

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2021
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



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

**REPORT ON REVIEW OF INTERIM CONDENSED
FINANCIAL INFORMATION**

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

Introduction

We have reviewed the accompanying condensed statement of financial position of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2021 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim condensed financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed financial information of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. is not prepared, in all material respects, in accordance with TAS 34.

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

Baki Erdal, SMMM
Partner

Istanbul, 5 August 2021

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED FINANCIAL STATEMENTS AND NOTES FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2021

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/ (BALANCE SHEET)
AT 30 JUNE 2021 AND 31 DECEMBER 2020**

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

	Notes	<i>Reviewed</i> 30 June 2021	<i>Audited</i> 31 December 2020
ASSETS			
Current assets		56,389,129	84,613,579
Cash and cash equivalents	4	41,065,539	66,499,988
Financial investments			
<i>Financial assets measured at amortized cost</i>		-	3,004,243
Trade receivables			
<i>Receivables from third parties</i>	5	9,326,657	8,281,647
<i>Receivables from related parties</i>		155,622	154,871
Prepaid expenses	10	4,017,543	4,528,978
Current tax assets		498,622	341,263
Other current assets	10	1,325,146	1,802,589
Non-current assets		175,527,010	181,133,543
Investment property	6	171,967,827	175,650,995
Tangible assets	7	124,571	228,413
Intangible assets		228,073	241,473
Prepaid expenses	10	2,436,330	3,801,346
Other non-current assets	10	770,209	1,211,316
Total assets		231,916,139	265,747,122

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/ (BALANCE SHEET)**

AT 30 JUNE 2021 AND 31 DECEMBER 2020

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

	Notes	<i>Reviewed</i> 30 June 2021	<i>Audited</i> 31 December 2020
LIABILITIES			
Current liabilities		37,245,480	23,365,482
Trade payables			
<i>Due to related parties</i>	5, 19	2,093,269	629,777
<i>Due to third parties</i>	5	1,270,406	133,968
Other payables			
<i>Due to related parties</i>	5, 19	30,183,840	17,514,080
<i>Due to third parties</i>	5	351,363	335,196
Deferred income (Excluding customer contract liabilities)	10	2,362,506	3,651,114
Short-term provisions			
<i>Other provisions</i>	8	181,691	181,691
<i>Provisions for employment termination benefits</i>	9	443,965	431,109
Other current liabilities		358,440	488,547
Non-current liabilities		2,337,457	2,246,727
Other payables			
<i>Other payables to third parties</i>	5	994,937	689,034
Long term provisions			
<i>Provisions for employment termination benefits</i>	9	1,342,520	1,557,693
Equity		192,333,202	240,134,913
Share capital	11, 18	37,264,000	37,264,000
Adjustment to share capital		27,745,263	27,745,263
Other comprehensive income/expense not to be reclassified to profit or loss			
<i>Actuarial gains/(losses) arising from employee benefits</i>		(192,365)	(658,882)
Restricted reserves		69,205,098	94,395,562
Retained earnings	11	24,443,594	24,518,963
Net income for the period	18	33,867,612	56,870,007
Total liabilities and equity		231,916,139	265,747,122

These interim financial statements for the period 1 January - 30 June 2021 have been approved by the Board of Directors on 5 August 2021.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX
MONTH INTERIM PERIODS ENDED 30 JUNE 2021 AND 2020**

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

	Notes	Reviewed 1 January - 30 June 2021	Reviewed 1 April - 30 June 2021	Reviewed 1 January - 30 June 2020	Reviewed 1 April - 30 June 2020
OPERATING INCOME					
Revenue	12	46,221,113	22,842,398	36,580,974	8,524,565
Cost of sales (-)	12	(15,178,511)	(7,397,107)	(15,104,744)	(6,074,506)
Gross profit		31,042,602	15,445,291	21,476,230	2,450,059
General administrative expenses (-)		(3,401,963)	(1,708,367)	(3,340,705)	(1,562,128)
Other operating income	14	330,702	89,628	573,814	357,352
Other operating expense (-)	14	(1,981,441)	(1,092,664)	(1,702,183)	(869,890)
Operating profit		25,989,900	12,733,888	17,007,156	375,393
Financial income	15	8,798,426	2,728,644	7,253,500	2,872,283
Financial expenses (-)	16	(920,714)	(648,540)	(1,229,196)	(882,702)
Profit before tax from continuing operations		33,867,612	14,813,992	23,031,460	2,364,974
Tax income/ (expenses) from continuing operations		-	-	-	-
Profit for the period from continuing operations	18	33,867,612	14,813,992	23,031,460	2,364,974
Earnings per share					
Earnings per share from continuing operations	18	0.91	0.40	0.62	0.06
Earnings per share from discontinuing operations		-	-	-	-
Diluted earnings per share					
Diluted earnings per share from continuing operations	18	0.91	0.40	0.62	0.06
Diluted earnings per share from discontinuing operations		-	-	-	-
OTHER COMPREHENSIVE INCOME / (EXPENSE)					
Items not to be classified to profit or loss					
Actuarial gains/ (losses) arising from employee benefits	9	311,477	156,046	(166,025)	63,155
Total comprehensive income		34,179,089	14,970,038	22,865,435	2,428,129

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTH INTERIM PERIODS ENDED 30 JUNE 2021 AND 2020**

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

	Notes	Share capital	Adjustment to share capital	Other comprehensive income/expense not to be reclassified to profit or loss	Restricted reserves	Accumulated profit		Total equity
				Actuarial (losses) / gain arising from employee benefits		Retained earnings	Net profit for the period	
1 January 2020		37,264,000	27,745,263	(556,410)	87,986,155	15,327,521	81,558,129	249,324,658
Transfers		-	-	-	6,409,407	75,148,722	(81,558,129)	-
Dividend payable (*)		-	-	-	-	(65,957,280)	-	(65,957,280)
Total comprehensive income	-	-	(166,025)	-	-	-	23,031,460	22,865,435
30 June 2020 (Reviewed)	11	37,264,000	27,745,263	(722,435)	94,395,562	24,518,963	23,031,460	206,232,813
1 January 2021		37,264,000	27,745,263	(658,882)	94,395,562	24,518,963	56,870,007	240,134,913
Transfers		-	-	155,040	(25,190,464)	81,905,431	(56,870,007)	-
Dividend payable (*)		-	-	-	-	(81,980,800)	-	(81,980,800)
Total comprehensive income		-	-	311,477	-	-	33,867,612	34,179,089
30 June 2021 (Reviewed)	11	37,264,000	27,745,263	(192,365)	69,205,098	24,443,594	33,867,612	192,333,202

(*) The Company has decided to distribute dividends to the shareholders amounting to TRY 81,980,800 at the Ordinary General Assembly Meeting held on April 14, 2020. In line with this decision, the first installment amounting to TRY 51,796,960 is distributed in cash to the shareholders on April 26, 2021. The amount not paid at the balance sheet date will be paid on 25 August 2021 and 22 December 2021 by TRY 14,905,600 and TRY 15,278,240, respectively.

The accompanying explanations and notes form an integral part of these interim condensed financial statements,

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED
STATEMENTS OF CASH FLOWS FOR THE SIX MONTH INTERIM
PERIODS ENDED 30 JUNE 2021 AND 2020**

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

	Notes	Reviewed 1 January - 30 June 2021	Reviewed 1 January - 30 June 2020
CASH FLOWS FROM OPERATING ACTIVITIES		42,268,779	28,783,165
Profit for the year		33,867,612	23,031,460
Adjustments to profit/ (loss) for the year		1,679,348	2,690,107
Adjustments for depreciation and amortization expenses	13	4,420,887	4,471,224
Adjustments for impairment loss	5	(71,068)	125,018
Adjustments for provisions		73,897	627,324
Adjustments for interest (income)/ expenses		(2,308,733)	(1,266,638)
Adjustments for losses (gains) resulting from the disposal of fixed assets	14	62,727	-
Other adjustments for non-cash items		(498,362)	(1,266,821)
Change in working capital		6,853,369	3,135,616
Adjustments for decrease / (increase) in trade receivables <i>Decrease/ (increase) in trade receivables from third parties</i>		(974,693)	(756,555)
Decrease / (increase) in other assets related to operations		3,512,164	4,219,955
Adjustments regarding increase /(decrease) in trade payables <i>Increase / (decrease) in trade payable from related parties</i>		1,463,492	1,422,950
<i>Increase / (decrease) in trade payable from third parties</i>		1,136,438	881,972
Increase / (decrease) in other liabilities related to operations		(1,288,275)	(2,632,706)
Change in financial investing activities		3,004,243	-
Cash provided from operations		42,400,329	28,857,183
Employment termination benefit payments	9	(131,550)	(74,018)
CASH FLOWS FROM INVESTING ACTIVITIES		1,614,375	507,190
Interest received		2,297,581	1,253,807
Cash outflows from the purchases of tangible and intangible assets		(1,335)	(172,659)
Cash outflows from the purchase of investment properties	6	(681,871)	(573,958)
			-
CASH FLOWS USED IN FINANCING ACTIVITIES		(69,311,040)	(48,443,200)
Dividends paid		(69,311,040)	(48,443,200)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(25,427,886)	(19,152,845)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		66,482,273	51,113,374
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	41,054,387	31,960,529

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish lira (“TRY”) 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 E3 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 55.36% of these shares are publicly quoted shares as of 30 June 2021.

The shareholding structure as of 30 June 2021 and 31 December 2020 is as follows:

Shareholders	30 June 2021	31 December 2020
Akkök Holding A.Ş.	11.67%	12.66%
Tekfen Holding A.Ş.	10.47%	10.47%
Public offering (*)	55.36%	52.60%
Other (**)	22.50%	24.27%
Total	100%	100%

(*) 45.93% of public offering shares belong to Klepierre S.A. as of 30 June 2021 (31 December 2020: 46%).

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

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

	30 June 2021	31 December 2020
Administrative	6	6

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(Amounts expressed in Turkish lira (“TRY”) 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”) 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 (“IFRIC”).

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the Company have been prepared accordingly.

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. These financial statements have been prepared under historical cost conventions. 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:

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required. Accordingly, TAS 29, “Financial Reporting in Hyperinflationary Economies”, issued by the TASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

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 - 30 June 2021 in accordance with the going concern principle.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTH
INTERIM PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in Turkish lira (“TRY”) 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 22, “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 30 June 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 30 June 2021.

a) Standards, amendments and interpretations applicable as at 30 June 2021:

- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments IFRS 4, ‘Insurance contracts’, deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial Instrument until 1 January 2023.

b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2021:

- **IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTH
INTERIM PERIOD ENDED 30 JUNE 2021**

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

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

2.2. Changes in accounting policies (Continued)

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- **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;** 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.

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 recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. For the period 1 January - 30 June 2021 there is no change in accounting estimates.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

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

2.4 Summary of significant accounting policies

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2020. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

2.5 Significant accounting assessments, 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. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. 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 CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 June 2021 and 31 December 2020 are as follow:

	30 June 2021	31 December 2020
Cash	12,031	10,947
Reverse repo transactions	21,563,075	42,011,559
Banks		
- Foreign currency denominated time deposits	19,126,236	24,247,166
- TRY time deposits	321,167	-
- TRY demand deposits	8,756	223,480
- Foreign currency denominated demand deposits	34,274	6,836
	41,065,539	66,499,988

As of 30 June 2021, the interest rate on TRY time deposit accounts at banks is 19% the accrued interest of TRY time deposit accounts is TRY 167. The interest rate on foreign currency denominated time deposits at banks is between 0.15% and 1.75% and the accrued interest of foreign currency denominated time deposits is TRY 911. (As of 31 December 2020, there are no TRY time deposits at banks. The interest rate on TRY deposit accounts at banks is 2.25%. the accrued interest of TRY deposit accounts is TRY1,495.). The maturity of time deposits is less than 2 months (31 December 2020: Less than one month).

As of 30 June 2021, the interest rate on TRY reverse repo agreements is 17.06% and the accrued interest is TRY10,074. (As of 31 December 2020, the interest rate on reverse repo transactions is 15.50% and the accrued interest is TRY15,496).

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

	30 June 2021	31 December 2020
Cash and cash equivalents	41,065,539	66,499,988
Less: Accrued interest	(11,152)	(17,715)
	41,054,387	66,482,273

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
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NOTE 5 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	30 June 2021	31 December 2020
Trade receivables from third parties	8,754,888	7,750,402
Trade receivables from related parties (Note 19)	155,622	154,871
Post-dated cheques receivable	1,311,192	1,781,030
Notes receivables	643,061	203,767
	10,864,763	9,890,070
Less: Provision for doubtful receivables	(1,382,484)	(1,453,552)
	9,482,279	8,436,518

The movement of provisions for doubtful receivables is as follows:

	2021	2020
1 January	1,453,552	1,968,921
Provisions made during the period	-	125,018
Provisions no longer required	-	(242,661)
Doubtful receivables reversal	(71,068)	(397,998)
30 June	1,382,484	1,453,280

Short-term trade payables	30 June 2021	31 December 2020
Due to related parties (Note 19)	2,093,269	629,777
Trade payables to third parties	1,270,406	133,968
	3,363,675	763,745

Short-term other payables	30 June 2021	31 December 2020
Other payables to related parties (Note 19)	30,183,840	17,514,080
Tax and funds payable	315,969	319,002
Other	35,394	16,194
	30,535,203	17,849,276

Long-term other payables	30 June 2021	31 December 2020
Deposits and guarantees received	994,937	689,034
	994,937	689,034

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NOTE 6 - INVESTMENT PROPERTY

The movements of the investment property for the six-month interim periods ended 30 June 2021 and 2020 are as follow:

	1 January 2021	Additions	Disposals	Transfers	Impairments	30 June 2021
Cost						
Buildings	277,081,799	-	(1,365,180)	681,871	-	276,398,490
Construction in progress (*)	-	681,871	-	(681,871)	-	-
	277,081,799	681,871	(1,365,180)	-	-	276,398,490
Accumulated Depreciation						
Buildings	(100,725,476)	(4,302,312)	597,125	-	-	(104,430,663)
Provision for impairment of buildings (-)	(705,328)	-	-	-	705,328	-
Net book value	175,650,995	(3,620,441)	(768,055)	-	705,328	171,967,827

(*) The transfers amounting to TRY 681,871 from the construction in progress to the buildings are the costs that are reflected from the Üçgen Bakım ve Yönetim Hizmetleri A.Ş., within the scope of management services in accordance with the share of the Company.

	1 January 2020	Additions	Transfers	30 June 2020
Cost				
Buildings	275,797,670	-	573,958	276,371,628
Construction in progress (*)	-	573,958	(573,958)	-
	275,797,670	573,958	-	276,371,628
Accumulated Depreciation				
Buildings	(92,022,173)	(4,324,918)	-	(96,347,091)
Provision for impairment of buildings (-)	(705,328)	-	-	(705,328)
Net book value	183,070,169			179,319,209

(*) The transfers amounting to TRY 573,958 from the construction in progress to the buildings are the costs that are reflected from the Üçgen Bakım ve Yönetim Hizmetleri A.Ş., within the scope of management services in accordance with the share of the Company.

The fair value of the Company's investment property based on the valuation report of Ter Ra Gayrimenkul Değerleme ve Danışmanlık A.Ş. dated 31 December 2020 amount to TRY1,513,290,000. The discount rate used in the valuation report dated 31 December 2020, is 17%. Since the assumptions used in valuation studies may vary due to COVID-19, the fair value of the investment property may differ from the valuation report dated 31 December 2020.

Insurance coverage on assets as of 30 June 2021 and 31 December 2020 is as follows;

30 June 2021: USD166,467,609

31 December 2020: USD166,467,609

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NOTE 7 - TANGIBLE ASSETS

The movements of the tangible assets for the six-month interim periods ended 30 June 2021 and 2020 are as follow:

	1 January 2021	Additions	30 June 2021
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,744,324	1,335	8,745,659
Accumulated depreciation	(8,615,613)	(105,177)	(8,720,790)
Net book value	228,413	(103,842)	124,571

	1 January 2020	Additions	30 June 2020
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,716,872	10,552	8,727,424
Accumulated depreciation	(8,364,002)	(134,060)	(8,498,062)
Net book value	452,572	(123,508)	329,064

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions, contingent assets and liabilities consist of the following:

Real rights on immovables are as follow:

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

Guarantee notes, cheques and letters	Currency of denomination	Original Amount	30 June 2021
Letters of guarantees received	TRY	15,711,116	15,711,116
Letters of guarantees received	USD	856,234	7,453,686
Guarantee notes received	USD	566,953	4,935,439
Letters of guarantees received	EUR	151,866	1,574,015
Guarantee cheques received	TRY	478,100	478,100
Guarantee notes received	TRY	67,188	67,188
			30,219,544

Guarantee notes and letters	Currency of denomination	Original Amount	31 December 2020
Letters of guarantees received	TRY	14,430,768	14,430,768
Letters of guarantees received	USD	879,589	6,456,622
Guarantee notes received	USD	620,053	4,551,499
Letters of guarantees received	EUR	151,866	1,367,994
Guarantee cheques received	TRY	531,560	531,560
Guarantee notes received	TRY	67,188	67,188
			27,405,631

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

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

As of balance sheet dates, there are no guarantees, pledges and mortgages positions of the Company:

Other provisions	30 June 2021	31 December 2020
Provision for lawsuits	181,691	181,691
	181,691	181,691

Provision for lawsuits

The provision for the lawsuits against the company as of 30 June 2021 is TRY181.691 (31 December 2020: TRY181,691) and there are no movements of provision for lawsuits.

The Company's cases on trail that are claimed by shareholder and not required to allocate any provision in the financial statements and counsels' opinion are summarized below:

Ömer Dinçök filed a lawsuit on June 30, 2015 with the request for the cancellation of the decisions taken on the agenda items 2, 3, 4 and 9, which were discussed at the General Assembly meeting for 2014. The case has been concluded in favor of the Company in the first instance court. The plaintiff appealed to the court and it is expected to be approved in favor of the Company as a result of the appeal examination.

Ömer Dinçök filed a lawsuit on June 30, 2016 with the request for the cancellation of the decisions taken on the agenda items numbered 5 and 11, which were discussed at the General Assembly meeting for 2015. The case was dismissed a nonsuit by the first instance court. The plaintiff side applied for an appeal, and the appeal review was rejected in favor of the Company. The decision regarding the rejection of the appeal application of the plaintiff in favor of the Company against the Court's decision regarding the dismissal of the case was appealed by the plaintiff. The plaintiff's appeal is also expected to be rejected.

Including the cases detailed above, there are 14 lawsuits and 22 executive proceedings that the Company is currently a party of them.

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NOTE 9 - EMPLOYEE BENEFITS

The short-term provisions for employee benefits at 30 June 2021 and 31 December 2020 are as follow:

Short term provisions	30 June 2021	31 December 2020
Unused vacation allowances	443,965	431,109
	443,965	431,109

Provision for unused vacation amounting to TRY225,910 comprise of the unused vacation provisions of the Company's personnel, while TRY218,055 comprise of the Company's shares of unused vacation allowance related to the personnel of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.

At 30 June 2021, the amount payable consists of one month's salary limited to a maximum of TRY8,284.51 for each year of service (31 December 2020: TRY7,638.96).

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 actuarial assumptions used to calculate the liability as of 30 June 2021 and 31 December 2020 are as follow:

	1 January - 30 June 2021	1 January - 31 December 2020
Discount rate (%)	4.70	4.70
Turnover rate to estimate the probability of retirement (%)	92.22	91.41

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

	2021	2020
1 January	1,557,693	1,347,207
Cost of service	133,955	169,293
Cost of interest	93,899	78,320
Actuarial (gain)/losses	(311,477)	166,025
Payments made during the period (-)	(131,550)	(74,018)
30 June	1,342,520	1,686,827

Provision for employment termination benefits amounting to TRY151,260 comprise of the Company's personnel termination benefits provisions and TRY1,191,260 comprise of the Company's share in Üçgen Bakım ve Yönetim Hizmetleri A.Ş.'s personnel termination benefits provisions.

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NOTE 10 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 30 June 2021 and 31 December 2020 are as follow:

	30 June 2021	31 December 2020
Prepaid expenses - short term		
Prepaid expenses (*)	4,007,306	4,519,208
Advances given	10,237	9,770
	4,017,543	4,528,978

(*) Prepaid expenses amounting to TRY2,791,437 consists of the short term portion of the costs incurred in order to rent out the stores. These amounts amortize in the contract period of the store. The portion amounting to TRY1,124,737 consists of prepaid real estate taxes to Beşiktaş Belediyesi, TRY34,306 portion consists of insurance expenses and TRY56,826 portion consists of other expenses.

	30 June 2021	31 December 2020
Prepaid expenses - long term		
Prepaid expenses (*)	2,436,330	3,801,346
	2,436,330	3,801,346

(*) Long term prepaid expenses consists of costs more than one year in order to rent the store. These amounts amortize in the contract period of the store.

	30 June 2021	31 December 2020
Other current assets		
Income accruals for store rent (*)	1,325,146	1,802,589
	1,325,146	1,802,589

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

	30 June 2021	31 December 2020
Other non-current assets		
Income accruals for store rent (*)	770,006	1,211,113
Deposits given	203	203
	770,209	1,211,316

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

	30 June 2021	31 December 2020
Deferred income (Excluding customer contract liabilities)		
Advances received	1,343,454	2,157,251
Deferred income	1,019,052	1,493,863
	2,362,506	3,651,114

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NOTE 11 - EQUITY

At 30 June 2021 and 31 December 2020 the issued and fully paid-in share capital held is as follows:

Shareholders	30 June 2021		31 December 2020	
	Share (%)	Amount	Share (%)	Amount
Akkök Holding A.Ş.	11.67	4,349,553	12.66	4,718,694
Tekfen Holding A.Ş.	10.47	3,901,279	10.47	3,901,279
Quoted to İstanbul Stock Exchange	55.36	20,628,903	52.60	19,600,621
Other (*)	22.50	8,384,265	24.27	9,043,406
Total paid-in capital	100.00	37,264,000	100.00	37,264,000

(*) Represents individual shareholdings less than 10%.

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 30 June 2021 and 31 December 2020.

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.

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NOTE 11 - EQUITY (Continued)

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.

Retained earnings consist of the following:

	30 June 2021	31 December 2020
Retained earnings	9,708,834	9,708,834
Extraordinary reserves	10,751,544	10,826,913
Inflation difference in extraordinary reserves	521,985	521,985
Inflation difference in legal reserves	3,461,231	3,461,231
	24,443,594	24,518,963

NOTE 12 - OPERATING INCOME

Sales	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Shops and warehouse rent income	39,731,256	19,716,440	31,360,195	6,589,739
Apart hotel rent income	4,583,187	2,233,834	3,227,238	1,585,759
Other income	1,906,670	892,124	1,993,541	349,067
	46,221,113	22,842,398	36,580,974	8,524,565
Cost of sales				
Cost of services	(10,876,199)	(5,242,173)	(10,779,826)	(3,918,940)
Depreciation expense	(4,302,312)	(2,154,934)	(4,324,918)	(2,155,566)
	(15,178,511)	(7,397,107)	(15,104,744)	(6,074,506)
Gross profit	31,042,602	15,445,291	21,476,230	2,450,059

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NOTE 13 - EXPENSES BY NATURE

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Cost of service	10,733,827	5,315,906	10,569,205	3,927,034
Depreciation and amortization expenses	4,420,887	2,214,828	4,471,224	2,237,427
Personnel expenses	1,771,014	795,966	1,828,770	716,229
Consultancy expenses	638,083	323,484	551,990	254,351
Legal expenses	535,122	265,864	646,630	342,858
Insurance, duties, taxes and levies expenses	74,401	47,516	57,230	28,147
Other	407,140	141,910	320,400	130,588
	18,580,474	9,105,474	18,445,449	7,636,634
Depreciation and amortization expenses				
Cost of sales	4,302,312	2,154,934	4,324,918	2,155,566
General administrative expenses	118,575	59,894	146,306	81,861
	4,420,887	2,214,828	4,471,224	2,237,427

NOTE 14 - OTHER OPERATING INCOME/EXPENSES

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Other operating income				
Foreign exchange gain on trade receivables and payables	22,911	14,539	16,744	16,744
VAT adjustment of non-worthy receivables	-	-	60,203	60,203
Gain on sale of fixed asset, net	17,273	(62,727)	-	-
Other	290,518	137,816	496,867	280,405
	330,702	89,628	573,814	357,352
Other operating expense				
Amortization expense (*)	(1,477,942)	(710,955)	(1,480,758)	(740,380)
Foreign Exchange loss on trade receivables and payables	(161,547)	(54,159)	(96,407)	(96,407)
Doubtful provision expense	-	-	(125,018)	(33,103)
Other	(341,952)	(327,550)	-	-
	(1,981,441)	(1,092,664)	(1,702,183)	(869,890)
Other operating income - net	(1,650,739)	(1,003,036)	(1,128,369)	(512,538)

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

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NOTE 15 - FINANCIAL INCOME

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Financial income				
Foreign exchange income	6,489,693	1,826,012	5,986,862	2,567,868
Interest income	2,308,733	902,632	1,266,638	304,415
	8,798,426	2,728,644	7,253,500	2,872,283

NOTE 16 - FINANCIAL EXPENSES

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Financial expenses				
Foreign exchange expense	(826,815)	(605,745)	(1,150,876)	(847,201)
Interest expenses related to employee benefits	(93,899)	(42,795)	(78,320)	(35,501)
	(920,714)	(648,540)	(1,229,196)	(882,702)

NOTE 17 - 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”.

NOTE 18 - 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 “free 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 - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Weighted average number of shares as of the reporting date (per share of TRY1 nominal value)	37,264,000	37,264,000	37,264,000	37,264,000
Net profit for the period	33,867,612	14,813,992	23,031,460	2,364,974
Profit per share	0.91	0.40	0.62	0.06

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NOTE 19 - RELATED PARTY DISCLOSURES

As of 30 June 2021 and 31 December 2020 receivables due from related parties and payables due to related parties are as follow:

	30 June 2021	31 December 2020
Due from related parties		
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	143,506	140,286
Akip Gıda San. Tic. A.Ş.	10,702	13,171
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	1,414	1,414
	155,622	154,871

	30 June 2021	31 December 2020
Due to related parties		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	2,055,548	496,857
Akkök Holding A.Ş.	36,912	132,105
Aktek Bilgi İşlem Tekn. San. Tic. A.Ş.	809	815
	2,093,269	629,777

As at 30 June 2021 and 31 December 2020 the non-trade payables to the shareholders of the Company under other liabilities are as follow:

	30 June 2021	31 December 2020
Dividend payable	30,183,840	17,514,080
	30,183,840	17,514,080

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Purchases from related party	18,009,469	8,992,788	17,823,762	8,220,328
Sales to related parties	8,397,236	3,771,928	7,618,785	2,267,095

Purchases and sales consist of rent income, purchase and sales of services. The related party purchases amounting to TRY17,763,582 comprise of management expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (“Üçgen”). The remaining balance amounting to TRY245,887 comprise of other expenses from related parties. The Company provides common areas services like car park, ads, ATM and apart hotel rent incomes from the related party Üçgen, in addition to these the Company has cinema and office floor rent incomes from the related party Üçgen to whom the Company charged TRY7,374,732 regarding the revenue collected on behalf of the Company for the first six months of 2021 (1 January - 30 June 2020: TRY6,634,274).

As of 1 January - 30 June 2021, remuneration provided to top executives such as the General Manager and the members of Board of Directors is TRY1,191,384 (1 January-30 June 2020: TRY1,017,850).

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NOTE 20 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

There has been no significant change in the Company's financial risk policies and credit risk management practices compared to previous periods.

Foreign Currency Risk

The foreign currency amounts stated in the assets and liabilities are as follow:

	30 June 2021	31 December 2020
Assets	19,167,604	32,747,631
Liabilities	(881,997)	(635,095)
Net position	18,285,607	32,112,536

As of 30 June 2021, fluctuation of USD had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY1,830,033 (31 December 2020: TRY3,215,521 higher/ lower) higher/ lower.

As of 30 June 2021, fluctuation of EUR had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY1,964 (31 December 2020: TRY4,437 higher/lower) lower/higher.

As of 30 June 2021, fluctuation of GBP had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY205 (31 December 2020: TRY169) higher/lower.

As of 30 June 2021, the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets are as follow:

30 June 2021	EUR	USD	GBP	TRY Equivalent
Current assets				
Cash and cash equivalents	3,605	2,197,330	170	19,167,604
Total assets	3,605	2,197,330	170	19,167,604
Long term liabilities				
Other payables	(5,500)	(94,770)	-	(881,997)
Total liabilities	(5,500)	(94,770)	-	(881,997)
Net foreign currency asset position	(1,895)	2,102,560	170	18,285,607

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FINANCIAL STATEMENTS FOR THE SIX MONTH
INTERIM PERIOD ENDED 30 JUNE 2021**

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

**NOTE 20 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

31 December 2020	EUR	USD	GBP	TRY Equivalent
Current assets				
Cash and cash equivalents	575	4,053,931	170	29,764,748
Financial investments	-	406,360	-	2,982,883
Total Assets	575	4,460,291	170	32,747,631
Non-current liabilities				
Other payables	(5,500)	(79,770)	-	(635,095)
Total liabilities	(5,500)	(79,770)	-	(635,095)
Net foreign currency asset position	(4,925)	4,380,521	170	32,112,536

NOTE 21 - SUBSEQUENT EVENTS

None.

**NOTE 22 - 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.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

NOTE 22 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (Continued)

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follow as of 30 June 2021 and 31 December 2020:

Non-consolidated (stand-alone) financial statement accounts items		Related regulations	30 June 2021	31 December 2020
A	Cash and capital market instruments	Art,24/(b)	41,065,539	66,499,988
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)	171,967,827	175,650,995
C	Affiliates	Art,24/(b)	-	-
	Due from related parties (non-trade)	Art,23/(f)	-	-
	Other assets		18,882,773	23,596,139
D	Total assets	Art,3/(p)	231,916,139	265,747,122
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)	30,183,840	17,514,080
I	Equity	Art,31	192,333,202	240,134,913
	Other liabilities		9,399,097	7,751,184
D	Total liabilities	Art,3/(p)	231,916,139	265,747,122

Other non-consolidated (stand-alone) financial information		Related regulations	30 June 2021	31 December 2020
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)	19,502,464	24,477,483
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/(i)	19,129,239	24,254,027

Portfolio Restriction	Related regulations	30 June 2021	31 December 2020	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)	74%	66%	≥51%
3	Cash and capital market instruments and Affiliates (A+C-A1)/D)	Art,24/(b)	18%	25%	≤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	Art,31	16%	7%	≤500%
8	TRY/foreign currency denominated time/demand deposits (A2-A1)/D)	Art,24/(b)	8%	9%	≤10%
9	Total investments of monetary and capital market instruments at one company (L/D)	Art,22/(i)	8%	9%	≤10%