbatı Project comprises Akbatı Shopping Mall that has a construction area of 185,032 m² and leasable area of 65,088 m².

While determining the fair value of Akbatı Shopping Mall as of 31 December 2023, an expert report numbered 2023/934 is prepared by Lotus Gayrimenkul Değerleme A.Ş. ("Lotus") on 28 December 2023 and the fair value of Akbatı Shopping Mall is determined as TRY 5,910,000,000 related to the expert report via discounted cash flows method.

While determining the fair value of Akbatı Shopping Mall as of 31 December 2022, an expert report numbered AKSGY-2210059 is prepared by Reel Gayrimenkul Değerleme A.Ş. ("Reel") on 30 December 2022 and the fair value of Akbatı Shopping Mall is determined as TRY 5,478,865,964 related to the expert report via discounted cash flows method.

	Discount Rate	Capitalization Rate
31 December 2023	46%	6%

The rent increase estimates made by the independent valuation company for the year-end valuation of Akbatı shopping mall vary for each year. The relevant ratios are seen in the valuation report attached to the Public Oversight statement dated 2 January 2024, made by the Company.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.6. Significant accounting judgement, estimations and assumptions (Continued)

Akasya Shopping Mall

The Group's Akasya Shopping Mall, classified under investment properties as of 31 December 2023 and 2022, stands on a total of 41,357 m² land located in İstanbul Province, Üsküdar District, Bulgurlu Neighborhood, plot number 1083, and Parcel 68. At Akasya Project, there is Akasya Shopping Mall with 412,882 m² construction and 87,007 m² leasable area.

While determining the fair value of Akasya Shopping Mall as of 31 December 2023, the expert report prepared by Lotus Gayrimenkul Değerleme A.Ş. ("Lotus") and dated 28 December 2023 with No. 2023/935 was taken into account and the related expert report set the fair value of Akasya Shopping Mall at TRY 14,390,000,000 via discounted cash flows method.

While determining the fair value of Akasya Shopping Mall as of 31 December 2022, the expert report prepared by Reel Gayrimenkul Değerleme A.Ş. ("Reel") and dated 31 December 2022 with No. AKSGY-2010060 was taken into account and the related expert report set the fair value of Akasya Shopping Mall at TRY 13,639,803,338 via discounted cash flows method.

	Discount Rate	**Capitalization Rate**
31 December 2023	46%	6%

The rent increase estimates made by the independent valuation company for the year-end valuation of Akasya shopping mall vary for each year. The relevant ratios are seen in the valuation report attached to the Public Oversight statement dated 2 January 2024, made by the Company.

Social Facility

Akasya Social Facility is located in Istanbul, Üsküdar, Bulgurlu Mahallesi, 73 sections, 1341 plot number and 64 parcels.

While determining the fair value of the Group's Akasya Social Facility as of 31 December 2023, the expert report prepared by Reel Gayrimenkul Değerleme ve Danışmanlık A.Ş. ("Reel") and dated 29 December 2023 with AKSGY-2310058 was taken into account and the related expert report set the fair value at TRY 111,840,000 via cost method.

While determining the fair value of the Group's Akasya Social Facility as of 31 December 2022, the expert report prepared by Reel Gayrimenkul Değerleme ve Danışmanlık A.Ş. ("Reel") and dated 30 December 2022 with AKSGY-2210062 was taken into account and the related expert report set the fair value at TRY 107,102,397 via cost method.

Erenköy

The company has completed the Erenköy project on a 2,687 m² land, located in İstanbul, Kadıköy, Erenköy Mahallesi, 106 sections, 378 plot number, 25 parcels.

While determining the fair value of Erenköy project as of 31 December 2023, the expert report prepared by Reel Gayrimenkul Danışmanlık ve Değerleme A.Ş. ("Reel") and dated 29 December 2023 with AKSGY-2310059 was taken into account and the related expert report set the fair value of Erenköy project at TRY 1.460.170.000 via discounted cash flows method.

While determining the fair value of Erenköy project as of 31 December 2022, the expert report prepared by Lotus Gayrimenkul Danışmanlık ve Değerleme A.Ş. ("Lotus") and dated 30 December 2022 with No. 2022/1431 was taken into account and the related expert report set the fair value of Erenköy project at TRY 1,376,842,508 via discounted cash flows method.

Akasya Office

The Akasya Acıbadem project, which has a saleable area of 209,285 m² built on 121,000 m² of land in Istanbul Acıbadem consists of 3 stages as Akasya Lake, Akasya Koru and Akasya Kent. The Akasya Project contains one residence / office.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.6. Significant accounting judgement, estimations and assumptions (Continued)

While determining the fair value of the the Group's independent section as of 31 December 2023, the expert report prepared by Reel Gayrimenkul Değerleme ve Danışmanlık A.Ş. ("Reel") and dated 29 December 2023 with AKSGY-2310057 was taken into account and the related expert report set the fair value at TRY 43,820,000 via equivalent comparison method.

While determining the fair value of the Group's independent section as of 31 December 2023, the expert report prepared by Reel Gayrimenkul Değerleme ve Danışmanlık A.Ş. ("Reel") and dated 30 December 2022 with AKSGY-2210061 was taken into account and the related expert report set the fair value at TRY 41,193,230 via equivalent comparison method.

NOTE 3 - SEGMENT REPORTING

The Group's operating segments are determined based on strategic decisions reports reviewed by the Board of Directors.

The Group management has set operating segments as of "Akbatı Project", "Akasya Project" and "Other". The segment of "Akbatı Project" consists of Akbatı Shopping Mall and Akbatı Residences located in Esenyurt. The segment of "Akasya Project" consists of Akasya Shopping Mall and Akasya Residences located in Acıbadem. "Other" operating segment consists of lands of the Group that are located in the several places of İstanbul, real estates that have been included to the portfolio within the scope of urban transformation and investment properties generating rental income excluding Akasya and Akbatı projects.

1 January - 31 December 2023	**Akbatı Project**	**Akasya Project**	**Other**	**Undistributed**	**Total**
Revenue	604,219,086	1,449,755,296	523,178,061	-	2,577,152,443
Cost of sales (-)	(143,796,705)	(336,491,518)	(374,004,026)	-	(854,292,249)
Gross profit	**460,422,381**	**1,113,263,778**	**149,174,035**	**-**	**1,722,860,194**
General administrative expenses (-)	(3,485,517)	(28,036,118)	(4,755,579)	(115,452,576)	(151,729,790)
Marketing expenses (-)	(2,522,629)	(14,283,509)	-	-	(16,806,138)
Other operating income	16,517,394	28,183,577	6,151,903	3,397,424	54,250,298
Other operating expenses (-)	(11,025,749)	(19,759,876)	(1,386,577)	(8,970,234)	(41,142,436)
Operating profit/(loss)	**459,905,880**	**1,079,367,852**	**149,183,782**	**(121,025,386)**	**1,567,432,128**
Income from investing activities	430,662,037	896,001,320	83,290,012	-	1,409,953,369
Expenses from investing activities	-	(1,469,037)	-	(25,374,075)	(26,843,112)
Share of profit of investment accounted for using the equity method	-	-	-	(114,496,913)	(114,496,913)
Operating profit before financial income/(expense)	**890,567,917**	**1,973,900,135**	**232,473,794**	**(260,896,374)**	**2,836,045,472**
Financial income	-	233,399,803	36,217,790	431,389,612	701,007,205
Financial expenses (-)	(11,240)	(1,388,733,152)	(174,273,488)	(349,446,849)	(1,912,464,729)
Monetary gain/(loss), net	521,879,764	1,115,940,057	143,102,213	(22,453,139)	1,758,468,895
Profit before tax	**1,412,436,441**	**1,934,506,843**	**237,520,309**	**(201,406,750)**	**3,383,056,843**
Current expense tax (-)	(1,856,476)	(3,618,828)	-	-	(5,475,304)
Deferred tax income	(59,409)	243,961	(19,307,766)	-	(19,123,214)
Net profit/ (loss) for the year	**1,410,520,556**	**1,931,131,976**	**218,212,543**	**(201,406,750)**	**3,358,458,325**

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

NOTE 3 - SEGMENT REPORTING (Continued)

1 January - 31 December 2022	Akbatı Project	Akasya Project	Other	Undistributed	Total
Revenue	482,271,407	1,144,563,232	74,952,383	-	1,701,787,022
Cost of sales (-)	(121,939,648)	(307,512,949)	(1,793,885)	-	(431,246,482)
Gross profit	**360,331,759**	**837,050,283**	**73,158,498**	**-**	**1,270,540,540**
General administrative expenses (-)	(3,965,030)	(39,226,236)	(5,983,853)	(80,876,302)	(130,051,421)
Marketing expenses (-)	(1,403,866)	(9,436,997)	-	-	(10,840,863)
Other operating income	18,228,545	40,440,738	4,566,699	7,568,969	70,804,951
Other operating expenses (-)	(13,226,169)	(33,143,998)	(20,612,618)	(4,434,937)	(71,417,722)
Other operating expenses	**359,965,239**	**795,683,790**	**51,128,726**	**(77,742,270)**	**1,129,035,485**
Income from investment activities	180,875,731	1,860,290,024	(330,747,135)	-	1,710,418,620
Share of profit of investment accounted for using the equity method	-	-	-	(4,782,514)	(4,782,514)
Operating profit before financial income/(expense)	**540,840,970**	**2,655,973,814**	**(279,618,409)**	**(82,524,784)**	**2,834,671,591**
Financial income	-	228,916,254	12,618,304	359,598,531	601,133,089
Financial expenses (-)	(25,906)	(1,684,061,435)	(685,026,025)	(469,414,733)	(2,838,528,099)
Monetary gain/(loss), net	1,069,694,330	2,098,765,082	229,526,251	(129,211,739)	3,268,773,924
Profit/(loss) before tax	**1,610,509,394**	**3,299,593,715**	**(722,499,879)**	**(321,552,725)**	**3,866,050,505**
Current expense tax (-)	(1,601,178)	(2,821,202)	-	-	(4,422,380)
Deferred income tax	79,554	2,120,033	32,014,729	-	34,214,316
Net profit/(loss) for the year	**1,608,987,770**	**3,298,892,546**	**(690,485,150)**	**(321,552,725)**	**3,895,842,441**

As of 31 December 2023, and 2022 segment assets and liabilities:

	31 December 2023		**31 December 2022**	
	Asset	**Liability**	**Asset**	**Liability**
Akasya Project	14,981,799,858	2,141,968,139	14,362,104,561	3,508,793,584
Akbatı Project	6,019,028,311	14,361,382	5,544,647,882	12,954,358
Other	2,054,313,044	407,801,366	2,568,478,258	1,381,532,759
Undistributed	876,107,847	1,134,450,148	1,098,929,060	1,767,119,620
Total	**23,931,249,060**	**3,698,581,035**	**23,574,159,761**	**6,670,400,321**

For the years ended 31 December 2023 and 2022 investment expenditures, depreciation and amortization expenses are as follows:

	31 December 2023		**31 December 2022**	
	Investment expense	**Depreciation expense**	**Investment expense**	**Depreciation expense**
Akasya Project	12,713,922	9,987,438	12,725,902	9,807,343
Akbatı Project	4,235,724	3,898,230	3,554,358	3,431,395
Other	37,479	-	4,595,265	-
Undistributed	1,095,733	6,060,629	999,149	6,737,858
Total	**18,082,858**	**19,946,297**	**21,874,674**	**19,976,596**

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash on hand	310,874	343,608
Cash on bank	786,250,472	938,392,069
- Demand deposits	*112,802,307*	*121,561,704*
- Time deposits	*673,448,165*	*816,830,365*
Total cash and cash equivalents in the financial statement	**786,561,346**	**938,735,677**
Blocked deposits (-)	(105,769,714)	(110,703,163)
Total cash and cash equivalents in the cash flow statement	**680,791,632**	**828,032,514**

The Group has TRY 105,769,714 blocked deposits related to the loans used as of 31 December 2023 (31 December 2022: TRY 110,703,163).

Maturities of cash and cash equivalents are as follows:

	31 December 2023	31 December 2022
Until 30 days	673,448,165	816,830,365
	673,448,165	**816,830,365**

Foreign currency distribution in cash and cash equivalents in TL is as follows

	31 December 2023	31 December 2022
US Dollar	208,835,514	679,535,947
EUR	64,115	238,492
GBP	7,375	555
Other	358,657	397,816
	209,265,661	**680,172,810**

Effective interest rates of time deposits are as follows:

	31 December 2023 (%)	31 December 2022 (%)
TRY	40.00 - 46.50	14.75 - 27.00
US Dollar	0.50 - 2.85	2.50

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

NOTE 5 - FINANCIAL INVESTMENTS

The Group's short-term financial investments are as follows:

	31 December 2023	31 December 2022
Bank balances with restricted usage (*)	49,521,397	85,581,447
	49,521,397	**85,581,447**

(*) Akasya Shopping Mall rent receivables are pledged to HSBC Middle East Limited and HSBC Bank A.Ş., Akbatı Shopping Mall and Bagdat Street rent receivables are assigned to Yapı Kredi, and payments under the Ciftehavuzlar project's flat for flat contract are transferred to Yapı Kredi blocked account. Relevant balances are TRY 1,319,393 and TRY 48,202,004, respectively. (31 December 2022: Related balances are TRY 3,389,247 and TRY 82,192,200, respectively).

The Group's long-term financial investments are as follows:

	31 December 2023	31 December 2022
Navlungo Lojistik ve Teknoloji A.Ş.	14,952,109	1,361,978
FBO Angellist Clients	10,728,929	9,242,920
Venuex Bilişim Teknolojileri A.Ş.	1,844,829	3,009,561
Carrtell Teknoloji ve Lojistik A.Ş.	552,862	-
Akkök Next Yatırım Holding A.Ş.	200,000	-
Ünlü Portföy Yönetimi A.Ş. İda Capital İvmelendirme Girişim Sermayesi Yatırım Fonu	-	11,399,038
Other	3	7
	28,278,732	**25,013,504**

Long-term financial investments consist of venture investments made in order to integrate the Group's long-term strategies into its business model or to reduce business model risks.

NOTE 6 - BORROWINGS

Borrowings	31 December 2023	31 December 2022
Bank borrowings	122,180,566	827,153,928
Issued bonds and bills	300,257,263	285,881,014
Short-term borrowings	**422,437,829**	**1,113,034,942**
Bank borrowings	457,066,537	1,076,169,014
Financial leases	77,263,172	-
Short-term portion of long-term bank borrowings	**534,329,709**	**1,076,169,014**
Bank borrowings	1,810,089,316	3,573,279,405
Financial leases	137,394,625	-
Long-term borrowings	**1,947,483,941**	**3,573,279,405**

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

NOTE 6 - BORROWINGS

	2023	**2022**
Total financial liabilities as of 1 January	**5,762,483,361**	**8,429,297,487**
Proceeds from borrowings	1,682,727,865	2,479,091,037
Cash outflows related to principal payments	(3,470,508,654)	(3,416,997,708)
Interest paid	(628,401,751)	(695,407,771)
Accruals	699,421,957	745,099,079
Foreign exchange differences	1,081,923,305	1,690,945,958
Monetary loss/gain, net	(2,223,394,604)	(3,469,544,721)
Total financial liabilities as of 31 December	**2,904,251,479**	**5,762,483,361**

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

NOTE 6 - BORROWINGS (Continued)

a) Bank Borrowings

	31 December 2023			31 December 2022		
	Effective interest rate (%)	**Original**	**TRY**	**Effective interest rate (%)**	**Original**	**TRY**
Short-term borrowings:						
TRY bank borrowings	28,89	122,180,566	122,180,566	22.99	681,434,659	681,434,659
EUR denominated bank borrowings	-	-	-	9.54	4,436,261	145,719,269
			122,180,566			**827,153,928**
Short-term portion of long-term borrowings:						
USD denominated bank borrowings	10.46	5,333,078	156,996,217	6.66	26,346,134	811,717,397
TRY bank borrowings	40.42	300,070,320	300,070,320	29.12	264,451,617	264,451,617
			457,066,537			**1,076,169,014**
Long-term borrowings:						
USD denominated bank borrowings	10.86	42,043,295	1,237,678,927	6.81	90,667,814	2,793,451,290
TRY bank borrowings	41.64	572,410,389	572,410,389	22.54	779,828,115	779,828,115
			1,810,089,316			**3,573,279,405**

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

NOTE 6 - BORROWINGS (Continued)

Redemption schedule of bank borrowings as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Bank loans:		
2024	-	1,039,627,206
2025	1,475,063,427	1,847,554,750
2026	116,629,698	234,141,414
2027	97,438,510	200,475,896
2028	120,957,681	251,480,139
	1,810,089,316	**3,573,279,405**

Fair values and registered values of credits which are deferred TRY credits and foreign currency credits with fixed and variable interest rate as of 31 December 2023 and 2022 are as follows:

	Carrying Value		Fair Value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial borrowings	2,904,251,479	5,762,483,361	2,911,025,213	5,762,489,449

b) Issued Bonds and bills

The details of the issued bonds and bills as of 31 December 2023 and 2022 as follows:

ISIN CODE	Interest Rate (%)	Issued nominal amount (TRY)	Issue Date	Call Date	Carrying value
TRFAIGY12415	39.50	255,000,000	20 July 2023	10 January 2024	300,257,263
					300,257,263

The company was transferred to Ziraat Yatırım Menkul Değerler A.Ş. on 20 July 2023. It has issued bonds with a nominal value of TRY 225,000,000, with a maturity of 174 days and discounted interest rates, which are offered for sale to qualified investors through.

ISIN CODE	Interest Rate (%)	Issued nominal amount (TRY)	Issue Date	Call Date	Carrying value
TRFAIGY22315	29	173,500,000	26 August 2022	17 February 2023	285,881,014
					285,881,014

The company was transferred to Ziraat Yatırım Menkul Değerler A.Ş. on 26 August 2022. It has issued bonds with a nominal value of TRY 173,500,000, with a maturity of 175 days and discounted interest rates, which are offered for sale to qualified investors through.

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

NOTE 6 - BORROWINGS (Continued)

c) Payables from financial leasing transactions

Gross lease liabilities - minimum lease payments:

	31 December 2023	31 December 2022
Up to 1 year	89,825,869	-
1 - 5 years	233,547,259	-
Financial lease liabilities unrealized finance expense	(108,715,331)	-
Fair value of financial lease liabilities	**214,657,797**	**-**

As of 31 December 2023 and 31 December 2022, the maturity breakdowns of financial lease liabilities are as follows:

	31 December 2023	31 December 2022
Up to 1 year	77,263,172	-
1 - 5 years	137,394,625	-
Fair value of financial lease liabilities	**214,657,797**	**-**

As of 31 December 2023, all financial lease liabilites are denominated in TRY and the annual effective interest rate is 29.33%.

Akasya City Phase, which is an office, independent section numbered 258 in block A, independent sections numbered 200-201-202-203-204-205-206-207-208-209-210-211-213 in block B and Akasya social facility, for a price of TRY 263,122,779 and the relevant independent sections were sold to Ziraat Katılım Bankası A.Ş. on 30 March 2023, with the Sell-Lease-Repurchase method, to be taken back at the end of the contract maturity.

In this regard, the Company and Ziraat Katılım Bankası A.Ş. A 36-month installment financial leasing agreement was signed between the companies with a maturity of 48 months, 1 year without payment of principal and dividends, and the following 9 months with payment of dividends only.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31 December 2023	31 December 2022
Short-term trade payables		
Trade receivables	157,819,018	184,541,016
Notes receivables	21,663,864	18,450,794
Trade receivables from related parties (Note 28)	16,886	14,597
	179,499,768	**203,006,407**
Less: Provisions for expected credit losses	(20,736,455)	(30,871,116)
Less: Unearned finance income on credit sales	(888,319)	(243,162)
	157,874,994	**171,892,129**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movement of the provision for expected credit losses are as follows:

	2023	2022
Opening Balance, 1 January	**(30,871,116)**	**(44,304,501)**
Current year charge (Note 23)	(8,128,375)	(9,288,179)
Provisions no longer required (Note 23)	5,647,407	4,838,280
Monetary loss/gain, net	12,615,629	17,883,284
Closing balance, 31 December	**(20,736,455)**	**(30,871,116)**

Short-term trade payables	**31 December 2023**	**31 December 2022**
Payables to suppliers	27,779,648	31,300,112
Trade payables to related parties (Note 28)	25,052,886	46,757,955
	52,832,534	**78,058,067**

Long-term trade payables	**31 December 2023**	**31 December 2022**
Payables to suppliers	11,115,055	10,524,605
	11,115,055	**10,524,605**

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Short-term other payables from third parties

	31 December 2023	31 December 2022
Deposits and guaranties given	6,148,439	4,793,505
Tax Claim	2,363,899	-
Other (*)	6,821,167	15,285,049
	15,333,505	**20,078,554**
Less: Provisions for expected credit losses	(3,877,347)	-
	11,456,158	**20,078,554**

(*) It is the balance created by Akyaşam's start-up investments that can be converted into stocks in the future by lending through convertible bonds.

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

Movements in the expected credit loss allowance for other short-term receivables from non-related parties are as follows:

	2023	2022
Opening balance, January 1	**-**	**-**
Provision expense for the period (Note 23)	(4,712,149)	-
Monetary loss/gain, net	834,802	-
Closing balance, 31 December	**(3,877,347)**	**-**

Long-term other receivables from third parties

	31 December 2023	31 December 2022
Deposits and guaranties given	1,973,768	3,086,170
	1,973,768	**3,086,170**

Short-term other payables due to third parties

	31 December 2023	31 December 2022
Taxes and fund payables	54,701,905	36,397,303
Social security premium payable	2,918,815	2,159,519
Other	53,839	152,841
	57,674,559	**38,709,663**

NOTE 9 - PREPAID EXPENSES AND DEFFERED INCOME

Short-term prepaid expense	31 December 2023	31 December 2022
Prepaid financing expenses (*)	130,349,864	63,311,381
Prepaid insurance expense	2,990,540	7,909,735
Prepaid project expenses (**)	2,175,208	2,306,768
Advances given to suppliers	2,100,228	505,207
Advances given for project	672,805	1,108,600
Other	4,884,376	3,789,846
	143,173,021	**78,931,537**

(*) Consists of financial expenses paid and accrued as of 31 December 2023

(**) Balance will be accounted in income statement in the relevant periods within the maturity of the contract.

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

NOTE 9 - PREPAID EXPENSES AND DEFFERED INCOME (Continued)

Long term prepaid expenses

Advances given for project (***)	76,336,050	74,778,570
Prepaid project expenses (**)	11,300,782	21,671,882
Prepaid financing expenses (*)	8,185,095	15,471,635
Other	1,089,273	1,928,763
	96,911,200	**113,850,850**

(*) Consists of financial expenses paid and accrued as of 31 December 2023.

(**) Balance will be accounted in income statement in the relevant periods within the maturity of the contract.

(***) Consist of the advances given within the scope of the project include the long-term advances given by Akiş - Mudanya Ordinary Partnership within the scope of Beykoz Lands As of 31 December 2023.

	31 December 2023	31 December 2022
Short-term deferred income		
Advances received – Akasya project	17,970,817	14,680,339
Sponsorship income	8,848,420	7,639,533
Advances received - Akbatı project	3,858,029	1,637,896
Income from contributions (*)	244,192	1,672,689
Advances received - Çiftehavuzlar project	-	159,829,731
	30,921,458	**185,460,188**

	31 December 2023	31 December 2022
Long-term deferred income		
Advances received - Akasya project	3,130,190	2,960,533
Advances received - Akbatı project	175,686	-
Income from contributions (*)	22,477	452,521
	3,328,353	**3,413,054**

(*) The relevant amount consists of the balances which are taken as promotional contribution shares from the tenants related to Akasya Shopping Mall. Contributions are recorded on the basis of the relevant rental period.

NOTE 10- DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments subject to hedge accounting

As a result of changes in foreign exchange rates and interest rates, the Company manages the cash flow risk arising from the principal and interest payments of existing loans.

Interest swap transactions were carried out on 8 February 2021 for loan interest payments that will occur until maturity for loans with variable interest rates maturing in 2025. These interest swap transactions provide variable cash inflows for the Company and provide fixed cash outflows on a defined timeline with rates predetermined by a contract. As a result of the harmony of the inflows and outflows that will result from interest swap and the variable interest payments for loans, these derivative transactions and relevant loans are subject to cash flow hedge accounting. Thus, the fair value changes of these derivative instruments are categorized under equities until the payments for the loans in the following periods are made. Loans with remaining principal amounting to USD 14,270,911 and USD 7,791,666 on 14 February 2023 and 11 April 2023, respectively, were removed from the existing hedge accounting due to the disappearance of the hedged item, and the hedging fund pending in equity regarding these loans was transferred to the income statement. On 25 May 2023, the relevant interest rate swap transactions were terminated early, and in this context, the amount accumulated in equity will be recorded in the income statement along with the interest payment periods of the remaining loans.

Interest swap transactions were carried out on 8 September 2023 for loan interest payments that will occur until maturity for loans with variable interest rates maturing in 2025. These interest swap transactions provide variable cash inflows for the Company and provide fixed cash outflows on a defined timeline with rates predetermined by a contract. As a result of the harmony of the inflows and outflows that will result from interest swap and the variable interest payments for loans, these derivative transactions and relevant loans are subject to cash flow hedge accounting. Thus, the fair value changes of these derivative instruments are categorized under equities until the payments for the loans in the following periods are made.

In 2022, a forward foreign exchange purchase contracts with a maturity date from July 2022 to August 2023 were made on five different loans with principal and interest payments in USD, and contracts that meet the hedge accounting criteria are included in hedge accounting. As of 31 December 2023, these derivative transactions are due.

In 2022, a forward foreign exchange purchase contracts with a maturity date from March 2023 to November 2023 were made on five different loans with principal and interest payments in USD, and contracts that meet the hedge accounting criteria are included in hedge accounting. As of 31 December 2023, these derivative transactions are due.

In 2023, foreign exchange purchase contracts with a maturity date from September 2023 to March 2024 were made on two different loans with principal and interest payments in US dollars, and contracts that meet the hedge accounting criteria are included in the hedge accounting.

In 2023, foreign exchange purchase contracts with a maturity date from April 2024 to July 2024 were made on two different loans with principal and interest payments in US dollars, and contracts that meet the hedge accounting criteria are included in the hedge accounting.

Derivatives measured at fair value accounted for under the statement of profit / loss

In January 2023, foreign exchange purchase right agreements with various maturities were made within the year for financial debt payments in US dollars. The fair value of some derivatives is reflected to the profit or the author, based on compliance with the company's risk management policy and hedge accounting requirements.

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

NOTE 10- DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2023, and 2022, the movement of the fair value of the derivative financial instruments is as follows:

31 December 2023				**Current Values**	
	Purchase Contact Amount (USD)	**Sales Contract Amount (TRY)**	**Sales Contract Amount (USD)**	**Assets**	**Liabilities**
Cash flow hedge					
Cross currency interest rate swap transactions	-	120,600,000	120,600,000	5,792,186	-
Right to buy and sell currency	14,958,000	-	441,900,130	42,830,618	-
Short-term derivatives	**14,958,000**	**120,600,000**	**562,500,130**	**48,622,804**	-
Cash flow hedge					
Cross currency interest rate swap transactions	-	196,350,000	196,350,000	2,021,847	-
Long-term derivatives	**-**	**196,350,000**	**196,350,000**	**2,021,847**	-
Total derivatives	**14,958,000**	**316,950,000**	**758,850,130**	**50,644,651**	-

31 December 2022					**Current Values**
	Purchase Contact Amount (USD)	**Sales Contract Amount (USD)**	**Sales Contract Amount (EUR)**	**Sales Contract Amount (TRY)**	**Amount (USD)**
Cash flow hedge					
Cross currency interest rate swap transactions	35,517,503	-	35,517,503	111,082,128	-
Right to buy and sell currency	36,670,641	748,568,074	-	15,810,512	24,945,827
Short-term derivatives	**72,188,144**	**748,568,074**	**35,517,503**	**126,892,640**	**24,945,827**
Cash flow hedge					
Cross currency interest rate swap transactions	119,380,296	-	119,380,296	84,075,695	-
Long-term derivatives	**119,380,296**	**-**	**119,380,296**	**84,075,695**	-
Total derivatives	**191,568,440**	**748,568,074**	**154,897,799**	**210,968,335**	**24,945,827**

As of 31 December 2023, derivative financial assets/(liabilities) at fair value difference income/(expense), net: TRY 150,157,244 , cash flow hedging gains/(losses) reflected in other comprehensive income: TRY (118,512,789) (As of 31 December 2022, the relevant amounts are: TRY (115,604,123) and TRY 157,283,489, respectively.).

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

NOTE 11 – INVESTMENT PROPERTIES

	2023	2022
Opening Balance, 1 January	**20,654,961,381**	**19,897,189,107**
Additions	2,472,726	1,372,970
- Direct acquisitions	*2,472,726*	*1,372,970*
Change in fair value	1,336,283,770	1,592,907,418
Currency translation adjustments	(1,827,782)	(4,513,859)
Disposal	(66,733,933)	(831,994,255)
Net book value, 31 December	**21,925,156,162**	**20,654,961,381**

The movement of the investment properties for the years ending 31 December 2023 and 2022 are as follows:

	1 January 2023	Currency Translation Reserve	Additions	Disposal	Increase fair value	31 December 2023
Akasya Shopping Mall (*)	13,639,803,338	-	1,963,248	(66,733,933)	814,967,347	14,390,000,000
Akbatı Shopping Mall	5,478,865,964	-	471,999	-	430,662,037	5,910,000,000
Erenköy Project	1,376,842,508	-	37,479	-	83,290,013	1,460,170,000
Social Facility	107,102,397	-	-	-	4,737,603	111,840,000
Akasya Office	41,193,230	-	-	-	2,626,770	43,820,000
Lands in Bulgaria	11,153,944	(1,827,782)	-	-	-	9,326,162
	20,654,961,381	**(1,827,782)**	**2,472,726**	**(66,733,933)**	**1,336,283,770**	**21,925,156,162**

(*) The Akasya Shopping Mall Akasya AVM Independent Section 59 was sold in January 2023, and independent sections 104 and 183 were sold in December 2023.

	1 January 2022	Currency Translation Reserve	Additions	Disposal	Increase fair value	31 December 2022
Akasya Shopping Mall (*)	12,005,328,748	-	1,372,970	(100,026,402)	1,733,128,022	13,639,803,338
Akbatı Shopping Mall	5,299,945,796	-	-	-	178,920,168	5,478,865,964
Erenköy project	1,455,194,497	-	-	-	(78,351,989)	1,376,842,508
Uşaklıgil project (**)	984,362,999	-	-	(731,967,853)	(252,395,146)	-
Social facility	100,148,570	-	-	-	6,953,827	107,102,397
Akasya office	36,540,694	-	-	-	4,652,536	41,193,230
Lands in Bulgaria	15,667,803	(4,513,859)	-	-	-	11,153,944
	19,897,189,107	**(4,513,859)**	**1,372,970**	**(831,994,255)**	**1,592,907,418**	**20,654,961,381**

(*) Akasya Shopping Mall Independent Section numbered 315 was sold in June 2022. Akasya Shopping Mall Independent Section numbered 316 was sold in August 2022.

(**) The Uşaklıgil project was sold in July 2022.

As of 31 December 2023, there is insurance guarantee amounting to TRY 21,058,541,509 on investment properties (31 December 2022: TRY 21,398,480,193).

As of 31 December 2023, there is a mortgage on the Akbatı Shopping Mall amounting to USD 57,723,014 in the first degree and amounting to TRY 500,000,000 in the second degree. (31 December 2022: USD 57,720,014 and TRY 823,864,593) Akbatı Shopping Mall rent receivables are assigned to Yapı Kredi.

The ongoing Erenköy project has a first-degree mortgage amounting to as of TRY 400,000,000 31 December 2023 (31 December 2022: TRY 659,091,674). Uşaklıgil project rent receivables are assigned to Yapı Kredi.

As of 31 December 2023, as a first degree is USD 55,000,000, second degree is USD 60,000,000, third degree is USD 30,550,000, fourth degree is TRY 351,000,000 and fifth degree is TRY 200,000,000 on the Akasya Shopping Mall (As of 31 December 2022, as a first degree is USD 55,000,000, second degree is USD 60,000,000, third degree is USD 25,000,000, fourth degree is USD 14,300,000 and fifth degree is USD 30,550,000). Akasya Shopping Mall rent receivables are pledged to HSBC Middle East Limited; the amount remaining after deducting the instalment amounts related to the loan from the lease collections is in the free use of the Company.

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

NOTE 12 – INVENTORIES UNDER DEVELOPMENT AND INVENTORIES

	31 December 2023	31 December 2022
Inventories under development		
Beykoz lands	417,600,000	464,221,470
Çiftehavuzlar land	-	372,551,569
Total	**417,600,000**	**836,773,039**

Inventory		
Other	1,071,384	1,717,909
Total	**1,071,384**	**1,717,909**

The sale of Çiftehavuzlar land took place on 4 July 2023.

As of 31 December 2022, the Group has given a first-degree mortgage worth of TRY 329,545,837 on the estate (Çiftehavuzlar Land) registered in Istanbul Province, Kadıköy District, Erenköy Neighbourhood, Ciftehavuzlar, Section 106, Block 1435, Parcel No 39.

There is no insurance on the inventories as of 31 December 2023 (31 December 2022: None.).

NOTE 13 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of the reporting date, the carrying values of equity investments in the Group's consolidated financial statements are as follows:

	31 December 2023		31 December 2022	
	Ownership rate (%)	Registered value	Ownership rate (%)	Registered value
WMG London	89.30	8,530,216	51.00	136,358,941
Total		**8,530,216**		**136,358,941**

As of 31 December 2023, and 2022, the movement of investments accounted for using the equity method is as follows:

	2023	2022
Opening Balance, 1 January	**136,358,941**	**171,117,202**
Paid-in share capital	34,453,172	11,772,829
Shares of profit and loss (*)	(114,496,913)	(4,782,514)
Shares in other comprehensive income	(22,410,909)	(41,748,576)
	33,904,291	**136,358,941**
Impairment (-) (**)	(25,374,075)	-
Closing balance, 31 December	**8,530,216**	**136,358,941**

(*) As of 31 December 2023, WMG London's period loss is largely due to the impairment calculated for the fixed asset in the assets of this company.

(**) An impairment loss has been allocated based on the valuation report dated 26 September 2023 regarding WMG London attached to the PDP statement dated 9 October 2023.

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

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Disposals (-)	Transfers	31 December 2023
Costs:					
Lands	35,644,427	-	-	-	35,644,427
Buildings	116,050,829	450,000	-	-	116,500,829
Land Improvements	493,061	-	-	-	493,061
Furniture and Fixture	252,010,803	13,633,622	(377,779)	-	265,266,646
Vehicles	1,527,712	-	-	-	1,527,712
Construction in progress	4,048,366	1,026,376	(687,424)	(3,228,168)	1,159,150
Leasehold Improvements	25,069,802	165,765	-	-	25,235,567
	434,845,000	**15,275,763**	**(1,065,203)**	**(3,228,168)**	**445,827,392**
Accumulated Depreciation:					
Buildings	(15,784,798)	(2,398,800)	-	-	(18,183,598)
Land Improvements	(189,008)	(32,871)	-	-	(221,879)
Furniture and Fixture	(214,083,318)	(12,817,950)	3,147	-	(226,898,121)
Vehicles	(1,527,712)	-	-	-	(1,527,712)
Leasehold Improvements	(22,844,408)	(1,244,732)	-	-	(24,089,140)
	(254,429,244)	**(16,494,353)**	**3,147**	**-**	**(270,920,450)**
Net Book Value	**180,415,756**				**174,906,942**

	1 January 2022	Additions	Disposals (-)	Transfers	31 December 2022
Costs:					
Lands	35,644,427	-	-	-	35,644,427
Buildings	115,787,705	263,124	-	-	116,050,829
Land Improvements	493,061	-	-	-	493,061
Furniture and Fixture	240,180,717	12,044,205	(214,119)	-	252,010,803
Vehicles	1,527,712	-	-	-	1,527,712
Construction in progress	1,504,307	2,544,059	-	-	4,048,366
Leasehold Improvements	23,751,619	1,318,183	-	-	25,069,802
	418,889,548	**16,169,571**	**(214,119)**	**-**	**434,845,000**
Accumulated Depreciation:					
Buildings	(13,389,377)	(2,395,421)	-	-	(15,784,798)
Land Improvements	(156,137)	(32,871)	-	-	(189,008)
Furniture and Fixture	(201,313,025)	(12,860,147)	89,854	-	(214,083,318)
Vehicles	(1,527,712)	-	-	-	(1,527,712)
Leasehold Improvements	(21,626,713)	(1,217,695)	-	-	(22,844,408)
	(238,012,964)	**(16,506,134)**	**89,854**	**-**	**(254,429,244)**
Net Book Value	**180,876,584**				**180,415,756**

The breakdown of depreciation expense for the years ended 31 December 2023 and 2022 is disclosed in Note 22.

There are no capitalized borrowing costs for property, plant and equipment for the years ended 31 December 2023 and 2022.

As of 31 December 2023, there is insurance coverage on property, plant and equipment amounting TRY 16,838,650 (31 December 2022: TRY 8,448,731).

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

NOTE 15 – INTANGIBLE ASSETS

	1 January 2023	Additions	Transfers	31 December 2023
Costs:				
Rights	56,810,771	334,369	-	57,145,140
Other	5,993,534	420,276	3,228,168	9,641,978
	62,804,305	**754,645**	**3,228,168**	**66,787,118**
Accumulated Amortization:				
Rights	(34,056,938)	(2,985,157)	-	(37,042,095)
Other	(5,599,952)	(466,787)	-	(6,066,739)
	(39,656,890)	**(3,451,944)**	**-**	**(43,108,834)**
Net Book Value	**23,147,415**			**23,678,284**

	1 January 2022	Additions	Transfers	31 December 2022
Costs:				
Rights	56,810,771	-	-	56,810,771
Other	5,993,534	-	-	5,993,534
	62,804,305	**-**	**-**	**62,804,305**
Accumulated Amortization:				
Rights	(30,667,633)	(3,389,305)	-	(34,056,938)
Other	(5,518,795)	(81,157)	-	(5,599,952)
	(36,186,428)	**(3,470,462)**	**-**	**(39,656,890)**
Net Book Value	**26,617,877**			**23,147,415**

NOTE 16 – OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2023	31 December 2022
Value added taxes ("VAT") receivables	6,419,309	7,666,342
	6,419,309	**7,666,342**

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

NOTE 17 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	31 December 2023	31 December 2022
Provisions for litigation	6,365,896	7,969,900
Provisions for employee benefits	2,519,908	2,804,170
Provisions for school donation	-	9,886,375
Other short-term provisions	2,628,512	4,386,952
	11,514,316	**25,047,397**

	2023	2022
Opening balance, 1 January	**7,969,900**	**15,984,497**
Provision for litigation expenses (Note 23)	4,143,444	2,641,305
Litigation provision no longer required (Note 23)	(2,575,672)	(4,618,703)
Monetary loss/gain, net	(3,171,776)	(6,037,199)
Closing balance, 31 December	**6,365,896**	**7,969,900**

Guarantees given	31 December 2023	31 December 2022
Mortgages (*)	7,435,191,641	9,286,441,843
Letters of guarantees	7,045,863	7,510,575
	7,442,237,504	**9,293,952,418**

(*) Mortgages on the Group's investment properties and long-term inventories are given for the liabilities of the Group to the financial institutions.

Guarantees received

	31 December 2023	31 December 2022
Letter of guarantees	248,721,430	235,772,139
Collateral bills	35,406,252	43,609,994
Bails	10,697,221	10,058,110
Mortgages	8,813,379	14,522,063
Cheques of guarantee	3,540,219	3,304,402
	307,178,501	**307,266,708**

In consideration of the current contract periods, the total of the expected minimum operational lease revenue of the Group is as follows as of 31 December 2023 and 2022:

	31 December 2023	31 December 2022
Operational lease revenues between 0-1 year	2,025,659,700	1,886,042,203
Operational lease revenues between 1-5 year	13,516,204,431	13,216,452,274
Operational lease revenues 5 years and above	26,726,064,029	32,783,149,443
	42,267,928,160	**47,885,643,920**

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

NOTE 17- COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

As of 31 December 2023, and 2022, the Group's collaterals/pledges/mortgages position as follows:

CPM's given by the Group (Collaterals, Pledges, Mortgages)	**31 December 2023**	**31 December 2022**
A. CPMs given for its own legal personality	7,442,037,504	9,293,952,418
B. CPM's given on behalf of fully consolidated companies	200,000	-
C. CPM's given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM's	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-
ii) Total amount of CPM's given on on behalf of other Group		
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
	7,442,237,504	**9,293,952,418**

As of 31 December 2023, there is no other CPM given by Company (31 December 2022: None).

The original amount of CPM is as follows:

	31 December 2023		**31 December 2022**	
Guarantees given	**Foreign Currency**	**TRY equivalent**	**Foreign Currency**	**TRY equivalent**
USD	203,273,014	5,983,991,641	242,573,014	7,473,610,192
TRY	1,458,245,863	1,458,245,863	1,820,342,226	1,820,342,226
		7,442,237,504		**9,293,952,418**

	31 December 2023		**31 December 2022**	
Guarantees received	**Foreign Currency**	**TRY equivalent**	**Foreign Currency**	**TRY equivalent**
TRY	220,493,935	220,493,935	207,555,510	207,555,510
USD	2,913,292	85,762,073	3,192,301	98,353,947
EUR	28,320	922,493	41,320	1,357,251
		307,178,501		**307,266,708**

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

NOTE 17- COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Other lawsuits

- There are lawsuits based on the demands of compensation and receivable and also commercial lawsuits filed against Garanti Koza Akiş Ordinary Partnership, to which the Company sold its share in the ordinary partnership on 11 March 2013 and Akiş GYO, one of the founding companies of this ordinary partnership. With reference to the sale of shares, the buyer Garanti Koza İnşaat Sanayi ve Ticaret Anonim Şirketi has accepted and committed in the Share Transfer Agreement that any potential liability will be borne by him. Taking into account the bankruptcy decision of the Bakırköy 3rd Commercial Court of First Instance on March 30, 2021 for Garanti Koza İnşaat Sanayi ve Ticaret Anonim Şirketi within the scope of the file numbered 2020/917 and reserving all legal and contractual rights of our Company, including the right of recourse to the buyer, in accordance with the precautionary principle of accounting, our Company has set aside a provision of TRY 3,937,816 for pending lawsuits.

- Other litigation provisions consist of lawsuits filed by customers for incomplete performance and late delivery in relation with promise-to-sale agreements and employee lawsuits.

The Group's total number of lawsuits and enforcement proceedings is 261. Other lawsuit provisions consist of lawsuits and enforcement proceedings filed by customers due to incomplete performance and late delivery of the promise to sell contract and labor lawsuits and also lawsuits filed by the Group regarding the receivables of the Group.

NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS

a) Short-term employee benefits

Short-term provisions for employee benefits	31 December 2023	31 December 2022
Unused vacation rights	2,519,908	2,804,170
	2,519,908	**2,804,170**

Short-term liabilities for employee benefits		
Performance premium payable	21,057,979	19,716,210
Payable to personnel	4,136,532	2,868,174
	25,194,511	**22,584,384**

b) Long-term benefits provided to personnel

Provision for employee termination benefits

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each entitled employee. Also, employees are entitled to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to of the prevailing 506 numbered Social Insurance Law's Article 60, as amended by 6 March 1981 dated, 2422 numbered and 25 August 1999 dated, 4447 numbered laws. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002.

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

NOTE 18 – PROVISION FOR EMPLOYEE BENEFITS (Continued)

The amount payable consists of one month's salary limited to a maximum of TRY 23,490 for each period of service as of 31 December 2023 (31 December 2022: TRY 25,328). Maximum severance pay is revised once in every 6 months period, in the calculation of provision for employee termination benefits, ceiling price amounting to TRY 35,059 which is effective since 1 January 2023 is taken into consideration (1 January 2022: TRY 32,927). The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. As of 31 December 2023, actuarial gains/(loss) are recognized in "comprehensive income" under "Defined benefit plans remeasurement gains".

Assumptions have been used for the actuarial calculation are as follow:

	31 December 2023 (%)	31 December 2022 (%)
Discount rate	3.65	0.50

Movements in the provision for employment termination benefits are as follows:

	2023	2022
Opening balance, 1 January	**13,973,661**	**8,118,892**
Interest expense	2,727,782	603,211
Service cost increase	2,379,960	5,960,881
Actuarial loss/(gain)	(2,264,369)	4,373,815
Payments	(9,735,365)	(3,494,701)
Monetary gain/(loss), net	423,254	(1,588,437)
Closing balance, 31 December	**7,504,923**	**13,973,661**

NOTE 19 – EQUITY

a) Equity

Company's shareholders and capital structure as of 31 December 2023 and 2022 are described in Note 1.

Adjustment to share capital

As of 31 December 2023 and 2022, capital adjustment differences are TRY 5,796,441,592. Capital adjustment differences express the difference between the inflation-adjusted total amounts of cash and cash equivalent additions to paid-in capital and the paid-in capital amount before inflation adjustment.

b) Other comprehensive income /(expense) not to be reclassified to profit or loss

	31 December 2023	31 December 2022
Remeasurement loss arising from defined benefit	(2,109,446)	(4,373,815)
Other revaluation and measurement gains/(losses)	-	4,527,204
	(2,109,446)	**153,389**

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

NOTE 19 – EQUITY (Continued)

c) Other comprehensive income /(expense) to be reclassified to profit or loss

	31 December 2023	**31 December 2022**
Currency translation reserve	65,636,273	53,469,260
Cash flow hedge gains / (losses)	44,482,996	162,995,785
	110,119,269	**216,465,045**

d) Restricted reserves appropriated from profit

Accumulated profits in legal books can be distributed except for the provisions relating to the legal reserve that is stated below.

Legal reserves comprise of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% of the portion of the paid-in capital that exceeds 5% of the paid-in capital. Group companies are not subject to this implementation.

"Legal reserves" allocated in accordance with the TCC requirements, "Share premium" that is in statue of legal reserve and legal reserves allocated for certain purposes apart from profit sharing (gains of sharing sales for tax advantage) is demonstrated the amounts in records. Differences arising from inflation adjustment coming out in the assessments based on TFRS principals and that is not subject to profit distribution or capital increase as of reporting date are related to accumulated profit/loss.

	31 December 2023	**31 December 2022**
Legal reserves	913,235,325	949,099,207

e) Other Reserve

	31 December 2023	**31 December 2022**
Other reserve	339,301,224	339,301,224

With the changes in CPM's reporting format, items in shareholders' equity by name "Other reserves" and "Merger reserve" are classified in "Other reserves".

f) Retained Earnings

The explanation regarding the adjusted retained earnings accounts in accordance with TAS 29, prepared by the Company based on the Capital Markets Board Bulletin published on 7 March 2024, is as follows:

Prior Years Profits/(Losses)	**Amount before inflation accounting**	**Amount after inflation accounting**
31 December 2022 (*)	2,082,451,597	(738,229,317)
1 January 2022	2,082,451,597	(738,229,317)

(*) Excluding net profit for the period

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

NOTE 19 – EQUITY (Continued)

Profit distribution

Regarding the dividend distribution, the entities are to distribute their profits under the scope of CMB Communiqué Serial: II-19.1 their articles of association and their previously publicly declared profit distribution policies.

Besides that, it is regulated that companies which are obligated to prepare consolidated financial statements under CMB policies, if it's allowed in their statutory reserves, amount of profit available for distribution must be prepared, in accordance with CMB Communiqué No. II -14.1 announced publicly consolidated financial statements taking into account net profit of the period.

It has been allowed that in the case of a dividend payment, depending on the decisions taken at the General Assembly's, payment can be made as cash or issuing the shares to shareholders for free after dividend is added to capital or partially cash and partially issuing free shares. In the case of first dividend payment is less than 5% of issued/paid-in capital, it has been allowed that the dividend can be left within the venture without being distributed. However, the joint stock companies that increased their capital without being distributed the dividend belonging to the prior period and therefore separate the shares as "new" and "old" must pay the first dividend that is calculated as cash.

The Company does TRY1,167,820,448 include previous year's profit and other resources that may be subject to dividend distribution in its period profit stated in its legal records.

The share repurchase program, which was initiated by the Company's Board of Directors by being published on the Public Disclosure Platform (KAP) on 3 August 2018, based on the permission given by the Capital Markets Board in the press releases dated 21 July and 25 July 2016, and the Capital Markets Board's Within the scope of the buyback programs initiated within the framework of the decision of the board of directors of the same date published on KAP on 17 February 2023 within the framework of the Principle Decision No. i-SPK.22.7 (dated 14 February 2023 and s.k. 9/177), 0% of the Company's capital taken back from the stock exchange and owned All shares with a nominal value of TRY 6,410,912, representing 7964 shares, were sold by the Company to investors through a special transaction notification at Borsa Istanbul on 21 September 2023, at a price of TRY 11.20 per share. After the sale, there are no repurchased shares held by our Company as of 21 September 2023. On the other hand, the share repurchase program initiated by the Company's board of directors decisions is still in effect.

The explanation regardin' the equity capital accounts adjusted in accordance with TAS 29 prepared by the Company based on the Capital Markets Board Bulletin published on 7 March 2024 is as follows:

	Producer Price Index (PPI) indexed legal adjustments	**Consumer Price Index (CPI) indexed amounts**	**Differences to be followed in retain earnings**
Capital adjustment differences	8,175,587,825	5,796,441,592	(2,379,146,233)
Premiums/discounts for shares	14,831,832	276,876,746	262,044,914
Restricted reserves allocated from profit	1,125,477,349	913,235,325	(212,242,024)
Other reserves	2,713,170,327	339,301,224	(2,373,869,103)

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

NOTE 20 – SALES AND COST OF SALES

	1 January - 31 December 2023	1 January – 31 December 2022
Revenues		
Akasya rent income	1,310,288,651	1,031,651,197
Akbatı rent income	604,219,086	482,271,408
Çiftehavuzlar sales revenue	460,858,914	-
Other rent income	62,319,148	74,952,380
Ticket sales	60,933,085	52,988,855
Sponsorship income	24,339,305	12,484,944
Other	54,194,254	47,438,238
	2,577,152,443	**1,701,787,022**
Cost of Sales		
Çiftehavuzlar selling cost	(372,551,569)	-
Cost of Akasya shopping mall	(237,255,625)	(224,936,338)
Cost of Akbatı shopping mall	(143,796,705)	(121,939,648)
Cost of other services	(100,688,350)	(84,370,496)
	(854,292,249)	**(431,246,482)**
Gross Profit	**1,722,860,194**	**1,270,540,540**

NOTE 21 – GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

	1 January - 31 December 2023	1 January – 31 December 2022
General administrative expenses		
Personnel expenses	67,849,389	58,114,232
Consultancy expenses	39,457,061	26,629,250
Office expenses	11,682,020	10,261,095
Taxes, duties and fees	10,181,448	8,253,306
Depreciation expenses	6,060,629	6,737,858
Donations	3,785,365	545,606
Transportation and travel expenses	2,924,210	3,079,573
Other	9,789,668	16,430,501
	151,729,790	**130,051,421**
Marketing Expenses		
Personnel expenses	11,871,887	7,937,782
Consultancy expenses	1,370,945	735,312
Advertisement expenses	931,842	1,067,640
Corporate communication expenses	485,018	91,149
Other	2,146,446	1,008,980
	16,806,138	**10,840,863**

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

NOTE 22 – EXPENSE BY NATURE

	1 January - 31 December 2023	**1 January – 31 December 2022**
Cost of sales	372,551,569	-
Cost of shopping malls	249,127,537	236,827,111
Personnel expense	215,222,424	162,154,991
Consultancy expenses	44,316,139	29,866,552
Taxes, duties and fees	26,922,997	30,743,949
Amortization expenses	19,946,297	19,976,596
Office expenses	11,682,020	8,126,651
Donations	3,837,874	546,862
Transportation and travel expenses	2,924,210	3,079,573
Advertisement expenses	931,842	1,067,640
Other	75,365,268	79,748,841
	1,022,828,177	**572,138,766**

The allocation of personnel expenses as of 31 December 2023 and 2022 is as follows:

	1 January - 31 December 2023	**1 January – 31 December 2022**
Expenses on cost of sales	135,501,148	96,102,977
General administrative expenses	67,849,389	58,114,232
Marketing expenses	11,871,887	7,937,782
Total personnel expenses	**215,222,424**	**162,154,991**

The allocation of depreciation and amortization expenses as of 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	**1 January – 31 December 2022**
Expenses on cost of sales	13,885,668	13,238,738
General administrative expenses	6,060,629	6,737,858
Total depreciation and amortization expenses	**19,946,297**	**19,976,596**

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the KGK's letter dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021 are as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Independent audit fee for the reporting period	1,700,260	1,228,382
Fees for other assurance services	34,072	32,642
	1,734,332	**1,261,024**

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

NOTE 23 - OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains related to trade receivable and payable	19,322,683	30,021,895
Interest income related to trade receivable	14,848,209	19,622,937
Provisions no longer required for expected credit losses (Note 7)	5,647,407	4,838,280
Provisions no longer required for litigation (Note 17)	2,575,672	4,618,703
Rediscount income	-	910,302
Other	11,856,327	10,792,834
	54,250,298	**70,804,951**

Other expenses from operating activities		
Foreign exchange losses related to trade receivable and payable	(14,179,979)	(21,279,307)
Provision for expected credit losses (Note 7)	(12,840,524)	(9,288,179)
Provision for litigation (Note 17)	(4,143,444)	(2,641,305)
Rediscount expense	(1,123,494)	(951)
Sales commission expense	-	(19,188,659)
Other	(8,854,995)	(19,019,321)
	(41,142,436)	**(71,417,722)**

NOTE 24 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities	1 January - 31 December 2023	1 January - 31 December 2022
Increase in fair value (Note 11)	1,336,283,770	1,592,907,418
Akasya sales profit of independent sections	73,669,599	113,600,079
Investment share transfer profit	-	3,911,123
	1,409,953,369	**1,710,418,620**

Expenses from investment activities		
WMG London impairment (Note 13)	(25,374,075)	-
Other	(1,469,037)	-
	(26,843,112)	**-**

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

NOTE 25 - FINANCIAL INCOME AND EXPENSE

	1 January - 31 December 2023	1 January - 31 December 2022
Financial Income		
Foreign exchange gains	496,873,410	527,988,456
- Derivative foreign exchange gains	*146,445,130*	*262,077,281*
- Other foreign exchange gains	*350,428,280*	*265,911,175*
Interest income	123,586,336	73,144,633
Gains on derivative financial instruments	80,547,459	-
	701,007,205	**601,133,089**
Financial expenses		
Foreign exchange losses	(1,136,778,349)	(1,861,835,350)
- Derivative foreign exchange losses	*(12,397,337)*	*(4,608,143)*
- Other foreign exchange losses	*(1,124,381,012)*	*(1,857,227,207)*
Interest expenses	(775,686,380)	(859,103,994)
Loss from derivative financial transactions	-	(117,588,755)
	(1,912,464,729)	**(2,838,528,099)**

NOTE 26 - EARNINGS PER SHARE

Earnings per share are determined by dividing net income attributable to ordinary shareholders by the weighted average number of shares, As of 31 December 2023 the Company has 805,000,000 (31 December 2022: 805,000,000) number of shares each valued as TRY1. There is no preferred stock for shareholders and other share groups. Companies can increase their capital by distributing shares to their shareholders from retained earnings in line with their interest in share capital ("Bonus shore"). In the course of determination of earnings/loss per share per share, these are considered as issued shares. Earnings per share calculation are made by dividing distributable net profit of main partnership interest to weighted average number of shares issued during year.

	31 December 2023	31 December 2022
Net income from continuing operations	3,358,458,325	3,895,842,441
Average number of ordinary shares with a nominal value of TRY1	805,000,000	805,000,000
Earnings/(loss) per share from continuing operations	**4.17**	**4.84**
Net income for the period attributable to equity holders of the parent	3,358,458,325	3,895,842,441
Average number of ordinary shares with a nominal value of TRY1	805,000,000	805,000,000
The parent partnership, distributable profit to partners main and relative earnings per share	**4.17**	**4.84**

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

NOTE 27 - INCOME TAXES (INCLUDED DEFERED TAX ASSETS AND LIABILITIES)

Current tax payable:

The application of Akiş in 2011, for being converted to a real estate company was approved in accordance with the decision of Capital Market Board dated 19 April 2012 and numbered 15/345 and the mentioned conversion and the changes in the articles of association registered on 18 May 2012 which was then published on the Trade Gazette on 24 May 2012. Subsequently, the profit of the Company as a real estate investment exempt from corporate income tax in accordance with paragraph 4-d of Article 8 of the Corporate Income Tax Law and in accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the real estate investment trusts are subject to withholding taxes. According to Corporation Tax Law, Article 15 / (3), 15% withholding tax is applied to those profits which are exempt from corporation tax. The Council of Ministers shall be authorized to reduce the tax rate to zero for each income and payment which is specified in article 15, to raise up to corporation tax rate and within the same limit, to differentiate the gains which are defined in the third paragraph, according to funds or types of partnerships or according to nature and composition of assets in their portfolios. According to the Council of Minister's decision, No: 2009/14594, the withholding tax rate is determined as "0". In this scope, the gains subject to the tax cut are not subject to dividend stoppage separately, according to Corporate Tax Law, Article 15 / (2).

However, the Turkish tax legislation does not allow for a consolidated tax return of a parent company, its subsidiaries, joint ventures and subsidiaries as a whole. Hence, despite the fact that the parent company is exempted from the corporation tax as it is converted to a real estate investment, its subsidiaries are excluded from this exemption. As of 31 December 2023, and 2022, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis:

The taxes reflected in the income statements for the periods ended 31 December 2023 and 2022 are summarized below:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Current income tax	(5,475,304)	(4,422,380)
Deferred tax (expense)/income	(19,123,214)	34,214,316
Total tax	**(24,598,518)**	**29,791,936**

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

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Short-term trade receivables from related parties		
Dese Gıda Ürünleri San. ve Tic. A.Ş. ("Dese Gıda")	7,673	7,326
Akkök Holding A.Ş. ("Akkök Holding")	5,540	-
Other	3,673	7,271
	16,886	**14,597**

Long-term other receivables from related parties		
Akiş-Mudanya Ordinary Partnership (*)	38,486,423	43,497,024
	38,486,423	**43,497,024**

(*) Long-term receivable from Akiş-Mudanya Ordinary Partnership ("Adi Ortaklık") is related to receivables that resulted from payments made to Ordinary Partnership regarding agreements of the construction in return for flat.

Short- term trade payables to related parties	31 December 2023	31 December 2022
Sakarya Elektrik Perakende ve Satış A.Ş. ("Sepaş")	17,054,581	38,154,567
Akkök Holding	4,004,663	1,829,274
Aktek Bilgi İlet. Tekno. San. A.Ş. ("Aktek")	2,683,242	3,804,735
Dinkal Sigorta Acenteciliği A.Ş. ("Dinkal") (*)	1,009,420	703,439
Akgirişim Müt. Müş. San. ve Tic. A.Ş. ("Akgirişim")	206,296	152,570
Akdünya Eğitim Eğlence Sanat Yat. ve Dış Tic. A.Ş. ("Akdünya")	-	2,085,475
Other	94,684	27,895
	25,052,886	**46,757,955**

(*) Payments to insurance companies through Dinkal Sigorta Acenteliği A.Ş.

Short- term trade payables to related parties	31 December 2023	31 December 2022
Ak-Pa Tekstil İhracat Pazarlama A.Ş. (*)	591,871,592	504,115,641
	591,871,592	**504,115,641**

(*) Balance consists of non-commercial debt in relations with Ak-Pa Tekstil İhracat Pazarlama A.Ş.

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

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) As of 31 December 2023, and 2022 services and product purchases from related parties are as follows:

Purchases of goods and services from related parties	1 January - 31 December 2023	1 January - 31 December 2022
Sepaş (*)	238,683,520	331,150,949
Dinkal (**)	28,323,537	24,505,954
Akkök Holding	20,486,235	5,124,386
Aktek	19,284,574	14,774,397
Akdünya	7,688,173	432,373
Akgirişim	3,030,789	4,326,748
Akhan Bakım Yönetim Servis Hizmetleri Güvenlik Malzemeleri Ticaret A.Ş.	953,481	628,237
Other	275,373	326,201
	318,725,682	**381,269,245**

(*) Transactions occurring with purchase of electricity for shopping malls from Sepaş.

(**) Purchases made from various insurance companies through Dinkal Sigorta Acenteliği A.Ş.

c) As of 31 December 2023, and 2022 services and product sales to related parties are as follows:

Sales of goods and services to related parties	1 January - 31 December 2023	1 January - 31 December 2022
Ak-kim Kimya San. ve Tic. A.Ş. ("Ak-kim")	957,815	750,362
Akkök Holding	849,709	-
Dowaksa İleri Kompozit Malz. San. Ltd. Şti.	569,710	528,003
Dese Gıda	529,948	486,779
Akcoat İleri Kimyasal Kaplama Malz. San. ve Tic. A.Ş.	465,895	316,933
Akgirişim	92,884	-
Sepaş	-	774,818
Dinkal	-	286,957
Other	537,550	575,493
	4,003,511	**3,719,345**

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

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES(Continued)

d) As of 31 December 2023, and 2022 interest income and interest expenses with related parties are as follows

Interest income from related parties	1 January - 31 December 2023	1 January - 31 December 2022
Akiş Mudanya Ordinary Partnership	11,450,781	11,307,098
	11,450,781	**11,307,098**

Finance expense from related parties	1 January - 31 December 2023	1 January - 31 December 2022
Ak-Pa Tekstil İhracat Pazarlama A.Ş.	75,604,331	116,551,045
	75,604,331	**116,551,045**

The Company defined it's key management personnel as board of directors and members of the executive committee. Benefits provided to key management personnel as of 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Salary and other short-term employee benefits	46,367,731	37,089,068
Employment termination benefits	2,888,031	4,032,680
Total	**49,255,762**	**41,121,748**

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Liquidity Risk

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient liquidity. The Group management tries to avoid liquidity risk from daily operations by trying to keep sufficient levels of cash and to have open credit lines with creditors. Management also tries to align the repayment of borrowings utilized for the construction and acquisition of investment properties with the rental income from such properties to the extent that is possible. For the construction of residential units, the Group obtains cash advances from customers by being engaged through pre-sales agreements to minimize the funding requirement in such projects. The explanations about Group's current ratio balance are stated in detail in Note 2. The Company hedges its liquidity risk arising from floating rate loans by cross currency and interest rate swap transactions and is subject to hedge accounting for cash flow hedges.

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

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The analysis of the Group's financial liabilities with respect to their maturities as of 31 December 2023 is as follows:

31 December 2023	Book Value	Contractor Cash Outflows	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Financial liabilities (Non-derivative):						
Bank borrowings	2,389,336,419	3,386,020,294	303,859,270	690,542,673	2,391,618,351	-
Issued Bonds	300,257,263	300,257,263	300,257,263	-	-	-
Financial leases	214,657,797	323,373,128	8,982,587	80,843,282	233,547,259	-
Trade payables	63,947,589	63,947,589	52,832,534	-	11,115,055	-
Other payables	649,546,151	649,546,151	57,674,559	591,871,592	-	-
	3,617,745,219	**4,723,144,425**	**723,606,213**	**1,363,257,547**	**2,636,280,665**	**-**
Derivative Financial Instruments (Subject to cash flow hedge accounting):						
Derivative cash inflows	317,738,950	583,450,820	233,660,896	307,958,964	41,830,960	-
Derivative cash outflows	(267,094,299)	(573,536,642)	(204,534,091)	(331,003,793)	(37,998,758)	-
	50,644,651	**9,914,178**	**29,126,805**	**(23,044,829)**	**3,832,202**	**-**

31 December 2022	Book Value	Contractor Cash Outflows	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Financial liabilities (Non-derivative):						
Bank borrowings	5,476,602,347	7,033,054,550	549,477,395	1,787,278,408	4,281,444,964	414,853,783
Issued Bonds	285,881,014	285,881,014	285,881,014	-	-	-
Trade payables	88,582,672	88,582,672	78,058,067	-	10,524,605	-
Other payables	542,825,304	542,825,305	38,709,664	504,115,641	-	-
	6,393,891,337	**7,950,343,541**	**952,126,140**	**2,291,394,049**	**4,291,969,569**	**414,853,783**
Derivative Financial Instruments (Subject to cash flow hedge accounting):						
Derivative cash inflows	923,350,589	923,122,443	260,393,528	552,319,270	110,409,645	-
Derivative cash outflows	(737,328,081)	(780,355,828)	(221,025,186)	(540,791,624)	(18,539,018)	-
	186,022,508	**142,766,615**	**39,368,342**	**11,527,646**	**91,870,627**	**-**

Interest rate risk

The Group is exposed to interest rate risk due to interest-earning assets and interest-paid liabilities, arises from changes in interest rates. This risk is managed by balancing the amount and maturity of interest rate sensitive assets and liabilities using on-balance sheet methods.

In this context, matching of not only maturities of receivables and payables but also contractual re-pricing dates is crucial. In order to keep the exposure of financial liabilities to interest rate changes at a minimum, "fixed interest/floating interest", "short-term/long-term", "TRY/foreign currency" balance is structured consistent within and with assets in the balance sheet.

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

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial instruments which have been classified as other financial liabilities in the Group's balance sheet have been exposed to the interest risk as a result of change in prices. At 31 December 2023, if interest rates at contractual re-pricing dates of TRY denominated financial assets and liabilities with variable interest rates have strengthened/weakened by 1% with all other variables held constant, income would have been TRY 386,556 / TRY (386,687) lower/higher as a result of interest expenses (31 December 2022: TRY 838,083 / TRY (840,080)).

The nature of the derivative is to protect the Group's statement of comprehensive income against the fluctuations in floating interest rates due to possible changes in market interest rates. As of 31 December 2022, if USD denominated interest rate of the derivative instruments of the Company has strengthened/weakened by %1 with all other variables held constant, income would have been TRY 95,384 / TRY (97,297) higher/lower (31 December 2022: TRY445,427 / TRY (447.044) higher/lower).

Average effective annual interest rates of balance sheet items as of 31 December 2023 and 2022 are as follows:

31 December 2023 (%)	**TRY**	**EUR**	**USD**
Current assets			
Cash and cash equivalents	40.00 - 46.50	-	0.50 - 2.85
Current liabilities			
Bank borrowings	37.08	-	10.46
Issued Bonds	39.50	-	-
Financial leases	29.33	-	-
Non-current liabilities			
Bank borrowings	41.64	-	10.86
Financial leases	29.33	-	-

31 December 2022 (%)	**TRY**	**EUR**	**USD**
Current assets			
Cash and cash equivalents	14.75 - 27.00	-	2.50
Current liabilities			
Bank Borrowings	24.71	9.54	6.66
Issued bonds, bills and bills	29.00	-	-
Non-current liabilities			
Bank borrowings	22.54	-	6,81

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

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Group's financial instruments that are sensitive to interest rates are as follows:

	31 December 2023	31 December 2022
Financial instruments with fixed interest rate		
Time deposits	673,448,165	816,830,365
Bank borrowings	515,638,351	1,662,742,109
Issued bonds, bills and bills	300,257,263	285,881,014
Financial leases	214,657,797	-
Financial instruments with floating interest rate		
Bank borrowings (Excluding derivative)	1,555,516,362	915,764,310
Bank borrowings (Including derivative)	318,181,706	2,898,095,928

Group's financial assets and liabilities (excluding interest rate sensitivity) in carrying amounts classified in terms of periods remaining to contractual re-pricing dates as of 31 December 2023 and 2022 are as follows:

	31 December 2023				
	Up to 3 months	3-12 months	More than 1 year	Non interest bearing	Total
Cash and cash equivalent	673,448,165	-	-	113,113,181	786,561,346
Trade receivables	20,725,623	49,922	-	137,099,449	157,874,994
Other receivables	-	-	38,486,423	13,429,926	51,916,349
Total assets	**694,173,788**	**49,922**	**38,486,423**	**263,642,556**	**996,352,689**
Bank borrowings	209,479,819	369,767,284	1,810,089,316	-	2,389,336,419
Issued bonds and bills	300,257,263	-	-	-	300,257,263
Financial leases	8,513,895	68,749,277	137,394,625	-	214,657,797
Trade payables	52,832,534	-	11,115,055	-	63,947,589
Other payables	57,674,559	591,871,592	-		649,546,151
Total assets	**628,758,070**	**1,030,388,153**	**1,958,598,996**	**-**	**3,617,745,219**
Net re-pricing position	**65,415,718**	**(1,030,338,231)**	**(1,920,112,573)**	**263,642,556**	**(2,621,392,530)**

	31 December 2022				
	Up to 3 months	3-12 months	More than 1 year	Non interest bearing	Total
Cash and cash equivalent	816,830,363	-	-	121,905,314	938,735,677
Trade receivables	18,205,160	2,472	-	153,684,497	171,892,129
Other receivables	-	-	43,497,024	23,164,724	66,661,748
Total assets	**835,035,523**	**2,472**	**43,497,024**	**298,754,535**	**1,177,289,554**
Bank borrowings	461,800,033	1,441,522,909	3,573,279,405	-	5,476,602,347
Issued bonds and bills	285,881,014	-	-	-	285,881,014
Trade payables	78,058,068	-	10,524,604	-	88,582,672
Other payables	38,709,663	504,115,641	-	-	542,825,304
Total assets	**864,448,778**	**1,945,638,550**	**3,583,804,009**	**-**	**6,393,891,337**
Net re-pricing position	**(29,413,255)**	**(1,945,636,078)**	**(3,540,306,985)**	**298,754,535**	**(5,216,601,783)**

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

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit Risk Explanations

The Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks.

The Group keeps majority of its deposits within top 10 banks established in Turkey, with which the Group have standing relations.

Credit risk of financial instruments as of 31 December 2023 and 2022 is as follows:

	Trade and other receivables		Deposit
31 December 2023	**Related party**	**Third party**	**in banks**
Maximum exposed credit risk as of reporting date (A+B+C+D)	**38,503,309**	**171,288,034**	**786,250,472**
Secured portion of the maximum credit risk by guarantees, etc.	-	15,699,961	-
A. Net book value of financial assets that are either not due or not impaired	38,503,309	150,138,532	786,250,472
- Secured portion by guarantees, etc.	-	-	-
B. Net book value of the expired but not impaired financial assets	-	21,149,502	-
- Secured portion by guarantees	-	15,699,961	-
C. Net book value of impaired assets	-	-	-
- Overdue (Gross book value)	-	20,736,455	-
- Impairment (-)	-	(20,736,455)	-
- Secured portion of the net value by guarantees, etc.	-	-	-
- Not overdue (Gross book value)	-	-	-
- Impairment (-)	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-
D. Financial assets with renegotiated conditions	-	-	-

	Trade and other receivables		Deposit
31 December 2022	**Related party**	**Third party**	**in banks**
Maximum exposed credit risk as of reporting date (A+B+C+D)	**43,511,621**	**195,042,256**	**938,392,069**
Secured portion of the maximum credit risk by guarantees, etc.	-	19,902,523	-
A. Net book value of financial assets that are either not due or not impaired	43,511,621	165,483,961	938,392,069
- Secured portion by guarantees, etc.	-	-	-
B. Net book value of the expired but not impaired financial assets	-	29,558,295	-
- Secured portion by guarantees	-	19,902,523	-
C. Net book value of impaired assets	-	-	-
- Overdue (Gross book value)	-	30,871,116	-
- Impairment (-)	-	(30,871,116)	-
- Secured portion of the net value by guarantees, etc.	-	-	-
- Not overdue (Gross book value)	-	-	-
- Impairment (-)	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-
D. Financial assets with renegotiated conditions	-	-	-

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

While determining the above-mentioned amounts, the factors that increase the credibility such as guarantees received are considered. In the financial assets of the Group which are subject to credit risk, no impairment risk has been identified. Furthermore, the Group does not have any off - balance sheet items which are subject to credit risk.

The aging table of the receivables that are past due but not impaired

	31 December 2023	31 December 2022
Past due 1-3 month	19,906,892	25,123,175
Past due 3-12 month	550,821	4,018,700
Past due 1-5 year	691,789	416,420
	21,149,502	**29,558,295**

Foreign exchange risk

The Group is exposed to foreign exchange rate risk through operations done using multiple currencies. This risk management is to maintain a foreign exchange position as at least the main principles to be affected by exchange rate fluctuations. The Group is mainly exposed to USD foreign exchange rate risk.

The nature of the derivative transaction is to protect the Group's statement of comprehensive income from the fluctuations caused by the change in the foreign currency denominated loan principal and interest payments against the TRY against USD.

Foreign currency position

Foreign currency denominated assets and liabilities held by the Group are as follows:

	31 December 2023	31 December 2022
Assets	239,192,086	743,686,050
Liabilities	(1,403,723,167)	(3,762,755,418)
Net balance sheet position	**(1,164,531,081)**	**(3,019,069,368)**

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

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The table below summaries foreign currency position risk of the Group as of 31 December 2023 and 2022. The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent are as follows:

31 December 2023	**EUR**	**USD**	**GBP**	**Other**	**TRY Equivalent**
Current assets	**12,851**	**7,510,268**	**197**	**21,573**	**221,873,431**
Cash and cash equivalent	1,968	7,094,031	197	21,573	209,265,661
Financial investments	-	128,921	-	-	3,795,202
Trade receivables	10,883	187,269	-	-	5,867,364
Other receivables	-	100,047	-	-	2,945,204
Non-current assets	**-**	**364,456**	**-**	**395,666**	**17,318,655**
Financial investments	-	364,456	-	-	10,728,929
Other non-current assets	-	-	-	395,666	6,589,726
Total assets	**12,851**	**7,874,724**	**197**	**417,239**	**239,192,086**
Current liabilities	**39**	**5,380,614**	**-**	**5,868**	**158,494,589**
Financial liabilities	-	5,333,078	-	-	156,996,217
Trade payable	39	31,586	-	-	931,105
Other liabilities	-	15,950	-	5,868	567,267
Non-current liabilities	**15,299**	**42,282,824**	**-**	**-**	**1,245,228,578**
Financial liabilities	-	42,043,295	-	-	1,237,678,927
Other liabilities	15,299	239,529	-	-	7,549,651
Total liabilities	**15,338**	**47,663,438**	**-**	**5,868**	**1,403,723,167**
Net balance sheet position (liability)/asset	**(2,487)**	**(39,788,714)**	**197**	**411,371**	**(1,164,531,081)**

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2022	EUR	USD	GBP	Other	TRY Equivalent
Current Assets	**52,863**	**23,553,053**	**15**	**23,699**	**727,798,092**
Cash and cash equivalents	7,261	22,055,884	15	23,699	680,172,810
Financial investments	-	809,191	-	-	24,930,960
Trade receivables	42,764	155,836	-	-	6,205,948
Other receivables	-	496,111	-	-	15,285,048
Prepaid expenses	2,838	36,031	-	-	1,203,326
Non-current assets	**-**	**300,000**	**-**	**395,666**	**15,887,958**
Financial investments	-	300,000	-	-	9,242,920
Other non-current assets	-	-	-	395,666	6,645,038
Total assets	**52,863**	**23,853,053**	**15**	**419,365**	**743,686,050**
Current liabilities	**4,436,300**	**26,497,923**	**-**	**5,691**	**962,210,101**
Financial liabilities	4,436,261	26,346,134	-	-	957,436,666
Trade payables	39	134,388	-	-	4,141,740
Other payables	-	325	-	5,691	105,588
Deferred income	-	17,076	-	-	526,107
Non-current liabilities	**15,299**	**90,881,756**	**-**	**-**	**2,800,545,317**
Financial obligations	-	90,667,814	-	-	2,793,451,290
Other payables	15,299	213,942	-	-	7,094,027
Total Liabilities	**4,451,599**	**117,379,679**	**-**	**5,691**	**3,762,755,418**
Net balance sheet position (liability)/asset	**(4,398,736)**	**(93,526,626)**	**15**	**413,674**	**(3,019,069,368)**

The table below shows the Group's sensitivity to a 20% increase/decrease in USD, EUR and GBP exchange rates. These amounts represent the effect on the consolidated statement of comprehensive income of 20% increase/decrease in USD, EUR and GBP against TRY. During this analysis all other variables especially, interest rate is assumed to remain constant.

Foreign currency sensitivity analysis as of 31 December 2023 and 2022 are as follows:

	Profit/(Loss)		Equity	
31 December 2023	**Appreciation**	**Depreciation**	**Appreciation**	**Depreciation**
+/- 20% fluctuation in US Dollar rate				
USD net asset/liability	(234,261,624)	234,261,624	(234,261,624)	234,261,624
Secured portion from US Dollar risk	21,963,999	(21,963,999)	90,683,729	(101,116,397)
USD Net Effect	**(212,297,625)**	**212,297,625**	**(143,577,895)**	**133,145,227**
+/- 20% fluctuation in EUR rate				
EUR net asset/liability	(16,202)	16,202	(16,202)	16,202
Secured portion from EUR risk	-	-	-	-
EUR Net Effect	**(16,202)**	**16,202**	**(16,202)**	**16,202**
+/- 20% fluctuation in GBP rate				
GBP net asset/liability	1,475	(1,475)	1,475	(1,475)
Secured portion from GBP risk	-	-	-	-
GBP Net Effect	**1,475**	**(1,475)**	**1,475**	**(1,475)**

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Profit/(Loss)		Equity	
31 December 2022	**Appreciation**	**Depreciation**	**Appreciation**	**Depreciation**
+/- 20% fluctuation in US Dollar rate				
USD net asset/liability	(576,306,106)	576,306,106	(576,306,106)	576,306,106
Secured portion from US Dollar risk	137,135,732	(137,135,732)	136,966,175	(136,966,175)
USD Net Effect	**(439,170,374)**	**439,170,374**	**(439,339,931)**	**439,339,931**
A+/- 20% fluctuation in EUR rate				
EUR net asset/liability	(28,897,335)	28,897,335	(28,897,335)	28,897,335
Secured portion from EUR risk	-	-	-	-
EUR Net Effect	**(28,897,335)**	**28,897,335**	**(28,897,335)**	**28,897,335**
+/- 20% fluctuation in GBP rate				
GBP net asset/liability	111	(111)	111	(111)
Secured portion from GBP risk	-	-	-	-
GBP Net Effect	**111**	**(111)**	**111**	**(111)**

Capital risk management

The Group attempts to manage its capital by minimizing the investment risk by portfolio diversification. The Group's objective is to safeguard the Group's sustainability as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to keep a gearing ratio that is in-line with industry averages. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Gearing ratios as of 31 December 2023 and 2022 are as follows:

	31 December 2023	**31 December 2022**
Total liabilities	3,698,581,035	6,670,400,321
Cash and cash equivalents	(786,561,346)	(938,735,677)
Net debt	2,912,019,689	5,731,664,644
Total shareholders' equity	20,232,668,025	16,903,759,440
Invested capital	**23,144,687,714**	**22,635,424,084**
Gearing ratio	**13%**	**25%**

Fair value of financial instruments

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

The fair values of financial instruments that are not traded in an active market have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein may differ from the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

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

NOTE 30 - FAIR VALUE OF FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Financial assets

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

The carrying values of trade and other receivables, along with the related allowances for uncollectability are assumed to approximate their fair values.

The fair values of balances denominated in foreign currencies, which are translated at period-end official exchange rates announced by the Central Bank of Turkey, are considered to approximate their carrying value.

Financial liabilities

As of 31 December 2023, and 2022, carrying values and fair values of TRY and foreign currency denominated borrowings fixed and floating rates are explained at Note 6.

Estimation of Fair Value

Expertise values are used on the determination of the fair values of investment property (Note 11).

As of 31 December 2023, and 2022, the Group's assets and liabilities measured with fair value are as follows:

	31 December 2023			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	-	21,925,156,162	-	21,925,156,162
Total Assets	**-**	**21,925,156,162**	**-**	**21,925,156,162**

	31 December 2022			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	-	20,654,961,381	-	20,654,961,381
Total assets	**-**	**20,654,961,381**	**-**	**20,654,961,381**

Group's classifications of financial assets and liabilities related to fair value are as follows:

- First level: The fair value of financial assets and financial liabilities are determined with reference to actively traded market prices.

- Second level: The fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine directly or indirectly observable price in market. The details related to used method of the fair value is disclosed in Note 2 and 11 by the Group.

- Third level: The fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine fair value but not relying on observable data in the market. The details related to used method of the fair value is disclosed in Note 2 and 11 by the Group.

NOTE 30 - FAIR VALUE OF FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (Continued)

Investment properties

In the event that there was an increase / decrease of 0.5% in the discount rates of investment properties, the fair value of which was calculated by using the income discount approach method and all other variables remained constant, the profit would be TRY 596,289,882 less and TRY 614,496,916 more (31 December 2022: TRY 547,383,149 less and TRY 568,008,795 more).

The sensitivity analysis of investment properties calculated using the income discount approach as of 31 December 2023 and 2022 is as follows:

31 December 2023	Discount rate	Sensitivity analysis	Profit effect on fair value	Loss effect on fair value
Akasya	23.5%	0.5%	400,000,000	(390,000,000)
Akbatı	23.5%	0.5%	170,000,000	(160,000,000)
Erenköy	23.0%	0.5%	44,496,916	(46,289,882)

31 December 2022	Discount rate	Sensitivity analysis	Profit effect on fair value	Loss effect on fair value
Akasya	28.0%	0.5%	373,969,874	(360,464,655)
Akbatı	28.0%	0.5%	149,467,847	(144,077,535)
Erenköy	Variable (*)	0.5%	44,571,074	(42,840,959)

(*) For the year-end valuation of the Erenköy project, the independent valuation company used a discount rate, which has changed in line with inflation over the years and is foreseen by adding a certain risk premium. The relevant rates are presented in the valuation report attached to the Company's KAP announcement dated 2 January 2023.

NOTE 31 - EVENTS AFTER THE REPORTING PERIOD

CMB application for debt instrument issuance

In the Company's material event statement dated 25 January 2024, the Board of Directors decided that the Company will sell up to TRY 1,000,000,000 domestically, in Turkish Lira, in various maturities up to 5 years, to be sold to qualified investors without public offering and/or private placement, in one or more It has been reported on more than one occasion that it has been decided to make an application requesting the approval of the issue documents for the issuance of all kinds of bonds and/or financial bills and all kinds of debt instruments that will be accepted by the Capital Markets Board as being debt instruments in terms of their nature. An application was made to the Capital Markets Board in this regard on 26 January 2024.

NOTE 32 - ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

As of 31 December 2023 and 2022, the information presented in note "Control of Compliance with the Portfolio Limitations" are summary of information derived from the financial statements in accordance with Capital Markets Board's Communiqué Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1"Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660 and Capital Markets Board's Communiqué Serial: III, No: 48.1a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891 and published in the Official Gazette dated 9 October 2020 numbered 31269 and Capital Markets Board's Communiqué Serial: III, No: 48.1a "Amendment on Real Estate Investment Company". The related information may not be consistent with the information given in consolidated financial statements since the information given in this additional note are individual financial data.

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

NOTE 32 - ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS (Continued)

As of 31 December 2023, and 2022, the information about portfolio restrictions are as follows:

	The unconsolidated (solo) main accounts of financial statements	**Related regulations**	**31 December 2023**	**31 December 2022**
A	Monetary and capital market instruments	Serial III- 48.1 Art.24/(b)	760,697,493	903,162,470
B	Real estate, projects based on real estate rights based on real estate real estate investments fund and the companies at a rate of 100% to its capital within the scope of subparagraph (ç) of the first paragraph of Article 28	Serial III- 48.1 Art.24/(a)	22,343,162,352	21,028,054,439
C	Subsidiaries	Serial III- 48.1, Art.24/(b)	46,153,339	674,486,985
	Receivables from related parties (non-trade)	Serial III- 48.1, Art.23/(f)	38,486,423	43,497,024
	Other assets		694,135,462	856,467,171
D	**Total assets**	**III- 48.1, Art.3/(p)**	**23,882,635,069**	**23,505,668,089**
E	Borrowings	Serial III- 48.1, Art.31	2,689,593,682	5,762,483,361
	Other financial liabilities	Serial III- 48.1, Art.31	-	-
G	Due from Financial leases	Serial III- 48.1, Art.31	214,657,797	-
H	Liabilities to related parties (non-trade)	Serial III- 48.1, Art.23/(f)	591,871,592	504,115,641
I	Equity	Serial III- 48.1, Art.31	20,232,668,025	16,903,759,440
	Other liabilities		153,843,973	335,309,647
D	**Total liabilities**	**III- 48.1, Art.3/(p)**	**23,882,635,069**	**23,505,668,089**

	The unconsolidated (solo) other financial statements	**Related regulations**	**31 December 2023**	**31 December 2022**
A1	The portion of money and capital market instruments held for payables of properties for the following 3 years	III- 48.1, Serial Art.24/(b)	-	-
A2	Time deposit/demand deposit/TRY/Foreign currency	III- 48.1, Serial Art.24/(b)	760,325,749	902,682,950
A3	Foreign capital market instruments	III- 48.1, Serial Art.24/(d)	-	-
B1	Foreign properties, projects based on properties and rights based on properties	III- 48.1, Serial Art.24/(d)	-	-
B2	Idle lands	III- 48.1, Serial Art.24/(c)	-	-
C1	Foreign investments	III- 48.1, Serial Art.24/(d)	18,262,568	148,054,374
C2	Operating companies	III- 48.1, Serial Art.28/1(a)	37,623,123	40,359,998
J	Non-cash borrowings	III- 48.1, Serial Art.31	7,045,863	7,510,575
K	Mortgage amount on non-owned land to be developed total of investments monetary capital market company	III- 48.1, Serial Art.22/(e)	-	-
L	The total of money and capital market instruments for investment in a single company	III- 48.1, Serial Art.22/(l)	172,687,669	734,666,582

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

NOTE 32 - ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS (Continued)

	Portfolio limitations	Related Regulation	31 December 2023 (%)	31 December 2022 (%)	Minimum / maximum rate (%)
1	Mortgage amount on non-owned land to be developed (K/D)	III- 48.1 Serial, Art.22/(e)	-	-	≤10
2	Real estate, projects based on real estate, rights based on real estate, real estate investments fund and the companies at a rate of 100% to its capital within the scope of subparagraph (ç) of the first paragraph of Article 28 ((B+A1)/D)	III- 48.1 Serial, Art.24/(a),(b)	94	89	≥51
3	Money and capital market instruments affiliates (A+C-A1)/D)	III- 48.1 Serial, Art.24/(b)	3	7	≤49
4	Foreign properties, projects based on properties rights based on properties, affiliates capital market instruments ((A3+B1+C1)/D)	III- 48.1 Serial, Art.24/(d)	1>	1>	≤49
5	Idle lands(B2/D)	III- 48.1 Serial, Art.22/(c)	-	-	≤20
6	Investment in affiliated operating companies (C2/D)	III- 48.1 Serial, Art.28/1(a)	1>	1>	≤10
7	Borrowing limit (E+F+G+H+J)/İ	III- 48.1 Serial, Art.31	17	37	≤500
8	TRY and foreign currency time and demand / deposits (A2-A1)/D	III- 48.1 Serial, Art. 24/(b)	3	4	≤10
9	The total of money and capital market instruments for investment in a single company (L/D)	III- 48.1 Serial, Art.22/(l)	1	3	≤10

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

	31 December 2023	31 December 2022
Akyaşam	37,623,123	40,359,998
Aksu Real Estate	9,732,352	11,695,433
WMG London	8,530,216	136,358,941
Karlıtepe	-	497,768,046
	55,885,691	**686,182,418**

As of 31 December 2023, and 2022, there are no valuation reports prepared for the Company's subsidiaries Karlıtepe, Aksu Real Estate, Akyaşam and joint venture WMG London. The net asset values of the individual financial statements prepared in accordance with the Group's financial reporting standards have been calculated for Aksu Real Estate, Akyaşam, Karlıtepe and WMG London by the participation rate of the investments in the Group, while the values of the participations in the control table for compliance with portfolio limits are determined. It is accepted that the net values determined by adding / subtracting net receivables / liabilities as of the balance sheet date are close to the fair values of the investments in the investment properties they own.

………………..