

EMLAK KONUT
01 JANUARY - 31 DECEMBER

ACTIVITY REPORT

2023



EMLAK KONUT
REAL ESTATE INVESTMENT COMPANY

REPUBLIC OF TURKEY MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE TOUR PARTICIPATION
(HOUSING DEVELOPMENT ADMINISTRATION OF TURKEY)

A LIFE IN EVERY HOUSE, A FUTURE IN EVERY LIFE

IN ORDER TO PREVENT ENERGY WASTE AND TO USE RESOURCES MORE EFFICIENTLY, WE BENEFIT FROM RENEWABLE ENERGY SOURCES AT THE HIGHEST LEVEL. THANKS TO SOLAR ENERGY PANELS (GES), WE IMPLEMENT PROJECTS THAT TRANSFORM ENERGY INTO SAVINGS WHILE CONSUMING IT. WE MINIMIZE HEAT LOSS WITH HIGHLY ENERGY-EFFICIENT INSULATED BUILDINGS, AND SAVE WATER WITH GREYWATER TREATMENT AND RAINWATER HARVESTING SYSTEMS.

GREY
WATER
TREATMENT


EMLAK KONUT
REAL ESTATE INVESTMENT COMPANY
REPUBLIC OF TURKEY MINISTRY OF ENVIRONMENT, CLIMATE, CLIMATE CHANGE AND FORESTRY
INTEGRATED DEVELOPMENT MANAGEMENT OF TURKEY

GREEN PROJECTS WITH CLASS "A" ENERGY PERFORMANCE CERTIFICATE

IN LINE WITH THE VISION OF "TÜRKİYE ON THE ROAD TO GREEN DEVELOPMENT", WE IMPLEMENT ECO-FRIENDLY PROJECTS THAT PRIORITIZE ENERGY EFFICIENCY AND THAT ARE ENVIRONMENT FRIENDLY. WE ARE CONTINUOUSLY WORKING FOR THE EFFECTIVE AND EFFICIENT USE OF ENERGY AND ENERGY RESOURCES, THE PREVENTION OF ENERGY WASTE AND FOR THE PROTECTION OF THE ENVIRONMENT.

emlakkonut.com.tr

ELECTRIC CHARGING STATIONS



YENİ FIKIRTEPE
ÇINARKÖY EVLERİ
BİZİM MAHALLE
VADI EVLERİ

RAINWATER HARVESTING



OIL SEPARATOR SYSTEMS



SOLAR POWER PLANTS



ZERO WASTE
ZERO AT HOME,
ZERO WASTE,
ZERO WASTE,
ZERO WASTE
UNDERTAKINGS

- WASTE SEPARATION SYSTEMS
- ZERO POINT
- COMPOST SYSTEMS
- WASTE BASKETS



HIGHLY ENERGY EFFICIENT INSULATED BUILDINGS



lekgyoas



EMLAK KONUT

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EMLAK KONUT

2023

71
th year

We set out on this journey 71 years ago to meet our citizens' housing needs.

Today, we undertake Turkey's most prestigious projects. We are pleased to share that we pride ourselves on becoming the leading actor of the national economy.



EMLAK KONUT



Planned and
Quality Modern
Urban Life



Peaceful And Safe
Warmth of a
House



Awareness of
Green and
Environment

Vision

Maintaining and enhancing its position in the domestic real estate industry by improving management approach and quality standards. Becoming one of the world's top real estate investment trusts by improving its planned, quality, and environment-friendly city approach according to international criteria. Increasing the number of residential and commercial units to 250,000 by the end of 2024.

Mission

Following real estate developments and innovations closely as one of the leading organizations shaping the domestic industry.

Caring about the social value and customer satisfaction and producing planned, quality and environment-friendly establishment centers that offer peaceful and safe living places. Caring about employees' and shareholders' material and spiritual satisfaction.

Your happiness on the foundation of every project we have produced since 1953.

Since 1953, we have been leading the planned urbanization of our country, we are building living spaces for your happiness.





Later on, Company merges with Ankara İmar and changing it's name into «İnşaat ve İmar A.Ş.»

Transfer of the shares that are under control of Emlak Bank to TOKİ (Housing Development Adm.)

1953-54

1987

1990

2001

2002

A company called Ankara İmar and Türkiye İnşaat Malzemeleri (TIMLO) gets established for real estate development in the country

Türkiye Emlak Bankası merges with Emlak Yapı A.Ş., it's subsidiary The institution changes it's name into Emlak Konut A.Ş.

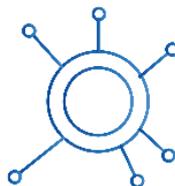
The company acquires a REIC status after the transfer of EMLAK BANK shares to TOKİ



71 YEARS OF EXPERIENCE



SUPPORT 256 DIFFERENT SECTORS



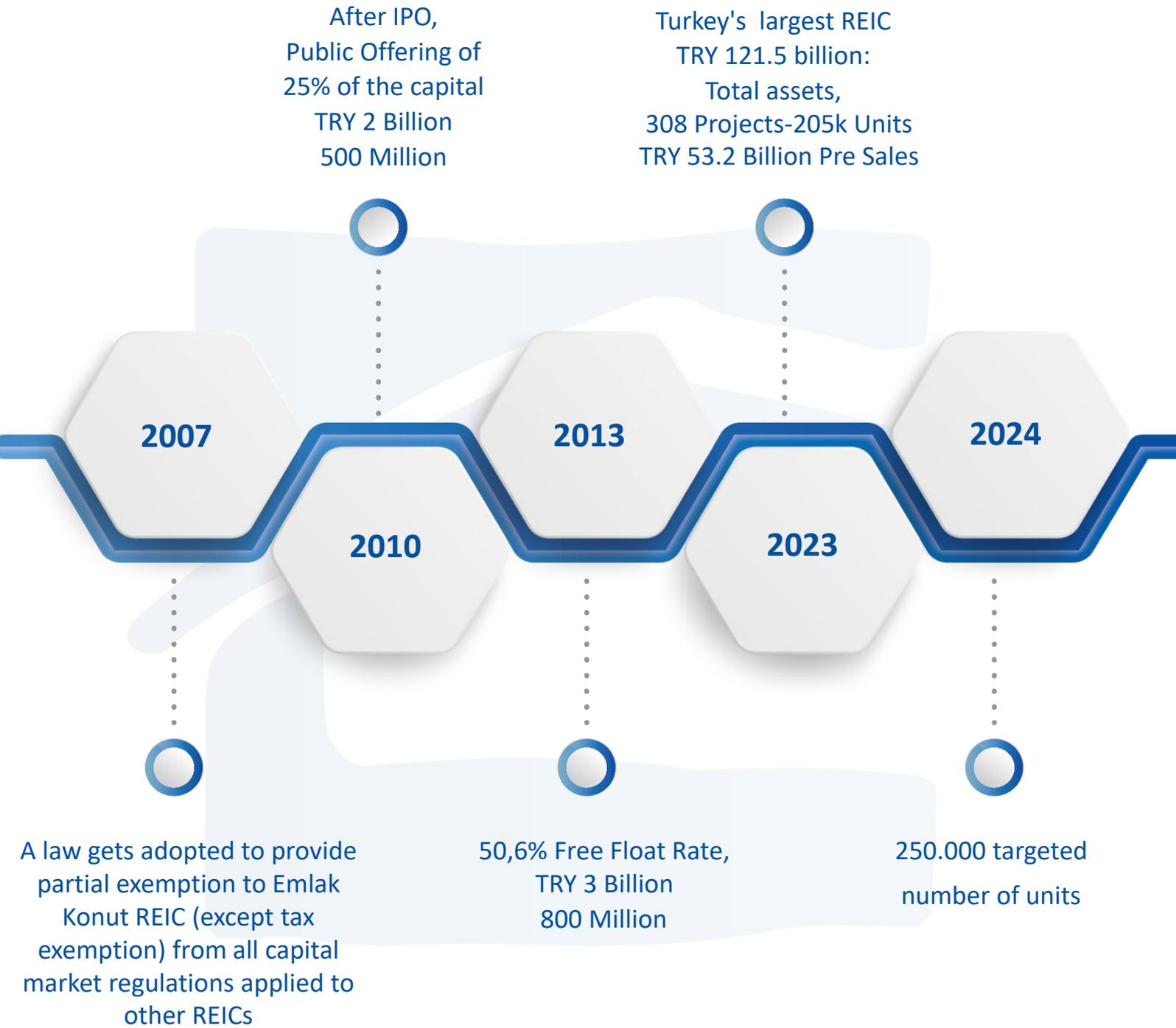
205.658 UNITS



308 PROJECT



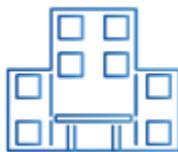
30.000 EMPLOYMENT



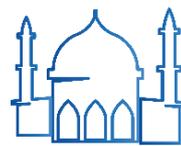
**49
SCHOOLS**



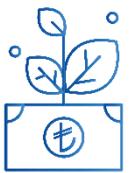
**5
PRE-SCHOOLS**



**7 HEALTH
FACILITIES**



**34
MOSQUES**



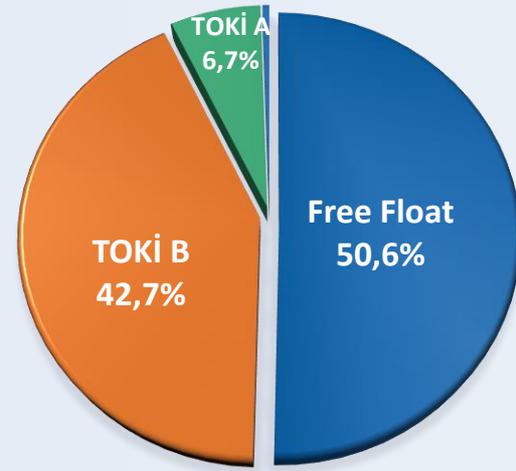
**TRY 121 BN
TOTAL ASSETS**



Emlak Konut REIC's goal and area of activity:

- a- Developing real estate projects majority of them consisting of residential, as well as commercial units, education units, social facilities, infrastructure, highways, and all kinds of landscapes;
- b- Supervision of construction in developed projects;
- c- Marketing and sales of completed units.

land in Turkey, developing real estate for the middle and upper-middle class, and marketing and selling real estate. Our Company considers producing value for our country as one of the most important aspects. Emlak Konut REIC conducted its initial public offering in 2010 and secondary public offering in 2013 to sustain its rapid growth. These public offerings achieved a significant success by attracting record individual investor demand and turning out to be 5th biggest public offering in the history of Republic. Taking place in November 2013, the secondary public offering oversubscribed 2.3 times. It attracted over 100 international investors from 20 countries becoming the biggest public offering in the form of raising capital in Central and Eastern Europe, the Middle East and Africa. Emlak Konut REIC., whose main shareholder is TOKİ, is the biggest real estate investment company in Turkey in terms of market value, real estate portfolio and land inventory. Our 3,800,000,000 TL paid capital and 4,000,000,000 TL registered capital demonstrate the Company's leading role in the sector.



Capital and Partnership Structure

	GROUP	TYPE	SHARE AMOUNT	NUMBER of SHARES	%
Housing Development Adm. (TOKI)	A	Registered (Privileged)	253.369.919	25.336.991.900	6,67
Housing Development Adm. (TOKI)	B	Bearer	1.621.460.838,35	162.146.083.835	42,7
Free Float	B	Bearer	1.925.120.897,70	192.512.089.770	50,6
Others	B	Bearer	48.344,95	4.834.495	<1
		TOTAL	3.800.000.000,00	380.000.000.000	100

Emlak Konut REIC applies two different business models effectively to achieve its administrative goals and strategies. The first business model is “Revenue Sharing Model (RSM)”, and second is Turn-Key Model.

- One of the most important values of Emlak Konut REIC is the models it executes and develops.
- Emlak Konut REIC procures lands for project development majorly from TOKİ, and partially from third parties.
- By virtue of the construction and real estate sector accounting, sales and costs are added to the income statement only when it is confirmed that the project has been completed by Emlak Konut REIC.
- Our Company has a conscientiously developed 67- year brand value. It proves effective in the relevant models contributing positively to the construction, marketing and sales stages.

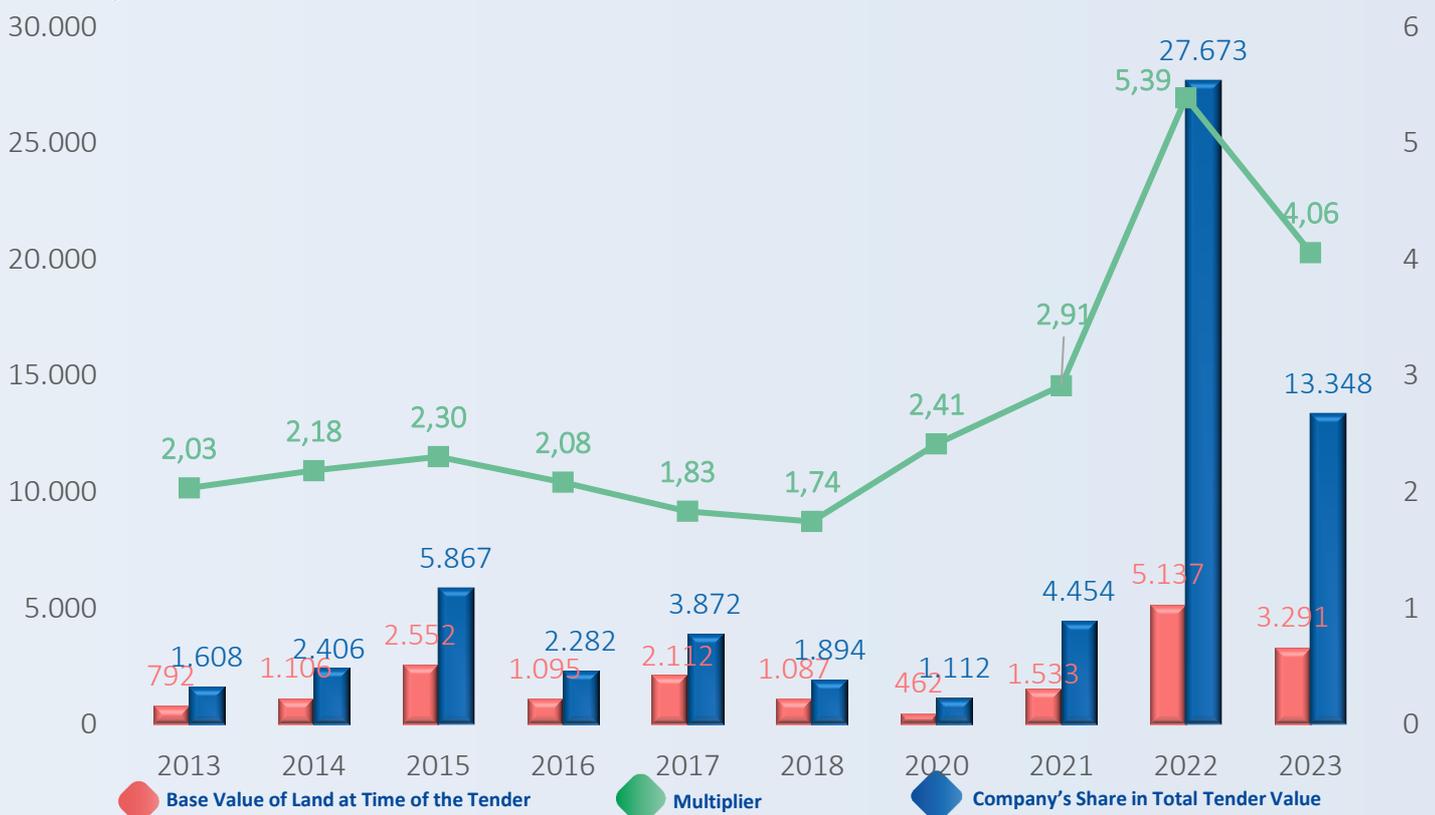
Revenue Sharing Model

This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing model- based projects throughout or after the completion of a project or may share such units with the contractor at the end of a project. Company Share in Total Revenue” given in the charts is the amount that contractors committed to pay to our company in tenders or after with protocols; Emlak Konut’s share of the bank commissions that have been paid to decrease the interest rate for mortgage loans in unit sales will be added to related project cost along with the completion.

Turn-Key Model

The contractor is selected via a tender process pursuant to some criterias among the most appropriate and the lowest bid. Emlak Konut assumes all risks and responsibilities for the project development. All income earned from the sales of the units belong to Emlak Konut.

The Progress of Multiplier for RSM Projects



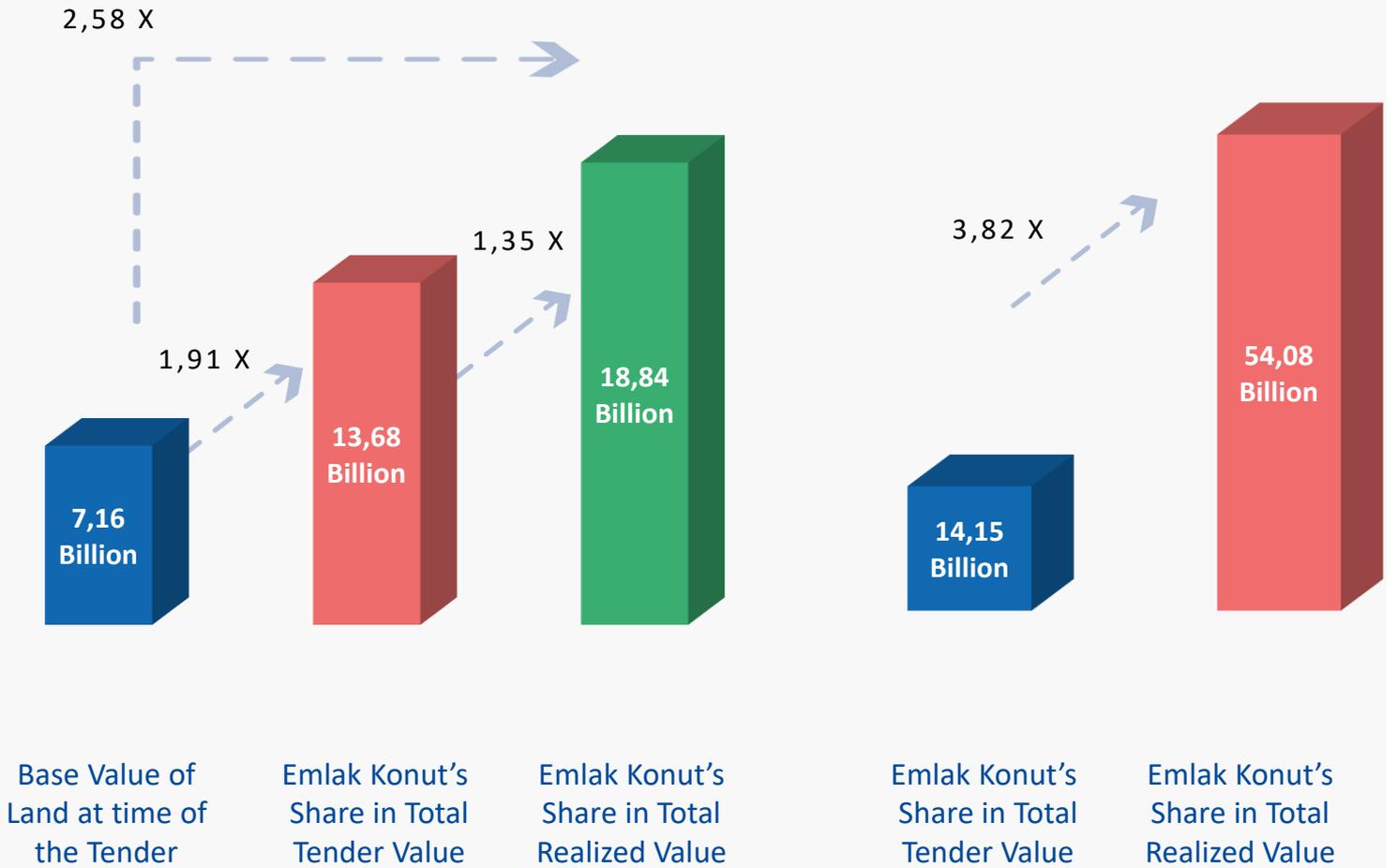


Emlak Konut REIC expects to maintain high multiplier on ongoing projects



Completed RSM Projects

Ongoing RSM Projects



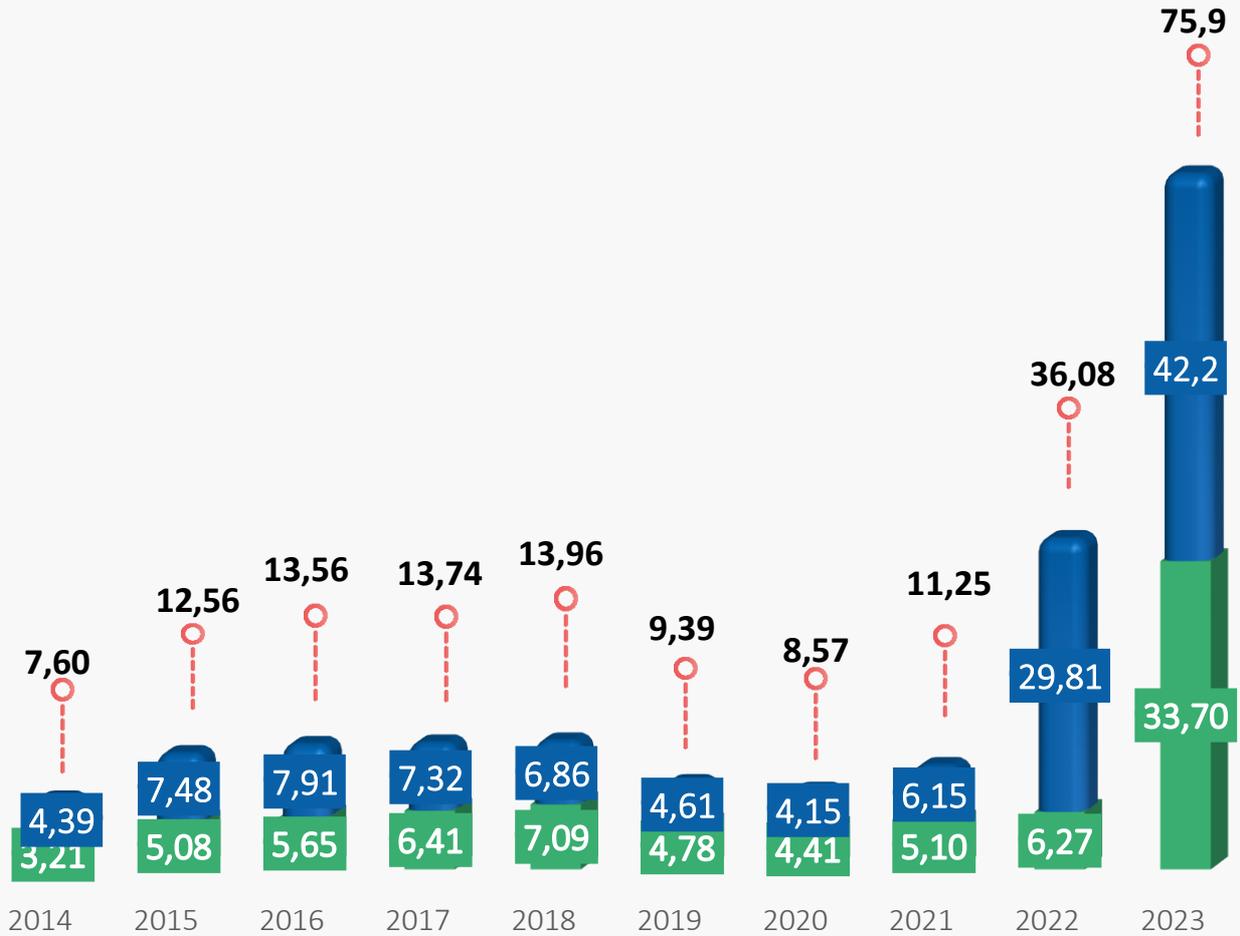
-  Base Value of Land at time of the Tender
-  Emlak Konut's Share in Total Tender Value
-  Emlak Konut's Share in Total Realized Value

-  Emlak Konut's Share in Total Tender Value
-  Emlak Konut's Share in Total Realized Value

The figures are in million TRY. Please note that, the past performance is not necessarily an indicator of future performance.



Strong earnings visibility ahead from RSM projects



Guaranteed Minimum Profit



Book Value



Guaranteed Total Revenue

Emlak REIC expects to recognize 42,2 Billion TRY of profit from RSM projects over the next 5 years.

Emlak REIC Min. Guaranteed Revenue recognition depends on completion of construction. Abovementioned values will be recognized when we complete our projects.

The leading
developer
company in
Turkey



Total Sales Revenue In Revenue Sharing Model
251.8 Billion TL

Strategic
partnership
with TOKI.



Turn-Key Model Agreement Value
161.7 Billion TL*

The pre-sales
ratio of the
Project to be
completed in
2024 is 74%



Successfully Driving Or Delivered
111 Revenue Sharing Model Projects



Successfully Driving Or Delivered
197 Turn-Key Model Projects*

Delivery of
app. 4,710
units in 2023



Strong Launch To Sales Ratio
%74 in 2024

%62 in 2025



Completed And Tendered Units
206 k units

*Includes projects that have been tendered on behalf of the Ministry of Environment, Urbanization and Climate Change and provided consultancy services. Data is from 2003.

TOTAL ASSETS

TRY 121.483.041.000

Appraisal Value of Land Stock
TRY 23.797.986.000



Appraisal Value of Buildings
TRY 19.812.576.000 TL



Company Share of Total Revenue
for RSM Projects
TRY 75.872.180.000



Cost of Purchase + Progress
Payments (Turn Key)
TRY 21.582.922.000



Cost of Land and Residential Unit
Inventories
TRY 84.099.821.000



Cost of Investment Property
TRY 1.866.374.000



Liabilities
TRY 64.252.650.000



TOTAL

TRY 112.329.861.000

Solid net
profit results
and balance
land
portfolio

2023 Figures

<u>Net Profit</u>	<u>Land Portfolio Value</u>
(4.1) Billion TL	22.3 Billion TL

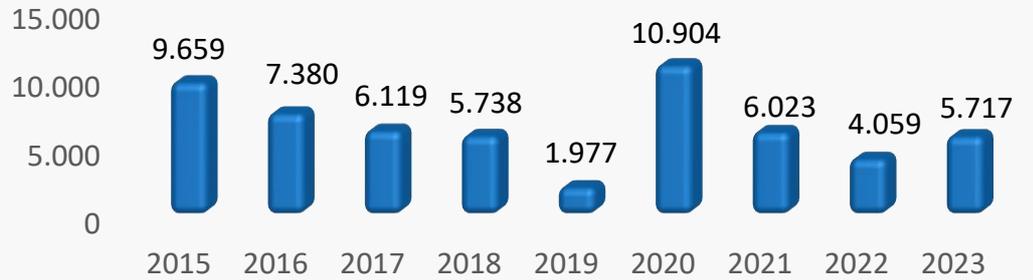
2023 Pre-Sales Figures

<u>Pre-Sales Revenue</u>	<u>Sold to Foreigners</u>
53.2 Billion TL	867 Million TL
<u>Sold Area</u>	<u>Numbers of Units Sold</u>
785 k	5,717

2023 Completes RSM Tender Results

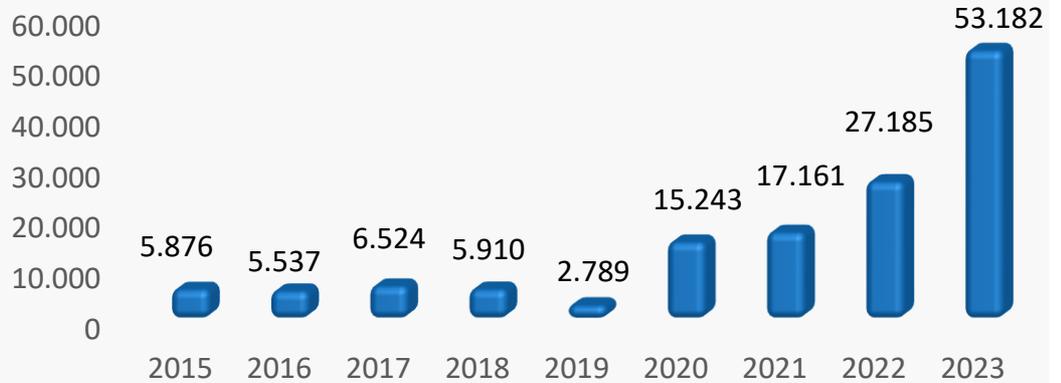
<u>Completed</u>	<u>Average Multiplier</u>
5 Tenders	4.06 x
<u>Total Min. Emlak Konut's Share</u>	<u>Total Sales Revenue in Tenders</u>
13.3 Billion TL	33.4 Billion TL

Unit Sales (Number)



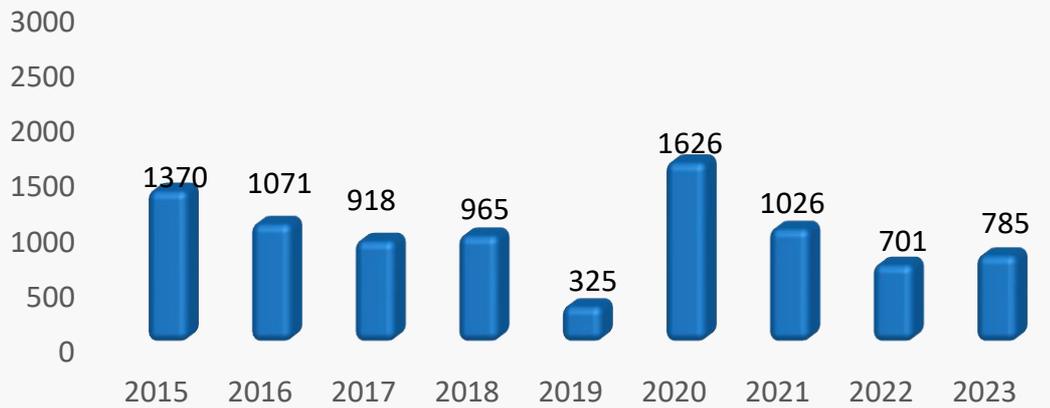
Despite the increasing interest rates and the pandemic period, record sales were achieved.

Total Value of Sales (Million TRY)



Call center infrastructure serving in 8 languages was established.

Total Unit Size Sold (sqm '000)

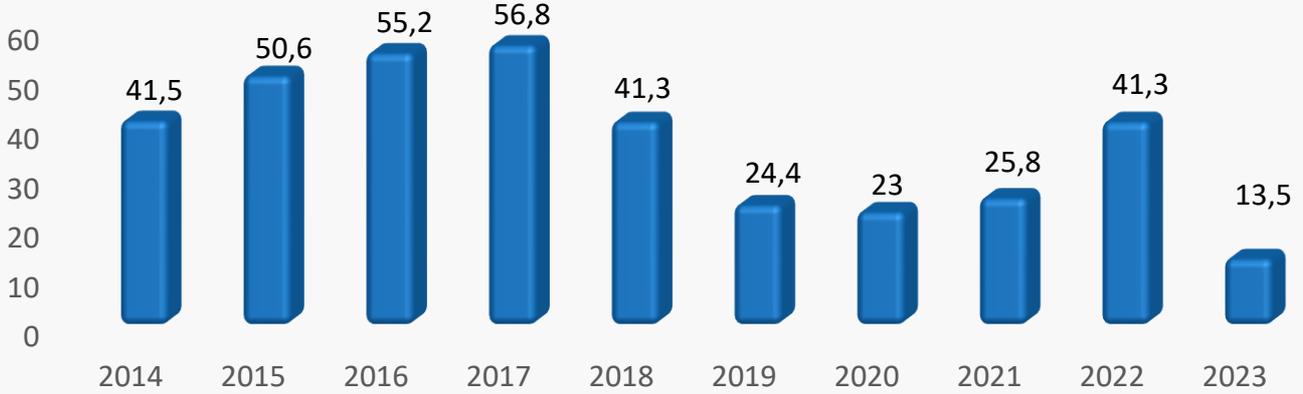


2023 targets exceeded.

Sales to Foreigners



EBITDA Margin (%)



Key Financials (Million TL)

	2016	2017	2018	2019	2020	2021	2022	2023
Net Sales	3.455,9	3.900,6	3.927,6	5.667,6	4.730,5	6.737,5	8.122,9	28.495,8
EBITDA (1)	1.914,6	2.215,9	1.621,3	1.384,6	1.088,8	1.737,8	3.353,0	3.857,3
EBITDA Margin (%) (2)*	55,4	56,8	41,3	24,4	23,0	25,8	41,3	13,5
Profit for Period	1.716,3	1.756,1	1.268	778,4	836,6	1.332	2.997,1	(4.074,3)
Total Assets	18.702,4	20.623,7	23.319	24.185	28.644	30.760	46.959	121.483
Shareholder's Equity	10.730,2	12.465,5	13.083,1	13.743	14.494	15.747	18.368	57.230,4
Dividend Per Share (TRY)	0,0000	0,1755	0,0035	0,0021	0,0023	0,0036	0,0082	(0,0107)
Return of Equity (%)	0,16	0,14	0,09	0,057	0,058	0,083	0,163	(0,0074)
Cash Flow	956	385	494	432	1.122	3.088	5.284	14.870
Dividend Payout	0,0	666,9	123	76,6	82,5	390	908,2	

1: EBITDA: Profit Before Income Tax - Financial Expenses + Financial Income - Income From Investing Activities - Amortizations.

2: EBITDA Margin: Margin calculated as EBITDA/Net sales.

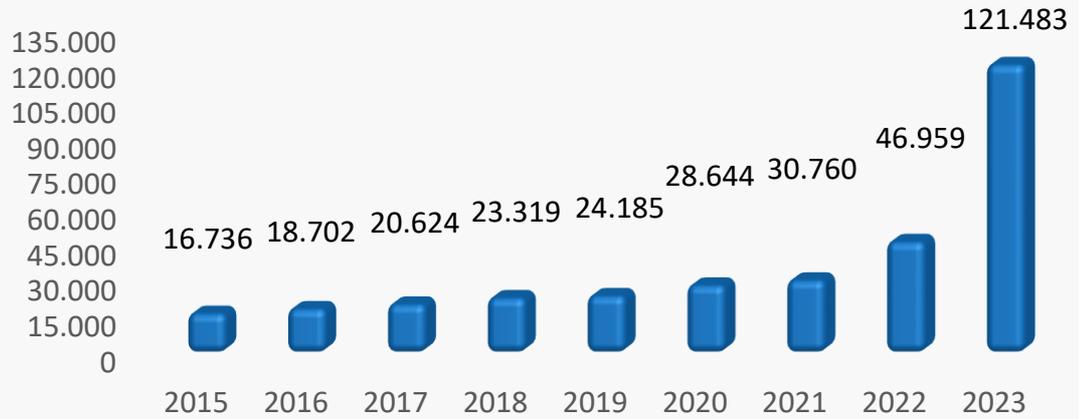
** Decrease in EBITDA margin; In accordance with accounting standards, donations and aids made to the earthquake area are classified as general administrative expenses and do not reflect the ordinary operating profitability of our company.

Receivables ('000 TL)

	Trade Receivables	Off-Balance Sheet Deferred Revenue	TOTAL
1 Year	2.693.194	9.310.494	12.003.688
2 Years	2.051.386	6.566.991	8.618.377
3 Years	1.549.143	4.325.473	5.874.616
4 Years	507.452	1.268.962	1.776.414
5 Years and above	1.370.093	762.658	2.132.751
TOTAL	8.171.268	22.234.578	30.405.846

Please see Independent Audit's Report for details Note.12, pp. 43

Total Assets (Million TRY)



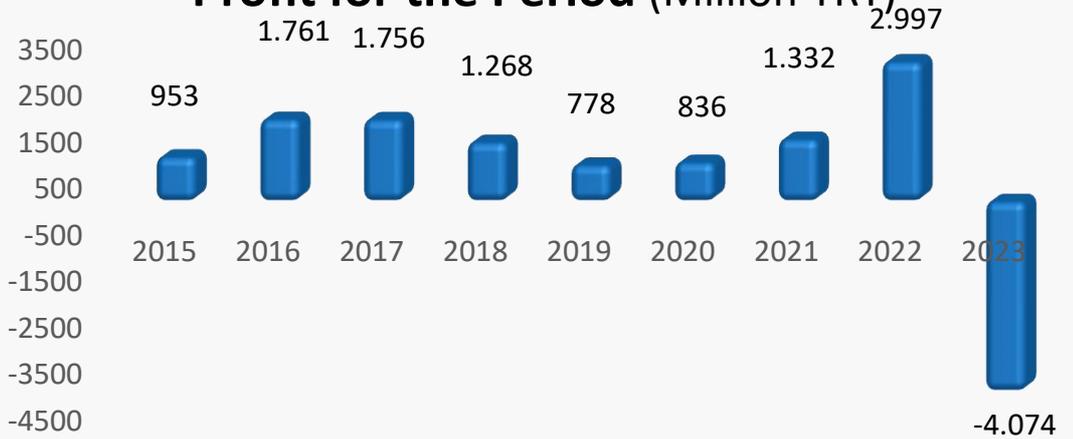
We have increased our total assets by **756% in 8 years**

Equity (Million TRY)



Significant increase in our equity in 8 years turned into a strong source of funding source

Profit for the Period (Million TRY)



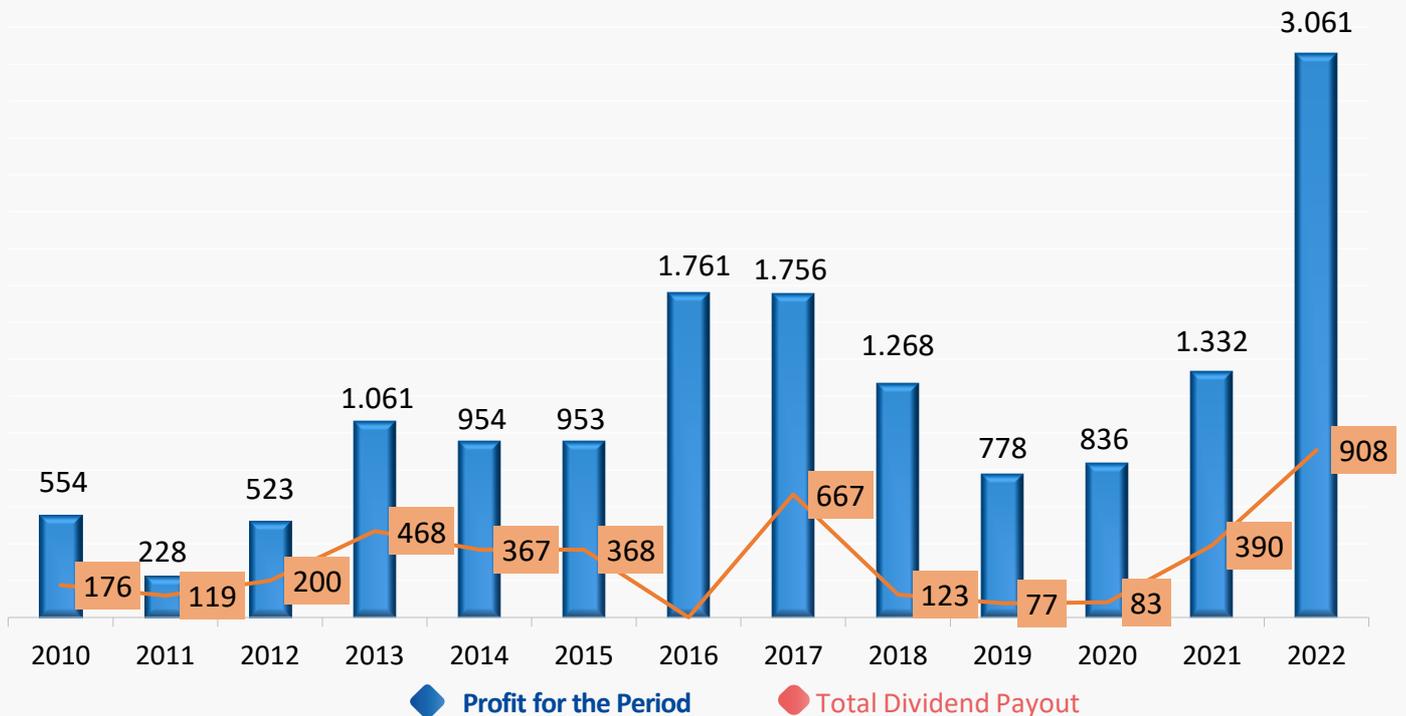
Sustainable High profitability

EBITDA for Period (Million TRY)



Liquidity Ratios	Financial Structure Ratios	Operating Ratios	Profitability Ratios
Current Ratio 1,830	Financial Leverage Ratio 0,529	Assets Turnover Ratio 0,235	Return on Equity --0,074
CashRatio 0,255	Debt Ratio 1,123	Equity Turnover Ratio 0,498	Return on Assets --0,035
Acid-Test Ratio 0,492	Equity Total Assets 0,471	Net Working Capital 0,552	Return on Sales --0,148
	Self-Financing Ratio 0,891		Gross Profit Margin 0,298
			Operating Profit Margin 0,131

Profit-Dividend Progress



*It will be submitted to the approval of the General Assembly.

71th

Anniversary
EMLAK
KONUT

TRUST

Along 71 years

SAFE LIVING SPACES, SUPERIOR EFFORT,
SENSE OF DUTY, LABOR AND BREATHING
GREEN SPACES FOR OUR CITIES.

FOR 71 YEARS,
TRUST IS MORE THAN A WORD FOR US



EMLAK KONUT
REAL ESTATE INVESTMENT COMPANY

REPUBLIC OF TURKEY MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE TOUR PARTICIPATION
(HOUSING DEVELOPMENT ADMINISTRATION OF TURKEY)

2023 Sales and Profit Targets

First Quarter	Sales Value 11.6 Billion TRY	Gross Saleable Area 207 k sqm
Second Quarter	Sales Value 17.3 Billion TRY	Gross Saleable Area 501 k sqm
Third Quarter	Sales Value 19.7 Billion TRY	Gross Saleable Area 531 k sqm
Fourth Quarter	Sales Value 14.3 Billion TRY	Gross Saleable Area 242 k sqm
Total Pre-Sales Target	Sales Value 63 Billion TRY	Gross Saleable Area 1.5 k sqm
2023 Profit Target	Net Profit 4.21 Billion TRY	

2023 Tender Schedule ('000)

	Revenue Sharing Model	Appraisal Value	Min. Company Share	Multiplier
1	İSTANBUL BAŞAKŞEHİR KAYABAŞI 9th STAGE	600.000.000	2.571.000.000	4,29
2	İSTANBUL ÇEKMEKÖY	1.200.000.000	4.804.000.000	4,00
3	İSTANBUL BAŞAKŞEHİR AYAZMA 4th STAGE	610.000.000	1.650.000.000	2,70
4	İSTANBUL BEŞİKTAŞ AKAT	600.000.000	2.821.000.000	4,70
5	İSTANBUL BAŞAKŞEHİR KAYABAŞI 10th STAGE	280.887.000	1.502.000.000	5,35
		3.290.887.000	13.348.000.000	4,06

TURN-KEY MODEL TENDER PLANNİNG

1	İSTANBUL AVCILAR FİRUKÖY (3 ve 4 STAGES)
2	İSTANBUL ARNAVUTKÖY 1st STAGE 2nd PHASE
3	EMLAK KONUT VADİ EVLERİ (2, 3 and 4 STAGES)
4	İSTANBUL BAŞAKŞEHİR KAYABAŞI EMLAK KONUTLARI 8th STAGE
5	AYAZMA EMLAK KONUTLARI 3rd STAGE
6	İSTANBUL BAŞAKŞEHİR EMLAK KONUT EVLERİ
7	EMLAK KONUT ÇINARKÖY EVLERİ (3,4,5 and 6 STAGES)
8	İSTANBUL KÜÇÜKÇEKMECE BİZİM MAHALLE (1/3, 2/3 ve 2/4. STAGES)

Untendered Land Plots

Line	City / District	Site Area (sqm)	Book Value (TRY)	Appraisal Value (TRY)
1	ANKARA ÇANKAYA PARSELLERİ	11.461,08	20.939.453	20.939.453
	ANKARA	11.461,08	20.939.453	20.939.453
2	İSTANBUL ARNAVUTKÖY PARSELLERİ	612.106,27	443.449.854	920.378.019
3	İSTANBUL ATAŞEHİR PARSELLERİ	6.845,28	60.759	50.563.614
4	İSTANBUL BAŞAKŞEHİR İKİTELLİ PARSELLERİ	57.996,28	279.973.953	454.462.395
5	İSTANBUL BAŞAKŞEHİR TATARCIK PARSELLERİ	79.509,76	347.562.964	1.709.459.840
6	İSTANBUL ÇEKMEKÖY - TAŞDELEN PARSELLERİ	46.101,12	481.473.928	556.165.110
7	İSTANBUL ESENLER PARSELLERİ	105.463,86	3.470.424.165	3.470.424.165
8	İSTANBUL KARTAL PARSELLERİ	20.178,14	89.630.145	89.630.145
9	İSTANBUL KÜÇÜKÇEKMECE HALKALI PARSELLERİ	212.482,06	4.990.218.549	4.968.314.324
10	İSTANBUL SARIYER PARSELLERİ	1.155,89	9.886.900	9.886.900
11	İSTANBUL TUZLA PARSELLERİ	6.420,00	63.808.013	105.320.120
12	İSTANBUL AVCILAR PARSELLERİ	391.284,97	2.880.990.556	4.594.516.950
13	İSTANBUL EYÜP KEMERBURGAZ PARSELLERİ	185.550,87	395.853.652	395.853.652
	İSTANBUL	1.725.094,51	13.453.333.438	17.324.975.235
14	BALIKESİR PARSELLERİ	3.845,04	13.073.136	13.073.136
15	İZMİR KONAK PARSELLERİ	7.988,62	48.708.527	239.658.600
16	İZMİR DİKİLİ PARSELLERİ	361,98	2.171.880	2.171.880
17	İZMİR SEFERİHİSAR PARSELLERİ	22.569,02	118.275.232	159.361.140
18	İZMİR URLA PARSELLERİ	52.998,31	317.989.860	317.989.860
19	KASTAMONU CİDE PARSELLERİ	9.110,04	91.100	91.100
20	KOCAELİ PARSELLERİ	20.877,44	15.127.193	19.633.710
21	MUĞLA BODRUM PARSELLERİ	679.623,77	3.643.811.861	3.716.658.359
22	MUĞLA BODRUM PARSELLERİ	17.166,19	147.743.848	190.000.000
23	NEVŞEHİR PARSELLERİ	25,33	57.100	57.100
24	TEKİRDAĞ ÇORLU PARSELLERİ	35.923,48	73.826.656	135.031.560
	OTHER CITIES	850.489	4.380.876.394	4.793.726.446
	TOTAL	2.587.045	17.855.149.284	22.139.641.133

Investment Properties

Line	City / District	Site Area (sqm)	Book Value (TRY)	Appraisal Value (TRY)
1	İSTANBUL ATAŞEHİR PARSELLERİ	4.376,14	0,02	32.821.053
2	İSTANBUL KÜÇÜKÇEKMECE HALKALI PARSELLERİ	1.500,00	5.490.111,00	21.904.225
3	İSTANBUL KARTAL PARSELLERİ	16.231,00	27.836.147,48	97.386.000
TOTAL		22.107	33.326.259	152.111.278





Contractor	Land Area	Total Sales Revenue	Min. Company Share
TAHİNCİOĞLU KÜÇÜKYALI ORT. GRŞ.	110.023	5.409.274.935 TL	2.271.895.472,70 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%73,34	2.244	%42,00	2024



Contractor	Land Area	Total Sales Revenue	Min. Company Share
EGE & YEDİKULE	41.162 m2	1.526.710.611 TL	534.501.384,91 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%91,94	119	%35,01	2024



Contractor

YILMAZ - FBA

Land Area

1.075.860

Total Sales Revenue

8.966.286.205 TL

Min. Company Share

2.241.571.551,25 TL

Progress Level

%52,27

of Units

1.400

Company Share Ratio

%25.00

Completion Date

2026



Contractor

PASİFİK - ÇİFTAY

Land Area

137.249

Total Sales Revenue

10.640.270.318 TL

Min. Company Share

3.192.081.095,40 TL

Progress Level

%64,72

of Units

3.359

Company Share Ratio

%30.00

Completion Date

2025

EVORA
İZMİR



Contractor	Land Area	Total Sales Revenue	Min. Company Share
TEKNİK YAPI & HALK GYO	46.086	4.775.503.635 TL	1.671.426.272,25 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%51,19	1.195	%35.00	2023

NİDAPARK
İSTİNYE



Contractor	Land Area	Total Sales Revenue	Min. Company Share
TAHİNCIOĞLU İSTİNYE ORTAK GİRİŞİMİ	129.242	9.533.659.601 TL	4.871.700.056,11 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%63,84	543	%51.10	2025

BATIYAKASI



Contractor

YILDIZLAR

Land Area

108.221

Total Sales Revenue

5.701.192.225 TL

Min. Company Share

1.998.518.470,98 TL

Progress Level

%51,00

of Units

1.825

Company Share Ratio

%35.03

Completion Date

2025

* 2 ayrı ihalenin toplam rakamlarını içermektedir. (Kartal Esentepe)

NİŞANTAŞI KORU



Contractor

DAP

Land Area

20.679

Total Sales Revenue

4.047.514.026 TL

Min. Company Share

1.619.005.610,40 TL

Progress Level

%84,2

of Units

196

Company Share Ratio

%40.00

Completion Date

2026

YENİ LEVENT



Contractor

DAP

Land Area

53.600

Total Sales Revenue

9.481.200.441 TL

Min. Company Share

3.792.480.176,40 TL

Progress Level

%54,05

of Units

1.019

Company Share Ratio

%40.00

Completion Date

2025

all sancak



Contractor

PEKİNTAŞ & BURAKCAN

Land Area

67.620

Total Sales Revenue

3.020.180.262,92 TL

Min. Company Share

996.659.486,76 TL

Progress Level

%64,29

of Units

1.104

Company Share Ratio

%33.00

Completion Date

2024

NEXT
LEVEL
İSTANBUL



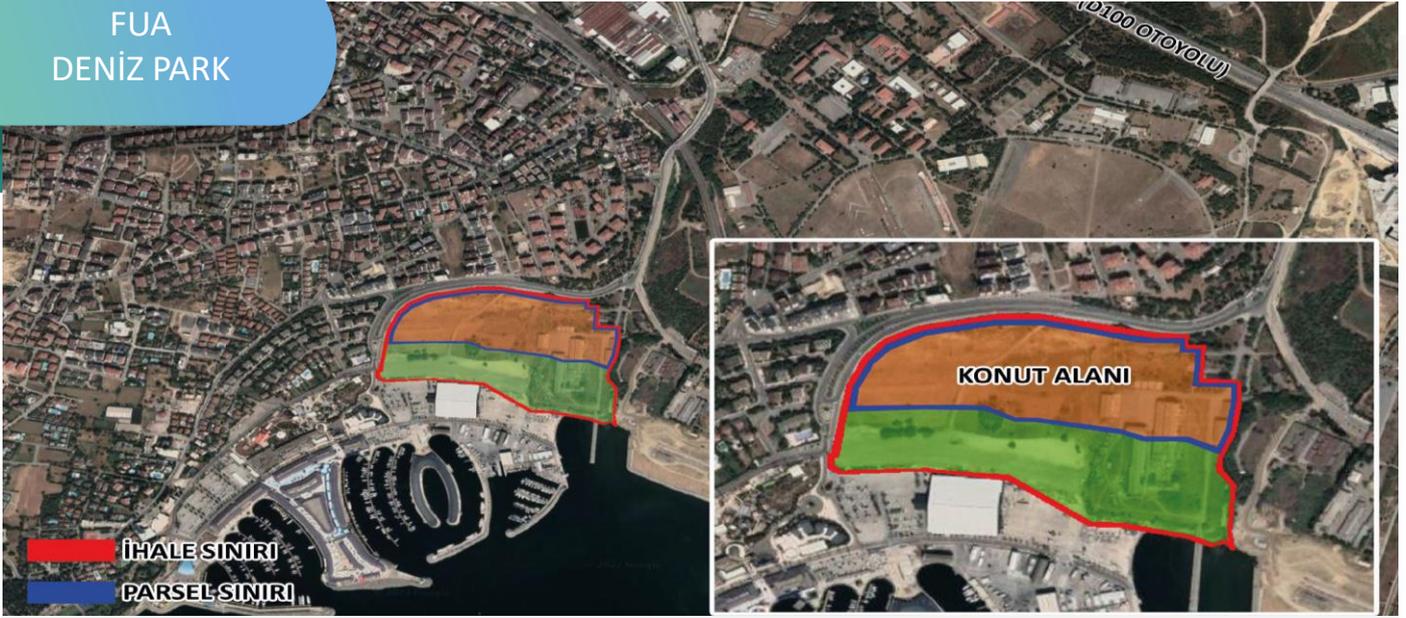
Contractor	Land Area	Total Sales Revenue	Min. Company Share
PASİFİK - LEVENT	17.194	9.006.288.393 TL	4.052.829.776,85 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%28,73	205	%45.00	2026

MEYDAN
BAŞAKŞEHİR



Contractor	Land Area	Total Sales Revenue	Min. Company Share
İNTEK KONUT & SOM PLUS & NURGRUP & HAK TİCARET	63.474	1.690.000.000 TL	625.300.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%68,94	519	%37.00	2024

FUA
DENİZ PARK



Contractor	Land Area	Total Sales Revenue	Min. Company Share
CEVAHİR	50.561	6.174.285.714 TL	2.161.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%4,02	691	%35.00	2026



BARBAROS 48



Contractor	Land Area	Total Sales Revenue	Min. Company Share
FUZUL & FUZUL	3.357	1.616.267.130 TL	808.133.565 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%26,93	51	%50.00	2024

ATAŞEHİR
KÜÇÜKBAKKALKÖY



Contractor

DAP

Land Area

13.111

Total Sales Revenue

2.236.500.000 TL

Min. Company Share

894.600.000 TL

Progress Level

%0.0

of Units

71

Company Share Ratio

%40.00

Completion Date

2026

EBRULİ
KAYAŞEHİR



Contractor

EBRULİ

Land Area

30.056

Total Sales Revenue

3.186.121.288 TL

Min. Company Share

1.210.726.089 TL

Progress Level

%20,1

of Units

296

Company Share Ratio

%38.00

Completion Date

2025

ÜMRANIYE
İNKILAP

İSTANBUL - ÜMRANIYE - İNKILAP



Contractor	Land Area	Total Sales Revenue	Min. Company Share
KİLER – BİSKON	23.379	3.562.000.000 TL	1.781.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	359	%50.00	2027

ANKARA ÇAYYOLU
2. ETAP

ANKARA ÇANKAYA ÇAYYOLU 2. ETAP

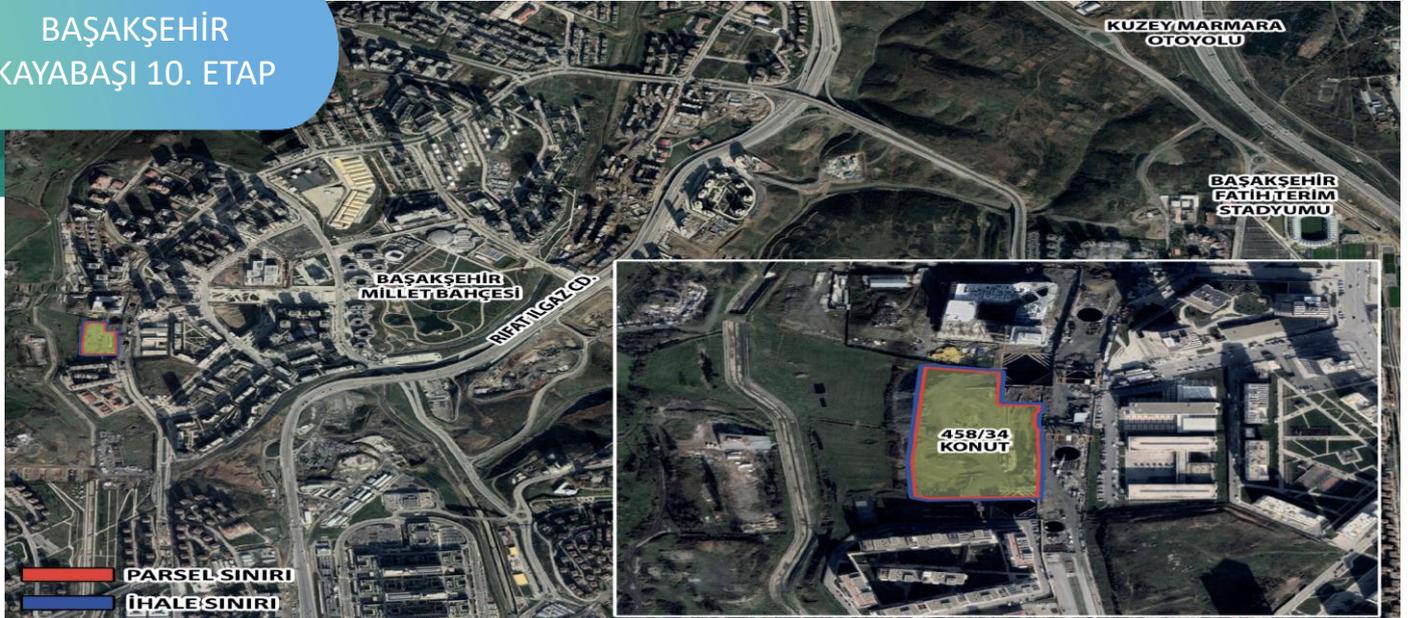


Contractor	Land Area	Total Sales Revenue	Min. Company Share
TEKFEM	37.932	426.100.000 TL	170.440.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	50	%40.00	2026



Contractor	Land Area	Total Sales Revenue	Min. Company Share
DAĞ	74.368	5.115.000.000 TL	1.790.250.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%7,45	537	%35.00	2026

BAŞAKŞEHİR
KAYABAŞI 10. ETAP



Contractor	Land Area	Total Sales Revenue	Min. Company Share
ISRA - KIRLANGIÇ	26.333,18	3.755.000.000 TL	1.502.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	-	%40	2026

MAJÖR GÖLYAKA



Contractor	Land Area	Total Sales Revenue	Min. Company Share
CEVAHİR	187.576	4.745.714.286 TL	1.661.000.000,10 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%6,8	796	%35.00	2026



Contractor	Land Area	Total Sales Revenue	Min. Company Share
ÖZ ERKA - YİĞİT	94.585	7.221.000.000 TL	2.527.350.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%6,09	755	%35.00	2027

EYÜPSULTAN
KEMERBURGAZ



Contractor	Land Area	Total Sales Revenue	Min. Company Share
CABA – MESA MESKEN – MESA HOLDİNG	51.113,82	12.050.000.000 TL	4.820.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	300	%40.00	2027

BİZİM MAHALLE
2-1 2-2

NBUL - KÜÇÜKÇEKMECE - BİZİM MAHALLE
2. ETAP 1. KISIM



Contractor	Land Area	Total Sales Revenue	Min. Company Share
ÖZAK	102.344	17.340.000.000 TL	5.202.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	1.350	%30.00	2027

* 2 ayrı ihalenin toplam rakamlarını içermektedir.

NEXT LEVEL
BODRUM



Contractor	Land Area	Total Sales Revenue	Min. Company Share
PASİFİK	51.113,82	7.770.000.000 TL	3.496.500.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	60	%45.00	2026



Contractor	Land Area	Total Sales Revenue	Min. Company Share
AYDIR	67.294	2.870.000.000 TL	861.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%25,3	632	%30.00	2026

İSTANBUL
KAYABAŞI 9. ETAP



Contractor	Land Area	Total Sales Revenue	Min. Company Share
BİNBAŞI & SOM	29.915,64	6.427.500.000 TL	2.571.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	404	%40.00	2026

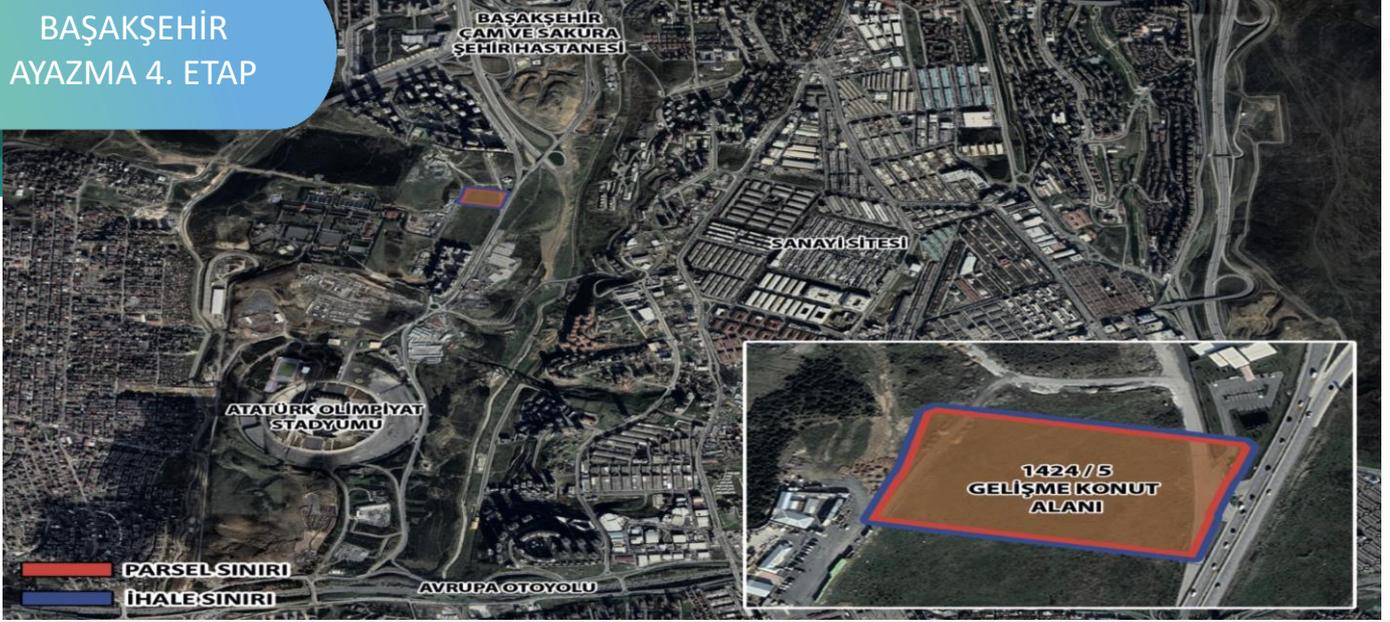


ANTALYA AKSU 1. ETAP



Contractor	Land Area	Total Sales Revenue	Min. Company Share
İZKA	64.108	5.050.000.000 TL	1.515.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	1.443	%30.00	2026

**BAŞAKŞEHİR
AYAZMA 4. ETAP**



Contractor	Land Area	Total Sales Revenue	Min. Company Share
FUZUL	-	4.125.000.000 TL	1.650.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	-	%40	2026

**ÇEKMEKÖY
ÇINARKÖY**



Contractor	Land Area	Total Sales Revenue	Min. Company Share
İZKA – PARK İSTANBUL	58.970,85	12.010.000.000 TL	4.804.000.000 TL
Progress Level	# of Units	Company Share Ratio	Completion Date
%0.0	-	%40.00	2027

BEŞİKTAŞ
AKAT



Contractor

YİĞİT - KUBBA

Land Area

-

Total Sales Revenue

7.052.500.000 TL

Min. Company Share

2.821.000.000 TL

Progress Level

%0.0

of Units

-

Company Share Ratio

%40

Completion Date

2026

Project Name	Emlak Konut Min. Guaranteed Revenue	Min. Profit	Total Number of Units	Units Sold	(%) Sold
1 CER İSTANBUL	549.518.683	407.367.120	119	119	100,00
2 NİDAPARK KÜÇÜKYALI	3.576.565.267	1.338.736.403	2.244	2.147	95,68
3 MERKEZ ANKARA	2.895.967.620	624.170.400	3.359	2.540	75,62
4 NİDAPARK İSTİNYE	6.448.475.060	1.897.568.657	543	441	81,22
5 NİŞANTAŞI KORU	2.745.135.785	-428.968.052	196	132	67,35
6 ALLSANCAK	294.551.644	270.397.733	1.104	739	66,94
7 EVORA İZMİR	502.469.464	487.925.297	1.195	724	60,59
8 DÜŞLER VADİSİ	826.256.166	752.660.297	1.400	780	55,71
9 MEYDAN BAŞAKŞEHİR	1.024.969.915	-298.022.330	519	235	45,28
2024	18.863.909.603	5.051.835.525	10.679	7.857	73,77
10 BARBAROS 48	357.621.409	112.331.063	51	20	39,22
11 NEXT LEVEL İSTANBUL	4.326.461.730	3.219.364.123	205	205	100,00
12 YENİ LEVENT	4.975.664.406	3.370.024.693	1.019	491	48,18
13 BATI YAKASI 1. ETAP	1.279.933.968	502.181.110	677	286	42,25
14 BATI YAKASI 2. ETAP	1.287.498.644	91.968.163		Satışta değil	0,00
15 KAYABAŞI 8. ETAP	883.763.774	214.121.200	296	42	14,19
16 ANKARA ÇAYYOLU 2. ETAP	260.048.105	138.926.067		Satışta değil	0,00
17 TUZLA MERKEZ	2.478.148.829	1.594.933.678	691	139	20,12
18 ATAŞEHİR KÜÇÜKBAKKALKÖY	1.136.517.990	905.754.252		Satışta değil	0,00
19 TUAL GÖLYAKA	1.972.146.644	1.399.872.300	537	118	21,97
20 GÖLYAKA İSTANBUL	2.731.249.407	2.107.577.416	755	33	4,37
21 PARK YAŞAM ANTALYA	1.703.783.186	1.454.310.565	1.143	13	1,14
22 MAJÖR GÖLYAKA	1.829.151.343	1.213.424.895	796	110	13,82
23 BİZİM MAHALLE 2-1	2.567.352.944	1.091.422.838		Satışta değil	0,00
24 BİZİM MAHALLE 2-2	3.140.070.140	607.355.400		Satışta değil	0,00
25 ÜMRANİYE İNKILAP	2.078.078.197	1.068.473.514		Satışta değil	0,00
26 BAŞAKŞEHİR HOŞDERE 7. ETAP	963.907.200	679.188.913	632	235	37,18
27 EYÜPSULTAN KEMERBURGAZ	5.299.969.227	4.654.954.701	300	43	14,33
28 MUĞLA BODRUM TÜRKBÜKÜ	3.796.941.991	3.332.575.289		Satışta değil	0,00
29 KAYABAŞI 9. ETAP	2.715.888.031	1.727.277.688		Satışta değil	0,00
30 ÇEKMEKÖY ÇINARKÖY	5.113.593.163	3.716.445.797		Satışta değil	0,00
31 BAŞAKŞEHİR AYAZMA 4. ETAP	1.687.573.220	794.309.349		Satışta değil	0,00
32 BEŞİKTAŞ AKAT	2.863.123.824	1.793.301.956		Satışta değil	0,00
33 KAYABAŞI 10. ETAP	1.559.783.518	1.344.182.204		Satışta değil	0,00
2025	57.008.270.891	37.134.277.175	7.102	1.735	24,43
TOTAL	75.872.180.494	42.186.112.700	17.781	9.592	53,95



EMLAK KONUT
VADİEVLERİ



Contractor	Land Area	Current Agreement Value	Book Value + Progress Payment
AHES & MİSEK	94.553	740.788.582,25 TL	865.403.655 TL
Completion Date	# of Units	Progress Level	
2024	552	%81,77	

EMLAK KONUT
BİZİM MAHALLE
1-3



Contractor	Land Area	Current Agreement Value	Book Value + Progress Payment
İLK YAPI - GÜRTAŞ	29.937 m2	858.956.692 TL	1.212.749.964 TL
Completion Date	# of Units	Progress Level	
2024	401	%71,85	



Contractor	Land Area	Current Agreement Value	Book Value + Progress Payment
VARIOUS	122.572	1.230.000.000 TL	7.901.125.003 TL
Completion Date	# of Units	Progress Level	
2024	1.948	%75,41	



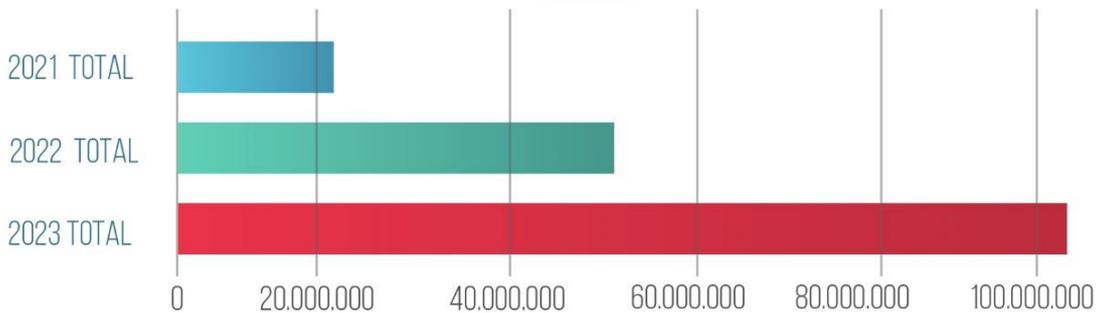
Contractor	Land Area	Current Agreement Value	Book Value + Progress Payment
MESA MESKEN	71.443,03	1.150.000.000 TL	3.583.324.926 TL
Completion Date	# of Units	Progress Level	
2024	141	%63,34	

Project Name	Book Value + Progress Payment (TRY)	Total Number of Units	Sold (2023)
1 Ankara Saraçođlu	2.249.378.400	456	9
2 Bizim Mahalle 1-3	1.212.749.964	401	388
3 Bizim Mahalle 1-4	249.532.656	336	327
4 Emlak Konut Vadi Evleri 1-1	865.403.655	552	524
5 Emlak Konut Vadi Evleri 1-2	979.926.917	390	356
6 Çekmeköy Çınarköy 1. Etap	3.583.324.926	141	140
7 Çekmeköy Çınarköy Konut Etapları	7.901.125.003	1.948	1.672
8 Çekmeköy Çınarköy Satış Ofisi Yapım İŖi	107.939.962	-	-
9 Çekmeköy Çınarköy Satış Ofisi Tamamlama İŖi	160.488.100	-	-
10 Çınarköy Projesi Lise Yapım İŖi	115.874.887	-	-
11 Çınarköy Projesi Dini Tesis Yapım İŖi	441.346.497	-	-
12 Çekmeköy 565 Ada 3 Parsel Park Yapım İŖi	83.536.447	-	-
13 Çekmeköy Millet Bahçesi Yapım İŖi	279.617.356	-	-
14 Avcılar Firuzköy 5. Etap	843.429.197	-	-
15 Balıkesir Altiyöl	878.387.926	444	68
16 Avcılar Firuzköy Altyapı Yapım İŖi	739.948.549	-	-
17 Küçükçekmece Halkalı Okul Yapım İŖi	230.111.998	-	-
18 Merkez Anlkara O Blok Yapım İŖi	267.868.510	-	-
19 Hoşdere Vadi Evleri Genel Altyapı İŖi	171.718.587	-	-
20 Dursunköy Konut Etapları	137.698.701	-	-
21 Çekmeköy İlkokul Binası Yapım İŖi	17.740.800	-	-
TOTAL	21.517.149.040	4.668	3.484

EMLAK KONUT REIC

RENTED AND LEASED PROPERTIES

PROJECTS	2023 REVENUE (TL)
GENERAL DIRECTORATE A BLOCK	15.750.677
ESENLER EMLAK KONUTLARI	124.656
AĐAOĐLU MASLAK 1453	3.798.985
SARPHAN FİNANS PARK	7.644.861
BÜYÜKYALI MALL	37.265.737
İSTMARİNA MALL	34.804.134
VARIOUS LAND	844.257
	105.233.308



Along 71 Years
Happiness
is right here

Along 71 years we strove to be the right place
for happiness, peace and trust.

71
Anniversary
EMLAK
KONUT



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IMPORTANT DEVELOPMENTS

- Total sales revenue rose in Evora İzmir, Düşler Vadisi, Next Level, İdealist Koru-İdealist Cadde, Başakşehir Avrasya Konutları and Yeni Levent projects.
- We held İstanbul Başakşehir Kayabaşı 9th Stage, İstanbul Çekmeköy, İstanbul Başakşehir Ayazma, İstanbul Beşiktaş Akat ve İstanbul Başakşehir Kayabaşı 10th Stage Revenue Sharing Model Projects in Return for Land Sale tenders obtaining a minimum Company share of 13,366,000,000 TRY.
- Our company used 1.163.324.638 in loans from various banks in 2023.
- As for the issuance of lease certificates (Sukuk), our Company issued lease certificates worth 3.715.200.000 TRY with an average maturity of 95 days in 2023.
- As for the issuance of lease certificates (Sukuk), our Company issued lease certificates worth 3.399.450.000 TRY with an average maturity of 95 days to be followed by payment on returns and repayment in 2023.
- Our company's Board of Directors has decided, in accordance with Presidential Decree No. 126 dated 23.02.2023 and in line with the agreement reached with the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey, to undertake all kinds of services related to the temporary housing areas and commercial buildings, permanent housing, social facilities, general infrastructure, roads, environmental planning, and all related activities required due to the earthquake that occurred in Kahramanmaraş. The Ministry will cover all expenses related to the procurement of services and the tender process for these tasks will be conducted by our company.
- Our company's 292/220 Block/Parcel numbered property located in İstanbul province, Bakırköy district, Florya Mahallesi was sold over the price of TRY 1,171,800,000 including VAT.
- Our Board of Directors has decided to initiate the housing project development work on a land of 3.6 million sqm located at the address of İstanbul province, Arnavutköy district, Dursunköy quarter, in which our Company and Turkish Airlines A.O. each have 50% shares. Construction permits for parcels within the scope of the project has been obtained.
- As result of the "Surveillance" and "Certification" audits carried out by the Turkish Standards Institute Audit Committee within the scope of the Integrated Management System, which was started to be implemented in our company, It has been decided by the Turkish Standards Institute, to continue validity of TS EN ISO 9001 Quality Management System Certificate, TSE ISO 10002 Customer Satisfaction Management System Certificate, TS ISO EN 14001 Environmental Management System Certificate and TS ISO 45001 Occupational Health and Safety Management System Certificate were granted to our Company.
- Since the Board Member and General Manager Mr. Hakan GEDİKLİ will retire according to his letter of resignation dated 06.07.2023, he stepped aside from his duties in our Company. According to the today's decisions of the Board of Directors; Mr.Cengiz ERDEM has been assigned as the General Manager of the Company, Mr.Cengiz ERDEM was also assigned as the Board Member, according to the article 363 and sub-article 1 of TCC, until the submission to the approval of the first General assembly.
- The independent members of the Board of Directors Mr. İsmail Çataklı and Mr. Burak Demiralp has resigned from his posts including committees on 11.07.2023. Appointment for the unoccupied Independent Board Member position has been completed and in accordance with the decision of the Capital Markets Board for not giving negative opinions, Mr. Refik Tuzcuoğlu and Mr. Hakkı Alp started to work as an Independent Board Members of our Company.
- Within the scope of İstanbul Sarıyer Zekeriyaköy 4th Stage Revenue Sharing in Return for Land Sale Project, block 1791, parcel 4 was purchased by the Contractor YILDIZLAR İNŞAAT VE TİCARET A.Ş. on 10.10.2023 for a total price of TRY 4,000,000,000 (inc VAT). Emlak Konut's share of the sale is TRY 1,400,000,000 (inc VAT).
- Within the scope of İstanbul Beşiktaş Ortaköy Revenue Sharing Model Project in Return for Land Sale Project, 137 units in Next Level İstanbul project have been purchased with an amount of VAT inc. TRY 7,565,626,070.83 by Pasifik Gayrimenkul Yatırım Ortaklığı A.Ş.. Emlak Konut's share of the relevant sale is TRY 3,404,531,731.87 inc. VAT .
- Of the repurchased shares held by our company, a portion with a nominal value of 187,000,000 TL, representing 4.92%, was transferred to a foreign institutional investor located outside Turkey through placement and 7.50 TL per share by applying a discount rate of approximately 7.5% to the closing price on September 18, 2023. The total of the remaining EKGYO shares owned by the Company as a result of the repurchases after the said sale is 4,550,291 lots of shares (total nominal value of 4,550,291 TL) and the ratio of these shares in the Company's capital is approximately 0.12%.

Emlak Konut REIC acknowledges its main management principle to comply with the "Corporate Governance Principles" and practices by the Capital Markets Board (CMB).

The principles of "Equality", "Transparency", "Accountability" and "Responsibility" have been adopted to continuously improve the corporate governance approach.

In line with the Corporate Governance Principles, the Company values the importance of "Independent Board Members" for the effective functioning of the Board. Vedad Gürgen, Refik Tuzcuoğlu and Hakkı Alp who have the qualifications required by the law continue to serve as Independent Board Members.

The "Sustainability Committee", the "Corporate Governance Committee", the "Audit Committee" and the "Early Detection of Risk and Risk Management Committee", which are composed of the Board members continue their activities. The Corporate Governance Committee also fulfills the duties of the "Remuneration Committee" and the "Nomination Committee".

Detailed explanations regarding the Board of Directors and the committees are provided in Part IV.

At the Ordinary General held on 31.03.2023, the shareholders were informed on the principles related to the remuneration of the members of the Board of Directors and senior executives in accordance with Article 4.6.2 of the Corporate Governance Principles. Relevant information is explained in detail under the heading General Assembly.

All mandatory principles in the CMB's Corporate Governance Communiqué No. II-17.1 and the Sustainability Principles Compliance Framework are complied with. Compliance with the majority of non-mandatory principles has been achieved, but efforts are underway to ensure full compliance with them. In addition, there are no conflicts of interest due to non-compulsory principles that are not fully complied with.

Principles that are not mandatory but not yet fully complied with are listed below. Justifications and additional explanations are provided in the relevant sections of the report on a principle-by-principle basis.

Regarding the principle 1.4.2, The

Company has the privilege of nominating only Group A shares to nominate members of the Board of Directors because it is a subsidiary of TOKI.

Regarding the principle 1.5.2, the minority rights are not granted to those who have less than one twentieth of the capital, and the rights granted to minority are provided pursuant to the general practices.

Regarding the principle 3.1.2, the Company takes into consideration the provisions of the Labor Law No. 4857 within the scope of indemnification of the employees. The Company pursues efforts to create a compensation policy that respects principles of equality, fairness and impartiality.

Regarding the principle 4.2.8, the negligence of the Members of the Board of Directors and/or they damages they may cause when performing their duties were insured up to \$5 million.

Regarding the principle 4.3.9, the Company carries on its activities to set a target time to ensure that at least 25 percent of the Board of Directors consists of women.

Regarding the principle 4.3.10, all resources and support are provided for the committees to fulfill their duties. But, our audit committee does not include any members with 5 years of experience in audit/accounting and finance matters because the committees have the opportunity to benefit from independent expert opinions on audit/accounting and finance matters when needed.

Regarding principle no. 4.5.5; no change is foreseen in the short term in the current practice since the issue of a Board member's participation in more than one committee does not create any negative situation in terms of corporate governance, taking into account the effective work of the Board of Directors.

Regarding principle of 4.6.5, the benefits provided to senior management are explained in parallel with the general practices as presented in the General Assembly and footnotes of the financial statements.

No changes were made to the Articles of Association in 2023, as there was no need for additional regulation in the context of compliance with corporate governance principles.

An "Information Security Policy" as created in 2017 and published its Turkish and English versions on corporate website to ensure the confidentiality of information of shareholders, contractors and related third parties. The information security policy is also included in the "Policies" section of this report.

In line with the Corporate Governance Principles, revisions were made to Emlak Konut's "Regulation on Duties, Authorities and Responsibilities, Personnel and Discipline", "Regulation on Procurement and Leasing of Goods", "Regulation on Procurement of Services", "Regulation on Tenders and Contracts for Construction Works", "Regulation on Tenders and Contracts for Revenue Sharing in Return for Sale of Land" and "Regulation on Purchase, Sale, Leasing and Renting of Real Estate".

The Company's "Corporate Governance Compliance Report" and "Corporate Governance Information Form" for 2023 are made public through the Public Disclosure Platform (www.kap.org.tr) pursuant to the Capital Markets Board's decision dated 10.01.2019 and numbered 2/49, and the report can also be accessed via the QR code below.



Ertan Keleş**CHAIRMAN OF
THE BOARD
EXECUTIVE**

Ertan Keleş was born in 1976 in Giresun. He graduated from Civil Engineering Department of the Middle East Technical University in 1998. He served as a Construction Engineer at Telekomünikasyon İnşaat. A.Ş. and Dky Telekomünikasyon İnşaat. A.Ş. from 1998-2000 and 2001-2002, respectively.. He worked as a Project Manager at Aset Dekar İş Ortaklığı from 2002-2004, and as Deputy General Manager at Yalova Hazır Beton Ltd. Şti. and Turkuaz Kablo Taah. İnşaat. Tic. A.Ş from 2004-2005 and 2002-2005, respectively. From 2005-2014, he served as a Board Member and General Manager at Beltur A.Ş. company of Istanbul Metropolitan Municipality. He served Reform Dış Ticaret Ltd. Şti as a consultant from 2014-2016. He served as Emlak Konut REIC's Vice Chairman of the Board between 2014 and 2018. He has been serving as the Chairman of the Board since 2018.

**Mustafa Levent
Sungur****VICE CHAIRMAN OF
THE BOARD NON-
EXECUTIVE**

Mustafa Levent Sungur was born in 1981 in Trabzon. Having completed his undergraduate education in Civil Engineering at the Civil Engineering Department of the Middle East Technical University, he ungun graduated as a Civil Engineer in 2003. He served in various companies in Turkey and abroad in his professional life. He started to work as an expert in the Housing Development Administration in 2006. Levent Sungur was appointed as the Head of Housing Development Projects and Research Department from May 2009-December 2018 after serving as Static, Geotechnical and Infrastructure Department Managers, respectively. He has been the Vice President of Housing Development Administration since December 2018. He speaks English fluently and a little Persian and German. Mustafa Levent Sungur is married with three children.

Cengiz ERDEM**BOARD MEMBER
GENERAL
MANAGER
EXECUTIVE**

Cengiz ERDEM was born in Kars in 1969. 1994 : Graduated from Yıldız Technical University Geodesy and Photogrammetry Engineering Department. 2014 : He completed his master's degree in Occupational Health and Safety at Okan University. 2023 : Anadolu University - Business Administration Foreign Language: English. 2023/7 :Appointed as General Manager of Emlak Konut REIC. 2023-2023/7: Republic of Turkey Ministry of Transport and Infrastructure - Head of Electronic Communication Department. 2020-2023: Ümraniye Municipality - Technical Consultancy to the Mayor 2019-2020: GEDAŞ General Manager. 1997-2019: KİPTAŞ (Istanbul Housing Development Plan Industry and Trade Inc.) 1996-1997: Kutman Holding – Surveying Engineer. Cengiz ERDEM is married and has 3 children.

Hakan Akbulut**BOARD MEMBER
NON-EXECUTIVE**

Hakan Akbulut was born in Ardahan in 1966. He graduated from Uludağ University, Department of Public Administration in 1988. He completed his master's degree on Urban Transformation at Institute of Science, Okan University in 2018. Akbulut started to work as a Finance and Portfolio Manager at Emlak Konut REIC in 2003 after working for the accounting and finance in the private industry for many years. He served as Finance and Portfolio Manager at Emlak Konut REIC between 2003 and 2010 and as Deputy General Manager with a financial role from 2010 to April 2019. Akbulut has experience in Management, Capital Market Legislation, Financial Legislation and Accounting Practices, Relations with National and International Banks and International Investment Funds. Following his experience in the public and private sectors, he was appointed as Vice President of TOKİ on April 29, 2019. Akbulut has Advanced Level Documents in Financial Consultancy, Real Estate Appraisal, Corporate Governance and Capital Markets Board and speaks English fluently and Arabic in intermediate level. Hakan Akbulut is married with three children.

Refik TUZCUOPLU**BOARD MEMBER
NON-EXECUTIVE
INDEPENDENT**

Refik TUZCUOĞLU was born in Konya in 1967. He graduated from Istanbul University, Faculty of Political Sciences, Department of Public Administration. 1997-2004 : Head of family businesses. 2004 : Elected Mayor of Meram in Local Government Elections. 2009-2014 : He served as the General Coordinator of Kayseri Metropolitan Companies and a member of the Board of Directors of KASKI. 2016-2018: Served as Deputy Undersecretary of the Ministry of Environment and Urbanization and Deputy Chairman of the Board of Directors of ILBANK. 2018-2019:Served as Secretary General of Ankara Metropolitan Municipality. 2018-2023: Served as a member of the Presidential Local Government Policies Committee. 2023: Appointed Deputy Minister of the Ministry of Environment, Urbanization and Climate Change. Refik TUZCUOĞLU is married and has 3 children.

Vedad GÜRGEN**BOARD MEMBER
NON-EXECUTIVE
INDEPENDENT**

Vedad GÜRGEN was born in Ankara in 1973. 1991 : He graduated from Ankara Atatürk High School. 1995 : He graduated from ITU Faculty of Civil Engineering, Department of Civil Engineering. 1997 : He completed his master's degree in the Department of Structural Analysis and Dimensioning at the Institute of Science and Technology at the same University (ITU). 1998 : He started his career as an engineer at the Ministry of Public Works and Settlement. 2000-2007 : He served as assistant inspector and inspector, respectively. 2007-2010 : He continued his duty as an internal auditor after the Public Financial Management and Control Law No. 5018 came into force. He served as Vice President and Head of the Internal Audit Unit. 2010-2011 : He served as the Head of Strategy Development at the Ministry of Public Works and Settlement, and later at the Ministry of Environment and Urbanization. 2012 : He was appointed as the General Manager in 2012 at the General Directorate of Infrastructure and Urban Transformation Services, where he was appointed by proxy in 2011, and he still carries out this duty. Gürgen, who is married and has 2 children, speaks English well.

Hakkı ALP**BOARD MEMBER
NON-EXECUTIVE
INDEPENDENT**

Hakkı ALP was born in Kayseri in 1986. 2009 : Graduated from Yıldız Technical University, Faculty of Civil Engineering, Department of Geomatics Engineering. 2009-2010 : He worked as a Map and Expropriation Supervisor in an engineering company in Ankara. 2011-2012 : He worked in the Map Unit within Kayseri Mimarsinan Organized Industrial Zone Directorate. 2012: He started to work as a Map Engineer at Kayseri Metropolitan Municipality Department of Reconstruction and Urbanization. 2014: He served as Map and Expropriation Branch Manager and Urban Transformation Branch Manager of Urban Transformation Department. 2015: Appointed as the Head of Urban Transformation Department. 2023: Appointed as General Manager of Infrastructure and Urban Transformation Services at the Ministry of Environment, Urbanization and Climate Change. Hakkı ALP is married with one child and speaks English.

Consisting of seven members elected by the General Assembly under the TTC provisions fulfilling the conditions set out in the Turkish Commercial Code and the Capital Markets Board legislations, the Board of Directors is responsible for managing and representing the Company before the third persons.

Ever year, the Board of Directors elects, in its first meeting, a chairman and at least one vice-chairman to act in chairman's place in their absence.

Board members are elected by the General Assembly. The Board consists of seven members including the Chairman, Vice-Chairman, and five other members, Emlak Konut REIC has three Independent Board Members in its Board in accordance with the Corporate Governance Principles. Independent Members of the Board meet the independence criteria as defined in the relevant legislation.

Members can be re-elected at the end of their terms by being nominated. If a member leaves his or her position for any reason, the Board of Directors shall temporarily elect a member who satisfies the requirements set forth in the TCC and capital market legislation and present them for approval at the first General Assembly. The member elected in this way shall serve until the General Assembly and complete his/her predecessor's term in case of approval. Board members can removed at any time by the General Assembly.

The Declaration of Independence of Vedad GÜRGEN as an Independent Member of the Board was established with the document dated March 8, 2023 and numbered 14054 approved by the Kadıköy Notary Office No. 12. The Declaration of Independence of Refik TUZCUOĞLU as an Independent Member of the Board of Directors, was established with the document dated July 17, 2023, No. 44161 approved by the Kadıköy Notary Office No. 9. The Declaration of Independence of Hakkı ALP, an Independent Member of the Board of Directors, was established with the document dated, July 17, 2023, No. 44162 approved by the Kadıköy Notary Office No. 9.

The Company disclosed the declarations of independence to all stakeholders under the General Assembly section of "Investor Relations" on the corporate website and corporate governance compliance report.

The Corporate Governance Committee

nominated 3 persons (Vedad GÜRGEN, Refik TUZCUOĞLU and Hakkı ALP) as independent member candidates within the related period, prepared its report on the independence criteria of Vedad GÜRGEN on 08.03.2023, submitted it to the Board, which approved it on 08.03.2023. The Committee prepared its report on the independence of Refik TUZCUOĞLU on 11.07, 2023, submitted it to the Board, which approved it on 11.07.2023. The Committee prepared the report stating that Hakkı ALP meets the independence criteria on 11.07.2023 and it was approved by the Board on the same date. In the relevant period, no situation eliminated the independence of independent members. Due to Burak DEMİRALP's and İsmail ÇATAKLI's resignation on 11.07.2023, our Board made a decision dated 11.07.2023 and numbered 37-118 to appoint Refik TUZCUOĞLU and Hakkı ALP as an Independent Board Member to serve until the first general assembly upon the positive opinion of the Presidency of the Capital Markets Board within the framework of the proposal of the Corporate Governance Committee of the Company.

Members of the Board of Directors of spares sufficient time for company activities. If a board member is a manager or board member at another company or provides consultancy services to another company, it is essential that such situation does not cause conflict of interest or hinders that member's duties at the Company. When members can take another duty or duties outside the Company are determined or limited by the CMB communiques and the TTC provisions. The duties and transactions that can be carried out by Board members outside the Company are stated in Article 22 of the Company's Articles of Association as follows:

Shareholders, Board members, senior executives and their spouses and second degree relatives by blood or marriage who has control of the Company management should receive the General Assembly's prior approval to be able to carry out transactions that can case conflict of interest with the Company or its subsidiaries and the Assembly should be informed about such transactions.

Financial Rights

The Remuneration Policy, which includes all rights, benefits and wages given to the Board members and senior executives as

well as the criteria used to determine them and remuneration principles, is available on the corporate website for the review of all stakeholders.

The Company presented the remuneration principles and criteria to the review of the shareholders with the "Disclosure Document" published on the PDP on March 07, 2023, before the General Assembly, which was held on, March 31, 2023. All documents related to the General Assembly are also available on the corporate website.

In addition, Article 16 of the Articles of Association stipulates the principles related to "Wages of the Board Members and Senior Managers". The Company presents its Articles of Association to stakeholders on the corporate website.

The benefits provided to senior managers are announced to the public with references to total figures in the footnotes of financial statements and independent audit reports. In 2023, the Company did not lend or provide loans to any Board Member or senior manager Nor did the Company extend the duration of the previous debts and loans, improve their conditions, provide personal loans under through a third party or give guarantees such as sureties in their favor.

Benefits to Management	January 1 - Saturday, December 31, 2023	January 1 - Friday, December 31, 2022
Salaries and other Short-term Benefits	20,000	15,000

The Board meets with the frequency that it can effectively fulfill its duties and with the majority of its members. The method for holding board meetings is written in Article 14 of the Company's Articles of Association. The Board convenes upon the invitation of the chairman or vice chairman. Each member of the Board of Directors may apply in writing to the Chairman or Vice Chairman and request that the board be called for a meeting. Board members shall have the authority to make a meeting request if the Chairman or the Vice Chairman still does not call the Board of Directors to a meeting. Shareholders with at least 5 percent share of the Company's capital may invite the Board of Directors to hold a meeting by submitting a request to the Chairman. If the Chairman comes to a conclusion that there is no need to convene immediately, he or she can open the matter subject to the invitation up for discussion at the next Board meeting.

The Chairman of the Board of Directors meets with the other members of the Board of Directors and General Manager to determine its meeting agenda.

The Board can decide to make changes to the agenda. The members take pay attention to attending each meeting and reporting their opinions.

The Board takes decisions with the majority of the members present at the meeting. So if the number of votes are equal, that topic is left to the next meeting. A proposal with equal votes in that particular meeting is considered rejected. Every member has one voting right at meetings. The voting right can be exercised in person. Votes are cast as in favor and against during the Board meeting. The member casting a vote against writes down the reason and puts his/her signature.

191 Board decisions were taken between 01.01.2023 and 31.12.2023. All resolutions were adopted unanimously and applied. The Board of Directors convened with the majority of the total number of members and adopted its resolutions with the majority of the members present at the meeting. All members of the Board of Directors attended all meetings. The board members did not express any opinions against the resolutions adopted by the Board in its meetings throughout 2023. Board members are not granted weighted voting rights and/or veto rights.

In the board meetings, the agenda items are discussed openly in all aspects. The Board Chairman exerts efforts to ensure the active participation of the non-executive members in the board meetings. Questions from board members and their reasonable and detailed counter-vote justifications are recorded in resolution

minutes. No such opposition and different opinions were stated throughout the period. It undertakes, as part of the Company organization, the duties of Directorate of Private Affairs and Board secretariat.

Resolutions adopted by the Board of Directors are kept and presented to the relevant authorities when deemed necessary.

The approval of the majority of independent members is required in the Board of Directors resolutions regarding the Company's all related party transactions and the issuance of guarantees, pledges and mortgages for third parties. The failure to obtain such an approval is announced to the public under the public disclosure regulations with sufficient information on the transaction, and the transaction is presented to the General Assembly for approval. Board resolutions lacking these principles are not considered valid. In this period, the Board of Directors did not make any resolution which required the majority of independent members.

Under Article 19 of the Company's Articles of Association "A member of the Board of Directors shall not participate in negotiations where there is a conflict of interest between their personal interests outside the Company and those of the Company as well as between the interests of any of their descendants or spouses or their kinships until third degree including those by marriage and interests of the Company. Board members who breach this provision or members who do not object knowingly to a violating member's participation in the meeting despite the objective nature of the conflict of interest and board members who take a decision to let such members to participate in the meeting shall be liable to compensate losses incurred by the Company."

In this period, the board did not present to the General Assembly any matters related to unapproved related party transactions or important transactions submitted to the approval of the independent board members.

The loss that may be caused by Company's Board members and senior management due to their faults in their duties is insured up to \$5 million.

There have been no legislative changes that could significantly affect the Company's operations.

The lawsuits filed against the Company in 2023 and their provisions are disclosed in footnote 12 of the Independent Auditor's

Report for the year ended 31.12.2023.

There have been no issues that may lead to conflicts of interest between the Company and the institutions that provide services such as investment consultancy and rating.

Committees Established within the Board of Directors

Number, Structure and Independence of the Committees Formed within the Board of Directors As stated in Article 17 of the Company's Articles of Association; "Board of Directors will determine and announce to the public in detail the duties and working areas of the committees and their membership composition taking into account the provisions of the Articles of Association, the Corporate Governance Principles published by the CMB and related legislation. Our company created the committees at the Board of Directors meeting following the amendment of the Articles of Association pursuant to the regulations made mandatory by Corporate Governance Communiqué numbered II-17.1. The Company followed the legislative and regulatory requirements and made necessary committees arrangements.

The following committees continue to carry out activities under Emlak Konut REIC: "Corporate Governance Committee", "Audit Committee", "Sustainability Committee" and Early Risk Detection and Risk Management Committee."

The Corporate Governance Committee also fulfills the responsibilities of the "Remuneration and Nomination" committees.

Committees act in accordance with the working principles prepared under Emlak Konut REIC's internal regulations and the legislation. A board member is assigned to more than one committees under current conditions (because the tasks of the Nomination Committee and Remuneration Committee are undertaken by the Corporate Governance Committee, the Company has three independent members, executive members are required to avoid taking part in committees (except for the Corporate Governance Committee), all the Audit Committee members are independent members, and the committee presidents are elected from such members).

"Duties, working principles, task fields and member composition of the committees are announced by the Board of Directors in detail taking into account the provisions of the Articles of Association, the Corporate Governance Principles published by the CMB and the relevant provisions of the legislation.

The committee presidents are elected among the independent board members. All members of the Audit Committee are also independent member of the Board of Directors. The Company has not assigned or appointed any chief executive officers. General Manager does not assume duties in any of the committees.

The Board of Directors provides all the resources and support necessary for the committees to fulfill their duties. The committees may invite the persons they deem necessary to their meetings and take their opinions.

Committees may benefit from independent expert opinions on matters they consider relevant to their activities. The costs of such consultancy services are met by the Company.

The committees keep a written record of all the activities they undertake. The committees convene when necessary and as described in the working principles to ensure effectiveness of their activities. The committees present the reports on their activities and meeting results to the Board of Directors.

Corporate Governance Committee

The Corporate Governance Committee determines whether the Company implements Corporate Governance Principles and finds conflicts of interest that result from the lack of full compliance, it makes recommendations to the Board to improve corporate governance practices and works closely with the Investor Relations Department.

The operating principles and member information of the Corporate Governance Committee are available on the corporate website under Corporate Governance Information.

<https://www.emlakkonut.com.tr/tr-TR/kurumsal-yonetim-komitesi>

The Committee is established and authorized by the Board of Directors. The Committee shall be selected at the first Board meeting each year after the regular General Assembly session. Thus, the working period of the Committee is in line with that of the Board.

Corporate Governance Committee (Nomination Committee)

The below duties of Nomination Committee stipulated in the Corporate Governance Principles is fulfilled by the Corporate Governance Committee. Information on the working principles and members of the Nomination Committee is available in the "Corporate Governance Information" section of the corporate website.
<https://www.emlakkonut.com.tr/tr-TR/kurumsal-yonetim-komitesi>

a. a) establishing a transparent system for the determination, evaluation and training of the candidates for the Board and executive positions with managerial responsibilities as well as working to determine relevant policies and strategies,

b. b) making regular assessments on the structure and efficiency of the Board of Directors and presenting its recommendations on any likely changes on these matters to the Board. Following are the Nomination Committee's meeting dates and main agendas in 2023:

- 08.03.2023 Determination of the Candidate for Independent Board Membership
- 11.07.2023 Determination of the Candidate for Independent Board Membership
- 20.02.2023 Salaries to Be Paid to the Board Members and Managers with Administrative Responsibility in 2023.

Remuneration Committee;

The duties of Remuneration Committee stipulated in the Corporate Governance Principles is fulfilled by the Corporate Governance Committee.

The operating principles and member information of the Remuneration Committee are available on the corporate website under Corporate Governance Information.

<https://www.emlakkonut.com.tr/tr-TR/kurumsal-yonetim-komitesi>

a. it determines the principles, criteria and practices to be used for the remuneration of the members of the Board of Directors and the managers who have administrative responsibilities taking into account the Company's long-term goals and oversees them.

b. It presents recommendations to the Board members regarding the remuneration to be paid to the Board members and managers with administrative responsibilities taking into consideration the level of accomplishment of the remuneration criteria.

Following are the Remuneration Committee's meeting dates and main agendas in 2023:

- 26.01.2023 Employee Wages in the First Half of 2023
- 31.07.2023 Employee Wages in the Second Half of 2023

Audit Committee

Working under the Board of Directors, the Committee aims to monitor the operation and effectiveness of the Company's accounting system, disclosure of financial

information to the public, independent audit, and the Company's internal control and internal audit system in accordance with Article 17 of the Company's Articles of Association. The selection of the independent audit firm, initiation of the independent audit process through independent audit contracts, and the activities of the independent audit institution at each takes place under the supervision of the Audit Committee.

The operating principles and member information of the Audit Committee are available on the corporate website under Corporate Governance Information.

<https://www.emlakkonut.com.tr/tr-TR/denetimden-sorumlu-komite>

All resources and support are provided for the committees to fulfill their duties. But, our audit committee does not comprise any members with 5 years of experience in audit/accounting and finance matters because the committees have the opportunity to benefit from independent expert opinions on audit/accounting and finance matters when needed.

The Audit Committee convenes at least once every quarter and four times a year, and it records results of the meetings to the minutes presents them to the Board of Directors. The annual report (Corporate Governance Compliance Report) explains the activities of the Audit Committee and the results of the meetings. The Audit Committee notifies the Board of Directors of its findings and suggestions in writing immediately regarding its duties and responsibilities. Accordingly, the Audit Committee made four written notifications to the Board of Directors within the relevant accounting period.

Following are the Audit Committee's meeting dates and main agendas in 2023:

- 07.03.2023: Statement of Liability for Financial Statements
- 09.05.2023: Statement of Liability for Financial Statements
- 16.08.2023: Statement of Liability for Financial Statements
- 30.09.2023: Statement of Liability for Financial Statements

Early Risk Detection and Risk Management Committee

Emlak Konut REIC attaches importance to risk management and pursue improving it continuously as one of the main capital market institutions. The Company strives to implement a total risk management system to institutionalize the risk management and achieve sustainable growth with effective risk management. Early Risk Detection and Risk Management Committee was formed in 2012. It plays an active role in the Company's management and decision-making mechanisms.

The important risks and uncertainties faced by Emlak Konut REIC within the industry and in its own structure can be briefly summarized as follows:

Given the Company's activities, the business model is based on purchasing lands in Turkey, developing real estate projects on purchased lands, and marketing and selling of houses produced. However, the Company's profit from the projects depends largely on good and attractive land procurement and revenues from sales. The Risk Management Committee acts within corporate risk management principles in parallel with legislation and internal regulations, and fulfills its duties for the projects.

The committee objectives and principles are specified as follows in the relevant article of Emlak Konut REIC's Operating Principles of Early Risk Detection and Risk Management Committee: The Company reviews its management systems at least once a year to detect and assess any strategic, operational, financial and similar risks that may endanger the Company's existence, development, and continuity, to calculate the impact and probability of such risks, to manage and report them pursuant to corporate risk taking profile, to implement necessary measures for detected risks, to ensure their consideration in decision-making mechanisms, and accordingly, to advice and make recommendations to the Board of Directors for the establishment and integration of effective internal control systems. The operating principles and member information of the Early Risk Detection Committee are available on the corporate website under Corporate Governance Information.

<https://www.emlakkonut.com.tr/tr-TR/riskin-erken-saptanmasi-ve-risk-yonetimi-komitesi>

Following are the Early Risk Detection and Risk Management Committee's meeting dates and main agendas in 2023:

- 20.01.2023: Activities of the Early Risk Detection and Management Committee
- 27.02.2023: Activities of the Early Risk Detection and Management Committee
- 17.03.2023: Activities of the Early Risk Detection and Management Committee
- 12.05.2023: Activities of the Early Risk Detection and Management Committee
- 05.06.2023: Activities of the Early Risk Detection and Management Committee
- 11.07.2023: Activities of the Early Risk Detection and Management Committee
- 14.08.2023: Activities of the Early Risk Detection and Management Committee
- 14.09.2023: Activities of the Early Risk Detection and Management Committee
- 20.10.2023: Activities of the Early Risk Detection and Management Committee
- 13.11.2023: Activities of the Early Risk Detection and Management Committee
- 15.12.2023: Activities of the Early Risk Detection and Management Committee

Sustainability Activities

The Sustainability Committee was established with the Board decision dated 09.02.2021 for reporting to the Board the Company's sustainability strategy, policy and targets in the fields of environmental, social and corporate governance, and the execution, monitoring and auditing of the practices.

With its first decision dated 05.02.2021, it formed a "Sustainability Working Group" from managers and experienced personnel who will work under the committee, taking into account that comprehensive and continuous work in the fulfillment of the activities.

The operating principles and member details of the Committee are available on our corporate website under the section Corporate Governance. <https://www.emlakkonut.com.tr/tr-TR/surdurulebilirlik-komitesi>

In 2022 and 2023, the Sustainability Committee convened 5 times, setting the KPIs on behalf of the company and identifying sub-groups to follow up on these KPIs.

Sustainability Working Group

1	Ercan Aliođlu	Chair	Deputy General Manager
2	Hicran akmak	Member	Deputy General Manager
3	Rasim Faruk Kadiođlu	Member	General Manager Consultant
4	Emriye Fundagül Őengöçgel	Member	Acting Project Manager No. 1
5	İbrahim Oflaz	Member	Installation Project Manager
6	Enver Turan	Member	Application Manager No. 1
7	Mustafa Buđa	Member	Investor Relations Manager
8	Nilgün Bezek	Member	Quality Management Representative
9	Seda Bayraktar Akgül	Member	Cons. A. / Legal Counseling
10	Betül Demirel	Member	Technical Expert / Project Mgr. No. 2
11	Hilal Koca	Member	Technical Expert Asst. / Environmental Eng. Installation Project Mgr.
12	Yahya Köse	Member	Technical Staff/ Environmental Eng. Installation Project Mgr.
13	Melike Ece Karakuş	Member	Technical Staff/ Energy Systems Eng. Installation Project Mgr.
14	Mustafa Köksal	Member – Secretary	Technical Staff / Energy Systems and Ind. Eng. / Investor Relations Mgr.

Committee Members

Refik TUZCUOđLU	Independent Board Member (Non-executive) Chairman - Audit Committee Chairman - Corporate Governance
Vedad GÜRGEN	Independent Board Member (Non-executive) Member of the Audit Committee, Chairman – Sustainability Committee Chairman of the Early Risk Detection and Management Committee
Hakkı ALP	Independent Board Member (Non-executive) Member - Audit Committee
Ertan Keleş	Member of the Board (executive) Chair of the Sustainability Committee Members of the Early Risk Detection and Management Committee Corporate Governance Committee Member
Mustafa Levent Sungur	Board Member (non-executive), Chair, Early Risk Detection and Risk Management Committee Sustainability Committee Member
Hakan Akbulut	Board Member (non-executive), Corporate Governance Committee Member (Nomination Committee and Remuneration Committee)

“DECLARATION OF INDEPENDENCE” PREPARED PURSUANT TO THE “CORPORATE GOVERNANCE COMMUNIQUE” NO. II-17.1 OF THE REPUBLIC OF TÜRKİYE MINISTRY OF TREASURY AND FINANCE

Regarding the independent board member position I will assume at Emlak Konut REIC (“Company”) pursuant to

- the provisions of the “Corporate Governance Communique” no. II-17.1 of the Capital Markets Board, which was published and made effective in the Official Gazette dated January 3, 2014, and numbered 28871,
- the relevant provisions contained in the Company's articles of incorporation and internal procedures, and
- other relevant legislative provisions,

I declare to the Company's Corporate Governance Committee and the Board of Directors that I meet the qualifications and criteria of an "independent board member", that I read and understood the above information and documents, and that I will fully undertake the duties stated in such information and documents.

I declare that I hold all necessary qualifications to qualify as an independent member according to "Corporate Governance Communique" no. II-17.1 and that,

a) no executive employment relation that would give important duties and responsibilities has been established within the last five years between myself, my spouse, my second degree relatives by blood or by marriage and the Company and the subsidiaries of the Company, and shareholders who control the management of the Company or who have significant influence at the Company and legal persons controlled by these shareholders; and I do not have, together or alone, more than 5% of the Company's capital or voting rights or privileged shares, and I do not have a business relationship of significant nature,

b) within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services,

c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,

ç) I do not work full-time in public institutions and organizations,

I am considered a resident in Turkey according to the Income Tax Law no. 193 dated 31.12.1960.

e) I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company's shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,

f) I will be able to spare the sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,

g) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

ğ) I do not serve as a Board Member at over three companies in which partners have control over the relevant companies or the company's board of directors and over a total of five traded companies,

I have not been registered and announced as a real person representative on behalf a legal person elected as member of the Board of Directors.

Similarly, I declare, pursuant to the related legislation, I would communicate to the Board of Directors any situation prejudicing my independence should it arise so that it can be announced to the public. 25.06.2020

Vedad GÜRGEN

Refik TUZCUOĞLU

Hakkı ALP

Original Signed

Dividend Distribution Policy

Following is Article 30 of the Company's Articles of Association:

Articles of Association, Article 30: Dividend Payout

The Company observes profit distribution regulations under the Turkish Commercial Code and Capital Market Legislation.

The net profit, as stated in the annual balance sheet, is calculated by deducting the Company's general expenses, various amortization considerations, amounts that are required to be paid or set aside and the current payable taxes from the total profit assessed at the end of the fiscal year. After deducting the previous years' losses, the net profit (if any) is distributed in the order listed below.

Primary legal reserve

- a. 5% of the balance sheet profit is set aside as primary legal reserves until the total reserve reaches 20% of the paid-in capital pursuant to Paragraph 1, Article 519 of the Turkish Commercial Law.

First Dividend

- b. It is appropriated from the balance in the amount and proportion determined by CMB.

Second Dividend

- c. Once the items in sub-paragraphs (a) and (b) are deducted from net profit, the General Assembly is authorized to distribute the remaining amount in part or as a whole as second dividend, leave it on the balance sheet as profit for the period, add it to legal or voluntary reserves, or reserve the balance as excess reserve fund.

Second legal reserve

- d. Second legal reserve is set aside pursuant to Sub-paragraph (c), Paragraph 2, Article 519 of the TCC.
- e. Unless the above-mentioned reserve funds and the first dividend are set aside, the decisions on reserving additional funds or carrying forward the profit to the following year cannot be made. Unless the first dividend is paid, the decision cannot be made to distribute profit shares to

members of the Board of Directors, officers, employees and workers.

- f. Dividend advances may be distributed to shareholders pursuant to article 20 of the Capital Markets Law.

In accordance with CMB communiques and regulations, our Company may distribute UP TO 40% of the distributable net period profit (giving cash or bonus shares or both cash and bonus shares to a certain extent) calculated at year-end based on the profit share distribution proposal of the Board of Directors that is submitted to the General Assembly for approval. In doing so, the Company takes into account any negativity in the national and global economic conditions or factors such as the circumstances of the projects and funds on the agenda."

Codes of Conduct and Social Responsibility

In its construction activities, the Company works in cooperation with its contractors to create project models that are based on nature-friendly and clean energy resources. The Company also takes measures for energy savings at its projects and work places, as it believes that effective energy savings will have consequences on the environment and economy. The Company takes into consideration public interest in all its activities and shows utmost care to ensure that the project comply with renewable energy and environmental awareness aspects.

Emlak Konut REIC carries on its all construction and manufacturing activities under the Construction Inspection Law, which was accepted on 29.06.2001, published in the Official Gazette No. 24461 dated 13.07.2001 and reached its final version with the Decree No. 4708 dated 02.11.2011.

Since Emlak Konut REIC attaches great importance to stakeholder concept in the widest sense, as a principle it considers being conscious about the environment, humanity and nature in all its projects. In this respect, the Company issued a Quality Policy posted it on the corporate website. Quality Policy emphasizes a business management approach that contributes to sustainable and social values.

The Company transformed the aforementioned principles into what lays in the bases of Emlak Konut REIC logo.

Emlak Konut REIC's logo represents planned, quality and modern urban life, peaceful and safe family warmth, sensitivity to green and environment.

Emlak Konut REIC plans its social responsibility activities with an emphasis on "sustainability" and "social value creation." It constructs not only modern and healthy buildings and areas required by the public but also units that will be used for public interest. School and mosque constructions are the most typical examples.

Donations and Aid Policy

The Company can give donations and aids within the framework of Article 6 of the Capital Markets Law and the Articles of Association due to a social responsibility approach that prioritizes people, environment and public sensitivity.

Donations and aids shall be provided to public institutions and organizations, environmental foundations, associations, non-governmental organizations and the disaster areas through relief committees and people in need, without disrupting the company's own purpose and subject in cash or in kind, or by other procedures permitted by legislation.

The upper limit of the donations and aids to be made in an accounting period is determined by the resolution of the Board at the ordinary General Assembly of the relevant period. No donations shall be made in excess of the limit set by the General Assembly.

The cash value of non-cash donations is determined and deducted from the limit set by the General Assembly.

The amount of donations and aid shall be added to the distributable profit base calculated under the Capital Market Law and presented to the shareholders at the General Assembly at end of the relevant period.

It is obligatory that the donations and aids do not comply with concealed gain transfer regulations of the Capital Market Law.

Donations and payments to be made by the resolution of the Board shall be made public in accordance with the regulations of the Capital Markets Board regarding the public disclosure of special cases.

Donations and Aids

In 2023, our company donated TRY 1,084,425,000 to support educational, cultural and artistic activities within the scope of social responsibility projects.

Remuneration Policy

The Remuneration Committee established under the Corporate Governance Principles shall provide the Board of Directors with recommendations on the principles of remuneration of the Board members and Executives by taking into account the Company's long-term targets.

Based upon the proposal of the Remuneration Committee, the Board shall submit Board member salaries to the examination of the shareholders who shall approve them at the Ordinary General Assembly of the relevant accounting period.

Board Members are given bonuses four times a year in the amount of monthly net salary determined at the Ordinary General Assembly.

The income tax incurred due to payments to the Board Members at the end of the fiscal year shall be paid by the Company (wages received from more than one employer).

Dividends, stock option plans or performance-based compensation cannot be used to determine the remuneration of independent Board Members. The salaries of these members should be at a level that can preserve their independence.

The Remuneration Committee shall determine monthly net salaries to be paid to Managers by taking into account current economic market data, wage policies applicable in the market, long-term Company goals and the duties, powers and responsibilities assumed by the Managers and submit them to the Board of Directors as a recommendation.

The General Manager shall determine monthly net salaries to be paid to personnel by taking into account current economic market data, wage policies applicable in the market, long-term Company goals, criteria such as educational status, talents, experience, experience, foreign language skills, assumed by the Managers and submit them to the Board of Directors as a

recommendation.

Manager salaries shall be increased according to the proposal of the "Remuneration Committee" and personnel salaries according to the proposal of the General Manager with a Board resolution in January and July of each year. In addition to the monthly net salaries of the managers and personnel, bonuses are given to the in the frequency and amount determined by the Board resolution. Performance premiums, financial awards, etc. can be given to managers and personnel at the discretion of the General Manager in line the Company's internal regulations. Social transportation, food, marriage, birth, death, health, etc. services and benefits are provided to managers and staff.

Human Resources Policy

The Company presented its Human Resources Policy to all stakeholders on the corporate website. The Company did not make any updates to this policy throughout 2023. The Company established a Staff and Human Resources Policy to keep productivity and effectiveness at the highest level by specifying, in its Organization Handbook, the methods and conditions necessary for staff selection, distribution of employment within the Company and staff training that help execution of services in the best way.

The Company's Directorate of Administrative Affairs and Human Resources started to provide services with the status of Administrative Affairs and Human Resources Department starting in 2015 to provide better services.

This presidency also assumes the responsibility of Human Resources Department.

The company's reasons for this change include conducting a more effective HR management.

The Company takes all measures to prevent employees from being discriminated on the basis of race, religion, language or gender, and protect them against internal physical, mental and emotional maltreatment.

No complaints were received from the employees regarding discrimination or other issues in 2023.

The principles forming the basis of the Company's Personnel Policy are set out below.

1-To recruit competent employees, who fit the qualifications stated in the job descriptions, for vacant positions company wide.

2-To provide opportunities for the professional development of all employees by providing training programs based on their competence and skill levels.

3-To respect our employees and protect their rights and benefits.

4-To provide a work environment that motivates their desire to work and promotes better working relationships.

5-To lead our employees towards success, create equal opportunities for growth based on their knowledge and competence levels, and to reward success.

6-To train and appoint employees to vacant management positions from within the Company,

7-To avoid over-staffing and ensure employees work with maximum efficiency in their positions, which are appropriate for their knowledge and skills.

8-To meet our employees' social and cultural needs within the allocated budget and make the Company an attractive place to work by providing equal social services and benefits to all employees,

9-To provide competent, successful employees with the chance of promotion based on available positions, and to ensure job security.

10-To inform employees in a timely manner about issues that relate to them, to develop communication procedures to enable them to provide their recommendations and opinions to the management team easily.

11-To support our employees' career paths by providing effective training programs.

12-To maintain and boost the morale and motivation of all employees.

13-To protect and improve the tangible and intangible rights of employees

14-To provide a work environment that motivates employees' desire to work and strive to establish good human relations.

Disclosure Policy

A. Objective and Scope

Emlak Konut REIC ensures that all shareholders, investors and stakeholders are provided with timely information about the Company's past performance, future plans, forecasts, strategies, objectives and vision in a complete, accurate and efficient manner pursuant to regulations imposed by the Capital Markets Legislation, Turkish Commercial Code, Borsa Istanbul Legislation and other relevant legislation.

The Disclosure Policy includes any information, documents, digital records and data about the Company's operations that are legally permissible to disclose to the public, but excludes any trade secrets or insider information held by the Members of the Board, senior executives and employees.

B. Public Disclosure Methods and Means

The Company uses the following methods and means to inform its stakeholders in accordance with the periodic statements, reports and other means for public disclosure set forth in articles 38 and 39 of the Communique on Principles Regarding Real Estate Investment Companies (No: III-48.1).

- Material event disclosures,
- Financial Statements and Footnotes, and Independent Audit Report communicated to Borsa Istanbul periodically
- Quarterly Reports
- Annual Reports
- Corporate website,
- (<http://www.emlakkonut.com.tr>)
- Investor and Analyst Meetings
- Press releases
- Press meetings

The Company's website is accessible at www.emlakkonut.com.tr/. The website provides the up-to-date version of the Articles of Association, periodical financial statements and reports, prospectuses, public offering circulars and general assembly agendas are listed on the website.

The website is updated on a continuous basis to provide up-to-date information on the partnership and organizational structure. The Company shall speedily respond to all information requests made via the corporate website. The Directorate of Press and Public Relations prepares the releases to inform the public and/or as

part of the Company's corporate communication activities by receiving support in issues requiring specialization.

I. Disclosures to the Press

The Company holds press conferences and issues press releases to disclose information about its activities such as ongoing projects and medium- and long-term strategies. The Company adheres to the content of material event disclosures when preparing for the press conferences. The Company complies with the principle of equality when inviting the press members to meetings.

The monitoring of company-related news and rumors published by media outlets or appearing on websites and principles for making statements:

The Company monitors national and international media as well as other communication channels for news and rumors about the Company. In case of new public disclosures or inaccurate news or rumors about previously disclosed information, the Company evaluates their effects on the value and price of the Company shares as well as on the investment decisions of the investors. If deemed appropriate or necessary, the Company makes a public statement as to the accuracy or legitimacy of such news or rumors in accordance with the principles set forth by the Capital Markets Legislation.

As a principle, the Company does not deliver any opinions on market rumors and speculations. However, the Company makes a public statement regarding unfounded news in the case of a confirmation request from the Capital Markets Board and/or Borsa Istanbul pursuant to the provisions of the Capital Markets Legislation or if the management deems giving an answer necessary or appropriate.

II. Emlak Konut REIC's Investor Relations Department takes care of issues related to informing investors and analysts, investor information meetings as well as principles of access to presentations and reports disclosed at meetings or press conferences. The department assesses the meeting demands of natural or legal persons and upon receipt of 10 requests in a week, the department schedules a meeting and informs the requesters. Presentations and/or explanatory information are published at the corporate website following the presentation, teleconference or speech. The Company representatives may occasionally attend

national and international conferences or meetings in order to disclose information to investors and analysts. We manage address questions through telephone or e-mail and provide replies within 10 working days at the latest.

C. Insider Information and Measures to Ensure the Confidentiality of Insider Information until Its Disclosure to the Public

Insider information is non-public knowledge about a material event, which may affect the value and price of the capital market instruments or the investment decisions of investors. Access to such information could provide unfair advantages over other investors when used for trading capital market instruments. Release of such information to the public may be detrimental to the value of the capital market instrument and influence investors' investment decisions.

In case of a material event, the other parties who communicate with the Company employees with access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is clarified and disclosed on Borsa Istanbul.

The Company employees will not release any information that may be considered a material event with third parties under any circumstances.

If the Company determines that insider information was disclosed to the third parties unintentionally and concludes that the confidentiality of information could not be maintained, the Company will issue a material event disclosure pursuant to the capital markets legislation.

Pursuant to the CMB's Communique on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1), the Company prepares a list of natural or legal persons, including their subordinates, who work for or on behalf of the Company directly or indirectly and have access to insider information. The Company departments will provide the names of people with access to insider information to the Administrative Affairs and Human Resources Department, where the list is prepared and updated.

In accordance with the changing project scopes and current issues, the Company will regularly update the list of individuals with access to insider information.

The list will be submitted to the relevant government agencies and organizations upon request. The Company ensures that the individuals on the list are informed in writing of their obligation to protect the confidentiality of the insider information.

In accordance with the provisions of the CMB's Communique on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1), the Company may postpone the disclosure of the list to prevent damage to the legitimate rights and interests of the individuals on the list.

D. Communication with Shareholders and individuals Authorized to Make Public Disclosures

The Company will determine whether any information request constitutes a trade secret and whether it can impact investment decisions or cause a fluctuation in the value of capital market instruments pursuant to CMB Communique No. II on the Principles Regarding 15.1 Material Event Disclosures, and

- The Chair and members of the Board of Directors,
- Chair and Members of the Audit Committee,
- General Manager,
- Deputy General Manager,
- Investor Relations Department

will answer them in a written or verbal manner. Employees other than these persons are not authorized to respond to requests. The Company employees will refer incoming questions to the Investor Relations Department.

E. Authority and Responsibility

The Board of Directors of the Company develops the Disclosure Policy with its resolution, and it shall have the ultimate authority and responsibility for its implementation, supervision, and improvement. A Board resolution shall be required to amend the Disclosure Policy.

The Investor Relations Department implements the provisions of this policy.

F. Principles Used for Determining Individuals with Administrative Responsibility Individuals with administrative responsibility are board members and non-members who access insider information, directly or indirectly, on a regular basis and have the authority to make administrative decisions that affects the Company's development and commercial targets. The Company identified the Board Members and Executive Management as individuals

with administrative responsibility.

G. Principles regarding the Disclosure of the Company's Assessment for the Future Only individuals who are authorized to make public disclosures may disclose the Company's assessments for the future, which include plans and projections that are considered insider information Such disclosure is made within the principles of capital market legislation. Since the assessments for the future are based on reasonable assumptions and forecasts, they may be revised in case of deviations due to unexpected risks and developments. In case of differences between the forecast and actual results of the futuristic assessments due to risks, uncertainties and other factors.

The Company provides clarifications to the investors in a reasonable period.

In addition to the disclosures made within the principles of capital market legislation, the Company may utilize media sources, press conferences and/or releases, national and international conferences or meetings, and other means of communication in its assessments for the future.



Emlak Konut REIC's **2022 Ordinary General Assembly** was held on March 31, 2023 at the Company's Head Office under the supervision of Ministry Representative Mustafa Kenti. The Ordinary General Assembly was held with the participation of shareholders whose proportion represented 2.276.736.986,98 (55,4 percent) of the Company's capital of 3,800,000,000 Turkish lira.

As stated in Article 21 of the Company's Articles of Association, the Board of Directors is authorized to hold General Assemblies open to public including stakeholders and the press without granting any participant the right to speak. The meetings can be followed by members of the press and various stakeholders.

The Board of Directors makes the General Assembly invitation in accordance with the provisions of the Turkish Commercial Code, Capital Markets Law, and the Company's Articles of Association. It was carried out in due time as stipulated in Article 414 of the Turkish Commercial Code and the Articles of Association and after the notification of its day and agenda in the Turkish Trade Registry Gazette dated Monday, March 8, 2023, and No. 10277, Yeni Asır Newspaper dated 07.03.2023, and the corporate web site www.emlakkonut.com.tr and following its communication to the shareholders with recorded addresses on March 7, 2023, through registered letter with return receipt and also on the PDP and the Electronic General Assembly System of Merkezi Kayıt Kuruluşu A.Ş.

In addition to the General Assembly announcement, the Company presented on its corporate website and on PDP the documents to be available for the review of the shareholders as well as the declarations and statements that the Company shall make in accordance with the relevant legislation (excluding announcement and meeting dates) at least three weeks prior to the General Assembly date. The Company announced the invitation letter, agenda items and information document on the PDP before the General Assembly. Also, the Company provided all the shareholders the invitation letter, agenda items and power of attorney on March 7, 2023, and the General Assembly Information Document on the PDP. The Company also published all the General Assembly documents on its corporate website. The Board of Directors' Annual Report for the period, January 1, 2023, December 31, 2023, attached Corporate Governance Principles Compliance Report, Independent Auditor Report, detailed information note about dividend payout proposal and agenda items were made available to shareholders three weeks prior to

the General Assembly and for three weeks at the Company's headquarters, branches, its corporate website, and the Central Securities Depository's Electronic General Assembly Portal.

The Company organizes the General Assembly to increase the participation of shareholders to avoid inequality between shareholders and with the least possible cost to increase the participation of shareholders. Maximum care is taken to facilitate the participation of shareholders in the General Assembly.

At the General Assembly, the Company paid utmost attention to conveying the agenda items in an objective and detailed manner and in a clear and understandable way giving the shareholders the opportunity to state their opinions and ask questions under equal conditions. At the General Assembly shareholders did not raise questions or express their opinions. Shareholders did not raise any agenda proposals at the General Assembly. In addition, no agenda items were raised in the General Assembly due to "unfavorable" votes of Independent Board Members.

At the General Assembly shareholders did not raise questions or express their opinions. Shareholders did not raise any agenda proposals at the General Assembly.

Voting Rights and Minority Rights

The Company avoids all practices that challenge the exercise of voting rights and takes utmost care to facilitate the exercise of the voting rights. The Company provides every shareholder with the opportunity to use their voting right in the easiest and most convenient manner including cross-border voting.

Each share equals to one vote at General Assembly. Group A shares have the privilege of nominating candidates only in the election of members of the Board of Directors. All members of the Board of Directors excluding independent members are elected by the General Assembly among Group A candidates nominated by shareholders. Without prejudice to the provision regarding group A shares to be issued due to capital increase stated in article 8 of the Company's Articles of Association, no privileges, including nominations for Board of Directors, may be created. Nor shall there be a right to issue any securities that provide privileges. The Company has the privilege of nominating only Group A shares to nominate members of the Board of Directors because it is an affiliate of the Housing Development Administration of the Ministry of Environment, Urbanization and Climate Change.

If the parties to the transactions requiring the

approval of the General Assembly under Article 22 of the Articles of Association are related parties, the related parties shall not have voting right related to such transactions in the General Assembly. No quorum is sought at the General Assembly to be held for such cases, and resolutions are taken by the simple majority of the voters. As stated in Article 21 of the Company's Articles of Association, at the General Assembly meetings where resolutions of the Board of Directors on transactions with related parties, the provision of collateral, pledge and mortgage for the third parties are submitted despite the lack of approval by the majority of the Independent Members of the Board of Directors; the resolution shall be made at a voting where the parties to the transaction and persons related to them cannot cast votes. Also, it is ensured that other shareholders agree to such resolutions at the General Assembly. No quorum is sought at the General Assembly to be held for such cases, and resolutions are taken by the simple majority of the voters and if such a situation occurs, the matter shall be announced in the Public Disclosure Platform (PDP) in accordance with the provisions of the relevant legislation.

Minority shares are not regulated within the capital structure, not identified less than twentieth by the Articles of Association. The Articles of Association do not contain any arrangements that posit the representation or obstruct minority rights. The Company has not received any opinions or criticism throughout 2022 and until today.

Emlak Konut REIC developed a five-year strategy plan beginning with 2020 with the Board Resolution on Monday, January 6, 2020. This strategic plan will be valid from 2020-2024. The Company pays utmost care to achieving the strategic goals and objectives with this plan. The 5-year strategy was approved and implemented at a Board of Directors meeting approved by all members.

The Company evaluates the progress in reaching the targets. And the results obtained within the five year period will be subject to evaluation by the Board of Directors. The Board reviews the targets immediately in the case of a divergence, takes necessary measures and initiates the process regarding regulatory activities.

The Board of Directors is responsible for achieving the Company's operational and financial performance targets as announced to the public. In case of a failure to reach the publicly announced operational and financial performance targets, the Company announces this situation and the reasons in its annual report.

The creates its short- and medium-term plans in line with its main objective and it exerts efforts to boost total benefit in the short and long term to reach its goals.

However, it makes the short-term planning changes (if necessary) annually.

- The the master plan is to ensure the full-scale completion of digital transformation to increase the efficiency of operations and shorten business processes.
- To obtain TS ISO 10002 Customer Satisfaction Management System, TS EN ISO 14001 Environmental Management System, TS EN ISO 50001 Energy Management System and TS 18001 Occupational Health and Safety Management System Quality Certificates and to act in accordance with these management systems.
- Investing in developing branded products that are known and used globally in various fields, particularly in the sub-components of the construction industry.
- Increasing the company's current asset size by 1.5 times.
- Developing activities abroad.
- Opening promotion, marketing and sales offices in at least five countries. Generating land and developing real estate projects together with international companies.
- Becoming one of world's most renowned Real Estate Investment Companies and, thus, creating a national brand by safeguarding both economic and social benefits.

Right to Dividends

The Company has a specific and consistent dividend policy. This policy and the related information were presented to the shareholders at the Ordinary General Assembly held on March 31, 2023. The dividend policy includes minimum information clear enough to enable shareholders to foresee the dividend procedures and principles that the Company will obtain in future periods.

The Company has no privilege on dividend participation. The dividend for the related accounting period shall be distributed equally to all the existing shares. The Company observes a balance between the interests of shareholders and those of the Company in the dividend policy.

Dividend payout policy is presented to the shareholders for their review in the "Corporate Governance Information" content of the Investor Relations section on the corporate website. It is also presented to all stakeholders in the annual report. The Company reports its dividend payout principles, policies and dividend ratios for shareholders in annual reports, and informs shareholders about the relevant process with the announcements on PDP.

The Company distributed at least 40% of the net distributable profit calculated at the end of the year in cash for six financial periods starting from the first public offering in 2010. The Company did not distribute 2016 net profit allocating it as an excess reserve referring to the justification in the related agenda item in the General Assembly. The current policy was implemented for the following 2017 and 2018 years. The policy was revised in 2023 for the distribution up to 40% of the net profit for the period and adopted at the General Assembly. Within 2023, the company distributed a first dividend amount of 908,200,000 reserved for distribution from the 2022 net profit.

Public Disclosure and Transparency

It takes place in alignment with information disclosed to the public regarding the future, forecasts based on studies conducted, current market conditions and the assumptions/developments that are expected to occur in the country and the world economy during the year. In the event of unforeseen circumstances, the Company reassesses its targets. And if information previously disclosed to the public comes to nothing or if the Company realizes that it will come to nothing, it shares this (realization and divergence) using mainly the PDP platform within the framework of regulations of the CMB regarding public disclosure of special cases.

The Company showed the necessary care for

the material event disclosures, one of the important tools of Disclosure Policy making the disclosures required by the legislation in a complete and timely manner.

The Company presented its net profit amount, sales targets and the tender calendar to be applied throughout 2023 to all its stakeholders via the PDP on 25.01.2023. When making these estimates and assumptions, the company follows the data from official institutions (such as economic and social data, and various confidence indices) as well as on analyses from national and international organizations. The Company's projections are interpreted by analyzing our own data from the previous year such as sales, square meters, amounts, and the like.

The Investor Relations Department fulfills the following tasks: ensuring that domestic and international investors are informed correctly, consistently, simultaneously and timely, establishing communication with the capital market regulators and meeting all public disclosures requirements in accordance with the relevant regulation, and performing all functions of the Department.

Under Paragraph 11.1, Article 11 of the Corporate Governance Communique No.17.1, this Department directly reports to Ercan Aliođlu, Deputy General Manager - Financial Affairs.

The Investor Relations Department conducted all its activities in 2022 in compliance with the basic Corporate Governance Principles guideline, Capital Markets Law and all the communiqués prepared in accordance with this Law.

- In line with the public disclosure principle, the Company informed the current shareholders and potential investors about the Company's activities, financial state, and strategies regularly (excluding confidential and commercially confidential information) and without causing inequality.
- The Company participated in investor conferences held in Turkey and abroad representing the national real estate industry in national and international platforms.
- In this context, the Company participated in four domestic and international conferences in 2023 meeting with a total of 98 investors and analysts in these events.
- Except for these events, the Company made contact with 318 investors/analysts in 87 meetings.
-

As part of financial communication, information activities for domestic/foreign institutional and individual investors, answering the questions of existing and potential investors and analysts, the developments concerning the Company were presented to 65 investors/analysts in conference calls organized regarding the sales and financial results of 2023, and the questions from the participants were answered by the Senior Management and the Investor Relations Department. The Company updates its website and the investor presentation regularly to ensure that investors follow up-to-date information.

The Company managed content related to the Investor Relations Department and ensured continuous access to updated information. Also, all the disclosures made by the Company

at the Public Disclosure Platform (PDP) were disclosed to the shareholders in Turkish/English on the corporate website.

In 2023, the Investor Relations Department did not receive any written applications from investors to obtain information. Also, the Investor Relations Department received many information requests from the analysts and investors mostly by e-mail and telephone. It answered all the inquires in accordance with the legislation and in parallel with information disclosed to the public.

3. Exercise of Shareholder Rights to Obtain Information

We share all information with our stakeholders providing transparency and truth as determined corporate governance principles and due to our corporate culture (excluding trade secrets). As explained in the section "9. The Company Website and its Content" of this report; (see p. 77), the corporate website shares all the information and disclosures that may affect the exercise of shareholder rights.

The Company's "Investor Relations Department" plays an active role in facilitating the protection and use of shareholder rights, in particular, the right to receive and review information. The Company's Investor Relations Department gives verbal or written replies to requests and inquiries from all stakeholders as soon as possible.

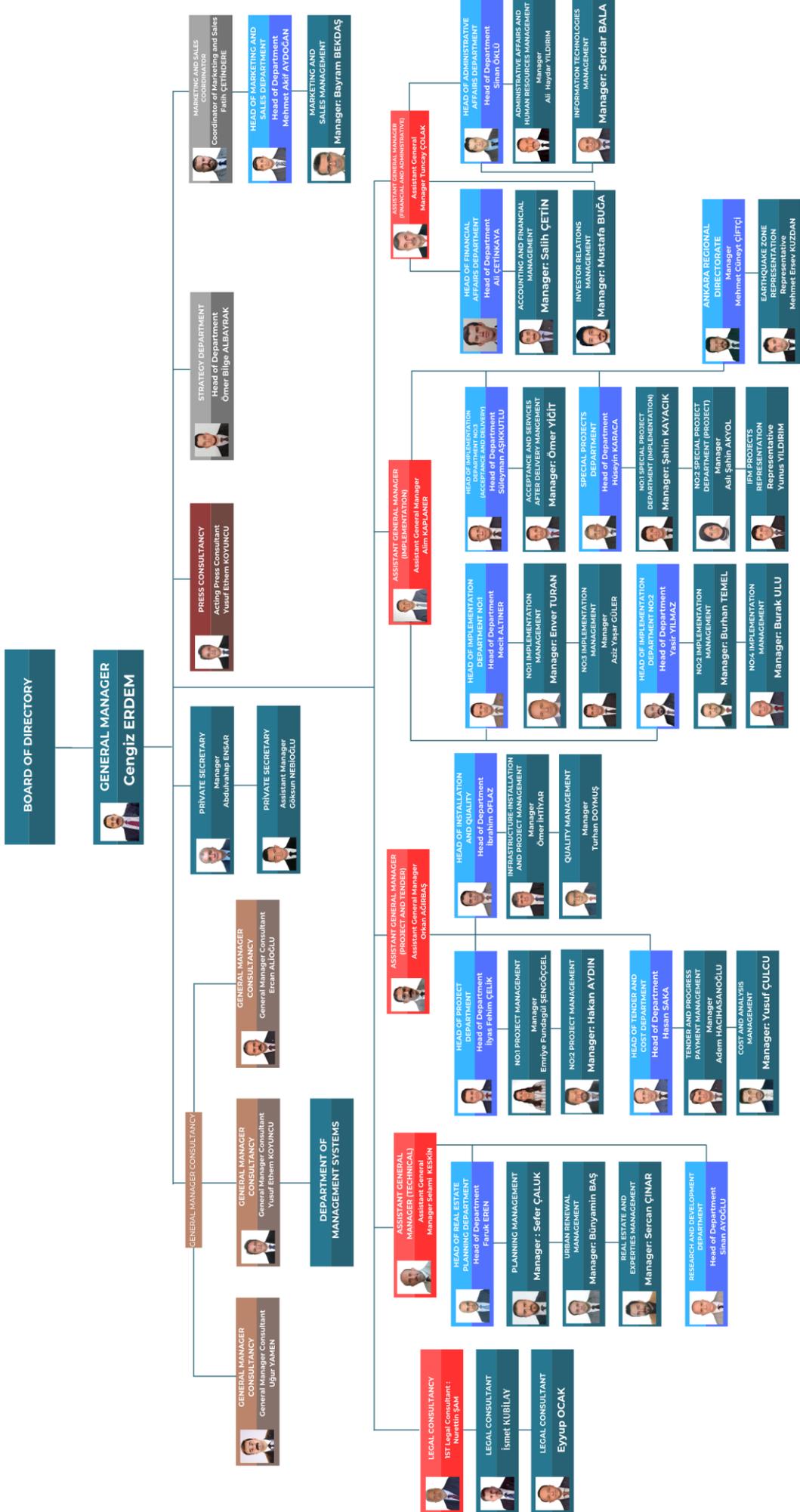
The inquiries and information requests to the Company can be answered in electronic format as well as in written form with external writing. Also regular meetings took place with both the existing and/or potential investors and analysts in one-on-one and/or group meetings upon the requests received outside this informational channel. We manage address questions through telephone or e-mail and provide replies within 10 working days at the latest.

We received no request for the appointment of a special auditor to the Company throughout 2023 while the appointment of a special auditor is not regulated as a right under Emlak Konut REIC's Articles of Association. However, the Company management avoids all transactions that make it difficult to conduct special audits and pays utmost attention to this matter.

Tuncay ÇOLAK
Deputy General Manager
tcolak@emlakkonut.com.tr

Mustafa Buđa
Investor Relations Manager
mbuga@emlakkonut.com.tr

EMLAK KONUT REIC ORGANISATION DIAGRAM







Revenue Sharing Model In Return for Land Sale	sqm	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)
DÜŞLER VADİSİ	817.290	29.06.2016	73.595.869	320.610.084
CER İSTANBUL	1.226	30.07.2012	142.151.563	308.842.324
EVORA İZMİR	-	8.11.2016	14.544.167	379.227.889
ALL SANCAK	-	8.11.2016	24.153.911	199.331.897
MERKEZ ANKARA	15.710	3.04.2014	2.271.797.220	2.246.119.151
NİDAPARK İSTİNYE	87.699	28.05.2014	4.550.906.403	4.078.287.281
NİDAPARK KÜÇÜKYALI	16.737	14.06.2011	2.237.828.864	2.166.733.247
İDEALİST CADDE		16.08.2017	1.595.089	-
NİŞANTAŞI KORU	13.726	27.04.2018	3.174.103.837	1.318.928.853
MEYDAN BAŞAKŞEHİR	63.474	10.02.2020	1.322.992.245	565.708.910
İSTANBUL BEŞİKTAŞ DİKİLİTAŞ	3.357	7.03.2021	245.290.346	230.500.000
BEŞİKTAŞ ORTAKÖY ASKGPI	17.131	29.04.2021	1.107.097.607	4.052.829.777
YENİ LEVENT	53.046	8.04.2021	1.605.639.713	3.792.480.176
BATI YAKASI 1. ETAP	38.334	3.09.2021	777.752.858	1.088.518.471
BATI YAKASI 2. ETAP	63.846	22.11.2021	1.195.530.481	910.000.000
İSTANBUL KAYABAŞI 8. ETAP	30.056	30.11.2021	669.642.573	703.000.000
ANKARA ÇAYYOLU 2. ETAP PROJESİ	31.971	10.03.2022	121.122.038	170.440.000
İSTANBUL TUZLA MERKEZ PROJESİ	84.268	17.06.2022	883.215.151	2.160.999.750
ATAŞEHİR KÜÇÜKBAKKALKÖY PROJESİ	7.492	15.06.2022	230.763.738	894.600.000
AVCILAR FİRÜZKÖY 1. ETAP 1. KISIM PROJESİ	62.469	25.08.2022	572.274.344	1.790.250.000
AVCILAR FİRÜZKÖY 1. ETAP 2. KISIM PROJESİ	81.685	2.09.2022	623.671.991	2.527.350.000
ANTALYA AKSU PROJESİ	64.108	8.08.2022	249.472.621	1.515.000.000
İSTANBUL AVCILAR FİRÜZKÖY 2.ETAP PROJESİ	60.095	1.10.2022	615.726.449	1.661.000.000
BİZİM MAHALLE 2. ETAP 1. KISIM	35.697	5.12.2022	1.475.930.106	2.340.000.000
BİZİM MAHALLE 2. ETAP 2. KISIM	56.744	13.12.2022	2.532.714.740	2.862.000.000
ÜMRANIYE İNKILAP PROJESİ	30.680	14.11.2022	1.009.604.683	1.781.000.000
BAŞAKŞEHİR HOŞDERE 7. ETAP PROJESİ	67.294	14.10.2022	284.718.287	861.000.000
EYÜPSULTAN KEMERBURGAZ PROJESİ	51.114	30.03.2023	645.014.526	4.820.000.000

Revenue Sharing Model in Return for Land Sale	sqm	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)
MUĞLA BODRUM TÜRKBÜKÜ PROJESİ	59.038	12.05.2023	464.366.702	3.496.500.000
İSTANBUL KAYABAŞI 9. ETAP PROJESİ	29.915	19.06.2023	988.610.343	2.571.000.000
ÇEKMEKÖY ÇINARKÖY PROJESİ	58.971	30.05.2023	1.397.147.367	4.804.000.000
İSTANBUL BAŞAKŞEHİR AYAZMA 4.ETEP PROJESİ	20.063	29.08.2023	893.263.871	1.650.000.000
İSTANBUL BEŞİKTAŞ AKAT PROJESİ	337.837	7.09.2023	1.069.821.868	2.821.000.000
İSTANBUL BAŞAKŞEHİR KAYABAŞI 10. ETAP PROJESİ	20.063	25.07.2023	215.601.315	1.502.000.000
TOTAL	2.381.139		33.687.662.884	62.589.257.810

Turn-Key Model Projects	sqm	Book Value + Progress Payments
BİZİM MAHALLE 1. ETAP 3. KISIM	29.937	1.212.749.964
EMLAK KONUT VADİ EVLER 1. ETAP 2. KISIM	70.752	979.926.917
ANKARA SARAÇOĞLU PROJESİ	-	2.249.378.400
BİZİM MAHALLE 1. ETAP 4. KISIM	24.995	249.532.656
ÇEKMEKÖY ÇINARKÖY KONUTLARI 1. ETAP	137.994	3.583.324.926
İSTANBUL AVCILAR FİRUKÖY 5. ETAP	93.793	843.429.197
ÇEKMEKÖY ÇINARKÖY KONUTLARI 2. ETAP	44.969	2.452.557.321
BALIKESİR ALTIEYLÜL	46.168	878.387.926
ÇEKMEKÖY ÇINARKÖY KONUTLARI 3. ETAP 1. KISIM	19.981	1.061.176.900
ÇEKMEKÖY ÇINARKÖY KONUTLARI 4. ETAP 1. KISIM	14.694	713.740.324
ÇEKMEKÖY ÇINARKÖY KONUTLARI 4. ETAP 2. KISIM	10.023	509.474.021
ÇEKMEKÖY ÇINARKÖY KONUTLARI 4. ETAP 3. KISIM	13.314	554.816.924
ÇEKMEKÖY ÇINARKÖY KONUTLARI 3. ETAP 2. KISIM	14.411	709.707.274
ÇEKMEKÖY ÇINARKÖY KONUTLARI 3. ETAP 3. KISIM	10.793	975.229.005
AVCILAR FİRUKÖY ALTYAPI YAPIM İŞİ	-	739.948.549
KÜÇÜKÇEKMECE HALKALI OKUL YAPIM İŞİ	-	230.111.998
ÇEKMEKÖY ÇINARKÖY SATIŞ OFİSİ YAPIM İŞİ	10.726	107.939.962
EMLAK KONUT VADİ EVLER 1. ETAP 1. KISIM İKMAL İŞİ	93.803	865.403.655
ÇINARKÖY PROJESİ DİNİ TESİS YAPIM İŞİ	-	441.346.497
ÇEKMEKÖY ÇINARKÖY KONUTLARI 3. ETAP 4. KISIM	30.744	924.423.233
ÇINARKÖY PROJESİ LİSE YAPIM İŞİ	-	115.874.887
ÇEKMEKÖY MİLLET BAHÇESİ YAPIM İŞİ	-	279.617.356
ÇEKMEKÖY 565 ADA 3 PARSEL PARK YAPIM İŞİ	-	83.536.447
ÇEKMEKÖY ÇINARKÖY SATIŞ OFİSİ TAMAMLAMA İŞİ	-	160.488.100
HOŞDERE VADİ EVLERİ GENEL ALTYAPI İŞİ	-	267.868.510
ÇEKMEKÖY İLKOKUL BİNASI VE CAMİİ YAPIM İŞİ	-	137.698.701
DURSUNKÖY 2. ETAP 2. KISIM	79.478	17.673.159

Turn-Key Model Projects	sqm	Book Value + Progress Payments
DURSUNKÖY 2. ETAP 3. KISIM	81.292	19.130.499
DURSUNKÖY 2. ETAP 4. KISIM	65.954	14.975.242
DURSUNKÖY 2. ETAP 5. KISIM	75.934	17.350.115
DURSUNKÖY 1. ETAP 2. KISIM	90.332	20.051.299
DURSUNKÖY 1. ETAP 6. KISIM	93.989	21.635.884
DURSUNKÖY 1. ETAP 5. KISIM	98.500	18.218.433
DURSUNKÖY 1. ETAP 4. KISIM	77.561	18.527.960
DURSUNKÖY 1. ETAP 3. KISIM	105.842	24.155.996
HALKALI MİLLET BAHÇESİ	-	17.740.800
TOPLAM	1.435.977	21.517.149.040

Appraisal Report Name	Par cels	sqm	Date of Purchase	Book Value	Appraisal Value
ANKARA ÇANKAYA PARSELLERİ	5	11.461,08	3.04.2014 - 12.05.2020 - 06.09.2021	20.939.453	20.939.453
İSTANBUL ARNAVUTKÖY PARSELLERİ	16	612.106,27	5.06.2013 - 20.10.2023	443.449.854	920.378.019
İSTANBUL ATAŞEHİR PARSELLERİ	7	6.845,28	29.12.1999 - 04.03.2015 - 14.12.2020	60.759	50.563.614
İSTANBUL BAŞAKŞEHİR İKİTELLİ PARSELLERİ	13	57.996,28	01.12.2010 - 07.03.2012 - 25.09.2012 - 01.10.2012 - 05.03.2015 - 02.03.2023	279.973.953	454.462.395
İSTANBUL BAŞAKŞEHİR TATARCIK PARSELLERİ	1	79.509,76	27.08.2021	347.562.964	1.709.459.840
İSTANBUL ÇEKMEKÖY - TAŞDELEN PARSELLERİ	5	46.101,12	30.05.2017 - 16.11.2020	481.473.928	556.165.110
İSTANBUL ESENLER PARSELLERİ	10	105.463,86	9.03.2022	3.470.424.165	3.470.424.165
İSTANBUL KARTAL PARSELLERİ	8	20.178,14	24.04.2013 - 22.04.2012 - 02.12.2020	89.630.145	89.630.145
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARSELLERİ	14	212.482,06	20.06.2016	4.990.218.549	4.968.314.324
İSTANBUL SARIYER PARSELLERİ	3	1.155,89	28.05.2014	9.886.900	9.886.900
İSTANBUL TUZLA PARSELLERİ	6	6.420,00	30.12.2005 - 05.03.2015 - 01.06.2007 - 27.08.2021 - 3.01.2022	63.808.012,67	105.320.120
İSTANBUL AVCILAR PARSELLERİ	22	391.284,97	30.06.2019 - 12.05.2020	2.880.990.556	4.594.516.950
İSTANBUL EYÜP KEMERBURGAZ PARSELLERİ	6	185.550,87	12.05.2020	395.853.652	395.853.652
BALIKESİR PARSELLERİ	1	3.845,04	9.03.2022	13.073.136	13.073.136
İZMİR KONAK PARSELLERİ	2	7.988,62	31.05.2000	48.708.527	239.658.600
İZMİR DİKİLİ PARSELLERİ	1	361,98	26.07.2022	2.171.880	2.171.880
İZMİR SEFERİHİSAR PARSELLERİ	7	22.569,02	26.07.2022	118.275.232	159.361.140
İZMİR URLA PARSELLERİ	1	52.998,31	26.07.2022	317.989.860	317.989.860
KASTAMONU CİDE PARSELLERİ	1	9.110,04	06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	91.100	91.100
KOCAELİ PARSELLERİ	18	20.877,44	25.02.2008 - 06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	15.127.193	19.633.710
MUĞLA BODRUM PARSELLERİ	16	679.623,77	8.03.2022 - 9.03.2022 - 26.07.2022	3.643.811.861	3.716.658.359
MUĞLA MİLAS PARSELLERİ	1	17.166,19	26.07.2022	147.743.848	190.000.000
NEVŞEHİR PARSELLERİ	2	25,33	3.04.2014	57.100	57.100
TEKİRDAĞ ÇORLU PARSELLERİ	4	35.923,48	24.03.2006 - 30.09.2010	73.826.656	135.031.560
TOTAL	170	2.587.045		17.855.149.284	22.139.641.133

Investment Properties (Lands)	# of Parcels	sqm	Date of Purchase	Book Value	Appraisal Value
İSTANBUL ATAŞEHİR PARSELLERİ	2	4.376	29.12.1999	0,02	32.821.053
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARSELLERİ	1	1.500	30.05.2016	5.490.111	21.904.225
İSTANBUL KARTAL PARSELLERİ	3	16.231	24.04.2013 - 22.04.2012	27.836.147	97.386.000
TOPLAM	6	22.107		33.326.259	152.111.278

Building Investory	# of Units in Investory	Sqm	Book Value	Appraisal Value
DENİZLİ MERKEZEFENDİ İKMAL İŞİ	86	16.756,73	335.724.146	464.827.400
AYAZMA EMLAK KONUTLARI	1	133,65	2.985.468	5.346.000
KÖRFEZKENT ÇARŞI	1	882,67	8.000.000	8.000.000
KUZEY YAKASI	206	23.777,25	1.253.262.617	2.311.528.317
KÖY	14	1.537,16	55.968.700	64.364.400
KOMŞU FİNANS EVLERİ	121	16.986,55	728.761.952	1.434.532.379
EMLAK KONUT FLORYA EVLERİ	6	911,02	77.431.202	87.118.100
SEMT BAĞÇEKENT 1-2	20	2.921,26	64.468.164	136.787.368
BİZİM MAHALLE 1. ETAP 2. KISIM	63	4.998,44	223.032.550	326.085.100
BİZİM MAHALLE 1. ETAP 1. KISIM	51	7.447,41	386.655.209	463.402.741
AĞAOĞLU MASLAK 1453 İSTANBUL	71	23.409,19	1.025.361.643	968.531.618
EVORA DENİZLİ	4	1.222,35	14.346.654	21.670.900
GÖL PANORAMA EVLERİ	1	184,67	3.060.569	5.540.100
KARAT 34	5	1.753,54	38.326.874	38.326.874
MERKEZ ANKARA	62	52.854,92	3.773.654.992	3.800.110.511
METROPOL İSTANBUL	1	506,64	19.385.899	39.517.920

Building Inventory	# of Units in Inventory	Sqm	Book Value	Appraisal Value
NİDAPARK İSTİNYE	1	345,42	33.066.877	52.572.625
SARPHAN FİNANS PARK	49	4.623,37	301.414.741	305.513.081
BÜYÜKYALI İSTANBUL	1	530,21	30.072.157	88.506.084
TEMAŞEHİR	5	108,47	2.361.396	2.361.396
ORMANKÖY	1	30,55	3.486.631	3.486.631
TOTAL	770	161.921	8.380.828.440	10.628.129.544

Building Inventory (Stocks from Projects)	# of Units in Inventory	Sqm	Book Value	Appraisal Value
DÜŞLER VADİSİ	12	2.775,00	150.178.167	153.439.324
NİDAPARK KÜÇÜKYALI	29	32.837,94	578.806.191	2.554.996.959
TOTAL	41	35.613	728.984.358	2.708.436.283

Investment Property	# of Units in Inventory	Sqm	Book Value	Appraisal Value
AĞAOĞLU MASLAK 1453 İSTANBUL	5	2.040	168.341.404	126.195.255
BÜYÜKYALI	122	26.698	421.151.830	1.827.981.651
İSTMARINA	238	60.879	1.219.587.690	1.157.148.140
SARPHAN FİNANS PARK	102	5.326	404.440.960	336.388.575
ESENLER EMLAK KONUTLARI	3	372	6.627.545	10.250.000
GENEL MÜDÜRLÜK A BLOK	1	11.932	142.611.995	1.240.824.000
TOTAL	489	108.731	605.876.222	3.000.339.311

Building in Non-Current Assets	# of Units in Inventory	Sqm	Book Value	Appraisal Value
YALI ATAKÖY	1	214	18.470.221	26.750.000
NİDAKULE ATAŞEHİR	1	295	28.395.949	54.640.300
VARYAP MERİDİAN	1	69	1.639.832	5.848.000
RESMİ KURUM BİNASI	1	15.834	193.718.155	1.646.715.200
TOTAL	4	16.412	242.224.158	1.733.953.500

Subsidiaries Turn-Key Projects (EPP)	sqm	Date of Purchase	Book Value	Appraisal Value
TUZLA ORHANLI PARSELLERİ	1.453	2.05.2013	540.086	2.999.199
İSTANBUL RESNELİ PARSELLERİ	148.058	12.01.2021	-	937.500.122,70
İSTANBUL ATAŞEHİR PARSELLERİ	251	28.03.2016	404.029	4.870.000
İZMİR ALİAĞA PARSELLERİ	55.000	15.05.2023	-	99.000.000
YALOVA ARSALARI	9.080	-	-	3.985.086
SAKARYA SAPANCA PARSELLERİ	120.053	12.06.2013	6.302.333	151.887.346
TOPLAM	333.895		7.246.448	1.200.241.754

Buildings Total (Investment)	Of Units in Inventory	sqm	Book Value	Appraisal Value
SARPHAN FİNANSPARK	2	131,14	2.032.502	11.166.900
DOĞA PARKI EVLERİ	7	407,90	8.390.119	9.857.300
TOTAL	9	539	10.422.621	21.024.200

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023
AND INDEPENDENT AUDITOR'S REPORT**

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

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**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

	Notes	<i>Audited</i> 31 December 2023	<i>Audited</i> 31 December 2022
ASSETS			
Current assets		113,859,487	110,688,971
Cash and cash equivalents	4	15,866,693	10,063,686
Trade receivables	6	7,906,599	5,385,408
<i>Trade receivables due from related parties</i>	24	3,766,338	-
<i>Trade receivables due from third parties</i>		4,140,261	5,385,408
Other receivables		985,028	951,893
<i>Other receivables due from related parties</i>	24	71,613	-
<i>Other receivables due from third parties</i>	7	913,415	951,893
Inventories	8	83,258,886	88,826,624
Prepaid expenses		1,313,932	3,268,256
<i>Prepaid expenses to related parties</i>	24	-	2,361,537
<i>Prepaid expenses to third parties</i>	15	1,313,932	906,719
Other current assets	14	4,523,529	2,183,270
Current tax assets	22	4,820	9,834
Non-current assets		7,623,554	10,250,687
Trade receivables	6	4,519,102	6,146,338
<i>Trade receivables due from third parties</i>		4,519,102	6,146,338
Other receivables	7	23,930	35,673
<i>Other receivables due from third parties</i>		23,930	35,673
Investments accounted for using equity method		1,351	1,386
Investment properties	9	1,866,374	2,932,968
Right-of-use assets		4,852	29,199
Property, plant and equipment	10	1,132,703	1,078,440
Intangible assets	11	60,732	26,683
Deferred tax assets	22	14,510	-
Total assets		121,483,041	120,939,658

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
LIABILITIES			
Current liabilities		62,226,987	53,866,415
Short-term borrowings	5	1,050,286	2,142,481
Short-term portions of long-term borrowings	5	2,182,707	2,989,219
Lease liabilities	5	944	6,299
Bank Loans	5	2,181,763	2,982,920
Trade payables	6	4,070,893	4,872,102
Trade payables due to related parties	24	-	2,924,644
Trade payables due to third parties	6	4,070,893	1,947,458
Other payables	7	1,176,378	850,507
Other payables to related parties	24	600	977
Other payables to third parties		1,175,778	849,530
Deferred income	15	53,378,661	42,546,003
Deferred income from related parties	24	3,517,023	1,680,489
Deferred income from third parties		49,861,638	40,865,514
Short-term provisions		368,062	466,103
Short-term provisions for employee benefits	13	105,377	58,554
Other short-term provisions	12	262,685	407,549
Non-current liabilities		2,187,993	5,529,184
Long-term borrowings	5	1,268,969	5,113,975
Long-term borrowings from related parties			
Lease liabilities		5,640	45,525
Bank Loans	5	1,263,329	5,068,450
Trade payables	6	369,504	33
Trade payables due to third parties		369,504	33
Other payables	7	210,539	193,414
Other payables to third parties		210,539	193,414
Deferred income	15	55,651	7,807
Deferred income from third parties		55,651	7,807
Long-term provisions		121,000	80,332
Long-term provisions for employee benefits	13	121,000	80,332
Deferred tax liability	22	162,330.00	133,623
Shareholders' equity		57,053,551	61,544,059
Total equity attributable to equity holders of the Company		57,053,551	61,544,059
Paid-in capital	16	3,800,000	3,800,000
Adjustment to share capital		34,332,714	34,332,714
Treasury shares (-)		(44,777)	(2,261,388)
Share premium (discounts)		20,037,893	20,037,893
Other equity reserves		(1,204,612)	-
Restricted reserves appropriated from profit		6,015,646	5,866,563
Retained earnings		(1,632,159)	(1,136,783)
Net profit for the year		(4,251,154)	905,060
Non-controlling interests		-	-
Total liabilities and equity		121,468,531	120,939,658

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

	Notes	<i>Audited</i> 1 January- 31 December 2023	<i>Audited</i> 1 January- 31 December 2022
Revenue	17	28,495,819	21,220,172
Cost of sales (-)	17	(20,002,283)	(16,121,781)
Gross profit		8,493,536	5,098,391
General administrative expenses (-)	18	(3,475,706)	(1,800,811)
Marketing expenses (-)	18	(527,068)	(323,983)
Other income from operating activities	20	2,737,633	7,410,723
Other expenses from operating activities (-)	20	(3,492,269)	(5,183,799)
Operating profit		3,736,126	5,200,521
Income from investing activities		6,713	48,412
Operating profit before financial income / (expense)		3,742,839	5,248,933
Financial income	21	4,101,047	1,207,482
Financial expenses (-)	21	(1,704,517)	(1,851,997)
Monetary gain/(loss)		(10,361,816)	(3,711,365)
Profit/(loss) from continuing operations, before tax		(4,222,447)	893,053
Tax (expense)/income from continuing operations		148,133	12,007
<i>Current period tax expense</i>	22	-	(9,814)
<i>Deferred tax income</i>	22	148,133	21,821
Net profit/(loss) for the period		(4,074,314)	905,060
Profit/(loss) for the period is attributable to:			
Non-controlling interests		-	-
Owners of the Company		(4,074,314)	905,060
Total comprehensive income/(loss) for the period		(4,074,314)	905,060
Total comprehensive income is attributable to:			
Non-controlling interests		-	-
Owners of the Company		(4,074,314)	905,060
Earning/(loss) per share		(0.0107)	0.0023

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. VE BAĞLI ORTAKLIKLARI

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

	Share capital	Adjustment to share capital	Treasury shares (-)	Share premium/discounts	Other Equity Reserves	Restricted reserves appropriated from profit	Other Accumulated Comprehensive Income and Expense not to be Reclassified to		Equity attributable to the parent	Non-controlling interests	Total equity	
							Profit or Loss	Retained Earnings				
							Gain/Loss on remeasurement of defined benefit plans	Net profit/(loss) for the period				
1 January 2022	3,800,000	34,332,714	(2,261,388)	20,037,893	-	5,673,379	-	11,656,288	(11,827,199)	61,411,687	-	61,411,687
Transfers	-	-	-	-	-	193,184	-	(12,020,383)	11,827,199	-	-	-
Dividend	-	-	-	-	-	-	-	(772,688)	-	(772,688)	-	(772,688)
Total comprehensive income	-	-	-	-	-	-	-	-	905,060	905,060	-	905,060
31 December 2022	3,800,000	34,332,714	(2,261,388)	20,037,893	-	5,866,563	-	(1,136,783)	905,060	61,544,059	-	61,544,059
1 January 2023	3,800,000	34,332,714	(2,261,388)	20,037,893	-	5,866,563	-	(1,136,783)	905,060	61,544,059	-	61,544,059
Transfers	-	-	-	-	-	149,083	-	755,977	(905,060)	-	-	-
Dividend (Note 16) (*)	-	-	-	-	-	-	-	(1,251,353)	-	(1,251,353)	-	(1,251,353)
Increase/(decrease) due to share buy back transactions (**)	-	-	(663,500)	-	-	-	-	-	-	(663,500)	-	(663,500)
Transfers due to sale of shares	-	-	2,880,111	-	(2,880,111)	-	-	-	-	-	-	-
Share sale price (**)	-	-	-	-	1,675,499	-	-	-	-	1,675,499	-	1,675,499
Total comprehensive income/(expense)	-	-	-	-	-	-	-	-	(4,251,154)	(4,251,154)	-	(4,251,154)
31 December 2023	3,800,000	34,332,714	(44,777)	20,037,893	(1,204,612)	6,015,646	-	(1,632,159)	(4,251,154)	57,053,551	-	57,053,551

(*) At the Ordinary General Assembly Meeting held on 31 March 2023, the decision to distribute a cash dividend of TRY1,251,353 (2022: TRY772,688) from the profits of 2022 was approved by majority vote. Since the Group owns its own shares with a nominal value of TRY1 at a rate of 4.26% as of 31 March 2023, the date of the profit distribution decision, the dividend related to the shares owned by the Group is netted off from the amount of dividends to be distributed. The dividend payment was made on 14 April 2023.

(**) As of 31 December 2023, it shows the effect of purchase/sale considering the orders matched during the period for the shares repurchased.

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

	Notes	Audited 1 January- 31 December 2023	Audited 1 January- 31 December 2022
Cash flows from operating activities			
Profit/(loss) for the period		(4,074,314)	905,060
Adjustments related to reconcile of net profit for the period			
Adjustments related to depreciation and amortization expenses	9,10,11	121,129	80,102
Adjustments related to tax expense (income)	22	(148,133)	(12,007)
Adjustments related to (reversal of) impairments (net)		(5,602,228)	(794,763)
<i>Adjustments related to (reversal of) impairment of inventories (net)</i>	8	(5,602,228)	(794,763)
Adjustments related to provisions		301,523	223,822
<i>Adjustments related to (reversal of) provisions for employee benefits</i>		269,025	79,422
<i>Adjustments related to (reversal of) provision for lawsuit and/or penalty</i>	12	18,106	140,237
<i>Adjustments related to (reversal of) provisions for possible risks</i>	12	14,392	4,163
Adjustments for interest (income) and expenses		(4,820,582)	79,954
<i>Adjustments for interest income</i>	21	(6,862,841)	(1,662,803)
<i>Adjustments for interest expense</i>	21	2,042,259	1,742,757
Adjustments related to (gain) loss on disposal of property		(6,713)	(48,412)
<i>(Gain)/loss on sale of property, plant and equipment</i>		(6,713)	(48,412)
Monetary gain/(loss)		4,328	(247,140)
Net cash from operations before changes in assets and liabilities		(14,224,990)	186,616
Changes in net working capital:			
Adjustments related to (increase)/decrease in trade receivable		(6,195,616)	(947,477)
<i>Decrease/(increase) in trade receivables from related parties</i>		(4,922,523)	32,765
<i>Decrease/(Increase) in trade receivables from third parties</i>		(1,273,093)	(980,242)
Adjustments related to decrease/(increase) in inventories		12,199,314	(14,679,302)
Adjustments related to increase/(decrease) in trade payables		2,515,599	1,875,232
<i>Increase/(decrease) in trade payables to related parties</i>		(1,675,279)	2,740,559
<i>Increase/(decrease) in trade payables to third parties</i>		4,190,878	(865,327)
Adjustments related to decrease/(increase) in other receivables related to operations		(3,941,831)	(4,393,786)
Adjustments related to increase/(decrease) in other payables related to operations		11,883,868	14,706,850
Adjustments related to other increase/(decrease) in working capital		(114,980)	(378,131)
Net cash flows from operating activities			
Interest received		1,282,250	126,547
Payments related to provisions for employee benefits		(20,623)	(9,203)
Cash flows from operating activities		3,382,991	(3,512,654)
Purchases of investment properties, property, plant and equipment and intangible assets	9,10,11	(176,318)	(308,436)
Sale of investment properties, property, plant and equipment and intangible assets	9,10,11	10,836	94,410
Returns of financial assets		-	1,073
Cash flows from investing activities		(165,482)	(212,953)
Payments to disposal entity's shares or other equity instruments		1,675,499	-
Payments to acquire entity's shares or other equity instruments	16	(663,500)	-
Proceeds from Borrowings		6,376,127	11,932,756
<i>Proceeds from Loans</i>		1,520,441	7,624,813
<i>Proceeds from Issue of Debt Instruments</i>		4,855,686	4,307,943
Repayments of borrowings		(8,686,329)	(6,771,205)
<i>Loan Repayments</i>		(4,243,321)	(2,633,350)
<i>Payments of Issued Debt Instruments</i>		(4,443,008)	(4,137,855)
Interest paid		(1,336,678)	(1,518,289)
Dividends paid	16	(1,251,353)	(772,689)
Interest received		3,407,526	1,205,677
Cash flow from financing activities		(478,708)	4,076,250
Inflation effect on cash and cash equivalents		3,423,059	3,285,219
Net increase (decrease) in cash and cash equivalents		6,161,860	3,635,862
Cash and cash equivalents at the beginning of the period	4	8,707,765	5,071,903
Cash and cash equivalents at the end of the period	4	14,869,625	8,707,765

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. ("Emlak Konut GYO" or the "Group") was established on 26 December 1990 as a subsidiary of Türkiye Emlak Bankası A.Ş. The Group 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 Group has been registered and started its activities on 6 March 1991. The Group'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 Group is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. As of 31 December 2023, the number of employees of the Group is 1,142 (31 December 2022 - 987).

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 consolidated financial statements on 31 December 2023 have been approved by the Board of Directors on 16 April 2024.

The ultimate parent and ultimate controlling party of the Group 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 GYO will be referred to as the "Group" with its subsidiaries and interests in joint ventures.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP (Continued)

Subsidiaries

Subsidiaries of Emlak Konut GYO operate in Turkey and their main operations are as follows:

Subsidiaries	Main Operations
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. ("EPP")	Real Estate Investments
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	Production, Sales and Marketing

	31 December 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş.	100	100	100	100
Emlak Konut Asansör Sistemleri Sanayi ve Ticaret A.Ş.	100	100	100	100

Shares in Joint Operations

Shares in Joint Operations of Emlak Konut GYO operate in Turkey and their main operations are as follows:

Shares in Joint Operations

Shares in Joint Operations	Main Operations
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")	Shopping Mall and Office Management
Büyükaly Tesis Yönetimi A.Ş.	Shopping Mall and Office Management

	31 December 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Merkez Cadde Yönetim A.Ş.	30	30	-	-
İstmarina AVM Adi Ortaklığı	40	40	40	40
Büyükaly Tesis Yönetimi A.Ş.	37	37	37	37

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 interim condensed consolidated financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 15 April 2019 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

The Group 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 consolidated 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.

Basis of Consolidation

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

- has the ability to use its power to affect its returns
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements

Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Basis of Consolidation (Continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's Ownership Interests in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Basis of Consolidation (Continued)

Investments in Associates and Joint Ventures (Continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with TFRS 5. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Gains and losses arising from transactions between the Group and an associate of the Group are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

Interests in Joint Operations

A 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. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Adjustment of Consolidated Financial Statements in Hyperinflation Periods

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.

A statement has been made by POA at 23 November 2023 regarding the scope and implementation of TAS 29. POA stated that corporations implementing TAS/TFRS are required to present their financial statements for the year 31 December 2023 and forward adjusted to the inflation impact according to the accounting principles stated in TAS 29.

TAS 29 is implemented to any financial statements of a company whose functional currency is the currency of a hyperinflation economy, including consolidated financial statements. If an economy experiences hyperinflation, then according to TAS 29, a company whose functional currency is the currency of a hyperinflation economy needs to present its financial statements in terms of unit of measurement effective at the end of period.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

Under these circumstances, inflation adjustments are made according to TAS 29 upon consolidated financial statements for the years 31 December 2023, 31 December 2022 & 31 December 2021.

Financial statements and figures of previous years are restated in line with purchasing power of the functional currency and as a result, financial statements and figures of previous years are presented in terms of unit of measurement effective at the end of period according to TAS 29.

Because of cumulative change of purchasing power for the last three years in relation to Consumer Price Index (CPI) is more than 100% as of current period, corporations operating in Turkey are obligated to implement TAS 29 for the year ended 31 December 2023 and forward.

Inflation rates of each year calculated according to CPIs published by Turkish Statistical Institute (TSI) are given in the table below:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.12.2023	1,859.38	1,000	268%
31.12.2022	1,128.45	1,647	156%
31.12.2021	686.95	2,706	74%

Procedure of TAS 29 is presented below:

- a) 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.
- b) 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.
- c) Fixed assets, subsidiaries and similar assets are restated through their historic cost, in a way not exceeding their market value. Same method is applied to depreciation and amortization accounts. Equity balances are restated with price correlations according to the dates these balances.
- d) All income statement accounts, excluding income statement accounts that are counterparty to non-monetary accounts of balance sheet, are restated based on the price correlations of the date they entered financial statements.
- e) Net monetary profit or loss resulting from inflation is the difference of adjustments made to non-monetary balance sheet accounts, equity accounts and income statement accounts. Net monetary profit or loss is then included in net profit or loss.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 31 December 2023, unless otherwise stated.)

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

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

Impact of TAS 29 is summarized below:

i. *Restatement of Financial Statements*

Accounts that are not presented in terms of unit of measurement effective at the end of period within financial statements are restated. In relation to this, monetary accounts are not restated because they are presented in terms of unit of measurement effective at the end of period. Non-monetary accounts are required to be restated unless they are presented by their current value at the end of reporting period.

Net monetary profit or loss resulting from restatement of non-monetary accounts are included in income statement and they are also presented in other comprehensive income statement.

ii. *Restatement of Income Statement*

All accounts of income statement are presented by the unit of measurement at the end period. Therefore, all accounts are restated by applying monthly price index changes.

Cost of sales is restated with adjusted inventory balances.

Depreciation and amortization expenses are restated with adjusted balances of fixed assets and right of use assets.

iii. *Restatement of Cash Flow*

All accounts of income statement are presented by the unit of measurement at the end period.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
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**NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1. Basis of Presentation (Continued)

Adjustment of Consolidated Financial Statements in Hyperinflation Periods (Continued)

Impact of TAS 29 is summarized below(Continued)

iv. Consolidated Financial Statements

A subsidiary's financial statements whose functional currency is a currency of a hyperinflation economy need to be restated before integrated into parent company's consolidated financial statements based on price correlations. If the subsidiary is based in a foreign economy, restatement is made by closing foreign exchange (FX) rates.

When consolidating financial statements with different reporting period ends, all items, whether monetary or non-monetary, are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

v. Comparative Balances

Balances of previous periods are restated with price correlations in order to present them in terms of unit of measurement effective at the end of period.

vi. Comparative Information and Restatement of Previous Periods' Consolidated Financial Statements

Group's financial statements are prepared comparatively to previous periods in order to detect financial position and performance trends. If necessary, comparative information is restated and material differences are explained in order to establish compliance with the presentation of current period consolidated financial statements.

Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Group is TRY and the reporting currency is thousand TRY.

Offsetting

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

2.2. Changes in accounting policies, accounting estimates and errors

Significant changes in accounting policies and significant accounting errors are applied retrospectively and the financial statements of the previous periods are restated if the financial position, performance or cash flow effects of transactions and events are presented in a more appropriate and reliable manner.

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

2.3. Conformity with the Portfolio Limitations

The information presented in Additional Note of this report, regarding control of conformity with the portfolio limitations, is a summary information extracted from financial statements in accordance with Article 16 of Communiqué No: II-14.1, “Principles of Financial Reporting in Capital Markets” and is prepared in accordance with the provisions of the control of portfolio limitations of Communiqué No: III-48.1, “Principles Regarding Real Estate Investment Companies”.

2.4. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these consolidated financial statements are summarized below:

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial. 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 Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. However, since the Group does not have the right of disposition of the cash and cash equivalents used in the cash flow statements, except for keeping these amounts in time deposit accounts, these amounts are exempted from cash and cash equivalents in the cash flow statement (Note 4).

Related Parties

Shareholders, key management personnel, Board of Directors, close family members, and companies which are controlled by those are regarded as related party for the purpose of preparation of these consolidated financial statements. In accordance with TAS 24 – Related party standards, the description of related parties has been restricted. The Group has also transactions with State owned banks and the Republic of Turkey Ministry Under Secretariat of Treasury (the “Treasury”) however quantitative information regarding Turkish State Banks and Treasury is not disclosed in accordance with this exemption. The ultimate parent and ultimate controlling party of the Group is (“TOKİ”). TOKİ is a State institution under control of Republic of Turkey Prime Ministry. The transactions made between the Group and TOKİ and its affiliates are presented in Note 24.

Foreign Currency Transactions

The foreign exchange transactions during the year are translated using the prevailing exchange rates on the related transaction dates. The foreign currency exchange gain and losses that arise by the exchange rate change based on monetary assets and liabilities are presented in the comprehensive income statement.

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

2.4. Summary of Significant Accounting Policies (Continued)

Financial Investments

Classification

The Group classifies its financial assets as “Financial assets at amortised cost”, “fair value through other comprehensive income”, “fair value through profit or loss”. The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group makes the classification of its financial assets on the date of purchase. Financial assets are not reclassified after initial recognition, except where the business model of the Group used is changed for the management of financial assets, in case of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

“Financial assets measured at amortized cost” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. The Group’s financial assets that are recognized at amortized cost include “cash and cash equivalents”, “trade receivables” and “other receivables”. In the initial recognition, the related assets are measured at fair value, and, in subsequent accounting, they are measured at discounted cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in profit or loss.

“Financial assets measured at FVTOCI” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. Gains or losses resulting from the related financial assets are recognized in other comprehensive income, except for impairment losses or gains and foreign exchange income or expenses. In case of sale of such assets, the valuation differences classified in other comprehensive income are classified to prior years’ profits. For investments in equity-based financial assets, the Group may irrevocably choose the method of reflecting subsequent changes in the fair value of other comprehensive income to the financial statements for the first time. In the event that such preference is made, dividends received from related investments are recognized in the income statement.

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

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

2.4. Summary of Significant Accounting Policies (Continued)

Financial Investments (Continued)

Derecognition of Financial Assets

The Group derecognizes financial assets when the rights related to the cash flows that occur in accordance with the contract related to the financial asset expire or when the Group transfers the ownership of all the risks and returns related to the financial asset through a trading transaction. Any rights created or retained to the financial assets transferred by the Group are recognized as a separate asset or liability.

Impairment

Impairment on financial assets and contractual assets is calculated using the "expected credit loss financial model" (ECL). Impairment model is applied to amortized cost financial assets and contractual assets. Loss provisions were measured on the following basis;

- 12-month ECLs: ECLs resulting from possible default events within 12 months of the reporting date.
- Lifetime ECLs: the ECLs resulting from all possible default events during the expected life of a financial instrument. Lifetime ECL measurement is applied at the reporting date when the credit risk associated with a financial asset increases significantly after the initial recognition. In all other cases where the related increase was not observed, the 12 month estimation of ECL was applied.

The Group may determine that the credit risk of the financial asset does not increase significantly if the credit risk of the financial asset has a low credit risk at the reporting date. Nevertheless, lifelong ECL measurement (simplified approach) is always applicable to trade receivables and contract assets without a significant financing element.

Trade Receivables and Payables

Trade receivables are recognized at amortized value of the amount will be received in the following periods from receivables recorded at original invoice value. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. A "simplified approach" is applied for the impairment of trade receivables, which are accounted for at amortized cost and which do not include a significant financing component (less than one year). In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses are measured by an amount equal to the "life time expected loan losses".

In the event that all or some of the amount of the receivable that is impaired is collected following the provision for impairment, the amount collected is recognized in other income from operating activities by deducting the provision for impairment.

Income/expenses from maturity differences and foreign exchange gains/loss related to transactions are recognized under "Other Income/Expenses from Operating Activities" in the statement of profit or loss.

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

2.4. Summary of Significant Accounting Policies (Continued)

Trade Receivables and Payables (Continued)

Trade payables consist of payables to suppliers for purchases of goods and services. Trade payables and other liabilities are offset from unaccrued financial expenses. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts to be paid of payables recognized at original invoice cost in the subsequent periods, using effective interest method. Short-term payables without a determined interest rate stated at amortized cost if the effect of the original effective interest rate is not too significant. HAS payables are classified as short-term payables and stated at carrying value since they will be paid upon beneficiaries' request.

Financial Liabilities

Financial liabilities are classified as at FVTPL on initial recognition. Financial liabilities are recognized with their acquisition costs including transaction costs and then measured at amortized cost value using the effective interest rate method. In cases where the contractual obligations are fulfilled or canceled; The Group derecognizes the financial liability from its records (Note 5).

Employment Termination Benefits

Provision for employee termination benefit defines the current value of total expected provision for the liabilities due to retirement of the employees. Under Turkish labor law, the Group 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 reaches 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 full TRY23,489.83 as of 31 December 2023 (31 December 2022: full TRY15,371.40).

The provision for the present value of the defined benefit obligation is calculated by using the projected liability method. All actuarial profits and losses are recognized in the statement of comprehensive income.

TFRS requires actuarial valuation estimates to be developed to estimate the obligation underdefined benefit plans. In the individual financial statements, the Group calculates a liability on the basis of its experience in the previous years, based on its experience in the past, and on the beneficiaries of the severance payment as of the date of termination. This provision is calculated by estimating the present value of the future probable obligation of the employees.

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

2.4. Summary of Significant Accounting Policies (Continued)

Employment Termination Benefits (Continued)

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. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of full TRY35,058.58 which is effective from 1 January 2024 has been taken into consideration when calculating the liability (1 January 2023: full TRY19,982.83) (Note 13).

Provisions, Contingent Assets and Liabilities

Provisions are recognised when the Group 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. Provisions are not recognised for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in consolidated financial statements and are treated as contingent assets or liabilities.

Land and Residential Unit Inventories

The Group has four types of inventories in its consolidated financial statements. These are;

1. Vacant Land and Plots

Vacant land and plots are carried at lower of cost or net realizable value and represent vacant land and plot of the Group with no ongoing or planned construction project on them. Such land and plots are classified as inventories because the Group uses such land and plots the development of residual and commercial units, as explained below, which are also classified as inventories.

2. Turnkey Projects

Turnkey projects are valued at lower of cost or net realizable value. Turnkey projects costs consist of construction costs of the semi-finished residential units together with the cost of land (progress payments to contractor) on which these projects are developed. Upon completion of residential units costs including the cost of land are classified under completed residential unit inventories.

3. Land Subject to Revenue Sharing Agreements ("LSRSA")

The Group enters into revenue sharing agreements with construction entities to maximize sales proceeds from the sale of its vacant land and plots. Such land and plot sold subject to revenue share agreements to construction entities are accounted at cost until sale is recognized.

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

2.4 Summary of Significant Accounting Policies (Continued)

Land and Residential Unit Inventories (Continued)

4. Completed Residential and Commercial Unit Inventories

Completed residential and commercial units comprise units build in Turnkey projects and units transferred to the Group by the contractor in order to meet minimum revenue stated in the agreements when the projects can not reach the expected revenue as stated in the agreements signed within the framework of LSRSA.

Completed residential and commercial unit inventories are valued at lower of cost or net realizable value.

The Group takes into consideration independent expert valuation reports for inventory (land, finished and semi-finished residential and commercial units) separately at least once a year and uses these reports to assess impairment if any. Fair values are determined on the basis of the price that would be realized on the valuation date between a willing buyer and a willing seller in an arm's length transaction, using the arm's length comparison method. Impairments are recognized under other expenses from operations in the statement of profit or loss and comprehensive income in the period during which they are incurred. Impairments released are recognized under other income from operations when the relevant land or residential are sold.

Property, Plant and Equipment

Property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. The cost value also includes costs that can be directly attributed to the asset to perform its operation as planned. Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives (Note 10).

The expected useful lives for property, plant and equipment are stated below:

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

The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed of performance of the existing asset will flow to the Group and major subsequent expenditures are depreciated over the remaining useful life of the related assets. All other expenses other than these items 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 the income statement.

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

2.4. Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Gains and losses on the disposal of property and equipment are determined by comparing the carrying of the property and equipment with the collected amount and then included in the related income and expense accounts, as appropriate.

Intangible Assets

Intangible assets comprise of licenses and computer software. They are initially recognized at acquisition cost and amortized on a straight-line basis over 5 years their estimated useful lives (Note 11). Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount.

Investment Properties

Investment properties are defined as land and buildings held to earn rental income or capital appreciation or both, rather than for use in the production of goods or services or for administrative purposes; or sale in the ordinary course of business. The Group uses cost model for all investment properties. Investment properties are presented in the consolidated financial statements at cost less accumulated depreciation and less impairment, if any (Note 9). Investment properties consist of residences and buildings and their economic life is 40 years.

Impairment of Assets

The Group reviews all assets subject to amortization at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is projected. Impairment exists if the carrying value of an asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life.

Impairment losses are recorded in the comprehensive income statement. Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment. The Group takes the valuation reports for each property separately into consideration over investment property at least once a year to compare carrying value of assets with its net recoverable value and calculate the impairment if any.

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

2.4. Summary of Significant Accounting Policies (Continued)

Taxation

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets consist of deductible temporary differences are recognized on the condition that it is highly probable that the differences can be utilised by earning future taxable profit. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

2.4. Summary of Significant Accounting Policies (Continued)

Deferred Tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment Reporting

Operating segments shall be reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. However, since the Group operates in only one geographical segment (Turkey) and all of its operations are concentrated in one industrial department (development of residential projects on its vacant land and plot inventories), the Group does not prepare a segment report.

Chief operating decision maker of the Group is its Board of Directors. Board of Directors uses quarterly consolidated financial statements of the Group prepared in accordance with the TFRS when making decisions.

Revenue Recognition

The Group recognizes revenue in the financial statements within the 5-step model below in accordance with TFRS 15 “Revenue from Contracts with Customers” standard that is effective as of 1 January 2018.

- (a) Identify the contract(s) with a customer
- (b) Identify the performance obligations in the contract
- (c) Determine the transaction price
- (d) Allocate the transaction price to the performance obligations in the contract
- (e) Recognize revenue when the entity satisfies a performance obligation

Revenue is comprises of sale of vacant land and plots, sale of residential units produced by turnkey projects and sale of land and plots by way of LSRSA.

1. Sale of Vacant Land and Plots

Revenue is recognized when the unprojectized lands are transferred to the customer according to the contract and performance obligations are fulfilled. Unprojectized land are carried over when the customer takes control of the land.

2. Sale of Residential Units Produced by Turnkey Projects

Revenue is recognized when the independent units are transferred to according to the contract and performance obligations are fulfilled. Residential units are carried over when the customer takes control of the units.

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

2.4. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

3. Sale of land and plots by way of LSRSA

The Group recognizes the revenue for the sale of land by way of LSRSA when performance obligations (the one before the signing of the temporary acceptance protocol with the contractor or the signing of the delivery protocol with the buyer) are fulfilled. In cases where the temporary acceptance protocol or delivery protocol with the buyer is not signed, the Group follows-up its revenue share in the deferred revenue (Note 15) and the share of the construction entity as a liability to contractors (Note 5). The Group's share in the Total Sales Revenue ("TSR") is recorded as revenue from sale of land and the related cost of land is recognised as cost of land sold in the comprehensive income statement (Note 17).

4. Consultancy revenues

The Group provides project consultancy services as its core business. Within the scope of consultancy services, the Group undertakes works such as controlling the production processes of customers' projects, sales and follow-up of the project to third parties. The Company recognizes consultancy income on a periodic accrual basis, taking into account the substance of the contract.

Interest Income and Expense

Interest income and expense are recognised on an accrual basis using the internal rate of return method. Interest income comprises mostly interest income from time deposits and interest income from credit sales of residences (Note 21).

Paid-in Capital

Ordinary shares are classified in equity. Costs related to the issue of new shares are recognized in equity less the amounts discounted by tax effect.

Treasury Shares

Repurchased shares are recognized in the financial statements in accordance with the CMB's Communiqué No. II-22.1 "Treasury Shares". In the statements of shareholders' equity, it is recorded under "Repurchased Shares" account. In addition, in accordance with the related communiqué the amount equal to the repurchase price of the repurchased shares as "Reserves related to the repurchased shares restricted reserves".

Share Premium

Share premiums represent the difference between the fair value of the shares held by the Group at a price higher than the nominal value of the Group or the difference between the fair value and the fair value of the shares of the Group that the Group has acquired. Expenses that are directly attributable to the secondary public offering, in which the shares are re-issued and provide cash inflows to the Group, are deducted from the premiums on issue of share sales.

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

2.4. Summary of Significant Accounting Policies (Continued)

Earnings Per Share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of their shares “bonus shares” to existing shareholders funded from retained earnings. For the purpose of earnings per share computations, such “bonus share” issuances are regarded as issued shares. Accordingly, the weighted average number of shares used in earnings per share computations are determined by taking into consideration the retroactive effect of aforementioned share distributions. In case of increase in issued shares after balance sheet date but before the date that consolidated financial statement is prepared due to the bonus share distribution, earning per share calculation is performed taking account of total new share amount.

Payments for Housing Acquisition Support (“HAS”)

HAS was a compulsory of saving fund, established by the state to be used by fund participants in the future for acquisition of affordable housing between 1987 and 1995. This system aimed to collect the deducted amounts in a single account, apply interest to the savings and provide the employees with these contributions at the time they wish to acquire a house/residential unit in the future. However, this project was suspended in 1996 and as per decree law No. 588, issued in 1999, the decision was taken to terminate the HAS accounts. With this decree law, real estate corresponding to the monetary value of the HAS deductions which were held by Emlak Bankası was transferred to the Company.

Within the scope of Law No. 5664, dated 30 May 2007, and the regulation issued on 14 August 2007, the decision was taken to pay back these savings, which were still held as capital in kind in the accounts of the Company, to the HAS beneficiaries. Accordingly, the shares of HAS beneficiaries were removed from the Company’s equity capital and comprehensive income for the current period based on the ratios specified in the law and recognized as debts to HAS beneficiaries under other payables. The amount payable was determined as the share in the net asset value of the Company at 28 February 2008. The payable amount does not bear any interest or does not change with subsequent changes in the net asset value in subsequent periods and is payable on demand any date after 28 February 2008. The Company has borrowed funds from the Treasury to make such payments.

In addition, the Treasury has an interest liability against HAS beneficiaries calculated before 1999. In accordance with an agreement signed in 2008, the Company undertook this liability on behalf of the Treasury and recorded as payable be paid together with the Company's own payables. However, Company resources are not used for this extra liability. Since all payments are made on behalf of the Treasury, they are instantly collected by cashing the government bonds given for these payments from the Treasury to the Company beforehand.

In accordance with the relevant articles of Law No. 5564 on HAS to the Owners of KEY and Payment to the Rightholders, the receivables that are not requested within five years from the announcement date are recorded as revenue to the Treasury. Due to the expiry of the payment request period of the beneficiaries in the current period, the Company's receivables and debts obligations within the scope of HAS have expired.

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**NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
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2.4. Summary of Significant Accounting Policies (Continued)

Dividend Distribution

Dividends payable are recognized as an appropriation of the profit in the period in which they are declared and reflected in the Group's financial statements as liability.

Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from its main activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

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

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

Events After the Reporting Period

Events after the reporting period cover any events that arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its standalone financial statements if such events arise which require an adjustment to the standalone financial statements (Note 29).

2.5 Critical Accounting Judgements, Assumptions and Estimates

The preparation of financial statements requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues expenses which are reported throughout the period. Even though these assumptions and estimates rely on the best estimates of the Group management both the actual results may differ and not material for these financial statements.

Net Realizable Value of Lands and Residential Inventories

When the estimated net realizable value of land and commercial units is less than the cost value, the allowance is recognized to reduce the value of inventories to their estimated net realizable value. As of 31 December 2023, valuation reports prepared by Acar Taşınmaz Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme A.Ş. have been taken into consideration when determining the net realizable value of lands and residential inventories.

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

2.5 Critical Accounting Judgements, Assumptions and Estimates (Continued)

Provisions for Lawsuits

As of 31 December 2023, lawsuits filed against the Company, possible and potential lawsuits against the Company Provision has been recognized for the parts for which an outflow of resources is probable, based on the opinion of the lawyers. According to the legal judgment of the lawyers, there is no risk of outflow of resources for the cases for which no provision has been recognized. is not seen.

NOTE 3 – ACCOUNTING POLICIES

Interim condensed consolidated financial statements as of 31 December 2023 have been prepared by applying accounting policies that are consistent with the accounting policies applied in the preparation of the financial statements for the year ended 31 December 2022. Therefore, interim condensed financial statements should be read together with the end-of-year financial statements in order to create coherence.

3.1 New and Revised Turkish Financial Reporting Standards

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 Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations effective as of 1 January 2023

- i) The new standards, amendments and interpretations which are effective as of 31 December 2023 are as follows**
- **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.
 - **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.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Financial Reporting Standards (Continued)

i) The new standards, amendments and interpretations which are effective as of 31 December 2023 are as follows (Continued)

- **TFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2025. This standard replaces TFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.
- **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.

The amendments did not have a significant impact on the financial position or performance of the Company.

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 31 December 2023

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- **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.

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NOTE 3 – ACCOUNTING POLICIES (Continued)

3.1 New and Revised Turkish Financial Reporting Standards (Continued)

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as of 31 December 2023 (Continued)

- **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 S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, the POA's Board Decision published in the Official Gazette dated 29 December 2023 announced that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024. 5 January 2024 dated "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" for the purpose of Determining the Entities that will be subject to Sustainability Reporting.

The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash on hand	77	13
Banks	15,379,101	9,691,633
- Demand deposit	78,184	31,567
- Time deposits with maturities less than 3 months	15,300,917	9,660,066
Other cash and cash equivalents	487,515	372,040
	15,866,693	10,063,686

Maturities of cash and cash flows are as follows:

	31 December 2023	31 December 2022
Demand	78,184	31,567
Up to 3 month	15,300,917	9,660,066
	15,379,101	9,691,633

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

	31 December 2023	31 December 2022
	(%)	(%)
Effective annual interest rate	40.58	23.46

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

	31 December 2023	31 December 2022
Cash and cash equivalents	15,866,693	10,063,686
Less: Interest accruals on deposits	(119,968)	(37,511)
Less: LSRSA project deposits (*)	(893,719)	(1,327,650)
Add: the effect of provisions released under TFRS 9	16,619	9,240
	14,869,625	8,707,765

(*) 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 Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. There is no blocked deposit (31 December 2022: None) project accounts amounting TRY893,719 (31 December 2022: TRY1,327,650).

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NOTE 5 – FINANCIAL LIABILITIES

	31 December 2023	31 December 2022
Short-term financial liabilities		
Short-term bank loans	150,286	1,163,420
Issued debt instruments (*)	900,000	979,061
Short-term portion of long-term borrowings	2,181,763	2,982,920
Lease obligation	944	6,299
	3,232,993	5,131,700

(*) On 5 October 2023, the Group issued lease certificates with a maturity date of 3 January 2024 and a nominal amount of TRY400,000 (2022: TRY633,140) with a 38% (2022: 19%) profit share and on 15 November 2023, the Company issued lease certificates with a maturity date of 15 February 2024 and a nominal amount of TRY500,000 (2022: TRY329,546) with a 40% (2022: 22%) profit share.

	31 December 2023	31 December 2022
Long-term financial liabilities		
Long-term borrowings	1,263,329	5,068,450
Lease obligation	5,640	45,525
	1,268,969	5,113,975

Borrowings used as of 31 December 2023 are denominated in TRY and the weighted average interest rate is 20.66% (31 December 2022: 15.25%).

The redemption schedules of the borrowings as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
2024	-	3,082,702
2025	1,263,329	1,985,748
	1,263,329	5,068,450

The maturity distributions of the borrowings are as follows:

	31 December 2023	31 December 2022
Less than 3 months	994,600	1,144,871
Between 3 - 12 months	1,337,449	3,001,469
Between 1 - 5 years	1,263,329	5,068,450
	3,595,378	9,214,790

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 December 2023	31 December 2022
Receivables from related parties (Note 24)	3,766,338	-
Receivables from sale of residential and commercial units	1,941,486	3,091,827
Receivables from contractors of the lands invoiced under LSRSA	1,402,472	1,557,208
Receivables from land sales	816,699	881,334
Notes of receivables	211,397	1,585
Receivables from lessees	68,911	84,008
Other	8,854	16,342
Unearned finance income	(309,558)	(246,896)
	7,906,599	5,385,408
Doubtful receivables	5,243	6,319
Less: Provision for doubtful receivables	(5,243)	(6,319)
	7,906,599	5,385,408
	31 December 2023	31 December 2022
Long-term trade receivables		
Receivables from sale of residential and commercial units	4,055,654	6,430,845
Receivables from land sales	1,456,079	966,317
Unearned finance income	(992,631)	(1,250,824)
	4,519,102	6,146,338
	31 December 2023	31 December 2022
Short-term trade payables		
Trade payables	2,515,456	1,115,681
Payables to LSRSA contractors invoiced	923,884	716,927
Interest accruals on time deposits of contractors (*)	631,553	114,850
Payables to related parties (Note 24)	-	2,924,644
	4,070,893	4,872,102

(*) 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 Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. The Group tracks the contractor's share of the interest obtained from the advances accumulated in these accounts in short-term payables.

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES (Continued)

	31 December 2023	31 December 2022
Long-term trade payables		
Trade payables	369,504	33
	369,504	33

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	31 December 2023	31 December 2022
Short-term other receivables		
Advances given to contractor firms	539,477	833,688
Other receivables from related parties (Note 24)	71,613	-
Receivables from the authorities	27,997	48,667
Other	345,941	69,538
	985,028	951,893

	31 December 2023	31 December 2022
Long-term other receivables		
Other receivables from third parties	22,916	34,003
Deposits and guarantees given	1,014	1,670
	23,930	35,673

	31 December 2023	31 December 2022
Short-term other payables		
Taxes and funds payable	1,083,106	539,256
Other payables to related parties	600	977
Payables to contractors	-	146,239
Other	92,672	164,035
	1,176,378	850,507

As of 31 December 2023, other long-term payables are amount to TRY210,539 and consist of deposits and guarantees received (31 December 2022: TRY193,414).

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NOTE 8 – INVENTORIES

	31 December 2023	31 December 2022
Lands	18,698,902	29,175,033
<i>Cost</i>	24,409,264	32,892,842
<i>Impairment</i>	(5,710,362)	(3,717,809)
Planned land by LSRSA	33,687,663	32,284,204
Planned land by turnkey project	21,582,922	20,081,824
<i>Planned land by turnkey project</i>	26,437,660	27,894,604
<i>Impairment (*)</i>	(4,854,738)	(7,812,780)
Residential and commercial units ready for sale	8,547,907	7,193,571
<i>Cost</i>	9,695,527	12,977,930
<i>Impairment</i>	(1,147,620)	(5,784,359)
Inventories of Emlak Konut Asansör	741,492	91,992
	83,258,886	88,826,624

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

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

The movements of impairment on inventories are as follows:

	2023	2022
Opening balance at 1 January	17,314,948	18,109,711
Impairment on inventories within the current period	6,931,136	8,110,383
Reversal of impairment on inventories within the current period	(12,533,364)	(8,905,146)
Closing balance at 31 December	11,712,720	17,314,948

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NOTE 8 – INVENTORIES (Continued)

As of 31 December 2023 and 2022 the details of land and residential inventories of the Group are as follows:

Lands	31 December 2023	31 December 2022
İstanbul Küçükçekmece Lands	4,990,219	5,332,772
Muğla Bodrum Arsaları	3,643,812	5,123,311
İstanbul Esenler Arsaları	3,470,424	4,927,916
İstanbul Avcılar Lands	2,880,991	3,213,128
İstanbul Başakşehir Lands	1,018,026	2,793,838
İstanbul Çekmeköy Lands	481,474	1,605,472
İstanbul Arnavutköy Lands	443,450	1,380,000
İstanbul Eyüp Lands	395,854	683,999
İzmir Urla Lands	317,990	374,082
İzmir Aliağa Lands	209,380	-
İstanbul Resneli Lands	158,808	-
Muğla Milas Lands	147,744	147,261
İzmir Seferihisar Lands	118,275	137,468
İstanbul Kartal Lands	89,630	116,104
Tekirdağ Çorlu Lands	73,827	22,206
İstanbul Tuzla Lands	68,049	63,808
Sakarya Sapanca Lands	46,369	-
İzmir Konak Umurbey Lands	48,707	48,672
Ankara Çankaya Lands	20,939	207,401
Kocaeli Lands	15,127	59,302
Balıkesir Lands	13,073	21,541
İstanbul Sarıyer Lands	9,887	1,003,024
İzmir Dikili Lands	2,172	18,221
İstanbul Esenyurt Lands	-	64,607
Denizli Merkez Efendi Lands	-	290,211
İzmir Çeşme Lands	-	815,568
İstanbul Şişli Lands	-	576,705
Antalya Aksu Lands	-	41,870
Other	34,675	106,546
	18,698,902	29,175,033

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NOTE 8 - INVENTORIES (Continued)

Planned lands by LSRSA	31 December 2023	31 December 2022
Nidapark İstinye Project	4,550,906	5,016,443
Nişantaşı Koru Project	3,174,104	3,172,480
Bizim Mahalle 2. Etap 2. Kısım Project	2,532,827	2,544,761
Merkez Ankara Project	2,271,797	2,816,431
Nidapark Küçükyalı Project	2,237,829	2,132,642
Yeni Levent Project	1,605,640	1,604,784
Bizim Mahalle 2. Etap 1. Kısım Project	1,475,930	1,482,884
Çekmeköy Çınarköy Project	1,397,147	-
Meydan Başakşehir Project	1,322,992	1,322,649
Batıyakası 2. Etap Project	1,195,530	1,194,577
Next Level İstanbul Project	1,107,098	1,107,035
Beşiktaş Akat Project	1,065,659	-
Ümraniye İnkılap Project	1,009,605	1,009,605
İstanbul Kayabaşı 9. Etap Project	988,610	-
Başakşehir Ayazma 4. Etap Project	893,264	-
İstanbul Tuzla Merkez Project	883,215	881,929
Batıyakası 1. Etap Project	777,753	771,574
İstanbul Kayabaşı 8. Etap Project	669,643	670,384
İstanbul Eyüpsultan Kemerburgaz Project	645,015	-
Avcılar Firüzköy 1. Etap 2. Kısım Project	623,672	623,639
Avcılar Firüzköy 2. Etap Project	615,726	614,155
Avcılar Firüzköy 1. Etap 1. Kısım Project	572,274	575,585
Bodrum Türkbükü Project	464,367	-
Nezihpark Project	284,718	277,418
Antalya Aksu Project	249,473	246,176
Barbaros 48 Project	245,290	245,297
İstanbul Ataşehir Küçükbakkalköy Project	230,764	230,695
İstanbul Kayabaşı 10. Etap Project	215,601	-
Cer İstanbul Project	142,152	140,452
Ankara Çayyolu 2. Etap Project	121,122	-
Düşler Vadisi Project	73,596	900,692
Allsancak Project	27,841	27,026
Evora İzmir Project	14,908	13,480
İdealist Cadde Project	1,595	47,061
Ormanköy Project	-	1,157,826
Köy 4. Etap Project	-	384,404
Avrasya Konutları Project	-	660,201
Nidapark Kayaşehir Project	-	88,165
Ebruli Ispartakule Project	-	323,754
	33,687,663	32,284,204

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NOTE 8 - INVENTORIES (Continued)

Residential and commercial units completed	31 December 2023	31 December 2022
Merkez Ankara Project	3,805,583	1,499,318
Kuzey Yakası Project	1,371,511	1,491,137
Maslak 1453 Project	968,532	1,517,287
Komşu Finans Houses	728,762	-
Bizim Mahalle 1. Etap 1. Kısım Project	390,146	880,691
Denizli Merkez Efendi İkmal İşi Project	357,136	137,551
Sarphan Finanspark Project	301,415	544,687
Bizim Mahalle 1. Etap 2. Kısım Project	223,033	-
Emlak Konut Florya Houses	77,431	-
Semt Bahçekent 1. Etap 2. Kısım Project	64,468	102,680
Köy 2. Etap Project	55,969	172,479
Yalova Armutlu Project	48,827	-
Karat 34 Project	38,327	129,126
Nidapark İstinye Project	33,067	260,877
Büyükyalı Project	30,072	48,783
Metropol İstanbul Project	19,386	56,596
Evora Denizli Project	14,347	35,708
Kocaeli Körfezkent Emlak Konutları	8,000	37,305
Ormanköy Project	3,487	-
Göl Panorama Project	3,061	7,151
Başakşehir Ayazma Emlak Konutları	2,986	2,986
Temaşehir Project	2,361	38,005
Avangart İstanbul Project	-	25,344
Avrupark Hayat Project	-	70,103
Semt Bahçekent 1. Etap 1. Kısım Project	-	32,211
Validebağ Konakları Project	-	4,590
Other	-	98,956
	8,547,907	7,193,571

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NOTE 8 - INVENTORIES (Continued)

Planned lands by turnkey project	31 December 2023	31 December 2022
Çekmeköy Çınarköy Project	12,810,950	7,475,553
Ankara Saraçoğlu Project	2,249,378	1,379,510
Emlak Konut Vadi Evleri Project	2,111,260	386,142
Bizim Mahalle Project	1,713,002	2,113,781
İstanbul Avcılar Firuzköy Project	1,583,378	1,029,336
Balıkesir Altıeylül Project	878,388	290,768
Arnavutköy Yenişehir Project	170,793	-
Merkez Ankara Project O Blok Project	-	115,311
Köy Project	-	1,777,990
Kayabaşı Emlak Konutları Project	-	390,840
Denizli Merkez Efendi İkmal İşİ Project	-	871,580
Ümraniye Kentsel Dönüşüm Project	-	681,285
Emlak Konut Florya Evleri Project	-	3,482,754
Other	65,773	86,974
	21,582,922	20,081,824

NOTE 9 – INVESTMENT PROPERTIES

Rent income is obtained in investment properties and the appraisal used in calculation of low value is made through a precedent comparison and income reduction. As of 31 December 2023 the Group evaluated that there is no situation that would lead to low value in investment properties.

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

	Lands, residential and commercial	Atasehir general management building A block	Total
Cost Value			
Opening balance as of 1 January 2023	2,785,594	261,201	3,046,795
Transfers to commercial units and land inventories	(1,068,980)	-	(1,068,980)
Transfers from residential and commercial unit inventories	39,632	-	39,632
Closing balance as of 31 December 2023	1,756,246	261,201	2,017,447
Accumulated Depreciation			
Opening balance as of 1 January 2023	81,356	32,471	113,827
Charge for the year	32,022	5,224	37,246
Closing balance as of 31 December 2023	113,378	37,695	151,073
Carrying value as of 31 December 2023	1,642,868	223,506	1,866,374

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NOTE 9 – INVESTMENT PROPERTIES (Continued)

	Lands, residential and commercial units	Atasehir general management building A block	Total
Cost Value			
Opening balance as of 1 January 2022	3,086,297	261,201	3,347,498
Transfers from commercial units and land inventories	(300,703)	-	(300,703)
Transfers to residential and commercial unit inventories	-	-	-
Closing balance as of 31 December 2022	2,785,594	261,201	3,046,795
Accumulated Depreciation			
Opening balance as of 1 January 2022	57,262	27,247	84,509
Charge for the year	24,094	5,224	29,318
Closing balance as of 31 December 2022	81,356	32,471	113,827
Carrying value as of 31 December 2022	2,704,238	228,730	2,932,968

As of 31 December 2023, the valuation reports prepared by Acar Taşınmaz Değerleme ve Danışmanlık A.Ş. and Yetkin Gayrimenkul Değerleme 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 December 2023	31 December 2022
Atasehir General Management Office A Block	1,240,824	1,101,695
Independent commercial units of Büyükyalı AVM	1,827,982	717,418
Independent commercial units of Istmarina AVM	1,157,148	680,000
Lands and completed units	621,424	1,430,628
	4,847,378	3,929,741

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NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

31 December 2023	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net carrying value as of 1 January 2023	692,053	5,782	92,466	79,232	47,035	161,872	1,078,440
Additions	-	20,475	41,630	55,246	416	1,368	119,135
Transfers from constructions in progress,	-	-	-	27,433	-	(27,433)	-
Disposal, (net) (-)	(1,431)	(843)	-	(1,129)	(720)	-	(4,123)
Transfers from investment property	-	-	-	-	-	-	-
Depreciation expense(-)	(15,109)	(4,367)	(12,732)	(23,292)	(5,249)	-	(60,749)
Net carrying value 31 December 2023	675,513	21,047	121,364	137,490	41,482	135,807	1,132,703
Cost	750,367	45,429	142,414	349,536	51,535	135,807	1,475,088
Accumulated depreciation (-)	(74,854)	(24,382)	(21,050)	(212,046)	(10,053)	-	(342,385)
Net carrying value 31 December 2023	675,513	21,047	121,364	137,490	41,482	135,807	1,132,703

31 December 2022	Buildings	Motor vehicles	Machinery and equipment	Furniture, equipment and fixtures	Special Cost	Construction in progress	Total
Net carrying value as of 1 January 2022	694,323	7,680	331	59,750	8,086	104,362	874,532
Additions	51,607	-	98,734	41,189	41,691	57,510	290,731
Disposal, (net) (-)	(45,998)	-	-	-	-	-	(45,998)
Depreciation expense(-)	(7,879)	(1,898)	(6,599)	(21,707)	(2,742)	-	(40,825)
Net carrying value 31 December 2022	692,053	5,782	92,466	79,232	47,035	161,872	1,078,440
Cost	751,798	25,797	100,784	267,986	51,839	161,872	1,360,076
Accumulated depreciation (-)	(59,745)	(20,015)	(8,318)	(188,754)	(4,804)	-	(281,636)
Net carrying value 31 December 2022	692,053	5,782	92,466	79,232	47,035	161,872	1,078,440

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

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

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

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NOTE 11 – INTANGIBLE ASSETS

31 December 2023	Licenses	Computer software	Rights	Total
Net carrying value as of 1 January 2023	11,646	6,634	8,403	26,683
Additions	1,301	21,540	34,341	57,182
Amortization expense (-)	(7,104)	(2,953)	(13,076)	(23,133)
Net carrying value 31 December 2023	5,843	25,221	29,668	60,732
Cost	80,513	54,451	45,026	179,990
Accumulated amortization (-)	(74,670)	(29,230)	(15,358)	(119,258)
Net carrying value 31 December 2023	5,843	25,221	29,668	60,732

31 December 2022	Licenses	Computer software	Rights	Total
Net book value, 1 January 2022	9,649	4,190	5,097	18,936
Additions	9,135	3,208	5,363	17,706
Amortization expense (-)	(7,138)	(764)	(2,057)	(9,959)
Net carrying value 31 December 2022	11,646	6,634	8,403	26,683
Cost	79,212	32,911	10,685	122,808
Accumulated amortization (-)	(67,566)	(26,277)	(2,282)	(96,125)
Net carrying value 31 December 2022	11,646	6,634	8,403	26,683

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Provisions		
Provision for lawsuits	262,685	407,549
	262,685	407,549

According to the opinions of the Group's lawyers, provisions amounting to TRY262,685 have been made as of 31 December 2023 (31 December 2022: TRY407,549). As of 31 December 2023, there are 1 cases of defect, 10 cases of loss of rent, 7 cases of cancellation of title deeds and registration, 2 cases of business and 35 other cases. The amount of risk arising from the total possible cash outflow is TRY604,155 (31 December 2022: TRY737,609) and the lawsuits are still pending.

The movements of provision for lawsuits as of 31 December 2023 and 2022 are as follows:

	2023	2022
Balance at 1 January	407,549	422,654
Provision added within the current period (Note 20)	18,106	140,237
Monetary gain/(loss)	(162,970)	(155,342)
Closing balance at 31 September	262,685	407,549

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

12.1 Continuing Lawsuits and Provisions

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

The contractor filed a lawsuit against the Company claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. İzmir Karsiyaka Commercial Court of First Instance issued an expert report and determine that the level of work was at around 83%, and that the legal relationship of the parties were not related to construction right in return of the flat. The Company and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. As a result of the examination of the additional report at the hearing on 11 June 2014, the second expert committee was examined however, since the expert report was not received, the date of the case was not finalized. In addition, the file was transferred to the delegation, as the Commercial Courts turned into Delegation Judges. According to the various expert reports submitted to the file during the proceedings, the plaintiff has not recognized the value of the lawsuit and increased it to TRY76,161. As of 31 December 2023, a provision amounting to TRY139,770 has been provided including interest and legal expenses. The lawsuit has been partially accepted and partially rejected and the trial is ongoing.

12.1.2 The filed by the contractor firm is action of debt, deed cancellation and registration case. The decision of the contractor's contract was terminated unfairly, passing through degrees. Lawsuits filed by the company and amounting to TRY2,071 have been partially accepted and the decision was appealed by the parties, the trial is ongoing at the Istanbul 16th Commercial Court of First Instance. As of 31 December 2023 a provision amounting to TRY8,181 has been made including interest and litigation costs.

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

12.1 Continuing Lawsuits and Provisions (Continued)

12.1.3 Within the scope of Revenue Sharing in Return for Riva Land Sale Tender for immovables parcel numbered 3201, 3202, 3203 located in Istanbul Province, Beykoz/Riva District as per the Article 14 of Bidding Specification of the aforementioned tender, bid bonds have been submitted to the client company by the Joint Venture, in the second session of the tender held on 15 June 2017, it was decided to leave the tender under the responsibility of the Joint Venture, which gave the most economically advantageous bid however, companies that have applied to the client company and invited for signature were requested to revise the terms and criteria of the tender, with the justification that the Planned Areas Type Zoning Regulation by the Ministry of Environment and Urbanization published on Official Gazette No. 30113 dated 3 July 2017 contains regulations that cause a significant reduction in the construction area subject to the tender, with the entry into force of the provisions of the said Regulation, the revision requests of the plaintiff companies were rejected on the grounds that there would be no change in the construction field based on the precedent and the Company gave a deadline until 15 August 2017 for the signing of the contract, as the client company did not come to sign the contract at the end of the period, the bid bonds submitted by the plaintiff companies within the scope of the Revenue Sharing in Return for Riva Land Sale Tender were registered as revenue and the tender was awarded to the non-litigated contractor who submitted the second most appropriate bid for the subject matter and there are pecuniary and non-pecuniary damages lawsuits filed on the grounds that the claimant's revision requests regarding the conditions and criteria of the aforementioned tender were rejected and that the recognition of the letters of guarantee as revenue was unfair. Provision amounting to TRY11,792 has been made including interest and litigation costs as of 31 December 2023.

12.1.4 This is a lawsuit filed by Şekerbank T.A.Ş. who has been assigned a receivable of TRY46,000, which has arisen and will arise from the Istanbul Ümraniye 1st Stage Revenue Sharing Work contractor Yeni Sarp-Özarak Ordinary Partnership's Emlak Konut GYO A.Ş. alleging that TRY34,135 of the assignment receivable remaining from the assignment has not been unfairly paid to him. At the same time with this lawsuit, the plaintiff requested to place a mortgage equal to the amount of the lawsuit to some of the immovables within the scope of the project in order to constitute the guarantee of the receivable subject to the lawsuit. On 15 October 2020, the court decided to reject the case. The plaintiff requested an appeal and the appeal court overturned the decision. As of 31 December 2023, a provision has been made in the amount of TRY72,915 including interest and litigation costs.

12.2 Contingent Liabilities of the Group

In the financial statements prepared as of 31 December 2023, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Group Management and its lawyers, no provision has been made in the financial statements prepared as of 31 December 2023 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Group in order to fulfill its obligation.

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

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

Contingent Liabilities of the Group (Continued)

12.2.2 In case it is not possible to register on behalf of the plaintiff with the reversal of the responsibility of TOKİ ¼ share (65,122.35 m2) of the parcel with an area of 260,489.41 m2 in Istanbul province, Tuzla district, Orhanlı Mah. 120 Island 1, which is still registered to TOKİ, and in case the immovable share value of TRY117,220 is not possible from the date of transfer for now, the lawsuit (total amount including interest TRY135,615) filed against our Company by the plaintiff of 2021/740 E. Anadolu Yakası Ticaret Lojistik ve Yapı A.Ş. of Istanbul Anadolu 1st Commercial Court of First Instance, is seen in the file numbered 2021/740 of the Istanbul Anadolu 1st Commercial Court of First Instance and has a hearing on 14.06.2023.

12.3 Contingent Assets of the Group

12.3.1 As of 31 December 2023 and 2022, 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 December 2023	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	2,693,194	9,310,494	12,003,688
2 year	2,051,386	6,566,991	8,618,377
3 year	1,549,143	4,325,473	5,874,616
4 year	507,452	1,268,962	1,776,414
5 year and above	1,370,093	762,658	2,132,751
	8,171,268	22,234,578	30,405,846

31 December 2022	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	3,744,692	9,863,422	13,608,114
2 year	2,174,353	6,041,780	8,216,133
3 year	1,630,875	2,703,045	4,333,920
4 year	1,076,709	1,129,904	2,206,613
5 year and above	2,415,318	393,292	2,808,610
	11,041,946	20,131,443	31,173,389

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NOTE 13 -EMPLOYEE BENEFITS

	31 December 2023	31 December 2022
Short-term provisions		
Unused vacation provision	105,377	58,554
	105,377	58,554
Long-term provisions	31 December 2023	31 December 2022
Provision for employment termination benefit	121,000	80,332
	121,000	80,332

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 December 2023	31 December 2022
Discount Rate (%)	3.50	4.45
Turnover rate to estimate probability of retirement (%)	1.10	0.99

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.

If the discount rate is 1% lower, the severance pay liability will be TRY12,100 more.

Leaving the other assumptions the same, if the probability of leaving the job voluntarily is 1% higher, the severance pay liability will be TRY6,050 more.

Movement in the provision for severance pay during the period is as follows:

	2023	2022
Balance at 1 January	80,332	42,777
Service cost	84,266	37,675
Interest cost	42,903	1,951
Payment within the period	(20,623)	(9,203)
Monetary gain/(loss)	(65,878)	7,132
Closing balance at 31 December	121,000	80,332

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NOTE 14 – OTHER ASSETS

Other current assets	31 December 2023	31 December 2022
Other payments to contractors	2,248,838	784,869
Deferred VAT	1,551,355	1,211,920
Income accruals	365,475	13,436
Progress payments to contractors	211,928	106,726
Receivables from tax office	132,241	54,858
Prepaid income tax	7,094	6,884
Other	6,598	4,577
	4,523,529	2,183,270

NOTE 15 – DEFERRED INCOME AND PREPAID EXPENSES

Short-term deferred income	31 December 2023	31 December 2022
Advances taken from turnkey project sales	20,402,340	18,915,525
Deferred income from LSRSA projects (*)	16,864,105	10,155,955
Advances taken from LSRSA contractors (**)	12,225,465	10,784,612
Advances received from related parties (Note 24)	3,517,023	1,680,489
Deferred income related to sales of independent units	369,728	1,009,422
	53,378,661	42,546,003

(*) 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.

Long-term deferred income	31 December 2023	31 December 2022
Other advances given	55,651	12,864

Prepaid expenses	31 December 2023	31 December 2022
Advances given for inventory (*)	1,184,830	846,089
Prepaid expenses	129,102	46,224
Prepaid expenses to related parties (Note 24)	-	2,361,537
Advances given	-	14,406
	1,313,932	3,268,256

(*) The Company has given stock advances to the contractor companies for the housing and commercial units to be purchased based on the sales promise agreements from its ongoing projects.

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NOTE 16 – SHAREHOLDERS’ EQUITY

The Group’s authorized capital amount is TRY3,800,000 (31 December 2022: TRY3,800,000) and consists of 380,000,000,000 (31 December 2021: 380,000,000,000) authorized number of shares with a nominal value of TRY0.01 each.

The Group’s shareholders and their shareholding percentages as of 31 December 2023 and 2022 is as follows:

Shareholders	31 December 2023		31 December 2022	
	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 to share capital		34,332,714		34,332,714
		38,132,714		38,132,714

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 Group’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 “Retained Earnings”. 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.

On 31 March 2023, the General Assembly decided to distribute dividends amounting to TRY1,251,352.

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NOTE 16 – SHAREHOLDERS’ EQUITY (Continued)

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	56,481,767	34,332,714	(22,149,053)
Share premium	34,530,966	20,037,893	(14,493,073)
Restricted reserves appropriated from profit	9,278,507	6,015,646	(3,262,861)

The details of the "Retained earnings or losses" item in the Company's balance sheet prepared in accordance with TFRS within the scope of the first transition to TAS 29 inflation accounting are as follows:

	1 January 2022 Amount Before Inflation Accounting	1 January 2022 Amount After Inflation Accounting	31 December 2022 Amount Before Inflation Accounting (Excluding 2022 Net Period Profit/Loss)	31 December 2022 Amount After Inflation Accounting
Retained earnings or losses	7,777,801	11,718,632	8,745,237	(484,035)

NOTE 17 – REVENUE AND COST OF SALES

	1 January- 31 December 2023	1 January- 31 December 2022
Sales income		
Land sales	15,070,539	13,676,071
<i>Sales of planned lands by way of LSRSA</i>	5,259,452	10,436,453
<i>Land sales income</i>	9,811,087	3,239,618
Residential and commercial units sales	11,913,767	6,630,831
Consultancy income	1,433,311	814,839
Elevator sales income	69,909	-
Rent income	138,841	116,681
	28,626,367	21,238,422
Sales returns and discounts	(130,548)	(18,250)
Net sales income	28,495,819	21,220,172
Cost of sales		
Cost of lands	(8,663,603)	(7,217,671)
<i>Cost of lands planned by way of LSRSA</i>	(3,503,063)	(6,534,462)
<i>Cost of lands sold</i>	(5,160,540)	(683,209)
Cost of residential and commercial units sold	(11,338,680)	(8,904,110)
	(20,002,283)	(16,121,781)
Gross Profit	8,493,536	5,098,390

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NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 31 December 2023	1 January- 31 December 2022
General administrative expenses		
Donations (*)	(1,084,425)	(87,872)
Personnel expenses	(1,100,304)	(666,940)
Taxes, duties and fees	(378,119)	(289,274)
Consultancy expenses	(333,405)	(300,232)
Security and cleaning expenses	(137,569)	(132,746)
Depreciation and amortization	(121,128)	(80,102)
Due and contribution expenses	(36,775)	(35,532)
Travel expenses	(30,277)	(29,720)
Maintenance and repair expenses	(32,557)	(43,113)
Insurance expenses	(19,817)	(3,210)
Lawsuit and notary expenses	(16,569)	(15,278)
Communication expenses	(4,669)	(4,093)
Other	(180,092)	(112,699)
	(3,475,706)	(1,800,811)

(*) With the decision of the Board of Directors dated 15 February 2023, the epicenter of the crisis was Kahramanmaraş, affecting eleven provinces. It was decided to donate TRY1,498,000 in cash and in kind to the aid campaign launched due to the earthquakes. The payment of TRY1,049,000 of the determined aid amount was realized during the year.

	1 January- 31 December 2023	1 January- 31 December 2022
Marketing and sales expenses		
Advertising expenses	(326,591)	(189,441)
Personnel expenses	(100,767)	(94,818)
Consultancy expenses	(28,535)	(20,391)
Other	(71,175)	(19,333)
	(527,068)	(323,983)

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NOTE 19 – EXPENSE BY NATURE

	1 January - 31 December 2023	1 January- 31 December 2022
Expenses from residential and commercial units sales	11,338,680	8,904,110
Land costs	8,663,603	7,217,671
Personnel expenses	1,201,071	761,758
Donations	1,084,425	87,872
Taxes,duties and fees	378,119	289,274
Consultancy expenses	361,940	320,623
Advertising expenses	326,591	189,441
Security and cleaning expenses	137,569	132,746
Depreciation and amortisation (Note 11,12,13)	121,128	80,102
Due and contribution expenses	36,775	35,532
Lawsuit and notary expenses	19,817	3,210
Communication expenses	16,569	15,278
Insurance expenses	4,669	4,093
Other	296,068	199,001
	23,987,024	18,240,711

NOTE 20 – OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 December 2023	1 January- 31 December 2022
Other income from operating activities		
Default interest income from projects	1,282,250	126,547
Financial income from forward sales	511,240	5,714,562
Income from transfer commissions	377,153	343,860
Reversal of unaccrued financial income, net	246,267	203,959
Impairment provisions released	51,608	627,058
Income from tender contract sales	1,541	5,563
Other	267,574	389,174
	2,737,633	7,410,723

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

	1 January- 31 December 2023	1 January- 31 December 2022
Other expenses from operating activities		
Provision for impairment of land and residential inventories (Note 8)	(2,790,516)	(4,880,821)
Reversal of unaccrued financial expense, net	(630,988)	-
Provision for lawsuits (Note 12)	(18,106)	(140,237)
Other	(52,659)	(162,741)
	(3,492,269)	(5,183,799)

NOTE 21 – FINANCIAL INCOME / EXPENSES

	1 January- 31 December 2023	1 January- 31 December 2022
Financial income		
Interest income from time deposits	3,407,526	1,205,677
Interest income from land acquisition	644,548	73
Foreign exchange gains	48,973	1,732
	4,101,047	1,207,482

	1 January- 31 December 2023	1 January- 31 December 2022
Financial expenses		
Borrowings interest and lease certificate expenses	(1,338,796)	(1,561,901)
Foreign exchange losses	(293,246)	(109,240)
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı interest expenses (*)	(67,876)	(180,856)
Interest expense on lease liabilities	(4,599)	-
	(1,704,517)	(1,851,997)

(*) This amount consists of interest expense accrued as of 31 December 2023 for the Company's debt in return for the land purchased from The Ministry of Environment, Urbanisation and Climate Change.

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NOTE 22 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate Tax

The Emlak Konut GYO is exempt from Corporate Tax in accordance with the paragraph 4-d of Article 8 of the Corporate Tax Law. According to the paragraph 6-a of Article 94 of the Income Tax Law the earnings of real estate investment companies are subject to withholding and withholding tax rate is determined as "0" according to the Council of Ministers Decision, No: 93/5148. The Group's subsidiaries, associates and joint operations are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

Pursuant to the temporary article added to the Corporate Tax Law with Article 11 of the Law No. 7316 published in the Official Gazette dated 22 April 2021 and numbered 31462; The corporate tax rate for the corporate earnings of the 2022 taxation period is 25% (2022: 23% for the year 2022).

The Law numbered 7061 on "Amendment of Certain Taxes and Laws and Other Acts" was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

The current tax liability of the Group as of 31 December 2023 is as follows:

	31 December 2023	31 December 2022
Current tax assets		
Prepaid taxes and funds	4,820	9,834
	4,820	9,834

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**NOTE 22 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)**

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.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% over the temporary timing differences expected to reverse in 2023, and 23% over the temporary timing differences that are expected to reverse after 2022. (2022: 23% for 2023).

In Turkey, the companies cannot declare a tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	31 December 2023	31 December 2022
<u>Deferred tax (assets)/liabilities:</u>		
Fair value adjustment to inventories in acquired associates	(7,882)	147,397
Effect of amortized cost method on receivables	(430)	(15,896)
Depreciation / amortization differences of property, plant and equipment and other intangible assets	10,831	4,818
Adjustments related to deferred income	(6,858)	-
Provision for employment termination benefits	(10,171)	(2,696)
	<u>(14,510)</u>	<u>133,623</u>

The movements of deferred tax (asses)/ liabilities for the periods ended 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
<u>Movement of deferred tax (assets)/liabilities:</u>		
Opening balance as of 1 January	(133,623)	(155,444)
Charged to profit or loss	148,133	21,821
Closing balance at 31 December	<u>14,510</u>	<u>(133,623)</u>

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**NOTE 22 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)**

	1 January- 31 December 2023	1 January- 31 December 2022
<u>Reconciliation of tax provision:</u>		
Profit from operations before tax	(4,222,447)	893,953
Tax at the domestic income tax rate 2023: 25% (2022: 23%)	1,055,612	(223,263)
Tax effects of:		
- revenue that is exempt from taxation	(953,382)	199,882
- the effect of tax rate change from 23% to 25%	(33,406)	-
- effect of statutory inflation accounting	(176,840)	-
- other	(40,117)	11,374
Income tax expense recognised in profit	(148,133)	(12,007)
	1 January- 31 December 2023	1 January- 31 December 2022
<u>Tax (expense) / income comprises:</u>		
Current tax expense	-	(9,814)
Deferred tax income	148,133	21,821
Total tax income	148,133	12,007

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 Group's shares for the period.

The Group 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- 31 December 2023	1 January- 31 December 2022
Net income attributable to equity holders		
of the parent	(4,074,314)	905,060
Weighted average number of ordinary shares	3,804,550,291	3,938,879,862
Earnings per share	(0.0107)	0.0023

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NOTE 24 – RELATED PARTY DISCLOSURES

The main shareholder of the Group 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 Group are as listed below.

1. T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")
2. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
3. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
4. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
5. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
6. Emlak-Toplu Konut İdaresi Spor Kulübü
7. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
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 Konut Spor Kulübü Derneği
11. Türkiye Emlak Katılım Bankası A.Ş.
12. T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü
13. İller Bankası A.Ş.
14. Emlak Basın Yayın A.Ş.

According to the revised TAS 24 – “Related Parties Transactions Standard”, exemptions have been made to the related party disclosures of state institutions and organizations. The Group 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 Group keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 31 December 2023 the Group has deposits amounting to TRY8,346,154 in state banks (31 December 2022: TRY8,090,001). Average effective interest rates of time deposits of the Group as of 31 December 2023 are explained in Note 4.

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

	31 December 2023	31 December 2022
Trade receivables from related parties		
T.C. Çevre ve Şehircilik Bakanlığı (*)	3,766,338	-
	3,766,338	-

(*) The Company's trade receivables from the Ministry of Environment and Urbanization consist of payments made by the Company for urban transformation projects

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

	31 December 2023	31 December 2022
Short-term other receivables from related parties		
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Ferzan Adi Ortaklığı	62,258	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Şua İnşaat Adi Ortaklığı	9,306	-
Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi	23	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Güneri Adi Ortaklığı	26	-
	71,613	-

	31 December 2023	31 December 2022
Trade payables to related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ") (*)	-	2,924,644
	-	2,924,644

(*) Remaining debt amount related to the acquisition of 22 parcels purchased by the company in the protocol signed with TOKİ on 9 March 2022.

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

	31 December 2023	31 December 2022
Deferred revenue from related parties		
Türkiye Emlak Katılım Bankası A.Ş. (*)	3,517,023	1,680,489
	3,517,023	1,680,489

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

	31 December 2023	31 December 2022
Short-term other payables from related parties		
Emlak Planl. İnş. Prj. Yön. A.Ş. - Cathay Ortak Girişimi	600	977
	600	977

	31 December 2023	31 December 2022
Financial investments from related parties		
Türkiye Emlak Katılım Bankası A.Ş.	-	94,771
	-	94,771

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NOTE 24 – RELATED PARTY DISCLOSURES (Continued)

Prepaid expenses to related parties	31 December 2023	31 December 2022
T.C. Çevre, Şehircilik ve İklim Değişikliği Bakanlığı	-	2,361,537
	-	2,361,537

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

Purchases from related parties	1 January- 31 December 2023	1 January- 31 December 2022
Emlak Basın Yayın A.Ş.	2,556	2,496
T.C. Çevre ve Şehircilik Bakanlığı	-	6,615,470
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	-	8,581,906
	2,556	15,199,872

Sales to related parties	1 January- 31 December 2023	1 January- 31 December 2022
T.C. Çevre ve Şehircilik Bakanlığı	1,164,453	222,443
Gedaş Gayrimenkul Değerleme A.Ş.	32,076	-
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	46,470	5,479
İller Bankası A.Ş.	-	1,316,424
	1,242,999	1,544,346

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 Group including any manager. Salaries and other short-term benefits provided to the key management personnel, General Manager of the Board of Directors, Assistant General Managers and General Manager Consultant, are as follows:

Compensation to key management	1 January- 31 December 2023	1 January- 31 December 2022
Salaries and other short-term benefits	40,040	40,442
	40,040	40,442

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NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company'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 monitors the undiscounted estimated cash flows arising from the financial liabilities and trade payables of the Group with special reporting methods and analysis.

The maturity distribution of financial liabilities of the Group as of 31 December 2023 and 2022 is as follows:

	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
31 December 2023					
Short-term financial liabilities					
(Non-derivative):					
Financial liabilities	3,232,993	4,190,332	2,099,398	2,090,934	-
Trade payables	4,070,893	4,070,893	4,070,893	-	-
Other payables	1,176,378	1,176,378	1,175,778	600	-
	8,480,264	9,437,603	7,346,069	2,091,534	-
Long-term financial liabilities					
(Non-derivative):					
Financial liabilities	1,268,969	2,001,781	-	-	2,001,781
Trade payables	369,504	369,504	-	-	369,504
Other payables	210,539	210,539	-	-	210,539
	1,849,012	2,581,824	-	-	2,581,824
31 December 2022					
Short-term financial liabilities					
(Non-derivative):					
Financial liabilities	5,131,700	3,070,113	1,535,513	1,534,600	-
Trade payables	4,872,102	4,872,101	4,872,101	-	-
Other payables	850,507	850,507	850,507	-	-
	10,854,309	8,792,721	7,258,121	1,534,600	-
Long-term financial liabilities					
(Non-derivative):					
Financial liabilities	5,113,975	5,113,975	-	-	5,113,975
Trade payables	33	33	-	-	33
Other payables	193,414	193,414	-	-	193,414
	5,307,422	5,307,422	-	-	5,307,422

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**NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL
INSTRUMENTS (Continued)**

Interest Rate Risk

The Group is vulnerable to interest rate arising from the change of interest rates due to its interest-earning asset and interest-paid liabilities. This risk is managed through on-balance sheet method by balancing the amount and maturity of interest rate sensitive assets and liabilities. In this context, great importance is attached to the fact that not only the due dates of receivables and payables, but also the periods of interest renewal are similar.

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

	31 December 2023	31 December 2022
	(%)	(%)
Current assets		
Cash and cash equivalents	40.58	23.46
Trade receivables	20.62	15.25
Current liabilities		
Financial liabilities	-	18.83
Non-current liabilities		
Financial liabilities	-	14.74

The table showing the Group's interest rate sensitive financial instruments is as follows:

	31 December 2023	31 December 2022
Financial instruments with fixed interest rate		
Time deposits	15,300,917	9,660,066
Financial liabilities	4,501,962	10,245,675

Credit Risk Disclosures

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

The Group manages credit risk of bank deposits by working mainly with state banks established in Turkey and having long standing relations with the Group. Majority of bank deposits in this regard are with the state owned retail banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (letter of guarantee, etc.),
- Mortgage on real estate,
- Retain the legal title to the goods solely to protect the collectability of the amount due.

In credit risk control, the credit quality of each customer is assessed; taking into account its financial position, past experience and other factors, individual risk limits are set in accordance and the utilisation of credit limits is regularly monitored.

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NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit Risk Disclosures (Continued)

As of 31 December 2023, details of credit and receivables risk are as follows:

31 December 2023	Trade Receivables		Other Receivables		Deposits at Banks	Blocked deposits with maturities more than 3 months
	Related Party	Other	Related Party	Other		
Maximum credit risks exposed as of reporting date	3,766,338	8,659,363	71,613	937,345	15,379,101	-
Secured portion of the maximum credit risk by guarantees, etc.	3,766,338	8,199,429	71,613	937,345	15,379,101	-
A. Net carrying value of financial assets that are neither past due nor impaired	3,766,338	8,199,429	71,613	937,345	15,379,101	-
Secured portion by guarantees etc.	3,766,338	8,199,429	71,613	937,345	15,379,101	-
B. Net carrying value of assets with negotiated terms	-	-	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	459,934	-	-	-	-
Secured portion by guarantees etc.	-	459,934	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-
Past due (Gross carrying value)	-	5,243	-	-	-	-
Impairment (-)	-	(5,243)	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-	-

As of 31 December 2022, details of credit and receivables risk are as follows:

31 December 2022	Trade Receivables		Other Receivables		Deposits at Banks	Blocked deposits with maturities more than 3 months
	Related Party	Other	Related Party	Other		
Maximum credit risks exposed as of reporting date	-	11,327,492	-	987,566	9,691,633	-
Secured portion of the maximum credit risk by guarantees, etc.	-	11,071,812	-	987,566	9,691,633	-
A. Net carrying value of financial assets that are neither past due nor impaired	-	11,071,812	-	987,566	9,691,633	-
Secured portion by guarantees etc.	-	11,071,812	-	987,566	9,691,633	-
B. Net carrying value of assets with negotiated terms	-	-	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	255,680	-	-	-	-
Secured portion by guarantees etc.	-	255,680	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-
Past due (Gross carrying value)	-	6,319	-	-	-	-
Impairment (-)	-	(6,319)	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-	-

Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality. There is no impairment on the Group's asset that subject to credit risk of financial activities. In addition, the Group does not have any items that include off-balance credit risk and assets that are overdue but not impaired.

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NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk

The Group is subject to the foreign currency risk due to the foreign currency deposits in the bank deposit account. Since the Group does not use foreign currency in its main operations, the foreign currency risk is only originated from deposits of the Group.

Foreign Currency Position

Foreign currency denominated assets, liabilities and effects arising from foreign exchanges arising from having off-balance sheet items constitute exchange rate risk.

As of 31 December 2023, the Group's foreign currency assets and liabilities did not need to be balanced with any off-balance sheet items.

The table below summarizes the Group's foreign currency position of the Group as of 31 December 2023 and 2022. TRY equivalents of carrying values of assets and liabilities denominated in foreign currencies are as follows:

	TL Amount (Functional Currency)	US Dollar	EURO
1a. Monetary Financial Assets	33,573	4,525	-
2.CURRENT ASSETS	33,573	4,525	-
3. TOTAL ASSETS	33,573	4,525	-
4a. Monetary Other Liabilities	-	-	-
5. CURRENT LIABILITIES	-	-	-
6.TOTAL LIABILITIES	-	-	-
7.Net Foreign Currency Assets/Liabilities Position	33,573	4,525	-
8.Monetary Items Net Foreign Currency Assets / Liabilities (1a-4a)	33,573	4,525	-
31 December 2022			
	TL Amount (Functional Currency)	US Dollar	EURO
1a. Monetary Financial Assets	2,144	1,039	1,105
2.CURRENT ASSETS	2,144	1,039	1,105
3. TOTAL ASSETS	2,144	1,039	1,105
4a. Monetary Other Liabilities	-	-	-
5. CURRENT LIABILITIES	-	-	-
6.TOTAL LIABILITIES	-	-	-
7.Net Foreign Currency Assets/Liabilities Position	2,144	1,039	1,105
8.Monetary Items Net Foreign Currency Assets / Liabilities (1a-4a)	2,144	1,039	1,105

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NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital Risk Management

The Group attempts to manage its capital by minimizing the investment risk with portfolio diversification. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

While managing the capital, the Group's objectives are to maintain the Group's operability in order to maintain the most appropriate capital structure in order to provide benefits to its shareholders, benefit from other stakeholders and reduce the cost of capital.

Gearing ratio as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Financial Liabilities	4,501,962	10,245,675
Less: Cash and cash equivalents	(15,866,693)	(10,063,686)
Net Liability/(Asset)	(11,364,731)	181,989
Total Shareholder's Equity	57,230,391	61,544,059
Total Capital	45,865,660	61,726,048
Net liability (asset)/Total Capital Ratio	-25%	0%

NOTE 26 – FINANCIAL INSTRUMENTS

31 December 2023	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying value	Note
<u>Financial assets</u>				
Cash and cash equivalents	15,866,693	-	15,866,693	4
Trade receivables	8,659,363	-	8,659,363	7
Trade receivables due from related parties	3,766,338	-	3,766,338	27
Other financial assets	937,345	-	937,345	8
Borrowings	-	4,501,962	4,501,962	6
Trade payables	-	4,070,893	4,070,893	7
Other financial liabilities	-	1,386,317	1,386,317	8
31 December 2022	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying value	Note
<u>Financial assets</u>				
Cash and cash equivalents	10,063,686	-	10,063,686	4
Trade receivables	11,531,746	-	11,531,746	7
Other financial assets	987,566	-	987,566	8
Borrowings	-	10,245,676	10,245,676	6
Trade payables	-	4,872,101	4,872,101	7
Due to related parties	-	2,924,644	2,924,644	27
Other financial liabilities	-	1,042,943	1,042,943	8

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NOTE 26 – FINANCIAL INSTRUMENTS (Continued)

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 Group has determined the estimated fair values of financial instruments using current market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgment. As a result, the estimations presented here cannot be an indication of the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments that are practically possible to estimate fair values:

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 are expected to reflect the fair value along with the relevant impairment provisions.

It is estimated that the fair values of the foreign currency balances converted with the exchange rates at the end of the period are close to their carrying values.

Special issue Government Debt Securities issued by the Treasury and given to the Group for the payments to be made to the HAS beneficiaries are not subject to trading in the secondary market and do not contain interest. They are recognized with their carrying value which is their fair value by the Group and they can be amortised at carrying value by the Group against the Treasury.

Bonds are kept at their fair values in the financial statements of the Company. Fair values of the bonds are calculated quarterly using effective interest rates.

Financial Liabilities:

The Group's borrowing from the Treasury in order to finance HAS payments are calculated at each interest payment period based on the weighted average compound interest rate of the Government Debt Securities. Therefore, the carrying value of this financial borrowing of the Group approximate their fair value.

Short-term trade payables and other liabilities with no stated interest rate are measured at original invoice amount. Since, these trade payables and other liabilities will be paid when requested they are considered as short-term.

It is anticipated that there is no significant difference between the cost values and fair values of the borrowings with floating interest rates including its accruals for the regarding period.

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NOTE 26 – FINANCIAL INSTRUMENTS (Continued)

Financial Liabilities (Continued):

Fair Value of Financial Instruments

The fair value of financial assets and liabilities are determined as follows:

- Level 1: Financial assets and financial liabilities with standard terms and conditions are valued with quoted market prices which are determined on active liquid markets.
- Level 2: Financial assets and financial liabilities are valued by directly or indirectly observable market prices rather than the quoted market prices mentioned in first level of the regarding assets or liabilities.
- Level 3: Financial assets and financial liabilities are valued by inputs where there is no observable market data of the fair value of the regarding assets and liabilities.

NOTE 27 – COMMITMENTS

The Group's mortgage and guarantees received as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Guarantees received (*)	24,110,593	16,357,525
Mortgages received (**)	752,162	545,360
	24,862,755	16,902,885

(*) 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.

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NOTE 27 – COMMITMENTS (Continued)

The collaterals, pledges and mortgages (“CPM”) of the Group as of 31 December 2023 and 2022 are as follows :

	31 December 2023	31 December 2022
A. CPM given on behalf of the Company's legal personality	293,502	681,639
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of majority shareholder	-	-
ii) Total amount of CPM given on behalf of other companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
	293,502	681,639

NOTE 28 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

	2023			2022		
	BDK	Other BDK	Total	BDK	Other BDK	Total
Independent audit fee for the reporting period	2,320	-	2,320	1,909	-	1,909
Fees for tax advisory services	-	1,328	1,328	-	1,986	1,986
	2,320	1,328	3,648	1,909	1,986	3,895

NOTE 29 - EVENTS AFTER THE REPORTING PERIOD

The Company has signed an additional protocol with the Ministry of Environment, Urbanization and Climate Change (General Directorate of Infrastructure and Urban Transformation Services) regarding the purchase of 1 immovable property located in Mahmutlar Neighborhood, Alanya district, Antalya province for TRY776,679 (excluding VAT).

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**ADDITIONAL NOTE – CONTROL OF COMPLIANCE WITH THE PORTFOLIO
LIMITATIONS**

	Unconsolidated (Separate) Financial Statement Main Account Items	Related Regulation	31 December 2023	31 December 2022
A	Money and Capital Market Instruments	Series: III-No.48, Art.24/(b)	14,261,817	14,127,776
B	Properties, Projects based on Properties and Rights based on Properties	Series: III-No.48, Art.24/(a)	86,620,419	32,699,885
İŞ	Affiliates	Series: III-No.48, Art.24/(b)	2,854,261	1,048,637
	Due from Related Parties (Non-trade)	Series: III-No.48, Art.23/(f)	-	-
DV	Other Assets		17,095,435	12,000,554
D	Total Assets (Total Assets)		120,831,932	59,876,852
E	Financial Liabilities	Series: III-No.48, Art.24/(b)	4,400,778	4,735,973
F	Other Financial Liabilities	Series: III-No.48, Art.24/(a)	-	-
G	Due from Financial Leases	Series: III-No.48, Art.24/(b)	-	-
H	Due to Related Parties (Non commercial)	Series: III-No.48, Art.23/(f)	-	-
İ	Shareholders' equity		58,549,588	22,512,591
EB	Other Resources		57,881,566	32,628,288
D	Total Resources	Series: III-No.48, Art.3/(k)	120,831,932	59,876,852
	Non-Consolidated (Standole) Other Financial Information	Related Regulation	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	Series: III-No.48, Art.24/(b)	14,261,817	14,127,776
A2	Term / Demand / Currency	Series: III-No.48, Art.24/(b)	15,258,885	15,105,307
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)	10,054,883	2,150,142
C1	Foreign Affiliates	Series: III-No.48, Art.24/(d)	-	-
C2	Affiliates for Operating Company	Series: III-No.48, Art.28	1,048,000	1,048,000
J	Non-Cash Loans	Series: III-No.48, Art.31	148,368	147,648
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 December 2023	31 December 2022
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)	83%	78%
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, Affiliates, Capital Market Instruments	Series: III-No.48, Art.24/(d)	0%	0%
5	Idle Land	Series: III-No.48, Art.24/(c)	8%	4%
6	Affiliates for Operating Company	Series: III-No.48, Art.28	1%	2%
7	Borrowing Limit	Series: III-No.48, Art.31	8%	22%
8	TRY and Foreign Currency Time and Demand Deposits	Series: III-No.48, Art.22/(e)	1%	2%

The information in the table of Control of Compliance with the Portfolio Limitations is condensed information derived from financial statements as per Article 16 of Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets" and is prepared within the frame of provisions related to compliance to portfolio limitations stated in the Communiqué Serial III No 48.1 "Principles Regarding Real Estate Investment Trusts" published in the Official Gazette No. 28660 on 28 May 2013.

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LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to December 31, 2023.

It was prepared in accordance with legal regulations and based on the Board of Directors Report, and Financial Statements. The report was prepared to inform shareholders and does not constitute the basis for any investment decision.

The views and estimated figures in the report reflect the Company management's opinions about the future; however, they may take place differently depending on the variables and estimates that constitute such prospective and estimated figures. Accordingly, Emlak Konut GYO A.Ş. (Emlak Konut REIC) or members of the Board of Directors, its advisors or employees shall not be responsible for any direct or indirect losses or damages suffered by any person due to any information or communication conducted through this report or any when such results are based on any information covered in this report or deemed to have resulted from the lack of thereof.

All the information provided in this report is considered to be correct as of its publication date; Emlak Konut GYO A.Ş. shall not assume any responsibility for any errors that may occur in writing and printing stages.



EMLAK KONUT

GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

T.C. ÇEVRE, ŞEHİRCİLİK VE İKLİM DEĞİŞİKLİĞİ BAKANLIĞI TOKİ İŞTİRAKİDİR