

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2024
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



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

**REPORT ON REVIEW OF INTERIM
FINANCIAL INFORMATION**

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

Introduction

We have reviewed the accompanying statement of financial position of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2024 and the statement of profit or loss, the other comprehensive income, changes in equity and cash flows for the six-month period then ended and summary of significant accounting policies and other explanatory notes. The management of the Company is responsible for the preparation and fair presentation of this interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim financial information do not give a true and fair view of the financial position of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. as at 30 June 2024, and its financial performance and cash flows for the six-month period then ended in accordance with TAS 34.

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

Baki Erdal, SMMM
Independent Auditor

Istanbul, 18 September 2024

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/(BALANCE SHEET) AT 30 JUNE 2024 AND
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
ASSETS			
Current assets		329,250,202	441,181,996
Cash and cash equivalents	4	208,450,579	310,574,973
Financial investments			
<i>Financial assets measured at amortized cost</i>	20	88,098,419	96,206,571
Trade receivables			
<i>Receivables from third parties</i>	5	20,457,982	27,462,020
<i>Receivables from related parties</i>	5, 19	73,465	219,759
Other receivables			
<i>Receivables from third parties</i>	5	2,470,949	39,659
Prepaid expenses	10	4,263,339	1,214,458
Current tax assets		3,554,937	3,042,469
Other current assets	10	1,880,532	2,422,087
Non-current assets		6,705,944,752	6,687,099,502
Investment properties	6	6,703,406,699	6,685,524,498
Tangible assets	7	308,721	324,511
Intangible assets		807,353	895,007
Prepaid expenses	10	-	14,293
Other non-current assets	10	1,421,979	341,193
Total assets		7,035,194,954	7,128,281,498

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
FINANCIAL POSITION/(BALANCE SHEET) AT 30 JUNE 2024 AND
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
LIABILITIES			
Current liabilities		31,200,451	33,647,401
Trade payables			
<i>Due to related parties</i>	5, 19	7,937,261	12,424,829
<i>Due to third parties</i>	5	5,946,708	1,354,427
Other payables			
<i>Due to third parties</i>	5	8,503,783	9,432,761
Deferred income (Excluding liabilities from customer contracts)	10	1,046,085	1,410,453
Short-term provisions			
<i>Other short-term provisions</i>	8	137,691	222,889
<i>Provisions for employment termination benefits</i>	9	1,768,745	1,398,162
Other current liabilities	10	5,860,178	7,403,880
Non-current liabilities		6,093,794	9,715,003
Other payables			
<i>Other payables to third parties</i>	5	1,791,151	5,090,991
Deferred income		55,000	137,208
Long-term provisions			
<i>Provisions for employment termination benefits</i>	9	4,247,643	4,486,804
Equity		6,997,900,709	7,084,919,094
Share capital	11	37,264,000	37,264,000
Adjustment to share capital	11	1,098,734,562	1,098,734,562
Other comprehensive income/expense not to be reclassified to profit or loss			
- <i>Actuarial gains/(losses) arising from employee benefits</i>		(6,529,022)	(6,757,705)
Restricted reserves		980,561,232	949,375,523
Retained earnings	11	4,661,240,112	4,386,936,417
Net income for the period	18	226,629,825	619,366,297
Total liabilities and equity		7,035,194,954	7,128,281,498

These interim financial statements for the period ended 1 January - 30 June 2024 have been approved by the Board of Directors on 18 September 2024.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 April - 30 June 2024	Reviewed 1 January - 30 June 2023	Reviewed 1 April - 30 June 2023
PROFIT AND LOSSES					
Revenue	12	329,513,496	164,855,293	306,873,381	159,547,546
Cost of sales (-)	12	(75,905,660)	(36,347,598)	(67,317,821)	(33,170,903)
Gross profit	12	253,607,836	128,507,695	239,555,560	126,376,643
General administrative expenses (-)		(25,830,336)	(12,995,752)	(20,352,216)	(8,990,512)
Other operating income	14	1,523,567	142,205	99,330	-
Other operating expenses (-)	14	(4,399,162)	(3,281,742)	(3,814,150)	(2,098,028)
Operating profit		224,901,905	112,372,406	215,488,524	115,288,103
Financial income	15	82,593,931	32,285,025	63,720,739	44,109,430
Financial expenses (-)	16	(987,260)	(703,098)	(752,266)	(485,221)
Monetary loss/gain		(79,878,751)	(18,799,168)	(49,992,272)	(11,705,429)
Profit before tax from continuing operations	18	226,629,825	125,155,165	228,464,725	147,206,883
Tax income/(expenses) from continuing operations		-	-	-	-
Profit for the period from continuing operations	18	226,629,825	125,155,165	228,464,725	147,206,883
Earnings per share					
Earnings per share from continuing operations	18	6.08	3.36	6.13	3.95
Earnings per share from discontinuing operations		-	-	-	-
Diluted earnings per share					
Diluted earnings per share from continuing operations	18	6.08	3.36	6.13	3.95
Diluted earnings per share from discontinuing operations		-	-	-	-
OTHER COMPREHENSIVE INCOME					
Items not to be classified to profit or loss					
Actuarial gains/(losses) arising from employee benefits	9	228,683	(58,042)	(895,636)	107,802
Total comprehensive income		226,858,508	125,097,123	227,569,089	147,314,685

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

	Notes	Share capital	Adjustment to share capital	Other comprehensive income/expense not to be reclassified to profit or loss		Accumulated profit		Total equity
				Actuarial gain/(loss) arising from employee benefits	Restricted reserves	Retained earnings	Net profit for the period	
1 January 2023		37,264,000	1,098,734,562	(7,116,080)	921,400,649	4,896,832,000	(198,768,709)	6,748,346,422
Transfers		-	-	-	27,974,874	(226,743,583)	198,768,709	-
Dividends		-	-	-	-	(283,152,000)	-	(283,152,000)
Total comprehensive income		-	-	(895,636)	-	-	228,464,725	227,569,089
30 June 2023 (Reviewed)	11	37,264,000	1,098,734,562	(8,011,716)	949,375,523	4,386,936,417	228,464,725	6,692,763,511
1 January 2024		37,264,000	1,098,734,562	(6,757,705)	949,375,523	4,386,936,417	619,366,297	7,084,919,094
Transfers		-	-	-	31,185,709	588,180,588	(619,366,297)	-
Dividends (*)		-	-	-	-	(313,876,893)	-	(313,876,893)
Total comprehensive income		-	-	228,683	-	-	226,629,825	226,858,508
30 June 2024 (Reviewed)	11	37,264,000	1,098,734,562	(6,529,022)	980,561,232	4,661,240,112	226,629,825	6,997,900,709

(*) At the Ordinary General Assembly Meeting dated 4 April, 2024, it was decided to distribute dividend amounting to TRY 313,876,893. The entire dividend was distributed in cash to the shareholders on 17 April 2024.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		290,385,692	738.266.353
Profit for the year		226,629,825	228,464,725
Adjustments to profit/(loss) for the year		60,975,930	522.676.740
Adjustments for depreciation and amortization expenses	13	100,856	121,844
Adjustments regarding impairment (cancellation)	5	-	166,665
Adjustments for provisions		3,195,344	4,381,984
Adjustments for interest (income)/expenses	15	(72,198,047)	(31,706,740)
Other adjustments for non-cash items		(539,231)	1,355,760
Monetary loss/gain		130,417,008	548.357.227
Change in working capital		3,290,051	(7,050,325)
Adjustments for decrease/(increase) in trade receivables			
<i>Decrease/(increase) in trade receivables from related parties</i>	5	146,294	131,663
<i>Decrease/(increase) in trade receivables from third parties</i>	5	7,283,062	4,433,849
Adjustments for decrease/(increase) in other receivables			
<i>Increase/(decrease) in other receivables from third parties</i>	5	(2,431,290)	-
Increase/(decrease) in financial investments	20	8,108,152	(21,027,378)
Decrease /(Increase) in other assets related to operations		(2,471,446)	(2,103,176)
Adjustments regarding increase/(decrease) in trade payables			
<i>Decrease/(increase) in trade payable from related parties</i>	5	(4,487,568)	1,886,946
<i>Increase/(decrease) in trade payable from third parties</i>	5	4,592,281	5,953,149
Increase/(decrease) in other liabilities related to operations		(7,449,434)	3,674,622
Cash provided from operations		290,895,806	744.091.140
Employment termination benefit payments	9	(510,114)	(5,824,787)
CASH FLOWS FROM INVESTING ACTIVITIES		53,437,372	23.205.350
Interest received		71,373,297	31.110.906
Cash outflows from the purchase of tangible and intangible assets	7	(53,724)	-
Cash outflows from the purchase of investment property	6	(17,882,201)	(7,905,556)
CASH FLOWS USED IN FINANCING ACTIVITIES		(313,876,893)	(283,152,000)
Dividends paid		(313,876,893)	(283,152,000)
EFFECT OF MONETARY (GAIN) LOSSES ON CASH AND CASH EQUIVALENTS		(131,876,014)	(552,708,552)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		29,946.171	478.319.703
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		309,555,672	219,703,634
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		207,625,829	145,314,785

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

Kültür Mah. Nispetiye Cad. Akmerkez No: 56 E3 Kule Kat:1 Etiler-Beşiktaş/İstanbul.

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

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

The Company’s shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 15 April 2005 and 57.34% of these shares are publicly quoted shares as of 30 June 2024.

The shareholding structure as of 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024	31 December 2023
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 30 June 2024 (31 December 2023: 44.85%).

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

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

	30 June 2024	31 December 2023
Administrative	7	7

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of TRY at 30 June 2024, 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 28 December, 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 31 December 2023.

The restatement for the changes in the general purchasing power of the Turkish Lira as of 30 June 2024 is based on TAS 29 "Financial Reporting in Hyperinflationary Economies". TAS 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. One of the requirements to apply TAS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexation process is performed by using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TÜİK"). Such indices and conversion factors used to restate the financial statements of the current and previous periods since 1 January 2005 are as follows:

Date	Index	Coefficient rate	Cumulative 3 year inflation rate
30 June 2024	2,319.29	1.00000	324%
31 December 2023	1,859.38	1.24735	268%
30 June 2023	1,351.59	1.71597	190%

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

2.1.1 Accounting Standards (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 - 30 June 2024 in accordance with the going concern principle.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, 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 23 “Supplementary Note: Control of Compliance with Portfolio Restrictions” represent a condensed information based on the figures extracted from the financial statements that are prepared in accordance with serial II No:14.1 “Article 17 of Communiqué on Principals of Financial Reporting in Capital Markets” of the CMB. This condensed information has been prepared in accordance with the requirements of Serial III No:48.1 “Principals of The Real Estate Investment Trusts” of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

2.2 Changes in Accounting Policies

2.2.1 New and revised standards and interpretations

The accounting policies adopted in preparation of the financial statements as at 30 June 2024 are consistent with those of the previous financial year, except for the adoption of the new and amended TFRS and TFRIC interpretations effective as of 30 June 2024.

a. Standards, amendments, and interpretations applicable as of 30 June 2024:

- **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.
- **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

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

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

2.2 Changes in Accounting Policies restrictions (Continued)

2.2.1 New and revised standards and interpretations (Continued)

a. Standards, amendments, and interpretations applicable as of 30 June 2024: (Continued)

- **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

b. Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

- **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
- **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
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

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

2.2 Changes in Accounting Policies restrictions (Continued)

2.2.1 New and revised standards and interpretations (Continued)

b. Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024: (Continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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 - 30 June 2024 there has been no change in the accounting estimates.

2.4 Summary of Significant Accounting Policies

The condensed interim financial statements of the Company have been prepared in accordance with TAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2023. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

2.5 Significant Accounting Estimates and Assumptions

The preparation of financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities and disclosed contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. While these estimates are based on management’s best judgment and information, actual results may differ from these estimates.

NOTE 3 - SEGMENT REPORTING

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Cash	6,444	32,470
Banks		
- TRY time deposits	208,367,109	310,503,848
- TRY demand deposits	60,634	21,222
- Foreign currency denominated demand deposits	16,392	17,433
	208,450,579	310,574,973

As of 30 June 2024, the interest rate on TRY time deposit accounts at banks is 48.5% and the accrued interest of TRY time deposit accounts is TRY824,750. There are no foreign currency denominated time deposits as of 30 June 2024. (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 TRY1,019,301. There are no foreign currency denominated time deposits as of 31 December 2023.) The maturity of time deposits is less than one month (31 December 2023: Less than one month).

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

	30 June 2024	31 December 2023
Cash and cash equivalents	208,450,579	310,574,973
Less: accrued interest	(824,750)	(1,019,301)
	207,625,829	309,555,672

NOTE 5 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	30 June 2024	31 December 2023
Trade receivables from third parties	21,586,058	28,869,120
Trade receivables from related parties (Note 19)	73,465	219,759
	21,659,523	29,088,879
Less: Provision for doubtful receivables	(1,128,076)	(1,407,100)
	20,531,447	27,681,779

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

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

The movement of provisions for doubtful receivables is as follows:

	2024	2023
1 January	1,407,100	3,373,410
Provisions made during the period	-	166,665
Monetary loss/gain	(279,024)	(579,969)
30 June	1,128,076	2,960,106
Short-term other receivables	30 June 2024	31 December 2023
Other receivables from third parties	2,470,949	39,659
	2,470,949	39,659
Short-term trade payables	30 June 2024	31 December 2023
Due to related parties (Note 19)	7,937,261	12,424,829
Trade payables to third parties	5,946,708	1,354,427
	13,883,969	13,779,256
Short-term other payables	30 June 2024	31 December 2023
Tax and funds payable	8,256,970	9,235,964
Other	246,813	196,797
	8,503,783	9,432,761
Long-term other payables	30 June 2024	31 December 2023
Deposits and guarantees received	1,791,151	5,090,991
	1,791,151	5,090,991

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 6 - INVESTMENT PROPERTY

The movements of the investment property for the six-month interim periods ended 30 June 2024 and 2023 are as follows:

	1 January 2024	Additions	Disposals	Transfers	30 June 2024
Cost					
Buildings	6,685,524,498	-	-	17,882,201	6,703,406,699
Construction in progress (*)	-	17,882,201	-	(17,882,201)	-
	6,685,524,498	17,882,201	-	-	6,703,406,699

(*) The transfers amounting to TRY17,882,201 to the construction in progress to the buildings are the costs that are reflected from the Üçgen Bakım ve Yönetim Hizmetleri A.Ş. within the scope of management services in accordance with the share of the Company.

	1 January 2023	Additions	Disposals	Transfers	30 June 2023
Cost					
Buildings	6,435,312,968	-	-	7,905,556	6,443,218,524
Construction in progress (*)	-	7,905,556	-	(7,905,556)	-
	6,435,312,968	7,905,556	-	-	6,443,218,524

(*) The transfers amounting to TRY4,088,401 to the construction in progress to the buildings are the costs that are reflected from the Üçgen Bakım ve Yönetim Hizmetleri A.Ş. within the scope of management services in accordance with the share of the Company. The transfers of TRY3,817,155 are Company investment expenses.

The inflation-adjusted amount of 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 is in amount to TRY6,685,524,498 (According to the valuation report of Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş. dated 30 December 2022, the inflation-adjusted amount of the fair value of the investment property is TRY6,435,312,968). The method used in fair value calculations is the income method for the shopping malls and is the benchmark comparison method for the office and residences.

Insurance coverages on assets as of 30 June 2024 and 31 December 2023 are as follows:

30 June 2024: USD 206,684,493

31 December 2023: USD 166,668,765

NOTE 7 - TANGIBLE ASSETS

The movements of the tangible assets for the six-month interim periods ended 30 June 2024 and 2023 are as follows:

	1 January 2024	Additions	30 June 2024
Plants, machinery and equipment	2,030,893	-	2,030,893
Furniture and fixture	160,580,237	53,724	160,633,961
Accumulated depreciation	(162,286,619)	(69,514)	(162,356,133)
Net book value	324,511	(15,790)	308,721

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 7 - TANGIBLE ASSETS (Continued)

	1 January 2023	Additions	30 June 2023
Plants, machinery and equipment	2,030,893	-	2,030,893
Furniture and fixture	160,561,950	-	160,561,950
Accumulated depreciation	(162,169,820)	(58,379)	(162,228,199)
Net book value	423,023	(58,379)	364,644

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Real rights on immovables are as follows:

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

Guarantee, cheques and letters	Currency of denomination	Original amount	30 June 2024
Letters of guarantees received	TRY	67,917,761	67,917,761
Letters of guarantees received	USD	326,367	10,713,388
Guarantee notes received	USD	333,023	10,931,880
Letters of guarantees received	EUR	151,866	5,334,810
Guarantee cheques received	TRY	71,000	71,000
			94,968,839

Guarantee, cheques and letters	Currency of denomination	Original amount	31 December 2023
Letters of guarantees received	TRY	56,171,310	56,171,310
Letters of guarantees received	USD	373,519	13,715,475
Guarantee notes received	USD	333,023	12,228,477
Letters of guarantees received	EUR	151,866	6,170,455
Guarantee cheques received	TRY	88,562	88,562
Guarantee notes received	TRY	92,088	92,088
			88,466,367

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

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

	30 June 2024	31 December 2023
Other short-term provision		
Provision for lawsuits	137,691	178,691
Monetary loss/gain	-	44,198
	137,691	222,889

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

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

Provision for lawsuits

As of 30 June 2024, total provision amounting to TRY137,691 (31 December 2023: TRY222,889), has been provided for the lawsuits filed against the Company and it was canceled in January 2024 in return for a lawsuit of TRY41,000.

There are 10 lawsuits and 29 executive proceedings that the Company is currently a party of them.

NOTE 9 - EMPLOYEE BENEFITS

The short-term provisions for employee benefits at 30 June 2024 and 31 December 2023 are as follows:

Short term provisions	30 June 2024	31 December 2023
Unused vacation allowances	1,768,745	1,398,162
	1,768,745	1,398,162

Provision for unused vacation amounting to TRY1,042,073 comprise of the unused vacation provisions of the Company’s personnel, while TRY726,672 comprise of the Company's shares of unused vacation allowance related to the personnel of Üçgen Bakım ve Yönetim Hizmetleri A.Ş.

Long term provisions	30 June 2024	31 December 2023
Employment termination benefits	4,247,643	4,486,804
	4,247,643	4,486,804

At 30 June 2024, the amount payable consists of one month’s salary limited to a maximum of TRY35,058.58 for each year of service (31 December 2023: TRY23,489.83).

In the financial statements, Company management reflected a liability calculated in accordance with TAS 19 and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. All actuary gain and losses are recognized in comprehensive income statement. Accordingly, the actuarial assumptions used to calculate the liability as of 30 June 2024 and 31 December 2023 are as follows:

	1 January - 30 June 2024	1 January - 31 December 2023
Discount rate (%)	3.65	3.65
Turnover rate to estimate the probability of retirement (%)	97.84	95.83

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 9 - EMPLOYEE BENEFITS (Continued)

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

	2024	2023
1 January	4,486,804	10,776,164
Cost of service	1,143,662	1,331,920
Cost of interest	491,758	513,900
Actuarial (gain)/ losses	(228,683)	895,636
Payments made during the period (-)	(510,114)	(5,824,787)
Monetary loss/gain	(1,135,784)	(1,995,782)
30 June	4,247,643	5,697,051

Provision for employment termination benefits amounting to TRY151,540 comprise of the Company’s personnel termination benefits provisions and TRY4,096,103 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 30 June 2024 and 31 December 2023 are as follows:

Prepaid expenses - short-term	30 June 2024	31 December 2023
Prepaid expenses (*)	4,260,790	1,212,858
Advances given	2,549	1,600
	4,263,339	1,214,458

(*) The portion amounting to TRY3,656,212 consists of prepaid tax expenses to Beşiktaş Municipality and the portion amounting to TRY124,885 consists of insurance expenses and the portion amounting to TRY479,693 consists of other expenses.

Prepaid expenses - long-term	30 June 2024	31 December 2023
Prepaid expenses	-	14,293
	-	14,293

Other current assets	30 June 2024	31 December 2023
Income accruals for store rent (*)	1,880,532	2,422,087
	1,880,532	2,422,087

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 10 - OTHER ASSETS AND LIABILITIES (Continued)

Other non-current assets	30 June 2024	31 December 2023
Income accruals for store rent (*)	1,421,979	341,193
	1,421,979	341,193

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

Deferred income (Excluding customer contract liabilities)	30 June 2024	31 December 2023
Advances received	936,085	1,273,245
Deferred income	110,000	137,208
	1,046,085	1,410,453

Other current liabilities	30 June 2024	31 December 2023
Expense accruals	5,860,178	7,403,880
	5,860,178	7,403,880

NOTE 11 – EQUITY

At 30 June 2024 and 31 December 2023, the issued and fully paid-in share capital held is as follows:

Shareholders	30 June 2024		31 December 2023	
	Share (%)	Amount	Share (%)	Amount
Akkök Holding A.Ş.	11.67	4,349,553	11.67	4,349,553
Tekfen Holding A.Ş.	10.47	3,901,279	10.47	3,901,279
Public offering	57.34	21,367,443	57.34	21,367,443
Other (*)	20.52	7,645,725	20.52	7,645,725
Paid-in capital	100.00	37,264,000	100.00	37,264,000
Capital adjustment differences (**)		1,098,734,562		1,098,734,562
Total Equity		1,135,998,562		1,135,998,562

(*) Represents individual shareholdings less than 10%.

(**) Capital adjustment differences refer to the difference between the total amounts of cash and cash equivalent additions to capital adjusted in accordance with CMB Financial Reporting Standards and their pre-adjustment amounts. Capital adjustment differences have no utilisation other than being added to capital.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 11 - EQUITY (Continued)

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

The Company's issued and fully paid share capital amounting to TRY37,264,000 is represented by 3,726,400,000 shares of Kuruş 1 nominal value of which 407,575,000 are Class A shares, 284,138,000 are Class B shares, 239,887,000 are Class C shares and 2,794,800,000 are Class D shares as of 30 June 2024 and 31 December 2023.

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

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

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

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

Retained earnings consist of the following:

	30 June 2024	31 December 2023
Retained earnings	4,506,819,546	4,232,610,427
Extraordinary reserves	73,283,792	73,189,216
Inflation difference in extraordinary reserves	10,632,660	10,632,660
Inflation difference in legal reserves	70,504,114	70,504,114
	4,661,240,112	4,386,936,417

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 11 - EQUITY (Continued)

As of 30 June 2024 and 31 December 2023, the fund items included in shareholders' equity in the financial statements prepared in accordance with the Tax Procedure Law are as follows:.

	PPI adjusted statuary entries	CPI adjusted statuary entries	Amounts followed in retained earnings
Adjustments to share capital	262,145,775	1,098,734,562	(836,588,787)
Reserves on retained earning	108,261,499	980,561,232	(872,299,733)

As of 1 January 2023, the Company's previous years profit/(loss) without inflation accounting is TRY1,917,935,461, while the previous years profit/(loss) with inflation applied is TRY4,896,832,000.

As of 31 December 2023, the Company's previous years profit/(loss) without inflation accounting is TRY2,995,041,322, while the previous years profit/(loss) with inflation applied is TRY4,386,936,417.

NOTE 12 - OPERATING INCOME

Sales	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Shops and warehouse rent income	284,997,941	143,929,040	270,246,236	140,571,101
Apart hotel rent income	21,516,042	9,796,655	20,127,863	10,398,497
Parking lot rental income	16,654,391	8,006,162	11,593,501	5,547,600
Other income	6,345,122	3,123,436	4,905,781	3,030,348
	329,513,496	164,855,293	306,873,381	159,547,546
Cost of sales				
Cost of services	(75,905,660)	(36,347,598)	(67,317,821)	(33,170,903)
	(75,905,660)	(36,347,598)	(67,317,821)	(33,170,903)
Gross profit	253,607,836	128,507,695	239,555,560	126,376,643

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 13 - EXPENSES BY NATURE

	1 January – 30 June 2024	1 April – 30 June 2024	1 January – 30 June 2023	1 April – 30 June 2023
Cost of service	75,905,660	36,347,598	67,317,821	33,170,903
Personnel expenses	14,727,048	7,465,615	10,448,292	5,357,482
Consultancy expenses	5,498,717	3,189,109	3,479,626	1,861,434
Legal expenses	2,415,098	1,173,636	1,879,246	953,492
Provision for vacation	291,541	32,888	374,983	3,012
Insurance, duties, taxes and levies expenses	243,720	123,676	253,046	125,566
Donation	137,239	-	1,897,772	-
Depreciation and amortization expenses	100,856	33,001	121,844	31,983
Provision for employment termination benefits	87,747	(31,443)	107,980	(4,124)
Other	2,328,370	1,009,270	1,789,427	661,667
	101,735,996	49,343,350	87,670,037	42,161,415
Depreciation and amortization expenses				
General administrative expenses	100,856	33,001	121,844	31,983
	100,856	33,001	121,844	31,983

NOTE 14 - OTHER OPERATING INCOME/EXPENSES

	1 January – 30 June 2024	1 April – 30 June 2024	1 January – 30 June 2023	1 April – 30 June 2023
Other operating income				
Provisions no longer required	1,230,344	70,577	9,025	-
Foreign exchange gains on trading activities	13,144	9,711	3,571	-
Interest income	10,566	-	64,339	-
Other	269,513	61,917	22,395	-
	1,523,567	142,205	99,330	-
Other operating expenses				
Depreciation of leasing projects (*)	(427,338)	-	(2,361,599)	(913,926)
Foreign exchange loss on trading activities	(303,878)	(42,118)	(1,278,559)	(1,184,102)
Doubtful trade receivable provision	-	-	(166,665)	-
Other	(3,667,946)	(3,239,624)	(7,327)	-
	(4,399,162)	(3,281,742)	(3,814,150)	(2,098,028)
Other operating income/(expenses) - net	(2,875,595)	(3,139,537)	(3,714,820)	(2,098,028)

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS INTERIM PERIOD ENDED 30 JUNE 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 15 - FINANCIAL INCOME

	1 January – 30 June 2024	1 April – 30 June 2024	1 January – 30 June 2023	1 April – 30 June 2023
Financial income				
Interest income	72,198,047	30,366,767	31,706,740	14,243,590
Foreign exchange income	10,395,884	1,918,258	32,013,999	29,865,840
	82,593,931	32,285,025	63,720,739	44,109,430

NOTE 16 - FINANCIAL EXPENSES

	1 January – 30 June 2024	1 April – 30 June 2024	1 January – 30 June 2023	1 April – 30 June 2023
Financial expenses				
Foreign exchange expenses	(495,502)	(470,107)	(238,366)	(237,505)
Interest expenses related to employee benefits	(491,758)	(232,991)	(513,900)	(247,716)
	(987,260)	(703,098)	(752,266)	(485,221)

NOTE 17 - TAX ASSETS AND LIABILITIES

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

NOTE 18 - EARNINGS PER SHARE

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

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

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

	1 January – 30 June 2024	1 April – 30 June 2024	1 January – 30 June 2023	1 April – 30 June 2023
Weighted average number of shares as of the reporting date (per share of TRY1 nominal value)	37,264,000	37,264,000	37,264,000	37,264,000
Net profit for the period	226,629,825	125,155,165	228,464,725	147,206,883
Earnings per share	6.08	3.36	6.13	3.95

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(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of TRY at 30 June 2024, unless otherwise indicated.)

NOTE 19 - RELATED PARTY DISCLOSURES

Receivables from related parties

As of 30 June 2024 and 31 December 2023 trade receivables from related parties are as follows:

	30 June 2024	31 December 2023
Trade receivables from related parties		
Akip Gıda San. Tic. A.Ş.	73,465	137,952
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	-	50,143
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	-	31,664
	73,465	219,759

As of 30 June 2024 and 31 December 2023 trade payables due to related parties are as follows:

	30 June 2024	31 December 2023
Trade payables due to related parties		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	7,693,812	11,814,971
Akkök Holding A.Ş.	220,022	506,434
Dinkal Sigorta Acenteliği A.Ş.	-	94,177
Aktek Bilgi İşlem Tekn.San.Tic. A.Ş.	23,427	9,247
	7,937,261	12,424,829

	1 January – 30 June 2024	1 April – 30 June 2024	1 January – 30 June 2023	1 April – 30 June 2023
Purchases from related parties	111,033,372	52,534,900	109,329,481	52,872,657
Sales to related parties	56,936,466	27,742,806	48,285,624	24,748,288

Purchases and sales consist of rent income, purchase and sales of services. The related party purchases amounting to TRY108,764,258 comprise of management expenses provided by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (“Üçgen”) The remaining balance amounting to TRY2,269,114 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 TRY52,167,487 has been invoiced to Üçgen in the first six months of 2024 regarding the income and rental income on behalf of the Company (1 January - 30 June 2023: TRY43,224,054).

As of 1 January - 30 June 2024, remuneration provided to top executives such as the General Manager and the members of Board of Directors is TRY10,060,678 (1 January - 30 June 2023: TRY8,887,353).

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NOTE 20 - FINANCIAL INVESTMENTS

Details of the financial investments as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Foreign currency bonds	88,098,419	96,206,571
	88,098,419	96,206,571

As of 30 June 2024, the interest rate on the foreign currency bonds is 4.61% and the accrued interest is TRY1,032,878 (31 December 2023: the interest rate on the foreign currency bonds is average 5.24% and the accrued interest is TRY1,365,302).

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

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

Foreign Currency Risk

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

	30 June 2024	31 December 2023
Assets	87,081,933	94,889,981
Liabilities	(1,760,811)	(2,966,038)
Net position	85,321,122	91,923,943

As of 30 June 2024, if USD had strengthened/weakened by 10% against TRY with all other variables held constant, profit before tax would have been TRY8,532,112 higher/lower (December 31, 2023: TRY9,192,394 higher/lower).

As of 30 June 2024, there is no net foreign currency position in Euro. (December 31, 2023: TRY20,052 lower/higher).

As of 30 June 2024, there is no net foreign currency position in GBP. (December 31, 2023: TRY793 higher/lower).

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

As of 30 June 2024 and 31 December 2023, the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets are as follows

30 June 2024	EUR	USD	GBP	TRY Equivalent
Current assets				
Cash and cash equivalents	-	499	-	16,392
Financial investments	-	2,652,319	-	87,065,541
Total assets	-	2,652,818	-	87,081,933
Long term liabilities				
Other payables	-	(53,544)	-	(1,760,811)
Total liabilities	-	(53,544)	-	(1,760,811)
Net foreign currency asset position	-	2,599,274	-	85,321,122
31 December 2023				
Current assets				
Cash and cash equivalents	575	475	170	48.713
Financial investments	-	2,582,850	-	94.841.268
Total assets	575	2,583,325	170	94.889.981
Long term liabilities				
Other payables	(5,500)	(74,544)	-	(2.966.038)
Total liabilities	(5,500)	(74,544)	-	(2.966.038)
Net foreign currency asset position	(4,925)	2,508,781	170	91.923.943

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NOTE 22 - SUBSEQUENT EVENTS

With the Law No. 7524 on the Amendment of Tax Laws and Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024:

- The application of the corporate tax exemption provided to the earnings of Real Estate Investment Trusts ("REITs") and Real Estate Investment Funds ("REIFs") is conditional upon the distribution of at least 50% of the earnings from the immovable properties owned by these funds and partnerships as dividends until the end of the second month following the month in which the corporate tax return is required to be submitted,
- The subparagraph c added to Article 32 of the Corporate Tax Law has introduced a 10% domestic minimum corporate tax application and the earnings of REITs and REIFs from immovable properties cannot be taken into account as exemption and discount from the corporate income to be calculated as minimum corporate tax.

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NOTE 23 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS

Disclosures made within the framework of the Communiqué on Principles Regarding Real Estate Investment Trusts numbered III-48.1:

In the preparation and public disclosure of their financial statements, partnerships are obliged to comply with the provisions of the Board's Communiqué on Principles Regarding Financial Reporting in Capital Markets numbered II-14.1, and in the financial statements, information on the control of portfolio limitations specified in the Communiqué on Principles Regarding Real Estate Investment Trusts numbered III-48.1 is included in the manner determined by the Board by using the unconsolidated financial statement account items.

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follows as of 30 June 2024 and 31 December 2023:

Non-consolidated (stand-alone financial statement accounts items)	Related regulations	30 June 2024	31 December 2023	
A Cash and capital market instruments	Art.24/(b)	296,548,998	406,781,544	
B Real estate, real estate based projects, real estate based rights, real estate investment fund participation shares and companies within the scope of subparagraph (ç) of the first paragraph of Article 28, in which they have 100% participation in the capital	Art.24/(a)	6,703,406,699	6,685,524,498	
C Affiliates	Art.24/(b)	-	-	
Due from related parties (non-trade)	Art.23/(f)	-	-	
Other assets		35,239,257	35,975,456	
D Total assets	Art.3/(p)	7,035,194,954	7,128,281,498	
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	6,997,900,709	7,084,919,094	
Other liabilities		37,294,245	43,362,404	
D Total liabilities	Art.3/(p)	7,035,194,954	7,128,281,498	
Other non-consolidated (stand-alone) financial information	Related regulations	30 June 2024	31 December 2023	
A1 Portion of cash and capital market instruments reserved for three-year real estate payments	Art.24/(b)	-	-	
A2 TRY/foreign currency denominates time/demand deposits	Art.24/(b)	208,444,135	310,542,503	
A3 Foreign capital market instruments	Art.24/(d)	-	-	
B1 Foreign real estate, 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)	108,051,257	221,763,194	
Portfolio Restriction	Related regulations	30 June 2024	31 December 2023	Minimum/Maximum Rate
1 Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed (K/D)	Art.22/(e)	-	-	≤10%
2 Real estate, real estate-based project, Real estate-based rights, real estate investment fund participation Shares and companies within the scope of subparagraph (ç) of the First paragraph of Article 28, in which they have 100% participation in the capital (B+A1) / D	Art.24/(a),(b)	95%	94%	≥51%
3 Cash and capital market instruments and Affiliates (A+C-A1)/D	Art.24/(b)	4%	6%	≤49%
4 Foreign real estates, real estate-based projects; real estate-based rights, Affiliates, capital market instruments (A3+B1+C1/D)	Art.24/(d)	-	-	≤49%
5 Lands on which no projects developed (B2/D)	Art.24/(c)	-	-	≤20%
6 Participation in administrator companies (C2/D)	Art.28/1(a)	-	-	≤10%
7 Borrowing ceiling (E+F+G+H+J)/I	Art./31	-	-	≤500%
8 TRY/foreign currency denominated time/demand deposits (A2-A1)/D	Art./24(b)	3%	4%	≤10%
9 Total investments of monetary and capital market instruments at one company (L/D)	Art.22/(1)	2%	3%	≤10%