

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

**CONVENIENCE TRANSLATION OF  
THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2022  
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 31 March 2022 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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 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, 9 May 2022

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE CONDENSED FINANCIAL STATEMENTS AND NOTES FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2022

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONDENSED STATEMENTS OF FINANCIAL POSITION/(BALANCE SHEET) .....</b>	<b>1-2</b>
<b>CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....</b>	<b>3</b>
<b>CONDENSED STATEMENTS OF CHANGES IN EQUITY .....</b>	<b>4</b>
<b>CONDENSED STATEMENTS OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO THE CONDENSED FINANCIAL STATEMENTS .....</b>	<b>6-26</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	6
NOTE 2 BASIS FOR THE PRESENTATION OF FINANCIAL STATEMENTS.....	7-11
NOTE 3 SEGMENT REPORTING.....	11
NOTE 4 CASH AND CASH EQUIVALENTS .....	11-12
NOTE 5 TRADE AND OTHER RECEIVABLES AND PAYABLES.....	12-13
NOTE 6 INVESTMENT PROPERTY .....	13-14
NOTE 7 TANGIBLE ASSETS .....	14
NOTE 8 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	15-16
NOTE 9 EMPLOYEE BENEFITS .....	16-17
NOTE 10 OTHER ASSETS AND LIABILITIES.....	17-18
NOTE 11 EQUITY.....	18-19
NOTE 12 OPERATING INCOME .....	19
NOTE 13 EXPENSES BY NATURE .....	20
NOTE 14 OTHER OPERATING INCOME/(EXPENSES).....	20
NOTE 15 FINANCIAL INCOME .....	21
NOTE 16 FINANCIAL EXPENSES.....	21
NOTE 17 TAX ASSETS AND LIABILITIES.....	21
NOTE 18 EARNINGS PER SHARE .....	21
NOTE 19 RELATED PARTY DISCLOSURES .....	22
NOTE 20 FINANCIAL INVESTMENTS.....	23
NOTE 21 NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS .....	23-24
NOTE 22 SUBSEQUENT EVENTS.....	24
NOTE 23 SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS	25-26

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF  
FINANCIAL POSITION/(BALANCE SHEET) AT 31 MARCH 2022 AND  
31 DECEMBER 2021**

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

	Notes	Reviewed 31 March 2022	Audited 31 December 2021
<b>ASSETS</b>			
<b>Current assets</b>		<b>135,916,948</b>	<b>88,406,802</b>
Cash and cash equivalents	4	110,713,850	51,381,324
Financial investments			
<i>Financial assets measured at amortized cost</i>	20	14,704,722	26,660,235
Trade receivables			
<i>Receivables from related parties</i>	5, 19	1,709	29,951
<i>Receivables from third parties</i>	5	3,585,203	5,220,093
Prepaid expenses	10	5,162,164	3,535,652
Prepaid taxes and funds		462,646	494,164
Other current assets	10	1,286,654	1,085,383
<b>Non-current assets</b>		<b>170,266,771</b>	<b>172,438,763</b>
Investment property	6	168,072,550	169,807,663
Tangible assets	7	49,739	53,200
Intangible assets		207,972	214,672
Prepaid expenses	10	858,838	1,234,061
Other non-current assets	10	1,077,672	1,129,167
<b>Total assets</b>		<b>306,183,719</b>	<b>260,845,565</b>

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

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF  
FINANCIAL POSITION/(BALANCE SHEET) AT 31 MARCH 2022 AND  
31 DECEMBER 2021**

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

	Notes	Reviewed 31 March 2022	Audited 31 December 2021
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>122,466,449</b>	<b>4,758,807</b>
Trade payables			
<i>Due to related parties</i>	5, 19	4,093,401	523,560
<i>Due to third parties</i>	5	3,603,600	193,001
Other payables			
<i>Due to related parties</i>	5, 19	109,183,520	-
<i>Due to third parties</i>	5	2,102,552	2,096,694
Deferred income ( <i>Excluding liabilities from customer contracts</i> )	10	2,449,615	709,784
Short-term provisions			
<i>Other short-term provisions</i>	8	178,691	181,691
<i>Provisions for employment termination benefits</i>	9	722,888	373,158
Other current liabilities	10	132,182	680,919
<b>Non-current liabilities</b>		<b>3,742,994</b>	<b>3,039,007</b>
Other payables			
<i>Other payables to third parties</i>	5	1,592,331	1,461,530
Long-term provisions			
<i>Provisions for employment termination benefits</i>	9	2,150,663	1,577,477
<b>Equity</b>		<b>179,974,276</b>	<b>253,047,751</b>
Share capital	11	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>		(704,996)	(428,527)
Restricted reserves		53,293,371	69,205,098
Retained earnings	11	25,990,124	24,443,594
Net income for the period		36,386,514	94,818,323
<b>Total liabilities and equity</b>		<b>306,183,719</b>	<b>260,845,565</b>

These interim financial statements for the period ended 1 January - 31 March 2022 have been approved by the Board of Directors on 9 May 2022.

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

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE  
MONTH INTERIM PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021**

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

	Notes	Reviewed 1 January - 31 March 2022	Reviewed 1 January - 31 March 2021
<b>PROFIT AND LOSSES</b>			
Revenue	12	43,003,555	23,378,715
Cost of sales (-)	12	(11,387,224)	(7,781,404)
<b>Gross profit</b>	<b>12</b>	<b>31,616,331</b>	<b>15,597,311</b>
General administrative expenses (-)		(2,578,227)	(1,693,596)
Other operating income	14	304,167	241,074
Other operating expenses (-)	14	(1,011,532)	(888,777)
<b>Operating profit</b>		<b>28,330,739</b>	<b>13,256,012</b>
Financial income	15	8,700,080	6,069,782
Financial expenses (-)	16	(644,305)	(272,174)
<b>Profit before tax from continuing operations</b>	<b>18</b>	<b>36,386,514</b>	<b>19,053,620</b>
Tax income/(expenses) from continuing operations		-	-
<b>Profit for the period from continuing operations</b>		<b>36,386,514</b>	<b>19,053,620</b>
<b>Earnings per share</b>			
Earnings per share from continuing operations	18	0.98	0.51
Earnings per share from discontinuing operations		-	-
<b>Diluted earnings per share</b>			
Diluted earnings per share from continuing operations	18	0.98	0.51
Diluted earnings per share from discontinuing operations		-	-
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be classified to profit or loss</b>			
Actuarial gains/(losses) arising from employee benefits	9	(276,469)	155,431
<b>Total comprehensive income</b>		<b>36,110,045</b>	<b>19,209,051</b>

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

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

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTH INTERIM PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021**

(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 gain/(loss) arising from employee benefits		Retained earnings	Net profit for the year	
<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		-	-	-	-	56,870,007	(56,870,007)	-
Dividends		-	-	-	-	-	-	-
Total comprehensive income		-	-	155,431	-	-	19,053,620	19,209,051
<b>31 March 2021 (Reviewed)</b>	<b>11</b>	<b>37,264,000</b>	<b>27,745,263</b>	<b>(503,451)</b>	<b>94,395,562</b>	<b>81,388,970</b>	<b>19,053,620</b>	<b>259,343,964</b>
<b>1 January 2022</b>		<b>37,264,000</b>	<b>27,745,263</b>	<b>(428,527)</b>	<b>69,205,098</b>	<b>24,443,594</b>	<b>94,818,323</b>	<b>253,047,751</b>
Transfers		-	-	-	(15,911,727)	110,730,050	(94,818,323)	-
Dividends (*)		-	-	-	-	(109,183,520)	-	(109,183,520)
Total comprehensive income		-	-	(276,469)	-	-	36,386,514	36,110,045
<b>31 March 2022 (Reviewed)</b>	<b>11</b>	<b>37,264,000</b>	<b>27,745,263</b>	<b>(704,996)</b>	<b>53,293,371</b>	<b>25,990,124</b>	<b>36,386,514</b>	<b>179,974,276</b>

(\*) At the Ordinary General Assembly Meeting dated March 28, 2022, it was decided to distribute dividend amounting to TRY109,183,520. As of the balance sheet date, TRY84,961,920 of the unpaid amount will be paid on 4 April 2022 as the first installment and TRY24,221,600 will be paid as the second installment until 26 August 2022.

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

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE MONTH INTERIM PERIODS ENDED 31 MARCH 2022 AND 2021

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

	Notes	Reviewed 1 January - 31 March 2022	Reviewed 1 January - 31 March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>57,343,431</b>	<b>13,011,014</b>
Profit for the year		36,386,514	19,053,620
<b>Adjustments to profit/(loss) for the year</b>		<b>529,406</b>	<b>518,202</b>
Adjustments for depreciation and amortization expenses	13	2,176,285	2,206,059
Adjustments for provisions		643,447	296,565
Adjustments for interest (income)/expenses	15	(2,338,407)	(1,406,101)
Other adjustments for non-cash items		149,776	(498,321)
Adjustments for gains resulting from the disposal of fixed assets		(101,695)	(80,000)
<b>Change in working capital</b>		<b>20,427,511</b>	<b>(6,401,526)</b>
Adjustments for decrease/(increase) in trade receivables			
<i>Decrease/(increase) in trade receivables from related parties</i>		28,242	(91,051)
<i>Decrease/(increase) in trade receivables from third parties</i>		1,634,890	(1,226,135)
Increase/(decrease) in financial investments		11,955,513	(9,973,190)
(Increase)/decrease in other assets related to operations		(1,499,327)	1,383,105
Adjustments regarding (decrease)/increase in trade payables			
<i>Increase/(decrease) in trade payable from related parties</i>		3,569,841	922,980
<i>Increase/(decrease) in trade payable from third parties</i>		3,410,599	2,203,658
Increase/(decrease) in other liabilities related to operations		1,327,753	379,107
<b>Cash provided from operations</b>		<b>57,343,431</b>	<b>13,170,296</b>
Employment termination benefit payments	9	-	(159,282)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>1,979,859</b>	<b>1,226,164</b>
Interest received		2,309,174	1,421,571
Cash outflows from the purchase of tangible and intangible assets		(13,175)	-
Cash outflows from the purchase of investment property	6	(417,835)	(275,407)
Cash inflows from the sale of investment property		101,695	80,000
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>-</b>	<b>(17,514,080)</b>
Dividends paid		-	(17,514,080)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>59,323,290</b>	<b>(3,276,902)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		51,361,327	66,482,273
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>110,684,617</b>	<b>63,205,371</b>

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



## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS

#### INTERIM PERIOD ENDED 31 MARCH 2022

(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:

Nispetiye Cad. Akmerkez Tic. Merkezi E3 Kule Kat:1 Etiler/İstanbul-Türkiye.

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

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

The Company’s shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 15 April 2005 and 57.34% of these shares are publicly quoted shares as of 31 March 2022.

The shareholding structure as of 31 March 2022 and 31 December 2021 is as follows:

	31 March 2022	31 December 2021
Akkök Holding A.Ş.	11.67%	11.67%
Tekfen Holding A.Ş.	10.47%	10.47%
Public offering (*)	57.34%	57.34%
Other (**)	20.52%	20.52%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(\*) 45.93% of public offering shares belong to Klepierre S.A. as of 31 March 2022 (31 December 2021: 45.93%).

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

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

	31 March 2022	31 December 2021
Administrative	6	6

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

(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”) of Capital Market Board (“CMB”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué financial statements are prepared in accordance with the Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“TFRIC”).

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

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 Foreign Subsidiaries. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

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

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, IAS 29, “Financial Reporting in Hyperinflationary Economies” issued by the IASB has not been applied in the financial statements for the accounting periods starting 1 January 2005.

Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met.

POA made a declaration on the Implementation of Financial Reporting in High Inflation Economies under TFRS on January 20, 2022, and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

# AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

---

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

#### 2.1 Basis of Presentation (Continued)

##### 2.1.1 Accounting Standards (Continued)

###### Functional and presentation currency

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

###### Offsetting

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

###### Going concern

The Company has prepared the financial statements for the period 1 January - 31 March 2022 in accordance with the going concern principle.

##### 2.1.2 Compliance with portfolio restrictions

The information included in Note 23. “Supplementary Note: Control of Compliance with Portfolio Restrictions” represent a condensed information based on the figures extracted from the financial statements that are prepared in accordance with serial II No:14.1 “Article 17 of Communiqué on Principals of Financial Reporting in Capital Markets” of the CMB. This condensed information has been prepared in accordance with the requirements of Serial III No:48.1 “Principals of The Real Estate Investment Trusts” of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

#### 2.2. Changes in Accounting Policies

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

The accounting policies adopted in preparation of the financial statements as at 31 March 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 31 March 2022.

###### a. *Standards, amendments and interpretations applicable as at 31 March 2022*

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 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. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021);** These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022**

(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)**

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

- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. 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.
- b) *Standards, amendments and interpretations that are issued but not effective as at 31 March 2022:*
  - **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’.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

(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)

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

- **Amendments to IAS 1, ‘Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. 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.
- **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.
- **IFRS 17, ‘Insurance Contracts’, as amended in December 2021;** 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.

##### 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 - 31 March 2022 there has been no change in the accounting estimates.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

(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 2021. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021.

##### 2.5 Significant Accounting Estimates and Assumptions

Preparation of financial statements require the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. 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.

#### NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 March 2022 and 31 December 2021 are as follows:

	31 March 2022	31 December 2021
Cash	14,346	11,974
Reverse repo transactions	88,027,753	31,344,435
Banks		
- TRY time deposits	1,445,919	10,109,623
- Foreign currency denominated time deposits	21,199,232	9,819,076
- TRY demand deposits	13,387	89,905
- Foreign currency denominated demand deposits	13,213	6,311
	<b>110,713,850</b>	<b>51,381,324</b>

As of 31 March 2022, the interest rate on TRY deposit accounts at banks is 16.25% the accrued interest of TRY deposit accounts is TRY643. The interest rate of foreign currency denominated time deposits at banks is between 0.15% and 1.50%, the accrued interest of foreign currency denominated time deposits is TRY864 (As of 31 December 2021, the interest rate on TRY deposit accounts at banks is 17.50% the accrued interest of TRY deposit accounts is TRY4,845. The interest rate on foreign currency denominated time deposits at banks is between 0.15% and 0.95% and the accrued interest of foreign currency denominated time deposits is TRY251). The maturity of time deposits is less than one month (31 December 2021: Less than one month).

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

#### NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

As of 31 March 2022, the interest rate on TRY reverse repo agreements is 11.50% and the accrued interest is TRY27,726 (As of 31 December 2021 interest rate on TRY reverse repo agreements is 12.16% and the accrued interest is TRY3,333). 31 March 2022: There are no foreign currency reverse repo agreements at banks (As of 31 December 2021: Interest rate on foreign currency reverse repo agreements is 1.10% and accrued interest is TRY11,569).

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

	31 March 2022	31 December 2021
Cash and cash equivalents	110,713,850	51,381,324
Less: Accrued interest	(29,233)	(19,997)
	<b>110,684,617</b>	<b>51,361,327</b>

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

Short-term trade receivables	31 March 2022	31 December 2021
Trade receivables from third parties	5,083,633	6,049,652
Trade receivables from related parties (Note 19)	1,709	29,951
Post-dated cheques receivable	-	486,302
	<b>5,085,342</b>	<b>6,565,905</b>
Less: Provision for doubtful receivables	(1,498,430)	(1,315,861)
	<b>3,586,912</b>	<b>5,250,044</b>

The movement of provisions for doubtful receivables is as follows:

	2022	2021
<b>1 January</b>	<b>1,315,861</b>	<b>1,453,552</b>
Provisions made during the period	182,569	-
Doubtful receivables reversal	-	(75,281)
<b>31 March</b>	<b>1,498,430</b>	<b>1,378,271</b>

Short-term trade payables	31 March 2022	31 December 2021
Due to related parties (Note 19)	4,093,401	523,560
Trade payables to third parties	3,603,600	193,001
	<b>7,697,001</b>	<b>716,561</b>

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022**

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

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

<b>Short-term other payables</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Due to related parties (Note 19)	109,183,520	-
Tax and funds payable	2,056,512	2,064,734
Other	46,040	31,960
	<b>111,286,072</b>	<b>2,096,694</b>
<b>Long-term other payables</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Deposits and guarantees received	1,592,331	1,461,530
	<b>1,592,331</b>	<b>1,461,530</b>

**NOTE 6 - INVESTMENT PROPERTY**

The movements of the investment property for the three-month interim periods ended 31 March 2022 and 31 March 2021 are as follows:

	<b>1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Impairment</b>	<b>31 March 2022</b>
<b>Cost</b>						
Buildings	278,534,294	-	(360,800)	417,835	-	278,591,329
Construction in progress (*)	-	417,835	-	(417,835)	-	-
	<b>278,534,294</b>	<b>417,835</b>	<b>(360,800)</b>	<b>-</b>	<b>-</b>	<b>278,591,329</b>
<b>Accumulated Depreciation</b>						
Buildings	(108,726,631)	(2,152,948)	360,800	-	-	(110,518,779)
<b>Net book value</b>	<b>169,807,663</b>	<b>(1,735,113)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,072,550</b>

(\*) The transfers amounting to TRY417,835 of the amounting to 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.

	<b>1 January 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Impairment</b>	<b>31 March 2021</b>
<b>Cost</b>						
Buildings	277,081,799	-	(1,129,952)	275,407	-	276,227,254
Construction in progress (*)	-	275,407	-	(275,407)	-	-
	<b>277,081,799</b>	<b>275,407</b>	<b>(1,129,952)</b>	<b>-</b>	<b>-</b>	<b>276,227,254</b>
<b>Accumulated Depreciation</b>						
Buildings	(100,725,476)	(2,147,378)	424,624	-	-	(102,448,230)
Provision for impairment of buildings (-)	(705,328)	-	-	-	705,328	-
<b>Net book value</b>	<b>175,650,995</b>	<b>(1,871,971)</b>	<b>(705,328)</b>	<b>-</b>	<b>705,328</b>	<b>173,779,024</b>

(\*) The transfers amounting to TRY275,407 of the amounting to 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.



## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

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

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 2021 amount to TRY2,061,753,000 (31 December 2020: The fair value of the Company’s investment property based on the valuation report of Ter Ra Gayrimenkul Değerleme ve Danışmanlık A.Ş. amount to TRY1,513,290,000). The method used in fair value calculations is the income method for the shopping malls and is the benchmark comparison method for the office and residences.

Insurance coverages on assets as of 31 March 2022 and 31 December 2021 are as follows:

31 March 2022: USD166,556,547

31 December 2021: USD166,467,609

#### NOTE 7 - TANGIBLE ASSETS

The movements of the tangible assets for the three-month interim periods ended 31 March 2022 and 31 March 2021 are as follows:

	<b>1 January 2022</b>	<b>Additions</b>	<b>31 March 2022</b>
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,758,879	13,175	8,772,054
Accumulated depreciation	(8,805,381)	(16,636)	(8,822,017)
<b>Net book value</b>	<b>53,200</b>	<b>(3,461)</b>	<b>49,739</b>

  

	<b>1 January 2021</b>	<b>Additions</b>	<b>31 March 2021</b>
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,744,324	-	8,744,324
Accumulated depreciation	(8,615,613)	(51,981)	(8,667,594)
<b>Net book value</b>	<b>228,413</b>	<b>(51,981)</b>	<b>176,432</b>

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

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

##### Real rights on immovables are as follows:

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

<b>Guarantee, cheques and letters</b>	<b>Currency of denomination</b>	<b>Original Amount</b>	<b>31 March 2022</b>
Letters of guarantees received	TRY	18,736,178	18,736,178
Letters of guarantees received	USD	618,693	9,055,868
Guarantee notes received	USD	470,835	6,891,659
Letters of guarantees received	EUR	151,866	2,473,214
Guarantee cheques received	TRY	478,100	478,100
Guarantee notes received	TRY	116,307	116,307
			<b>37,751,326</b>

<b>Guarantee, cheques and letters</b>	<b>Currency of denomination</b>	<b>Original amount</b>	<b>31 December 2021</b>
Letters of guarantees received	TRY	15,899,124	15,899,124
Letters of guarantees received	USD	708,995	9,450,191
Guarantee notes received	USD	470,835	6,275,760
Letters of guarantees received	EUR	151,866	2,291,157
Guarantee cheques received	TRY	558,100	558,100
Guarantee notes received	TRY	116,307	116,307
			<b>34,590,639</b>

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

The Company has no collateral / pledge / mortgage position as of the balance sheet dates.

<b>Other short-term provision</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Provision for lawsuits	178,691	181,691
	<b>178,691</b>	<b>181,691</b>

##### Provision for lawsuits

The provision for the lawsuits against the company as of 31 March 2022 is TRY178,691 (31 December 2021: TRY181,691), it was canceled in January 2022 in return for a lawsuit of TRY3,000.

The Company’s cases on trial 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 was concluded in favor of the Company before the Court of First Instance and the plaintiff's appeal application was rejected on the merits; This decision in favor of the company has become final without appeal by the parties.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

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

Ömer Dinçkök 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’s reversal application was rejected in favour of the Company on merit with a right to appeal, and this decision was appealed by the plaintiff. The plaintiff’s appeal request is also expected to be rejected.

Including the cases detailed above, there are 12 lawsuits and 25 executive proceedings that the Company is currently a party of them.

#### NOTE 9 - EMPLOYEE BENEFITS

The short-term provisions for employee benefits at 31 March 2022 and 31 December 2021 are as follows:

<b>Short term provisions</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Unused vacation allowances	722,888	373,158
	<b>722,888</b>	<b>373,158</b>

Provision for unused vacation amounting to TRY412,413 comprise of the unused vacation provisions of the Company’s personnel, while TRY310,475 comprise of the Company's shares of unused vacation allowance related to the personnel of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.

<b>Long term provisions</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Employment termination benefits	2,150,663	1,577,477
	<b>2,150,663</b>	<b>1,577,477</b>

At 31 March 2022, the amount payable consists of one month’s salary limited to a maximum of TRY10,848.59 for each year of service (31 December 2021: TRY10,848.59).

In the financial statements, Company management reflected a liability calculated in accordance with IAS 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 31 March 2022 and 31 December 2021 are as follows:

	<b>1 January - 31 March 2022</b>	<b>1 January - 31 December 2021</b>
Discount rate (%)	4.45	4.45
Turnover rate to estimate the probability of retirement (%)	95.34	93.74

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

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

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

	2022	2021
<b>1 January</b>	<b>1,577,477</b>	<b>1,557,693</b>
Cost of service	211,928	128,546
Cost of interest	84,789	51,107
Actuarial (gain)/ losses	276,469	(155,431)
Payments made during the period (-)	-	(159,282)
<b>31 March</b>	<b>2,150,663</b>	<b>1,422,633</b>

Provision for employment termination benefits amounting to TRY116,150 comprise of the Company’s personnel termination benefits provisions and TRY2,034,513 comprise of the Company’s share in Üçgen Bakım ve Yönetim Hizmetleri A.Ş.’s personnel termination benefits provisions.

#### NOTE 10 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 31 March 2022 and 31 December 2021 are as follows:

	31 March 2022	31 December 2021
<b>Prepaid expenses - short-term</b>		
Prepaid expenses (*)	5,152,635	3,523,578
Advances given	9,529	12,074
	<b>5,162,164</b>	<b>3,535,652</b>

(\*) Prepaid expenses amounting to TRY2,277,457 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 TRY2,609,135 consists of prepaid real estate taxes to Beşiktaş Belediyesi, TRY92,366 portion consists of insurance expenses and TRY173,677 portion consists of other expenses.

	31 March 2022	31 December 2021
<b>Prepaid expenses - long-term</b>		
Prepaid expenses (*)	858,838	1,234,061
	<b>858,838</b>	<b>1,234,061</b>

(\*) Amount to TRY851,043 consists of part of costs related to more than one year-term in order to rent the store. These amounts have been amortized in the contract period of the store. A portion of TRY7,795 consists of other expenses.

	31 March 2022	31 December 2021
<b>Other current assets:</b>		
Income accruals for store rent (*)	1,286,654	1,085,383
	<b>1,286,654</b>	<b>1,085,383</b>

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

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

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

	31 March 2022	31 December 2021
<b>Other non-current assets</b>		
Income accruals for store rent (*)	1,077,469	1,128,964
Deposits given	203	203
	<b>1,077,672</b>	<b>1,129,167</b>

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

	31 March 2022	31 December 2021
<b>Deferred income (Excluding customer contract liabilities)</b>		
Advances received	1,284,928	660,980
Deferred income	1,164,687	48,804
	<b>2,449,615</b>	<b>709,784</b>

	31 March 2022	31 December 2021
<b>Other current liabilities</b>		
Expense accruals	132,182	680,919
	<b>132,182</b>	<b>680,919</b>

#### NOTE 11 - EQUITY

At 31 March 2022 and 31 December 2021, the issued and fully paid-in share capital held is as follows:

Shareholders	31 March 2022		31 December 2021	
	Share (%)	Amount	Share (%)	Amount
Akkök Holding A.Ş.	11.67	4,349,553	11.67	4,349,553
Tekfen Holding A.Ş.	10.47	3,901,279	10.47	3,901,279
Public offering	57.34	21,367,443	57.34	21,367,443
Other (*)	20.52	7,645,725	20.52	7,645,725
<b>Total paid - in capital</b>	<b>100.00</b>	<b>37,264,000</b>	<b>100.00</b>	<b>37,264,000</b>

(\*) 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 31 March 2022 and 31 December 2021.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

#### NOTE 11 - EQUITY (Continued)

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

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

There is no other privilege for nominating members to the Board of Directors except the privileges stated above.

Each shareholder has one voting power for each share that is held.

Retained earnings consist of the following:

	31 March 2022	31 December 2021
Retained earnings	9,203,857	7,667,565
Extraordinary reserves	12,803,051	12,792,813
Inflation difference in extraordinary reserves	521,985	521,985
Inflation difference in legal reserves	3,461,231	3,461,231
	<b>25,990,124</b>	<b>24,443,594</b>

#### NOTE 12 - OPERATING INCOME

	1 January - 31 March 2022	1 January - 31 March 2021
<b>Sales</b>		
Shops and warehouse rent income	37,569,888	20,014,816
Apart hotel rent income	3,344,900	2,349,353
Other income	2,088,767	1,014,546
	<b>43,003,555</b>	<b>23,378,715</b>
<b>Cost of sales</b>		
Cost of services	(9,234,276)	(5,634,026)
Depreciation expense	(2,152,948)	(2,147,378)
	<b>(11,387,224)</b>	<b>(7,781,404)</b>
<b>Gross profit</b>	<b>31,616,331</b>	<b>15,597,311</b>

**AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022**

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

**NOTE 13 - EXPENSES BY NATURE**

	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
Cost of service	9,234,276	5,634,026
Depreciation and amortization expenses	2,176,285	2,206,059
Personnel expenses	1,316,982	758,942
Consultancy expenses	462,425	314,599
Legal expenses	400,325	269,258
Insurance, duties, taxes and levies expenses	38,472	26,885
Other	336,686	265,231
	<b>13,965,451</b>	<b>9,475,000</b>
	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
<b>Depreciation and amortization expenses</b>		
Cost of sales	2,152,948	2,147,378
General administrative expenses	23,337	58,681
	<b>2,176,285</b>	<b>2,206,059</b>

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

	<b>1 January - 31 March 2022</b>	<b>1 January - 31 March 2021</b>
<b>Other operating income</b>		
Rental compensation income	148,522	-
Gain on sale fixed assets	101,695	80,000
Maturity difference income	42,593	37,214
Provisions no longer required	3,000	114,360
Foreign exchange gain on trade receivables and payables	656	8,372
Other	7,701	1,128
	<b>304,167</b>	<b>241,074</b>
<b>Other operating expenses</b>		
Depletion of leasing projects (*)	(696,384)	(766,987)
Foreign exchange loss on trade receivables and payables	(132,579)	(107,388)
Doubtful trade receivable provision	(182,569)	-
Other	-	(14,402)
	<b>(1,011,532)</b>	<b>(888,777)</b>
<b>Other operating income/(expenses) - net</b>	<b>(707,365)</b>	<b>(647,703)</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 THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

#### NOTE 15 - FINANCIAL INCOME

	1 January - 31 March 2022	1 January - 31 March 2021
<b>Financial income</b>		
Interest income	2,338,407	1,406,101
Foreign exchange income	6,361,673	4,663,681
	<b>8,700,080</b>	<b>6,069,782</b>

#### NOTE 16 - FINANCIAL EXPENSES

	1 January - 31 March 2022	1 January - 31 March 2021
<b>Financial expenses</b>		
Foreign exchange expense	(562,176)	(221,070)
Interest expenses related to employee benefits	(82,129)	(51,104)
	<b>(644,305)</b>	<b>(272,174)</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 - 31 March 2022	1 January - 31 March 2021
Weighted average number of shares as of the reporting date (per share of TRY1 nominal value)	37,264,000	37,264,000
Net profit for the period	36,386,514	19,053,620
<b>Earnings per share</b>	<b>0.98</b>	<b>0.51</b>



## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

#### NOTE 19 - RELATED PARTY DISCLOSURES

##### Receivables from related parties

As of 31 March 2022, and 31 December 2021 trade receivables from related parties are as follows:

	31 March 2022	31 December 2021
<b>Trade receivables from related parties</b>		
Akip Gıda San. Tic. A.Ş.	1,709	21,262
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	-	8,689
	<b>1,709</b>	<b>29,951</b>

As of 31 March 2022, and 31 December 2021 trade payables due to related parties are as follows:

	31 March 2022	31 December 2021
<b>Trade payables due to related parties</b>		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	3,994,563	386,444
Akkök Holding A.Ş.	45,156	127,423
Dinkal Sigorta Acenteliği A.Ş.	-	8,741
Akhan Bakım Yön. Ser. Hiz. Güv. Malz. Tic. A.Ş.	52,074	-
Aktek Bilgi İşlem Tekn. San. Tic. A.Ş.	1,608	952
	<b>4,093,401</b>	<b>523,560</b>

As of 31 March 2022 and 31 December 2021, the Company's non-trade payables to shareholders, which are under other payables, are as follows:

	31 March 2022	31 December 2021
Dividend payable	109,183,520	-
	<b>109,183,520</b>	<b>-</b>

	1 January - 31 March 2022	1 January - 31 March 2021
Purchases from related parties	14,477,517	9,016,681
Sales to related parties	7,235,475	4,625,308

Purchases and sales consist of rent income, purchase and sales of services. The related party purchases amounting to TRY14,235,683 comprise of management expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (“Üçgen”) The remaining balance amounting to TRY241,834 comprise of other expenses from related parties. The Company provides common areas services like car park, ads, ATM via the related party Üçgen. In addition to these the Company has carpark, apart, cinema and office floor rent incomes from the related party Üçgen to whom the Company charged TRY6,304,844 has been invoiced to Üçgen in the first quarter of 2022 regarding the income and rental income on behalf of the Company (1 January - 31 March 2021: TRY4,110,084).

As of 1 January - 31 March 2022, remuneration provided to top executives such as the General Manager and the members of Board of Directors is TRY1,116,077 (1 January - 31 March 2021: TRY663,863).

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

#### NOTE 20 - FINANCIAL INVESTMENTS

Details of the financial investments as of 31 March 2022 and 31 December 2021 are as follows:

	31 March 2022	31 December 2021
Foreign currency bonds	14,704,722	26,660,235
	<b>14,704,722</b>	<b>26,660,235</b>

As of 31 March 2022, the interest rate on the foreign currency bonds is 2% and the accrued interest is TRY5,638 (31 December 2021: the interest rate on the foreign currency bonds is 2.46% and the accrued interest is TRY22,704).

#### NOTE 21 - 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 follows:

	31 March 2022	31 December 2021
Assets	35,923,281	57,800,795
Liabilities	(1,479,391)	(1,348,590)
<b>Net position</b>	<b>34,443,890</b>	<b>56,452,205</b>

As of 31 March 2022, fluctuation of USD had been 10% higher/lower ceteris paribus, net income for the period would have been TRY3,452,101 (31 December 2021: TRY5,652,588 higher/ lower) higher/ lower.

As of 31 March 2022, fluctuation of EUR had been 10% higher/lower ceteris paribus, net income for the period would have been TRY8,037 (31 December 2021: TRY7,430 lower/higher) lower/ higher.

As of 31 March 2022, fluctuation of GBP had been 10% higher/lower ceteris paribus, net income for the period would have been TRY326 (31 December 2021: TRY305) higher/lower.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

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

As of 31 March 2022 and 31 December 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 follows:

<b>31 March 2022</b>	<b>EUR</b>	<b>USD</b>	<b>GBP</b>	<b>TRY Equivalent</b>
<b>Current assets</b>				
Cash and cash equivalents	575	1,449,165	170	21,224,197
Financial investments		1,004,235		14,699,084
<b>Total assets</b>	<b>575</b>	<b>2,453,400</b>	<b>170</b>	<b>35,923,281</b>
<b>Long term liabilities</b>				
Other payables	(5,500)	(94,770)	-	(1,479,391)
<b>Total liabilities</b>	<b>(5,500)</b>	<b>(94,770)</b>	<b>-</b>	<b>(1,479,391)</b>
<b>Net Foreign Currency Asset Position</b>	<b>(4,925)</b>	<b>2,358,630</b>	<b>170</b>	<b>34,443,890</b>
<b>31 December 2021</b>	<b>EUR</b>	<b>USD</b>	<b>GBP</b>	<b>TRY Equivalent</b>
<b>Current assets</b>				
Cash and cash equivalents	575	2,337,125	170	31,163,264
Financial investments		1,998,464		26,637,531
<b>Total Assets</b>	<b>575</b>	<b>4,335,589</b>	<b>170</b>	<b>57,800,795</b>
<b>Non-current liabilities</b>				
Other payables	(5,500)	(94,770)	-	(1,348,590)
<b>Total liabilities</b>	<b>(5,500)</b>	<b>(94,770)</b>	<b>-</b>	<b>(1,348,590)</b>
<b>Net Foreign Currency Asset Position</b>	<b>(4,925)</b>	<b>4,240,819</b>	<b>170</b>	<b>56,452,205</b>

#### NOTE 22 - SUBSEQUENT EVENTS

The first installment of the dividend distribution, which was approved at the Company's Ordinary General Assembly meeting for 2021, amounting to TRY84,961,920 was paid on April 4, 2022.

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

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS**

**INTERIM PERIOD ENDED 31 MARCH 2022**

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

---

**NOTE 23 - 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 THREE MONTHS INTERIM PERIOD ENDED 31 MARCH 2022

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

### NOTE 23 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (Continued)

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follows as of 31 March 2022 and 31 December 2021:

<b>Non-consolidated (stand-alone financial statement accounts items)</b>	<b>Related regulations</b>	<b>31 March 2022</b>	<b>31 December 2021</b>	
A Cash and capital market instruments	Art.24/(b)	125,418,572	78,041,559	
B Real estate, real estate based projects, 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)	168,072,550	169,807,663	
C Affiliates	Art.24/(b)	-	-	
Due from related parties (non-trade)	Art.23/(f)	-	-	
Other assets		12,692,597	12,996,343	
<b>D Total assets</b>	<b>Art.3/(p)</b>	<b>306,183,719</b>	<b>260,845,565</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)	109,183,520	-	
I Equity	Art.31	179,974,276	253,047,751	
Other liabilities		17,025,923	7,797,814	
<b>D Total liabilities</b>	<b>Art.3/(p)</b>	<b>306,183,719</b>	<b>260,845,565</b>	
<b>Other non-consolidated (stand-alone) financial information</b>	<b>Related regulations</b>	<b>31 March 2022</b>	<b>31 December 2021</b>	
A1 Portion of cash and capital market instruments reserved for three-year real estate payments	Art.24/(b)	-	-	
A2 TRY/foreign currency denominates time/demand deposits	Art.24/(b)	22,671,751	20,024,915	
A3 Foreign capital market instruments	Art.24/(d)	-	-	
B1 Foreign real estates, real estate-based projects, real estate-based rights	Art.24/(d)	-	-	
B2 Lands on which no projects developed	Art.24/(c)	-	-	
C1 Foreign affiliates	Art.24/(d)	-	-	
C2 Participation in administrator companies	Art.28/1(a)	-	-	
J Non-cash loans	Art.31	-	-	
K Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed	Art.22/(e)	-	-	
L Total investments of monetary and capital market instruments at one company	Art.22/(l)	21,200,603	9,819,797	
<b>Portfolio Restriction</b>	<b>Related regulations</b>	<b>31 March 2022</b>	<b>31 December 2021</b>	<b>Minimum / Maximum Rate</b>
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 they have 100% participation in the capital (B+A1) / D	Art.24/(a),(b)	55%	65%	≥51%
3 Cash and capital market instruments and Affiliates (A+C-A1)/D	Art.24/(b)	41%	30%	≤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	61%	7%	≤500%
8 TRY/foreign currency denominated time/demand deposits (A2-A1)/D	Art.24/(b)	7%	8%	≤10%
9 Total investments of monetary and capital market instruments at one company (L/D)	Art.22/(l)	7%	4%	≤10%

.....