

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

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

**(ORIGINALLY ISSUED IN TURKISH)**



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

**INDEPENDENT AUDITOR'S REPORT**

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

**A. Audit of the financial statements**

**1. Our opinion**

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

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

**2. Basis for opinion**

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

**3. Key audit matters**

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



Key Audit Matters	How the key audit matter was addressed in the audit
<p><b>Investment properties carried at fair value</b></p> <p>The Company values its investment properties with the fair value method after the initial recognition, as described in Note 2.</p> <p>As of 31 December 2023, investment properties constitute 94% of the Company's total assets and have a total carrying value of TRY5.359.800.000.</p> <p>As of 31 December 2023, the fair values of investment properties determined independent valuation experts have been evaluated by management and these values were used as the fair values of the investment properties in the financial statements.</p> <p>“Market approach” and “income approach” methods are used in determining the fair value of investment properties.</p> <p>The valuation of the Company's investment properties involves significant areas of judgment and requires subjective assumptions. Important reasoning and assumptions can be directly affected by factors such as capitalization rate, discount rate, occupancy rates of leasable areas, rental income, and comparable sales prices per square meter.</p> <p>The fair values of investment properties have been determined by using the market value that determined by independent valuation experts with professional qualifications.</p> <p>Valuation of investment properties is determined as a key audit matter, since investment properties constitute a significant portion of assets and the valuation methods applied include significant estimates and assumptions.</p>	<p>Procedures:</p> <ul style="list-style-type: none"> <li>- Assessing the valuer’s competence, capability, objectivity and independence,</li> <li>- Assessing the valuation method applied by valuers, and the appropriateness of the assumptions used and valuation report,</li> <li>- Assessing whether inputs such as unit sales value that are significant on the property value included within the valuation report are in an acceptable range by comparing the consistency of the inputs with the observable market prices,</li> <li>- Testing the inputs used in the valuation reports, which are significant influences on the property value, such as rental income, duration of rental contracts, occupancy rates and expenses,</li> <li>- Assessing whether the assumptions used by the valuer in valuation such as the real discount rate, inflation rate are within acceptable ranges through involvement of our experts,</li> <li>- Reviewing compliance of the information in the appraisal report with the disclosures related to the fair value of investment properties.</li> </ul>



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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

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



**B. Other responsibilities arising from regulatory requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 23 February 2024.

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

A handwritten signature in blue ink, appearing to read "Baki Erdal", is written over a light blue horizontal line.

Baki Erdal, SMMM  
Independent Auditor

Istanbul, 23 February 2024

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONTENTS	PAGE
STATEMENTS OF FINANCIAL POSITION.....	1-2
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	3
STATEMENTS OF CHANGES IN EQUITY .....	4
STATEMENTS OF CASH FLOWS .....	5
NOTES TO THE FINANCIAL STATEMENTS .....	6-41
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	6
NOTE 2 BASIS FOR THE PRESENTATION OF FINANCIAL STATEMENTS.....	7-17
NOTE 3 SEGMENT REPORTING.....	17
NOTE 4 CASH AND CASH EQUIVALENTS .....	18
NOTE 5 TRADE AND OTHER RECEIVABLES AND PAYABLES.....	19-20
NOTE 6 INVESTMENT PROPERTY .....	20-21
NOTE 7 TANGIBLE ASSETS .....	22
NOTE 8 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	22-23
NOTE 9 EMPLOYEE BENEFITS.....	23-24
NOTE 10 OTHER ASSETS AND LIABILITIES.....	24-25
NOTE 11 EQUITY .....	26-27
NOTE 12 OPERATING INCOME .....	27
NOTE 13 GENERAL ADMINISTRATIVE EXPENSES.....	27
NOTE 14 EXPENSES BY NATURE .....	28
NOTE 15 OTHER OPERATING INCOME/(EXPENSES).....	28
NOTE 16 INCOME FROM INVESTING ACTIVITIES.....	29
NOTE 17 FINANCIAL INCOME AND EXPENSE.....	29
NOTE 18 TAX ASSETS AND LIABILITIES.....	29
NOTE 19 EARNINGS PER SHARE .....	30
NOTE 20 RELATED PARTY DISCLOSURES.....	30-31
NOTE 21 NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS .....	32-38
NOTE 22 FINANCIAL INSTRUMENTS (DISCLOSURES RELATED TO FAIR VALUE AND HEDGE ACCOUNTING).....	38-39
NOTE 23 SUBSEQUENT EVENTS.....	40
NOTE 24 FINANCIAL INVESTMENTS.....	40
NOTE 25 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/ AUDITOR'S FIRM.....	40
NOTE 26 SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS	41

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

	Notes	31 December 2023	31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>		<b>353,696,597</b>	<b>279,566,681</b>
Cash and cash equivalents	4	248,988,653	176,240,537
Financial investments			
<i>Financial assets measured at amortized cost</i>	24	77,129,024	73,882,814
Trade receivables			
<i>Receivables from third parties</i>	5	22,048,158	19,578,491
<i>Receivables from related parties</i>	5, 20	176,181	133,191
Prepaid expenses	10	973,634	5,545,379
Prepaid taxes and funds		2,439,154	932,099
Other current assets	10	1,941,793	3,254,170
<b>Non-current assets</b>		<b>5,361,062,682</b>	<b>5,162,601,221</b>
Investment property	6	5,359,800,000	5,159,204,854
Tangible assets	7	260,160	339,139
Intangible assets		717,528	830,196
Prepaid expenses	10	11,459	730,729
Other non-current assets	10	273,535	1,496,303
<b>Total assets</b>		<b>5,714,759,279</b>	<b>5,442,167,902</b>

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



**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF STATEMENTS OF FINANCIAL POSITION  
AT 31 DECEMBER 2023 AND 31 DECEMBER 2022**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

	Notes	31 December 2023	31 December 2022
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>26,975,197</b>	<b>20,071,970</b>
Trade payables			
<i>Due to related parties</i>	5, 20	9,961,013	7,071,329
<i>Due to third parties</i>	5	1,085,847	206,823
Other payables			
<i>Due to third parties</i>	5	7,562,266	6,754,498
Deferred income (Excluding liabilities from customer contracts)	10	1,130,763	2,326,000
Short-term provisions			
<i>Other short-term provisions</i>	8	178,691	294,434
<i>Provisions for employment termination benefits</i>	9	1,120,910	909,728
Other current liabilities	10	5,935,707	2,509,158
<b>Non-current liabilities</b>		<b>7,788,540</b>	<b>11,931,456</b>
Other payables			
<i>Other payables to third parties</i>	5	4,081,459	3,292,181
Deferred income		110,000	-
Long-term provisions			
<i>Provisions for employment termination benefits</i>	9	3,597,081	8,639,275
<b>Equity</b>		<b>5,679,995,542</b>	<b>5,410,164,476</b>
Share capital	11	37,264,000	37,264,000
Adjustment to share capital		873,468,597	873,468,597
Other comprehensive income/expense not to be reclassified to profit or loss			
<i>Actuarial gains/(losses) arising from employee benefits</i>		(5,417,668)	(5,704,978)
Restricted reserves		761,116,488	738,688,970
Retained earnings	11	3,517,016,774	3,925,801,208
Net income for the period	19	496,547,351	(159,353,321)
<b>Total liabilities and equity</b>		<b>5,714,759,279</b>	<b>5,442,167,902</b>

Financial statements for the 1 January - 31 December 2023 have been approved by the Board of Directors on 23 February 2024. These financial statements shall be approved by the General Assembly.

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

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED  
31 DECEMBER 2023 AND 31 DECEMBER 2022**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

	Notes	1 January – 31 December 2023	1 January - 31 December 2022
<b>PROFIT AND LOSSES</b>			
Revenue	12	498,883,045	436,753,429
Cost of sales (-)	12	(124,777,150)	(98,899,478)
<b>Gross profit</b>	<b>12</b>	<b>374,105,895</b>	<b>337,853,951</b>
General administrative expenses (-)	13	(35,264,177)	(33,099,661)
Other operating income	15	724,687	2,460,375
Other operating expenses (-)	15	(3,223,610)	(7,229,396)
<b>Operating profit</b>		<b>336,342,795</b>	<b>299,985,269</b>
Income from investing activities	16	175,875,400	(429,068,041)
<b>Operating profit before financial activities</b>		<b>512,218,195</b>	<b>(129,082,772)</b>
Financial income	17	101,261,289	58,021,081
Financial expenses (-)	17	(2,504,052)	(3,926,613)
Monetary loss/gain		(114,428,081)	(84,365,017)
<b>Profit before tax from continuing operations</b>		<b>496,547,351</b>	<b>(159,353,321)</b>
Tax income/(expenses) from continuing operations		-	-
<b>Profit for the period from continuing operations</b>	<b>19</b>	<b>496,547,351</b>	<b>(159,353,321)</b>
<b>Earnings per share</b>			
Earnings per share from continuing operations	19	13.33	(4.28)
Earnings per share from discontinuing operations		-	-
<b>Diluted earnings per share</b>			
Diluted earnings per share from continuing operations	19	13.33	(4.28)
Diluted earnings per share from discontinuing operations		-	-
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss</b>			
Actuarial gains/(losses) arising from employee benefits	9	287,310	(5,704,978)
<b>Total comprehensive income</b>		<b>496,834,661</b>	<b>(165,058,299)</b>

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

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**CONVENIENCE TRANSLATION OF THE STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

	Notes	Share capital	Adjustment to share Capital	Other comprehensive income/expense not to be reclassified to profit or loss Actuarial gain / (loss) arising from employee benefits	Restricted reserves	Retained Earnings	Accumulated profit Net profit for the period	Total Equity
<b>1 January 2022</b>		<b>37,264,000</b>	<b>873,468,597</b>	-	<b>773,758,370</b>	<b>2,374,374,503</b>	<b>1,756,997,454</b>	<b>5,815,862,924</b>
Transfers		-	-	-	(35,069,400)	1,792,066,854	(1,756,997,454)	-
Dividends		-	-	-	-	(240,640,149)	-	(240,640,149)
Total comprehensive income		-	-	(5,704,978)	-	-	(159,353,321)	(165,058,299)
<b>31 December 2022</b>	<b>11</b>	<b>37,264,000</b>	<b>873,468,597</b>	<b>(5,704,978)</b>	<b>738,688,970</b>	<b>3,925,801,208</b>	<b>(159,353,321)</b>	<b>5,410,164,476</b>
<b>1 January 2023</b>		<b>37,264,000</b>	<b>873,468,597</b>	<b>(5,704,978)</b>	<b>738,688,970</b>	<b>3,925,801,208</b>	<b>(159,353,321)</b>	<b>5,410,164,476</b>
Transfers		-	-	-	22,427,518	(181,780,839)	159,353,321	-
Dividends (*)		-	-	-	-	(227,003,595)	-	(227,003,595)
Total comprehensive income		-	-	287,310	-	-	496,547,351	496,834,661
<b>31 December 2023</b>	<b>11</b>	<b>37,264,000</b>	<b>873,468,597</b>	<b>(5,417,668)</b>	<b>761,116,488</b>	<b>3,517,016,774</b>	<b>496,547,351</b>	<b>5,679,995,542</b>

(\*) The Company has decided to distribute dividends to the shareholders amounting to TRY155,018,240 at the Ordinary General Assembly Meeting held on April 12, 2023. The total amount was distributed to shareholders in cash on 19 April, 2023.

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

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>260,195,206</b>	<b>263,789,869</b>
Profit for the year		496,547,351	(159,353,321)
<b>Adjustments to profit/(loss) for the year</b>		<b>(240,253,804)</b>	<b>407,560,109</b>
Adjustments for depreciation and amortization expenses	14	205,536	203,713
Adjustments for impairment loss	5	(513,256)	536,288
Adjustments for provisions		(1,032,061)	(2,378,836)
Adjustments for interest (income)/expenses	17	(64,244,551)	(21,708,441)
Other adjustments for non-cash items		2,534,810	3,969,696
Fair value gain on investment properties, net	6,16	(175,875,400)	429,068,041
Adjustments for gains resulting from the disposal of fixed assets	15	(150,000)	(98,434)
Monetary loss/gain		(1,178,882)	(2,031,918)
<b>Change in working capital</b>		<b>7,455,892</b>	<b>16,409,832</b>
Adjustments for decrease/(increase) in trade receivables			
<i>Decrease/(increase) in trade receivables from related parties</i>	5	(42,990)	(52,122)
<i>Decrease/(increase) in trade receivables from third parties</i>	5	(893,272)	(4,591,978)
Increase/(decrease) in other assets related to operations		3,887,936	14,180,093
Adjustments regarding increase/(decrease) in trade payables			
<i>Increase/(decrease) in trade payable from related parties</i>	5	2,889,684	5,654,199
<i>Increase/(decrease) in trade payable from third parties</i>	5	879,024	(315,576)
Decrease/(increase) in financial investments	24	(3,246,210)	(1,721,073)
Increase/(decrease) in other liabilities related to operations		3,981,720	3,256,289
<b>Cash provided from operations</b>		<b>263,749,439</b>	<b>264,616,620</b>
Employment termination benefit payments	9	(3,554,233)	(826,751)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>38,842,969</b>	<b>13,966,543</b>
Interest received		63,427,375	21,604,801
Cash outflows from the purchase of tangible and intangible assets	7	(14,660)	(1,009,982)
Cash inflows from the sale of tangible and intangible assets		-	1,060,453
Cash outflows from the purchase of investment property	6	(24,969,746)	(7,688,729)
Cash inflows from the sale of investment property		400,000	-
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(227,003,595)</b>	<b>(240,640,149)</b>
Dividends paid		(227,003,595)	(240,640,149)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>72,034,580</b>	<b>37,116,263</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	176,136,897	139,020,634
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>248,171,477</b>	<b>176,136,897</b>

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

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

The main activity of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the “Company”) is to create value through the ownership of real estate investment property. The address of the Company is as follows:

Kültür Mah. Nispetiye Cad. Akmerkez No:56 E-3 Kule Kat:1 Etiler/Beşiktaş/İstanbul-Türkiye.

The trade name “Akmerkez Gayrimenkul Yatırımı A.Ş.” has been changed as “Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.” in the Extraordinary Shareholders Meeting held on 17 February 2005 and this change has been registered on 24 February 2005 by the Ministry of Trade.

With respect to the Board Decision dated 21 June 2005, the trade name of the Company is set as “Akmerkez Alışveriş Merkezi” and this name is certified by the Istanbul Trade Registry as at 1 July 2005.

The Company’s shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 15 April 2005 and 57.34% of these shares are publicly quoted shares as of 31 December 2023.

The shareholding structure as of 31 December 2023 and 31 December 2022 is as follows:

Shareholders	31 December 2023	31 December 2022
Akkök Holding A.Ş.	11.67%	11.67%
Tekfen Holding A.Ş.	10.47%	10.47%
Public offering (*)	57.34%	57.34%
Other (**)	20.52%	20.52%
<b>Total</b>	<b>%100</b>	<b>%100</b>

(\*) 44.85% of public offering shares belong to Klepierre S.A. as of 31 December 2023 (31 December 2022: 44.85%).

(\*\*) Other represents shareholders with less than 10% shareholdings.

The average number of personnel during the period by categories is as follows:

	31 December 2023	31 December 2022
Administrative	7	7

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### 2.1.1 Accounting standards

The accompanying financial statements are prepared in accordance with Communiqué Serial II. No:14.1. “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) of Capital Market Board (“CMB”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué financial statements are prepared in accordance with the Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“TFRIC”).

The financial statements of the Company are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year’s financial statements.

The Company maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”) tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB Foreign Subsidiaries. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

#### Adjustment of Financial Statements During Hyper-Inflationary Periods

In accordance with the decision of the Capital Markets Board (CMB) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply the Turkish Accounting/Financial Reporting Standards (TAS) will start applying inflation accounting by applying the provisions of IAS 29 for their annual financial statements for the reporting periods ending on December 31, 2023.

The restatement for the changes in the general purchasing power of the Turkish Lira as of 31 December 2023 is based on IAS 29 “Financial Reporting in Hyperinflationary Economies”. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. Hyperinflation is indicated by characteristics of the economic environment of a country which include the following: the general population prefer to keep its wealth in non-monetary assets or in a relatively stable currency; sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period even if the period is short; interest rates, wages and prices are linked to a price index and cumulative three-year inflation rate approaching or exceeding 100%. Such indices and conversion factors used to restate the financial statements of the current and previous periods since January 1, 2005 are as follows:

Date	Indexs	Coefficient rate	Cumulative 3 year inflation rate
31 December 2023	1,859.38	1,00000	268%
31 December 2022	1,128.45	1,64773	156%
31 December 2021	686.95	2,70672	74%

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

#### 2.1 Basis of Presentation (Continued)

##### 2.1.1 Accounting standards (Continued)

#### Adjustment of Financial Statements During Hyper-Inflationary Periods (Continued)

The main procedures for the above mentioned restatement are as follows:

- Financial statements prepared in TRY are stated in terms of the purchasing power at the balance sheet date, and comparative financial statements are restated using general inflation indices at the currency purchasing power at the latest balance sheet date.
- Monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date. In case where the restated values of non-monetary items exceed the recoverable amount or net realizable value, the rules of TAS 36 and TAS 2 were applied, respectively.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of equity are restated by applying the relevant monthly conversion factors.
- All items included in the statement of comprehensive income, except for non-monetary items in the balance sheet that have an impact on the statement of comprehensive income are restated by applying the conversion factors over the periods in which the income and expense accounts are first reflected in the financial statements.
- The effect of general inflation on the Company’s net monetary liability position is included in the consolidated statement of income as gain on net monetary position.

#### Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Company’s functional and presentation currency is 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.

#### Going concern

The Company has prepared the financial statements for the period 1 January - 31 December 2023 in accordance with the going concern principle.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

**2.1 Basis of Presentation (Continued)**

**2.1.2 Compliance with portfolio restrictions**

The information included in Note 26 “Supplementary Note: Control of Compliance with Portfolio Restrictions” represent a condensed information based on the figures extracted from the financial statements that are prepared in accordance with serial II No:14.1 “Article 17 of Communiqué on Principals of Financial Reporting in Capital Markets” of the CMB. This condensed information has been prepared in accordance with the requirements of Serial III No:48.1 “Principals of The Real Estate Investment Trusts” of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

**2.2 Changes in Accounting Policies**

**2.2.1 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the financial statements as at 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2023

**a. Standards, amendments, and interpretations applicable as of 31 December 2023:**

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 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 IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 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.
- **IFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.



**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

---

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

**2.2 Changes in Accounting Policies (Continued)**

**2.2.1 The new standards, amendments and interpretations (Continued)**

***b. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:***

- **Amendment to IFRS 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 IFRS 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 IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendments to IAS 7 and IFRS 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 IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS 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.
- **IFRS 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, it was announced in the Board Decision published in the Official Gazette on December 29, 2023 that certain businesses will be subject to mandatory sustainability reporting starting from January 1, 2024. The businesses that will be subject to Sustainability Reporting are determined within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

**2.3 Restatement and The Errors in The Accounting Estimates**

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods. For the period 1 January - 31 December 2023 there has been no change in the accounting estimates.

**2.4 Summary of Significant Accounting Policies**

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

**Financial assets**

*Classification*

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

*Recognition and Measurement*

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

“Financial assets measured at fair value through other comprehensive income”, are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

**2.4 Summary of Significant Accounting Policies (Continued)**

**Financial assets (Continued)**

*Recognition and Measurement (Continued)*

The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under statement of income.

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

*Derecognition*

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

*Impairment*

The Company chooses the simplified application for impairment calculations and uses the provision matrix, since its trade receivables that are accounted for at amortized cost in the financial statements do not contain a significant financing component. With this application, the Company measures the expected credit loss allowance at an amount equal to lifetime expected credit losses, in cases where trade receivables are not impaired for certain reasons. In the calculation of expected credit losses, past credit loss experiences are taken into consideration, as well as the Company's expectations for the future.

*Trade Receivables*

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

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

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

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### 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.

##### Related parties

A party is related to an entity if the party is a legal body or a real person which directly or indirectly controls, is controlled by, or is under common control with the entity, has an interest in the entity that gives it significant influence over the entity, and if the party is a subsidiary, an affiliate or a joint venture in which the entity is a venture. Furthermore, members of the key management personnel of the entity, close members of the family of any individual referred to above, and parties representing post-employment benefit plan for the benefit of employees of the entity are also defined as related parties.

##### Trade payables

Trade payables are payables that occur as a result of directly purchasing goods and services from sellers. Trade payables and other obligations are shown after netting off the unaccrued financing expenses. Trade payables and other obligations after unaccrued financing expenses are calculated by discounting the amounts due of payable recorded invoice amounts using the “effective interest method”. Short-term payables for which an interest rate was not determined are shown based on cost value when the original effective interest rate does not have a big effect.

##### Financial liabilities and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method in financial statements. Starting from 1 January 2009 requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, removing the option of immediately expensing borrowing costs.

##### Current and deferred income taxes

The Corporate Tax Law No: 5520 was amended on June 21, 2006 with the Law announced in the Official Journal No 26205. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. In accordance with the temporary article 13 added to the Corporate Tax Law with the Law No. 7061 on the “Law on the Collection Procedure of Public Claims and Amendments to Certain Laws”, which was published in the Official Gazette dated April 22, 2021, the corporate tax rate was increased to 25% for 2023 (2022: 23%). The corporate tax rate is applied on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc.) and corporate income tax deductions. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding (Reserving the provisions of the Double Taxation Avoidance Agreement) tax at the rate of 10%.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

---

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

**2.4 Summary of Significant Accounting Policies (Continued)**

**Current and deferred income taxes (Continued)**

(With the Presidential Decision No. 4936 published in the Official Gazette dated 22 December 2021, the dividend withholding tax rate was reduced from 15% to 10%). An increase in capital via issuing bonus shares is not considered as a profit distribution.

The Company is exempt from corporate income tax in accordance with paragraph d-4 of Article 5 of the Corporate Income Tax Law and in accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the real estate investment trusts are subject to withholding taxes, According to the Council of Ministers decision, No: 93/5148, the withholding tax rate is determined as "0".

Deferred income taxes are provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date. As the Company is exempt from corporate income taxes based on the current tax legislation, no deferred income tax asset or liability has been calculated on temporary taxable and deductible differences in these financial statements.

**Employment termination benefits**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on May 23, 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 TRY23,489.83 as of 31 December 2023 (31 December 2022: TRY15,371.40).

Provision which is allocated by using the defined benefit obligation's current value is calculated by using estimated liability method. All actuarial profits and losses are recognised in the comprehensive statement of income.

The employment termination benefit obligation as explained above is considered as a defined benefit plan under TFRS. TFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. The liability for this unfunded plan recognized in the balance sheet is the full present value of the defined benefit obligation at the end of the reporting period, calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows from the retirement of its employees using the long-term TRY interest rates.

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 TRY35,058.58 (TRY in full) which is effective from 1 January 2024 has been taken into consideration when calculating the liability (TRY19,982.83 is effective from 1 January 2023).

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized 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 Company are not included in financial statements and are treated as contingent assets or liabilities.

##### Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied or utilised by the Company in the normal course of business, is classified as investment property.

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

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

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

Part of the Company’s investment property is used for administrative purposes; however, as the ratio is considered immaterial (i.e., with a gross value less than 1% of total gross value), they are not classified separately, but rather stated within the investment properties account.

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### Impairment of assets

For all tangible and intangible fixed assets other than goodwill, the Company assess whether there is any indication of impairment for the assets on each statement of financial position date. If there is such an indication, the carrying value of the asset is compared with the net realisable value, which is the higher of the amounts to be earned through use or sales. If the book value of the said asset or any of its cash generating units is higher than the amount recoverable through use or sale, there is an impairment. Impairment losses are recognised in the comprehensive profit or loss statement. The increase in the registered value of the asset (or cash generating unit) arising from cancelling the impairment should not exceed its book value (net amount after depreciation) if the impairment had not been included in financial statements in previous years. Cancellation of the impairment is recognised in the comprehensive profit or loss statement.

##### Revenue recognition

Revenue is recognised when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is presented net of value added and sales taxes. The following criteria are necessary for the recognition of revenue:

##### *Rent income from investment properties*

Rent income from investment properties is recognised on an accrual basis. Revenue is realized when economic benefits arising from the transaction have passed, and when the amount of such income can be reliably measured. Rent discounts and similar promotions granted to existing tenants from time to time are netted of from rent revenues as they are not rent incentives for acquisition of new contracts.

The minimum amount of the total rent incomes to be received in the future periods based on the existing contracts are summarised below (TRY) (\*):

	31 December 2023	31 December 2022
Less than a year	286,863,908	206,908,396
Between 1 - 5 years	497,612,584	495,486,149
More than 5 years	25,314,235	104,506,602
	<b>809,790,727</b>	<b>806,901,147</b>

(\*) The amount consist of the shops and warehouse rent income.

##### Interest income and expense

Interest income and expense is accounted for using the effective interest rate method. Interest income comprises mostly interest income from time deposits and reverse repo transactions.

Interest expenses incurred from borrowings are calculated using the effective interest rate method.

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

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

#### 2.4 Summary of Significant Accounting Policies (Continued)

##### **Paid-in capital**

Ordinary shares are classified as equity. Proceeds from issuing new equity instruments are recorded net of transaction costs.

##### **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 or other reserves. For the purpose of earnings per share computations, such “Bonus Share” issuances are regarded as issued shares for all periods presented and accordingly the weighted average number of shares used in earnings per share computations in prior periods is adjusted retroactively for the effects of these shares, issued without receiving cash or another consideration from shareholders.

##### **Reporting of cash flows**

Cash flows statement includes cash and cash equivalents, cash with original maturity periods of less than three months and bank deposits.

##### **Subsequent events**

Subsequent events cover any events which 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 or provides disclosure in its financial statements if such subsequent events arise that require an adjustment or disclosure to the financial statements.

#### 2.5 Significant Accounting Estimates and Assumptions

Preparation of financial statements require the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. Although the estimations and assumptions are based on the best estimates of the management’s existing incidents and operations, they may differ from the actual results.

### NOTE 3 - SEGMENT REPORTING

As the only real estate owned by the Company is managed as a whole in a central location at Akmerkez Trade Center, segment reporting is not disclosed.



## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 4 - CASH AND CASH EQUIVALENTS

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

	31 December 2023	31 December 2022
Cash	26,031	31,979
Reverse repo transactions	-	131,873,236
Bank		
-TRY time deposits	248,931,633	40,615,234
-Foreign currency denominated time deposits	-	3,240,051
-TRY demand deposits	17,013	451,287
-Foreign currency denominated demand deposits	13,976	28,750
	<b>248,988,653</b>	<b>176,240,537</b>

As of 31 December 2023, the interest rate on TRY time deposit accounts at banks is 40.13% the accrued interest of TRY time deposit accounts is TRY817,176. As of 31 December 2022, there are no foreign currency denominated time deposits. (As of 31 December 2022, the interest rate on TRY time deposit accounts at banks is 21.25% the accrued interest of TRY time deposit accounts is TRY48,361. The interest rate on foreign currency denominated time deposits at banks is between 0.15% and 2.5% and the accrued interest of foreign currency denominated time deposits is TRY54). The maturity of time deposits is less than one month (31 December 2022: Less than one month).

As of 31 December 2023, there are no reverse repo transactions. (As of 31 December 2022, there are reverse repo transactions amounting to TRY 131,818,339. The interest rate on TRY reverse repo agreements is 7.60% and the accrued interest is TRY 55,225).

The cash and cash equivalents disclosed in the statements of cash flows are as follows:

	31 December 2023	31 December 2022
Cash and cash equivalents	248,988,653	176,240,537
Less: accrued interest	(817,176)	(103,640)
	<b>248,171,477</b>	<b>176,136,897</b>

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

**NOTE 5 - TRADE AND OTHER RECEIVABLES AND PAYABLES**

<b>Short-term trade receivables</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade receivables from third parties	23,176,234	22,282,962
Trade receivables from related parties (Note 20)	176,181	133,191
	<b>23,352,415</b>	<b>22,416,153</b>
Less: Provision for doubtful receivables	(1,128,076)	(2,704,471)
	<b>22,224,339</b>	<b>19,711,682</b>

The movement of provisions for doubtful receivables is as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>2,704,471</b>	<b>3,561,664</b>
Provisions made during the period	83,700	701,077
Doubtful receivables collections	-	(156,467)
Doubtful receivables reversal	(596,956)	(8,321)
Monetary loss/gain	(1,063,139)	(1,393,482)
<b>31 December</b>	<b>1,128,076</b>	<b>2,704,471</b>

As of 31 December 2023, there are no other receivables (As of 31 December 2022, there are no other receivables).

<b>Short-term trade payables</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade payables to related parties (Note 20)	9,961,013	7,071,329
Trade payables to third parties	1,085,847	206,823
	<b>11,046,860</b>	<b>7,278,152</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 5 - TRADE AND OTHER RECEIVABLES AND PAYABLES (Continued)

Short-term other payables	31 December 2023	31 December 2022
Taxes payables and other taxes	7,404,494	6,606,361
Other	157,772	148,137
	<b>7,562,266</b>	<b>6,754,498</b>

  

Long-term other payables	31 December 2023	31 December 2022
Deposits and guarantees received	4,081,459	3,292,181
	<b>4,081,459</b>	<b>3,292,181</b>

#### NOTE 6 - INVESTMENT PROPERTY

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

	1 January 2023	Additions	Disposals	Transfers	Change in fair value, net	31 December 2023
<b>Cost</b>						
Buildings	5,159,204,854	250.000	(250.000)	24,719,746	175,875,400	5,359,800,000
Construction in progress (*)	-	24,719,746	-	(24,719,746)	-	-
	<b>5,159,204,854</b>	<b>24,969,746</b>	<b>(250.000)</b>	<b>-</b>	<b>175,875,400</b>	<b>5,359,800,000</b>

  

	1 January 2022	Additions	Disposals	Transfers	Change in fair value, net	31 December 2022
<b>Cost</b>						
Buildings	5,580,584,166	-	-	7,688,729	(429,068,041)	5,159,204,854
Construction in progress (*)	-	7,688,729	-	(7,688,729)	-	-
	<b>5,580,584,166</b>	<b>7,688,729</b>	<b>-</b>	<b>-</b>	<b>(429,068,041)</b>	<b>5,159,204,854</b>

(\*) The transfers of TRY23,009,386 in the ongoing investments are investment expenses of Üçgen Bakım ve Yönetim Hizmetleri A.Ş. in the framework of management services, and were recharged to the Company based on the Company's share percentage. The transfers of TRY1,710,360 are Company investment expenses. (31 December 2022: The transfers of TRY7,688,729 in the ongoing investments are investment expenses of Üçgen Bakım ve Yönetim Hizmetleri A.Ş. in the framework of management services, and were recharged to the Company based on the Company's share percentage.)

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 6 - INVESTMENT PROPERTY (Continued)

The fair value of the Company’s investment property based on the valuation report of Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş dated 29 December 2023 amount to TRY5,359,800,000. (The fair value of the Company’s investment property based on the valuation report of Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş dated 30 December 2022 amount to TRY5,159,204,854). The method used in fair value calculations is the income method for the shopping malls and is the benchmark comparison method for the office and residences.

The methods used to determine the fair values of investment properties and the significant unobservable assumptions are as follows:

	<b>Average Discount Rate</b>	<b>Average Annual rent growth rate</b>	<b>Capitalization rate</b>
31 December 2023	21.90%	Average 16.00%	5.56%
31 December 2022	19.40%	Average 14.40%	4.63%

The Company's sensitivity analysis of unobservable inputs used in the measurement of fair values of investment properties is as follows:

<b>31 December 2023</b>	<b>Sensitivity analysis</b>	<b>If increase Profit/(loss) effect on fair value (TRY)</b>	<b>If decrease Profit/(loss) effect on fair value</b>
Discount rate	0.5%	(297,000,000)	350,000,000
Rent growth rate	1%	73,000,000	(73,000,000)

<b>31 December 2022</b>	<b>Sensitivity analysis</b>	<b>If increase Profit/(loss) effect on fair value (TRY)</b>	<b>If decrease Profit/(loss) effect on fair value</b>
Discount rate	0.5%	(215,500,000)	263,200,000
Rent growth rate	1%	50,800,000	(50,500,000)

Insurance coverage on assets as of 31 December 2023 and 31 December 2022 is as follows:

31 December 2023: USD166,668,765

31 December 2022: USD166,556,547

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 7 - TANGIBLE ASSETS

The movement schedule of tangible assets as of 31 December 2023 and 31 December 2022 are as follows:

	1 January 2023	Additions	Disposals	31 December 2023
Plants, machinery and equipment	1,628,171	-	-	1,628,171
Furniture and fixture	128,722,783	14,660	-	128,737,443
Accumulated depreciation	(130,011,815)	(93,639)	-	(130,105,454)
<b>Net book value</b>	<b>339,139</b>	<b>(78,979)</b>	<b>-</b>	<b>260,160</b>

  

	1 January 2022	Additions	Disposals	31 December 2022
Plants, machinery and equipment	1,628,171	-	-	1,628,171
Furniture and fixture	128,674,820	1,009,982	(962,019)	128,722,783
Accumulated depreciation	(129,920,000)	(91,815)	-	(130,011,815)
<b>Net book value</b>	<b>382,991</b>	<b>918,167</b>	<b>(962,019)</b>	<b>339,139</b>

#### NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Real rights on immovables are as follows:

- a) There is a rental restriction in favour of TEK (Turkish Electricity Institution) with registry dated 31 December 1992 No: 5538.

Guarantee notes and letters	Currency	Original Amount	31 December 2023
Letters of guarantees received	TRY	45,032,665	45,032,665
Letters of guarantees received	USD	373,519	10,995,727
Guarantee notes received	USD	333,023	9,803,598
Letters of guarantees received	EUR	151,866	4,946,868
Guarantee cheques received	TRY	71,000	71,000
Guarantee notes received	TRY	73,827	73,827
			<b>70,923,685</b>

  

Guarantee notes and letters	Currency	Original Amount	31 December 2022
Letters of guarantees received	TRY	42,406,379	42,406,379
Letters of guarantees received	USD	473,262	14,581,077
Guarantee notes received	USD	333,023	10,260,350
Letters of guarantees received	EUR	151,866	4,988,391
Guarantee cheques received	TRY	787,779	787,779
Guarantee notes received	TRY	121,647	121,647
			<b>73,145,623</b>

The commitments received consist of letters of guarantees received from the tenants of the shopping mall.

There is no guarantees, pledges and mortgages of Company as of balance sheet date.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

<b>Other short-term provision</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Provisions for lawsuits	178,691	178,691
Monetary gain/loss	-	115,743
	<b>178,691</b>	<b>294,434</b>

#### Provision for lawsuits

The provision for the lawsuits against the company as of 31 December 2023 is TRY178,691 (31 December 2022: TRY294,434)

Including the cases detailed above, there are 7 lawsuits and 28 executive proceedings that the Company is currently a party of them.

#### NOTE 9 - EMPLOYEE BENEFITS

The short-term provisions for employee benefits at 31 December 2023 and 31 December 2022 are as follow:

<b>Short term provisions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Unused vacation allowances	1,120,910	909,728
	<b>1,120,910</b>	<b>909,728</b>

Provision for unused vacation amounting to TRY774,567 comprise of the unused vacation provisions of the Company's personnel, while TRY346,343 comprise of the Company's shares of unused vacation allowance related to the personnel of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.

<b>Long-term provisions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Provision for employee termination benefits	3,597,081	8,639,275
	<b>3,597,081</b>	<b>8,639,275</b>

As of 31 December 2023, the amount payable consists of one month's salary limited to a maximum of TRY35,058.58 for each year of service (31 December 2022: TRY19,982.83).

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 9 - EMPLOYEE BENEFITS (Continued)

In the financial statements, Company management reflected a liability calculated in accordance with TAS 19 and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. All actuary gain and losses are recognized in comprehensive income statement. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	1 January - 31 December 2023	1 January - 31 December 2022
Discount rate (%)	3.65	0.49
Turnover rate to estimate the probability of retirement (%)	95.83	97.69

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

	2023	2022
<b>1 January</b>	<b>8,639,275</b>	<b>4,269,786</b>
Cost of interest	1,491,969	391,065
Cost of service	1,329,874	1,110,012
Actuarial (gain) / losses	(287,310)	5,704,978
Payments made during the period (-)	(3,554,233)	(826,751)
Monetary loss/gain	(4,022,494)	(2,009,815)
<b>31 December</b>	<b>3,597,081</b>	<b>8,639,275</b>

Provision for employment termination benefits amounting to TRY171,358 comprise of the Company’s personnel termination benefits provisions and TRY3,425,723 comprise of the Company’s share in Üçgen Bakım ve Yönetim Hizmetleri A.Ş.’s personnel termination benefits provisions.

#### NOTE 10 - OTHER ASSETS AND LIABILITIES

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

Prepaid expenses - short-term	31 December 2023	31 December 2022
Prepaid expenses (*)	972,351	5,533,746
Advances given	1,283	11,633
	<b>973,634</b>	<b>5,545,379</b>

(\*) Amount to TRY404,633 consists of part of costs related to short-term in order to rent the store. These amounts have been amortized in the contract period of the store. A portion of TRY417,930 consists of insurance expenses and TRY149,788 portion consists of other expenses.

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

**NOTE 10 - OTHER ASSETS AND LIABILITIES (Continued)**

<b>Prepaid expenses - long-term</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Prepaid expenses	11,459	730,729
	<b>11,459</b>	<b>730,729</b>

<b>Other current assets</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Income accruals for store rent (*)	1,941,793	3,254,170
	<b>1,941,793</b>	<b>3,254,170</b>

(\*) Income accrual for store rents which includes short-term period.

<b>Other non-current assets</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Income accruals for store rent (*)	273,535	1,495,970
Deposits given	-	333
	<b>273,535</b>	<b>1,496,303</b>

(\*) Income accrual for store rents which includes long-term period.

<b>Deferred income (Excluding customer contract liabilities)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Advances received	1,020,763	2,326,000
Deferred income	110,000	-
	<b>1,130,763</b>	<b>2,326,000</b>

<b>Other current liabilities</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Expense accruals	5,935,707	2,509,158
	<b>5,935,707</b>	<b>2,509,158</b>



## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 11 - EQUITY

At 31 December 2023 and 2022, the issued and fully paid-in share capital held is as follows:

Shareholders	31 December 2023		31 December 2022	
	Share (%)	Amount	Share (%)	Amount
Akkök Holding A.Ş.	11.67	4,349,553	11.67	4,349,553
Tekfen Holding A.Ş.	10.47	3,901,279	10.47	3,901,279
Quoted to İstanbul Stock Exchange	57.34	21,367,443	57.34	21,367,443
Other (*)	20.52	7,645,725	20.52	7,645,725
<b>Total paid-in capital</b>	<b>100.00</b>	<b>37,264,000</b>	<b>100.00</b>	<b>37,264,000</b>
<b>Share capital adjustment (**)</b>		<b>873,468,597</b>		<b>873,468,597</b>
		<b>910,732,597</b>		<b>910,732,597</b>

(\*) Represents individual shareholdings less than 10%.

(\*\*) Share capital adjustment represent the difference between the adjusted aggregate amounts of cash and cash equivalent contributions to capital in accordance with the CMB Financial Reporting Standards and the amounts before adjustment. Share capital adjustment differences cannot be used for any purpose other than being added to share capital.

The registered capital ceiling of the Company is TRY75,000,000. In order to extend validity of upper limit of the Company's authorized capital, amendment regarding to the Articles of Association of the Company has been approved by a large majority at the Ordinary General Assembly for year 2020 held on 20 April 2021 within the framework of Communiqué No, III-48,1 on Principles Regarding Real Estate Investment Trusts and Communiqué No, II-17,1 on Corporate Governance of the Capital Market Board and related other legislation and after the registration on 18 May 2021, the amendment has been issued in the Trade Registry Gazette numbered 10333 and dated 24 May 2021.

The Company's issued and fully paid share capital amounting to TRY37,264,000 is represented by 3,726,400,000 shares of Kuruş 1 nominal value of which 407,575,000 are Class A shares, 284,138,000 are Class B shares, 239,887,000 are Class C shares and 2,794,800,000 are Class D shares as of 31 December 2023 and 31 December 2022.

The Company's (A), (B), (C) and (D) Group shares have the privilege to nominate candidates for the Board of Directors, and 4 of the members of the Company's board of directors hold the majority of the registered Class (A) shares; 3 of the members hold the majority of the Group registered Class (B) shares; 2 of the members hold the majority of the Group registered Class (C) shares and 1 of them is offered to the public and attended the general assembly meeting Class (D) shares is selected by the general assembly from among the candidates to be identified and proposed by the bearer.

However, in case the shares of the (D) Group bearer that was offered to the public and attended the general assembly meeting did not nominate candidates in the general assembly and / or mostly cannot determine a candidate the Company's Board of Directors, 4 of the (A) Group registered shares, the majority; 3 (B) and the majority of Group 2 of the registered shares (C) Group among the nominees proposed by the majority of registered shares at the General Assembly will be elected by nine (9) consists of members.

There is no other privilege for nominating members to the Board of Directors except the privileges stated above. Each shareholder has one voting power for each share that is held.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 11 - EQUITY (Continued)

Retained earnings consist of the following:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Retained earnings	3,393,293,281	3,802,162,441
Extraordinary reserves	58,675,959	58,591,233
Inflation difference in extraordinary reserves	8,524,227	8,524,227
Inflation difference in legal reserves	56,523,307	56,523,307
	<b>3,517,016,774</b>	<b>3,925,801,208</b>

#### NOTE 12 - OPERATING INCOME

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
<b>Sales</b>		
Shops and warehouse rent income	435,724,163	382,366,284
Apart hotel rent income	34,195,508	33,787,238
Parking lot rental income	20,605,309	14,280,360
Other income	8,358,065	6,319,547
	<b>498,883,045</b>	<b>436,753,429</b>
<b>Cost of sales</b>		
Cost of services	(124,777,150)	(98,899,478)
	<b>(124,777,150)</b>	<b>(98,899,478)</b>
<b>Gross profit</b>	<b>374,105,895</b>	<b>337,853,951</b>

#### NOTE 13 - GENERAL ADMINISTRATIVE EXPENSES

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Personnel expenses	18,942,026	15,281,153
Consultancy expenses	6,165,950	4,042,055
Legal expenses	2,754,687	2,767,055
Donations	1,521,448	-
Information systems expenses	1,357,863	6,458,427
Provision for vacation	634,759	796,687
Insurance, duties, taxes and levies expenses	448,626	332,513
Depreciation and amortization expenses	205,536	203,713
Provision for employment termination benefits	113,135	67,885
Other	3,120,147	3,150,173
	<b>35,264,177</b>	<b>33,099,661</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 14 - EXPENSES BY NATURE

	1 January - 31 December 2023	1 January- 31 December 2022
<b>Depreciation and amortization expenses</b>		
General administrative expenses	205,536	203,713
	<b>205,536</b>	<b>203,713</b>
<b>Allocation of depreciation and amortisation charges</b>		
Tangible assets (Note 7)	93,639	91,815
Intangible assets	111,897	111,898
	<b>205,536</b>	<b>203,713</b>

#### NOTE 15 - OTHER OPERATING INCOME/(EXPENSES)

	1 January- 31 December 2023	1 January- 1 December 2022
<b>Other operating income</b>		
Foreign exchange gain on trade receivables and payables	206,485	13,320
Gain on sale of fixed asset	150,000	242,066
Provisions no longer required	42,592	1,769,793
Other	325,610	435,196
	<b>724,687</b>	<b>2,460,375</b>
<b>Other operating expense</b>		
Amortisation expenses (*)	(1,458,290)	(5,208,082)
Foreign exchange loss on trade receivables and payables	(1,436,274)	(1,102,203)
Increase on corporate tax base	(136,347)	-
Provisions for doubtful receivables	(133,616)	(762,865)
Loss on sale of fixed asset	-	(118,873)
Other	(59,083)	(10,979)
	<b>(3,223,610)</b>	<b>(7,229,396)</b>
<b>Other operating income/ (expenses) - net</b>	<b>(2,498,923)</b>	<b>(4,769,021)</b>

(\*) The expenses comprise of the amortized part of the expenses in order to rent the stores in the related period.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 16 - INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Income from investing activities</b>		
Net gain from fair value adjustments on investment properties	175,875,400	(429,068,041)
	<b>175,875,400</b>	<b>(429,068,041)</b>

#### NOTE 17 - FINANCIAL INCOME AND EXPENSE

	1 January- 31 December 2023	1 January - 31 December 2022
<b>Financial Income</b>		
Interest income	64,244,551	21,708,441
Foreign exchange gains	37,016,738	36,312,640
	<b>101,261,289</b>	<b>58,021,081</b>
	1 January - 31 December 2023	1 January - 31 December 2022
<b>Financial Expenses</b>		
Foreign exchange expenses	(1,012,083)	(3,535,548)
Interest expenses related to employee benefits	(1,491,969)	(391,065)
	<b>(2,504,052)</b>	<b>(3,926,613)</b>

#### NOTE 18 - TAX ASSETS AND LIABILITIES

The Company is exempt from corporate income tax in accordance with paragraph d-4 of Article 5 of the Corporate Income Tax Law and in accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the real estate investment trusts are subject to withholding taxes. According to the Council of Ministers decision, No: 93/5148, the withholding tax rate is determined as "0".

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 19 - EARNINGS PER SHARE

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

The companies in Turkey are allowed to increase their paid-in capital by issuing “bonus shares” which represent the increases from retained earnings and revaluation funds. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. The weighted average number of shares includes such shares and their retrospective effects.

The earnings per share amount is calculated by dividing net income for the period by the weighted average number of Company’s shares for the period.

	1 January - 31 December 2023	1 January- 31 December 2022
Weighted average number of shares as of the reporting date (per share of TRY 1 nominal value)	37,264,000	37,264,000
Net profit for the period	496,547,351	(159,353,321)
<b>Earnings per share</b>	<b>13.33</b>	<b>(4.28)</b>

#### NOTE 20 - RELATED PARTY DISCLOSURES

As of 31 December 2023 and 2022, receivables from related parties and payables to related parties are as follows:

	31 December 2023	31 December 2022
<b>Due to related parties</b>		
Akip Gıda San. Tic. A.Ş.	110,597	133,191
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	40,200	-
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	25,384	-
	<b>176,181</b>	<b>133,191</b>
	31 December 2023	31 December 2022
<b>Payables to related parties</b>		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	9,472,089	6,747,439
Akkök Holding A.Ş.	406,009	320,432
Dinkal Sigorta Acenteliği A.Ş.	75,502	-
Aktek Bilgi İşlem Tekn.San.Tic. A.Ş.	7,413	3,458
	<b>9,961,013</b>	<b>7,071,329</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

As of 31 December 2023 and 2022, sales and purchases from related parties are as follows:

<b>Sales to related parties</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	74,026,159	62,905,640
Akmerkez Lokantacılık Gıda San.Tic. A.Ş.	6,422,504	6,907,732
Akip Gıda San. Tic. A.Ş.	1,109,973	912,361
	<b>81,558,637</b>	<b>70,725,733</b>

  

<b>Purchases from related parties</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	147,035,686	115,779,026
Akkök Holding A.Ş.	2,287,928	1,513,019
Akhan Bakım Yönetim Servis Hizmet Güvenlik Tic. A.Ş.	163,342	113,877
Aktek Bilgi İşlem Tekn.San.Tic. A.Ş.	66,622	37,509
Dinkal Sigorta Acenteliği A.Ş. (*)	680,587	216,145
	<b>150,234,165</b>	<b>117,659,576</b>

(\*) This balance includes insurance payments through the agency of Dinkal Sigorta Acenteliği A.Ş.

Purchases and sales consist of rent income, purchase and sales of services. The related party purchases amounting to TRY147,035,686 comprise of management expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (“Üçgen”). The remaining balance amounting to TRY3,198,479 comprise of other expenses from related parties. The Company provides common areas services like car park, ads, ATM via the related party Üçgen. In addition to these the Company has carpark apart, cinema and office floor rent incomes from the related party Üçgen to whom the Company charged TRY74,026,159 regarding the revenue collected on behalf of the Company for the year of 2023 (1 January - 31 December 2022: TRY62,905,640).

As of 1 January - 31 December 2023, remuneration provided to top executives management such as the Chairman of the Board of Directors and the members of Board of Directors is TRY10,007,323.51 (1 January - 31 December 2022: TRY7,609,950).

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

The Company’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 overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

#### Liquidity Risk

The ability to fund the Company’s financial and trade liabilities are managed by taking into account its expected undiscounted cash flows.

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity. As of 31 December 2023, the Company’s current assets exceeded its current liabilities by TRY326,721,400 (31 December 2022: TRY259,494,711). The management does not anticipate any difficulty on the repayment of the short-term liabilities and continuity of the Company considering the cash that will be generated from rental operations and the ability to reach to the high quality borrowers.

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

<b>Expected Maturities</b>	<b>Booked value</b>	<b>Cash outflows Expected</b>	<b>Shorter than 3 months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>Longer than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Trade payables	11,046,860	11,046,860	11,046,860	-	-	-
Other payables	11,643,725	11,643,725	7,562,266	-	4,081,459	-
	<b>22,690,585</b>	<b>22,690,585</b>	<b>18,609,126</b>	<b>-</b>	<b>4,081,459</b>	<b>-</b>

The analysis of the Company’s financial liabilities with respect to their maturities as of 31 December 2022 is as follows:

<b>Expected Maturities</b>	<b>Booked value</b>	<b>Cash outflows Expected</b>	<b>Shorter than 3 months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>Longer than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Trade payables	7,278,152	7,278,152	7,278,152	-	-	-
Other payables	10,046,679	10,046,679	6,754,498	-	3,292,181	-
	<b>17,324,831</b>	<b>17,324,831</b>	<b>14,032,650</b>	<b>-</b>	<b>3,292,181</b>	<b>-</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

#### NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### *Interest rate risk*

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by offsetting interest rate sensitive assets and liabilities and using derivative instruments when considered necessary.

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

The interest position is set out in the table below:

	31 December 2023	31 December 2022
<b>Financial instruments with fixed interest</b>		
Time deposits and reverse repo transactions	248,931,633	175,728,521

As of 31 December 2023 and 2022, there are no financial instruments with variable interest.

##### *Credit Risk*

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

The Company management evaluates trade receivables taking into consideration the collaterals received, past experiences and current economic outlook and makes provisions for doubtful receivables when deemed necessary. The Company management does not foresee additional risk related to the Company’s trade receivables other than the related provisions made.



**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

**NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)**

*Credit risk disclosures*

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

31 December 2023	Receivables		Other receivables		Time deposits	Reverse repo transactions
	Trade receivables					
	Related party	Third party	Related party	Third party		
<b>Maximum credit risk exposed as of the reporting date (A+B+C+D)</b>	<b>176,181</b>	<b>22,048,158</b>	-	-	<b>248,962,622</b>	-
- Secured portion of the maximum credit risk by guarantees	-	10,442,654	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	176,181	21,870,896	-	-	248,962,622	-
B. Net book value of overdue assets that are not impaired	-	177,262	-	-	-	-
C. Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	1,128,076	-	-	-	-
- Impairment (-)	-	(1,128,076)	-	-	-	-
- Secured portion by guarantees. etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion by guarantees. etc.	-	-	-	-	-	-
D. Off balance sheet items with credit risks	-	-	-	-	-	-

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

**NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)**

*Credit risk disclosures*

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

31 December 2022	Receivables		Other receivables		Time deposits	Reverse repo transactions
	Trade receivables					
	Related party	Third party	Related party	Third party		
<b>Maximum credit risk exposed as of the reporting date (A+B+C+D)</b>	<b>133,191</b>	<b>19,578,491</b>	-	-	<b>44,335,322</b>	<b>131,873,236</b>
- Secured portion of the maximum credit risk by guarantees	-	12,308,250	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	133,191	14,374,081	-	-	44,335,322	131,873,236
B. Net book value of overdue assets that are not impaired	-	5,204,410	-	-	-	-
C. Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	2,704,471	-	-	-	-
- Impairment (-)	-	(2,704,471)	-	-	-	-
- Secured portion by guarantees. etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion by guarantees. etc.	-	-	-	-	-	-
D. Off balance sheet items with credit risks	-	-	-	-	-	-

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2023 and 31 December 2022, aging of financial assets that are past due but not impaired is as follows:

<b>Maturity</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
0 - 1 months past due	177,262	4,156,072
1 - 3 months past due	-	689,036
3 - 12 months past due	-	359,302
	<b>177,262</b>	<b>5,204,410</b>

There is no significant change on financial risk policies and credit risk management of the Company compared to prior periods.

#### Foreign Currency Risk

The Company's foreign currency balances arising from operating, investment, and financial activities are disclosed below as of the reporting date. The Company may be exposed to foreign currency risk due to foreign exchange differences at the time its foreign currency receivables and payables are converted to Turkish Lira. The foreign currency risk is monitored through continuous analysis of the foreign currency position and measured on the basis of sensitivity analysis.

	<b>31 December 2023</b>	<b>31 December 2022</b>
Assets	76,073,511	76,490,401
Liabilities	(2,377,879)	(3,106,087)
<b>Net balance sheet position</b>	<b>73,695,632</b>	<b>73,384,314</b>

As of 31 December 2023, fluctuation of USD had been 10% higher/lower ceteris paribus, pre-tax income after foreign exchange profit/loss resulting from foreign exchange net position for the period would have been TRY7,385,003 higher/lower (31 December 2022: TRY7,354,016 higher/lower).

As of 31 December 2023, fluctuation of EUR had been 10% higher/lower ceteris paribus, pre-tax income after foreign exchange profit/loss resulting from foreign exchange net position for the period would have been TRY16,076 lower/higher (31 December 2022: TRY16,212 lower/ higher).

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2023, fluctuation of GBP had been 10% higher/lower ceteris paribus, pre-tax income after foreign exchange profit/loss resulting from foreign exchange net position for the period would have been TRY636 higher/lower (31 December 2022: TRY631 higher/lower).

As of 31 December 2023 and 31 December 2022 the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets and liabilities are as follows:

<b>31 December 2023</b>	<b>EUR</b>	<b>USD</b>	<b>GBP</b>	<b>TRY equivalent</b>
<b>Current assets</b>				
Financial investments	-	2,582,850	-	76,034,458
Cash and cash equivalents	575	475	170	39,053
<b>Total Assets</b>	<b>575</b>	<b>2,583,325</b>	<b>170</b>	<b>76,073,511</b>
<b>Non-current liabilities</b>				
Other payables	(5,500)	(74,544)	-	(2,377,879)
<b>Total liabilities</b>	<b>(5,500)</b>	<b>(74,544)</b>	<b>-</b>	<b>(2,377,879)</b>
<b>Net foreign currency asset position</b>	<b>(4,925)</b>	<b>2,508,781</b>	<b>170</b>	<b>73,695,632</b>
<b>31 December 2022</b>	<b>EUR</b>	<b>USD</b>	<b>GBP</b>	<b>TRY equivalent</b>
<b>Current assets</b>				
Financial investments	-	2,375,769	-	73,196,812
Cash and cash equivalents	575	106,084	170	3,293,588
<b>Total Assets</b>	<b>575</b>	<b>2,481,853</b>	<b>170</b>	<b>76,490,401</b>
<b>Non-current liabilities</b>				
Other payables	(5,500)	(94,770)	-	(3,106,087)
<b>Total liabilities</b>	<b>(5,500)</b>	<b>(94,770)</b>	<b>-</b>	<b>(3,106,087)</b>
<b>Net foreign currency asset position</b>	<b>(4,925)</b>	<b>2,387,083</b>	<b>170</b>	<b>73,384,314</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

#### NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### *Capital Risk Management*

For proper management of capital risk, the Company aims;

- To maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders,
- To increase profitability through determining a service pricing policy that is commensurate with the level of risks inherent in the market.

The Company determines the amount of share capital in proportion to the risk level. The equity structure of the Company is arranged in accordance with the economic outlook and the risk attributes of assets.

The Company monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt net by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt (the sum of short and long-term liabilities stated in the statement of financial position). The total share capital is the sum of all equity items stated in the statement of financial position.

	31 December 2023	31 December 2022
Total Debt (*)	34,763,737	32,003,426
Less: cash and cash equivalents (Note 4)	(248,988,653)	(176,240,537)
Net asset	(214,224,916)	(144,237,111)
Total equity	5,679,995,542	5,410,164,476
<b>Net asset/equity ratio (%)</b>	<b>(4)</b>	<b>(3)</b>

(\*) The balance covers the sum of short-term and long-term liabilities.

#### NOTE 22 - FINANCIAL INSTRUMENTS (DISCLOSURES RELATED TO FAIR VALUE AND HEDGE ACCOUNTING)

##### *Fair value of financial instruments*

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

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

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

**CONVENIENCE TRANSLATION OF THE NOTES TO THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 31 December 2023, unless otherwise indicated.)

---

**NOTE 22 - FINANCIAL INSTRUMENTS (DISCLOSURES RELATED TO FAIR VALUE AND  
HEDGE ACCOUNTING) (Continued)**

***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.

Investment properties are presented at fair value in the balance sheet.

The carrying value of trade receivables which are measured at amortised cost, along with the related allowances for uncollectability are assumed to approximate their fair values.

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

***Financial liabilities:***

The Company has no financial assets held for speculative purposes (including derivative instruments) and has no operations related to the trade of such instruments.

Short-term trade payables are considered to approximate their respective carrying values due to their short-term nature.

***Classification of Fair Value Measurement***

IFRS 13 - Financial Instruments requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. Such a distinction generally gives rise to the following classifications.

- Category 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Category 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Category 3: Inputs for the asset or liability that is not based on observable market data (that is, unobservable inputs).

Classification requires using observable market data if possible.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### NOTE 23 - SUBSEQUENT EVENTS

The company was not subject to any significant incident after the conclusion of the finance year. However, in accordance with the CMB's Resolution No. 6/121 dated 25/01/2024, the group in which the Company is included has changed and the Company has been promoted from Group 3 to Group 2.

#### NOTE 24 - FINANCIAL INVESTMENTS

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

	31 December 2023	31 December 2022
Foreign currency bonds	77,129,024	73,882,814
	<b>77,129,024</b>	<b>73,882,814</b>

As of 31 December 2023, the interest rate on the foreign currency bonds is 5.24% and the accrued interest is TRY1,094,566 (31 December 2022: the interest rate on the foreign currency bonds is 4.75% and the accrued interest is TRY685,998).

#### NOTE 25 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/AUDITOR'S FIRM

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

	1 January - 31 December 2023	1 January - 31 December 2022
Independent audit fee for the reporting period	1,026,400	584,944
<b>Total</b>	<b>1,026,400</b>	<b>584,944</b>

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

### NOTE 26 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS

Disclosures made within the framework of Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Trusts state that joint ventures are obliged to comply with the provisions of the Board's Communiqué No. II-14.1 on Principles Regarding Financial Reporting in Capital Markets when issuing and making public financial statements. The financial statements should include the information about portfolio limitation controls defined in Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Trusts taken from unconsolidated financial statement account items in the manner defined by the Board.

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follows as of 31 December 2023 and 31 December 2022:

Non-consolidated (stand-alone) financial statement accounts items	Related regulations	31 December 2023	31 December 2022	
A Cash and capital market instruments	Art,24/(b)	326,117,677	250,123,351	
B Real estate, real estate-based project, real estate-based, rights, real estate investment fund participation shares and companies within the scope of subparagraph (ç) of the first paragraph of Article 28, in which they have 100% participation in the capital	Art,24/(a)	5,359,800,000	5,159,204,854	
C Affiliates	Art,24/(b)	-	-	
Due from related parties (non-trade)	Art,23/(f)	-	-	
Other assets		28,841,602	32,839,697	
<b>D Total assets</b>	<b>Art,3/(p)</b>	<b>5,714,759,279</b>	<b>5,442,167,902</b>	
E Borrowings	Art,31	-	-	
F Other financial liabilities	Art,31	-	-	
G Leasing obligation	Art,31	-	-	
H Due to related parties (non-trade)	Art,23/(f)	-	-	
I Equity	Art,31	5,679,995,542	5,410,164,476	
Other liabilities		34,763,737	32,003,426	
<b>D Total liabilities</b>	<b>Art,3/(p)</b>	<b>5,714,759,279</b>	<b>5,442,167,902</b>	
Other non-consolidated (stand-alone) financial information	Related regulations	31 December 2023	31 December 2022	
A1 Portion of cash and capital market instruments reserved for three-year real estate payments	Art,24/(b)	-	-	
A2 TRY/foreign currency denominated time/demand deposits	Art,24/(b)	248,962,622	44,335,322	
A3 Foreign capital market instruments	Art,24/(d)	-	-	
B1 Foreign real estates, real estate-based projects, real estate-based rights	Art,24/(d)	-	-	
B2 Lands on which no projects developed	Art,24/(c)	-	-	
C1 Foreign affiliates	Art,24/(d)	-	-	
C2 Participation in administrator companies	Art,28/1(a)	-	-	
J Non-cash loans	Art,31	-	-	
K Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed	Art,22/(e)	-	-	
L Total investments of monetary and capital market instruments at one company	Art,22/(l)	177,788,050	34,021,864	
Portfolio Restriction	Related regulations	31 December 2023	31 December 2022	Minimum/ Maximum Rate
1 Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed (K/D)	Art,22/(e)	-	-	≤%10
2 Real estate, real estate-based project, Real estate-based rights, real estate investment fund participation Shares and companies within the scope of subparagraph (ç) of the First paragraph of Article 28, in which that have 100% participation in the capital (B+A1)/D	Art,24/(a),(b)	%94	%95	≥%51
3 Cash and capital market instruments and Affiliates (A+C-A1)/D	Art,24/(b)	%6	%5	≤%49
4 Foreign real estates, real estate-based projects, real estate-based rights, Affiliates, capital market instruments (A3+B1+C1)/D	Art,24/(d)	-	-	≤%49
5 Lands on which no projects developed (B2/D)	Art,24/(c)	-	-	≤%20
6 Participation in administrator companies (C2/D)	Art,28/1(a)	-	-	≤%10
7 Borrowing ceiling (E+F+G+H+J)/I TRY/foreign currency denominated time/demand deposits (A2-A1)/D	Art,31	-	-	≤%500
8 Total investments of monetary and capital market instruments at one company (L/D)	Art,24/(b)	%4	%1	≤%10
9 Total investments of monetary and capital market instruments at one company (L/D)	Art,22/(l)	%3	%1	≤%10