



**AKMERKEZ GAYRİMENKUL
YATIRIM ORTAKLIĞI
ANONİM ŞİRKETİ**

**ANNUAL REPORT
COVERING THE PERIOD OF
01.01.2023 – 31.12.2023**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

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

1. Opinion

We have audited the annual report of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

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

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 23 February 2024 on the full set financial statements for the 1 January - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;



- b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
- events of particular importance that occurred in the Company after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited[consolidated] financial statements and with the information obtained in the course of audit.

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

Baki Erdal, SMMM
Independent Auditor

Istanbul, 26 February 2024

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI
ANONİM ŞİRKETİ
REPORT OF THE BOARD OF DIRECTORS ON THE ACTIVITIES IN
THE PERIOD OF
01.01.2023 – 31.12.2023

This Annual Report (the 'Report') is issued pursuant to the provision of article 516 of the Turkish Commercial Code, the provisions of the 'Regulation on the Establishment of Minimum Content of Annual Reports of Companies' of the Ministry of Trade, which was published in the Official Gazette no. 28395 of 28.08.2012, and the provision of article 8 of the 'Communiqué on the Principles Applicable to Financial Reporting in Capital Market' (II-14.1), provisions of relevant articles of the 'Corporate Governance Communiqué' (II-17.1) and provisions of article 39 of the 'Communiqué on the Principles Applicable to Real Estate Investment Partnerships' (III-48.1), of the Capital Markets Board. The Report intends to evaluate, and provide information to our investors about, the business activities of the Company during the period of 01.01.2023-31.12.2023.

A. GENERAL INFORMATION:

1.1. Corporate Information:

Trade Name	AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
Trade Registry Office:	İstanbul
Trade Registration Number:	260139
Stock Exchange where stocks of the Company are traded:	Borsa İstanbul A.Ş.
Market where the Capital Market Instrument is Traded, and Indexes where the Company Takes Place:	BIST MAIN BIST All Shares-100/ BIST Corporate Governance/ BIST Real Estate Investment Trusts/ BIST 500/ BIST Financials / BIST All Shares/ BIST Dividend/ BIST Main
Trading Symbol:	AKMGY
Portfolio Details:	Date of Establishment: 08.12.1989 Date of Public Offering: 15.04.2005
Head Office:	Kültür Mah. Nispetiye Cad. Akmerkez No: 56/1 Beşiktaş/İstanbul
Corporate Website:	www.akmgyo.com
E-mail:	gyo@akmerkez.com.tr
Investor Relations E-mail:	yatirimciiliskileri@akmerkez.com.tr
KEP:	akmerkez@akmerkez.hs02.kep.tr
Mersis:	0837003197300012
Tax Office:	Büyük Mükellefler Vergi Dairesi
Tax Number:	837 003 1973
Phone Number:	+90 (212) 282 01 70
Fax Number:	+90 (212) 282 01 19

Akmerkez in Brief

Meeting venue in Istanbul

Opened in 1993 in Istanbul's central district Etiler, Akmerkez has remained the most popular meeting venue and ideal address of pleasurable experiences thanks to its elegant brands and stores, shopping, entertainment and food and beverage points. It is the indispensable meeting venue of business, arts, culture and entertainment world as it is home to various "firsts" with meticulously designed details for upholding the comfort of guests. Situated on eight floors in total of which four are shopping center floors and the remaining four are parking lot floors, Akmerkez offers services with 3 interconnected atriums, 2 office blocks of 14 and 17 floors, residence of 23 floors and 160 stores.

The "Akmerkez" concept originated with the collaboration of Akkök, Tekfen and Istikbal groups, all of which are pioneers of their own industries, yet focuses on the same goal. The goal is both to revolutionize the "shopping center" concept of Istanbulites in order to provide them with many opportunities in one place; as well as to provide high-quality living spaces to elite members of the business world. As a result of the joint forces of the Groups, Akmerkez was inaugurated on December 18, 1993 in Etiler, one of the busiest districts in Istanbul.

Even in its early years, the prudent strategies set forth by the founders of Akmerkez Shopping Center were recognized by prestigious institutions. In 1995, Akmerkez was named the "Best Shopping Center in Europe" by the International Council of Shopping Centers (ICSC). In 1996, Akmerkez received the "ICSC International Design and Development" award, which is the biggest award issued in this field. The fact that Akmerkez is the first shopping center to receive both awards simultaneously as well as its structural and design quality along with the appeal of elite stores has rendered Akmerkez an exemplary shopping center.

Outstanding service quality in a shopping center with an award-winning design...

Akmerkez has been awarded by various reputable platforms in the international arena since it was opened. One of these awards received by Akmerkez was the "Interior Design 5-Star" award granted at the Europe & Africa Property Awards 2010, organized by the International Property Awards for the successful interior restorations. The concept of the project was created by the world-famous and award-winning "Concept-i Corporate" design company.

Akmerkez provides its visitors with a wide range of services by combining residency and office opportunities with a shopping center. With its central location, structural and design quality, giant complex covering a 180.000 m² triangular area, Akmerkez has been enriching our urban lives since its establishment day. Through its automated building services, air-conditioning equipment, music broadcast, state-of-the-art security systems, and its housekeeping, security, maintenance and management services Akmerkez, provides its guests with a modern, peaceful, comfortable, and clean environment. The Shopping Center has a total of eight stories, of which four make up the 1.255-car capacity underground parking lots and the other four consist of the shopping floors. The shopping floors have 3 atriums linked to each other via main passages. There are a total of 35 escalators and 31 lifts, of which two are panoramic and the rest are passenger and service elevators, throughout the shopping center to ensure guests can browse around without wasting time or energy.

While being a pioneer in its industry by receiving both Europe's Best Shopping Center and The World's Best Shopping Center titles, Akmerkez sets out as an example to other shopping centers through its modern design and outstanding service quality.

A wellness center far beyond a shopping center...

Akmerkez regularly conducts customer research in order to continuously update its store diversity; and hence has attained a 100 percent rate of store rental for many years. Moreover, the Shopping Center provides visitors with elite brands, both local and international, under the same roof every day. The creation of a living area beyond the shopping center thanks to the cultural and artistic activities organized in Akmerkez. Moreover, the social responsibility events organized in light of its principle to invest in the future has made Akmerkez a significant brand that invests in society.

Akmerkez has reached its goal to "become the best shopping center of the world" through its innovative approach and continues to lead by monitoring sectoral needs and international developments very closely. Akmerkez has adopted the principle to extend its outstanding performance and success story in the industry well into the future.

Milestones of Akmerkez

Every step we take is a success story...

1990

Our journey starts

The laying of the foundation for the Akmerkez project, which would embellish the social life of the city, was started in Etiler, one of the popular districts in Istanbul. Istanbulites watched the structural development with curiosity.

1993

Istanbulites meet their new wellness center

Akmerkez Shopping Center opened its doors to guests showing of a giant facility with never-before-seen modern architecture built over a total of 180 thousand square meters area. Akmerkez collects elite brands under one roof and has since that day created a regular visitor base.

1995

Second anniversary gift: "Europe's Best Shopping Center" Award

Thanks to its guest satisfaction priority approach, state-of-the-art design, and meticulous service quality, Akmerkez reached its goal to be "the world's best shopping center" in only its second year. Akmerkez was named "The Best Suburban Shopping Center in Europe" by the International Council of Shopping Centers (ICSC). This award has a special place in the award-rich history of Akmerkez as it was the first in a series of acknowledgements.

1996

The pride of being the World's Best Shopping Center

The high quality of standards at Akmerkez was recognized by the International Council of Shopping Centers (ICSC) and it was named "The World's Best Shopping Center". The same year, ICSC awarded Akmerkez with the "ICSC International Design and Development" award, the largest award of the industry. Akmerkez is the first shopping center to have received both awards. Although Akmerkez was only in its third year, it indeed proved its leadership in the industry.

1998

Our brand leadership crowned with the TCSCR/AMPD Honorary Award

The Honorary Award Akmerkez received in the TCSCR / AMPD Awards was recognized by the Trade Council of Shopping Centers & Retailers (AMPD).

1999

We added new successes to our history every year

The Jean Louis Solal Marketing Award is among the most significant European awards and is presented to world-prominent retail institutions evaluated by the ICSC. Professionalism and successful marketing projects in the advertisement of Akmerkez won the Jean Louis Solal Marketing Award and showed that it had created an exemplary profile worldwide.

2001

Two awards from ICSC in one year

Only two years later, Akmerkez won the Jean Louis Solal Marketing Award for its exterior window displays. As a result, Akmerkez proved that creativity does not only present itself in service diversity but also in meticulous design. In 2001, Akmerkez also received the Maxi Award from the ICSC.

2003

Celebrated our tenth anniversary

Akmerkez Shopping Center announced its leadership in the industry worldwide through the awards it has gathered, each more prominent than the other, and shared this success with Istanbulites on its tenth anniversary with luminary celebrations on its exterior facade.

2004

Awarded for outstanding quality by the Consumers Magazine

Akmerkez was presented with the Consumers Quality Award by the Consumers Magazine at the Consumers Summit on March 15, 2004, which also happened to be the World Consumer Rights Day. This award was presented by the Consumers Magazine, stating that competition and high-quality service can only increase via conscious consuming, and this award is a symbol of the high-quality service it offers and meticulous approach Akmerkez has towards to its guests.

2005

We have gone to public

Akmerkez has gone to public and started trading on the Istanbul Stock Exchange (ISE) on April 15, 2005.

2006

Our folding success is once again awarded by ICSC

By winning the Jean Louis Solal Marketing Award and the Maxi Award once more after receiving it in 2001, Akmerkez showed that it could continue to achieve in a sustainable way.

2008

Celebrated our fifteenth anniversary with steps towards renovation

On its fifteenth anniversary, Akmerkez decided to be fully renewed. The project, in which all the necessities of the modern age were combined with a creative design, was designed with a focus on technology and aesthetics.

2010

Awarded the "Real Estate Oscar" for our renovation project

Designing a totally new living space for its guests thanks to the renovation works started in 2008, Akmerkez was deemed worthy of "Interior Design 5 Star" award in the Europe & Africa Real Estate Awards 2010 organized within the scope of International Real Estate Awards considered to be a "Real Estate Oscar" due to its indoor space modifications realized within this scope.

2011

Our "FashionOnAir" Project brought another award to our shopping center

After opening its doors to the young designers who will give direction to the future of fashion in 2010, thanks to its "FashionOnAir" Project, Akmerkez was awarded in 2011 with "Silver Awards" in the Public Relations Category of the "ICSC Solal Marketing Awards 2011" which is the most prestigious marketing awards program of the world and received applications from 177 projects in 22 countries.

2012

11 awards in just one year

In 2012, Akmerkez was awarded with IPRA Golden Awards, one of the most established and prestigious marketing and communication awards of the world, Hermes Awards, ICSC Solal Marketing Awards, Stevie International Business Awards and MarCom Awards, totaling 11 awards, for four different projects developed by it.

2013

15 prestigious awards

Akmerkez was awarded with 15 prizes from Hermes Creative Awards, AVA Digital Awards, Platinum PR Awards, Stevie Awards and Marcom Awards for 6 different projects in 2013.

2014

City's dynamism is reborn with Akmerkez in Etiler

Akmerkez continued to be a focus point of the city's dynamism, a part of the social life in İstanbul with its brand new spaces which evoke a distinct atmosphere on the Nispetiye Street, with the movie theatres renewed with touch of the world's famed designer, Aziz Saryyer and his team, with the world brands joined its body, and with its events which add value to the city.

Stores opened at Akmerkez in 2014

With its location at the center of the city, with ease of access and with care given to the layout of stores, Akmerkez added important local and international brands, such as Oysho and Serafina to its body in 2014.

2015

Breathing in Akmerkez within the city

In 2015 Akmerkez continued to realize its renovations with 13 prestigious prizes, the brands such as Hugo Boss, Edwards, Carter's included in its structure both from the world and Turkey, the "Young Lions Zone" providing the youngsters with a free working area, its open air spaces such as "Food Court Terrace" and the "Triangle Terrace" promising a totally different world within the city.

2016

Akmerkez as the center of change

Akmerkez has received 18 international awards in total on various fields such as Marketing Communication and Public Relations with its YLZ, Triangle "Üçgen" Terrace projects and the sponsorship of GQ MOTY. It continued to act as a leader in terms of keeping up with contemporary trends and invest in the future in 2016 by hosting important investments. Akmerkez continued to offer the new generation shopping experience available in Turkey to its guests in the best manner.

2017

Akmerkez alters habits in 2017

Akmerkez received 14 prestigious international awards in 2017. Achieving an occupancy rate as high as 95% in terms of store leases, Akmerkez succeeded in varying its brand mix with several leading national and international brands including D&R, DoRe Music, Hemington, Knitss, Bluemint, Midpoint, Portland, Samsonite and Tumi. Akmerkez remained as the center of social life in Istanbul in 2017 as it continued to undertake brand new projects for the first time in Turkey in addition to acting as the host of a number of events which have become already traditional.

2018

Continues to add value to the lives of its guests

In 2018, Akmerkez received totally 9 international awards including Hermes Creative Awards, ICSC and The Stevie Awards. Having added several national and international brands to its brand mix. Also, it made a ground-breaking innovation in the industry by means of a store where instagram interactions were used instead of money for the first time in the world and Turkey.

2019

Akmerkez becomes one of the hot spots for social get-togethers

Akmerkez received eight outstanding awards in the international arena with the project "Givin Yard Sale Store" within which an online donation platform turned into a physical store in a shopping mall for the first time in the world and ensured regular income. Moreover, the usage area and season of the Triangular Terrace that offers a fresh space in the center of the city was also extended. Serving guests both during summer and winter, Akmerkez Triangular Terrace was not only swarmed by guests for summer events such as the Yoga Festival, Outdoor Theater, and the series of concerts known as Meeting with the Stars (Yıldızlı Buluşmalar), but also became a center of attraction for New Year's eve concerts. During this year the shopping mall also added to its repertoire 14 new brands in categories ranging from sports and cosmetics to cafés and restaurants.

2020

Akmerkez becomes the go-to-address for a safe and joyful shopping

Thanks to its communication efforts conducted under the motto 'No worries in Akmerkez', the shopping mall went beyond just being a regular mall and turned into a 'center of needs' where people could meet their needs during these harsh days. In addition to a series of measures taken for adaptation to 'new normal' in line with the directives of the Turkish Ministry of Health, we also adopted extra precautions including contactless temperature measurement via thermal cameras, special checks regarding hygiene teams, and ventilation initiatives providing 100% fresh air in common areas and within stores. Thanks to these efforts, Akmerkez received the "TSE COVID-19 Safe Service Certificate", proving that it meets all the designated relevant criteria. İpek's Farm (İpek Hanım Çiftliği) - an initiative started early in the year to offer people the opportunity to shop for healthy food - became a favorite with guests during the Boutique Taste Days. With the service enabling guests to pay the parking fee digitally through BKM Express, contactless and secure payment became available. The Agriculture in the Terrace project highlighting the importance of sustainable agriculture and local production in the heart of the city was supported by the volunteering program receiving interest from all walks of life, university collaborations and press news. Akmerkez, increased its diversified options with five new brands from different categories joining the family in 2020.

2021

Akmerkez continues to deliver its guests top-line service

Under Covid-19 measures, Akmerkez took new steps for the safety and comfort of its guests with automatic HES code checking devices, and its "TSE COVID-19 Safe Service Certificate" was verified once again. It continued to share its knowledge of and experience in sustainable production in the city through urban agriculture courses and the volunteer program that it introduced in the field of Agriculture on the Terrace, in collaboration with gastronomy departments of universities. It welcomed its guests coming to watch movies in the middle of the city on lush green grass in the Open Air Cinema, which was introduced in collaboration with "Bir Film". With the goal of maximizing customer experience, Akmerkez continued to offer its guests premium and customized services, such as tax-free service on Easy Point, home delivery on New Year's Eve, shopping with an appointment and pet strollers. The Mother & Child Center resumed its activities where it left off, welcoming parents and organizing games, art and fun activities, as well as a Children's Book Festival in the event area. Holding stand events such as the Floral Fest, Design Market, New Year's Shopping Festival and Boutique Delights Day, it offered guests the opportunity to buy products from top brands throughout the year.

With the Mars Athletic Club, it launched the 'Hiking Trail' project for guests wanting to walk in 100% fresh air and outdoors on the triangular terrace in the mall. Akmerkez also added to its repertoire 11 new brands in categories ranging from sports and apparel to cafés and restaurants in 2021.

2022

Further added value for guests

In the wake of the pandemic, Akmerkez continued to take measures for its guests' comfort and safety, but it also kept up its efforts to minimize indirect CO2 emissions by using energy as efficiently as possible and cutting consumption as part of its sustainability plan in 2022. Akmerkez was awarded the I-REC International Renewable Energy Certificate, encouraging businesses and consumers to invest in and use renewable energy. It continued to share its knowledge of and experience in sustainable production in the city through urban agriculture courses and the volunteer program that it introduced in the field of Agriculture on the Terrace, in collaboration with gastronomy departments of universities. A partnership with "Bir Film" introduced the Open Air Cinema in the middle of the city, where guests could watch movies on lush green grass. Moreover, Akmerkez continued to be the go-to-address for educational and entertaining activities for children and parents. In addition to the activities at the Mother & Child Center, Akmerkez established the School of Akmerkez by Wise Academy in collaboration with Wise Academy, a psychology-based arts and education center. Akmerkez continued to be the center of attraction in Istanbul with traditional events offering special taste experiences such as the Food For You, or the Floral Fest, the Design Market and the New Year Shopping Festival where the best designs and souvenirs are offered. To further enhance the shopping experience, the company continued to offer a tax-free service with Easy Point and personalized experience projects such as new year's eve shopping home delivery, gift wrapping and pet strollers. It also continued our strong growth trend in 2022 by incorporating 13 new brands in categories ranging from technology to sports, apparel and F&B.

2023

We are going digital

Having proudly celebrated its 30th anniversary in 2023, Akmerkez displayed the foundations of its long-term success and its focus on customer satisfaction by means of special events organized throughout the year. In December, İzel-Çelik-Ercan, a famous music band, gave an unforgettable performance in Akmerkez in order to celebrate its 30th year with the spectators. Design markets for design fans, special campaigns for shopping lovers, entertaining activities for kids and several other events were organized to pay homage to its vision to offer high quality shopping and entertainment experience in 2023 as well. In 2023, Akmerkez took action to go digital in order to optimize shopping experience by introducing a brand new mobile application. Akmerkez Mobile Application, which is downloadable from App Store and Google Play Store, has several features ranging from valet services to parking lot payments, event calendars and special offers for users. In addition to special campaigns, discounts and offers, the application also enables users to have access to wheelchairs, baby carriages and pet strollers in order to comfortably navigate through the shopping center. The parking lot function allows users to find the location of their cars by taking a photo after parking. Also, the comprehensive store search module displays all stores by category so that users may quickly get the directions to the store they would like to visit. In addition to receiving the "REIT Prize for Distributing the Highest Dividend per Share" at GYODER Real Estate Summit, the corporate governance rating of Akmerkez REIT was updated as 9.48 out of 10 (94.81) in 2023. Offering services at the heart of Istanbul for 30 years, Akmerkez continued to welcome its guests by improving shopping experience further through addition of 7 new brands to its brand mix in 2023.

Sectoral Activities in 2023

2023 Shopping Mall Index conducted by Association of Shopping Centers & Investors and Akademetre Research reveals that the turnover index increased by 99.6 percent in 2023 when compared to 2022, progressing 1890 points. The turnover index also increased by 87.6 percent in December 2023 when compared to December of the previous year, progressing 2848 points.

The productivity per leasable space (m²) in shopping malls was actualized as TRY 7,407 in 2023. This ratio implies an increase of 97.8 percent in productivity per m² when compared to 2022. Productivity in 2023 was TRY 9,167 in İstanbul with an increase of 84.7 percent and TRY 6,235 in Anatolia with an increase of 113 percent compared to previous year.

Turnovers per leasable space (m²) in shopping malls were recorded as TRY 10,856 in December 2023. Productivity was TRY 13,280 in İstanbul and TRY 9,240 in Anatolia.

An increase of 81.6 percent in the food & beverage category turnovers, an increase of 78.8 percent in the shoes category turnovers, an increase of 83.6 percent in the clothing category turnovers, an increase of 85.8 percent in the other category¹ turnovers, an increase of 80.3 percent in the hypermarket category turnovers and an increase of 103.5 percent in the technology category turnovers were observed in the Shopping Centers in December 2023 when compared with the month of the previous year.

The footfall index was 98 points in 2023, which marks an increase of 12.7 percent when compared to the previous year. And it was 103 points in December 2023, which marks an increase of 8.42 percent when compared to the previous year. In December 2023, the footfall index increased by 7.2 percent compared to the previous month, November 2023.

¹ The other category consists of stores such as construction market, furniture, home textile, souvenir, toy, cinema, personal care and cosmetics, jewelry, hobby, pet shop, tailor and shoe repair services, exchange office, dry cleaning, pharmacy, etc.

Message from the Board of Directors

Dear Stakeholders,

While we were preparing to welcome the new year and celebrate our 30th anniversary, we experienced a tragic event that deeply affected Türkiye and our neighbor Syria in early February 2023. On the 6th of February, the Southeastern Anatolia region of Türkiye was struck by a major earthquake, causing significant loss of life and destruction across 11 provinces. As our country responded with great solidarity and initiated aid campaigns during this difficult period, we, as the Akmerkez family, also took immediate action to support the needs of our citizens affected by the earthquake. In a coordinated effort with AFAD, local governments and NGOs, we utilized all of our available financial and non-financial resources to help people in the area. While Türkiye continued to experience the shocking effects of the earthquake disaster throughout 2023, domestic markets also went through a challenging period characterized by global developments such as the ongoing recession concerns in Europe due to the Russia-Ukraine war and the recent Israeli-Palestinian tension.

As of Q3 of 2023, the number of shopping malls in Türkiye reached 444, approaching a total shopping mall area of nearly 14 million m² according to the data of the Real Estate Investors Association (GYODER). During the same period, 3 new shopping malls with 57 thousand m² of space were opened, and there are currently 27 shopping malls under construction. The total shopping mall space throughout Türkiye is expected to increase to 14.6 million m², including the projects planned to be completed by the end of 2025. The average gross leasable area (GLA) in Türkiye has been recorded as 163 m² per 1,000 people. While Istanbul currently has 328 m², which is two times higher than the average GLA in the country, Ankara also stands out with a GLA of 282 m². According to the Q4 2023 results of the Shopping Mall Index created by the Association of Shopping Centers and Investors (AYD) and Akademetre Research, quarterly turnover per m² increased by 86.2 percent, without adjustment for inflation, compared to the same period of the previous year, which was above the inflation rate in the fourth quarter. In Q4 2023, sales per square meter were realized at 9,875 TL.

The post-pandemic desire of customers to physically go to and spend time in shopping malls again also played a role in the improved Shopping Mall Index results. Despite the economic crisis and high inflation, the high occupancy rates in shopping malls support the view that shopping malls have turned into social meeting points and life centers, rather than just being shopping venues. The year 2023 represented not only the 100th anniversary of the Republic of Türkiye, which is a historical milestone for Türkiye, but also marked Akmerkez's 30th anniversary. For Akmerkez, it was a year characterized by successful strategies, effective measures, loyal customers and successful management despite the challenges. As Akmerkez, we celebrated our 30th anniversary in 2023, crowning a long-term success story. We also demonstrated again Akmerkez's superior performance in corporate governance and its adherence to ethical principles by achieving an improved Corporate Governance Rating of 9.48.

As a core principle for Akmerkez, sustainability is an important area of focus that dictates how we conduct our business. In 2023, we showed how much importance we attached to sustainability and implemented various projects in this field. We will further improve our efforts in the field of sustainability in 2024 and support the preservation of nature. We were proud to break new ground in terms of sustainability in the city with the Terrace Gardening project launched in 2017. Through cooperation with gastronomy departments of universities and the participation of volunteers, this project has reached more and more people over the years. We cooperated with NGOs and municipalities, including USLA, Fiba Holding, Medipol University, KEP Kindergarten, Beşiktaş Municipality and Bahçelievler Municipality, and provided them with training programs to increase awareness on sustainable agriculture in the city among all segments of society.

Akmerkez is not just a shopping venue; it is also an egalitarian organization. The principles of diversity and equal opportunity are among the core values that comprise our corporate culture. Our staffing regulations and policies, which require the provision of equal opportunities to potential candidates in the recruitment and placement processes, ensure that each candidate is evaluated strictly on the basis of their talents. Females account for 25 percent of Akmerkez GYO's Senior Management team and 50 percent of all of the company's employees. Females account for 60 percent of our management team and 20 percent of the company employees. Of the subcontractors' employees, 26 percent of them are females.

The year 2023, in which Akmerkez celebrated its 30th anniversary, was a year full of success for us. We have maintained our principles of quality, visitor satisfaction and business ethics for 30 years since our foundation and continued to further improve them in 2023. This special year allowed us to consolidate not only our past achievements, but also our vision for the future. And 2024 will be the year of focusing on new goals, promoting innovation, and further expanding our social responsibilities. In 2024, we plan to break ground with new success stories by establishing a deeper bond with our visitors, strengthening our cooperation with all stakeholders, and working to create even more value for our society. This year, we will reap the fruits of our past achievements and capture new and exciting opportunities for the future.

Sincerely yours,

BOARD OF DIRECTORS

Message from the General Manager

Dear Stakeholders,

Unfortunately, we witnessed a major earthquake in Kahramanmaraş in February that greatly affected 11 provinces. After the earthquake, we continued our efforts to provide material and moral support to the people of the region affected by the disaster. As Akmerkez, we are aware of our responsibilities not only to the business world but also to our society. Therefore, we continue to support the earthquake victims and create value for the society as a whole.

Akmerkez continued to offer its guests a living space that, besides stores for shopping, was filled with numerous culture & art events in 2023. While Akmerkez provides a pleasant experience to shopping enthusiasts with its brand mix, it also stands out with its special and unique venues. The Triangular Terrace left its mark on the summer of 2023 with its outdoor cinema. While we provide our guests with unforgettable moments through various sports and art events, the education and art programs organized in cooperation with the School of Akmerkez by Wise Akademi have turned Akmerkez into a venue of learning and discovery. Akmerkez offers unique tastes to its guests with meticulously selected natural and fresh products such as those from İpek Hanım's Çiftliği and supports local, ethical and natural agricultural activities by organizing periodic market events. With this approach, in addition to providing space for small-scale producers and women entrepreneurs engaged in sustainable production, we continued our mission of becoming the center for culture and shopping in Istanbul with events such as the Design Market and the New Year's Shopping Festival.

Akmerkez has begun offering its guests a better shopping experience with the digital transformation launched in 2023. The practical solutions and special deals offered via the Akmerkez Mobile App further enrich the shopping experience. Akmerkez Mobile App, offers many benefits and features, from valet parking service to parking payments, event reminders and special deals for guests. Besides special campaigns, discounts and deals for users, the App also offers one-time free parking for guests downloading the application for the first time. In addition, App users can also easily access concierge services through Easy Point. Thanks to the comprehensive store search module in the App, all stores in the shopping mall are viewed in categories, and users can quickly get directions for any store they select. In 2023, as Akmerkez, we set out on a digital transformation journey and continued our trend of strong growth by acquiring 7 new brands in different sectors, ranging from technology to sports, clothing, and food & beverage.

As Akmerkez, we are aware of the sustainability responsibilities we must fulfill so that future generations can live in a healthy environment. We take various steps to minimize our environmental impact, preserve natural resources and fulfill our social responsibilities by focusing on sustainability principles. As Akmerkez, we certified our electricity consumption with the I-REC certificate. With the I-REC certificate, we have used electricity produced entirely from renewable energy sources and thus achieved zero carbon footprint. As a result of these efforts, we have reduced our total electricity consumption by 60 percent during the last 5 years. We continued our energy-saving efforts in 2023 by adhering to the principle of sustainability. In 2023, we were awarded the BREEAM IN USE CERTIFICATE with a rating level of "Good" as a result of the inspections conducted by BREEAM assessors. In 2023, we continued our mission of supporting a healthy, sustainable and enjoyable life through our achievements with the Terrace Gardening project. We will continue to increase our interaction with the environment through new projects and innovative approaches to carry this vision even further in 2024.

With the experience and success it has accumulated over 30 years, Akmerkez managed to further raise its corporate governance score in 2023 and was updated to 9.48 (94.81) out of 10. This outcome also underlines the high performance and compliance with ethical principles displayed by Akmerkez GYO, which won the "REIT paying the highest dividend per share" award in October. 2023, in which we proudly celebrated the 100th anniversary of the Republic of Türkiye as a nation, was also a year in which Akmerkez celebrated its 30th anniversary. Despite the political and economic crises experienced both on a global and national level, we, as the Akmerkez brand, demonstrated a strong performance together with our business partners. We have successfully ended 2023 by maintaining our resilience against economic challenges. With the knowledge and experience it has gained over 30 years, Akmerkez will continue to provide premium services to its guests and stakeholders by focusing on sustainability, technological innovation and areas for improvement in connection with guest experience in the coming years.

On this journey of success that has been going on for 30 years, we would like to express our endless gratitude to our valuable stakeholders who share our vision and contribute to growth through collaboration. Happy 30th anniversary...

Best Regards,

Süleyman Hakan TÜMKAYA
Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.
General Manager

Management of the Shopping Center

Akmerkez continues to deliver its guests top-line service

Akmerkez continued to launch a number of events and projects to offer an unforgettable experience to its guests in addition to celebrating its 30th anniversary with great fervor in 2023. The performance given by İzel-Çelik-Ercan, a famous music band, in December was a remarkable part of the 30th anniversary celebrations of Akmerkez. This unforgettable concert not only entertained the spectators with great music but also created an opportunity to applaud the experience and achievements attained by Akmerkez in its 30-year history.

Better service philosophy with digital transformation

Launched in 2023, Akmerkez Mobile Application offered a number of advantages to facilitate and maximize shopping experience of the users. The application which has several features ranging from valet services to parking lot payments, event calendars and special offers for users facilitated and maximized user experience. In addition to offering free parking lot service for new users, Akmerkez Mobile Application also enables users to have access to wheelchairs, baby carriages and pet strollers easily.

Agriculture on Terrace grows with volunteers

Agriculture on Terrace, one of the outstanding projects carried out by Akmerkez, is intended to make it possible to produce healthy food in mega cities by means of sustainable and local agricultural practices. This project grew further with the help of various business partners and volunteers in 2023.

With the help of Design Market for design fans, Floral Fest, İpek Hanım Çiftliği, Food For You and similar events, Akmerkez turned shopping into an immersive experience which goes well beyond shopping. It offered the shoppers to purchase products by different brands by allowing local producers to make collaborations with designers.

Cinema under the stars

In 2023, Akmerkez organized a number of events to create unforgettable moments for its guests. In that respect, cinephiles were invited to Akmerkez Üçgen Teras for open air cinema nights every Wednesday, Friday and Saturday at 09:00 p.m. between July 19 and 12 August. The event which was undertaken in collaboration with "Bir Film" endowed the cinephiles with the joy of watching award-winning movies under the stars.

Thanks to "School of Akmerkez by Wise Academy" which is held in collaboration with Wise Academy, Akmerkez continued to contribute to the education of children in addition to providing support for the "wellbeing" of individuals beginning from early childhood period through psychology-based arts and education. Those projects and events reinforce the significance of Akmerkez as a community center rather than being a mere shopping venue.

Joy of New Year and limitless service

New Year celebrations at Akmerkez turned out to be another unforgettable experience. The huge Christmas tree, light shows, music performances by PitPat and Niks as well as shopping fest and Floral Fest created a unique atmosphere for the guests. EmreNY bags, which was opened in Akmerkez by designer Emre Ertürk, gained popularity thanks to its eco-friendly and sustainable creations. As part of the New Year shopping fest, Akmerkez mobile application users who reside in Etiler, Bebek, Akatlar and Ulus districts had a distinguished shopping experience as they were given the opportunity to benefit from home delivery service for purchases above TRY 1,500.00.

As a symbol of its mission for the future, Akmerkez renewed its more than 30-year-old commitment to success and hospitality by undertaking various innovations and events in 2023.

1.2. Organization, Capital and Shareholding Structures of the Company and Changes to Them During the Accounting Period:

The rate of publicly held shares of stock pertaining to Akmerkez GYO A.Ş. is 57,34% as of 31.12.2023.

All shares representing the capital are listed in the İstanbul Stock Exchange (BIST).

The registered capital ceiling of Akmerkez GYO A.Ş. is TRY 75.000.000,00 and the paid-in capital is TRY 37.264.000,00. The paid-in capital of the company is divided into 3.726.400.000 shares at par value of 1 kurush each.

1.2.1. Shareholding Structure:

List of the shareholders who own 5% and more of the capital of the Company as of 31.12.2023:

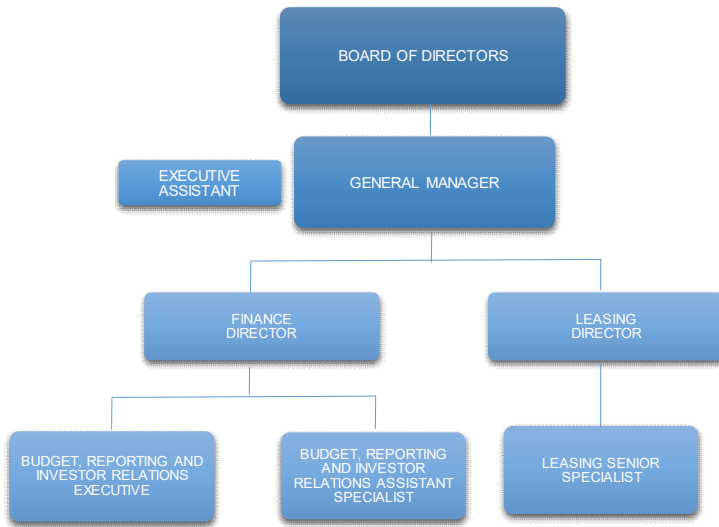
Tradename/Name-Surname of the Shareholder	Nominal Value (TRY)	Share in the Capital (%)	Rate of Voting Right (%)
KLEPIERRE S.A.	16,713,907.88	44.85	44.85
AKKÖK HOLDİNG A.Ş.	4,369,354.00	11.73	11.73
TEKFEN HOLDİNG A.Ş.	3,901,279.04	10.47	10.47
DAVİT BRAUNŞTAYN	2,534,461.82	6.80	6.80
Other	9,744,997.26	26.15	26.15
TOTAL	37,264,000.00	100.00	100.00

In 2023, Akkök Holding A.Ş.'s share in the capital decreased from 11.92% to 11.73%.

1.2.2. Information about the Shares Representing the Capital:

Share Group	Registered/Bearer Share	Total Nominal Value (TRY)	Ratio to Total Capital (%)	Exchange Traded or Not
A	Registered	4,075,750.00	10.93	Not Traded
B	Registered	2,841,380.00	7.63	Not Traded
C	Registered	2,398,870.00	6.44	Not Traded
D	Bearer	27,948,000.00	75.00	76.45% Traded
Total		37,264,000.00	100.00	57.34% Traded

1.2.3. Organization Chart:



The average number of personnel of the company in 2023 is seven people.

No change occurred in the shareholding structure, capital stock and organizational structure of the Company within the period other than the above mentioned changes.

1.3. Remarks on the Privileged Shares and Voting Rights of the Shares:

The Group (A), (B), (C) and (D) shares of the Company have privilege to nominate candidates to the Board of directors. 4 members of the Board of directors of the Company are elected by the general meeting among the candidates nominated by majority of the owners of the Group (A) registered shares, 3 members among the candidates nominated by majority of the owners of the Group (B) registered shares, 2 members among the candidates nominated by majority of the owners of the Group (C) registered shares and 1 member among the candidates nominated by majority of the owners of the Group (D) bearer shares offered to public, who attended the General Meeting.

If, however, the owners of the Group (D) bearer shares offered to public, who attended the general meeting cannot nominate a candidate and/or agree on a candidate by majority during the general meeting, the Board of Directors of the Company is formed by 9 (nine) members elected by the General Meeting among the candidates 4 of whom were nominated by the majority of the owners of the Group (A) registered shares, 3 by the majority of the owners of the Group (B) registered shares, and 2 by the majority of the Group (C) registered shares.

Apart from the privilege of nominating candidates to the Board of Directors as described above, there isn't any other privilege.

Each shareholder is entitled to cast one vote per share.

1.4. Information about Board of Directors, Senior Executives and Number of Employees:

1.4.1. Board of Directors:

Chairman	:	RAİF ALİ DİNÇKÖK
Vice Chairman	:	MURAT GİGİN
Member	:	SİNAN KEMAL UZAN
Member	:	DAVİT BRAUNŞTAYN
Member	:	ALİZE DİNÇKÖK
Member	:	İHSAN GÖKŞİN DURUSOY
Member	:	KLE DIR SAS (Natural person representative Cyrille François Paul DESLANDES)
Member	:	ÖMER EGESEL
Member	:	ÖZGE BULUT MARAŞLI
Member	:	AYCAN AVCI

The Members of the Board of Directors that were elected at the Ordinary General Assembly Meeting held on 12.04.2023 for an office term of three years are RAİF ALİ DİNÇKÖK, İHSAN GÖKŞİN DURUSOY and ALİZE DİNÇKÖK who were proposed by majority of the Class (A) registered shares; MURAT GİGİN and SİNAN KEMAL UZAN who were proposed by majority of the Class (B) registered shares; DAVİT BRAUNŞTAYN who was proposed by majority of the Class (C) registered shares; AYCAN AVCI(*), ÖMER EGESEL and ÖZGE BULUT MARAŞLI who were nominated and proposed to be elected based on the joint proposal of the shareholders of the Classes (A), (B), (C) and (D) within the framework of the principles regarding the independency of the Board members as provided for in the Corporate Governance Principles of the Capital Market Board and KLE DIR SAS who was nominated by majority of the Class (D) bearer shares subject to public offering and participating in the Ordinary General Assembly Meeting. JOHAN CASPAR BERGENTHAL has been appointed as the natural person representative of KLE DIR SAS. JOHAN CASPAR BERGENTHAL served until 13 September 2023, and the natural person representative provided by KLE DIR SAS as of 13 September 2023 is CYRILLE FRANCOIS PAUL DESLANDES.

Of the Members of the Board of Directors ÖZGE BULUT MARAŞLI, ÖMER EGESEL and AYCAN AVCI, are independent directors, who have been elected pursuant to the provisions of the 'Corporate Governance Communiqué' (II-7.1) of the Capital Market Board.

All members of the Board of Directors are eligible according to the requirements set forth in the Communiqué on the Real Estate Investment Partnerships (III-48.1) of the Capital Market Board. Apart of CYRILLE FRANCOIS PAUL DESLANDES as the natural person representative of KLE DIR SAS, a national of France, all members of the Board of Directors are citizens of Turkey.

()AYCAN AVCI; was elected to serve for a period of two years due to the maximum time limit stipulated in the Capital Markets Board's Corporate Governance Principles paragraph 4.3.6 (f).*

The Members of the Board of Directors that were elected at the Ordinary General Assembly Meeting held on 28.03.2022 for an office term of three years are RAİF ALİ DİNÇKÖK, AHMET CEMAL DÖRDÜNCÜ and ALİZE DİNÇKÖK who were proposed by majority of the Class (A) registered shares; MURAT GİGİN and SİNAN KEMAL UZAN who were proposed by majority of the Class (B) registered shares; DAVİT BRAUNŞTAYN who was proposed by majority of the Class (C) registered shares; AYCAN AVCI, ÖMER EGESEL and ÖZGE BULUT MARAŞLI who were nominated and proposed to be elected based on the joint proposal of the shareholders of the Classes (A), (B), (C) and (D) within the framework of the principles regarding the independency of the Board members as provided for in the Corporate Governance Principles of the Capital Market Board and KLE DIR SAS (JOHAN CASPAR BERGENTHAL has been appointed as the natural person representative of KLE DIR SAS.) who was nominated by majority of the Class (D) bearer shares subject to public offering and participating in the

Ordinary General Assembly Meeting. The elected members of the Board of Directors served until the ordinary general assembly meeting dated April 12, 2023.

There is not any restriction regarding undertaking of duties by the members of the Board of Directors outside the Company and there is not any definite rule in this respect. Duties of the members of the Board of Directors outside the Company are informed to investors in the Company General Information Form, which is published on the Public Disclosure Platform (KAP), and on the corporate Internet site of the Company.

Three independent members were nominated as candidate to the Corporate Governance Committee and the report dated 10.03.2023 indicating that the candidates had the qualifications regarding independence was submitted to the Board of Directors on 16.03.2023.

The Company's independent Board Members have submitted their declaration to the effect that they are independent to the Corporate Governance Committee of the Company in writing. No situation which put an end to the independency of the independent members occurred in 2023.

Independent Board Members' term of office is maximum three years and they may be nominated and elected again provided that the restrictions arising from capital market legislations shall remain applicable.

The Company shall be managed and represented and committed towards third persons by the Board of Directors consisting of the members to be elected by the general assembly from among the members meeting the requirements of the Turkish Commercial Code and the capital market legislation for a period of maximum 3 (three) years within the framework of the provisions of the Turkish Commercial Code and the Capital Market Legislation. The Board of Directors shall elect one chairman and one vice-chairman to chair the meeting in the absence of the chairman from among its members at its first convention.

The Board of Directors of the Company shall consist of 10 (ten) members elected by the general meeting among the nominees 4 of whom are nominated by majority of holders of Group (A) registered shares, 3 by majority of holders of Group (B) registered shares, 2 by majority of holders of Group (C) registered shares and 1 by majority of holders of Group (D) bearer shares offered to public, who are present at the general meeting.

In the event that the holders of the Group (D) bearer shares offered to public, who are present at the general meeting, do not and/or cannot nominate a candidate by majority, the Board of Directors shall be formed by 9 (nine) members elected by the General Meeting from among the nominees 4 of whom are nominated by majority of the holders of Group (A) registered shares, 3 by majority of the holders of Group (B) registered shares and 2 by majority of the holders of Group (C) registered shares, who are present at the general meeting.

Adequate number of independent directors, not to be less than 2, shall be elected by the general meeting in accordance with the corporate governance principles concerning the independency of members of Board of Directors as set out in the Corporate Governance Communiqué of the Capital Market Board.

1.4.1.1. Members of Board of Directors and Their External Duties:

Full Name	Gender	Position	Occupation	Positions Undertaken in the Company for the Last 5 Years	Duties Undertaken Outside of the Company Currently	Rate of Share Held in the Company (%)	Participated Committees and Tasks Undertaken
Raif Ali Dinçkök	Male	Chairman	Industrialist	Chairman	Chairman of Akkök Holding A.Ş., Vice Chairman or Member of Board of Directors at Aksa Akrilik, Akış GYO, Akkim Kimya, Karlitepe Gayrimenkul Geliştirme, Akkök Next Yatırım Holding A.Ş. and various Group Companies of Akkök.		
Murat Gigin	Male	Vice Chairman	High Engineer	Vice Chairman	Vice Chairman of Tekfen Holding A.Ş., Vice Chairman of ANG Yatırım Holding A.Ş., Chairman and Executive Director of group companies of Viem Ticari ve Sanayi Yatırımları Ltd. Şti., Member of Board of Trustees of TEMA Foundation.		
Sinan Kemal Uzan	Male	Director	Manager	Director	Board Member of Tekfen Holding A.Ş., General Manager of Tekfen Venture Management, Youth Working Group and Entrepreneurship Ecosystem Working Group of TUSIAD, Member of Hisar Eğitim Vakfı Board of Trustees		Member of Early Risk Detection Committee
Davit Braunştayn	Male	Director	Industrial Engineer	Director	CEO of Lignadekor Üretim ve Pazarlama A.Ş., Director of Üçgen Bakım ve Yönetim Hizmetleri A.Ş. and Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş.	6.80	
Alize Dinçkök	Female	Director	Industrialist	Director	Board Member in Akkök Holding A.Ş., Chairman, Vice Chairman or Member of Aksa Akrilik, Akış GYO, Akmerkez Lokantacılık, Üçgen Bakım, Ak-Pa Tekstil, Akyaşam, Aktek, Akkim Kimya, Akcoat, Dinkal and various Group Companies of Akkök.		Member of Early Risk Detection Committee
İhsan Gökşin Durusoy	Male	Director	Manager	Director	Board Member in Akkök Holding A.Ş., Chairman, Vice Chairman or Member of Akış GYO, Aktek, Aksa Akrilik, Akkim Kimya, Akkök Next Yatırım Holding A.Ş., Aksu Real Estate EAD. and various Group Companies of Akkök.		
KLE DIR SAS (Real Person Acting on Behalf of Legal Person Member: Cyrille François Paul Deslandes)	Male	Director	Manager	Director	Managing Director of Klepierre Management Deutschland GmbH, Director of Klepierre Management Netherland B.V., Chairman of the Board of Directors of Foncière de Louvain-la-Neuve SA., Chairman of the Board of Directors of Klepierre Gayrimenkul, Real person delegate of KLE DIR SAS, Chairman of the Board of Directors of Tan Gayrimenkul Yatırım İnşaat Turizm Pazarlama ve Ticaret Anonim Şirketi, Real person delegate of KLE DIR SAS, Board Member of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.		
Özge Bulut Maraşlı	Female	Independent Director	Manager	Independent Director	Chairman of the Board of Fabu Mühendislik, Managing Partner of MAY Production, Independent Board Member of Fark Holding, İş Girişim Sermayesi Yatırım Ortaklığı, BluTV and Slowtürk Radio, Member of Two Zero Venture Capital Fund and Arya Investment Committee, Advisor to Doğan Holding Board of Directors, Member of the Board of the Women's Association in the Board of Directors, Arya Female Board Member, Re-We Board Member, Turkish Investor Relations Association High Advisory Board Member, International Academy of Television Arts & Sciences Board Member, World Economic Forum MEI Digital Media Literacy Project Executive Board and MEI Strategy Executive Board Member, American Turkish Society (ATS) Member, Women Presidents Organization and G20 Young Global Leaders Alumni Member, In Development - The Cannes Drama Creative Forum Advisory Board Member, International Emmy Awards International Jury Member.		Chairwomen of Audit Committee / Member of Corporate Governance Committee / Member of Early Risk Detection Committee
Ömer Egesel	Male	Independent Director	Manager	Independent Director	Qatari Diar Real Estate Investment Country Manager		Chairman of of Early Risk Detection Committee/ Member of Audit Committee / Member of Corporate Governance Committee
Aycan Avcı	Male	Independent Director	Manager	Independent Director	Partner of Assos Consultoria, S.L., Board Member of Erak Giyim Sanayi ve Ticaret A.Ş., Tatko Otomobil Lastik Makine Ticareti ve İnşaat T.A.Ş., Tatko Lastik Sanayi ve Ticaret A.Ş., Fu Gayrimenkul Yatırım Danışmanlık A.Ş., Waternet Su Hizmetleri A.Ş., Apsiyon Bilişim Sistemleri Sanayi ve Ticaret A.Ş., Bimsar Çözüm Yazılım Ticaret A.Ş., Alsa Danışmanlık A.Ş., Yüzyıl Lastik Sanayi ve Ticaret A.Ş., Obilet Bilişim Sistemleri A.Ş., Biletal İç ve Dış Ticaret A.Ş., LG Lastik Girişim A.Ş., Medtech Global Tıbbi Ürünler Ticaret A.Ş., Cargotech Lojistik Ticaret A.Ş. and Çözüm Perakende Lastik A.Ş., Independent Board Member of Bosch Fren Sistemleri San. Tic. A.Ş.		Chairman of Corporate Governance Committee / Member of Audit Committee / Member of Early Risk Detection Committee

1.4.1.2. Statements of Independent Directors:

REPUBLIC OF TURKEY
15th Notary Public of Besiktas
Journal Entry Date: 07th March 2023
Journal Entry No.: 03774

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to perform duty as "Independent Member" in the Board of Directors of AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ (the "**Company**") in accordance with the relevant legislation, Articles of Association and the criteria included in the Corporate Governance Principles as provided for in the Corporate Governance Communiqué no. (II-17.1) issued by the Capital Market Board.

I hereby represent that:

(a) There isn't any employment relationship between the partners controlling the company or the management of the company or the legal entities owned by such partners and I myself, my spouse or my relatives by blood or marriage which may lead to the assumption of important tasks and responsibilities during the last five (5) years and I don't have jointly or lonely more than 5% of the capital or voting rights or privileged shares in, or I did not conduct any commercial relation with, such companies during the last five years;

(b) I haven't been a shareholder (with a share of 5% and over), an employee or Board Member in a managerial position which may lead to the assumption of important tasks or responsibilities during the periods of purchasing or selling any service in the companies to which the company sells products or from which the company purchases products in considerable quantities within the framework of agreements executed for performing such functions as the auditing of the company (including tax auditing, legal auditing and internal auditing) during the last five (5) years;

(c) I have the necessary professional education, knowledge and experience required to fulfill the tasks which I am going to assume to perform as an independent Board Member;

(ç) I haven't worked or will not work on full-time basis as a member in any public institution or organizations except the business of an academician in any university, provided that the same complies with the relevant legislation;

(d) I am a resident in Turkey according to the Income Tax Law no. 193 dated 31/12/1960;

(e) I have strong ethical standards, professional reputation and experience enabling me to make positive contributions to the activities of the Company, to maintain my impartiality in the conflicts between the Company and the shareholders and to make decision freely taking into consideration the rights of stakeholders;

(f) I will allocate sufficient time required for tracking the conduction of the activities of the Company and for the fully fulfillment of the tasks I am going to assume to perform;

(g) I did not perform duty on the Board of the Company more than six years during the last ten years;

(ğ) I haven't performed any duty as independent Board Member in more than three companies in the companies controlling the Company or the Board of Directors or the companies owned by such companies and more than five companies whose shares are traded in the stock exchange;

(i) I have not been registered and announced on behalf of the legal entity selected as the Board of Directors.

Independent Board Member Candidate's:

Name – Surname : AYCAN AVCI
TR Identity Number :
(signature)

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to perform duty as "Independent Member" in the Board of Directors of AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ (the "**Company**") in accordance with the relevant legislation, Articles of Association and the criteria included in the Corporate Governance Principles as provided for in the Corporate Governance Communiqué no. (II-17.1) issued by the Capital Market Board.

I hereby represent that:

(a) There isn't any employment relationship between the partners controlling the company or the management of the company or the legal entities owned by such partners and I myself, my spouse or my relatives by blood or marriage which may lead to the assumption of important tasks and responsibilities during the last five (5) years and I don't have jointly or lonely more than 5% of the capital or voting rights or privileged shares in, or I did not conduct any commercial relation with, such companies during the last five years;

(b) I haven't been a shareholder (with a share of 5% and over), an employee or Board Member in a managerial position which may lead to the assumption of important tasks or responsibilities during the periods of purchasing or selling any service in the companies to which the company sells products or from which the company purchases products in considerable quantities within the framework of agreements executed for performing such functions as the auditing of the company (including tax auditing, legal auditing and internal auditing) during the last five (5) years;

(c) I have the necessary professional education, knowledge and experience required to fulfill the tasks which I am going to assume to perform as an independent Board Member;

(ç) I haven't worked or will not work on full-time basis as a member in any public institution or organizations except the business of an academican in any university, provided that the same complies with the relevant legislation;

(d) I am a resident in Turkey according to the Income Tax Law no. 193 dated 31/12/1960;

(e) I have strong ethical standards, professional reputation and experience enabling me to make positive contributions to the activities of the Company, to maintain my impartiality in the conflicts between the Company and the shareholders and to make decision freely taking into consideration the rights of stakeholders;

(f) I will allocate sufficient time required for tracking the conduction of the activities of the Company and for the fully fulfillment of the tasks I am going to assume to perform;

(g) I did not perform duty on the Board of the Company more than six years during the last ten years;

(ğ) I haven't performed any duty as independent Board member in more than three companies in the companies controlling the Company or the Board of Directors or the companies owned by such companies and more than five companies whose shares are traded in the stock exchange;

(i) I have not been registered and announced on behalf of the legal entity selected as the Board of Directors.

Independent Board Member Candidate's:

Name – Surname : ÖZGE BULUT MARAŞLI
TR Identity Number :
(signature)

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to perform duty as "Independent Member" in the Board of Directors of AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ (the "**Company**") in accordance with the relevant legislation, Articles of Association and the criteria included in the Corporate Governance Principles as provided for in the Corporate Governance Communiqué no. (II-17.1) issued by the Capital Market Board.

I hereby represent that:

(a) There isn't any employment relationship between the partners controlling the company or the management of the company or the legal entities owned by such partners and I myself, my spouse or my relatives by blood or marriage which may lead to the assumption of important tasks and responsibilities during the last five (5) years and I don't have jointly or lonely more than 5% of the capital or voting rights or privileged shares in, or I did not conduct any commercial relation with, such companies during the last five years;

(b) I haven't been a shareholder (with a share of 5% and over), an employee or Board Member in a managerial position which may lead to the assumption of important tasks or responsibilities during the periods of purchasing or selling any service in the companies to which the company sells products or from which the company purchases products in considerable quantities within the framework of agreements executed for performing such functions as the auditing of the company (including tax auditing, legal auditing and internal auditing) during the last five (5) years;

(c) I have the necessary professional education, knowledge and experience required to fulfill the tasks which I am going to assume to perform as an independent Board Member;

(ç) I haven't worked or will not work on full-time basis as a member in any public institution or organizations except the business of an academician in any university, provided that the same complies with the relevant legislation;

(d) I am a resident in Turkey according to the Income Tax Law no. 193 dated 31/12/1960;

(e) I have strong ethical standards, professional reputation and experience enabling me to make positive contributions to the activities of the Company, to maintain my impartiality in the conflicts between the Company and the shareholders and to make decision freely taking into consideration the rights of stakeholders;

(f) I will allocate sufficient time required for tracking the conduction of the activities of the Company and for the fully fulfillment of the tasks I am going to assume to perform;

(g) I did not perform duty on the Board of the Company more than six years during the last ten years;

(ğ) I haven't performed any duty as independent Board Member in more than three companies in the companies controlling the Company or the Board of Directors or the companies owned by such companies and more than five companies whose shares are traded in the stock exchange;

(i) I have not been registered and announced on behalf of the legal entity selected as the Board of Directors.

Independent Board Member Candidate's:

Name – Surname : ÖMER EGESEL
TR Identity Number :
(signature)

1.4.1.3. Curriculum Vitae of the Members of the Board of Directors and the General Manager:

Raif Ali DİNÇKÖK Chairman

Mr. Raif Ali Dinçk k was born in 1971 in Istanbul. After receiving his bachelor’s degree from the Department of Business Management in Boston University in 1993, he began his professional career at different group companies of Akk k Holding A.Ş. He worked at the Purchasing Department in Ak-Al Tekstil San. A.Ş. from 1994 to 2000. Acted as the Coordinator of Akenerji Elektrik  retim A.Ş. between 2000 and 2003. Raif Ali Dinçk k functioned as the Board Member and Vice Chairman of Executive Board of Akk k Holding A.Ş. before he was assigned as the Chairman of Akk k Holding. Raif Ali Dinçk k is the Chairman of the Board of Directors of Akk k Holding as well as the Chairman of Aksa Akrilik, Akkim Kimya and Akiş REIT. He also serves as Vice Chairman and Board Member in other group companies within Akk k Holding A.Ş.

Murat GİGİN Vice Chairman

Murat Gigin was born in İstanbul in 1952. Having received his B.Sc. degree from the Construction and Building Engineering Department in University of Bradford in 1974, he completed his M.Sc. degree studies at the Department of Mechanical Engineering in University of London in 1975. He was conferred the diploma of Ocean Engineer by University College London in 1976.

Gigin started his career at Tekfen İnşaat as civil engineer at the construction sites in Kuwait in 1977 where he worked until turning back to the head office in Istanbul in 1983. He assumed the position of coordinator in the Business Development Division in addition to several international projects until 1986, and as coordinator at various international projects. Following his promotion to the position of Assistant General Manager of Tekfen İnşaat in 1986, Gigin acted as the General Manager of Tekfen İnşaat during 1988-1998 and took office as a member of the Board of Directors at the companies of Tekfen Contracting Group until 2000. After acting as a member of the Board of Directors at Tekfen Holding between 1998 and 2015, and as the Chairman of the Board of Directors of Tekfen Holding between 2015 and 2021. He acts Vice Chairman of the Board as of March 25, 2021.

Murat Gigin has been acted as the Chairman and Executive Director of group companies of Viem Ticari ve Sanayi Yatırımları Ltd. Şti. (Tekzen Ticaret ve Yatırım A.Ş., Agromak Makine İmalat Sanayi ve Ticaret A.Ş., ENAT Endüstriyel Ağaç Tarımı Sanayi ve Ticaret A.Ş.) since 1998. Gigin is also the Vice Chairman of the Board of Directors of ANG Yatırım Holding A.Ş.

Gigin, who took office at various non-governmental organizations in the past, acted as Chairman of the International Pipeline and Offshore Contractors Association (IPLOCA) during 1995-1996, and is currently a member of the Board of Trustees of TEMA Foundation.

Davit BRAUNŞTAYN**Director**

Born in İstanbul in 1964, Davit Braunştayn graduated from the Industrial Engineering Department of the Boğaziçi University and received MBA degree in finance from Columbia University. Having started his career as analyst at the Investment Banking department of Lazard Frenes&Co. in the United States, Mr. Braunştayn took another position in Lignadekor Üretim ve Pazarlama A.Ş. where he is currently the general manager. Mr. Braunştayn speaks English, French and German.

Mr. Davit Braunştayn is a member of the Board of Directors of Üçgen Bakım ve Yönetim Hizmetleri A.Ş. and Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş.

Alize DİNÇKÖK**Director**

Born 1983 in İstanbul, Alize Dinçkök received her bachelor's degree from the Business Administration Department of Sawyer School of Management of Suffolk University in 2004. She completed General Management program at Harvard Business School successfully in 2015. She completed the Innovative Thinking program at MIT Sloan School of Management in 2018. She started her career at Ak-Al Tekstil Sanayi A.Ş. as the Strategic Planning Specialist in 2005. In 2006, she joined the newly established Akiş Gayrimenkul Yatırım A.Ş. and worked there as the Project Coordinator, the Sales and Marketing Manager and the Assistant General Manager in charge of Sales and Marketing, respectively. Currently acting as a member of the Board of Directors of Akkök Holding A.Ş., Alize Dinçkök is also the Chairwoman of Akmerkez Lokantacılık, Ak-Pa Tekstil, Dinkal Sigorta, Üçgen Bakım ve Yönetim Hizmetleri and Akyaşam Yönetim Hizmetleri. Also, she assumes several positions at the Board of Directors of other companies of Akkök Group. Ms. Alize Dinçkök is also in charge of Akkök Group Marketing Platform, which was established in 2015.

İhsan Gökşin DURUSOY**Director**

Born in 1964 in Denizli, İhsan Gökşin Durusoy received his master's degree in Industrial Engineering from Boğaziçi University in 1987 and started his career as a Production Engineer at Arçelik. Mr. Durusoy worked as Financial Affairs and IT Officer at İzmir Demir Çelik A.Ş. between 1988 and 1989, and in 1989, he joined Ak-Al Tekstil Sanayii A.Ş., a subsidiary of Akkök Group, as Budget Planning Chief. Mr. Durusoy assumed responsibility as Budget Planning Manager and Strategic Planning Director at the same company, respectively. In 2007, Mr. Durusoy joined Akiş REIT, which was established with the aim of realizing unique and large-scale real estate projects, first as Assistant General Manager and then as General Manager and Board Member since 2009. As of January 2023, Mr. Durusoy has been serving as the Board Member of Akkök Holding. He also serves as Vice Chairman and Member of the Board of Directors at various Akkök Group Companies.

Sinan Kemal UZAN**Director**

Sinan Kemal Uzan was born in New York in 1986. After receiving his Bachelor's degree from the International Business Administration program in Pepperdine University (USA) in 2008, he participated in the program of Family Undertakings Management in the Northwestern University Kellogg School of Management (Illinois) in 2012. He acted as the Vice Chairman of StarClub, a company that is involved in the fields of music production and internet strategies in Los Angeles, California, and as the Azerbaijan Project Coordinator for Tekfen İnşaat ve Tesisat A.Ş. respectively during his business career.

Mr. Sinan Kemal Uzan was elected as a member of the Tekfen Holding Board of Directors in 2014. He continues this duty and is also a member of the Board of Trustees of Hisar Education Foundation.

**KLE DIR SAS (Natural person representative Cyrille François Paul DESLANDES)
Director**

KLE DIR SAS is a Company which based in France and is fully owned by KLEPIERRE SA. The natural person determined by KLE DIR SAS in accordance with the second paragraph of Article 359 of Turkish Commercial Code is Cyrille François Paul Deslandes. Cyrille François Paul Deslandes is the Regional President of the Germany, Netherlands and Turkey in Klepierre Group. Prior to this appointment he served as Chief Investment Officer (member of the group's executive committee / coordination of the group's investment committee) since 2018. From 2014 - 2017 he was Group Head of M&A at Klepierre. Before joining Klepierre, Cyrille worked for HSBC Investment Banking in Paris as Director M&A – Real Estate, Lodging and Leisure – between 2007 and 2014. Prior to that he gained experience at Deloitte & Touche LLP in Los Angeles, New York and Paris.

He holds a Master's degree in Corporate Finance and Strategy from EM Lyon.

Cyrille François Paul Deslandes, Managing director of Klepierre Management Deutschland GmbH, Director of Klepierre Management Nederland B.V., Chairman of the Board of Directors of Foncière de Louvain-la-Neuve SA., Real person delegate of KLE DIR SAS, Chairman of the Board of Directors of Tan Gayrimenkul, Real person delegate of KLE DIR SAS, Chairman of the Board of Directors of Üçgen Bakım.

**Özge Bulut MARAŞLI
Director (Independent)**

Özge Bulut Maraşlı was born in 1970, graduated from Boğaziçi University Department of Economics and has a master degree from Sabancı University Department of Business Administration. Having worked for Hacı Ömer Sabancı Holding AŞ and its subsidiaries between 1993 and 2006, Ms. Bulut Maraşlı took part in various roles in finance and business development management at MarSA Kraft, a JV company in partnership with Kraft Foods International, in the fast moving consumer goods sector in the first 10 years. Afterwards, she worked as a consultant in many sectors such as strategic planning, business development, M&A, privatization and restructuring of energy projects, telecom, food, retail, automotive and cement business units under the direction of the Holding CEO. Ms. Bulut Maraşlı, who assumed senior management positions at Doğan Holding between 2006-2018, still continues to be a Consultant to the Board of Directors of the Holding. She served as the Head of the Investor Relations and Corporate Relations Department of the company, and a Consultant to the Board of Directors of Doğan Enerji, Doğan Organic Products, Milpa, Ditaş and Çelik Halat AŞ between 2006 and 2011. She then served as the CEO of Kanal D and D Yapım companies, and a Deputy CEO of Doğan TV Holding until May 2018.

Being an active NGO supporter, Ms. Özge Bulut Maraşlı has been the Founder, a Board member and the Chairperson of NGOs in all fields and countries where she has been active since 1996. She is currently a member of the Board of the Women's Association in the Board of Directors, a member of the Board of Arya Women, a member of the Board of Again Us, a member of the High Advisory Board of the Turkish Investor Relations Association, a member of American Turkish Society (ATS), a member of Women Presidents Organization and G20 Young Global Leaders Alumni, a member of the Board of the International Academy of Television Arts & Sciences. She is also a member of the Executive Board of MEI Digital Media Literacy Project, In Development - member of The Cannes Drama Creative Forum Advisory Board and International Emmy Awards international jury and MEI Strategy Executive Board of the world Economic Forum. She is the Chairperson of the Board of Fabu Mühendislik,

Managing Partner of MAY Production, an Independent Board Member of Fark Holding, BluTV, İş Girişim Sermayesi Yatırım Ortaklığı and Slowtürk Radio. She is a member of the Investment Committees of Two Zero Venture Capital Fund and Arya Investment.

Ömer EGESEL
Director (Independent)

Born in Ankara in 1963, Ömer Egesel started his professional career as an engineer at STFA Construction CO. Libya, after graduating from Middle East Technical University, Civil Engineering Faculty. He continued his career in various managerial positions (e.g., manager, coordinator, assistant general manager, general manager, member of the board of directors) in Retail and Real Estate sectors. Ömer Egesel also served as a Member of the Executive and Advisory Board in non-governmental organizations such as ULI and GYODER periodically.

Ömer Egesel served as DiaSA General Manager in the retail industry between 1998 and 2008, and as general manager and board member at Tekfen Holding and Sanko Holding companies between 2008 and 2020, respectively. Egesel has been working as Qatari Diar REIC Country Manager since the beginning of 2021. He speaks English and beginner level Spanish.

Aycan AVCI
Director (Independent)

Aycan Avcı was born in 1970 and graduated from Georgetown University Department of International Economics in 1992. Mr. Avcı started his professional career in 1993 at Koç Group and held various positions in Istanbul and Moscow. Between 1996 and 1998, Mr. Avcı served as the chief representative of CIS at Interbank. In 2000, he received his MBA (Finance and Economics) from Columbia Business School. Mr. Avcı worked as a consultant at McKinsey & Company between 2000-2002 and at Reform Corporate Consultancy between 2002-2004 and as a manager at PCG Consultancy between January 2005 and September 2005. In October 2005, Mr. Avcı transformed the family-owned Aya Consulting into a consulting company focused on financial consulting and provided financial consulting services at Aya Consulting until August 2023. As of September 2023, he started to provide consultancy services as a partner in Assos Consultoria, S.L. in Barcelona.

Avcı has also been a member of the Board of Directors at Tatko T.A.Ş. since 2014, Apsiyon.com since 2016, Tatko Lastik, FU Gayrimenkul and Waternet since 2017, Erak Giyim and Bimser Çözüm Ticaret ve Yazılım A.Ş. since 2018, Yüzyıl Lastik Sanayi ve Ticaret A.Ş. since 2019, Obilet, Biletal and LG Lastik Girişim since 2021, Medtech Global Tıbbi Ürünler Ticaret A.Ş. and Cargotech Lojistik Ticaret A.Ş. since 2022 and Çözüm Perakende A.Ş. since 2023. He has also been serving as an Independent Board Member at Bosch Fren Sistemleri since 2019.

Süleyman Hakan TÜMKAYA
General Manager

Hakan Tümkaya graduated from Istanbul University, Faculty of Economics in 1996. Then, between 1999-2008, in Germany, in the group companies of the REWE Group in the Frankfurt region; He worked as Assistant Logistics Department Manager, Logistics Department Manager, Regional Sales Assistant Director and Regional Sales Director. Returning to Turkey at the end of 2008, he made his debut in the shopping mall sector with a managerial position within a company with a German partnership. Hakan Tümkaya transferred to Avm Mfi Partners company in 2010 and continued his career as a shopping mall manager between 2010-2012, and continued as a Regional Manager in the same company between 2012-2015. Hakan Tümkaya, who worked as the Regional Director in the Retail Property Management Department at JLL Turkey between 2015-2019, most recently started to work as the Shopping Center and Facility Director at Akmerkez in 2019. As of May 16, 2022, he assumed the title of General Manager of Akmerkez AVM.

1.4.1.4. Committees under the Board of Directors:

1.4.1.4.1. Working Principles of Committees Including the Members, Meeting Frequency and Activities:

The Board of Directors has formed an Audit Committee, Corporate Governance Committee and Early Risk Detection Committee by reviewing the structure and activities of the existing committees in accordance with the provisions of the Corporate Governance Communiqué of the Capital Market Board. The duties and responsibilities of the Nomination Committee and Remuneration Committee stipulated in the Corporate Governance Communiqué are performed and fulfilled by the Corporate Governance Committee. All of the committees fulfill their duties effectively.

Audit Committee

Name Surname	Title	Position
Özge BULUT MARAŞLI	President	Independent Director
Ömer EGESEL	Member	Independent Director
Aycan AVCI	Member	Independent Director

Early Risk Identification Committee

Name Surname	Title	Position
Ömer EGESEL	President	Independent Director
Aycan AVCI	Member	Independent Director
Özge BULUT MARAŞLI	Member	Independent Director
Alize DİNÇKÖK	Member	Director
Sinan Kemal UZAN	Member	Director

Corporate Governance Committee

Name Surname	Title	Position
Aycan AVCI	President	Independent Director
Özge BULUT MARAŞLI	Member	Independent Director
Ömer EGESEL	Member	Independent Director
Nilüfer AYDIN	Member	Finance Director
Hatice KARA	Member	Corporate Governance and Investor Relations Consultant

Özge BULUT MARAŞLI has been elected as the Head of the Audit Committee, as a member of the Early Detection of Risk Committee and Corporate Governance Committee Member as of 02.05.2023. Ömer EGESEL has been elected as the Early Detection of Risk Committee Chairman, Audit Committee Member and Corporate Governance Committee Member as of 02.05.2023. Aycan AVCI has been elected as the Corporate Governance Committee Chairman, Audit Committee Member and Early Detection of Risk Committee Member as of same date.

Duties, working principles and members of the committees have been determined by the Board of Directors and disclosed to the public on the Public Disclosure Platform and the corporate Internet site of the Company.

All members of the Audit Committee are the independent directors assigned in the Board of Directors.

Chairman of the Corporate Governance Committee Aycan Avci, members Özge Bulut Maraşlı and Ömer Egesel are independent directors. Hatice Kara, another member of the Corporate Governance Committee, is the Investor Relations Consultant holding Capital Market Activities Advanced Level (License No: 200038) and Corporate Governance Rating (License No: 700178) licenses. She has been assigned to the committee pursuant to article 11.2 of the Corporate Governance Communiqué. Nilüfer Aydın, another member, is also the Finance Director of the Company.

As for the Early Risk Detection Committee, Chairman Ömer Egesel, member Aycan Avcı and member Özge Bulut Maraşlı are independent directors while other members are non-executive directors.

The General Manager does not assume duty in any committee.

Although the management makes efforts in order not to assign a director in more than one committee, some of the members undertake positions in two or more committees owing to their knowledge and experience on the relevant fields.

Every kind of resource and support required for carrying out of duties of the committees is provided by the Board of Directors. The committees are able to invite any manager to their meetings for opinion exchange to the extent necessary.

The committees benefit from the opinions of independent specialists where they deem necessary regarding their activities. The cost of any such consultancy services is covered by the Company. In this case, however, the information about the person/firm from whom/which the service is received and the information about whether that person/firm has any relationship with the company should be provided in the annual report.

The committees document and keep a record of all the works they carried out. The committees meet with the frequency as deemed necessary for efficiency of the works and as set in the working principles. They submit the reports containing the information about their works and the outcomes of their meetings to the Board of Directors.

Corporate Governance Committee determines whether the corporate governance principles are complied with by the company or not and, if not complied with, the reasons thereof and any conflict of interest arising from failure to comply with these principles in full and makes recommendations for improvement of the corporate governance practices to the Board of Directors and supervises the works of the investor relations department.

The corporate governance committee also fulfills the duties and responsibilities of the Nomination Committee and the Remuneration Committee, which are provided in the Corporate Governance Communiqué.

In that respect, the Corporate Governance Committee held 8 (eight) meetings in 2023 and the outcomes of the meeting were submitted to the Board of Directors by means of a report.

Early Risk Detection Committee is responsible for determining the risks that may endanger existence, development and continuation of the company early, taking necessary measures for the relevant risks and managing the risks according to which it reviews the risk management systems at least once a year. The committee assesses the current situation, points of dangers, if any, and remedies by means of a report to be submitted to the Board of Directors every two months.

In that respect, the Early Risk Detection Committee held 6 (six) meetings once every two months in 2023 and issued 6 (six) reports.

Audit Committee supervises the accounting system of the company, the disclosure of the financial data to the public, the independent audit, and the operation and efficiency of the internal control and internal audit systems of the company. Audit Committee is also in charge of selection of the independent audit firm, preparation of independent audit contracts and commencement of the independent audit process, and performance of the audit tasks by the independent audit firm.

Audit Committee shall determine the independent audit firm to be contracted by the Company as well the services to be procured from the relevant firm and present the same to the Board of Directors to be escalated to the general assembly for approval.

Audit Committee shall be responsible for setting the methods and criteria to be applicable for examining and resolving the complaints filed to the company regarding its accounting and internal control system as well as independent audit processes and evaluating the reports made by the employees regarding the accounting and independent audit practices at the Company in a strictly confidential manner.

Audit Committee informs the Board of Directors in writing of its assessments regarding the accuracy and correctness of the annual and interim financial statements to be disclosed to the public in terms of their compliance with the accounting principles of the Company by preparing a report containing its own assessments along with those of the relevant managers and independent auditors of the Company.

Activities by the Audit Committee, results of meetings and written reports submitted to the Board of Directors within the accounting period:

Audit Committee performed its functions indicated in the Corporate Governance Communiqué in 2023.

Audit Committee held 6 (six) meetings in 2023 and presented the resolutions to the Board of Directors by means of a report indicating meeting results in detail. The Committee made a suggestion to procure independent audit services from PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in 2023, noted that the annual and interim financial statements and footnotes to be disclosed to the public were compatible with the relevant regulations and principles and evaluated and monitored the actions suggested on the basis of the findings of the internal audit.

1.4.1.4.2. Evaluation of the Board of Directors regarding the Activities Conducted by the Committees:

In 2023, all of the Committees fulfilled the tasks and obligations required under the Corporate Governance Principles and their respective regulations and conducted their activities effectively.

In 2023, pursuant to the annual meeting plans that are deemed necessary, indicated in the relevant Regulations and duly created for the effectiveness of the activities;

- Audit Committee convened 6 (six) times,
- Early Risk Detection Committee convened 6 (six) times, and
- Corporate Governance Committee convened 8 (eight) times,

In that respect, the Corporate Governance Committee presented 8 (eight) reports to the Board of Directors while the Early Risk Detection Committee and Audit Committee submitted 6 (six) and 6 (six) reports respectively each.

The “Audit Committee” which is responsible for taking all necessary measures in order to ensure performance of any and all internal and independent audits adequately and transparently in addition to implementation of the internal control system effectively informed the Board of Directors of its suggestions for the relevant matters including opinions and suggestions about internal audit and internal control system.

The “Corporate Governance Committee” which is supposed to monitor the company in terms of compliance with the Corporate Governance Principles, undertake improvement activities and

make suggestions to the Board of Directors ascertained whether or not the Company implemented the Corporate Governance Principles, made suggestions to improve the Corporate Governance principles to the Board of Directors and supervised the activities of the Investor Relations Division. The activities related to the grading of the compliance of the Corporate Governance Committee and Investor Relations Division with Corporate Governance Principles were reviewed by Saha Kurumsal Yönetim ve Derecelendirme Hizmetleri A.Ş. (“Saha”) as a result of which our first Rating for Compliance with Corporate Governance Principles was announced in 2016 (9,22) while the periodical revision rating for 2017 was (9,37). In 2018, this rating (9,37) was confirmed again. In 2019 our rating was announced as (9,43) while the periodical revision rating for 2020 was (9,44). In 2021 and 2022 our rating was confirmed as (9,44). In 2023, our rating was updated to (9,48). The rating report and periodical revision report were disclosed to the investors by means of the Special Condition Disclosure on 06.12.2016, 06.12.2017, 06.12.2018, 06.12.2019 07.12.2020, 07.12.2021, 07.12.2022 and 07.12.2023 respectively.

The “Early Risk Detection Committee” took necessary steps to ensure early detection of the risks that may endanger the existence, development and continuity of the Company, to take the necessary measures regarding the risks so detected and to manage such risks in addition to reviewing the risk management systems of the Company in line with the Corporate Governance Principles.

1.4.1.5. Meetings Held by the Board of Directors and Attendance of Directors:

The Board of Directors convenes as frequently as it is required to fulfill its duties efficiently in compliance with the relevant working principles. The Board of Directors four (4) times with the average participation rate of 98% in 2023. Throughout the year, 26 board resolutions were adopted in total. The resolutions were made as per article 390.4 of Turkish Commercial Code. All of the Board resolutions requiring were passed unanimously in 2023. In other words, none of the directors raised an objection to the resolutions passed in 2023.

1.4.1.6. Distribution of Tasks Among Directors, Duties and Powers of Directors, Limitations of Powers Granted to Directors and Senior Managers, Term of Offices (Start Date and End Date), Collective Bargaining Practices, Benefits Provided to Employees:

The Chairman and Vice Chairman were elected from among directors and the tasks were distributed accordingly.

The resolution on internal directive adopted by the Board of Directors on 17.06.2022 is announced in Turkish Trade Registry Gazette on issue number 10605 of 23.06.2022, and the resolution on distribution of tasks on 24.03.2023 is announced in Turkish Trade Registry Gazette on issue number 10831 of 15.05.2023

The directors and senior managers of the company are endowed with the powers indicated in Capital Market Act, Turkish Commercial Code, Articles of Association of the company, and several applicable legislations. The duties and powers of the General Manager and Finance Director of the Company are provided in the Internal Directive of the company.

Term of office designated for the directors is indicated in section “1.4.1 Board of Directors” herein.

The Company does not pursue collective bargaining processes in that it pays wages to its employees in line with the applicable labour contracts. The benefits provided to the directors and senior managers are explained in section “B. Financial Benefits Provided to Directors and Senior Managers” herein.

1.4.2. Information about the Senior Executives and External Positions:

The senior officers of the Company are General Manager Süleyman Hakan TÜMKAYA, Finance Director Nilüfer AYDIN and Leasing Director Cem ERTUĞRUL. Süleyman Hakan TÜMKAYA is the General Manager of the Company. Süleyman Hakan TÜMKAYA is a non-executive director of Üçgen Bakım ve Yönetim Hizmetleri A.Ş. in addition to being the General Manager of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.

1.4.3. Headcount:

The company has seven employees, including the general manager, as the average of 2023.

1.5. Information about the Transactions Carried Out by Directors with the Company on behalf of Themselves or Third Parties Pursuant to the Permission of the General Assembly and Activities subject to the Rule of Non-Competition, if any:

The Directors did not carry out any transaction with the Company on behalf of themselves or third parties in 2023. The tasks assumed by the Directors outside the Company based on the permission of the General Assembly are indicated in section "1.4. Information about Board of Directors, Senior Managers and Number of Employees".

B. FINANCIAL BENEFITS PROVIDED TO DIRECTORS AND SENIOR MANAGERS:

Below are the details about the wages and all other benefits provided to the directors and senior managers.

a) Total amount of the financial benefits such as attendance fee, remuneration, premium, bonus, dividend etc.:

Directors received financial benefit of monthly net TRY-13,500.00 per person until 12th of April and monthly TRY-22,250.00 per person thereafter as decided at general assembly meeting on 12.04.2023, making gross TRY-3,085,425.54 in total while the senior managers were paid gross TRY-6,784,942.67 in total during 2023. Remunerations and salaries paid and all other benefits provided to the members of the directors and the senior managers were disclosed collectively to the public through the footnotes to the financial statements in the annual report.

Below is the breakdown of the gross benefits provided to the directors in 2023:

Director	Amount (TRY)
Raif Ali Dinçkök	309,438.76
Murat Gigin	309,438.76
Sinan Kemal Uzan	309,438.76
Davit Braunştayn	309,438.76
Alize Dinçkök	309,438.76
Ahmet Cemal Dördüncü	53,952.35
KLE DIR SAS (Johan Caspar Bergenthal)	198,559.91
Ömer Egesel	309,438.76
Özge Bulut Maraşlı	309,438.76
Aycan Avcı	309,438.76
İhsan Gökşin Durusoy	246,524.35
KLE DIR SAS (Cyrille François Paul Deslandes)	110,878.85
Total	3,085,425.54

b) Information about total amount of given allowances, travel, accommodation and representation expenses and cash and non-cash facilities, insurances and similar securities:

The senior officers in the company are General Manager, Finance Director and Leasing Director. The Senior officers were provided with a health insurance amounting to TRY-136,955.36 during the accounting period.

C. RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY:

The Company does not carry out any R&D activity.

Ç. CORPORATE ACTIVITIES AND IMPORTANT DEVELOPMENTS REGARDING THE ACTIVITIES:

a) Information about the investments made by the company during the respective accounting period:

The current real estate of the company held for investment purposes increased in the relevant accounting period. The increase was attributable to the expenses incurred by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. for management services which were posted to the Company in pro rata basis for investment purposes and the Company's own fixed assets expenses.

b) Information about the internal control system and internal audit activities of the Company along with the opinion of the Board of Directors:

The Board of Directors reviews the efficiency of the risk management and internal control systems at least once a year.

The Board of Directors establishes the internal control systems to include the risk management and information systems and processes which can minimize the impacts of the risks which may affect the stakeholders of the Company, primarily the shareholders, by taking into account the views of the relevant committees of the Board of Directors.

The existing internal control system intended for various purposes including increasing efficiency and productivity in corporate activities, ensuring reliability of financial reporting and compliance with the laws and regulations was audited by Ginini Danışmanlık Hizmetleri A.Ş. based on the annual internal audit plan created and the professional services agreement and the results of the audit were reported to the Audit Committee.

c) Information about direct or indirect affiliates of the Company as well as share rates:

The Company does not have any subsidiary or affiliate.

d) Information about treasury shares acquired by the Company:

The Company did not acquire its treasury shares.

e) Remarks about the private audit and public audit conducted during the accounting period:

Any private or public audit was not conducted during the accounting period of 2023.

f) Information about litigations filed against the Company, which may affect the financial standing and activities of the company, and their potential results:

There is no litigation initiated filed the Company which may affect the financial standing and activities of the Company. However, the litigations filed against the Company are summarized in the appendix to this Annual Report (Annex:1).

g) Remarks about any administrative or judicial sanctions imposed on the company and directors owing to actions in breach of regulatory provisions:

There is no administrative or judicial sanction imposed on the directors owing to actions in breach of regulatory provisions.

The information about the litigation filed by one of the shareholders of the Company against a number of the directors is provided in the appendix to this Annual Report (Annex:1).

h) Information and evaluations about whether the targets established in the previous periods have been achieved or not, whether resolutions of the general meeting have been fulfilled or not, and if the targets have not been achieved or the resolutions have not been fulfilled, reasons thereof:

The company has achieved its determined financial targets, maintained occupancy rates and paid dividends. The resolutions of the general assembly meeting were duly fulfilled.

i) Information about the extraordinary general meeting, if applicable, including the date of the meeting, the resolution passed in the meeting, and transactions executed in this regard:

No extraordinary general assembly meeting was held during 2023.

j) Information about any donations and aids made and expenses incurred in relation with social responsibility projects carried out by the Company during the year:

The company made a donation of TRY-1,000,000.00 regarding the disaster in Kahramanmaraş and surrounding provinces in 2023. There isn't any expense incurred within the scope of the social responsibility projects within the relevant year.

k) Information about regulatory modifications which might have a significant impact on the corporate activities:

No regulatory modifications has been made which might have a significant impact on the corporate activities.

l) Information about other important developments on the corporate activities:

2023 was a year in which the Covid agenda completely disappeared for the Shopping Center and Retail sector. Despite the political climate created by the election agenda and the economic uncertainties created by inflation, 2023 started with an extremely positive momentum in terms of visitor numbers and turnover, but was significantly disrupted by the devastating earthquake disaster in February. The impact of the earthquake, which continued to be felt in March and April, was followed by a general recovery in May, and a year of positive turnover growth for the Shopping Center and Retail sectors.

In terms of visitor numbers, 2023 was a year in which we welcomed 14% more visitors than 2022, despite the election agenda and the effects of the earthquake. Increasing visitor numbers coupled with extremely good turnover performances enabled us to close the year above our targets in terms of turnover efficiency, per capita spending and turnover rental revenues.

2023 was a year in which we focused even more on store efficiencies. We focused on both strengthening our brand mix through store changes, with an eye to maintaining high store occupancy rates, and on selecting brands that would contribute to overall performance. Increased turnover performances in line with this strategy had a positive impact on the Company's rental income and profitability.

D. FINANCIAL STANDING:

a) Analysis and evaluation of the managing body regarding the financial standing and the results of the activities; degree of realization of the planned activities; and position of the company against the established strategic goals:

The year 2023 started with a very positive momentum in terms of visitor numbers and turnover, but was significantly hampered by the devastating earthquake disaster in February. After the impact of the earthquake, a general recovery was experienced as of May, and was a year of positive turnover growth for the Shopping Center and Retail sectors. 2023 was a year in which our company's performance showed a very positive development, and it was a positive year in terms of achieving a performance above the targets set by our Company, achieving a net profit above the budget in terms of the operating results obtained and high dividend distribution.

b) Information about sales, productivity, income generating capacity, profitability, and liability/shareholders' equity ratio of the Company in comparison with previous years, and about other matters which may give an idea about the results of the activities of the company, and prospects for the future:

The company maintained its occupancy rate in 2023 and increased its net sales.

Primary financial indicators:

Balance-Sheet Items (Million TRY)	31.12.2023	31.12.2022
Current assets	353.70	279.57
Fixed assets	5,361.06	5,162.60
Total assets	5,714.76	5,442.17
Short term liabilities	26.98	20.07
Long term liabilities	7.79	11.93
Shareholders' equity	5,679.99	5,410.17
Total Liabilities and Shareholders' equity	5,714.76	5,442.17
Income Statement Items (Million TRY)	2023	2022
Net sales	498.88	436.75
Cost of sales (-)	124.78	98.90
Gross profit	374.11	337.85
Operating profit	336.34	299.99
Net Profit for the Year	496.55	(159.35)
Financial Indicators (Million TRY)	2023	2022
Gross Profit Margin	74.99%	77.36%
Net Profit Margin	99.53%	(36.49%)
Debt-Equity Ratio	0.61%	0.59%
Total Debts/Total Assets	0.61%	0.59%

Total amount of the minimum rent incomes to be obtained in the future within the framework of the lease agreements executed in connection with the income generating capacity of the Company and the amount thereof for each period are specified hereinbelow (TRY):

	31.12.2023	31.12.2022
Less than 1 Year	286,863,908	206,908,396
Between 1 and 5 Years	497,612,584	495,486,149
Over 5 years	25,314,235	104,506,602
Total	809,790,727	806,901,147

Akmerkez intends to continue to conduct its activities within the framework of the capital market legislation and the other legal legislation by maintaining its profitability without sacrificing quality in 2024.

c) Considerations and evaluations of the Board of Directors as to whether the company has lost its capital or has gone into debt, and actions considered to be taken to improve the financial construction of the company:

The company has not lost its capital or any situation of debt-choked is not in question.

d) Information about the dividend distribution policy, and if dividend will not be distributed, its reason and proposal as to how the retained profit will be used:

Our Company's updated Profit Distribution Policy was adopted by the majority of votes at the Ordinary General Assembly for the year 2018 held on 29.03.2019.

Dividend distribution policy of the company is as follows:

The Dividend Distribution Policy of AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ seeks that the shareholders earn regular income from the shares. For the purpose to attain the goals set out in the mission and vision of the Company, our DIVIDEND DISTRIBUTION POLICY has been established by the provisions of Turkish Commercial Code, Capital Markets Board (CMB) Communiqué on Corporate Governance, Profit Share Communiqué numbered II-19.1 and other related capital markets legislations, tax legislations and other relevant legislations within the framework of article 30, titled 'DIVIDEND DISTRIBUTION', of the Articles of Association of the Company which is paraphrased below.

1. Article 30 "DIVIDEND DISTRIBUTION" of the Articles of Association of the Company reads as follows:

"The company shall observe the principles in Turkish Commercial Code and capital market regulations with respect to distribution of profits.

Net profit is that amount remaining after the deduction of any and all amounts such as the general expenses of the Company and miscellaneous depreciation values, provisions and all taxes and other financial obligations which should be paid out or set aside by the company from the total revenues determined at the end of the accounting period. After the losses of the previous year are deducted from the net profit to be determined pursuant to the foregoing article:

General Legal Reserve Fund

a. 5% of the remaining amount will be set aside as legal reserve fund until it amounts to 20% of the paid-in capital pursuant to article 519 of the Turkish Commercial Code.

First Dividend

b. The first dividend shall be set aside from the assessment to be calculated by adding the donations made within the relevant accounting year to the remaining sum to be determined by the general assembly in line with the dividend policy of the company provided that it shall not remain below the ratio and amount specified by the Capital Market Board.

c. General assembly may resolve to set aside up to 5% of the remaining sum to be distributed to directors.

Second Dividend

d. After deducting the amounts mentioned in subparagraphs a, b, and c from net profit, at least 80% of the remainder shall be distributed as second dividend,

e. In case there is still a remainder after deducting the amounts mentioned in subparagraphs a, b, c, and d from net profit, the general assembly shall be authorized to distribute this portion in part or in whole by adding in second dividend, to leave in the balance sheet as end-of-period profit, to add in legal or optional reserves or to set aside as extraordinary reserves.

f. The amounts obtained pursuant to article 519, paragraph 2 of the Turkish Commercial Code will be added to the general legal reserve fund.

g. Unless the statutory reserves and dividends determined for shareholders under the articles of association are set aside, it shall not be possible to make a resolution to set aside any further statutory reserves, transfer profits to the upcoming year and to distribute profit shares to directors and employees and profit shares may not be distributed to such person without paying the duly determined profit share.

The Company may distribute advance for profit share to the shareholders pursuant to the provisions of the capital market legislations."

2. There is no privilege applicable for dividends pursuant to the Articles of Association.
3. The dividend set aside for distribution to the shareholders shall be distributed equally to all of the existing shares as of the distribution date in pro rata basis without having regard to the issue and acquisition dates of the relevant shares.
4. Dividend distribution may be fulfilled in cash or bonus shares or else partially in cash and partially in bonus shares.
5. Dividend distribution date shall be determined by the General Assembly based on the proposal of the Board of Directors provided that it shall not contradict with the capital market regulations and the dividend distribution processes shall be initiated as of the end of the accounting period when the general assembly meeting is held at the latest.
6. In the event that the general assembly makes a resolution for dividend distribution, it shall be possible to require distribution of dividends within a certain date range or until as late as the end of the year in that the general assembly shall authorize the Board of Directors to ascertain the dividend distribution date. In that respect, the date of cash distribution of dividends shall be ascertained through a board resolution to be adopted minimum fifteen days in advance and the investors shall be duly informed of the dividend distribution date by means of a special condition disclosure to be published on the Public Disclosure Platform.
7. Dividends might be distributed in instalments of equal or varying sums so long as such distribution is resolved in the relevant general assembly meeting. The number of instalments shall be determined by the general assembly or the Board of Directors if explicitly authorized by the general assembly.
8. According to the Articles of Association, the Board of Directors may distribute advance for dividends to the shareholder in line with the capital market regulations provided that the Board of Directors should be authorized to make such distribution by the general assembly and comply with the relevant capital market regulations.
 - a. It shall be possible to distribute dividend advance in cash based on the profit indicated in the interim financial statements. Dividend advance for a certain interim period shall not be distributed in instalments.
 - b. If the Board of Directors is empowered to distribute dividend advance by the general assembly, the Board of Directors shall adopt a resolution as to whether or not to distribute dividend advance and disclose this resolution to the public based on the Board regulations regarding disclosure of special conditions to the public as of the date of public disclosure of interim financial statements at the latest.
 - c. Dividend advance shall be distributed equally to all of the existing shares as of the distribution date in pro rata basis without having regard to the issue and acquisition dates of the relevant shares. Dividend advance may not be distributed to anyone other than the shareholders. Dividend advance shall be paid without regard to the privileges of the privileged shares.
9. If the dividend distribution policy is intended to be amended, the board resolution adopted for the amendment and the justification thereof shall be disclosed to the public pursuant to the Board regulations regarding disclosure of special conditions to the public.

E. RISKS AND EVALUATION OF THE BOARD OF DIRECTORS:

a) Information regarding the risk management policy, if any, to be applied against the anticipated risks:

The Board of Directors reviews the efficiency of the risk management and internal control systems at least once a year.

The Company's risk inventory is one of the most important monitoring tools used by the Company in its risk management activities. The risk inventory includes the Company's operational, financial, reputation, compliance and strategic risks. Risks with high and very high risk scores are monitored at the Board of Directors level, detailed action plans are created and a risk owner is assigned for each risk. The risk owner is responsible for managing the relevant risk within the framework of the agreed action plan. Thus, the risk management philosophy has become a permanent item in the routine business agenda of Company executives. Updated in line with sectoral and corporate developments, this philosophy has become an integral part of the Company's practices.

The existing internal control system, particularly in terms of increasing efficiency and productivity in the Company's operations, ensuring reliability in financial reporting, and compliance with laws and regulations, was audited by Ginini Danışmanlık Hizmetleri A.Ş. under a professional service contract within the framework of the annual internal audit plan, and the audit results were reported to the Audit Committee.

b) Information about the activities and reports of the Early Risk Detection and Management Committee, if any:

The Early Risk Detection Committee is responsible for conducting studies in order to early detect the risks which may endanger the existence, development and continuity of the Company, to take the necessary measures regarding the risks so detected and to manage such risks and this Committee reviews the risk management systems at least once a year. The Committee evaluates the situation and point out the dangers, if any, and indicates the remedies in this respect in the report to be submitted to the Board of Directors every two months.

In that respect, the Early Risk Detection Committee held 6 (six) meetings once every two months and issued 6 (six) reports in 2023.

c) Prospective risks involving sales, productivity, income generating capacity, profitability, debt - equity ratio and similar issues:

Similar risks that have persisted for the last few years are also in play in this period. Increases in producer and consumer prices with the possibility of an increase in exchange rates may affect retailers as a result of continued increases, decrease in consumption while increasing producer costs, turnover ability does not continue to increase at the same rates, stagnation in customer demand or, worse, contraction in customer demand, which may affect retailers' increased costs and operational expenses. However, there may be a possibility that they will be adversely affected due to falling profit margins. This situation poses a financial risk for the Company as it may adversely affect the solvency and continuity of the tenants according to their current rent levels.

In addition, due to the above-mentioned risks, some retailers in the sector may have decisions to reduce the number of stores in order to make their operations more efficient, as well as having difficulty in payment due to product supply problems, inability to manage their financial risks correctly, and to achieve the right profitability. This may have a negative impact on our income generation capacity.

No risk is expected regarding the debt-equity ratio of the Company for the above mentioned risks.

F. OTHER MATTERS:

After the end of the operating year, there is no event of special importance that may affect the rights of shareholders, creditors and other relevant persons and organizations.

a) Independent Auditor:

Pursuant to the Turkish Commercial Code and Communiqué on the Independent Audit Standards in the Capital Market as amended through the Communiqué Series X no. 28 of the Capital Market Board and as per the resolution of the Board of Directors on the subject matter, it was resolved by majority of votes at the annual general meeting held on 12.04.2023 that PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, which was recommended by the Committee in charge of audit, be elected as the independent audit firm for audit of financial statements and reports of the Company in the 2023 in order to cover the accounting period of 2023.

b) Summary of the Valuation Report Issued on the Assets in the Portfolio:

Below is the summary of the real estate valuation carried out by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.:

Estimated market value as of 25.12.2023 (20% VAT excluded) : TRY-5,359,800,000.

c) Current Status, Completion Rate and Duration of the Projects, Realization Potential of the Predictions, Problems, etc.:

The Company did not undertake any project in 2023.

d) Detailed Information about Leases of Portfolio Assets:

The portfolio of the Company is comprised of Akmerkez shopping mall, trade center and residence complex. The complex has a total of 600 independent units, 473 of which are owned by Akmerkez GYO comprised of 445 units in the shopping mall and 27 units in the residential section in addition to 1 office.

e) Comparative Financial Statements:

Please see the appendix (Annex:2).

f) Information About the Control of Portfolio Limitations which is Set Out In Article 38.2 of the Communiqué on the Principles Applicable to Real Estate Investment Partnerships:

Information about the control of portfolio limitations set out in article 38.2 of the Communiqué on the Principles for Real Estate Investment Partnerships is provided in the footnotes to the financial statement (Annex:2-footnote 26).

g) Information about the Sector of the Enterprise along with its Position in the Sector:

Information about the sector of the enterprise is active along with its position in the sector is provided in sections "Sectoral Activities in 2023" and "Akmerkez in Brief" of the annual report.

h) Developments in the Investments, Incentives and their Beneficial Outcomes, if applicable:

The Company does not have any investment other than the existing real estates in Akmerkez Commercial Center.

i) Financial Sources of the Company, and Nature and amount of any Capital Market Instruments Issued by the Company, if any:

Financial sources of the Company consist of rental income. The Company has not issued any securities.

j) Amendments to the Articles of Association Introduced and Reasons Thereof:

The Company did not amend its Articles of Association within the relevant year.

k) Corporate Governance Principles Compliance Report:

a. Statement of Compliance with Corporate Governance Principles

In this current era marked with global competition and change, Akmerkez aims to attain the fair company level by keeping pace with the change through the corporate governance practices besides its financial successes. Accordingly, the Company is dedicated to create sustainable value for its stakeholders as part of its primary goals. Akmerkez maintains its privileged status a respectable, innovative, hardworking, creative and cooperative enterprise thanks to the long-standing Corporate Governance Principles which make it possible to form a good standing and reliable stance toward its clients, employees and the society as well as its shareholders and society at large.

The purpose of these principles is to strengthen the trust of all beneficiaries in the Company. In line with this goal, Akmerkez has declared that it will observe the Corporate Governance Principles and introduce the regulations required by these principles in accordance with the current practices.

Pursuant to the Corporate Governance Communiqué no. II-17.1 adopted through the Capital Market Resolution no. 2/49 of 10.01.2019, the Corporate Governance Compliance Reports shall be disclosed in the Public Disclosure Platform in line with the drafts of Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF). The reports are available at the “Corporate Governance” and “Corporate Governance Principles Compliance Reports” tabs on <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1399-akmerkez-gayrimenkul-yatirim-ortakligi-a-s>.

The Company complies with all of the mandatory corporate governance principles provided in the Corporate Governance Communiqué (II-17.1) of the Capital Market Board.

Below is the principle from which Akmerkez is exempt as per article 6 of the Corporate Governance Communiqué (II-17.1) of the Capital Market Board:

Paragraph one of the aforesaid article reads as follows: ‘The criteria stated under the principle numbered (4.3.4.) regarding the number of independent Board Member shall not be applied for the third group corporations and the joint ventures, except for the banks, formed of two real persons or legal entities who, do not have a relationship on capital, management or auditing relation with respect to 51% of the capital of each other as minimum, independent from each other and sharing the management control of the partnership equally with an agreement requiring positive votes of both parties for significant decisions with regard to the corporations provided that any application made in relation thereto should be accepted by the Board Independent members in number of two shall be sufficient in these corporations.’ According to the relevant article while the number of independent Board Member of Akmerkez can be two, the number of members has been determined as three in order to ensure that the Board of Directors can fulfill its functions more effectively and ensure sufficient diversity.

Reasons for non-implementation of the principles provided in the Corporate Governance Communiqué (II-17.1) of the Capital Market Board, whose implementation is not compulsory, are presented below on the basis of principle:

Regarding the Principle No. 1.5.2 of the Corporate Governance Communiqué: Maximum care is given to letting use of the minority rights. The minority rights have not been granted by the articles of association to those who own less than one twentieth of the capital.

Regarding the Principle No. 2.1.4 of the Corporate Governance Communiqué: The fundamental information and reports available in the corporate website are also provided in English.

Regarding the Principle No. 3.1.3 of the Corporate Governance Communiqué: The corporate website contains some of the policies and procedures related to the rights of the beneficiaries.

Regarding the Principle No. 3.3.5 of the Corporate Governance Communiqué: Decisions taken in connection with the employees or developments concerning the employees are communicated to the employees. No representative has been appointed due to small number of the employees.

Regarding the Principle No. 4.4.7 of the Corporate Governance Communiqué: Member of the Board of Directors spares adequate time for the business of the Company. If Member of the Board of Directors is a manager or member of Board of Directors in any other company, this does not lead to a conflict of interest and interfere with the duty of the member in the company. For this reason, undertaking of other duty or duties by the Members of the Board of Directors outside the Company has not been bound with certain rules or has not been limited. Any duties undertaken by the Members of the Board of Directors outside the company are stated in the "General Information Form of the Company" which is disclosed to the public through the KAP [*Public Disclosure Platform*]. In addition, if election of members of the Board of Directors is in the agenda of the general meeting, in respect of the persons whose candidacy to a seat in the Board of Directors, information about their curriculum vitae, duties carried out by them during the last ten years and reasons for resignation, nature and degree of importance of their relations with the company and the parties related with the company, whether they have the qualification for independency or not, and similar matters which may affect the activities of the company if they are elected as members of the Board of Directors is provided in the KAP and the "General Meeting Information Document" published on the Internet site of the company. Duties undertaken by the members of the Board of Directors outside the Company, and the reasons thereof, are informed to the shareholders during the general meeting where their elections are discussed under the item of the agenda concerning the election by making segregation between the duties within and outside of the group.

Regarding the Principle No. 4.5.5 of the Corporate Governance Communiqué: The management makes efforts in order not to assign a director in more than one committee. Nevertheless, some of the members undertake positions in two or more committees owing to their knowledge and experience on the relevant fields.

There is not any conflict of interest arising from the above stated principles set out in the Corporate Governance Communiqué (II-17.1) of the Capital Market Board, whose implementation is not compulsory. Necessary activities are performed for ensuring compliance with the Corporate Governance Principles based on the developments in the legislations and practices.

b. Sustainability Principles Compliance Report

Disclosures on Sustainability Principles

The Communiqué on the Amendment (II-17.1.a) of the Capital Markets Board's "Corporate Governance Communiqué (II-17.1)", which was published in the Official Gazette dated 02.10.2020 and numbered 31262, and whose implementation is based on voluntary basis In the assessment made within the scope of the Sustainability Principles Compliance Framework, our Company's activities and practices are generally formed in accordance with the spirit of sustainability principles, and to move forward with a more effective work over time for full compliance; All policies, procedures and strategies required in this field are planned to be written down by our Board of Directors and shared with the public.

Our studies and evaluations on sustainability are included in the 2021 annual reports, including the data for 2020. (The annual report for 2020 can be found at <https://www.kap.org.tr/tr/Bildirim/913651>, the annual report for 2021 can be found at <https://www.kap.org.tr/tr/Bildirim/1004731>.)

In accordance with the Corporate Governance Communiqué with the decision of the Capital Markets Board dated 23.06.2022 and numbered 34/977, the sustainability principles compliance framework reporting to be made as of 2022 will be announced on the Public Disclosure Platform with the "Sustainability Report" template. In this framework, our sustainability efforts and assessments for 2023 will be announced on the Public Disclosure Platform on the date of publication of the annual report. The report is available at the "Sustainability Report" tabs on <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1399-akmerkez-gayrimenkul-yatirim-ortakligi-a-s>.

I) Investor Relations Department:

Investor Relations Department reports to the General Manager:

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The Department Consultant Hatice Kara is holding Capital Market Activities Advanced Level (License No: 200038) and Corporate Governance Rating (License No: 700178) licenses.

m) Investor Relations Activity Report:

08.01.2024

To the Board of Directors of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.,

Our activity report, which has been prepared pursuant to Article 11 of the Corporate Governance Communiqué (II-17.1) promulgated by the Capital Market Board, is submitted to your information and will be contained in the annual activity report 2023 of the Board of Directors.

Sincerely yours,

Hatice Kara

Corporate Governance and
Investor Relations Consultant
Member of Corporate Governance
Committee

Gökhan Küçük

Budget, Reporting and
Investor Relations Executive

Akmerkez Investor Relations is primarily responsible for ensuring compliance with statutory regulations and transparent, accountable, fair and responsible management approach model toward shareholders. In order to attain this goal, it uses and manages the investor relations tool for the purpose of providing comprehensive, complete and accurate information about the progress of the shares of Akmerkez to the stakeholders.

The basic working principles adopted by the Investor Relations unit include accessibility, quick response to shareholders, transparent, consistent and timely informing and ensuring the up-to-dateness of the Company's website. Care is given to making sure that the staff of the department is formed by competent persons who know the legislation well, have the licenses required by the Capital Market Board, know the Company and the sector dynamics well and is able to communicate this. In this context, the Investor Relations Department targets to create a

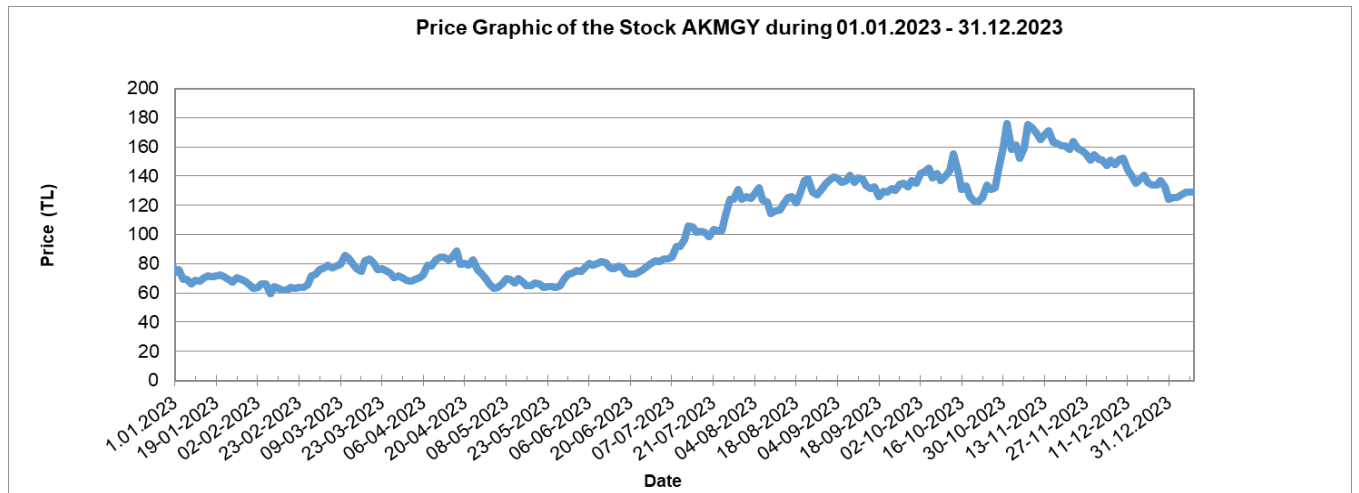
difference by knowing the company correctly and analyzing it well, knowing the strategies of the company well and communicating these strategies with efficient methods.

Significant Developments in 2023

1) Stock Performance

Shares of the Company are traded in the following indexes of the Main Market of Borsa İstanbul (BİST), and the share performance is shown in the following chart.

- BIST All 100
- BIST Corporate Governance
- BIST Real Estate Investment Partnerships
- BIST Financial
- BIST All
- BIST Dividend
- BIST Main
- BIST 500



Stocks of the Company have been traded in the Istanbul Stock Exchange and Borsa İstanbul since 2005. Below is a summary of the performance of the stocks in the exchange during the last five (5) years:

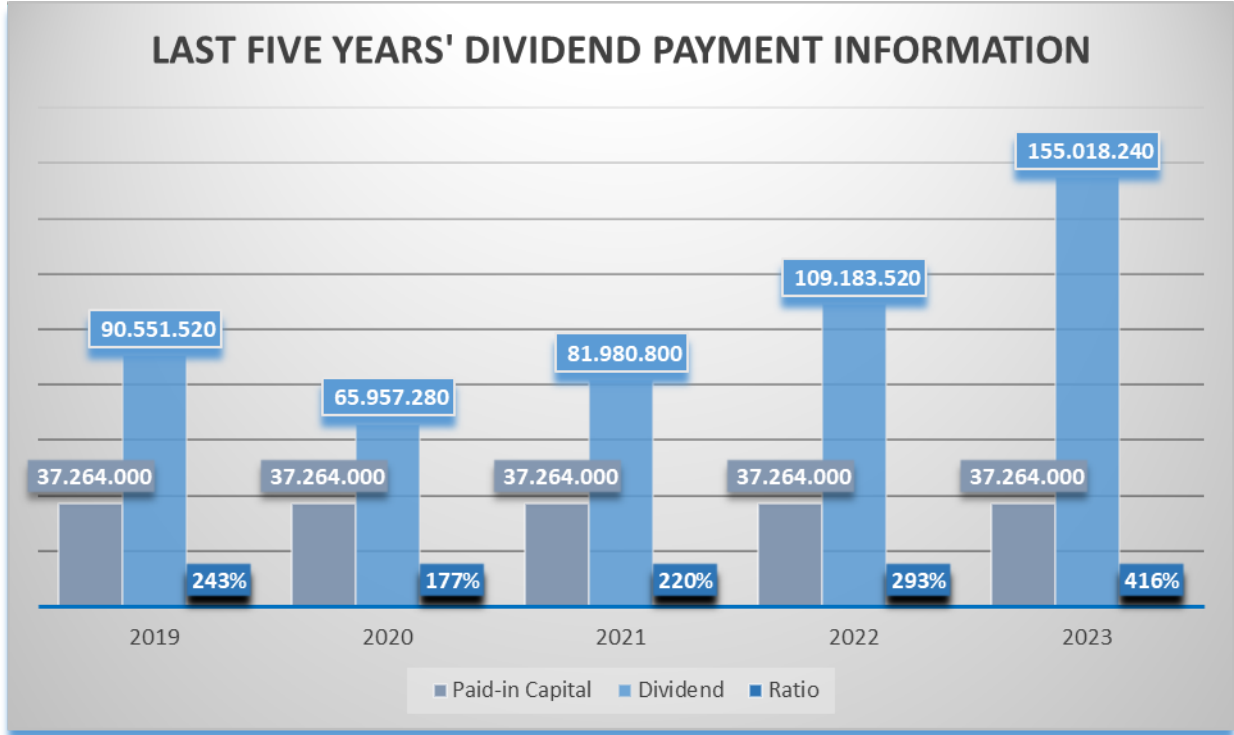
Stock Data(*)	2019	2020	2021	2022	2023
Lowest Price (TRY)	12.86	18.62	35.02	35.69	59.70
Highest Price (TRY)	23.22	93.76	75.94	86.00	175.80
Year-End Closing Price (TRY)	22.26	64.39	43.28	81.70	128.90
Issued Capital (TRY 1.000)	37,264	37,264	37,264	37,264	37,264
Market Value (TRY 1.000)	829,497	2,399,429	1,612,786	3,044,469	4,803,330

(*) Based on adjusted prices.

2) Dividend

Distribution of the dividends pertaining to the activity period of 2022 was approved by the annual general meeting held on April 12, 2023. The relevant dividends were distributed to the shareholders of the Company in cash on April 19, 2023.

Gross amounts of the dividends distributed during the last five (5) years and their ratios to paid-in capital are provided below:



3) Other activities in the year

Other activities carried out by the Investor Relations unit during the year are summarized as follows:

- Twenty six (26) special condition disclosures through the Public Disclosure Platform,
- Responding to the query of twelve (12) investors by e-mail,
- Responding to the queries of investors on the phone.

Contact Details of the Investor Relations Department

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n) Mandatory Information to be Provided to Shareholders Regarding Related Party Transactions and their Account Balances:

Details of the related party transactions executed by the Company in 2023 are provided below.

As of December 31, 2023, the amounts payable by the related parties and due to the related parties are as follows:

Due to the related parties	December 31, 2023
Akip Gıda San. Tic. A.Ş.	110,597
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	40,200
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	25,384
	176,181

Payables to related parties	December 31, 2023
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	9,472,089
Akkök Holding A.Ş.	406,009
Dinkal Sigorta Acenteliği A.Ş.	75,502
Aktek Bilgi İşlem Tekn.San.Tic. A.Ş.	7,413
	9,961,013

Purchases from and sales to the related parties during the year ending on December 31, 2023 are as follows:

Sales to the related parties	December 31, 2023
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	74,026,159
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	6,422,504
Akip Gıda San. Tic. A.Ş.	1,109,973
	81,558,637

Purchases from the related parties	December 31, 2023
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	147,035,686
Akkök Holding A.Ş.	2,287,928
Akhan Bakım Yönetim Servis Hizmet Güvenlik Tic. A.Ş.	163,342
Aktek Bilgi İşlem Tekn.San.Tic. A.Ş.	66,622
Dinkal Sigorta Acenteliği A.Ş. (*)	680,587
	150,234,165

(*) This refers to purchases made from several insurance companies through brokerage of Dinkal Sigorta Acenteliği A.Ş.

Purchases and sales consist of rent income, purchase and sales of services. TRY-147,035,686 of group purchases are comprised of expenses for management and other services provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş.'den ("Üçgen") whereas TRY-3,198,479 refers to other expenditures provided by the other related parties. The Company procures common areas services like car park, atm, advertising incomes from the related party Üçgen. In addition, apart, car park, cinema and office floor rent incomes are procured from Üçgen to whom the Company charged TRY-74,026,159 in total regarding the rent revenue and the revenue collected on behalf of the Company during twelve months period in 2023. (January 1 – December 31 2022: 62,905,640 TRY)

Senior managers including chairman and members of Board of Directors were paid totally TRY-10,007,324 in the form of wages and similar benefits during the accounting period from January 1 till December 31, 2023. (January 1 – December 31 2022: 7,609,950 TRY)

o) Information about Important Litigations Filed against the Company and Potential Results:

A lawsuit filed by one of our shareholders against some of our Board Members in 2014 and 2015 are still ongoing.

Information about these litigations is provided in the chart enclosed herewith (Annex 1).

p) Information about Conflicts of Interest between the Company and External Companies Providing Services on Investment Consultancy, Rating and the like and Measures Taken for Preventing Conflict of Interest:

The Company does not have any conflict of interest about the rating services nor with the supplier of rating services. The Company did not receive any service for investment consultancy etc. in 2023.

r) Information about Reciprocal Affiliates Involving a Direct Capital Subscription of More than 5%:

The Company does not have any reciprocal affiliation relationship with other companies.

s) Information about the Benefits and Professional Training Provided to Employees and Other Corporate Social Responsibility Activities Conducted for Dealing with Social and Environmental Impacts:

Employees are provided with the suitable training for performance of their professional duties. The company supports corporate social responsibility projects which are deemed to be necessary.

t) Assessment as to Achievement of Operational and Financial Performance Objectives and Justifications for Failure to Achieve, if applicable:

The Board of Directors has evaluated that the Company has achieved its operational and financial performance targets for 2023.

u) Specifically Important Incidents Occurring After the Closing of the Activity Year:

The company was not subject to any significant incident after the conclusion of the finance year. However, in accordance with the CMB's resolution dated 25/01/2024 and numbered 6/121, the group in which the Company is included has changed and the Company has been promoted from Group 3 to Group 2.

Annex 1: Litigations

LITIGATIONS FILED AGAINST AKMERKEZ GYO A.Ş.

No.	Court	Case No.	Plaintiff	Respondent	Claim	Current Status
1	İSTANBUL CIVIL COURT OF PEACE NO. 2	2009/742 New Case No: 2011/124	BERKAY İNCE / INTERVO DIŞ TİCARET VE MÜMESSİLLİK LTD. ŞTİ. (B3 Tower Office Floor 1)	1- AKMERKEZ GYO A.Ş. 2- ÜÇGEN BAKIM	ACTION FOR DAMAGES Claim: TL-100.000	The lawsuit was denied on procedural grounds in favor of the company. The lawsuit was appealed by the Plaintiff and the file is pending before the Supreme Court of Appeals.
2	İSTANBUL CIVIL COURT OF PEACE NO. 17	2019/831	AXA SIGORTA A.Ş.	AKMERKEZ GYO A.Ş.	CANCELLATION OF THE OBJECTION CASE Total Claim: 37.690,85-TL	Axa Insurance set the execution proceedings with recourse against Akmerkez GYO; An objection was made by Akmerkez GYO. Viewing has been carried out in the site; the expert report came to our advantage. The court decided to submit a report by a new panel of experts as the report contradicted the decision submitted to the previous domestic court. On 12.03.2021, new experts made a discovery. A petition containing our objection and statements against the experts report which was delivered on 08.04.2021 and the consecutive supplementary report was submitted. The Case has been dismissed. The reasoned judgement has been delivered to the parties and subsequently the plaintiff has requested an appeal against the judgement. A reply petition has been submitted against the appeal application. The appeal investigation continues.

LITIGATIONS RELATED TO THE BOARD MEMBERS OF AKMERKEZ GYO A.Ş.

No.	Court	Case No	Plaintiff	Respondent	Claim	Current Status
1	İSTANBUL COMMERCIAL COURT OF FIRST INSTANCE NO. 18	2014/1080	ÖMER DİNÇKÖK	RAİF ALİ DİNÇKÖK, ALİZE DİNÇKÖK, MEHMET ALİ BERKMAN	ACTION FOR DAMAGES (ARISING FROM RESPONSIBILITY OF COMPANY MANAGERS)	With the partial acceptance of the case, it was decided to reject the claimant's excess demand and the combined lawsuit (Istanbul8th Commercial Court of First Instance, file numbered 2015/951 E.) with the legal remedy open to appeal. As a result of the appeal examination carried out before the 12th Civil Chamber of the Istanbul Regional Court of Justice (File No:2019/2080 E.) the appeal of the plaintiff's attorney for the CPC, the decision of the first instance court, upon the acceptance of the appeal application for the case, is overturned pursuant to 353(1)b-2 of the HMK; decided. The plaintiff filed an appeal. 11th Civil Chamber of the Supreme Court of Appeals, dated 04.10.2023 and numbered 2022/3366 E. 2023/5602 K. The appeal decision was approved and the rejection decision became final.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

(ORIGINALLY ISSUED IN TURKISH)



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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the financial statements

1. Our opinion

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

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

2. Basis for opinion

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

3. Key audit matters

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



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



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

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

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

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

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

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

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

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

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



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

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

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

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

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



B. Other responsibilities arising from regulatory requirements

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

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

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

Baki Erdal, SMMM
Independent Auditor

Istanbul, 23 February 2024

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

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

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

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

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

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

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

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

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

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

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

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

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

	31 December 2023	31 December 2022
Administrative	7	7

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting standards

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

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

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

Adjustment of Financial Statements During Hyper-Inflationary Periods

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

2.1 Basis of Presentation (Continued)

2.1.1 Accounting standards (Continued)

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

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

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

Functional and presentation currency

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

Offsetting

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

Going concern

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

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

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

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

2.1 Basis of Presentation (Continued)

2.1.2 Compliance with portfolio restrictions

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

2.2 Changes in Accounting Policies

2.2.1 The new standards, amendments and interpretations

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

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

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.
- **IFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

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

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

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

2.2 Changes in Accounting Policies (Continued)

2.2.1 The new standards, amendments and interpretations (Continued)

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

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.
- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, ‘General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.
- **IFRS S2, ‘Climate-related disclosures’;** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, it was announced in the Board Decision published in the Official Gazette on December 29, 2023 that certain businesses will be subject to mandatory sustainability reporting starting from January 1, 2024. The businesses that will be subject to Sustainability Reporting are determined within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

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

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

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

2.3 Restatement and The Errors in The Accounting Estimates

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

2.4 Summary of Significant Accounting Policies

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

Financial assets

Classification

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

Recognition and Measurement

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

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

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

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

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

2.4 Summary of Significant Accounting Policies (Continued)

Financial assets (Continued)

Recognition and Measurement (Continued)

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

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

Derecognition

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

Impairment

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

Trade Receivables

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

2.4 Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial.

Related parties

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

Trade payables

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

Financial liabilities and borrowing costs

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

Current and deferred income taxes

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

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

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

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

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

2.4 Summary of Significant Accounting Policies (Continued)

Current and deferred income taxes (Continued)

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

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

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

Employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on May 23, 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TRY23,489.83 as of 31 December 2023 (31 December 2022: TRY15,371.40).

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

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

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of TRY35,058.58 (TRY in full) which is effective from 1 January 2024 has been taken into consideration when calculating the liability (TRY19,982.83 is effective from 1 January 2023).

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

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

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

2.4 Summary of Significant Accounting Policies (Continued)

Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in financial statements and are treated as contingent assets or liabilities.

Investment properties

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

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of assets

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

Revenue recognition

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

Rent income from investment properties

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

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

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

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

Interest income and expense

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

2.4 Summary of Significant Accounting Policies (Continued)

Paid-in capital

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

Earnings per share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of their shares “Bonus Shares” to existing shareholders funded from retained earnings or other reserves. For the purpose of earnings per share computations, such “Bonus Share” issuances are regarded as issued shares for all periods presented and accordingly the weighted average number of shares used in earnings per share computations in prior periods is adjusted retroactively for the effects of these shares, issued without receiving cash or another consideration from shareholders.

Reporting of cash flows

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

Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts or provides disclosure in its financial statements if such subsequent events arise that require an adjustment or disclosure to the financial statements.

2.5 Significant Accounting Estimates and Assumptions

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

NOTE 3 - SEGMENT REPORTING

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

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

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

NOTE 5 - TRADE AND OTHER RECEIVABLES AND PAYABLES

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

The movement of provisions for doubtful receivables is as follows:

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

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

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

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

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

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

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

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

NOTE 6 - INVESTMENT PROPERTY

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

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

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

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

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

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

NOTE 6 - INVESTMENT PROPERTY (Continued)

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

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

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

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

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

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

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

31 December 2023: USD166,668,765

31 December 2022: USD166,556,547

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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NOTE 7 - TANGIBLE ASSETS

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

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

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

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Real rights on immovables are as follows:

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

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

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

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

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

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

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

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

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

Provision for lawsuits

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

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

NOTE 9 - EMPLOYEE BENEFITS

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

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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NOTE 9 - EMPLOYEE BENEFITS (Continued)

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

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

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

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

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

NOTE 10 - OTHER ASSETS AND LIABILITIES

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

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

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

NOTE 10 - OTHER ASSETS AND LIABILITIES (Continued)

Prepaid expenses - long-term	31 December 2023	31 December 2022
Prepaid expenses	11,459	730,729
	11,459	730,729

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

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

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

NOTE 11 - EQUITY

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

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

(*) Represents individual shareholdings less than 10%.

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

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

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

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

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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NOTE 11 - EQUITY (Continued)

Retained earnings consist of the following:

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

NOTE 12 - OPERATING INCOME

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

NOTE 13 - GENERAL ADMINISTRATIVE EXPENSES

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

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

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NOTE 14 - EXPENSES BY NATURE

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

NOTE 15 - OTHER OPERATING INCOME/(EXPENSES)

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

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

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

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NOTE 16 - INCOME FROM INVESTING ACTIVITIES

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

NOTE 17 - FINANCIAL INCOME AND EXPENSE

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

NOTE 18 - TAX ASSETS AND LIABILITIES

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

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NOTE 19 - EARNINGS PER SHARE

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

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

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

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

NOTE 20 - RELATED PARTY DISCLOSURES

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

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

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

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

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

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

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

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

The Company’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Liquidity Risk

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

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

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

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

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

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

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

Interest rate risk

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

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

The interest position is set out in the table below:

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

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

Credit Risk

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

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

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

Credit risk disclosures

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

Credit risk disclosures

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

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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

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

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

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

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

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

Foreign Currency Risk

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

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

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

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

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

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

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

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

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

Capital Risk Management

For proper management of capital risk, the Company aims;

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

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

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

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

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

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

Fair value of financial instruments

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

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

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

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

Financial assets:

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

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

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

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

Financial liabilities:

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

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

Classification of Fair Value Measurement

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

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

Classification requires using observable market data if possible.

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NOTE 23 - SUBSEQUENT EVENTS

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

NOTE 24 - FINANCIAL INVESTMENTS

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

	31 December 2023	31 December 2022
Foreign currency bonds	77,129,024	73,882,814
	77,129,024	73,882,814

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

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

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

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

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

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

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

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