

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**STANDALONE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2025**

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

		Unaudited 31 March 2025	Audited 31 December 2024
	Notes		
ASSETS			
Current assets		191,288,197	200,576,783
Cash and cash equivalents	3	4,329,037	8,702,545
Trade receivables		7,660,186	5,663,323
<i>Trade receivables due from related parties</i>	24	328,298	5,633
<i>Trade receivables due from third parties</i>	6	7,331,888	5,657,690
Other receivables		810,267	1,019,429
<i>Other receivables due from third parties</i>	7	810,267	1,019,429
Inventories	8	174,409,002	179,780,644
Prepaid expenses		3,792	3,694
<i>Prepaid expenses to third parties</i>	15	3,792	3,694
Other current assets	14	4,075,913	5,407,148
Non-current assets		21,852,689	21,319,029
Trade receivables		5,740,302	4,783,304
<i>Trade receivables due from third parties</i>	6	5,740,302	4,783,304
Other receivables	7	1,014	1,116
Financial investments		4,535,628	4,535,628
<i>Investments in subsidiaries, joint operations and associates</i>	4	4,535,628	4,535,628
Investment properties	9	3,720,708	3,384,310
Property, plant and equipment	10	958,969	954,200
Intangible assets	11	23,103	6,536
Deferred tax asset	22	6,872,965	7,653,935
Total assets		213,140,886	221,895,812

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

		Unaudited 31 March 2025	Audited 31 December 2024
	Notes		
LIABILITIES AND EQUITY			
Current liabilities		102,645,114	113,712,124
Short-term borrowings	5	12,109,407	12,773,835
Short-term portions of long-term borrowings	5	591,986	1,426,616
Trade payables		10,735,943	8,802,084
<i>Trade payables due to third parties</i>	6	10,735,943	8,802,084
Other payables		1,934,521	3,195,272
<i>Other payables to related parties</i>	24	219	-
<i>Other payables to third parties</i>	7	1,934,302	3,195,272
Deferred income		75,379,391	86,997,781
<i>Deferred income from related parties</i>	24	486,373	4,964,518
<i>Deferred income from third parties</i>	15	74,893,018	82,033,263
Current tax liability	22	1,418,481	-
Short-term provisions		475,385	516,536
<i>Short-term provisions for employee benefits</i>	13	67,997	75,710
<i>Other short-term provisions</i>	12	407,388	440,826
Non-current liabilities		568,540	1,073,818
Trade payables		385	406,378
<i>Trade payables to third parties</i>	6	385	406,378
Other payables		431,787	520,128
<i>Other payables to third parties</i>	7	431,787	520,128
Deferred income		4,738	5,215
<i>Deferred income from third parties</i>	15	4,738	5,215
Long-term provisions		131,630	142,097
<i>Long-term provisions for employee benefits</i>	13	131,630	142,097
Shareholders' equity		109,927,232	107,109,870
Paid-in capital	16	3,800,000	3,800,000
Capital adjustments	16	56,795,656	56,795,656
Treasury shares (-)		(71,154)	(71,154)
Share premium (discounts)		31,841,669	31,841,669
Other equity shares		(1,914,216)	(1,914,216)
Other comprehensive expenses not to be reclassified under profit and loss		(3,925)	(3,925)
<i>Loss arising from defined benefit plans</i>		(3,925)	(3,925)
Restricted reserves appropriated from profit		9,547,063	9,547,063
Retained earnings		7,114,777	(6,959,467)
Net profit for the period		2,817,362	14,074,244
Total liabilities and equity		213,140,886	221,895,812

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY - 31 MARCH 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

		<i>Unaudited</i> 1 January - 31 March 2025	<i>Unaudited</i> 1 January - 31 March 2024
	Notes		
Revenue	17	22,458,481	2,909,816
Cost of sales (-)	17	(16,907,102)	(1,786,658)
Gross profit		5,551,379	1,123,158
General administrative expenses (-)	18	(663,880)	(590,029)
Marketing expenses (-)	18	(151,008)	(95,181)
Other income from operating activities	20	1,667,076	832,158
Other expenses from operating activities (-)	20	(742,654)	(164,940)
Operating profit		5,660,913	1,105,166
Operating profit before financial income		5,660,913	1,105,166
Financial income	21	398,957	1,407,377
Financial expenses (-)	21	(1,301,356)	(398,515)
Monetary loss	25	258,299	(1,759,578)
Profit for the period		5,016,813	354,450
Tax expense, continuing operations		(2,199,451)	-
Current tax expense		(1,418,481)	-
Deferred tax expense	22	(780,970)	-
Net profit		2,817,362	354,450
Net profit for the period		2,817,362	354,450
Earnings per share (full TRY)	23	0.0741	0.0093
Other comprehensive income/expense			
Not to be reclassified to profit or loss			
Loss arising from defined benefit plans	13	-	-
Taxes related to other comprehensive income to be reclassified to profit or loss			
Loss arising from defined benefit plans, tax effect	22	-	-
reclassified to profit or loss, tax effect		-	-
Total comprehensive income		2,817,362	354,450

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE FINANCIAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY – 31 MARCH 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

							Other accumulated comprehensive income or expenses that will not be reclassified to			
	Share capital	Capital adjustments	Treasury shares	Share premium/ discounts	Other equity shares	Restricted reserves appropriated from profit	profit or loss	Retained earnings		Total equity
							Gain/loss on revaluation and remeasurement	Prior years' loss	Net profit/(loss) for the period	
1 January 2024	3,800,000	56,795,656	(71,154)	31,841,669	(1,914,216)	9,547,063	-	(899,490)	(6,059,977)	93,039,551
Transfers	-	-	-	-	-	-	-	(6,059,977)	6,059,977	-
Total comprehensive income	-	-	-	-	-	-	-	-	354,450	354,450
31 March 2024	3,800,000	56,795,656	(71,154)	31,841,669	(1,914,216)	9,547,063	-	(6,959,467)	354,450	93,394,001
1 January 2025	3,800,000	56,795,656	(71,154)	31,841,669	(1,914,216)	9,547,063	(3,925)	(6,959,467)	14,074,244	107,109,870
Transfers	-	-	-	-	-	-	-	14,074,244	(14,074,244)	-
Total comprehensive income	-	-	-	-	-	-	-	-	2,817,362	2,817,362
31 March 2025	3,800,000	56,795,656	(71,154)	31,841,669	(1,914,216)	9,547,063	(3,925)	7,114,777	2,817,362	109,927,232

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM STANDALONE FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY - 31 MARCH 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

	Notes	Unaudited 1 January- 31 March 2025	Unaudited 1 January- 31 March 2024
Cash flows from operating activities			
Profit for the period		2,817,362	354,450
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	9, 10, 11, 19	37,137	38,064
Adjustments for tax expense	22	2,199,451	-
Adjustments related to (reversal of) impairments, net		(4,124,546)	304,090
Adjustments related to (reversal of) inventory impairment, net	8	(4,124,546)	304,090
Adjustments related to provisions		8,665	(31,227)
Adjustments related to (reversal of) provisions related with employee benefits		2,441	(12,758)
Adjustments related to provisions for lawsuits and/or penalties	12, 20	6,224	443
Adjustments for (reversal of) other provisions		-	(18,912)
Adjustments related to interest (income) and expenses		29,336	(1,028,826)
Adjustments related to interest income	20, 21	(1,967,780)	(1,579,253)
Adjustments related to interest expense	20, 21	1,997,116	550,427
Adjustments related to monetary loss		(1,315,389)	3,345,559
Net cash from operations before changes in assets and liabilities		(347,984)	2,982,110
Changes in net working capital:			
Adjustments related to increase/(decrease) in trade receivables		(4,003,427)	3,308,452
Decrease/(increase) in trade receivables from related parties		(330,989)	1,359,832
Increase/(decrease) in trade receivables from third parties		(3,672,438)	1,948,620
Adjustments related to increase/(decrease) in inventories		9,496,188	(6,059,145)
Adjustments related to increase in trade payables		2,427,036	(1,235,510)
Increase in trade payables to related parties		-	696,902
Decrease in trade payables to third parties		2,427,036	(1,932,412)
Adjustments related to increase in other receivables from operating activities		970,932	(14,677,652)
Adjustments related to increase in other payables from operating activities		(12,652,183)	1,273,153
Other adjustments related to other increase/decrease in working capital		354,930	(105,828)
Net cash flows from operating activities			
Interest received		44,862	171,566
Payments related with provisions for employee benefits	13	(665)	(1,559)
Cash flows from operating activities		(3,710,311)	(14,344,413)
Purchases of investment properties, property, plant and equipment and intangible assets	9, 10, 11	(394,871)	(27,459)
Cash flows from investing activities		(394,871)	(27,459)
Proceeds from borrowings	5	5,662,596	1,074,448
Proceeds from loans		2,417,020	-
Proceeds from issue of debt instruments		3,245,576	1,074,448
Repayments of borrowings	5	(5,883,201)	(2,056,563)
Loan repayments		(2,173,679)	(813,629)
Payments of issued debt instruments		(3,709,522)	(1,242,934)
Interest paid		(906,618)	(341,023)
Interest received		1,918,547	1,030,221
Cash flow from financing activities		791,324	(292,917)
Inflation effect on cash and cash equivalents		(552,594)	(2,966,948)
Net increase (decrease) in cash and cash equivalents		(3,866,452)	(17,631,737)
Cash and cash equivalents at the beginning of the period	3	6,899,249	22,663,064
Cash and cash equivalents at the end of the period	3	3,032,797	5,031,327

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATION OF THE COMPANY

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

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

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

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

The registered address of the Company is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 31 March 2025, the number of employees of the Company is 479 (31 December 2024 - 480).

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

The standalone financial statements at 31 March 2025 have been approved by the Board of Directors on 9 May 2025.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

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

2.1. Basis of Presentation

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

The standalone financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 4 October 2022 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

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

Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of the company is TRY and the reporting currency is thousand TRY.

Adjustment of Financial Statements in Hyperinflation Periods

The Company prepared its financial statements as of 31 March 2024 and for the interim period ended 31 March 2025 by applying TAS 29 “Financial Reporting in Hyperinflationary Economies” in accordance with the announcement made by POA on 23 November 2023 and the “Application Guidance on Financial Reporting in Hyperinflationary Economies”. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date and comparative figures for prior periods are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its financial statements as of 31 March 2024 and 31 December 2024 on a purchasing power basis as of 31 March 2025.

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Adjustment of Financial Statements in Hyperinflation Periods (Continued)

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TSI"). As at 31 March 2025, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.03.2025	2,954.69	1.00000	250%
31.12.2024	2,684.55	1.10063	291%
31.03.2024	2,139.47	1.38104	309%

Procedure of TAS 29 is presented below:

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

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

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

**NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD 31 MARCH 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

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

2.2. New and Revised Turkish Financial Reporting Standards

a. The new standards, amendments and interpretations which are effective as of 31 March 2025 are as follows

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

b. Standards, amendments, and interpretations that are issued but not effective as of 31 March 2025:

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

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

2.6. New and Revised Turkish Financial Reporting Standards (Continued)

**b. Standards, amendments, and interpretations that are issued but not effective as of 31 March 2025:
(Continued)**

- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 3 – CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash on hand	254	64
Banks	2,952,034	6,358,864
- Demand deposit	326,971	155,548
- Time deposits with maturities less than 3 months	2,625,063	6,203,316
Other cash and cash equivalents	1,376,749	2,343,617
	4,329,037	8,702,545

Maturities of cash and cash flows are as follows:

	31 March 2025	31 December 2024
Demand	326,971	155,548
Up to 3 month	2,625,063	6,203,316
	2,952,034	6,358,864

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

	31 March 2025	31 December 2024
	(%)	(%)
Effective interest rate	42.70	46.34

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

	31 March 2025	31 December 2024
Cash and cash equivalents	4,329,037	8,702,545
Less: Interest accruals on deposits	(4,371)	-
Less: LSRSA project deposits (*)	(1,295,227)	(1,806,992)
Add: the effect of provisions released under TFRS 9	3,358	3,696
	3,032,797	6,899,249

(*) The contractors' portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Company is kept in deposits accounts in the name of the related projects under the control of the Company as stated in the agreement. There is no blocked deposit (31 December 2024: None) of the project accounts amounting TRY 1,295,227 (31 December 2024: TRY 1,806,992).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 4 – FINANCIAL INVESTMENTS

Subsidiaries

As of 31 March 2025 and 31 December 2024, the carrying values of the subsidiaries of the Company on the balance sheet are as follows:

	31 March 2025		31 December 2024	
	Share (%)	TL	Share (%)	TL
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	3,425,023	100	3,425,023
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	1,102,558	100	1,102,558
Total		4,527,581		4,527,581

Interests in Joint Ventures

As of 31 March 2025 and 31 December 2024, the carrying value of the Company's interest in joint ventures in the balance sheet is as follows:

	31 March 2025		31 December 2024	
	Share (%)	TL	Share (%)	TL
Merkez Cadde Yönetim A.Ş.	30	1,429	30.00	1,429
Büyükyalı Tesis Yönetim A.Ş.	37	264	37	264
İstmarina AVM Adi Ortaklığı	40	6,354	40	6,354
Total		8,047		8,047

NOTE 5 – FINANCIAL LIABILITIES

	31 March 2025	31 December 2024
Short-term financial liabilities		
Short-term bank borrowings	7,097,787	7,108,354
Issued debt instruments	5,011,620	5,665,481
Short-term portion of long-term borrowings	591,986	1,426,616
	12,701,393	14,200,451

As of 31 March 2025, the loans utilized are denominated in Turkish Lira, with a weighted average interest rate of 32.99% (31 December 2024: 22.57%). As of 31 March 2025, a lease certificate issuance has been carried out, with a weighted average interest rate of 42.25% (31 December 2024: 44.25%).

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

	31 March 2025	31 December 2024
Less than 3 months	2,345,300	2,581,302
Between 3 - 12 months	10,356,093	11,619,149
	12,701,393	14,200,451

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 March 2025	31 December 2024
Receivables from related parties (Note 24)	328,298	5,633
Receivables from land sales	849,159	1,222,238
Receivables from sale of residential and commercial units	4,877,804	3,750,008
Receivables from contractors of the lands invoiced under LSRSA	1,997,531	1,348,499
Receivables from lessees	116,652	76,495
Other	10,084	21,444
Unearned finance income	(519,342)	(760,994)
	7,660,186	5,663,323
Doubtful receivables	1,696	1,867
Less: Provision for doubtful receivables	(1,696)	(1,867)
	7,660,186	5,663,323

	31 March 2025	31 December 2024
Long-term trade receivables		
Receivables from sale of residential and commercial units	8,028,381	6,341,985
Receivables from land sales	650,257	782,161
Unearned finance income	(2,938,336)	(2,340,842)
	5,740,302	4,783,304

Short-term trade payables	31 March 2025	31 December 2024
Trade payables	9,044,379	6,908,721
Payables to contractors according to revenue sharing basis	1,492,689	1,623,732
Interest accruals on time deposits of contractors (*)	198,875	269,631
	10,735,943	8,802,084

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

	31 March 2025	31 December 2024
Long-term trade payables		
Trade payables	385	406,378
	385	406,378

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	31 March 2025	31 December 2024
Short-term other receivables		
Advances given to contractor firms	745,942	882,831
Receivables from the authorities	31,843	35,047
Other	32,482	101,551
	810,267	1,019,429
	31 March 2025	31 December 2024
Long-term other receivables		
Deposits and guarantees given	1,014	1,116
	1,014	1,116
	31 March 2025	31 December 2024
Short-term other payables		
Taxes and funds payable	1,868,353	3,087,162
Other	66,168	108,110
	1,934,521	3,195,272

As of 31 March 2025, other long-term payables are amount to TRY 431,787 and consist of deposits and guarantees received (31 December 2024: TRY 520,128).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 8 – INVENTORIES

	31 March 2025	31 December 2024
Lands	62,024,749	52,953,527
Cost	65,736,146	57,001,002
Impairment	(3,711,397)	(4,047,475)
Planned land by LSRSA	48,744,173	48,229,871
Planned land by turnkey project	15,033,757	12,893,064
Planned land by turnkey project	15,033,757	12,893,064
Impairment (*)	-	-
Residential and commercial units ready for sale	29,172,582	46,270,441
Cost	34,288,148	55,174,475
Impairment	(5,115,566)	(8,904,034)
Advances given for inventories (**)	19,433,741	19,433,741
Cost	19,934,094	19,934,094
Impairment	(500,353)	(500,353)
	174,409,002	179,780,644

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

(**) As of 31 March 2025, TL 16,630,604 of the advances given for inventories consists of the amount paid for the purchase of 1,615 independent units under the Yeni Fikirtepe project undertaken on behalf of the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change.

In determining the net realizable value of the Company's assets classified as "Inventories" and calculating any impairment provision, if necessary, valuation reports prepared by Net Kurumsal Real Estate Valuation and Consulting Inc., Form Real Estate Valuation and Consulting Inc., and Yetkin Real Estate Valuation and Consulting Inc. as of 31 December 2024 were taken as the basis.

The movements of impairment on inventories are as follows:

	2025	2024
Opening balance at 1 January	13,451,861	18,612,363
Impairment on inventories within the current period	-	2,662,110
Reversal of impairment on inventories within the current period	(4,124,545)	(7,822,611)
Closing balance at 31 March	9,327,316	13,451,862

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 8 – INVENTORIES (Continued)

As of 31 March 2025 and 31 December 2024 the details of land and residential inventories of the Company are as follows:

Lands	31 March 2025	31 December 2024
İstanbul Esenler Lands	32,046,034	22,946,283
İstanbul Küçükçekmece Lands	9,153,198	9,153,198
İstanbul Avcılar Lands	6,393,448	6,393,448
Muğla Bodrum Lands	5,327,599	5,327,599
İzmir Çeşme Lands	1,862,157	1,862,157
Aydın Didim Lands	1,765,829	1,765,829
Antalya Alanya Lands	1,106,547	1,106,547
İstanbul Arnavutköy Lands	970,428	970,428
İstanbul Çekmeköy Lands	793,605	793,605
İstanbul Başakşehir Lands	725,020	725,020
İstanbul Kartal Lands	621,979	650,507
İzmir Urla Lands	535,450	535,450
Antalya Konyaaltı Lands	183,447	183,447
İzmir Seferihisar Lands	128,418	128,418
Tekirdağ Çorlu Lands	117,842	117,842
Zonguldak Merkez Lands	107,761	107,761
İstanbul Tuzla Lands	101,412	101,412
İstanbul Eyüp Lands	61,958	61,958
İstanbul Sarıyer Lands	15,433	15,433
Kocaeli Lands	7,086	7,086
Other	98	99
	62,024,749	52,953,527

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

As of 31 March 2025 and 31 December 2024, the Company's projected land details are as follows:

Planned land by LSRSA	31 March 2025	31 December 2024
Nidapark İstinye Project	7,227,711	7,227,711
Bizim Mahalle 2. Etap 2. Kısım Project	4,022,451	4,022,442
Merkez Ankara Project	3,608,055	3,608,055
Nidapark Küçükyalı Project	3,568,554	3,554,106
Yeni Levent Project	2,553,120	2,553,095
Bizim Mahalle 2. Etap 1. Kısım Project	2,344,072	2,344,063
Çekmeköy Çınarköy Project	2,219,938	2,218,941
Batıyakası 2. Etap Project	1,899,925	1,898,735
Next Level İstanbul Project	1,758,286	1,758,286
Beşiktaş Akat Project	1,731,419	1,731,101
Ümraniye İnkılap Project	1,604,967	1,604,967
İstanbul Kayabaşı 9. Etap Project	1,573,160	1,570,105
Başakşehir Ayazma 4. Etap Project	1,421,010	1,418,676
İstanbul Tuzla Merkez Project	1,402,717	1,402,717
Esenler Atışalanı 1. Etap Project	1,333,248	-
Meydan Başakşehir Project	1,091,811	1,085,229
İstanbul Kayabaşı 8. Etap Project	1,073,330	1,071,275
İstanbul Eyüpsultan Kemerburgaz Project	1,024,409	1,024,457
Avcılar Firüzköy 1. Etap 2. Kısım Project	990,074	990,074
Avcılar Firüzköy 2. Etap Project	980,447	977,893
Avcılar Firüzköy 1. Etap 1. Kısım Project	909,760	909,760
Nişantaşı Koru Project	810,597	810,683
Bodrum Türkbükü Project	737,504	737,504
Nezihpark Project	452,497	452,201
Antalya Aksu Project	397,816	397,408
Barbaros 48 Project	390,158	389,836
İstanbul Ataşehir Küçükbakkalköy Project	366,500	366,500
İstanbul Kayabaşı 10. Etap Project	342,417	342,416
Muğla Milas Meşelik Project	234,788	234,788
Cer İstanbul Project	225,764	225,764
Ankara Çayyolu 2. Etap Project	192,596	192,436
Batıyakası 1. Etap Project	184,174	1,042,104
Allsancak Project	43,737	41,742
Other	27,161	24,801
	48,744,173	48,229,871

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 8 - INVENTORIES (Continued)

As of 31 March 2025 and 31 December 2024, the details of the Company's land plots designed as turnkey projects are as follows:

Planned land by turnkey project	31 March 2025	31 December 2024
Arnavutköy Yenişehir Project	11,683,810	9,536,662
Çekmeköy Çınarköy Project	1,503,395	1,503,395
İstanbul Avcılar Firuzköy Project	1,244,377	1,244,377
Other	602,175	608,630
	15,033,757	12,893,064

As of 31 March 2025 and 31 December 2024, the details of the Company's completed residential and commercial units are as follows:

Residential and commercial units ready for sale	31 March 2025	31 December 2024
Çekmeköy Konut Parselleri 2. Etap Project	5,565,871	5,806,994
Merkez Ankara Project	4,567,657	4,567,657
Çekmeköy Konut Parselleri 3. Etap 4. Kısım Project	2,992,069	4,243,270
Çekmeköy Konut Parselleri 3. Etap 1. Kısım Project	2,124,801	3,392,850
Bizim Mahalle 1. Etap 3. Kısım Project	1,017,579	2,763,181
Balıkesir Altıeylül Gümüşçeşme Project	2,462,532	2,462,531
Saraçoğlu Mahallesi Project	1,821,590	2,114,926
Kuzey Yakası Project	1,899,170	1,899,169
Maslak 1453 Project	1,418,578	1,441,789
Çekmeköy Villa Parselleri	960,915	5,334,998
Komşu Finans Evleri Project	788,274	879,245
Çekmeköy Konut Parselleri 4. Etap 3. Kısım Project	575,878	1,278,093
Çekmeköy Konut Parselleri 3. Etap 3. Kısım Project	434,003	3,070,376
Çekmeköy Konut Parselleri 4. Etap 1. Kısım Project	362,525	419,351
Samsun Canik Kentssel Dönüşüm Project	360,569	360,569
Sarphan Finanspark Project	345,614	345,614
Bizim Mahalle 1. Etap 1. Kısım Project	301,041	342,094
Bizim Mahalle 1. Etap 4. Kısım Project	252,067	1,034,407
Hoşdere Vadi Evleri 1. Etap Project	182,278	786,393
Hoşdere Vadi Evleri 2. Etap Project	181,486	363,777
Çekmeköy Konut Parselleri 3. Etap 2. Kısım Project	142,618	-
Bizim Mahalle 1. Etap 2. Kısım Project	111,306	133,829
Semt Bahçekent 1. Etap 2. Kısım Project	102,445	102,444
Büyükyalı Project	47,787	47,787
Denizli Merkez Efendi İkmal İşİ Project	45,500	81,516
İdealist Cadde / Koru Project	36,376	36,376
Metropol İstanbul Project	30,805	30,805
Karat 34 Project	20,331	20,331
Kocaeli Körfezkent Emlak Konutları	9,741	9,741
Göl Panorama Project	4,864	4,864
Başakşehir Ayazma Emlak Konutları	4,744	4,744
Temaşehir Project	1,568	1,572
Ataşehir Küçükbakkalköy Project	-	2,889,148
	29,172,582	46,270,441

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 9 – INVESTMENT PROPERTIES

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

The movements of investment properties as of 31 March 2025 and 2024 are as follows:

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2024	3,714,757	3,714,757
İlaveler	-	-
Transfers from residential and commercial units inventories	-	-
Closing balance as of 31 March 2024	3,714,757	3,714,757

Accumulated Depreciation

Opening balance as of 1 January 2024	260,367	260,367
Charge for the period	11,434	11,434
Closing balance as of 31 March 2024	271,801	271,801
Net book value as of 31 March 2024	3,442,956	3,442,956

Cost Value	Lands, residential and commercial units	Total
Opening balance as of 1 January 2025	3,714,755	3,714,755
Additions	354,509	354,509
Transfers from residential and commercial units inventories	-	-
Closing balance as of 31 March 2025	4,069,264	4,069,264

Accumulated Depreciation

Opening balance as of 1 January 2025	330,445	330,445
Charge for the period	18,111	18,111
Closing balance as of 31 March 2025	348,556	348,556
Net book value as of 31 March 2025	3,720,708	3,720,708

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 9 – INVESTMENT PROPERTIES (Continued)

As of 31 December 2024, the valuation reports prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Form Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. have taken into consideration when determining the fair values of investment properties. The fair values of the investment property determined by independent valuation experts are as follows:

	31 March 2025	31 December 2024
Independent commercial units of Büyükyalı AVM	2,792,323	2,311,318
Atasehir general management building A block	2,311,318	2,792,323
Independent commercial units of Istmarina AVM	1,592,370	1,592,370
Lands, residential and commercial units	1,301,868	1,301,868
	7,997,879	7,997,879

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

As of 31 March 2025 and 2024, the details of property, plant and equipment are as follows

31 March 2025	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2025	861,722	38,443	54,027	8	954,200
Additions	-	-	21,637	-	21,637
Depreciation expense (-)	(4,871)	(3,871)	(8,123)	(3)	(16,868)
Net book value 31 March 2025	856,851	34,572	67,541	5	958,969
Cost	974,144	90,675	394,721	39	1,459,579
Accumulated depreciation (-)	(117,293)	(56,103)	(327,180)	(34)	(500,610)
Net book value 31 March 2025	856,851	34,572	67,541	5	958,969

31 March 2024	Buildings	Motor vehicles	Furniture, equipment and fixtures	Other property, plant and equipment	Total
Net book value as of 1 January 2024	578,491	9,188	42,171	30	629,880
Additions	-	18,337	9,122	-	27,459
Depreciation expense (-)	(3,306)	(1,193)	(4,856)	(2)	(9,357)
Net book value 31 March 2024	575,185	26,332	46,437	28	647,982
Cost	661,334	59,332	319,159	36	1,039,861
Accumulated depreciation (-)	(86,149)	(33,000)	(272,722)	(8)	(391,879)
Net book value 31 March 2024	575,185	26,332	46,437	28	647,982

All of the depreciation expenses are included in the general administrative expenses.

The expected useful lives of property, plant and equipment are as follows:

	Years
Buildings	50
Motor vehicles	5
Furniture, equipment and fixtures	4-5

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NOTE 11 – INTANGIBLE ASSETS

As of 31 March 2025 and 2024, intangible assets are as follows:

31 March 2025	Licenses	Computer software	Total
Net book value as of 1 January 2025	6,061	475	6,536
Additions	18,725	-	18,725
Amortization expense (-)	(1,932)	(226)	(2,158)
Net book value 31 March 2025	22,854	249	23,103
Cost	184,435	48,905	233,340
Accumulated amortization (-)	(161,581)	(48,656)	(210,237)
Net book value 31 March 2025	22,854	249	23,103

31 March 2024	Licenses	Computer software	Total
Net book value as of 1 January 2024	9,285	1,284	10,569
Amortization expense (-)	(1,986)	(226)	(2,212)
Net book value 31 March 2024	7,299	1,058	8,357
Cost	127,941	38,976	166,917
Accumulated amortization (-)	(120,642)	(37,918)	(158,560)
Net book value 31 March 2024	7,299	1,058	8,357

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 March 2025 and 31 December 2024, the details of provisions are as follows:

	31 March 2025	31 December 2024
Provision for lawsuits	407,388	440,826
	407,388	440,826

According to the opinions of the Company's lawyers, the total litigation risk amount against the Company is TRY662,564 (31 December 2024: TRY738.175) and a provision for litigation amounting to TRY407,388 has been set aside as of 31 March 2025 (31 December 2024: TRY440,826). As of 31 March 2025, there are 1 deficiency lawsuit, 10 lawsuits for loss of rent, 7 lawsuits for cancellation and registration of deed, 2 labor lawsuits and 35 other miscellaneous lawsuits filed against the Company.

The movements of provision for lawsuits as of 31 March 2025 and 2024 are as follows:

	2025	2024
Opening balance at 1 January	440,826	398,301
Provision added within the current period (Note 20)	6,224	443
Monetary gain	(39,662)	(52,170)
Closing balance at 31 March	407,388	346,574

12.1 Continuing Lawsuits and Provisions

12.1.1 On 21 December 2005, a contract was signed for the İzmir Mavişehir Project, consisting of 750 independent units in the İzmir Mavişehir Northern Upper Region 2nd Phase LSRSA project. However, due to the contractor's failure to fulfill the contractual obligations, the contract was terminated on December 21, 2009. Following the termination, the project was transferred to the Company, and the remaining portion of the project was tendered in accordance with the Public Procurement Law and completed by another construction company.

The sales of the related independent units have been carried out by the Company, similar to turnkey projects. The contractor filed a lawsuit claiming unjust termination and partial receivables, arguing that the level of completion was significantly high and that the legal relationship between the parties was based on a revenue-sharing construction contract. An expert report prepared upon the instruction of the İzmir Karşıyaka Commercial Court of First Instance determined that the completion level was approximately 83% and concluded that the legal relationship between the parties was not a revenue-sharing construction contract. Upon the Company's objections regarding unclear aspects of the report and the completion level, an additional expert report was requested. Subsequently, both the contractor and the Company filed additional lawsuits against each other. Regarding the case, the Istanbul 10th Commercial Court of First Instance ruled partial acceptance of the main claim and determined that the contract was unjustly terminated by the defendant. However, as the plaintiff had assigned its receivable and compensation claim to Vakıflar Bankası T.A.O., the court dismissed the claim in terms of active legal standing.

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FOR THE PERIOD 31 MARCH 2025**

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.1 The court also ruled partial acceptance of the material compensation claim within the scope of a partial lawsuit, while dismissing the remaining claims due to the statute of limitations. Additionally, the court ordered the return of the letter of guarantee amount and dismissed the remaining claims. In the counterclaim, the court ruled partial acceptance, and in line with the rectification petition, ordered the payment of the relevant deposit pledge and building inspection costs to Emlak Konut GYO A.Ş. During the litigation process, based on various expert reports submitted to the case file, the plaintiff increased the claim amount to TRY 122,651. As of 31 March 2025, a provision amounting to TRY 238,452, including interest and litigation costs, has been recognized.

12.1.2 Within the scope of the İstanbul Riva Land Revenue Sharing Tender for the properties located in İstanbul Province, Beykoz District, Riva Neighborhood, parcels 3201, 3202, and 3203, the contractor participating in the tender submitted temporary letters of guarantee to the Company through the Joint Venture in accordance with Article 14 of the Tender Specifications. During the second session of the tender held on 15 June 2017, it was decided to award the tender to the Joint Venture, which submitted the most economically advantageous bid. However, the companies invited to sign the contract applied to the Company, requesting a revision of the tender conditions and criteria, citing the amendments introduced in the Planned Areas Zoning Regulation published in the Official Gazette No. 30113 dated 3 July 2017, by the Ministry of Environment, Urbanization, and Climate Change of the Republic of Turkey. These amendments significantly reduced the construction area subject to the zoning coefficient for the project. The Company rejected the revision requests, stating that the enforcement of the said regulation would not affect the construction area subject to the zoning coefficient, and granted a deadline until 15 August 2017, for the contract to be signed. Since the contract was not signed within the given period, the Company confiscated the temporary letters of guarantee submitted by the plaintiff companies as part of the İstanbul Beykoz Riva Land Revenue Sharing Tender and awarded the tender to the contractor that submitted the second most favorable bid.

The lawsuit in question is a material and moral compensation claim filed on the grounds that the rejection of the plaintiffs' revision requests and the confiscation of their letters of guarantee were unlawful. For the plaintiff, the court ruled that the guarantee amount should be collected from the defendant along with advance interest accruing from 17 August 2017, and paid to the plaintiff; additionally, the amount required under LSRSA and commissions should be collected from the defendant with advance interest accruing from 15 September 2017, and paid to the plaintiff. The court also ruled similarly for another plaintiff. Other claims regarding material and moral damages beyond these were rejected. The court further ruled that the prepaid portion of the court fees should be deducted from the total fee, with the remaining amount collected from the defendant and recorded as revenue for the Treasury. The entire litigation costs, including summons and expert fees, incurred by the plaintiffs should be recovered from the defendant and reimbursed to the plaintiffs. If any balance remains in the litigation advance fund after the finalization of the decision, it should be refunded to the plaintiffs. Additionally, according to the Attorney's Minimum Fee Tariff applicable at the date of the decision, the relative attorney's fee should be collected from the defendant and paid to the plaintiff. The case is currently at the appeal stage, and as of 31 March 2025, a provision amounting to TRY 14,276, including interest and litigation costs, has been recognized.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.3 The lawsuit was filed by Şekerbank T.A.Ş., which had acquired the receivable of TRY 46,000 arising and to arise from Emlak Konut GYO A.Ş. on behalf of the contractor Yeni Sarp-Özarak Ordinary Partnership for the İstanbul Ümraniye 1st Phase Land Revenue Sharing Project. The plaintiff claimed that the remaining assigned receivable amounting to TRY 34,135 had been unjustly unpaid and sought the establishment of a mortgage on certain properties within the scope of the project as security for the claimed receivable. On 15 October 2020, the court ruled for the dismissal of the case. The plaintiff appealed the decision, and the appellate court overturned the ruling. Following the retrial after the reversal, the court ruled in favor of the plaintiff. This decision was subsequently appealed by the Company, and as of 31 March 2025, a provision amounting to TRY 94,617, including interest and litigation costs, has been recognized.

12.1.4 The lawsuit was filed for compensation due to defective construction in Çerkezköy Yıldızkent Ayışığı Complex. In the ongoing trial, the latest expert report has applied the principle of compensatory justice in its calculations. The litigation process is still ongoing, and as of 31 March 2025, a provision amounting to TRY 25,750, including interest and litigation costs, has been recognized.

12.2 Contingent Liabilities of Emlak Konut

In the financial statements prepared as of 31 March 2025, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Company Management and its lawyers, no provision has been made in the financial statements prepared as of 31 March 2025 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Company in order to fulfill its obligation.

12.2.1 The lawsuit was filed due to the alleged wrongful termination of the contract related to the infrastructure and landscaping works within the Alemdağ Emlak Konutları Construction Area in Çekmeköy District, İstanbul, on 17 September 2012. The contractor claimed that the cost of the completed works was not included in the progress payments. However, the court dismissed the case, ruling that the plaintiff failed to provide sufficient evidence. The Appellate Court determined that the lower court's decision was based on an incomplete examination and that a new expert report should be obtained. The court instructed that the additional report should assess all contractual obligations of the parties by considering the annexes to the contract and the General Specifications for Construction Works. The assessment should determine which obligations were primary and whether the termination was justified based on the principle that a party failing to fulfill its primary obligation cannot demand performance from the other party. Consequently, the Appellate Court overturned the lower court's decision and remanded the case for further investigation and a new ruling in line with these principles. Following the reevaluation, the primary lawsuit was dismissed due to a lack of evidence, while the consolidated lawsuit was dismissed due to the statute of limitations. The plaintiff has appealed the decision. Based on the opinion obtained from the Company's legal counsel, no liability is expected to arise from this case.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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

12.3 Contingent Assets of Emlak Konut

12.3.1 As of 31 March 2025 and 31 December 2024, breakdown of nominal commercial receivables from residential and commercial unit sales by maturities and based on the residential and commercial units that are under construction or completed but not yet delivered within the scope of the sales promise contract that is not yet included in the balance sheet as it does not meet the TFRS 15 criteria, expected collection times of nominal installments that are not due or collected by maturities are as follows:

31 March 2025	Trade Receivables	Off-balance sheet deferred revenue	Total
1 yıl	5,726,963	14,272,242	19,999,205
2 yıl	4,677,026	8,958,901	13,635,927
3 yıl	1,744,950	3,326,623	5,071,573
4 yıl	952,035	1,242,280	2,194,315
5 yıl ve üzeri	1,304,627	549,908	1,854,535
	14,405,601	28,349,954	42,755,555

31 December 2024	Trade Receivables	Off-balance sheet deferred revenue	Total
1 yıl	4,972,246	15,708,424	20,680,671
2 yıl	3,674,291	9,860,414	13,534,706
3 yıl	1,307,757	3,661,373	4,969,130
4 yıl	806,742	1,367,288	2,174,030
5 yıl ve üzeri	1,335,355	605,244	1,940,599
	12,096,392	31,202,744	43,299,136

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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NOTE 13 – EMPLOYEE BENEFITS

As of 31 March 2025 and 31 December 2024, short-term employee benefits are as follows is as follows:

	31 March 2025	31 December 2024
Short-term provisions		
Unused vacation provision	67,997	75,710
	67,997	75,710

As of 31 March 2025 and 31 December 2024, details of long-term employee benefits is as follows:

	31 March 2025	31 December 2024
Long-term provisions		
Provision for employment termination benefit	131,630	142,097
	131,630	142,097

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

	31 March 2025	31 December 2024
Discount Rate (%)	3.50	3.50
Turnover rate to estimate probability of retirement (%)	1.10	1.10

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

NOTE 14 – OTHER ASSETS

As of 31 March 2025 and 31 December 2024, details of other current assets are as follows:

	31 March 2025	31 December 2024
Other current assets		
Deferred VAT	2,661,263	4,137,072
Progress payments to contractors	1,141,709	956,294
Income accruals	109,770	181,827
Receivables from tax office	163,171	131,955
	4,075,913	5,407,148

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NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

As of 31 March 2025 and 31 December 2024, the details of short-term deferred income are as follows:

	31 March 2025	31 December 2024
Short-term deferred income		
Advances taken from turnkey project sales	27,383,983	34,180,162
Deferred income from LSRSA projects(*)	27,473,578	27,812,347
Advances taken from LSRSA contractors(**)	18,680,371	18,700,326
Advances received from related parties(Note 24)	486,373	4,964,518
Deferred income related to sales of independent units	1,355,086	1,340,428
	75,379,391	86,997,781

(*) The balance is comprised of deferred income of future land sales regarding the related residential unit's sales under LSRSA projects.

(**) Before the contract is signed with the contractor companies in the ASKGP projects, the company collects the first payment of the total income corresponding to the share of the company from the total sales income in advance at the determined rates.

As of 31 March 2025 and 31 December 2024, the details of long-term deferred income are as follows:

	31 March 2025	31 December 2024
Prepaid expenses		
Prepaid expenses	3,792	3,694
	3,792	3,694

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

As of 31 March 2025 and 31 December 2024, the details of long-term deferred income are as follows:

	31 March 2025	31 December 2024
Long-term deferred income		
Other advances received	4,738	5,215
	4,738	5,215

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NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

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NOTE 16 – SHAREHOLDERS' EQUITY

The Company's authorized capital amount is TRY3,800,000 (31 December 2024: TRY3,800,000) and consists of 380,000,000,000 (31 December 2024: 380,000,000,000) authorized number of shares with a nominal value of TRY0.01 each.

The Company's shareholders and their shareholding percentages as of 31 March 2025 and 31 December 2024 is as follows:

Shareholders	31 March 2025		31 December 2024	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,119	50.66	1,925,119
T.C. Toplu Konut İdaresi Başkanlığı "TOKİ"	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	48	0.00	48
Other	0.00	2	0.00	2
Total paid-in capital	100	3,800,000	100	3,800,000
Adjustment		56,795,656		56,795,656
		60,595,656		60,595,656

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

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

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

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

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

	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Low
Adjustment to share capital	64,638,455	56,795,656	(7,842,799)
Share premium	37,026,694	31,841,669	(5,185,025)
Restricted reserves appropriated from pi	9,949,112	9,547,063	(402,049)

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NOTE 17 – REVENUE AND COST OF SALES

As of 31 March 2025 and 2024, the details of revenue and cost of sales are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Sales income		
Land sales	2,552,121	581,529
<i>Sales of planned lands</i>		
<i>by way of LSRSA</i>	2,552,121	109,505
<i>Land sales income</i>	-	472,024
Residential and commercial units sales	18,321,179	1,364,221
Consultancy income	1,528,666	929,171
Rent income	56,515	34,895
	22,458,481	2,909,816
Sales returns	-	-
Net sales income	22,458,481	2,909,816
Cost of sales		
Cost of lands	(818,934)	(531,284)
<i>Cost of lands planned</i>		
<i>by way of LSRSA</i>	(818,934)	(104,031)
<i>Cost of lands sold</i>	-	(427,253)
Cost of residential and commercial units sold	(15,185,272)	(875,999)
Consultancy cost	(902,896)	(379,375)
	(16,907,102)	(1,786,658)
Gross Profit	5,551,379	1,123,158

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

As of 31 March 2025 and 2024, the details of general administrative expenses are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
General administrative expenses		
Personnel expenses	(332,821)	(361,150)
Security and cleaning expenses	(70,045)	(78,704)
Consultancy expenses	(55,023)	(39,143)
Taxes, duties and fees	(38,689)	(9,734)
Depreciation and amortization	(37,137)	(23,003)
Maintenance and repair expenses	(30,008)	(5,999)
Information technologies expenses	(22,729)	(5,110)
Due and contribution expenses	(21,606)	(22,835)
Travel expenses	(17,866)	(19,794)
Insurance expenses	(12,555)	(1,864)
Lawsuit and notary expenses	(1,487)	(2,218)
Communication expenses	(1,905)	(2,344)
Other	(22,009)	(18,131)
	(663,880)	(590,029)

As of 31 March 2025 and 2024, the details of marketing and sales expenses are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Marketing and sales expenses		
Advertising expenses	(121,443)	(61,284)
Personnel expenses	(17,821)	(19,571)
Consultancy expenses	(11,259)	(13,424)
Other	(485)	(902)
	(151,008)	(95,181)

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NOTE 19 –EXPENSES BY NATURE

As of 31 March 2025 and 2024, the details of expenses by nature are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Expenses by nature		
Expenses from residential and commercial units sales	15,185,272	875,999
Consultancy cost	902,896	379,375
Land costs	818,934	531,284
Personnel expenses	350,642	380,720
Advertising expenses	121,443	61,284
Security and cleaning expenses	70,045	78,704
Consultancy expenses	66,282	52,567
Taxes,duties and fees	38,689	9,734
Maintenance and repair expenses	30,008	5,999
Information technologies expenses	22,729	5,110
Due and contribution expenses	21,606	22,835
Depreciation and amortisation (Note 10,11)	37,137	23,003
Insurance expenses	12,555	1,864
Lawsuit and notary expenses	1,487	2,217
Communication expenses	1,905	2,344
Other	40,360	38,829
	17,721,990	2,471,868

NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

As of 31 March 2025 and 2024, the details other operating income are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Other income from operating activities		
Financial income from forward sales	1,524,793	171,566
Income from transfer commissions	76,902	68,323
Default interest income from projects	44,862	1,554
Impairment provisions released	810	581,014
Other	19,709	9,701
	1,667,076	832,158

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

As of 31 March 2025 and 2024, the details other operating income are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Other expenses from operating activities		
Reversal of unaccrued financial expense, net	(696,446)	(152,061)
Provision for lawsuits (Note 12)	(6,224)	(443)
Other	(39,984)	(12,436)
	(742,654)	(164,940)

NOTE 21 – FINANCIAL INCOME/EXPENSES

As of 31 March 2025 and 2024, the details financial income and expenses are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Financial income		
Interest and update income	398,125	1,406,133
Foreign exchange gains	832	1,244
	398,957	1,407,377
Financial expenses		
Borrowings interest and lease certificate expenses	(1,300,670)	(398,366)
Foreign exchange losses	(686)	(149)
	(1,301,356)	(398,515)

NOTE 22 – TAX ASSETS AND LIABILITIES

a) Corporate tax

Significant changes have been made to the tax regulations for Real Estate Investment Trusts (REITs) and Real Estate Investment Funds (REIFs) in Turkey, effective from January 1, 2025. According to these changes, earnings generated until December 31, 2024, will remain subject to the current regulations and will be exempt from corporate tax. However, new conditions and taxation practices will apply to earnings generated from January 1, 2025, onwards.

b) Tax income/expenses

	1 January- 31 March 2025	1 January- 31 March 2024
Current tax expense	(1,418,481)	-
Deferred tax expense	(780,970)	-
Total tax expense	(2,199,451)	-

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NOTE 22 – TAX ASSETS AND LIABILITIES (Continued)

c) Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from the differences between its consolidated financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

As detailed in Note 2.4, the corporate tax exemption granted to real estate investment trusts (REITs) under Article 5, paragraph (d-4) of the Corporate Tax Law has been made conditional, as of January 1, 2025, by Law No. 7524 dated August 2, 2024. Specifically, at least 50% of the income derived from real estate must be distributed as dividends in order for the exemption to apply.

Since the decision to distribute profits falls under the authority of the general assembly, the tax rate used in the calculation of deferred tax assets and liabilities for the year 2025 is 30% (31 December 2024: 30%).

As of 31 March 2025, the breakdown of the Company's relevant accumulated temporary differences and the corresponding deferred tax assets and liabilities, prepared using the enacted tax rates, is as follows:

	31 March 2025		31 December 2024	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Adjustments related to TFRS 9 expected credit loss	(3,357)	1,007	(3,693)	1,108
Adjustments related to discount	(3,457,677)	1,037,303	(3,101,837)	930,551
Adjustments Related to Inventory	(14,329,493)	4,298,848	(16,252,947)	4,875,884
Prepaid expense adjustments	198,683	(59,605)	305,387	(91,616)
Adjustments related to tangible assets	(9,103)	2,731	(102,530)	30,759
Adjustments Related to intangible assets	(141,367)	42,410	(153,367)	46,010
Adjustments related to investment properties	(1,063,177)	318,953	(1,487,310)	446,193
Adjustments related to deferred income	(3,497,377)	1,049,213	(4,058,187)	1,217,456
Adjustments related to provisions	(607,017)	182,105	(658,633)	197,590
Deferred tax assets	-	6,872,965	-	7,653,935

The movements of deferred tax (asses)/ liabilities for the periods ended 31 March 2025 are as follows:

	2025	2024
Opening balance at 1 January	7,653,935	-
Recognized in profit or loss statement	(780,970)	-
Closing balance at 31 March	6,872,965	-

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NOTE 23 – EARNINGS PER SHARE

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

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

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

	1 January- 30 June 2024	1 January- 30 June 2023
Net profit attributable to shareholders (TRY)	2,817,362	354,450
Weighted average number of ordinary shares	3,804,550,291	3,804,550,291
Earnings per share in full TRY	0.0741	0.0093

NOTE 24 – RELATED PARTY DISCLOSURES

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

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

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

- The Company keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 31 March 2025, the Company has deposits amounting to TRY 2,898,165 in state banks (31 December 2024: TRY 5,994,641). Average effective interest rates of time deposits of the Company as of 31 March 2025 are explained in Note 3.

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

Trade receivables from related parties	31 March 2025	31 December 2024
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı (*)	326,987	5,633
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	1,311	-
	328,298	5,633

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

Other payables to related parties	31 March 2025	31 December 2024
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	153	-
Other	66	-
	219	-

Deferred income from related parties	31 March 2025	31 December 2024
Türkiye Emlak Katılım Bankası A.Ş. (*)	459,855	4,964,518
	459,855	4,964,518

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

Deposits at related parties	31 March 2025	31 December 2024
Türkiye Emlak Katılım Bankası A.Ş.	1,644,520	1,810,004
	1,644,520	1,810,004

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	1 January- 31 March 2025	1 January- 31 March 2024
Purchases from related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	7,388,326	647,362
Marmara Kentsel Dönüşüm Müdürlüğü	2,968,031	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	941,876	350,992
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	64	-
Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	-	18,018,517
Emlak Basın Yayın A.Ş.	886	-
	11,299,183	19,016,871
Sales to related parties		
Emlak Konut Asansör Sistemleri San. ve Tic. A.Ş.	1,867	486
Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş.	1,014	1,127
	2,880	1,613

Key management personnel are those who have the authority and responsibility to plan, manage and control the activities (administrative or other) directly or indirectly of the Company including any manager. Salaries and other short-term benefits provided to the key management personnel, General Manager of the Board of Directors, Assistant General Managers and General Manager Consultant, are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Compensation to key management		
Salaries and other short-term benefits	13,942	15,202
	13,942	15,202

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 25 - EXPLANATIONS ON MONETARY POSITION GAINS/(LOSSES)

The monetary position gains (losses) reported in the statement of profit or loss arise from the monetary/non-monetary financial statement items listed below:

31 March 2025

Non-monetary items

Statement of financial position items

Inventories	10,092,726
Financial investments	414,681
Given advances	198,683
Investment properties, tangible and intangible assets	398,201
Deferred tax assets	699,780
Deferred income	25,128
Share premiums / discounts	(2,911,205)
Paid-in capital	(5,540,111)
Treasury shares (-)	6,505
Restricted reserves appropriated from profit	(872,864)
Gain / (loss) arising from defined benefit plans	359
Other equity items	175,012
Retained earnings / accumulated losses	(650,486)

Statement of profit or loss items

Revenue	(6,543,261)
Cost of sales (-)	4,746,942
General administrative expenses (-)	15,167
Marketing expenses (-)	3,563
Other income from main operations	(39,333)
Other expenses from main operations (-)	17,522
Expenses from investing activities (-)	-
Finance income	(9,413)
Finance costs (-)	30,703

Monetary gain/loss	258,299
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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

NOTE 26 - COMMITMENTS

Company's mortgage and guarantees received as of 31 March 2025 and 2024 are as follows:

	31 March 2025	31 December 2024
Guarantees received (*)	47,561,495	52,454,552
Mortgages received (**)	670,005	737,426
	48,231,500	53,191,978

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

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

The collaterals, pledges and mortgages ("CPM") of the Company as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
A. Total amount of CPM given on behalf of the Company's own legal entity	165,443	181,728
B. Total amount of CPM given against the subsidiaries included in full consolidation	-	-
C. Total amount of CPM given to maintain operations and collect payables from third parties	-	-
D. Total amount of other CPM given		
i) In the name of the parent Company	-	-
ii) In the name of other group companies that are not included in the scope of item B and C	-	-
iii) In the name of third parties that are not included in the scope of item C	-	-
	165,113	214,212

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

As part of the Company's long-term strategy, the purchase of land parcels with a total area of 75,272.82 m² located in Atışalanı Neighborhood, Esenler District, Istanbul, has been completed for a total consideration of TRY 2,898,004 (excluding VAT), within the scope of the protocol signed with the Ministry of Environment, Urbanization and Climate Change, Directorate of Urban Transformation.

The agreement titled "Revenue Sharing Model on Land Sale for the Istanbul Eyüpsultan Kemerburgaz Project," signed on 28.02.2023 between the Company, Emlak Konut Real Estate Investment Company, and the Contractor Joint Venture composed of CABA Construction Energy Tourism Industry and Trade Inc., MESA Mesken Construction Inc., and MESA Holding Inc., has been mutually terminated through a Termination Protocol signed on 18.04.2025, prior to the commencement of production and sales activities.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 March 2025, unless otherwise stated.)

ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Non-Consolidated (Standole) Financial Statement Main Account Items	Related Regulation	31 March 2025	31 December 2024
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	3,037,168	6,899,249
B	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a)	183,016,433	188,543,417
IS	Subsidiaries	Series: III-No.48, Art.24/(b)	4,535,628	4,535,628
	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
DV	Other Assets		22,551,657	21,917,518
D	Total Assets (Total Assets)		213,140,886	221,895,812
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	12,701,393	14,200,451
F	Other Financial Liabilities	Series: III-No.48, Art.24/(a)	-	-
G	Due from Financial Leases	Series: III-No.48, Art.24/(b)	-	-
H	Due to Related Parties (Non commercial)	Series: III-No.48, Art.23/(f)	-	-
I	Shareholders' equity		109,927,232	107,109,870
EB	Other Resources		90,512,261	100,585,491
D	Total Resources	Series: III-No.48, Art.3/(k)	213,140,886	221,895,812
	Non-Consolidated (Standole) Other Financial Information	Related Regulation	31 March 2025	31 December 2024
A1	The Portion of Money and Capital Market Instruments Held for 3-Year Real Estate Payments	Series: III-No.48, Art.24/(b)	3,037,168	6,899,249
A2	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	4,329,037	8,702,545
A3	Foreign Capital Market Instruments	Series: III-No.48, Art.24/(d)	-	-
B1	Foreign Properties, Projects based on properties and rights based on Properties	Series: III-No.48, Art.24/(d)	-	-
B2	Idle Land	Series: III-No.48, Art.24/(c)	16,356,709	16,400,327
C1	Foreign Subsidiaries	Series: III-No.48, Art.24/(d)	-	-
C2	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	4,836,108	4,836,108
J	Non-Cash Loans	Series: III-No.48, Art.31	165,443	181,728
K	Mortgage amount of servient lands which will be developed and not owned	Series: III-No.48, Art.22/(e)		

	Portfolio Restrictions	Related Regulation	31 March 2025	31 December 2024
1	Mortgage amount of Servient Lands Which Will be Developed And Not Owned	Series: III-No.48, Art.22/(e)	0%	0%
2	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a),(b)	87%	88%
3	Money and Capital Market Instruments and Affiliates	Series: III-No.48, Art.24/(b)	2%	2%
4	Foreign Properties, Projects based on properties and rights based on Properties,			
5	Subsidiaries, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
6	Idle Land	Series: III-No.48, Art.24/(c)	8%	7%
7	Subsidiaries of the Operating Company	Series: III-No.48, Art.28	2%	2%
8	Borrowing Limit	Series: III-No.48, Art.31	12%	13%
	Term / Demand / Currency	Series: III-No.48, Art.22/(e)	1%	1%

Informations in the Control of Compliance with Portfolio Limitations are in the nature of summary information derived from financial statements in accordance with article 16 of Serial: II, No: 14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" and have been prepared within the framework of the provisions of the "Communiqué on Principles Regarding Real Estate Investment Trusts", Serial: III, No: 48.1, published in the Official Gazette No. 28660 on 28 May 2013, on the control of compliance with portfolio limitations.

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