

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 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 30 June 2022 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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



Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 June 2022. Accordingly, the accompanying financial statements are not intended to present fairly the financial position and results of operations of the Company in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "Baki Erdal".

Baki Erdal, SMMM
Partner

Istanbul, 8 August 2022

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED FINANCIAL
STATEMENTS AND NOTES FOR THE INTERIM PERIOD
1 JANUARY- 30 JUNE 2022**

CONTENTS	PAGE
CONDENSED STATEMENTS OF FINANCIAL POSITION/(BALANCE SHEET)	1-2
CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED STATEMENTS OF CHANGES IN EQUITY	4
CONDENSED STATEMENTS OF CASH FLOWS	5
NOTES TO THE CONDENSED FINANCIAL STATEMENTS	6-26
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	6
NOTE 2 BASIS FOR THE PRESENTATION OF FINANCIAL STATEMENTS	7-10
NOTE 3 SEGMENT REPORTING.....	11
NOTE 4 CASH AND CASH EQUIVALENTS.....	11
NOTE 5 TRADE AND OTHER RECEIVABLES AND PAYABLES	12
NOTE 6 INVESTMENT PROPERTY	13
NOTE 7 TANGIBLE ASSETS	14
NOTE 8 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	14-15
NOTE 9 EMPLOYEE BENEFITS	16
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 INSTRUMENTS.....	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 30 JUNE 2022 AND 31 DECEMBER 2021**

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

	Notes	<i>Reviewed</i> 30 June 2022	<i>Audited</i> 31 December 2021
ASSETS			
Current assets		93,393,314	88,406,802
Cash and cash equivalents	4	55,030,682	51,381,324
Financial investments			
<i>Financial assets measured at amortized cost</i>	20	26,683,940	26,660,235
Trade receivables			
<i>Receivables from third parties</i>	5	6,015,845	5,220,093
<i>Receivables from related parties</i>	5, 19	6,806	29,951
Prepaid expenses	10	3,800,378	3,535,652
Current tax assets		551,210	494,164
Other current assets	10	1,304,453	1,085,383
Non-current assets		168,730,894	172,438,763
Investment property	6	166,877,837	169,807,663
Tangible assets	7	46,278	53,200
Intangible assets		201,271	214,672
Prepaid expenses	10	631,206	1,234,061
Other non-current assets	10	974,302	1,129,167
Total assets		262,124,208	260,845,565

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/ (BALANCE SHEET)
AT 30 JUNE 2022 AND 31 DECEMBER 2021**

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

	Notes	Reviewed 30 June 2022	Audited 31 December 2021
LIABILITIES			
Current liabilities		37,669,127	4,758,807
Trade payables			
<i>Due to related parties</i>	5, 19	6,202,505	523,560
<i>Due to third parties</i>	5	1,779,176	193,001
Other payables			
<i>Due to related parties</i>	5, 19	24,221,600	-
<i>Due to third parties</i>	5	2,770,654	2,096,694
Deferred income (Excluding customer contract liabilities)	10	1,629,082	709,784
Short-term provisions			
<i>Other provisions</i>	8	178,691	181,691
<i>Provisions for employment termination benefits</i>	9	619,511	373,158
Other current liabilities	10	267,908	680,919
Non-current liabilities		4,137,501	3,039,007
Other payables			
<i>Other payables to third parties</i>	5	1,790,492	1,461,530
Long term provisions			
<i>Provisions for employment termination benefits</i>	9	2,347,009	1,577,477
Equity		220,317,580	253,047,751
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>		(1,077,838)	(428,527)
Restricted reserves		53,293,371	69,205,098
Retained earnings	11	25,990,124	24,443,594
Net income for the period	18	77,102,660	94,818,323
Total liabilities and equity		262,124,208	260,845,565

These interim financial statements for the period 1 January - 30 June 2022 have been approved by the Board of Directors on 8 August 2022.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS INTERIM PERIODS ENDED 30 JUNE 2022 AND 2021

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

	Notes	Reviewed 1 January - 30 June 2022	Reviewed 1 April - 30 June 2022	Reviewed 1 January - 30 June 2021	Reviewed 1 April - 30 June 2021
OPERATING INCOME					
Revenue	12	93,967,019	50,963,464	46,221,113	22,842,398
Cost of sales (-)	12	(24,365,731)	(12,978,507)	(15,178,511)	(7,397,107)
Gross profit	12	69,601,288	37,984,957	31,042,602	15,445,291
General administrative expenses (-)		(6,146,276)	(3,568,049)	(3,401,963)	(1,708,367)
Other operating income	14	1,085,414	781,247	330,702	89,628
Other operating expense (-)	14	(1,724,483)	(712,951)	(1,981,441)	(1,092,664)
Operating profit		62,815,943	34,485,204	25,989,900	12,733,888
Financial income	15	16,116,026	7,415,946	8,798,426	2,728,644
Financial expenses (-)	16	(1,829,309)	(1,185,004)	(920,714)	(648,540)
Profit before tax from continuing operations		77,102,660	40,716,146	33,867,612	14,813,992
Tax income/ (expenses) from continuing operations		-	-	-	-
Profit for the period from continuing operations	18	77,102,660	40,716,146	33,867,612	14,813,992
Earnings per share					
Earnings per share from continuing operations	18	2.07	1.09	0.91	0.40
Earnings per share from discontinuing operations		-	-	-	-
Diluted earnings per share					
Diluted earnings per share from continuing operations	18	2.07	1.09	0.91	0.40
Diluted earnings per share from discontinuing operations		-	-	-	-
OTHER COMPREHENSIVE INCOME / (EXPENSE)					
Items not to be reclassified to profit or loss					
Actuarial gains/ (losses) arising from employee benefits	9	(649,311)	(372,842)	311,477	156,046
Total comprehensive income		76,453,349	40,343,304	34,179,089	14,970,038

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS INTERIM PERIODS ENDED 30 JUNE 2022 AND 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 (losses) / gain arising from employee benefits		Retained earnings	Net profit for the period	
1 January 2021		37,264,000	27,745,263	(658,882)	94,395,562	24,518,963	56,870,007	240,134,913
Transfers		-	-	155,040	(25,190,464)	81,905,431	(56,870,007)	-
Dividend payable (*)		-	-	-	-	(81,980,800)	-	(81,980,800)
Total comprehensive income		-	-	311,477	-	-	33,867,612	34,179,089
30 June 2021 (Reviewed)	11	37,264,000	27,745,263	(192,365)	69,205,098	24,443,594	33,867,612	192,333,202
1 January 2022		37,264,000	27,745,263	(428,527)	69,205,098	24,443,594	94,818,323	253,047,751
Transfers		-	-	-	(15,911,727)	110,730,050	(94,818,323)	-
Dividend payable (*)		-	-	-	-	(109,183,520)	-	(109,183,520)
Total comprehensive income		-	-	(649,311)	-	-	77,102,660	76,453,349
30 June 2022 (Reviewed)	11	37,264,000	27,745,263	(1,077,838)	53,293,371	25,990,124	77,102,660	220,317,580

(*) At the Ordinary General Assembly Meeting dated March 28, 2022, it was decided to distribute dividend amounting to TRY109,183,520. In line with the decision taken at the Ordinary General Assembly Meeting, the first installment of the total amount of TRY 84,961,920 was distributed to shareholders in cash on 4 April, 2022. The amount not paid at the balance sheet date will be paid on 10 August, 2022.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS INTERIM PERIODS ENDED 30 JUNE 2022 AND 2021

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

	Notes	Reviewed 1 January - 30 June 2022	Reviewed 1 January - 30 June 2021
CASH FLOWS FROM OPERATING ACTIVITIES		86,291,534	42,188,779
Profit for the year		77,102,660	33,867,612
Adjustments to profit/ (loss) for the year		779,401	1,599,348
Adjustments for depreciation and amortization expenses	13	4,393,546	4,420,887
Adjustments for impairment loss	5	(94,959)	(71,068)
Adjustments for provisions		199,748	73,897
Adjustments for interest (income)/ expenses	15	(3,681,443)	(2,308,733)
Adjustments for losses (gains) resulting from the disposal of fixed assets	14	(101,695)	(17,273)
Other adjustments for non-cash items		64,204	(498,362)
Change in working capital		8,698,501	6,853,369
Adjustments for decrease / (increase) in trade receivables			
<i>Decrease/ (increase) in trade receivables from related parties</i>		23,145	-
<i>Decrease/ (increase) in trade receivables from third parties</i>		(700,793)	(974,693)
Decrease / (increase) in other assets related to operations		172,671	3,512,164
Adjustments regarding increase / (decrease) in trade payables			
<i>Increase / (decrease) in trade payable from related parties</i>		5,678,945	1,463,492
<i>Increase / (decrease) in trade payable from third parties</i>		1,586,175	1,136,438
Increase / (decrease) in other liabilities related to operations		1,962,063	(1,288,275)
Change in financial investing activities		(23,705)	3,004,243
Cash provided from operations		86,580,562	42,320,329
Employment termination benefit payments	9	(289,028)	(131,550)
CASH FLOWS FROM INVESTING ACTIVITIES		2,323,498	1,694,375
Interest received		3,665,200	2,297,581
Cash outflows from the purchase of tangible and intangible assets		(13,175)	(1,335)
Cash outflows from the purchase of investment property	6	(1,430,222)	(681,871)
Cash inflows from the sale of investment property		101,695	80,000
CASH FLOWS USED IN FINANCING ACTIVITIES		(84,961,920)	(69,311,040)
Dividends paid		(84,961,920)	(69,311,040)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		3,653,112	(25,427,886)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		51,361,327	66,482,273
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	55,014,439	41,054,387

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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 30 June 2022.

The shareholding structure as of 30 June 2022 and 31 December 2021 is as follows:

Shareholders	30 June 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%
Total	100%	100%

(*) 45.49% of public offering shares belong to Klepierre S.A. as of 30 June 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:

	30 June 2022	31 December 2021
Administrative	7	6

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 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 an announcement on January 20, 2022 in order to eliminate the hesitations about for the entities which apply Turkish Financial Reporting Standards ("TFRS") will apply TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended 31 December 2021. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the financial statements, POA did not make an additional announcement and no adjustment was made to the financial statements in accordance with TAS 29.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 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 - 30 June 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 30 June 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 30 June 2022.

a) Standards, amendments, and interpretations applicable as of 30 June 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.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 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 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.
- **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 the are issued but not effectiveas at 30 June 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’.
- **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.

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

- **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.

The company evaluates the effects of the aforementioned standard changes and will apply them as of the effective date.

2.3 Restatement and The Errors in The Accounting Estimates

Material changes in accounting policies or material errors are corrected retrospectively by restating the prior period financial statements. The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. For the period 1 January - 30 June 2022 there has been no change in the accounting estimates.

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 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. 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.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2022

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

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 30 June 2022 and 31 December 2021 are as follow:

	30 June 2022	31 December 2021
Cash	21,247	11,974
Reverse repo transactions	35,012,595	31,344,435
Banks		
- Foreign currency denominated time deposits	14,363,634	9,819,076
- TRY time deposits	5,617,337	10,109,623
- TRY demand deposits	15,340	89,905
- Foreign currency denominated demand deposits	529	6,311
	55,030,682	51,381,324

As of 30 June 2022, the interest rate on TRY time deposit accounts at banks is 17.38% the accrued interest of TRY time deposit accounts is TRY2,685. The interest rate on foreign currency denominated time deposits at banks is between 0.15% and 2.50% and the accrued interest of foreign currency denominated time deposits is TRY968 (As of 31 December 2021, the interest rate on TRY time deposit accounts at banks is 17.50% the accrued interest of TRY time 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).

As of 30 June 2022, the interest rate on TRY reverse repo agreements is 13.13% and the accrued interest is TRY12,590 (As of 31 December 2021 interest rate on TRY reverse repo agreements is 12.16% and the accrued interest is TRY3,333). 30 June 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 follow:

	30 June 2022	31 December 2021
Cash and cash equivalents	55,030,682	51,381,324
Less: Accrued interest	(16,243)	(19,997)
	55,014,439	51,361,327

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 5 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	30 June 2022	31 December 2021
Trade receivables from third parties	7,236,747	6,049,652
Trade receivables from related parties (Note 19)	6,806	29,951
Post-dated cheques receivable	-	486,302
	7,243,553	6,565,905
Less: Provision for doubtful receivables	(1,220,902)	(1,315,861)
	6,022,651	5,250,044

The movement of provisions for doubtful receivables is as follows:

	2022	2021
1 January	1,315,861	1,453,552
Provisions no longer required	(94,959)	-
Doubtful receivables reversal	-	(71,068)
30 June	1,220,902	1,382,484

Short-term trade payables	30 June 2022	31 December 2021
Due to related parties (Note 19)	6,202,505	523,560
Trade payables to third parties	1,779,176	193,001
	7,981,681	716,561

Short-term other payables	30 June 2022	31 December 2021
Other payables to related parties (Note 19)	24,221,600	-
Tax and funds payable	2,714,899	2,064,734
Other	55,755	31,960
	26,992,254	2,096,694

Long-term other payables	30 June 2022	31 December 2021
Deposits and guarantees received	1,790,492	1,461,530
	1,790,492	1,461,530

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 6 - INVESTMENT PROPERTY

The movements of the investment property for the six-month interim periods ended 30 June 2022 and 2021 are as follow:

	1 January 2022	Additions	Disposals	Transfers	30 June 2022
Cost					
Buildings	278,534,294	-	(360,800)	1,430,222	279,603,716
Construction in progress (*)	-	1,430,222	-	(1,430,222)	-
	278,534,294	1,430,222	(360,800)	-	279,603,716
Accumulated Depreciation					
Buildings	(108,726,631)	(4,360,048)	360,800	-	(112,725,879)
Net book value	169,807,663	(2,929,826)	-	-	166,877,837

(*) The transfers amounting to TRY1,430,222 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 2021	Additions	Disposals	Transfers	Impairments	30 June 2021
Cost						
Buildings	277,081,799	-	(1,365,180)	681,871	-	276,398,490
Construction in progress (*)	-	681,871	-	(681,871)	-	-
	277,081,799	681,871	(1,365,180)	-	-	276,398,490
Accumulated Depreciation						
Buildings	(100,725,476)	(4,302,312)	597,125	-	-	(104,430,663)
Provision for impairment of buildings (-)	(705,328)	-	-	-	705,328	-
Net book value	175,650,995	(3,620,441)	(768,055)	-	705,328	171,967,827

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

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 coverage on assets as of 30 June 2022 and 31 December 2021 is as follows;

30 June 2022: USD166,556,547

31 December 2021: USD166,467,609

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 7 - TANGIBLE ASSETS

The movements of the tangible assets for the six-month interim periods ended 30 June 2022 and 2021 are as follow:

	1 January 2022	Additions	30 June 2022
Plants, machinery and equipment	99,702	-	99,702
Furniture and fixture	8,758,879	13,175	8,772,054
Accumulated depreciation	(8,805,381)	(20,097)	(8,825,478)
Net book value	53,200	(6,922)	46,278

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

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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, cheques and letters	Currency of denomination	Original Amount	30 June 2022
Letters of guarantees received	TRY	20,904,999	20,904,999
Letters of guarantees received	USD	634,453	10,570,872
Guarantee notes received	USD	470,835	7,844,770
Letters of guarantees received	EUR	151,866	2,637,928
Guarantee cheques received	TRY	478,100	478,100
Guarantee notes received	TRY	73,827	73,827
			42,510,496

Guarantee notes and letters	Currency of denomination	Original Amount	31 December 2021
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
			34,590,639

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2022

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

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

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.

Other short-term provision	30 June 2022	31 December 2021
Provision for lawsuits	178,691	181,691
	178,691	181,691

Provision for lawsuits

The provision for the lawsuits against the company as of 30 June 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 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 11 lawsuits and 24 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 SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 9 - EMPLOYEE BENEFITS

The short-term provisions for employee benefits at 30 June 2022 and 31 December 2021 are as follow:

Short term provisions	30 June 2022	31 December 2021
Unused vacation allowances	619,511	373,158
	619,511	373,158

Provision for unused vacation amounting to TRY242,726 comprise of the unused vacation provisions of the Company's personnel, while TRY376,785 comprise of the Company's shares of unused vacation allowance related to the personnel of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.

Long term provisions	30 June 2022	31 December 2021
Employment termination benefits	2,347,009	1,577,477
	2,347,009	1,577,477

At 30 June 2022, the amount payable consists of one month's salary limited to a maximum of TRY15,371.40 for each year of service (31 December 2021: TRY10,848.59).

In the financial statements, Company management reflected a liability calculated in accordance with TAS 19 and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. All actuary gain and losses are recognized in comprehensive income statement. Accordingly, the actuarial assumptions used to calculate the liability as of 30 June 2022 and 31 December 2021 are as follow:

	1 January - 30 June 2022	1 January - 31 December 2021
Discount rate (%)	4.45	4.45
Turnover rate to estimate the probability of retirement (%)	90.51	93.74

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

	2022	2021
1 January	1,577,477	1,557,693
Cost of service	237,107	133,955
Cost of interest	172,142	93,899
Actuarial (gain)/losses	649,311	(311,477)
Payments made during the period (-)	(289,028)	(131,550)
30 June	2,347,009	1,342,520

Provision for employment termination benefits amounting to TRY63,060 comprise of the Company's personnel termination benefits provisions and TRY2,283,949 comprise of the Company's share in Üçgen Bakım ve Yönetim Hizmetleri A.Ş.'s personnel termination benefits provisions.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 10 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 30 June 2022 and 31 December 2021 are as follow:

	30 June 2022	31 December 2021
Prepaid expenses - short term		
Prepaid expenses (*)	3,788,396	3,523,578
Advances given	11,982	12,074
	3,800,378	3,535,652

(*) Prepaid expenses amounting to TRY1,859,538 consists of the short-term portion of the costs incurred in order to rent out the stores. These amounts amortize in the contract period of the store. The portion amounting to TRY1,739,423 consists of prepaid real estate taxes to Beşiktaş Belediyesi, TRY48,789 portion consists of insurance expenses and TRY140,646 portion consists of other expenses.

	30 June 2022	31 December 2021
Prepaid expenses - long term		
Prepaid expenses (*)	631,206	1,234,061
	631,206	1,234,061

(*) Amount to TRY576,412 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 TRY54,794 consists of other expenses.

	30 June 2022	31 December 2021
Other current assets		
Income accruals for store rent (*)	1,304,453	1,085,383
	1,304,453	1,085,383

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

	30 June 2022	31 December 2021
Other non-current assets		
Income accruals for store rent (*)	974,099	1,128,964
Deposits given	203	203
	974,302	1,129,167

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

	30 June 2022	31 December 2021
Deferred income (Excluding customer contract liabilities)		
Advances received	852,624	660,980
Deferred income	776,458	48,804
	1,629,082	709,784

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2022

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

NOTE 10 - OTHER ASSETS AND LIABILITIES (Continued)

Other current liabilities	30 June 2022	31 December 2021
Expense accruals	267,908	680,919
	267,908	680,919

NOTE 11 - EQUITY

At 30 June 2022 and 31 December 2021 the issued and fully paid-in share capital held is as follows:

Shareholders	Share (%)	30 June 2022	Share (%)	31 December 2021
		Amount		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
Total paid - in capital	100.00	37,264,000	100.00	37,264,000

(*) Represents individual shareholdings less than 10%.

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

The Company's issued and fully paid share capital amounting to TRY37,264,000 is represented by 3,726,400,000 shares of Kuruş 1 nominal value of which 407,575,000 are Class A shares, 284,138,000 are Class B shares, 239,887,000 are Class C shares and 2,794,800,000 are Class D shares as of 30 June 2022 and 31 December 2021.

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 11 - EQUITY (Continued)

Retained earnings consist of the following:

	30 June 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
	25,990,124	24,443,594

NOTE 12 - OPERATING INCOME

Sales	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Shops and warehouse rent income	82,573,100	45,003,212	39,731,256	19,716,440
Apart hotel rent income	7,076,843	3,731,943	4,583,187	2,233,834
Other income	4,317,076	2,228,309	1,906,670	892,124
	93,967,019	50,963,464	46,221,113	22,842,398
Cost of sales				
Cost of services	(20,005,683)	(10,771,407)	(10,876,199)	(5,242,173)
Depreciation expense	(4,360,048)	(2,207,100)	(4,302,312)	(2,154,934)
	(24,365,731)	(12,978,507)	(15,178,511)	(7,397,107)
Gross profit	69,601,288	37,984,957	31,042,602	15,445,291

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 13 - EXPENSES BY NATURE

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Cost of service	20,005,683	10,784,578	10,733,827	5,315,906
Depreciation and amortization expenses	4,393,546	2,217,261	4,420,887	2,214,828
Personnel expenses	3,692,130	2,375,148	1,771,014	795,966
Consultancy expenses	943,816	481,391	638,083	323,484
Legal expenses	661,610	261,285	535,122	265,864
Insurance, duties, taxes and levies expenses	76,791	38,319	74,401	47,516
Other	738,431	388,574	407,140	141,910
	30,512,007	16,546,556	18,580,474	9,105,474
Depreciation and amortization expenses				
Cost of sales	4,360,048	2,207,100	4,302,312	2,154,934
General administrative expenses	33,498	10,161	118,575	59,894
	4,393,546	2,217,261	4,420,887	2,214,828

NOTE 14 - OTHER OPERATING INCOME/EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Other operating income				
Provisions no longer required	696,723	693,723	-	-
Rental compensation income	148,522	-	-	-
Gain on sale of fixed asset, net	101,695	-	17,273	(62,727)
Foreign exchange gain on trade receivables and payables	5,459	4,803	22,911	14,539
Other	133,015	82,721	290,518	137,816
	1,085,414	781,247	330,702	89,628
Other operating expense				
Amortization expense (*)	(1,388,940)	(692,556)	(1,477,942)	(710,955)
Foreign Exchange loss on trade receivables and payables	(335,543)	(202,964)	(161,547)	(54,159)
Provisions for doubtful receivables	-	182,569	-	-
Other	-	-	(341,952)	(327,550)
	(1,724,483)	(712,951)	(1,981,441)	(1,092,664)
Other operating income/(expenses) - net	(639,069)	68,296	(1,650,739)	(1,003,036)

(*) 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 SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

NOTE 15 - FINANCIAL INCOME

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Financial income				
Foreign exchange income	12,434,583	6,072,910	6,489,693	1,826,012
Interest income	3,681,443	1,343,036	2,308,733	902,632
	16,116,026	7,415,946	8,798,426	2,728,644

NOTE 16 - FINANCIAL EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Financial expenses				
Foreign exchange expense	(1,659,827)	(1,097,651)	(826,815)	(605,745)
Interest expenses related to employee benefits	(169,482)	(87,353)	(93,899)	(42,795)
	(1,829,309)	(1,185,004)	(920,714)	(648,540)

NOTE 17 - TAX ASSETS AND LIABILITIES

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

NOTE 18 - EARNINGS PER SHARE

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

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

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
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	77,102,660	40,716,146	33,867,612	14,813,992
Profit per share	2.07	1.09	0.91	0.40

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2022

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

NOTE 19 - RELATED PARTY DISCLOSURES

As of 30 June 2022 and 31 December 2021 receivables due from related parties and payables due to related parties are as follows:

	30 June 2022	31 December 2021
Due from related parties		
Akip Gıda San. Tic. A.Ş.	6,806	21,262
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	-	8,689
	6,806	29,951

	30 June 2022	31 December 2021
Due to related parties		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	6,155,297	386,444
Akkök Holding A.Ş.	44,991	127,423
Aktek Bilgi İşlem Tekn. San. ve Tic. A.Ş.	1,805	952
Dinkal Sigorta Acenteliği A.Ş.	412	8,741
	6,202,505	523,560

As at 30 June 2022 and 31 December 2021 the non-trade payables to the shareholders of the Company under other liabilities are as follows:

	30 June 2022	31 December 2021
Dividend payable	24,221,600	-
	24,221,600	-

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Purchases from related party	28,863,983	14,386,466	18,009,469	8,992,788
Sales to related parties	15,156,563	7,921,088	8,397,236	3,771,928

Purchases and sales consist of rent income, purchase and sales of services. The related party purchases amounting to TRY28,474,777 comprise of management expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. ("Üçgen"). The remaining balance amounting to TRY389,206 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 TRY13,289,185 in the first six months of 2022 regarding the revenue collected on behalf of the Company (1 January - 30 June 2021: TRY7,374,732).

As of 1 January – 30 June 2022, remuneration provided to top executives such as the General Manager and the members of Board of Directors is TRY2,110,111 (1 January-30 June 2021: TRY1,191,384).

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2022

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

NOTE 20 - FINANCIAL INVESTMENTS

The details of the financial investments as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Foreign currency bonds	26,683,940	26,660,235
	26,683,940	26,660,235

As of 30 June 2022, the interest rate on the foreign currency bonds is 5% and the accrued interest is TRY25,563 (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 follow:

	30 June 2022	31 December 2021
Assets	41,034,980	57,800,795
Liabilities	(1,677,552)	(1,348,590)
Net position	39,357,428	56,452,205

As of 30 June 2022, fluctuation of USD had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY3,943,973 higher/ lower (31 December 2021: TRY5,652,588 higher/ lower).

As of 30 June 2022, fluctuation of EUR had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY8,573 lower/higher (31 December 2021: TRY7,430 higher/lower).

As of 30 June 2022, fluctuation of GBP had been 10% higher/lower ceteris paribus, net income/expense for the period would have been TRY343 higher/lower (31 December 2021: TRY305 higher/lower).

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 2022**

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

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

As of 30 June 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 follow:

30 June 2022	EUR	USD	GBP	TRY Equivalent
Current assets				
Cash and cash equivalents	575	862,064	170	14,376,603
Financial investments	-	1,600,008	-	26,658,377
Total assets	575	2,462,072	170	41,034,980
Long term liabilities				
Other payables	(5,500)	(94,770)	-	(1,677,552)
Total liabilities	(5,500)	(94,770)	-	(1,677,552)
Net foreign currency asset position	(4,925)	2,367,302	170	39,357,428
31 December 2021	EUR	USD	GBP	TRY Equivalent
Current assets				
Cash and cash equivalents	575	2,337,125	170	31,163,264
Financial investments	-	1,998,464	-	26,637,531
Total assets	575	4,335,589	170	57,800,795
Non-current liabilities				
Other payables	(5,500)	(94,770)	-	(1,348,590)
Total liabilities	(5,500)	(94,770)	-	(1,348,590)
Net foreign currency asset position	(4,925)	4,240,819	170	56,452,205

NOTE 22 - SUBSEQUENT EVENTS

It has been decided that the second installment of TRY24,221,600 of the dividend distribution approved at the Ordinary General Assembly Meeting of the Company for 2021 will be paid on 10 August 2022.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE SIX MONTHS
INTERIM PERIOD ENDED 30 JUNE 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 SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 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 follow as of 30 June 2022 and 31 December 2021:

Non-consolidated (stand-alone financial statement accounts items)	Related regulations	30 June 2022	31 December 2021	
A Cash and capital market instruments	Art.24/(b)	81,714,622	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)	166,877,837	169,807,663	
C Affiliates	Art.24/(b)	-	-	
Due from related parties (non-trade)	Art.23/(f)	-	-	
Other assets		13,531,749	12,996,343	
D Total assets	Art.3/(p)	262,124,208	260,845,565	
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)	24,221,600	-	
I Equity	Art.31	220,317,580	253,047,751	
Other liabilities		17,585,028	7,797,814	
D Total liabilities	Art.3/(p)	262,124,208	260,845,565	
Other non-consolidated (stand-alone) financial information	Related regulations	30 June 2022	31 December 2021	
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)	19,996,840	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)	14,364,773	9,819,797	
Portfolio Restriction	Related regulations	30 June 2022	31 December 2021	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 they have 100% participation in the capital (B+A1) / D	Art.24/(a),(b)	64%	65%	≥51%
3 Cash and capital market instruments and Affiliates (A+C-A1)/D	Art.24/(b)	31%	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	11%	7%	≤500%
8 TRY/foreign currency denominated time/demand deposits (A2-A1)/D	Art.24/(b)	8%	8%	≤10%
9 Total investments of monetary and capital market instruments at one company (L/D)	Art.22/(l)	5%	4%	≤10%

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