

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

**CONVENIENCE TRANSLATION OF  
THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 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 September 2021 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-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

İstanbul, 4 November 2021

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

	Notes	<i>Reviewed</i> 30 September 2021	<i>Audited</i> 31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>		<b>67,124,992</b>	<b>84,613,579</b>
Cash and cash equivalents	4	56,111,878	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	5,902,813	8,281,647
<i>Receivables from related parties</i>		17,909	154,871
Prepaid expenses	10	3,375,393	4,528,978
Current tax assets		587,853	341,263
Other current assets	10	1,129,146	1,802,589
<b>Non-current assets</b>		<b>173,641,536</b>	<b>181,133,543</b>
Investment property	6	170,574,779	175,650,995
Tangible assets	7	72,773	228,413
Intangible assets		221,372	241,473
Prepaid expenses	10	1,803,763	3,801,346
Other non-current assets	10	968,849	1,211,316
<b>Total assets</b>		<b>240,766,528</b>	<b>265,747,122</b>

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 SEPTEMBER 2021 AND 31 DECEMBER 2020**

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

	Notes	<i>Reviewed</i> 30 September 2021	<i>Audited</i> 31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>22,837,669</b>	<b>23,365,482</b>
Trade payables			
<i>Due to related parties</i>	5, 19	2,475,729	629,777
<i>Due to third parties</i>	5	1,221,005	133,968
Other payables			
<i>Due to related parties</i>	5, 19	15,278,240	17,514,080
<i>Due to third parties</i>	5	973,865	335,196
Deferred income (Excluding customer contract liabilities)	10	2,227,450	3,651,114
Short-term provisions			
<i>Other provisions</i>	8	181,691	181,691
<i>Provisions for employment termination benefits</i>	9	405,725	431,109
Other current liabilities		73,964	488,547
<b>Non-current liabilities</b>		<b>2,467,604</b>	<b>2,246,727</b>
Other payables			
<i>Other payables to third parties</i>	5	1,007,745	689,034
Long term provisions			
<i>Provisions for employment termination benefits</i>	9	1,459,859	1,557,693
<b>Equity</b>		<b>215,461,255</b>	<b>240,134,913</b>
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>		(490,063)	(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	57,293,363	56,870,007
<b>Total liabilities and equity</b>		<b>240,766,528</b>	<b>265,747,122</b>

These interim financial statements for the period 1 January - 30 September 2021 have been approved by the Board of Directors on 4 November 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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021 AND 2020

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

		Reviewed 1 January - 30 September 2021	Reviewed 1 July - 30 September 2021	Reviewed 1 January - 30 September 2020	Reviewed 1 July - 30 September 2020
<b>OPERATING INCOME</b>					
Revenue	12	79,574,292	33,353,179	60,963,948	24,382,974
Cost of sales (-)	12	(24,180,695)	(9,002,184)	(23,112,712)	(8,007,968)
<b>Gross profit</b>		<b>55,393,597</b>	<b>24,350,995</b>	<b>37,851,236</b>	<b>16,375,006</b>
General administrative expenses (-)		(5,517,300)	(2,115,337)	(4,926,935)	(1,586,230)
Other operating income	14	476,744	146,042	690,901	117,087
Other operating expense (-)	14	(2,766,704)	(785,263)	(2,456,885)	(754,702)
<b>Operating profit</b>		<b>47,586,337</b>	<b>21,596,437</b>	<b>31,158,317</b>	<b>14,151,161</b>
Financial income	15	11,405,944	2,607,518	11,823,196	4,569,696
Financial expenses (-)	16	(1,698,918)	(778,204)	(1,263,806)	(34,610)
<b>Profit before tax from continuing operations</b>		<b>57,293,363</b>	<b>23,425,751</b>	<b>41,717,707</b>	<b>18,686,247</b>
Tax income/ (expenses) from continuing operations		-	-	-	-
<b>Profit for the period from continuing operations</b>	<b>18</b>	<b>57,293,363</b>	<b>23,425,751</b>	<b>41,717,707</b>	<b>18,686,247</b>
<b>Earnings per share</b>					
Earnings per share from continuing operations	18	1.54	0.63	1.12	0.50
Earnings per share from discontinuing operations		-	-	-	-
<b>Diluted earnings per share</b>					
Diluted earnings per share from continuing operations	18	1.54	0.63	1.12	0.50
Diluted earnings per share from discontinuing operations		-	-	-	-
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE)</b>					
<b>Items not to be classified to profit or loss</b>					
Actuarial gains/ (losses) arising from employee benefits	9	13,779	(297,698)	(7,774)	158,251
<b>Total comprehensive income</b>		<b>57,307,142</b>	<b>23,128,053</b>	<b>41,709,933</b>	<b>18,844,498</b>

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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 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	
<b>1 January 2020</b>		<b>37,264,000</b>	<b>27,745,263</b>	<b>(556,410)</b>	<b>87,986,155</b>	<b>15,327,521</b>	<b>81,558,129</b>	<b>249,324,658</b>
Transfers		-	-	-	6,409,407	75,148,722	(81,558,129)	-
Dividend payable (*)		-	-	-	-	(65,957,280)	-	(65,957,280)
Total comprehensive income		-	-	(7,774)	-	-	41,717,707	41,709,933
<b>30 September 2020 (Reviewed)</b>	<b>11</b>	<b>37,264,000</b>	<b>27,745,263</b>	<b>(564,184)</b>	<b>94,395,562</b>	<b>24,518,963</b>	<b>41,717,707</b>	<b>225,077,311</b>
<b>1 January 2021</b>		<b>37,264,000</b>	<b>27,745,263</b>	<b>(658,882)</b>	<b>94,395,562</b>	<b>24,518,963</b>	<b>56,870,007</b>	<b>240,134,913</b>
Transfers		-	-	155,040	(25,190,464)	81,905,431	(56,870,007)	-
Dividend payable (*)		-	-	-	-	(81,980,800)	-	(81,980,800)
Total comprehensive income		-	-	13,779	-	-	57,293,363	57,307,142
<b>30 September 2021 (Reviewed)</b>	<b>11</b>	<b>37,264,000</b>	<b>27,745,263</b>	<b>(490,063)</b>	<b>69,205,098</b>	<b>24,443,594</b>	<b>57,293,363</b>	<b>215,461,255</b>

(\*) 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 20, 2021. In line with this decision, the first installment amounting to TRY 51,796,960 is distributed in cash to the shareholders on April 26, the second installment amounting to TRY 14,905,600 is distributed in cash to shareholders on 24 August, 2021. The amount not paid at the balance sheet date will be paid on 17 November 2021 by 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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021 AND 2020

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

	Notes	Reviewed 1 January - 30 September 2021	Reviewed 1 January - 30 September 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>71,399,916</b>	<b>51,619,518</b>
Profit for the year		57,293,363	41,717,707
<b>Adjustments to profit/ (loss) for the year</b>		<b>2,042,475</b>	<b>4,229,995</b>
Adjustments for depreciation and amortization expenses	13	6,627,834	6,747,650
Adjustments for impairment loss	5	(56,629)	54,494
Adjustments for provisions		147,638	823,851
Adjustments for interest (income)/ expenses	15	(3,884,931)	(1,624,410)
Adjustments for losses (gains) resulting from the disposal of fixed assets	14	62,727	-
Other adjustments for non-cash items		(854,164)	(1,771,590)
<b>Change in working capital</b>		<b>12,434,424</b>	<b>5,737,574</b>
Adjustments for decrease / (increase) in trade receivables			
<i>Decrease/ (increase) in trade receivables from related parties</i>	5	136,962	(23,805)
<i>Decrease/ (increase) in trade receivables from third parties</i>	5	2,435,463	501,994
Decrease / (increase) in other assets related to operations		4,692,371	5,872,889
Adjustments regarding increase /(decrease) in trade payables			
<i>Increase / (decrease) in trade payable from related parties</i>	5	1,845,952	2,018,815
<i>Increase / (decrease) in trade payable from third parties</i>	5	1,087,037	868,354
Increase / (decrease) in other liabilities related to operations		(767,604)	(3,500,673)
Change in financial investing activities		3,004,243	-
<b>Cash provided from operations</b>		<b>71,770,262</b>	<b>51,685,276</b>
Employment termination benefit payments	9	(370,346)	(65,758)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>2,424,051</b>	<b>208,347</b>
Interest received		3,862,655	1,603,736
Cash outflows from the purchases of tangible and intangible assets	7	(7,436)	(180,059)
Cash outflows from the purchase of investment properties	6	(1,431,168)	(1,215,330)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(84,216,640)</b>	<b>(48,443,200)</b>
Dividends paid		(84,216,640)	(48,443,200)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(10,392,673)</b>	<b>3,384,665</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4	<b>66,482,273</b>	<b>51,113,374</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>56,089,600</b>	<b>54,498,039</b>

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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 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 September 2021.

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

<b>Shareholders</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
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%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(\*) 45.93% of public offering shares belong to Klepierre S.A. as of 30 September 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:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Administrative	6	6

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

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### 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 September 2021 in accordance with the going concern principle.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED  
FINANCIAL STATEMENTS FOR THE NINE MONTHS  
INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

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

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**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 September 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 September 2021.

**a) Standards, amendments and interpretations applicable as at 30 September 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.

**b) Standards, amendments and interpretations that are issued but not effective as at 30 September 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 NINE MONTHS  
INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

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

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**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)**

- **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 September 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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

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

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#### **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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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#### NOTE 4 - CASH AND CASH EQUIVALENTS

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

	30 September 2021	31 December 2020
Cash	10,411	10,947
Reverse repo transactions	33,662,674	42,011,559
Banks		
- Foreign currency denominated time deposits	5,323,824	24,247,166
- TRY time deposits	16,905,726	-
- TRY demand deposits	201,158	223,480
- Foreign currency denominated demand deposits	8,085	6,836
	<b>56,111,878</b>	<b>66,499,988</b>

As of 30 September 2021, the interest rate on TRY time deposit accounts at banks is 18.85% the accrued interest of TRY time deposit accounts is TRY 8,726. The interest rate on foreign currency denominated time deposits at banks is between 0.15% and 1.10% and the accrued interest of foreign currency denominated time deposits is TRY 158. (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% and the accrued interest of TRY deposit accounts is TRY 1,495.). The maturity of time deposits is less than one month (31 December 2020: Less than one month).

As of 30 September 2021, the interest rate on TRY reverse repo agreements is 16% and the accrued interest is TRY 8,548 (As of 31 December 2020, the interest rate on reverse repo transactions is 15.50% and the accrued interest is TRY 15,496). The interest rate on foreign currency reverse repo agreements is 1.25% and the accrued interest is TRY 4,846 (As of 31 December 2020, there are no foreign currency reverse repo transaction at banks.).

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

	30 September 2021	31 December 2020
Cash and cash equivalents	56,111,878	66,499,988
Less: Accrued interest	(22,278)	(17,715)
	<b>56,089,600</b>	<b>66,482,273</b>

**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**

<b>Short-term trade receivables</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Trade receivables from third parties	5,255,380	7,750,402
Trade receivables from related parties (Note 19)	17,909	154,871
Post-dated cheques receivable	1,084,231	1,781,030
Notes receivables	960,125	203,767
	<b>7,317,645</b>	<b>9,890,070</b>
Less: Provision for doubtful receivables	(1,396,923)	(1,453,552)
	<b>5,920,722</b>	<b>8,436,518</b>

The movement of provisions for doubtful receivables is as follows:

	<b>2021</b>	<b>2020</b>
<b>1 January</b>	<b>1,453,552</b>	<b>1,968,921</b>
Provisions made during the period	-	54,494
Provisions no longer required	(2,805)	(242,661)
Doubtful receivables reversal	(53,824)	(397,998)
<b>30 September</b>	<b>1,396,923</b>	<b>1,382,756</b>

<b>Short-term trade payables</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Due to related parties (Note 19)	2,475,729	629,777
Trade payables to third parties	1,221,005	133,968
	<b>3,696,734</b>	<b>763,745</b>

<b>Short-term other payables</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Other payables to related parties (Note 19)	15,278,240	17,514,080
Tax and funds payable	939,443	319,002
Other	34,422	16,194
	<b>16,252,105</b>	<b>17,849,276</b>

<b>Long-term other payables</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Deposits and guarantees received	1,007,745	689,034
	<b>1,007,745</b>	<b>689,034</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

#### NOTE 6 - INVESTMENT PROPERTY

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

	1 January 2021	Additions	Disposals	Transfers	Impairments	30 September 2021
<b>Cost</b>						
Buildings	277,081,799	-	(1,365,180)	1,431,168	-	277,147,787
Construction in progress (*)	-	1,431,168	-	(1,431,168)	-	-
	<b>277,081,799</b>	<b>1,431,168</b>	<b>(1,365,180)</b>	<b>-</b>	<b>-</b>	<b>277,147,787</b>
<b>Accumulated Depreciation</b>						
Buildings	(100,725,476)	(6,444,657)	597,125	-	-	(106,573,008)
Provision for impairment of buildings (-)	(705,328)	-	-	-	705,328	-
<b>Net book value</b>	<b>175,650,995</b>	<b>(5,013,489)</b>	<b>(768,055)</b>	<b>-</b>	<b>705,328</b>	<b>170,574,779</b>

(\*) The transfers amounting to TRY 1,431,168 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 September 2020
<b>Cost</b>				
Buildings	275,797,670	-	1,215,330	277,013,000
Construction in progress (*)	-	1,215,330	(1,215,330)	-
	<b>275,797,670</b>	<b>1,215,330</b>	<b>-</b>	<b>277,013,000</b>
<b>Accumulated Depreciation</b>				
Buildings	(92,022,173)	(6,534,760)	-	(98,556,933)
Provision for impairment of buildings (-)	(705,328)	-	-	(705,328)
<b>Net book value</b>	<b>183,070,169</b>	<b>(5,319,430)</b>	<b>-</b>	<b>177,750,739</b>

(\*) The transfers amounting to TRY 1,215,330 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 TRY 1,513,290,000. The discount rate used in the valuation report dated 31 December 2020, is 17%.

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

30 September 2021: USD 166,467,609

31 December 2020: USD 166,467,609



# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

### NOTE 7 - TANGIBLE ASSETS

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

	1 January 2021	Additions	30 September 2021
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,744,324	7,436	8,751,760
Accumulated depreciation	(8,615,613)	(163,076)	(8,778,689)
<b>Net book value</b>	<b>228,413</b>	<b>(155,640)</b>	<b>72,773</b>

  

	1 January 2020	Additions	30 September 2020
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,716,872	17,952	8,734,824
Accumulated depreciation	(8,364,002)	(193,945)	(8,557,947)
<b>Net book value</b>	<b>452,572</b>	<b>(175,993)</b>	<b>276,579</b>

### 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 September 2021
Letters of guarantees received	TRY	15,238,007	15,238,007
Letters of guarantees received	USD	742,407	6,565,328
Guarantee notes received	USD	540,304	4,778,070
Letters of guarantees received	EUR	151,866	1,566,270
Guarantee cheques received	TRY	478,100	478,100
Guarantee notes received	TRY	183,495	183,495
			<b>28,809,270</b>

  

Guarantee notes, cheques 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
			<b>27,405,631</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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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:

<b>Other provisions</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Provision for lawsuits	181,691	181,691
	<b>181,691</b>	<b>181,691</b>

#### **Provision for lawsuits**

The provision for the lawsuits against the company as of 30 September 2021 is TRY 181,691 (31 December 2020: TRY 181,691) 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 13 lawsuits and 23 executive proceedings that the Company is currently a party of them.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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#### NOTE 9 - EMPLOYEE BENEFITS

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

Short term provisions	30 September 2021	31 December 2020
Unused vacation allowances	405,725	431,109
	<b>405,725</b>	<b>431,109</b>

Provision for unused vacation amounting to TRY 236,692 comprise of the unused vacation provisions of the Company's personnel, while TRY 169,033 comprise of the Company's shares of unused vacation allowance related to the personnel of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.

At 30 September 2021, the amount payable consists of one month's salary limited to a maximum of TRY 8,284.51 for each year of service (31 December 2020: TRY 7,638.96).

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 September 2021 and 31 December 2020 are as follow:

	1 January - 30 September 2021	1 January - 31 December 2020
Discount rate (%)	4.70	4.70
Turnover rate to estimate the probability of retirement (%)	94.97	91.41

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

	2021	2020
<b>1 January</b>	<b>1,557,693</b>	<b>1,347,207</b>
Cost of service	141,768	162,148
Cost of interest	144,523	112,926
Actuarial (gain)/losses	(13,779)	7,774
Payments made during the period (-)	(370,346)	(65,758)
<b>30 September</b>	<b>1,459,859</b>	<b>1,564,297</b>

Provision for employment termination benefits amounting to TRY 172,119 comprise of the Company's personnel termination benefits provisions and TRY 1,287,740 comprise of the Company's share in Üçgen Bakım ve Yönetim Hizmetleri A.Ş.'s personnel termination benefits provisions.

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### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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#### NOTE 10 - OTHER ASSETS AND LIABILITIES

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

	30 September 2021	31 December 2020
<b>Prepaid expenses - short term</b>		
Prepaid expenses (*)	3,366,615	4,519,208
Advances given	8,778	9,770
	<b>3,375,393</b>	<b>4,528,978</b>

(\*) Prepaid expenses amounting to TRY 2,717,512 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 TRY 562,368 consists of prepaid real estate taxes to Beşiktaş Belediyesi, TRY 49,971 portion consists of insurance expenses and TRY 36,764 portion consists of other expenses.

	30 September 2021	31 December 2020
<b>Prepaid expenses - long term</b>		
Prepaid expenses (*)	1,803,763	3,801,346
	<b>1,803,763</b>	<b>3,801,346</b>

(\*) 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 September 2021	31 December 2020
<b>Other current assets</b>		
Income accruals for store rent (*)	1,129,146	1,802,589
	<b>1,129,146</b>	<b>1,802,589</b>

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

	30 September 2021	31 December 2020
<b>Other non-current assets</b>		
Income accruals for store rent (*)	968,646	1,211,113
Deposits given	203	203
	<b>968,849</b>	<b>1,211,316</b>

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

	30 September 2021	31 December 2020
<b>Deferred income (Excluding customer contract liabilities)</b>		
Advances received	1,742,673	2,157,251
Deferred income	484,777	1,493,863
	<b>2,227,450</b>	<b>3,651,114</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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#### NOTE 11 - EQUITY

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

Shareholders	30 September 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
<b>Total paid-in capital</b>	<b>100.00</b>	<b>37,264,000</b>	<b>100.00</b>	<b>37,264,000</b>

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

The registered capital ceiling of the Company is TRY 75,000,000. 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 TRY 37,264,000 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 September 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.

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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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:

	<b>30 September 2021</b>	<b>31 December 2020</b>
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
	<b>24,443,594</b>	<b>24,518,963</b>

### NOTE 12 - OPERATING INCOME

Sales	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>
Shops and warehouse rent income	69,237,447	29,506,191	52,707,120	21,346,925
Apart hotel rent income	7,184,863	2,601,676	5,165,077	1,937,839
Other income	3,151,982	1,245,312	3,091,751	1,098,210
	<b>79,574,292</b>	<b>33,353,179</b>	<b>60,963,948</b>	<b>24,382,974</b>
<b>Cost of sales</b>				
Cost of services	(17,736,038)	(6,859,839)	(16,577,952)	(5,798,127)
Depreciation expense	(6,444,657)	(2,142,345)	(6,534,760)	(2,209,841)
	<b>(24,180,695)</b>	<b>(9,002,184)</b>	<b>(23,112,712)</b>	<b>(8,007,968)</b>
<b>Gross profit</b>	<b>55,393,597</b>	<b>24,350,995</b>	<b>37,851,236</b>	<b>16,375,006</b>

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**NOTE 13 - EXPENSES BY NATURE**

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Cost of service	17,620,937	6,887,110	16,370,243	5,801,039
Depreciation and amortization expenses	6,627,834	2,206,947	6,747,650	2,276,425
Personnel expenses	2,674,370	903,356	2,619,835	791,065
Consultancy expenses	939,539	301,456	800,041	248,051
Legal expenses	789,574	254,452	979,549	332,919
Insurance, duties, taxes and levies expenses	99,791	25,390	83,674	26,444
Other	945,950	538,810	438,655	118,255
	<b>29,697,995</b>	<b>11,117,521</b>	<b>28,039,647</b>	<b>9,594,198</b>
<b>Depreciation and amortization expenses</b>				
Cost of sales	6,444,657	2,142,345	6,534,760	2,209,841
General administrative expenses	183,177	64,602	212,890	66,584
	<b>6,627,834</b>	<b>2,206,947</b>	<b>6,747,650</b>	<b>2,276,425</b>

**NOTE 14 - OTHER OPERATING INCOME/EXPENSES**

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July- 30 September 2020
<b>Other operating income</b>				
Foreign exchange gain on trade receivables and payables	57,008	34,097	16,744	-
VAT adjustment of non-worthy receivables	-	-	60,203	-
Gain on sale of fixed asset, net	17,273	-	-	-
Other	402,463	111,945	613,954	117,087
	<b>476,744</b>	<b>146,042</b>	<b>690,901</b>	<b>117,087</b>
<b>Other operating expense</b>				
Amortization expense (*)	(2,184,045)	(706,103)	(2,221,133)	(740,375)
Foreign exchange loss on trade receivables and payables	(208,452)	(46,905)	(181,258)	(84,851)
Doubtful provision expense	-	-	(54,494)	70,524
Other	(374,207)	(32,255)	-	-
	<b>(2,766,704)</b>	<b>(785,263)</b>	<b>(2,456,885)</b>	<b>(754,702)</b>
<b>Other operating income - net</b>	<b>(2,289,960)</b>	<b>(639,221)</b>	<b>(1,765,984)</b>	<b>(637,615)</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 CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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### NOTE 15 - FINANCIAL INCOME

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Financial income</b>				
Foreign exchange income	7,521,013	1,031,320	10,198,786	4,211,924
Interest income	3,884,931	1,576,198	1,624,410	357,772
	<b>11,405,944</b>	<b>2,607,518</b>	<b>11,823,196</b>	<b>4,569,696</b>

### NOTE 16 - FINANCIAL EXPENSES

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
<b>Financial expenses</b>				
Foreign exchange expense	(1,554,397)	(727,582)	(1,150,880)	-
Interest expenses related to employee benefits	(144,521)	(50,622)	(112,926)	(34,610)
	<b>(1,698,918)</b>	<b>(778,204)</b>	<b>(1,263,806)</b>	<b>(34,610)</b>

### 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 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 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	57,293,363	23,425,751	41,717,707	18,686,247
<b>Profit per share</b>	<b>1.54</b>	<b>0.63</b>	<b>1.12</b>	<b>0.50</b>



## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

#### NOTE 19 - RELATED PARTY DISCLOSURES

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

	30 September 2021	31 December 2020
<b>Due from related parties</b>		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	17,909	1,414
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	-	140,286
Akip Gıda San. Tic. A.Ş.	-	13,171
	<b>17,909</b>	<b>154,871</b>

	30 September 2021	31 December 2020
<b>Due to related parties</b>		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	2,404,513	496,857
Akkök Holding A.Ş.	37,321	132,105
Dinkal Sigorta Acentalığı A.Ş.	33,027	-
Aktek Bilgi İşlem Tekn. San. Tic. A.Ş.	868	815
	<b>2,475,729</b>	<b>629,777</b>

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

	30 September 2021	31 December 2020
Dividend payable	15,278,240	17,514,080
	<b>15,278,240</b>	<b>17,514,080</b>

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Purchases from related party	27,027,005	9,017,536	25,399,120	7,575,358
Sales to related parties	13,488,313	5,091,077	11,578,804	3,960,019

Purchases and sales consist of rent income, purchase and sales of services. The related party purchases amounting to TRY 26,617,605 comprise of management expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (“Üçgen”). The remaining balance amounting to TRY 409,400 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 apart, carpark, cinema and office floor rent incomes from the related party Üçgen to whom the Company charged TRY 11,689,696 regarding the revenue collected on behalf of the Company for the first nine months of 2021 (1 January - 30 September 2020: TRY 10,067,026).

As of 1 January - 30 September 2021, remuneration provided to top executives such as the General Manager and the members of Board of Directors is TRY 1,755,349 (1 January - 30 September 2020: TRY 1,485,251).

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

#### 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 September 2021	31 December 2020
Assets	19.488.990	32,747,631
Liabilities	(894,804)	(635,095)
<b>Net position</b>	<b>18,594,186</b>	<b>32,112,536</b>

As of 30 September 2021, fluctuation of USD had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY 1,864,292 (31 December 2020: TRY 3,215,521 higher/ lower)

As of 30 September 2021, fluctuation of EUR had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY 5,079 (31 December 2020: TRY 4,437 higher/lower) lower/higher.

As of 30 September 2021, fluctuation of GBP had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY 203 (31 December 2020: TRY 169) higher/lower.

As of 30 September 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 September 2021	EUR	USD	GBP	TRY Equivalent
<b>Current assets</b>				
Cash and cash equivalents	575	2,202,914	170	19,488,990
<b>Total assets</b>	<b>575</b>	<b>2,202,914</b>	<b>170</b>	<b>19,488,990</b>
<b>Long term liabilities</b>				
Other payables	(5,500)	(94,770)	-	(894,804)
<b>Total liabilities</b>	<b>(5,500)</b>	<b>(94,770)</b>	<b>-</b>	<b>(894,804)</b>
<b>Net foreign currency asset position</b>	<b>(4,925)</b>	<b>2,108,144</b>	<b>170</b>	<b>18,594,186</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

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

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

#### NOTE 21 - SUBSEQUENT EVENTS

It has been decided that the third installment of TRY 15,278,240 of the dividend distribution approved at the Ordinary General Assembly Meeting of the Company for 2020 will be paid on 17 November 2021.

#### 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 NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 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 September 2021 and 31 December 2020:

Non-consolidated (stand-alone) financial statement accounts items		Related regulations	30 September 2021	31 December 2020	
A	Cash and capital market instruments	Art,24/(b)	56,111,878	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)	170,574,779	175,650,995	
C	Affiliates	Art,24/(b)	-	-	
	Due from related parties (non-trade)	Art,23/(f)	-	-	
	Other assets		14,079,871	23,596,139	
<b>D</b>	<b>Total assets</b>	<b>Art,3/(p)</b>	<b>240,766,528</b>	<b>265,747,122</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)	15,278,240	17,514,080	
I	Equity	Art,31	215,461,255	240,134,913	
	Other liabilities		10,027,033	8,098,129	
<b>D</b>	<b>Total liabilities</b>	<b>Art,3/(p)</b>	<b>240,766,528</b>	<b>265,747,122</b>	
Other non-consolidated (stand-alone) financial information		Related regulations	30 September 2021	31 December 2020	
A1	Portion of cash and capital market instruments reserved for three-year real estate payments	Art,24/(b)	-	-	
A2	Foreign currency denominated time/demand deposits and TRY time deposits	Art,24/(b)	22,237,635	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)	17,103,849	24,254,027	
Portfolio Restriction	Related regulations	30 September 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)	71%	66%	≥51%
3	Cash and capital market instruments and Affiliates (A+C-A1)/D)	Art,24/(b)	23%	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	7%	7%	≤500%
8	TRY/foreign currency denominated time/demand deposits (A2-A1)/D)	Art,24/(b)	9%	9%	≤10%
9	Total investments of monetary and capital market instruments at one company (L/D)	Art,22/(i)	7%	9%	≤10%