

TSKB GAYRİMENKUL YATIRIM ORTAKLIĐI A.Ő.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AS
AT AND FOR THE PERIOD ENDED 30 JUNE 2025
WITH INDEPENDENT AUDITOR'S REPORT THEREON
ORIGINALLY ISSUED IN TURKISH**



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

**REPORT ON REVIEW OF INTERIM CONDENSED
FINANCIAL INFORMATION**

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

Introduction

We have reviewed the accompanying condensed statement of financial position of TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") as at 30 June 2025 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

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

Talar Gül, SMMM
Independent Auditor

Istanbul, 29 July 2025

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TSKB GAYRIMENKUL YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET) AS AT 30 JUNE 2025 AND 31 DECEMBER 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

ASSETS	Notes	Reviewed 30 June 2025	Audited 31 December 2024
CURRENT ASSETS		189,976,575	282,993,883
Cash and cash equivalents	4	42,755,325	101,313,449
Trade receivables	7	2,539,934	3,652,746
<i>Due from related parties</i>	7,25	717	466,979
<i>Due from other parties</i>	7	2,539,217	3,185,767
Other current assets	15	144,681,316	178,027,688
NON-CURRENT ASSETS		5,928,699,772	5,889,638,638
Investments accounted for using equity method	5	38,763,670	43,466,330
Investment property	8	5,855,638,000	5,813,109,718
Tangible assets	9	32,389,492	32,268,414
Right of use assets	11	1,497,173	396,673
Intangible assets	12	267,076	229,077
Other non-current assets	15	144,361	168,426
TOTAL ASSETS		6,118,676,347	6,172,632,521
LIABILITIES			
SHORT-TERM LIABILITIES		176,179,798	263,949,351
Short-term borrowings		130,935,190	187,104,779
<i>Bank Loans</i>	6,25	129,414,251	186,957,086
<i>Lease Liabilities</i>	10	1,520,939	147,693
Trade Payables	7	16,548,637	45,780,974
<i>Due to related parties</i>	7,25	265,852	34,490,690
<i>Other Trade Payable</i>	7	16,282,785	11,290,284
Short-term Provisions		2,557,574	2,837,001
<i>Employee benefits</i>	14	2,513,456	2,710,562
<i>Other Provisions</i>	13	44,118	126,439
Other short-term liabilities	15	26,138,397	28,226,597
LONG-TERM LIABILITIES		434,845,694	392,706,527
Long-term Provisions	14	728,462	1,445,798
<i>Employee benefits</i>	14	728,462	1,445,798
Deferred tax liability	23	433,434,300	390,649,171
Other long-term liabilities	15	682,932	611,558
EQUITY		5,507,650,855	5,515,976,643
Paid in capital	16	650,000,000	650,000,000
Capital adjustment differences	16	5,686,464,565	5,686,464,565
Share premium	16	13,666,846	13,666,846
Restricted reserves	16	3,064,026	3,064,026
Other comprehensive income non-reclassified to profit or loss	16	1,400,856	1,000,642
Retained losses		(838,219,436)	(812,046,551)
Net profit/(loss) for the period		(8,726,002)	(26,172,885)
TOTAL LIABILITIES		6,118,676,347	6,172,632,521

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

TSKB GAYRIMENKUL YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF INCOME STATEMENT
AS AT 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

	Notes	Reviewed 1 January - 30 June 2025	1 April- 30 June 2025	Reviewed 1 January - 30 June 2024	1 April- 30 June 2024
Sales	17	99,347,195	46,606,033	91,509,656	44,073,814
Cost of Sales	17	(55,588,764)	(27,059,916)	(53,705,155)	(27,075,715)
Gross Profit		43,758,431	19,546,117	37,804,501	16,998,099
Administrive expenses	18	(28,125,041)	(12,004,094)	(24,534,771)	(10,055,330)
Marketing expenses	19	(113,959)	-	(8,694)	(4,494)
Other operating income	20	45,480,548	42,773,653	224,390,589	222,521,824
Other operating expense	20	(740,955)	(503,447)	(456,678)	(311,471)
Operating Profit		60,259,024	49,812,229	237,194,947	229,148,628
Share of loss of equity-accounted investees	5	6,279,497	6,071,078	9,919,770	5,844,059
Finance income	21	20,257,948	7,511,494	29,107,845	15,884,257
Finance costs	21	(47,669,102)	(26,463,117)	(8,137,366)	(8,086,803)
Monetary gain/(loss)	22	(5,239,760)	(2,179,717)	(23,518,107)	(10,146,682)
Profit/(loss) from continuing operations before tax		33,887,607	34,751,967	244,567,089	232,643,459
Tax income/(expense) on continuing operations					
- Current Year Tax Expense (-)	23	-	-	-	-
- Deferred Tax Income/Expense (-)	23	(42,613,609)	(1,200,615)	-	-
NET PROFIT/(LOSS) FOR THE PERIOD		(8,726,002)	33,551,352	244,567,089	232,643,459
Earnings/(loss) per share	24	(0,0134)	0,0516	0,3762	0,3579
NET PROFIT/(LOSS) FOR THE PERIOD		(8,726,002)	33,551,352	244,567,089	232,643,459
Non-reclassified to profit or loss		400,214	400,214	-	-
-Revaluation increases of tangible assets	9	571,734	571,734	-	-
- Tax effect		(171,520)	(171,520)	-	-
OTHER COMPREHENSIVE INCOME/(LOSS)		400,214	400,214	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		(8,325,788)	33,951,566	244,567,089	232,643,459

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

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

	Notes	Share Capital	Capital Inflation Adjustment	Share Premium	Other comprehensive income not to be reclassified to profit or loss		Accumulated profits			Total Equity
					Revaluation and Classification of Gains/losses	Actuarial Gains/losses on Defined Benefit Plans	Restricted Reserves	Retained Earnings	Net profit/(loss) for The Period	
Balance at 1 January 2024		650,000,000	5,686,464,565	13,666,846	-	240,911	3,064,026	(1,313,856,542)	603,632,455	5,643,212,261
Total comprehensive income		-	-	-	-	-	-	-	244,567,089	244,567,089
Transfers		-	-	-	-	-	-	603,632,455	(603,632,455)	-
Balance at 30 June 2024	<i>16</i>	650,000,000	5,686,464,565	13,666,846	-	240,911	3,064,026	(710,224,087)	244,567,089	5,887,779,350
Balance at 1 January 2025		650,000,000	5,686,464,565	13,666,846	1,097,868	(97,226)	3,064,026	(812,046,551)	(26,172,885)	5,515,976,643
Total comprehensive income		-	-	-	400,214	-	-	-	(8,726,002)	(8,325,788)
Transfers		-	-	-	-	-	-	(26,172,885)	26,172,885	-
Balance at 30 June 2025	<i>16</i>	650,000,000	5,686,464,565	13,666,846	1,498,082	(97,226)	3,064,026	(838,219,436)	(8,726,002)	5,507,650,855

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

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

	Notes	Reviewed 1 January – 30 June 2025	Reviewed 1 January – 30 June 2024
A. Cash flows from operating activities			
Net profit/(loss) for the period		(8,726,002)	244,567,089
Adjustments related to profit/(loss)			
Adjustments to (gain)/losses on fair value of investment property	8.9.20	(41,716,932)	(213,768,698)
Adjustments related to interest incomes and expenses	21	(20,257,948)	(29,107,845)
Adjustments related to interest expenses	21	47,669,102	8,137,366
Change in accrued income	15	1,192,361	(7,481,855)
Adjustments for tax income/expense (+/-)		42,785,128	-
Adjustments related to undistributed profits of investments accounted for using the equity method	5	(6,279,497)	(9,919,770)
Adjustments for depreciation expenses	9.11	1,182,655	827,710
Adjustments for amortization expenses	12	6,942	11,887
Adjustments for monetary gain/loss		11,740,526	23,880,768
Adjustments related to provisions			
Changes in other short-term provisions		(1,379,159)	160,725
Change in accrued expenses		-	-
Allowance for doubtful receivables	7,18	3,625,994	69,739
Provision for unused vacation pay liability	18	490,243	1,088,931
Provision for personnel bonus	14,18	900,000	810,288
Provision for employee severance indemnity	18	(510,727)	-
Cash flows provided by operating activities before the changes in working capital		30,722,686	19,276,335
Interest received		23,295,801	29,368,636
Adjustments for increase (decrease) in trade receivables (+/-)		(1,428,329)	(80,889)
Decreases (increases) in other operating assets		41,480,951	(170,017,498)
Adjustments for increase (decrease) in trade payables (+/-)	7	(29,232,337)	(7,360,473)
Personnel bonuses paid during the period		90,610	126,232
Severance payments paid	18	(841,215)	(428,177)
Increases (decreases) in other operating liabilities		(27,555,646)	(4,243,183)
Inflation adjustment in operating cash flows		1,164,750	(686,953)
Net cash provided by operating activities		37,697,271	(134,045,970)
B. Cash flows from investing activities			
Cash outflows arising from purchase of investment properties	8	(811,350)	(27,780,594)
Cash outflows arising from purchases of tangible assets	9	(496,289)	(101,015)
Cash outflows arising from purchases of intangible assets	12	(44,941)	-
Net cash used in investing activities		(1,352,580)	(27,881,609)
C. Net cash used in investing activities			
Cash inflows from borrowings	6	-	170,097,084
Repayments of borrowings		-	-
Interests paid	6	(80,448,967)	-
Net cash provided in financing activities		(80,448,967)	170,097,084
Effect of exchange rate fluctuations on cash and cash equivalents		7,045	4,746
Net increase /(decrease) in cash and cash equivalents		(44,097,231)	8,174,251
Monetary loss/gain on cash and cash equivalents		(11,717,344)	(22,816,666)
Cash and cash equivalents at 1 January	4	98,733,112	110,659,062
Cash and cash equivalents at 30 June		42,918,537	96,016,647

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

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.’s (the “Company”) main activity is to invest in properties, property projects and property related capital market instruments. The Company was established on 3 February 2006.

The headquarter of the Company is registered in Ömer Avni Mah. Karun Çıkmazı Sok. No: 2 34427 Fındıklı-Beyoğlu/İstanbul Turkey. The number of personnel employed in the Company as at 30 June 2024 is 12. (31 December 2024: 12).

The Company is a subsidiary of Türkiye Sınai Kalkınma Bankası A.Ş. (“TSKB”) and was registered on 3 February 2006. In accordance with the relevant article of the Capital Markets Board of Turkey (“CMB”) Communiqué on the Principles of Real Estate Investment Trusts, which was in force at that date, as real estate investment trusts have to apply to the CMB with the request that the share certificates representing at least 49% of the paid-in capital that will be offered to the public are registered in the time periods changing according to the capital amounts, and as the period expires on 3 February 2007 for the Company, the Company applied to the CMB on 30 January 2007 for the extension of the public offering for one year, considering the risk perceptions regarding the existing and expected market conditions, and received the extension approval on 12 March 2007. It was stated in the letter sent by the CMB to the Company on 17 December 2007, relating to the permission application for the increase of the Company’s paid-in capital in 2007 from TRY10,000,000 to TRY75,000,000, that the deadline for board registry application for the public offering of the Company shares was extended to 3 February 2009 as the capital of the Company was increased to TRY75,000,000, in accordance with the CMB decision dated 19 April 2007.

The Company decided that its paid-in capital, which was TRY75,000,000, would be increased by TRY25,000,000 to TRY100,000,000, with the registered capital ceiling of TRY100,000,000, and that the increased capital would be paid by the shareholders in proportion to their shares, in its extraordinary general assembly dated 24 November 2008. The capital increase was registered on 28 November 2008 and was published in the Turkish Trade Registry Gazette No. 7202, dated 3 December 2008. Again, in accordance with the Communiqué article which was in force at that date, as it was foreseen that the public offering of the real estate investment trusts whose paid in capital is TRY100,000,000 or more, is to be made within five years of either the establishment of the investment trust or the related amendment to the articles of association being registered with the Trade Registry, the CMB informed the Company with the letter dated 10 November 2008 that the deadline for the public offering of the Company shares is 3 February 2011.

On the other hand, with the amendment dated 31 December 2009 made by the CMB to the Communiqué on the Principles of Real Estate Investment Trusts, the application that a time is granted for trusts which are established instantaneously or which become real estate investment trusts by amendment of articles of association with regards to a public offering, is cancelled and it is made obligatory that the shares of trusts representing a minimum 25% of their capital be issued within three months of either the establishment of the investment trust or the related amendment to the articles of association being registered with the Trade Registry, are offered to public and that they apply to the CMB with the request that all shares be registered. In addition, in the temporary article prepared to clarify the status of the existing real estate investment trusts whose shares are not offered to the public, against the amendment in the Communiqué, it is foreseen that companies with the status of real estate investment trust by establishment or transformation before the publishing date of the Communiqué amendment, would apply to the CMB with the request that minimum 25% of their issued capital be offered to the public.

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY (Continued)

As per the Board of Directors resolution dated 2 February 2010 numbered 96, it has been decided to increase the paid in capital of the Company by TRY50,000,000 to TRY150,000,000 and the increased shares to be offered to the public through the restriction of the pre-emptive rights of the existing shareholders. With the capital increase by 50%, nominal value of C group shares amounting to TRY50,000,000 (with additional sales TRY57,500,000) which will be offered to the public for the first time were registered by the CMB with the record number GYO 60/250 on 25 March 2010. Public offering of the shares was realised on 1 and 2 April 2010 and the Company shares are being traded on the Istanbul Stock Exchange since 9 April 2010. In accordance with the decision of the Board of Directors dated 27 August 2018, the Articles of Association, which was prepared for the capital increase decision with a rate of 100%, without restricting the use of the pre-emptive right, without compensating the use of pre-emptive rights, was approved at the meeting no. 50/1176 dated 11 October 2018. The shares remaining after the exercise of the pre-emptive right were sold on the Borsa İstanbul Primary Market on 8-9 November 2018, and the paid-up capital of the Company was increased to TRY300,000,000 as of 14 November 2018. In Accordance with Board of Directors desicion dated 1 July 2020 the Prospectus regarding the decision of 66,66% of the capital increase with righths restricting the use of pre-emptive righth by covering the entire of issued capital of TRY300.000.000 in cash was approved at the meeting of CMB date 13 August 2020 and numbered 51/990. The remaining shares after the use of pre-emptive right were sold on Borsa İstanbul Primary Market on 3-4 September 2020, and Company's paid,in capital was increases to TRY500.000.000 as of 9 September 2020. In line with the decision of the Board of Directors dated June 23, 2021, the prospectus prepared regarding the decision to increase the paid-up capital by 30.00% without limiting the use of the priority right, by covering the entire issued capital of TRY500,000,000 in cash, was approved at the meeting of the Capital Markets Board dated 26 August 2021 and numbered 51/990. , the remaining shares after the exercise of the pre-emptive right were sold on the Borsa Istanbul Primary Market on 20-21 September 2021, and the paid-in capital of the Company was increased to TRY650,000,000 as of 23 September 2021.

The Company established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Bilici Yatırım-TSKB GYO Adana Otel Projesi Adi Ortaklığı ("Adana Otel Projesi Adi Ortaklığı") on 26 May 2011. The capital structure of the joint venture is designated as 50% of participation for Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for the Company. The main operations of Adana Otel Projesi Adi Ortaklığı is to start, execute and complete the hotel project which will be operated by Divan Turizm İşletmeleri A.Ş. (formerly known as Palmira Turizm Ticaret A.Ş.).

The Company established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Anavarza Otelcilik Anonim Şirketi on 27 March 2015. The capital structure of the joint venture is designated as 50% of participation for Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for the Company. The main operations of Anavarza Otelcilik A.Ş. is to operate hotel, motel etc., that includes accommodation facilities, eat-drink, sports, entertainment, health care services.

Bilici Yatırım -TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi, registered with the Trade Registry number 69178 in Adana Chamber of Commerce and established with the partnership of Bilici Yatırım Sanayi ve Ticaret A.Ş. was transformed into a company named "Yarsuvat Turizm Anonim Şirketi" as a whole with all of the assets and liabilities.

After the transformation, Yarsuvat Turizm Anonim Şirketi was merged to Anavarza Otelcilik A.Ş. with all of its assets and liabilities to The merge transaction has completed with the Merger Approval of Chamber of Commerce of Adana dated 20 December 2019 and numbered 9647.

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1. *Statement of compliance*

The financial statements have been prepared in accordance with the communiqué No: II, 14.1 "Communiqué on Financial Reporting Standards in Capital Markets" ("Communiqué") promulgated by CMB, which is published at 13 June 2013 in the Official Gazette numbered 28676 and in accordance with the Turkish Accounting Standards ("TAS"), issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS; Turkish Accounting Standards is composed of Turkish Financial Reporting Standards with related additions and interpretations.

As at 30 June 2025, the financial statements of the Company have been approved by the Board of Directors of the Company on 29 July 2025. The General Assembly and the legal authorities have the authority to amend the statutory financial statements and these financial statements.

2.1.2. *Basis of presentation of financial statements*

The accompanying financial statements and explanatory notes have been prepared in accordance with Turkish Accounting Standards ("TAS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Markets Board of Turkey ("CMB"), which is published on 13 June 2013 at the Official Gazette numbered 28676. TAS include Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The Company's financial statements are presented in accordance with the formats determined in the "TFRS taxonomy" published by the KGK on 4 July 2024 and the Financial Statement Samples and User Guide published by the CMB.

2.1.3. *Functional and presentation currency*

Each item in the Company's financial statements is accounted for using the currency of the primary economic environment in which the Company operates ("functional currency"). The Company's functional and reporting currency is Turkish Lira ("TRY").

2.1.4. *Financial reporting in hyperinflationary economy*

In accordance with the decision of the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to the CMB financial reporting regulations that apply the Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for the accounting period ending as of 31 December 2023.

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1. Basis of presentation (Continued)

2.1.4. Financial reporting in hyperinflationary economy (Continued)

Based on the aforementioned CMB decision, the announcement made by the KGK on 23 November 2023 and the “Implementation Guide on Financial Reporting in Hyperinflationary Economies” published, the Company has prepared its financial statements for the period ended 30 June 2025 by applying TAS 29 Standard. According to the aforementioned standard, financial statements prepared based on the currency of an economy with hyperinflation must be prepared in the purchasing power of this currency as of the balance sheet date and the financial statements of the previous period must be restated in terms of the current measurement unit at the end of the reporting period. Therefore, the Company has also presented its financial statements as of 31 December 2024 and 30 June 2024 based on the purchasing power principle as of 30 June 2025. The restatements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index (“CPI”) in Türkiye published by the Turkish Statistical Institute (“TurkStat”).

As of 30 June 2025, the indices and correction coefficients used in the adjustment of the financial statements are as follows:

Date	Index	Three-Year Compound Inflation Rate	Conversion Factor
30 June 2025	3,132.17	220%	1.00000
31 March 2025	2,954.69	250%	1.06006
31 December 2024	2,684.55	291%	1.16673
30 June 2024	2,319.29	324%	1.35048
31 March 2024	2,139.47	309%	1.46399

The main elements of the adjustment process made by the Company for financial reporting purposes in hyperinflationary economies are as follows:

- Current period financial statements prepared in TRY are expressed with the purchasing power of money valid on the balance sheet date, and the amounts of previous reporting periods are expressed with the purchasing power of money on the latest balance sheet date.
- Monetary assets and liabilities are not adjusted as they are current TRY expressed in terms of current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36, TAS 40 and TAS 2 are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date are adjusted using the relevant adjustment coefficients.
- All items in the statements of profit or loss and other comprehensive income, except for the items of cost of sales (excluding the cost of investment properties), fair value increases/decreases of investment properties, depreciation expenses, and profit/loss on sale of assets, have been adjusted using the relevant monthly adjustment coefficients. The items of cost of sales, depreciation expenses, profit/loss on sale of assets, and fair value increases/decreases of investment properties have been recalculated based on the adjusted balance sheet items using the adjustment coefficients.
- All items in the statement of cash flows are expressed in the measurement unit valid at the end of the reporting period.

The effect of inflation on the Company's net monetary asset position in the current period is recorded in the net monetary position gains account in the statement of profit or loss. (Note 22)

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1. Basis of presentation (Continued)

2.1.4. Financial reporting in hyperinflationary economy (Continued)

Shares in joint agreements

A joint venture is established under a contract to undertake an economic activity to be joint TRY managed by one or more enterprising partners.

In the attached financial statements, the joint venture established under the name "Kanyon" has been accounted for using the equity method. The equity method is an accounting method in which the book value of the capital share in a joint venture is adjusted by increasing or decreasing it according to the share of the changes in the equity of the associate during the period, and dividends received from the associate are deducted from the adjusted value of the joint venture. The participant in the joint venture records its share in the joint venture as an investment and, unless exempted from applying the equity method as defined in the standard TAS 28 "Investments in Associates and Joint Ventures," it accounts for this investment according to the equity method as prescribed by the standard.

The financial statements of the joint venture are prepared in accordance with the same accounting principles and for the same accounting period as the Company's financial statements.

As of 30 June 2025 and 31 December 2024, the details of the Company's joint venture are as follows:

Company	Country of operation	Field of activity	30 June 2025 Participation rate (%)	31 December 2024 Participation rate (%)
Anavarza Otelcilik A.Ş.	Turkey	Hotel management	50	50

Foreign currency transactions

In the company's legal records, transactions denominated in foreign currencies (currencies other than TRY) are translated into Turkish Lira using the exchange rates on the transaction date. Foreign currency-denominated assets and liabilities in the statement of financial position are translated into Turkish Lira using the spot exchange rates at the reporting date. Exchange differences arising from this translation and from foreign currency transactions' collections/payments are recorded as exchange gains/losses in the income statement.

The applied valuation principles and accounting policies have been consistent TRY applied across all periods presented. Significant changes in accounting policies and identified material accounting errors are applied retrospectively, and prior period financial statements are restated.

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2. Changes in accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in the financial statements. Significant changes in accounting policies and significant accounting errors are corrected retrospectively and prior period financial statements are restated. There is no change in the accounting policies of the Company except for the new and amended TFRS standards and TFRYK interpretations effective from 1 January 2020.

2.3. Changes in accounting estimates and errors

The preparation of the financial statements in conformity with Communiqué Article 2 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are audited on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fair values of investment properties

The fair value of investment property is determined according to the valuation performed by an independent valuation company. The fair value of investment properties is determined according to the discounted cash flow or sales comparison methods. The fair value found according to the income discount or sales comparison method is determined by independent valuation experts using various estimates and assumptions (discount rates, occupancy rate, rent increases, terminal growth rates, adjustments used in sales comparison, etc.). Any changes in these estimates and assumptions in the future may have a significant impact on the Company's financial statements.

The Company had the valuation studies to determine the fair values of its investment properties, carried out by the CMB-licensed Vera Gayrimenkul Değerleme ve Danışmanlık A.Ş.

2.4. New and Amended Turkish Financial Reporting Standards

a) *Standards, amendments, and interpretations applicable as of 30 June 2025:*

Amendments to TAS 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.

These changes are not expected to have a significant impact on the financial position and performance of the company.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4. New and Amended Turkish Financial Reporting Standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2025:

Amendment to TAS 9 and TAS 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 solely 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).

Annual improvements to TFRS – Volume 11; effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- TFRS 1 First-time Adoption of International Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing TFRS 7;
- TFRS 9 Financial Instruments;
- TFRS 10 Consolidated Financial Statements; and
- TAS 7 Statement of Cash Flows.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4. New and Amended Turkish Financial Reporting Standards (Continued)

Amendment to TFRS 9 and TFRS 7- Contracts Referencing Nature-dependent Electricity; effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of TFRS 9 and include targeted disclosure requirements to TFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as ‘contracts referencing nature-dependent electricity’.

TFRS 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 TFRS 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.

TFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. TFRS 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 TFRS Accounting Standards.

These changes are not expected to have a significant impact on the financial position and performance of the company.

2.5. Accounting Policies

As of 30 June 2025, the interim condensed consolidated financial statements have been prepared by applying the accounting policies that are consistent with the accounting policies applied during the preparation of the consolidated financial statements for the period ended 30 June 2025. Therefore, in order to ensure integrity, the interim condensed financial statements should be read in conjunction with the year-end financial statements.

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

3. SEGMENT REPORTING

Segment reporting is monitored on the project basis by the Company management. Also, each segment’s information is used for the evaluation and allocation of the resources separately by the management.

The accounting policies which are applied for segment reporting are the same as used in the Company’s financial statements.

30 June 2025	Pendorya Mall	Fındıklı Building 1	Fındıklı Building 2	Tahir Han	Divan Adana Hotel	Total
Rental Income	29,571,315	27,299,017	27,479,505	-	9,669,607	94,019,444
Pendorya Mall service and management charges(“PendaryoAVM”)	5,327,751	-	-	-	-	5,327,751
Total property income	34,899,066	27,299,017	27,479,505	-	9,669,607	99,347,195
Cost of sales	(50,677,611)	(1,956,535)	(1,969,471)	(266,060)	(719,087)	(55,588,764)
Gross profit	(15,778,545)	25,342,482	25,510,034	(266,060)	8,950,520	43,758,431
Valuation gain/(loss) on investment property	(10,596,760)	34,838,154	33,302,701	(11,075,969)	(4,751,194)	41,716,932
Other operating income/(expense)	(10,596,760)	34,838,154	33,302,701	(11,075,969)	(4,751,194)	41,716,932
Equity-accounted investees	-	-	-	-	6,279,497	6,279,497
Capital Expenditure	811,350	-	-	-	-	811,350

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

3. SEGMENT REPORTING (Continued)

30 June 2024	Pendorya Mall	Fındıklı Building 1	Fındıklı Building 2	Tahir Han	Divan Adana Hotel	Total
Rental Income	22,549,029	23,770,968	23,926,572	-	16,585,107	86,831,676
Pendorya Mall service and management charges(“PendaryoAVM”)	4,677,980	-	-	-	-	4,677,980
Total property income	27,227,009	23,770,968	23,926,572	-	16,585,107	91,509,656
Cost of sales	(49,362,227)	(1,559,606)	(1,569,816)	(417,151)	(796,355)	(53,705,155)
Gross profit	(22,135,218)	22,211,362	22,356,756	(417,151)	15,788,752	37,804,501
Valuation gain/(loss) on investment property	13,288,799	70,678,204	29,936,606	65,142,507	34,722,582	213,768,698
Other operating income/(expense)	13,288,799	70,678,204	29,936,606	65,142,507	34,722,582	213,768,698
Equity-accounted investees	-	-	-	-	9,919,770	9,919,770
Capital Expenditure	27,780,594	-	-	-	-	27,780,594

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) as of 30 June 2025, unless otherwise stated.)

3. SEGMENT REPORTING (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Sales Revenue				
Total income of reporting segments	99,347,195	46,606,033	91,509,656	44,073,814
Total sales revenue	99,347,195	46,606,033	91,509,656	44,073,814
Cost of sales				
Total cost of sales of reporting segments	55,588,764	27,059,916	53,705,155	27,075,715
Total cost of sales	55,588,764	27,059,916	53,705,155	27,075,715
			30 June 2025	31 December 2024
Asset				
Total assets for reportable segments		5,855,638,000		5,813,109,718
Other assets		263,038,347		359,522,803
Total Asset		6,118,676,347		6,172,632,521
Liabilities				
Total liabilities for reportable segments		129,414,251		186,957,086
Other liabilities		481,611,241		469,698,792
Total liabilities		611,025,492		656,655,878

4. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash in bank (*)	42,127,425	101,601,506
<i>Banks-Demand</i>	2,024,866	458,534
<i>Banks-Time</i>	40,102,559	101,142,972
Receivables from reserve repo	844,479	222,827
Expected Loss Provision (**)	(216,579)	(510,884)
Cash and cash equivalents in the statement of financial position	42,755,325	101,313,449
Interest income accruals on cash and cash equivalents	(53,367)	(3,091,221)
Expected Loss Provision	216,579	510,884
Cash and cash equivalents in the statement of cash flows	42,918,537	98,733,112

(*) As of 30 June 2025, there is no pledge and blockage on cash in banks (31 December 2024: None).

(**) As of 30 June 2025, the Company has recorded an expected loss provision amounting to TRY216.579 for bank deposits under TFRS 9 Financial Instruments standard and recorded in the financial statements (31 December 2024: TRY510,884).

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

4. CASH AND CASH EQUIVALENTS (Continued)

As of 30 June 2025, and 31 December 2024, the details of time deposit balances at banks are as follows:

30 June 2025	Amount (TRY)	Interest rate (%)	Maturity
TRY	40,102,559	%47.90	1 July 2025
TRY	844,479	%35.00	1 July 2025
Total	40.947.038		

31 December 2024	Amount (TRY)	Interest rate (%)	Maturity
TRY	222,827	%39.00	1 January 2025
TRY	25,749,215	%48.95	22 January 2025
TRY	75,393,757	%49.75	8 January 2025
Total	101,365,799		

5. EQUITY-ACCOUNTED INVESTEEES

	Ownership Rate (%)	30 June 2025	31 December 2024
Anavarza Otelcilik Anonim Şirketi(*)	50%	38,763,670	43,466,330

Bilici Yatırım -TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi, registered with the Trade Registry number 69178 in Adana Chamber of Commerce and established with the partnership of Bilici Yatırım Sanayi ve Ticaret A.Ş. was transformed into a company named "Yarsuvat Turizm Anonim Şirketi" as a whole with all of the assets and liabilities. The capital structure of the joint venture is designated as 50% of participation for Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for the Company.

After the transformation, Yarsuvat Turizm Anonim Şirketi was transferred to Anavarza Otelcilik A.Ş. as a whole with all its assets and liabilities and the transfer process was completed with the Merger Certificate of the Adana Chamber of Commerce dated December 20, 2019 and numbered 9647 .

(*) The Company established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Anavarza Otelcilik A.Ş. on 27 March 2015. The capital structure of the joint venture is designated as 50% of participation for Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for the Company. The main operations of Anavarza Otelcilik A.Ş. is to operate hotel, motel etc., that includes accommodation facilities, eat-drink, sports, entertainment, health care services. The nominal paid-in capital of the Adana Otel Projesi Adi Ortaklığı comprises 2,000,000 shares of TRY 1 for each amounting to TRY2,000,000 in total. As at 2 November 2015 Anavarza Otelcilik has paid-in capital of TRY2,000,000, Of the paid capital has been increased to TRY3,500,000 TRY. The company the Anavarza Otelcilik 50% of capital paid out in cash against a total of TRY1,750,000. With the transfer of all assets and liabilities of Yarsuvat Turizm Anonim Şirketi to Anavarza Otelcilik A.Ş., the existing paid in capital of Anavarza Otelcilik Anonim Şirketi increased to TRY 4,500,000 on 20 December 2019. In return for 50% capital of Anavarza Otelcilik Anonim Şirketi, the company's total share reached TRY2,250,000 (The equivalent of TRY2,250,000 was calculated as TRY24,164,714 with the inflation adjustment of June 2025.).

The current year profit for Anavarza Otelcilik A.Ş. is TRY12,558,994 %50 of this amount for TRY6,279,497 is belong to the Company. This amount is recognized under the "Investments accounted for using equity method".

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

5. EQUITY-ACCOUNTED INVESTMENTS (Continued)

As at 30 June 2025, assets, liabilities and equity, the income statement of Anavarza Otelcilik Anonim Şirketi are as follows:

	30 June 2025	31 December 2024
Total assets	108,788,248	123,189,891
Total liabilities	(31,260,908)	(36,257,231)
Net assets value	77,527,340	86,932,660
	1 January - 30 June 2025	1 January - 30 June 2024
Sales	127,081,076	140,763,757
Cost of Sales	(70,854,251)	(64,035,722)
Net profit/(loss) for the period	12,558,994	19,839,540

6. LOANS AND BORROWINGS

The details of financial debts as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Short-term borrowings:		
Short-term bank loans	129,414,251	186,957,086
Current portion of long-term loans	-	-
Total	129,414,251	186,957,086

The details of bank loans as of 30 June 2025 and 31 December 2024 are as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Opening Balance	186,957,086	-
Bank Loans	-	170,097,084
Interest Accruals	49,625,031	-
Amount Paid	(80,448,967)	-
Monetary Position Lost/Gains	(26,718,899)	-
	129,414,251	170,097,084

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CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

7. TRADE RECEIVABLES AND PAYABLES

Trade receivables

Current trade receivables

	30 June 2025	31 December 2024
Trade receivables	2,703,792	4,435,196
Due from related parties (Note 25)	717	466,979
Doubtful receivables	5,303,783	2,809,549
	8,008,292	7,711,724
Allowance for doubtful receivables	(5,303,783)	(2,809,549)
Expected Loss Provision (**)	(164,575)	(1,249,429)
Total	2,539,934	3,652,746

(*) As at 30 June 2025 and 31 December 2024, current trade receivables comprise of rent receivables and receivables arising from Pendorya Mall cost allocation charges.

(**) As of 30 June 2025, the Company has recorded an expected loss provision amounting to TRY164,575 in its financial statements under TFRS 9 Financial Instruments standard. (31 December 2024: TRY1,249,429)

For the period ended 30 June 2025 and 31 December 2024, the movement of doubtful trade receivables related to rent receivables and receivables from cost allocation charges from Pendorya Mall is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Beginning of the period	2,809,549	3,685,823
Allowance for the period (Note17)	3,625,994	69,739
Collections made during the period	(96,911)	(248,622)
Provisions no longer required	(1,231,015)	(566,595)
Net monetary loss/gain	196,166	(470,106)
End of the period	5,303,783	2,470,239

Trade payables

Short-term trade payables

	30 June 2025	31 December 2024
Other Trade Payables	16,282,785	11,290,284
Due to related parties (Note 25)	265,852	34,490,690
Total	16,548,637	45,780,974

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

8. INVESTMENT PROPERTY

The movement of investment property as of 30 June 2025 and 31 December 2024 are presented below:

	30 June 2025	31 December 2024
Investment Property	5,855,638,000	5,813,109,718
Total	5,855,638,000	5,813,109,718

The movement of investment property for the period ended 30 June 2025 and 30 June 2024 are presented below:

30 June 2025	1 January 2025	Acquisitions	Disposals	Change in fair value	Transfer	30 June 2025
Pendorya Mall	1,414,076,760	-	-	(10,596,760)	-	1,403,480,000
Fındıklı Building 2	1,537,604,299	-	-	33,302,701	-	1,570,907,000
Fındıklı Building 1	1,470,919,846	-	-	34,838,154	-	1,505,758,000
Divan Adana Hotel	943,091,194	-	-	(4,751,194)	-	938,340,000
Tahir Han	447,417,619	811,350	-	(11,075,969)	-	437,153,000
	5,813,109,718	811,350	-	41,716,932	-	5,855,638,000

30 June 2024	1 January 2024	Acquisitions	Disposals	Change in fair value	Transfer	30 June 2025
Pendorya Mall	1,212,851,287	27,780,594	-	13,288,799	-	1,253,920,680
Fındıklı Building 2	1,589,840,994	-	-	29,936,606	-	1,619,777,600
Fındıklı Building 1	1,482,373,796	-	-	70,678,204	-	1,553,052,000
Divan Adana Hotel	824,317,746	-	-	34,722,582	-	859,040,328
Tahir Han	372,277,965	-	-	65,142,507	-	437,420,472
	5,481,661,788	27,780,594	-	213,768,698	-	5,723,211,080

In this section, other amounts excluding rental income from the relevant investment properties refer to non-indexed amounts.

TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

8. INVESTMENT PROPERTY (Continued)

Tahir Han

Tahir Building is registered in Beyoğlu, Kemankeş Street, Murakıp District, map 121, plot 77, parcel 57. The parcel has an area of 606.62 square meters. The building area is calculated as 3,198 square meters according to the measurements made.

The value of the investment property was determined as TRY2,591,110 for 106/144 shares according to the report dated 7 November 2005 prepared by the experts assigned by the Commercial Court, and this amount was transferred by TSKB to the Company as capital in kind on 6 March 2006. TRY38,880 paid by the Company to public institutions for the transfer of the investment property was capitalized. The Market Approach method was used to determine the value of Tahir Building. In accordance with the Communiqué Serial: No: III-62.1 on the Valuation Standards in the Capital Markets, the Capital Markets Board of Turkey has approved the Capital Markets Board's decision-making body with the decision no. 25/856 of 22.06.2017. Methods 10.4 The agent; Considering the information and conditions included in the valuation study, especially where there is a high level of trust in the accuracy and reliability of a single method, the valuation method does not need to use more than one valuation method for valuation of an asset. The agent: Considering the information and conditions included in the valuation study, especially where there is a high level of trust in the accuracy and reliability of a single method, the valuation method does not need to use more than one valuation method for valuation of an asset. Market Approach Method was used to determine the market value of the immovable since there are sufficient findings to be able to make a reliable decision with a single method and in the report prepared as of 30 June 2025, TRY593,869,000 was determined for the fair value of the real estate in question; For the fair value of 53/72 shares of TSKB GYO A.Ş., TRY437,153,000 was appraised as follows.

The Company did not earn rental income from the investment property in question in the six-month interim accounting period ending on 30 June 2025 (30 June 2024: No rental income was earned.). There is no restriction on the investment property. Tahir Building were insured to the extent of TRY 39,276,000 as of 30 June 2025.

Fındıklı Building 1

Fındıklı Building 1 is registered in Beyoğlu, Mebusan Street, map 85, plot 19, parcel 110. The parcel has a right for an area of 1,695.50 square meters and a subway of 89.39 square meters. The existing Building Construction Area on the parcel is 7,102.63 square meters.

The investment property was purchased from TSKB at TRY32,858,918 on 27 December 2007. TRY 465,000 paid by the Company to public institutions for the transfer of the investment property was capitalized. According to the report dated 30 June 2025 of the real estate appraisal company, which has been authorized by CMB to provide valuation services, Market Approach method was used to determine the value of Tahir Han. In accordance with the Communiqué Serial: No: III-62.1 on the Valuation Standards in the Capital Markets, the Capital Markets Board of Turkey has approved the Capital Markets Board's decision-making body with the decision no. 25/856 of 22.06.2017. Methods 10.4. The agent; Considering the information and conditions included in the valuation study, especially where there is a high level of trust in the accuracy and reliability of a single method, the valuation method does not need to use more than one valuation method for valuation of an asset. "As there is sufficient evidence to make a reliable decision with a single method, Market Approach Method was used to determine the market value of the immovable and TRY1,505,758,000 was valued for the market value of the real estate in the report prepared as of 30 June 2025.

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(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of 30 June 2025, unless otherwise stated.)

8. INVESTMENT PROPERTY (Continued)

In accordance with the resolution of the board of directors meeting held on 28 December 2007, the Company rented this property to TSKB and its affiliates. Rental income earned from Fındıklı Building 1 for the period ended 30 June 2025 is TRY27,299,017 (30 June 2024: TRY23,770,968). There is no restriction on the investment property. Fındıklı Building 1 were insured to the extent of TRY502,500,000 as of 30 June 2025.

Fındıklı Bina 2

Fındıklı Building 2 is registered in Beyoğlu, Mebusan Street, map 84, plot 1486, parcel 76. The parcel has an easement right for an area of 10,724 square meters and subway of 89.39 square meters.

The investment property was purchased from TSKB on December 27, 2007, amounting to TRY31,140,783. For the transfer of investment property, TRY463,200 paid to public institutions is accounted for within the cost of investment property. According to the report dated 30 June 2025 of the real estate appraisal company authorized by CMB to provide valuation services, Market Approach method was used to determine the value of Fındıklı Building 2. In accordance with the Communiqué Serial: No: III-62.1 on the Valuation Standards in the Capital Markets, the Capital Markets Board of Turkey has approved the Capital Markets Board's decision-making body with the decision no. 25/856 of 22.06.2017. Methods 10.4. The agent: Considering the information and conditions included in the valuation study, especially where there is a high level of trust in the accuracy and reliability of a single method, the valuation method does not need to use more than one valuation method for valuation of an asset. "As there is sufficient evidence to make a reliable decision with a single method, Market Approach Method was used to determine the market value of the immovable and TRY1,597,876,000 was valued for the market value of the real estate in the report prepared as of 30 June 2025.

In accordance with the resolution of the board of directors meeting held on 28 December 2007, the Company rented this property to TSKB and its affiliates. Rental income earned from Fındıklı Building 2 for the period ended 30 June 2025 TRY27,479,505 (30 June 2024: TRY23,926,572). There is no restriction on the investment property. Fındıklı Building 2 were insured to the extent of TRY715,990,500 as of 30 June 2025.

Pendorya AVM

Pendorya Mall is registered in Pendik, Çamçeşme District, plot G22-B-11-D-2-C, map 11425, parcel 8. The parcel has an area of 23,182.96 square meters. The leasable area of Pendorya Shopping Mall is 30,573 m². The Company has 100% stake in Pendorya Mall. Pendorya Mall was recognized as tangible asset at cost until 1 January 2009 and classified to the investment property with its cost value on 1 January 2009.

In accordance with the resolution of the Board of Directors meeting held on 11 October 2012, the Company purchased 1/20 share of Pendorya Mall belonging to Ataman Turizm ve Ticaret Ltd. Şti. registered in Istanbul, Pendik, Doğu District, Plot 105, Map 865, Parcel 64 amounting to TRY6,000,000 + VAT and the ownership of the real estate is transferred to the Company by the completion of land registry transactions.

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8. INVESTMENT PROPERTY (Continued)

According to the report dated 30 June 2025 prepared by a real estate appraisal company, which is included in the list to provide valuation service by the CMB, the fair value of Pendorya Mall owned by the Company, was determined as TRY1,403,480,000 according to use of lower of cost and discounted cash flow projections approach and cost approach.

The Income Approach Method allows the indicative value to be determined by converting future cash flows into a single current value. In the Income Approach method, the value of the asset is determined based on the present value of the revenues, cash flows or cost savings generated by the asset. In valuation, a study was conducted to determine the “Net Present Value”. In this method, it is predicted that the value of the real estate will be equal to the sum of the present values of the free cash flows that it will generate in the coming years. In the income reduction approach method, the net present value of the real estate subject to the valuation is calculated over a 10-year period. Cash flows from projection; The total value of the real estate has been calculated with a discount rate appropriate to the risk level of the economy, the sector and the real estate. This total value represents the (should be) calculated value of the real estate independent of the current market conditions.

Future cash flows are calculated by using the assumptions taken into account as a result of the store lease agreements and negotiations made by a real estate appraisal company authorized by the CMB to provide valuation services. The cash flows obtained from the projections are discounted to the present day with a discount rate appropriate to the risk level of the economy, the sector and the investment, and the fair value is calculated together with the land of the shopping center. The discount rate taken into account in the calculations has been accepted as 25.00%

As of 30 June 2025, approximately 81% of the leasable area of Pendorya Mall, which was put into service on 17 December 2009, has been leased. The Company has earned TRY29,571,315 (30 June 2024: TRY22,549,029) rental and expense reflection income from the said investment property until the end of 30 June 2025. As of 30 June 2025, the insurance amount on Pendorya Mall is TRY2,413,294,000.

Divan Adana Hotel

Divan Adana Hotel: Adana Province, Seyhan District, Çınarlı District, 1653 Island, 143 parcels are registered. The parcel has an area of 3,608 m² and the total construction area of the buildings is 26,215 m². Property status; TSKB Real Estate Investment Trust Inc. (50%) and Bilici Investment Industry and Trade Inc. (50%). The operation of Divan Adana Hotel, Anavarza Otelcilik A.Ş. was established by the shareholders in proportion to its shares. It is maintained by.

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8. INVESTMENT PROPERTY (Continued)

According to the report dated 30 June 2025 of the real estate appraisal company, which is authorized by the CMB to provide valuation services, Cost Approach Management and Income Approach methods were used in the fair value determination of Divan Adana Hotel. For the fair value of the real estate subject to the report, a total of TRY1,876,680,000; For the fair value of 50% of the shares of TSKB GYO A.Ş, a value of TRY938,340,000 was appraised. The hotel has a building permit and a building occupancy permit.

The Company earned TRY9,669,607 of rental income for the period ended 30 June 2025 (30 June 2024: TRY16,585,107). As of 30 June 2025, the insurance amount on the Divan Adana Hotel is TRY2,023,269,687 (USD50,909,600).

Operating leases

The Company as a lessor

The Company has signed operating lease agreements with Pendorya Mall tenants and TSKB as lessor. The future minimum lease payments as at 30 June 2025 and 31 December 2024 under non-cancellable leases are as follows:

	30 June 2025	31 December 2024
Less than one year	159,816,170	154,639,828
Between one and five years	345,227,089	451,084,964
More than five years	20,024,747	19,161,844
Total	525,068,006	624,886,636

Fair value measurement

Value of investment property has been determined by a real estate appraisal company which has been authorized by CMB for the valuation services. The Company's investment properties are valued by an independent real estate appraisal company annually.

The fair value measurement for investment property has been categorized as level 1 and level 2 fair value based on the inputs to the valuation techniques used. The following table shows reconciliation for level 2 fair values:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Data that can be directly (through prices) or indirectly (derived from prices) observable in terms of assets or liabilities, other than recorded prices in level 1.

Level 3: Data on assets or liabilities that are not based on observable market data.

In measuring the fair values of investment properties, due to the nature of the inputs used, the valuations have been classified as Level 3. During the period ended 30 June 2025, the Company did not make any transfers between Level 1 and Level 2, or any transfers into or out of Level 3.

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9. TANGIBLE ASSETS

The movement in tangible assets for the years ended 30 June 2025 and 2024 are as follows:

	1 January 2025	Additions	Disposals	Change in fair value	30 June 2025
Cost					
Buildings	26,397,266	-	-	571,734	26,969,000
Furnitures&fixtures	12,920,369	496,289	-	-	13,416,658
Vehicles	2,033,667	-	-	-	2,033,667
	41,351,302	496,289	-	571,734	42,419,325
Birikmis amortisman					
Furnitures&fixtures	9,048,994	743,578	-	-	9,792,572
Vehicles	33,894	203,367	-	-	237,261
	9,082,888	946,945	-	-	10,029,833
	32,268,414	(450,656)	-	571,734	32,389,492
	1 January 2024	Additions	Disposals	Change in fair value	30 June 2024
Cost					
Buildings	27,294,054	-	-	513,945	27,807,999
Furnitures&fixtures	11,259,762	101,015	-	-	11,360,777
Vehicles	626,218	-	-	-	626,218
	39,180,034	101,015	-	513,945	39,794,994
Accumulated Depreciation					
Furnitures&fixtures	7,732,709	628,503	-	-	8,361,212
Vehicles	626,218	-	-	-	626,218
	8,358,927	628,503	-	-	8,987,430
	30,821,107	(527,488)	-	513,945	30,807,564

As at 30 June 2025 and 2024, there is not any pledge on tangible assets.

10. LEASE LIABILITIES RECOGNIZED DURING THE PERIOD

The movement in lease liabilities recognized for the period ended 30 June 2025 and 2024 are as follows:

Lease Liabilities	30 June 2025	30 June 2024
As of January 1, the records received	147,693	1,195,245
Recognized during the period	1,586,910	-
Disposals	(109,249)	-
Interest expense	209,792	60,325
Pay rent	(246,000)	(127,215)
Net monetary loss (gain)	(68,207)	(902,837)
Balance as of 30 June	1,520,939	225,518

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11. RIGHT OF USE ASSETS AND LIABILITIES

	30 June 2025	30 June 2024
Cost		
Gross recorded as of January 1	1,195,242	1,195,241
Additions	1,633,279	-
Disposals	(1,195,242)	-
Gross balance as of 30 June	1,633,279	1,195,241
Accumulated Depreciation		
Balance at the beginning of the period	798,569	400,156
Depreciation expenses	235,710	199,207
Disposals	(898,173)	-
Balance as of 30 June	136,106	599,363
Net balance as of 30 June	1,497,173	595,878

12. INTANGIBLE ASSETS

The movement in intangible assets for the period ended 30 June 2025 and 2024 are as follows:

	1 January 2025	Additions	Disposals	30 June 2025
Cost				
Software	1,750,725	44,941	-	1,795,666
	1,750,725	44,941	-	1,795,666
Accumulated amortization				
Software	1,521,648	6,942	-	1,528,590
	1,521,648	6,942	-	1,528,590
	229,077	37,999		267,076
	1 January 2024	Additions	Disposals	30 June 2024
Cost				
Software	1,750,725	-	-	1,750,725
	1,750,725	-	-	1,750,725
Accumulated amortization				
Software	1,497,878	11,887	-	1,509,765
	1,497,878	11,887	-	1,509,765
	252,847	(11,887)		240,960

As at 30 June 2025 and 2024, the Company does not have any internally developed intangible assets.

CONVENIENCE TRANSLATION OF NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Legal cases

- 1- The Pendorya Mall is built on 105th threader, 865 map, 64th parcel, east neighborhood Pendik İstanbul. The tenant of this area this Sağlam Satış ve Paz. A.Ş. (Malazlar A.Ş.). Plaintiff ultimately filed a lawsuit against IBB and Karacan Yapı at Pendik 2nd Court of First Instance Pendorya Mall claiming the road intersects his own property and demanding compensation amounting TRY7,100. The Company has been involved in the lawsuit as intervening party.

Relating to immovable property, subject of litigation discovery review and expert reports were submitted to the court file. Objections to the report and statement of The Company has been given. IBB Presidency has declared that expropriation proceedings related to the subject have been initiated. For this reason, lawsuit was removed from "Possessory Actions" and converted to the "Confiscating without expropriating" by the judge. Accepting in the new case, the plaintiff claimed compensation from the Administration and in order to determine the amount of compensation the Court decided an expert examination since the information provided by the Land Registry and the Municipality was not deemed sufficient.

In a new case, which has also been acknowledged by the Plaintiff, the Plaintiff has claimed compensation from the Administration. Since the comparable data provided by the Land Registry and the Municipality were deemed insufficient to determine the amount of compensation, it was considered appropriate to conduct an expert appraisal.

Expert reports which have been presented to the court in May 30th, 2013, and the court has ruled that Pendik Municipality must also be represented in the case as a defendant. In the last trial which was held in 24 December 2013, The Court has ruled that the expert's reports shall be accepted and that the defendant Pendik Municipality must pay the charge (TRY645,354) to the plaintiff, and the cancellation of the confiscation deed. The reasoned decision has been notified and both the plaintiff and the defendant has appealed to the decision. However the Supreme Court has quashed the decision and the Istanbul Metropolitan Municipality has requested a revision of decision. The plaintiff, Sağlam Satış ve Paz. A.Ş. (Malazlar A.Ş.) and Istanbul Metropolitan Municipality has requested a revision of decision. The request for correction of the Supreme Court's decision to dismiss was rejected and sent to the first instance court in the direction of the dismissal decision. The trial is ongoing.

- 2- The forfeiture concerning block 1486, parcel 76 (Fındıklı Bina II) resulting from the Beyoğlu Municipality's zoning changes Beyoğlu Municipality has sustained the objection of the Corporation, however since Istanbul Metropolitan Municipality has not approved the objection, a claim has been filed to avoid forfeiture. Later on, Istanbul Metropolitan Municipality Council has sustained the objection of the Corporation and approved the Beyoğlu Municipality's decision verbatim. The aforementioned decision has also been sent to General Directorate Of Cultural And Natural Heritage for approval. The institution has not approved the changes in the conservation development plan.

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

In the proceedings regarding to this, the Court has ruled that since Beyoğlu Municipality has sustained the objection the case is devoid of essence. However, since the decisions made by district municipalities require approval from Istanbul Metropolitan Municipality and General Directorate Of Cultural And Natural Heritage, the Corporation has appealed that the case being devoid of essence is impossible. Regarding to this appeal the Council Of State has decided that General Directorate Of Cultural And Natural Heritage's objection to the conservation development plan is correct and quashed the decision made by the local court in March 28th, 2014. In addition to this, the 1/1000 scaled elementary development plan aimed at the conservation of protected areas which was approved in December 21st, 2010 has been cancelled by legal authorities, and a new elementary development plan which includes the building Fındıklı Bina II that is in the Corporation's possession is being drawn up by Beyoğlu Municipality. In accordance with this, our Corporation has applied in written form to the Beyoğlu Municipality in September 28th, 2014 asking that the objection made by our Corporation which were sustained by both Beyoğlu Municipality and Istanbul Metropolitan Municipality be taken into consideration during the preparation of the new 1/1000 scaled elementary development plan. It was asked to the Court if the Real Estate which is being examined by the Municipality that is included in the Plan is still in effect after the Council Of State's quash of judgement, and the Court has replied that it is still in effect. The proceedings started once more in the Court and the expert examining has been made. The Court has ruled that the administrative proceeding will be canceled and will be in favor of us. Against verdict, within the legal period, Beyoğlu Municipality has applied for the appeal law and it is expected that the file will be sent to Istanbul Regional Administrative Court for examination and, if necessary, for re-trial. The decision of the Council of State for the annulment of the administrative act in favor of the Company was approved and the decision became final.

- 3- A lawsuit has been filed against the annulment of Articles 5, 7 and 9 of the Company's Ordinary General Assembly held on April 27, 2018. In the petition, it was requested to stop the execution concerning the 5th and 7th items, and the request for interim injunction requested for the suspension of the execution was rejected and the appeal was filed by the plaintiff. The petition and the legal defense were submitted to the case. In the first session of the file, it was decided to reject the case. The notification of the reasoned decision is expected.

Notification of the reasoned judgment is awaited.

There are a total of 19 lawsuits, 68 of which are party to which the Company is a party and 2 of the execution proceedings, including the above-mentioned cases, and there are no other lawsuits which may be significant and have a significant liability in the financial statements, except as provided in this report.

Debt Provisions

As of 30 June 2025, there is provision for cost and general administrative expenses amounting to TRY44,118. (31 December 2024: 126,439).

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals received

The details of letter of guarantees received are as follows:

	30 June 2025	31 December 2024
Letters of guarantees	13,504,804	9,960,518
Bills of guarantees	2,555,003	2,239,300
Checks of guarantees	35,740	41,699
Total	16,095,547	12,241,517

Letters of guarantee received consist of letters of guarantee received from contractors of Pendorya Mall project and from tenants for shopping mall.

Collaterals, Pledges And Mortgages (CPM)

As at 30 June 2025 and 31 December 2024 commitments given are as follows :

The details of letter of guarantees given are as follows:

	30 June 2025	31 December 2024
Mortgages Given	412,500,000	481,276,125
Letters off guarantees	4,042,775	4,716,827
Total	416,542,775	485,992,952

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

The guarantee, pledge, mortgage and surety (GPMS) position provided by the Company is as follows:	30 June 2025	31 December 2024
A. Commitments given in the name of own legal entity	416,542,775	485,992,952
B. Commitments given in favour of full consolidated subsidiaries	-	-
C. Commitments given to guarantee the debts of third parties to continue their operations	-	-
D. Other Commitments given	-	-
i. In favour of parent company	-	-
ii. In favour of group companies other than mentioned in bullets B and C	-	-
iii. In favour of third parties other than mentioned in bullets C	-	-
	416,542,775	485,992,952
Mortgages (*)	30 June 2025	31 December 2024
Tahir Han	412,500,000	481,276,125
	412,500,000	481,276,125

(*) Due to the loan used from the Türkiye Sınai Kalkınma Bankası A.Ş., there is a mortgage of TRY412,500,000 on our investment property Tahir Han.

As at 30 June 2025 letters of guarantee given amounting to portion of TRY1,000,000 has been drawn up for the electrical energy sales agreement and TRY3,000,000 respectively, are comprised of a letter of guarantees given to the Istanbul Metropolitan Municipality according to the Board of Directors resolution numbered 105 and dated 30 March 2010, for the road construction around Pendorya Mall. (As of 31 December 2024 TRY3,000,000 is consists of a letter of guarantee given to the Istanbul Metropolitan Municipality regarding the possible expropriation costs related to the part of the road built around Pendorya AVM, which is under the obligation of the Company, pursuant to the Board of Directors decision no. 105 dated 30 March 2010.)

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14. PROVISION FOR EMPLOYEE BENEFITS

	30 June 2025	31 December 2024
Short-term		
Provision for unused vacation	1,613,456	1,310,486
Provision for personnel bonus	900,000	1,400,076
Other provisions	44,118	126,439
	2,557,574	2,837,001
Long-term		
Provision for employee termination benefits	728,462	1,445,798
	728,462	1,445,798
Total	3,286,036	4,282,799

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amounts as of 30 June 2025 and 31 December 2024 are TRY46,655.43 and TRY41,828.42 respectively.

In accordance with TAS 19 – Employee Benefits, the Company is required to use actuarial valuation methods in estimating the liability related with current retirement plans.

As at 30 June 2025 and 31 December 2024, employee severance indemnity in the accompanying financial statements has been calculated using the following actuarial assumptions;

	30 June 2025	31 December 2024
Salary increase rate	%24.95	%24.95
Discount rate	%29.32	%29.32
Discount rate (net)	%3.50	%3.50
Estimated retirement turnover rate	%84.70	%84.70

Movement of reserve for employee termination benefits for the years ended 30 June 2025 and 2024 are as follows:

	30 June 2025	30 June 2024
Balance at the beginning of the period	1,445,798	1,057,399
Service cost	141,950	71,864
Interest cost	188,538	60,317
Retirement pay	(841,215)	(428,189)
Monetary (loss)/gain	(206,609)	(209,679)
Balance at the end of the period	728,462	551,712

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15. OTHER CURRENT/NON-CURRENT ASSETS AND OTHER SHORT-TERM/LONG-TERM LIABILITIES

Other current assets

	30 June 2025	31 December 2024
Advances given (**)	129,868,025	139,869,423
Short-term prepaid expenses (*)	8,566,164	27,025,865
Prepaid taxes and funds	2,870,841	3,125,797
Income accruals	2,709,584	3,901,945
VAT carried forward	-	3,166,348
Other	666,702	938,310
Total	144,681,316	178,027,688

(*) As of 30 June 2025 and 31 December 2024, the majority of expenses for future months consist of the Company's insurance expenses.

(**) In the "Dissolution of Partnership Case" filed on 21.12.2005 regarding the real estate named Tahir Han located on 77 Island, 57 Parcel in Beyoğlu District, Istanbul Province, in which our Company has 53/72 shares; the court ruled to "Dissolution of Partnership by Sale". Within this framework, the sale of the real estate in question was completed by tender by the Sales Officer of Istanbul Civil Court of Peace on 22.05.2024. The Sales Officer notified that the real estate was tendered to our Company on 23.05.2024. The amount of TRY119,796,967 paid to the Sales Directorate for Tahir Han is included in the advance payments given.

Other non-current assets

	30 June 2025	31 December 2024
Deposits and guarantees given	144,361	168,426
Total	144,361	168,426

Other short-term liabilities

	30 June 2025	31 December 2024
Unearned revenue/(deferred income)	20,865,996	25,839,044
Taxes and funds payable	4,941,945	1,696,303
Other	330,456	691,250
Total	26,138,397	28,226,597

Other long-term liabilities

	30 June 2025	31 December 2024
Deposits and guarantees received	682,932	611,558
Total	682,932	611,558

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16. EQUITY

16.1 Paid in capital

At 30 June 2025 and 31 December 2024, the issued and fully paid-in share capital of the Company is as follows:

	Group	30 June 2025		31 December 2024	
		Share %	Amount	Share %	Amount
Türkiye Sınai Kalkınma Bankası A.Ş.	A	6.67	43,333,333	6.67	43,333,333
Türkiye Sınai Kalkınma Bankası A.Ş.	B	2.73	17,728,148	2.73	17,728,148
Türkiye Sınai Kalkınma Bankası A.Ş.	C	79.21	514,888,613	79.21	514,888,613
Other partners and shares in circulation	C	11.39	74,049,906	11.39	74,049,906
Paid in Capital		100	650,000,000	100	650,000,000
Share Capital Adjustment Differences		100	5,686,464,565	100	5,686,464,565
Total Equity			6,336,464,565		6,336,464,565

The Company shares are issued to three type of groups; Group A and Group B to names and the Group C to holders. The Group A and Group B shares have the right to vote for the election of members of the Board of Directors (“BOD”). Six members of the BOD shall be elected from candidates of the Group A shareholders and one member shall be elected from candidates of the Group B shareholders. Capital increases in the Group A, B and C shares are issued as the Group A, B and C shares, respectively. If the BOD restricts the right of owning new shares for shareholders, new shares are issued as the Group C shares.

As at 30 June 2025, the nominal paid-in capital of the Company comprises 650,000,000 shares of TRY1 for each (31 December 2024: TRY1, TRY650,000,000). In accordance with the Board of Directors decision dated 23 July 2021, the Prospectus regarding the decision of 30.00% of the capital increase with rights without restricting the use of pre-emptive right by covering the entire of the issued capital of TRY500,000,000 in cash was approved at the meeting of the Capital Markets Board dated 26 August 2021 and numbered 51/990. The remaining shares after the use of the pre-emptive right were sold on the Borsa Istanbul Primary Market on 20 – 21 December 2021, and the Company's paid-in capital was increased to TRY650,000,000 as of 23 December 2021.

As of 30 June 2025, the Company's share capital consisted of 650,000,000 (31 December 2024: TRY1, 650,000,000) shares issued with a nominal value of TRY1 each.

16.2 Restricted reserves

As at 30 June 2025 and 31 December 2024, restricted reserves comprised of the legal reserves amounting to TRY3,064,026.

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that, the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

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16. EQUITY (Continued)

16.3 Share premium

As a result of the company's public offerings, the nominal value shares were offered to the public on April 1-2, 2010, December 3-4, 2020, and December 20-21, 2021, with prices of 1.05 TRY, 2.21 TRY, and 3.26 TRY per share, respectively, for shares with a nominal value of 1 TRY each. A total of 13,666,846 TRY has been recorded as 'Share Capital Premium' in equity.

16.4. Other comprehensive income non-reclassified to profit or loss

Actuarial profit amounting to TRY1,498,082 is recognised under "Other comprehensive income non-reclassified to profit or loss" in the accompanying financial statements. (31 December 2024: TRY1,097,868 profit).

16.5. Capital adjustment differences

As of 30 June 2025 and 2024, the capital adjustment differences are TRY5,686,464,565. Capital adjustment differences refer to the difference between the total amounts of cash and cash equivalents to paid-in capital, adjusted for inflation, and their amounts before inflation adjustment.

30 June 2025	PPI Indexed Legal Adjustments	CPI Indexed Legal Adjustments	Differences to be followed in retain earnings
Adjustment to share capital	5,633,876,971	5,686,464,565	(52,587,594)
Share issue premiums	13,553,422	13,666,846	(113,424)
Restricted reserves	3,038,597	3,064,026	(25,429)
Total	5,650,468,990	5,703,195,437	(52,726,447)

17. SALES AND COST OF SALES

For the years ended 30 June 2025 and 2024, revenue are as follows:

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Rental income on Pendorya Mall	29,571,315	14,203,805	22,549,029	10,667,566
Rental income on Fındıklı Building 2	27,479,505	13,272,877	23,926,572	11,397,828
Rental income on Fındıklı Building 1	27,299,017	13,185,700	23,770,968	11,322,956
Rental income on Divan Adana Hotel	9,669,607	3,880,787	16,585,107	8,215,658
Pendorya Mall service and management charges	5,327,751	2,062,864	4,677,980	2,469,806
Total rental income	99,347,195	46,606,033	91,509,656	44,073,814
Total sales	99,347,195	46,606,033	91,509,656	44,073,814

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17. SALES AND COST OF SALES (Continued)

As of the period ending June 30, 2025, a total amount of 54,808,391 TRY of the real estate revenues was obtained from related parties.

(June 30, 2024: 47,728,669 TRY)

For the years ended 30 June 2025 and 2024, cost of sales are as follows:

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Security expenses	11,731,129	5,463,465	12,199,441	6,019,870
Insurance expenses	10,379,494	3,970,911	7,625,504	3,741,678
Management service expenses	8,005,828	3,170,264	8,793,665	3,794,251
Cleaning expenses	5,548,892	2,683,150	5,240,977	2,504,727
Electricity expenses	4,602,816	2,145,409	4,599,263	2,097,310
Taxes and levies	3,558,013	3,558,013	3,940,483	3,823,895
Consultancy expenses	2,527,373	555,259	2,580,335	402,724
Operating expenses	2,151,591	1,220,184	1,774,683	1,161,468
Water expenses	1,314,222	855,404	745,427	314,625
Maintenance expenses	960,175	496,582	1,529,292	698,179
Natural gas expenses	785,538	11,958	777,556	265,330
Supplies	258,495	35,451	74,371	25,778
Other expenses	3,765,198	2,893,866	3,824,158	2,225,880
Total	55,588,764	27,059,916	53,705,155	27,075,715

Expenses by Nature

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Personnel expenses	17,584,989	6,987,885	19,401,306	7,488,364
Security expenses	11,731,129	5,463,465	12,199,441	6,019,870
Insurance expenses	10,379,494	3,970,911	7,625,504	3,741,678
Management service expenses	8,005,828	3,170,264	8,793,665	3,794,251
Cleaning expenses	5,548,892	2,683,150	5,240,977	2,504,727
Electricity expenses	4,602,816	2,145,409	4,599,263	2,097,310
Consultancy expenses	3,658,957	1,434,688	3,105,022	633,478
Provision for doubtful receivables	3,625,994	1,191,318	69,739	21,525
Taxes and levies	3,558,013	3,558,013	3,940,483	3,823,895
Operating expenses	2,151,591	1,220,184	1,774,683	1,161,468
Advisory expenses	1,444,903	749,452	1,353,469	753,468
Water expenses	1,314,222	855,404	745,427	314,625
Depreciation and amortization expenses	1,189,597	610,520	839,597	615,371
Maintenance expenses	960,175	496,582	1,529,292	698,179
Natural gas expenses	785,538	11,958	777,556	265,330
BIST fee	475,337	-	353,649	-
Transportation expense	337,778	212,053	235,937	122,904
Supplies	258,495	35,451	74,371	25,778
Advertising expenses	113,959	-	8,694	4,494
General assembly expenses	51,256	2,483	96,821	96,821
Other expenses	6,048,801	4,264,820	5,483,724	2,952,003
Total	83,827,764	39,064,010	78,248,620	37,135,539

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18. ADMINISTRATIVE EXPENSES

For the period ended 30 June 2025 and 2024, administrative expenses are as follows:

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Personnel expenses	17,584,989	6,987,885	19,401,306	7,488,364
Provision for doubtful receivables	3,625,994	1,191,318	69,739	21,525
Advisory expenses	1,444,903	749,452	1,353,469	753,468
Depreciation and amortization expenses	1,189,597	610,520	839,597	615,371
Consultancy expenses	1,131,584	879,429	524,687	230,754
BIST fee	475,337	-	353,649	-
Travel and transportation expenses	337,778	212,053	235,937	122,904
General assembly expenses	51,256	2,483	96,821	96,821
Other expenses	2,283,603	1,370,954	1,659,566	726,123
Total	28,125,041	12,004,094	24,534,771	10,055,330

Personnel expenses

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Salaries and wages	11,767,778	4,795,413	13,505,184	5,453,021
Social security expenses	1,551,724	770,657	1,856,539	867,806
Salaries and other benefits paid to Board of Directors	1,499,150	912,885	1,303,296	745,557
Provisions for bonuses	900,000	422,973	810,288	371,092
Severance paid	841,215	-	428,189	-
Provision for vacation pay liability	490,243	-	1,088,931	-
Other	534,879	85,957	408,879	50,888
Total	17,584,989	6,987,885	19,401,306	7,488,364

19. MARKETING EXPENSES

For the years ended 30 June 2025 and 2024, marketing expenses are as follows:

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Advertising expenses	113,959	-	8,694	4,494
Total	113,959	-	8,694	4,494

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20. OTHER OPERATING INCOME/EXPENSE

For the period ended 30 June 2025 and 2024, other operating income and expenses are as follows:

Other operating income	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Value increase on investment properties	41,716,932	41,716,932	213,768,698	213,768,698
Provisions no longer required	1,231,015	838,548	1,111,226	-
Other income	2,532,601	218,173	9,510,665	8,753,126
Total	45,480,548	42,773,653	224,390,589	222,521,824
Other operating expenses	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Commission expenses	434,175	215,577	444,093	308,458
Other	306,780	287,870	12,585	3,013
Total	740,955	503,447	456,678	311,471

21. FINANCE INCOME/COSTS

For the period ended 30 June 2025 and 2024, finance income and costs are as follows:

Finance income	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Interest income	20,257,948	7,511,494	29,107,845	15,884,257
Total	20,257,948	7,511,494	29,107,845	15,884,257
Finance costs	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Foreign exchange losses, net	120,305	80,965	25,592	3,503
Interest expenses	47,548,797	26,382,152	8,111,774	8,083,300
Total	47,669,102	26,463,117	8,137,366	8,086,803

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22. NET MONETARY POSITION GAINS/(LOSSES)

The Company's net monetary position gains/losses for the accounting periods ending on 30 June 2025 and 2024 are as follows:

Non-Monetary Items	30 June 2025
Financial Position Statement Items	(3,823,784)
Capital Adjustment Differences	(905,504,047)
Share Premium	(1,953,043)
Legal Reserves	(437,861)
Deferred Tax	(55,825,201)
Short-term prepaid expenses	1,623,596
Equity –Accounted Investees	3,453,226
Right-of-use assets	56,686
Investment Properties	830,714,718
Tangible and intangible fixed assets	4,644,010
Retained earnings	119,784,634
Other	(380,502)
Profit and Loss Statement Items	(1,415,976)
Revenue	(4,844,413)
Cost Of Services Sold	4,408,902
General Administrative Expenses	1,138,172
Interest Income	(1,147,969)
Other Income from Main Activities	(1,114,546)
Other	143,878
Net monetary position gains/(losses)	(5,239,760)

23. TAX ASSETS AND LIABILITIES

a) Corporate Tax

The corporate tax rate is the corporate tax rate applied to the legal tax base, which is calculated by adding expenses that are not deductible according to the tax laws to the commercial profits of the corporations and deducting the exemptions included in the tax laws.

The corporate tax rate applied to Capital Markets Companies in Türkiye in 2025 is 30%.

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23. TAX ASSETS AND LIABILITIES (Continued)

b) Current tax income/(expense)

Tax income/(expense)	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Deferred Tax Expense	(42,613,609)	(1,200,615)	-	-
Total Tax Expense	(42,613,609)	(1,200,615)	-	-

c) Deferred Tax Assets and Liabilities

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its tax-based legal financial statements and its financial statements prepared in accordance with TFRS. These differences generally arise from the fact that the tax-based amounts of some income and expense items are included in different periods in the financial statements prepared in accordance with TFRS.

As explained in detail in Note 2, the tax exemption granted to real estate investment trusts under Article 5, subparagraph d-4 of the Corporate Tax Law has been made conditional on the distribution of at least 50% of the profits they obtain from real estate through dividends as of 1 January 2025, with the Law No. 7524 dated 02/8/2024.

Since the profit distribution decision is under the responsibility of the general assembly, the tax rate used in the calculation of deferred tax assets and liabilities for 2025 is 30%. (31 December 2024: %30.)

Tax Income/(Expense)	1 January – 30 June 2025	1 January – 31 December 2024
Deferred Tax Assets	1,672,876	4,691,105
Deferred Tax Liability	(435,107,176)	(395,340,276)
Tax liability, net	(433,434,300)	(390,649,171)

The breakdown of the Company's accumulated temporary differences and deferred tax assets and liabilities, prepared using the current tax rates, is as follows:

	30 June 2025		31 December 2024	
	Temporary Differences	Deferred Tax	Temporary Differences	Deferred Tax
Investment property	1,447,556,173	(434,266,852)	1,295,201,246	(388,560,374)
Right of Use Assets	1,633,279	(489,984)	466,106	(139,832)
Tangible and Intangible Assets	1,167,802	(350,340)	(13,225,110)	3,967,533
Severance Pay Provision	(728,462)	218,539	(1,928,852)	578,656
Revaluation and classifications of gains/(losses)	-	-	(483,054)	144,916
Other	(4,847,791)	1,454,337	22,133,569	(6,640,070)
Total	1,444,781,001	(433,434,300)	1,302,163,905	(390,649,171)

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23. TAX ASSETS AND LIABILITIES (Continued)

Balance at January 1,	30 June 2025
Deferred tax expense/(income)	(390,649,171)
Recognized in profit or loss	(42,613,609)
Recognized in other comprehensive income (OCI)	(171,520)
Deferred Tax Asset/(Liability), Net	(433,434,300)

24. EARNINGS/(LOSS) PER SHARE

Earnings per share stated in income statement is calculated by dividing net income for the period by the weighted average number of the Company's shares for the period. Calculation of the earnings per share for the years ended 30 June 2025 and 2024 are presented below:

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Net profit/(loss) for the period	(8,726,002)	33,551,352	244,567,089	232,643,459
Weighted average number of shares	650,000,000	650,000,000	650,000,000	650,000,000
Earnings/(loss) per share	(0.0134)	0.0516	0.3762	0.3579

25. RELATED PARTY DISCLOSURES

25.1. Related party balances

	30 June 2025	31 December 2024
<i>Banks – demand</i>		
Türkiye Sınai Kalkınma Bankası A.Ş.	843,670	222,589
Türkiye İş Bankası A.Ş.	148,660	282,119
<i>Banks – time</i>		
Türkiye İş Bankası A.Ş.	-	72,337,260
Total	992,330	72,841,968
<i>Due from related parties</i>		
Türkiye İş Bankası A.Ş.	717	-
Türkiye Sınai Kalkınma Bankası A.Ş.	-	466,979
Total	717	466,979
<i>Prepaid expenses</i>		
Anadolu Anonim Türk Sigorta A.Ş.	8,293,570	26,109,510
Total	8,293,570	26,109,510
<i>Due to related parties</i>		
Anadolu Anonim Türk Sigorta Şirketi	148,666	27,375,921
Türkiye Sınai Kalkınma Bankası A.Ş.	117,186	177,744
İş Merkezleri Yönetim ve İşletim A.Ş.	-	6,937,025
Total	265,852	34,490,690

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25. RELATED PARTY DISCLOSURES (Continued)

25.1. Related party balances (Continued)

	30 June 2025	31 December 2024
<i>Capital Expenditure</i>		
İş Merkezleri Yönetim ve İşletim A.Ş.	-	72,797,352
Total	-	72,797,352
<i>Bank loans</i>		
Türkiye Sınai Kalkınma Bankası A.Ş.	129,414,251	186,957,086
Total	129,414,251	186,957,086
<i>Advances Given</i>		
İş Merkezleri Yönetim ve İşletim A.Ş.	10,064,003	-
Total	10,064,003	-

25.2. Related party transactions

	1 January – 30 June 2025	1 January – 30 June 2024
<i>Rental income</i>		
Türkiye Sınai Kalkınma Bankası A.Ş.	47,738,281	41,694,529
Yatırım Finansman Menkul Değerler A.Ş.	5,249,068	4,443,422
TSKB Gayrimenkul Değerleme A.Ş.	1,630,681	1,419,842
TSKB A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Vakfı	77,376	67,377
TSKB Sürdürülebilirlik Danışmanlığı A.Ş.	71,650	62,386
Türkiye İş Bankası A.Ş.	29,869	31,131
Yatırım Varlık Kiralama A.Ş.	11,466	9,982
Total	54,808,391	47,728,669
<i>Interest income</i>		
Türkiye İş Bankası A.Ş.	12,703,253	8,073,879
Türkiye Sınai Kalkınma Bankası A.Ş.	44,965	69,383
Total	12,748,218	8,143,262
<i>Other income</i>		
Türkiye Sınai Kalkınma Bankası A.Ş.	78,164,986	-
Total	78,164,986	-
<i>Loan and insurance commission expenses</i>		
Türkiye Sınai Kalkınma Bankası A.Ş.	195,050	217,853
Türkiye İş Bankası A.Ş.	11,195	15,273
Total	206,245	233,126

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25. RELATED PARTY DISCLOSURES (Continued)

25.2. Related party balances (Continued)

Benefits provided to key management personnel

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
Short-term employee benefits	4,966,877	2,866,825	8,151,115	4,639,065
Total	4,966,877	2,866,825	8,151,115	4,639,065

26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk. The Company has exposure to the following risks from its operations:

- credit risk,
- liquidity risk,
- market risk.

26.1. Credit risk

The ownership of the financial assets brings the risk of not meeting the obligations of the agreement of the counter party. These risks are controlled by credit evaluations and restricting the maximum exposure to a counter party.

The Company adopts a liquid portfolio management approach for the use of possible property projects and it invests in short-term instruments. The Board of Directors determines the portfolio management strategy for financial assets of the Company and the comparison criteria, considering the economic developments and expectations.

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.1 Credit risk (Continued)

As at 30 June 2025 and 31 December 2024, credit risk exposure of financial assets are as follows:

30 June 2025	Receivables							
	Trade Receivables		Other Receivables		Bank Deposits	Financial investments	Derivative instruments	Other
	Related parties	Other Parties	Related parties	Other Parties				
Exposure to maximum credit risk as of reporting date (A+B+C+D+E)	717	2,539,217	-	-	42,755,325	-	-	-
- Maximum credit risk amount secured with guarantees	-	-	-	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	717	2,539,217	-	-	42,755,325	-	-	-
B. Net book value of restructured financial assets	-	-	-	-	-	-	-	-
C. Net book value of past due but not impaired financial assets	-	-	-	-	-	-	-	-
- Net book value secured with guarantees	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (Gross amount)	-	5,303,783	-	-	-	-	-	-
- Impairment (-)	-	(5,303,783)	-	-	-	-	-	-
- Net book value secured with guarantees	-	-	-	-	-	-	-	-
-Not past due (Gross amount)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- Net book value secured with guarantees	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.1 Credit risk (Continued)

	Receivables							
	Trade Receivables		Other Receivables		Bank Deposits	Financial investments	Derivative instruments	Other
	Related parties	Other Parties	Related parties	Other Parties				
31 December 2024								
Exposure to maximum credit risk as of reporting date (A+B+C+D+E)	466,979	3,185,767	-	-	101,313,449	-	-	-
- Maximum credit risk amount secured with guarantees	-	-	-	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	466,979	3,185,767	-	-	101,313,449	-	-	-
B. Net book value of restructured financial assets	-	-	-	-	-	-	-	-
C. Net book value of past due but not impaired financial assets	-	-	-	-	-	-	-	-
- Net book value secured with guarantees	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (Gross amount)	-	2,809,549	-	-	-	-	-	-
- Impairment (-)	-	(2,809,549)	-	-	-	-	-	-
- Net book value secured with guarantees	-	-	-	-	-	-	-	-
-Not past due (Gross amount)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- Net book value secured with guarantees	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.2. Liquidity risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity. The Company uses its funds from borrowings in investment property project developments.

The following table presents the Company’s financial liabilities including interest payments according to their remaining contractual maturities:

30 June 2025	Carrying value	Total contractual cash flows	Up to 3 months	3 months to 12 months	1 year to 5 years	More than 5 years
Non-derivative financial liabilities						
Funds borrowed	120,000,000	184,684,813	-	184,684,813	-	-
Trade payables	16,548,637	16,548,637	16,548,637	-	-	-
Total	136,548,637	201,233,450	16,548,637	184,684,813	-	-
31 December 2024						
Non-derivative financial liabilities						
Funds borrowed	140,007,600	186,957,086	-	186,957,086	-	-
Trade payables	45,780,974	45,780,974	45,780,974	-	-	-
Total	185,788,574	232,738,060	45,780,974	186,957,086	-	-

As at 30 June 2025 and 31 December 2024, the Company does not have any derivative financial liabilities.

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.3. Market risk

The Company is exposed to various market risks, including the effects of changes in exchange rates, interest rates, equity prices and credit spreads.

The total risk management program of the Company focuses on the unpredictability of the financial markets and aims at reducing the potential negative effects on the Company’s financial performance.

Foreign currency risk

Exchange risk comprises the effects arising from exchange movements in the event foreign currency assets, liabilities and off-balance sheet items are owned.

On the Amendment to the Resolution No. 32 on the Amendment to the Decision No. 32 on the Protection of the Value of Turkish Currency entered into force after being published in the Official Gazette dated 13.09.2018 and numbered 30534. Communiqué No. 2019-32/51 on the Amendment to the Communiqué on the Resolution (Communiqué No: 2008/32/34) (“Communiqué 8”) was published in the Official Gazette dated 6.10.2018 and numbered 30557 and entered into force. In accordance with the relevant communiqué provisions, the Company's foreign exchange based lease agreements should be reorganized in TRY, which may lead to a decrease in the Company's rental income. In accordance with the provisions of the related communiqué, the Company has reorganized its lease agreements in terms of TRY. As of 30 June 2025, the annual minimum lease amounts are disclosed in Note 8.

The exchange rates applied as at 30 June 2025 and 31 December 2024 are as follows:

	USD	EUR
30 June 2025	39.7408	46.6074
31 December 2024	35.2803	36.7362

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.3. Market risk (Continued)

The following table details the Company’s foreign currency position risk as at 30 June 2025 and 31 December 2024. The foreign currency assets and liabilities kept by the Company in TRY are as follows:

	30 June 2025	Total TRY equivalent	EUR	USD
1.	Trade receivables	-	-	-
2.a	Monetary financial assets	191,789	4,115	-
2.b	Non-monetary financial assets	-	-	-
3.	Other	-	-	-
4.	Current assets	191,789	4,115	-
5.	Trade receivables	-	-	-
6.a	Monetary financial assets	-	-	-
6.b	Non-monetary financial assets	-	-	-
7.	Other	-	-	-
8.	Fixed assets	-	-	-
9.	Total assets	191,789	4,115	-
10.	Trade Payables	-	-	-
11.	Financial liabilities	-	-	-
12.a	Other monetary liabilities	-	-	-
12.b	Other non-monetary liabilities	-	-	-
13.	Short-term liabilities	-	-	-
14.	Trade Payables	-	-	-
15.	Financial liabilities	-	-	-
16.a	Other monetary liabilities	367,461	7,870	-
16.b	Other non-monetary liabilities	-	-	-
17.	Long-term liabilities	367,461	7,870	-
18.	Total liabilities	367,461	7,870	-
19.	Net asset/liability position of off-balance sheet	-	-	-
19.a	foreign currency derivative instruments (19a-19b)	-	-	-
19.b	Amount of off-balance sheet foreign	-	-	-
20.	Net foreign currency position (9-18+19)	(175,672)	(3,755)	-
	Monetary items			
21.	Net foreign currency position (1+2a+5+6a-10-11-12a-14-15-16a)	(175,672)	(3,755)	-
22.	Total fair value of financial instruments used for currency hedging	-	-	-
23.	Amount of hedged portion of foreign exchange assets	-	-	-
24.	Amount of hedged portion of foreign exchange liabilities	-	-	-
25.	Export	-	-	-
26.	Imports	-	-	-

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.3. Market risk (Continued)

31 December 2024		Total Amount in TRY	EUR	USD
1.	Trade receivables	-	-	-
2.a	Monetary financial assets	151,169	4,115	-
2.b	Non-monetary financial assets	-	-	-
3.	Other	-	-	-
4.	Current assets	151,169	4,115	-
5.	Trade receivables	-	-	-
6.a	Monetary financial assets	-	-	-
6.b	Non-monetary financial assets	-	-	-
7.	Other	-	-	-
8.	Fixed assets	-	-	-
9.	Total assets	151,169	4,115	-
10.	Trade Payables	-	-	-
11.	Financial liabilities	-	-	-
12.a	Other monetary liabilities	-	-	-
12.b	Other non-monetary liabilities	-	-	-
13.	Short-term liabilities	-	-	-
14.	Trade Payables	-	-	-
15.	Financial liabilities	-	-	-
16.a	Other monetary liabilities	445,214	9,592	2,236
16.b	Other non-monetary liabilities	-	-	-
17.	Long-term liabilities	445,214	9,592	2,236
18.	Total liabilities	(445,214)	(9,592)	(2,236)
19.	Net asset/liability position of off-balance sheet	-	-	-
19.a	foreign currency derivative instruments (19a-19b)	-	-	-
19.b	Amount of off-balance sheet foreign	-	-	-
20.	Net foreign currency position (9-18+19)	(294,045)	(5,477)	(2,236)
	Monetary items			
21.	Net foreign currency position (1+2a+5+6a-10-11-12a-14-15-16a)	(294,045)	(5,477)	(2,236)
22.	Total fair value of financial instruments	-	-	-
23.	used for currency hedging	-	-	-
24.	Amount of hedged portion of foreign exchange assets	-	-	-
25.	Export	-	-	-
26.	Imports	-	-	-

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

26.3. Market risk (Continued)

Foreign currency sensitivity

A 10% appreciation/depreciation of TRY against the foreign currencies at 30 June 2025 and 31 December 2024 tarwould have changed other comprehensive income and profit or loss (except tax effect) by the amounts shown below:

	Appreciation of foreign currency	Profit/(Loss) Depreciation of foreign currency	Appreciation of foreign currency	Equity Depreciation of foreign currency
30 June 2025				
10% change of the USD against TRY				
1- Net USD asset/liability	-	-	-	-
2- Hedged portion of TRY against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	-	-	-	-
10% change of the EURO against TRY				
4- Net EURO asset/liability	(17,533)	17,533	(17,533)	17,533
5- Hedged portion of TRY against EURO risk (-)	-	-	-	-
6- Net effect of EURO (4+5)	(17,533)	17,533	(17,533)	17,533
TOTAL (3+6)	(17,533)	17,533	(17,533)	17,533
		Profit/(Loss)		Equity
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
31 December 2024				
10% change of the USD against TRY				
1- Net USD asset/liability	(7,903)	7,903	(7,903)	7,903
2- Hedged portion of TRY against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	(7,903)	7,903	(7,903)	7,903
10% change of the Euro against TRY				
4- Net Euro asset/liability	(20,157)	20,157	(20,157)	20,157
5- Hedged portion of TRY against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	(20,157)	20,157	(20,157)	20,157
TOTAL (3+6)	(28,060)	28,060	(28,060)	28,060

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.3. Market risk (Continued)

Interest rate risk

The Company is exposed to interest rate risk due to interest bearing assets and liabilities.

The table below shows the financial instruments sensitive to interest rates as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
<i>Financial instruments with fixed interest rates</i>		
Financial assets	40,947,038	101,365,799
Financial liabilities	-	-
<i>Financial instruments with variable interest rates</i>		
Financial liabilities	129,414,251	186,957,086

Interest rates which are applied to financial instruments as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
<i>Financial instruments</i>		
Banks-Time Deposit TRY	47.90% TRY	49.75%
Banks-Time Deposit TRY	35.00% TRY	48.95%
Banks-Time Deposit TRY	- TRY	39.00%

Interest rate sensitivity

As at 30 June 2025, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 30 June 2024.

	Profit/loss		Equity(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 June 2025				
Financial liabilities with variable interest rates	(148,680)	149,499	(148,680)	149,499

(*) Profit/loss impact is included.

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26. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

26.4. Capital management

The Company manages its capital by reducing its investment risk to the lowest level with effective portfolio management. The aim of the Company is to maintain sustainable returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company considers having a strong capital structure for future investments besides the legislation in its dividend distribution policy.

27. FINANCIAL INSTRUMENTS

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties.

A number of the Company’s accounting policies and disclosures require the determination of fair value for financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Following assumptions and methods are used to estimate fair value of financial instruments, if fair values are applicable.

Financial assets

The Company assumes that the carrying values of cash and cash equivalents and trade receivables are close to their fair value because of their short-term nature.

Financial liabilities

The Company assumes that the carrying values of the trade payables and other liabilities are close to their fair value because of their short-term nature.

Bank borrowings are measured with their amortized costs by adding transaction costs to their acquisition costs. It is assumed that carrying values of borrowings are close to their fair values as variable rate borrowings are repriced considering the market conditions. The fair value of fixed rate borrowings are close to carrying value.

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28. EVENTS AFTER THE REPORTING PERIOD

None.

29. OTHER MATTERS

Regarding the property named Tahir Han, located on Parcel 57, Block 77, Beyoğlu District, Istanbul, in which the Company holds a 53/72 interest; a 'Partition of Joint Ownership' case was initiated on 21 December 2005, and the court ruled for the 'Sale of the Property to Terminate the Joint Ownership'.

Within this framework, on 22 May 2024, the Sale Office of the Istanbul Civil Court of Peace completed the sale of the said property through an auction. The Sale Office notified the Company on 23 May 2024 that the property had been awarded to the Company in the auction. An annulment lawsuit has been filed against the auction, and the litigation process is ongoing.

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COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS FOR THE PERIOD ENDED 30 JUNE 2025- ADDITIONAL NOTE

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ADDITIONAL NOTE COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS

According to the Communiqué Serial: III, No. 48.1 promulgated by CMB, “Communiqué on Principles Regarding Real Estate Investment Companies”, compliance control of the portfolio restrictions of the Company is as follows:

The main accounts of separate financial statements		Related regulation	30 June 2025	31 December 2024
A	Capital and money market instruments	III-48.1, Md. 24/(b)	42,755,325	101,313,449
B	Real estates, rights supported by real estates and real estate projects	III-48.1, Md. 24/(a)	5,855,638,000	5,813,109,718
C	Subsidiaries (*)	III-48.1, Md. 24/(b)	38,763,670	43,466,330
	Due from related parties (other receivables)	III-48.1, Md. 23/(f)	-	-
	Other assets		181,519,352	214,743,024
D	Total assets	III-48.1, Md. 3/(k)	6,118,676,347	6,172,632,521
E	Funds borrowed	III-48.1, Md. 31	129,414,251	186,957,086
F	Other financial liabilities	III-48.1, Md. 31	433,434,300	390,649,171
G	Financial lease obligations	III-48.1, Md. 31	-	-
H	Due to related parties (other payables)	III-48.1, Md. 23/(f)	-	-
I	Equity	III-48.1, Md. 31	5,507,650,855	5,515,976,643
	Other liabilities		48,176,941	79,049,621
D	Total liabilities and equity	III-48.1, Md. 3/(k)	6,118,676,347	6,172,632,521
Other separate financial information		Related regulation	30 June 2025	31 December 2024
A1	Capital and money market instruments amount held for 3-year real estate payments	III-48.1, Md. 24/(b)	-	-
A2	Time balances/demand balances TRY/foreign currency	III-48.1, Md. 24/(b)	42,755,325	101,313,449
A3	Foreign capital market instruments	III-48.1, Md. 24/(d)	-	-
B1	Foreign real estates, rights supported by real estates and real estate projects	III-48.1, Md. 24/(d)	-	-
B2	Inactive land	III-48.1, Md. 24/(c)	-	-
C1	Foreign subsidiaries	III-48.1, Md. 24/(d)	-	-
C2	Participating to operating company (*)	III-48.1, Md. 28	38,763,670	43,466,330
J	Non-cash loans	III-48.1, Md. 31	416,542,775	4,716,827
K	Mortgage amounts of the mortgaged lands that the project will be developed on without ownership	III-48.1, Md. 22/(e)	-	-
L	Total investments of monetary and capital market instruments at one company	VI No:11, Md.22/(l)	40,050,526	72,337,260

(*) As explained in the footnote no. 5, Anavarza Otelcilik Anonim Şirketi is an operating company within the scope of the paragraph 1 of Article 28 of Communiqué Serial: III, No. 48.1 promulgated by CMB. The Company's shareholder status has been recognized using the equity method in the enclosed financial statement. As at 30 June 2025, the Company's share in the Anavarza Otelcilik Anonim Şirketi is TRY24,164,714 and under the 10% of the Company's total assets.

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COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS FOR THE PERIOD ENDED 30 JUNE 2025- ADDITIONAL NOTE

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ADDITIONAL NOTE COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS (Continued)

Portfolio restrictions	Related regulation	30 June 2025	31 December 2024	Max/Min ratio
1 Mortgage amounts of the mortgaged lands that the project will be developed on without ownership	III-48.1, Md. 22/(e)	0%	0%	Max %10
2 Real estates, rights supported by real estates and real estate projects	III-48.1, Md. 24/(a), (b)	96%	97%	Min %51
3 Capital and money market instruments and subsidiaries	III-48.1, Md. 24/(b)	1%	2%	Max %50
4 Foreign real estates, rights supported by real estates and real estate projects, subsidiaries and capital market instruments	III-48.1, Md. 24/(d)	0%	0%	Max %49
5 Inactive land	III-48.1, Md. 24/(c)	0%	0%	Max %20
6 Participating to operating company	III-48.1, Md. 28	1%	0%	Max %10
7 Borrowings limits	III-48.1, Md. 31	10%	10%	Max%500
8 Time balances/demand balances TRY/foreign currency	III-48.1, Md. 24/(b)	1%	2%	Max %10
9 Total investments of monetary and capital market instruments at one company	VI No:11, Md.22/(1)	1%	1%	Max %10

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