



ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
Annual Report 2023

May 14, 2024
General Assembly Meeting
2023 Fiscal Year

Registered Capital
TL 150.000.000

Issued Capital
TL 144.900.000



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MESSAGE FROM THE BOARD OF DIRECTORS

Dear Shareholders,

2023 was marked by efforts to contain inflationary pressures that manifested globally. Central banks in developed countries continued to raise interest rates for this purpose. Inflation began to decrease towards the end of the year, particularly in developed countries. This was due to monetary tightening and the resolution of supply-side issues caused by disruptions in the supply chain that occurred during the pandemic and were exacerbated by the Russia-Ukraine conflict. However, inflation rates remained above the 2% target of developed country central banks due to the strong performance of economic activities and labor markets. Global economic activity grew in 2023 despite tight monetary policies and unfavorable geopolitical developments. International organizations estimate that the global economy grew by approximately 3% in 2023, although growth rates varied depending on the level of development of countries.

In 2024, it is expected that global growth will slow down slightly due to the delayed effects of monetary tightening. It is expected that the Central Banks will stop raising interest rates, and the second half of the year will see a series of interest rate cuts. Difficulties in accessing financing and the rise in financing costs will continue until the interest rate cuts begin. In 2024, the developments stemming from geopolitical risks should also be expected to have a positive or negative impact on global economic activity.

In a year marked by global uncertainty and volatility, our country was struck by an earthquake at the beginning of the year, causing significant emotional and material damage. The earthquake hit a very large area of land and population. The aftereffects are still there, but national solidarity rapidly began to counteract the effects. The Turkish economy has recovered quickly. The annual real growth was 4.5%.

The second significant event that impacted the Turkish economy was the drastic shift in economic policies that followed the general elections. The expansionary monetary policies were abandoned and replaced with a tighter monetary policy. The Turkish Central Bank increased its policy rate from 8.5% to 45%. Despite policy changes, inflation ended the year at 64.8%, close to the previous year's level. We anticipate that inflation will remain high in 2024. Unless there is a policy change, inflation will begin to decrease in the second half of the year due to base effects. We anticipate that 2024 will be a difficult year in terms of financing availability. We expect financing opportunities to become more favorable towards the end of the year, depending on developments abroad and the success of the implemented policy.

Thanks to its strong asset and cash position, 2023 was a successful year for our Company. Rental income from our assets has increased as the economy grew, particularly in the tourism sector. We expect the growth in the tourism sector to continue in the coming years. In this background, we continued our large-scale renovation and modernization investment in our tourism facility in Bodrum, which we included in our portfolio in accordance with our long-term objectives. Once the investment is completed and operational, we expect this facility to be an important and regular source of income. The value of the assets in our portfolio increased in real terms, which in turn strengthened our asset base.

As always, we will look for favorable opportunities to strengthen our asset portfolio and make the best use of our assets in 2024.

We are happy to have successfully completed 2023 and would like to thank all of our employees who contributed to this process through their creative and selfless work, as well as our valued shareholders who have supported us in our endeavors. With these feelings and thoughts, we greet you all with respect and love and wish you a healthy and peaceful year.

Board of Directors



BOARD OF DIRECTORS AND AUDITORS

<u>Board of Directors</u>	<u>Duty</u>	<u>Commencement Date of Duty</u>	<u>Expiry Date of Duty</u>
Mehmet Ahkemođlu	Chairman	29.03.2022	29.03.2025
Harun Hanne Moreno	Vice Chairman	29.03.2022	29.03.2025
Ümit Nuri Yıldız	Director	29.03.2022	29.03.2025
Alpaslan Serpen	Director	29.03.2022	29.03.2025
Mustafa Tansu Uslu	Director (Independent)	29.03.2022	29.03.2025
Bedriye Banu Köker	Director (Independent)	29.03.2022	29.03.2025
Neslihan Tonbul	Director (Independent)	04.05.2023	29.03.2025

Except for General Manager, Harun Hanne Moreno, the other members of the Board of Directors have no executive duties in the Company's management

Auditor

Güney Bađımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited)	31.03.2023	31.03.2024
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Independent Auditor

Güney Bađımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited)	31.03.2023	31.03.2024
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Powers and Limits of Members of the Board of Directors

The Chairman and Directors are having the power and responsibility in accordance with the Turkish Commercial Legislations and Company's Articles of Association.



INFORMATION REGARDING MEMBERS OF THE BOARD

Mehmet AHKEMOĞLU

Chairman of the Board of Directors

Mehmet Ahkemoğlu was born in Ankara in 1964 and graduated from Ankara University, Faculty of Political Sciences, School of Economics in 1986. In 1996, he completed his Master's Degree in International Accounting and Auditing at Illinois University.

In 1986, Ahkemoğlu started working at the Ministry of Finance as Assistant Tax Inspector, in 1989 as Tax Inspector, in 1997-2004 as Department Head on the Revenues Administration of the Ministry of Finance, and in 2005 as Department Head on the Department of Revenues Management of the Revenues Administration. He resigned at the end of 2005 and joined the Alarko Group of Companies in 2006. He is the Chief Financial Officer of the Alarko Group of Companies. Ahkemoğlu who is also a member of the Board of various companies within the Alarko Group. He speaks English.

Mehmet Ahkemoğlu does not qualify as independent director according to the CMB's Communiqué Numbered II-17.1.

Harun Hanne MORENO

Vice Chairman of the Board

Moreno was born in Istanbul in 1960. In 1982, he graduated from the Industrial Engineering Department of the Faculty of Engineering of Boğaziçi University. Moreno completed his MBA at the Social Studies Institute of the Faculty of Business Administration of the same university in 2002.

Harun Moreno started to work at the Alarko Group of Companies in 1986. Following various middle and top management positions in the various units of the group, he was appointed general manager of the Alarko Real Estate Investment Partnership Co. in 2001. He is still holding this position.

Harun Hanne Moreno speaks English and Spanish. He is married and has two children.

Ümit Nuri YILDIZ

Member of the Board

Ümit Nuri Yıldız was born in Erzurum in 1966. He graduated from the Department of Business Administration, Faculty of Political Sciences of Ankara University in 1986. He obtained his MSc degree from University of Illinois. In 1987, he started working as Assistant Tax Inspector at Board of Auditors of the Ministry of Finance. Yıldız continued to work in the Ministry as Tax Inspector and Chief Tax Inspector until 1997. He was appointed Deputy General Manager of the Turkish Employment Organization in 1997. He resigned from his position and joined the Alarko Group of Companies in 1998. Yıldız who is presently working as Chief Executive Officer at Alarko Group is also a member of the Board of various companies within the group. Yıldız speaks English and is married with two children.

Ümit Nuri Yıldız does not qualify as independent director according to the CMB's Communiqué Numbered II-17.1.

Alpaslan SERPEN

Member of the Board

Born in 1977 in Balıkesir, Mr. Serpen graduated from the Department of Industrial Engineering, Faculty of Engineering, Middle Eastern Technical University in 1999. He received a Minor Degree in Finance, Department of Business Administration of METU during 1996-1999.

He embarked on his professional career in 1999 as Dealer in Department of Treasury Fund Management of Pamukbank. Joining Alarko Group of Companies as Feasibility Expert in 2005, Alpaslan Serpen worked in the fields of privatization tenders, acquisitions and mergers, investment planning, company valuation, strategic planning and energy investments. He currently serves as Chief Strategy Officer of Alarko Group of Companies. Alpaslan Serpen is married and speaks English.



Alpaslan Serpen does not qualify as independent director according to the CMB's Communiqué Numbered II-17.1.

Mustafa Tansu USLU

Independent Member of the Board

Mustafa Tansu Uslu was born in Istanbul in 1944. He graduated from the French high school for boys, Saint Joseph, in 1962 and the İ.T.Ü. Faculty of Mechanical Engineering in 1968.

Uslu started his professional life at Seka General Management at Dalaman and worked there in the years between 1970 and 1974. He joined the Alarko Group of Companies in 1974 and took over executive responsibility in various companies within the group until 2007. Uslu worked as an executive at Avrasya Teknoloji Mühendislik ve İnşaat A.Ş. in 2007-2008.

Uslu is married and has two children. He speaks French and English.

Mustafa Tansu Uslu qualifies as independent director according to the CMB's Communiqué Numbered II-17.1.

Bedriye Banu KÖKER

Independent Member of the Board

Born in 1974 in Van, Bedriye Banu Köker graduated from the Department of Business Administration, Faculty of Economic and Administrative Sciences of Boğaziçi University in 1996, and received her graduate degree in Finance, Texas A&M University.

Having embarked upon her professional carrier in Abn Amro Bank in 1998 as executive candidate, Köker quit her office in 2010 as she was Group President in Charge of Corporate Banking Officer. She worked as Managing Director in Charge of Corporate Customers at Standard Ünlü during the 2010-2012 period and at Ünlü & Co during the 2012-2020 period.

During her 22-year term of office in the banking sector, Ms. Köker has achieved many accomplishments in the fields of both corporate banking and investment banking, serving the leading family holdings and corporate companies of Turkey.

Having acted as angel investor since 2020, she supports new start-ups as both investor and mentor. Banu Köker is a member of Women on Board Association Turkey, holds a Gestalt Coaching Certificate and speaks English.

Bedriye Banu Köker meets the independence criterion as per the CMB Communiqué No. II-17.1.

Neslihan TONBUL

Independent Member of the Board

Born in İstanbul, in 1959, Ms. Neslihan Tonbul, received a BA degree in economics and political science from Rutgers University (USA), and was awarded an MA degree in development economics and international relations from the Fletcher School of Law and Diplomacy at Tufts University.

After beginning her international banking career in 1983 at the Irving Trust Company, New York, she moved to İstanbul in 1988, as the Middle East Region Manager. She has been a pioneer in the development of the finance industry, and continued to work for BNY Mellon until 2008. In 2009, Ms. Tonbul became a board member for Yaşar Holding, and then served on the boards of Prysmian, Turcas, Petrol, and ANEL, and she is currently serving as an Independent Board Member for Vakıfbank International AG, TOFAŞ, and PETKİM.

She is a senior advisor for the New Zealand Development Agency and Cambridge Family Enterprise Group since 2014, and she also gives lectures at Koç University, Economics and Administrative Sciences Faculty. In addition to her professional work, Ms. Tonbul is also an active member of the civil society. Ms. Tonbul is a Trustee of the American Research Institute in Turkey (ARIT), Young Presidents Organization (YPO), and Turkish Education Volunteers Foundation (TEGV), and she is among founders of Turkish-American Business Forum. She has been mentoring Women Entrepreneurs at the EBRD since 2014. Ms. Tonbul knows English, French, Azerbaijani, Italian and Persian.

Neslihan Tonbul meets the independence criterion as per the CMB Communiqué No. II-17.1.



AGENDA OF THE ANNUAL GENERAL ASSEMBLY MEETING

1. Opening and moment of silence.
2. Deliberation and decision on the election of the Presiding Committee.
3. Deliberation and decision on authorizing the Presiding Committee to sign the minutes of the General Assembly Meeting.
4. Deliberation and decision on the confirmation of the nobility of the Board of Directors member appointed within the year in accordance with Article 363 of the Turkish Commercial Code.
5. Reading and deliberation on the Annual Report of the Board of Directors, Auditor Report and Independent Audit Company Report for 2023.
6. Reading, deliberation and approval of the Statement of Financial Position and the Statement of Comprehensive Income for 2023.
7. Deliberation and resolution for the acquittal of the Board of Directors members for the activities in 2023.
8. Presenting information about donations made by the Company in 2023.
9. Deliberation and decision on determining the upper limit of donations to be made by our company in 2024.
10. Presenting information about the guarantees, pledges, mortgages and bails given by our company in favor of third parties.
11. Reading and deliberation on the permission letter received from the Capital Markets Board and the Ministry of Commerce General Directorate of Domestic Trade regarding the amendment of Article (6) of the Company's Articles of Association and the attached text of the Articles of Association, the amendment of Article (6) of the Company's Articles of Association and deliberation and decision on acceptance of its new form.
12. Deliberation and resolution on the proposal of the Board of Directors for the profit distribution in 2023.
13. Deliberation and decision on the election, duty term and determining remuneration of the Board of Directors members.
14. Informing the General Assembly about the share buyback program and the shares acquired under this program.
15. Deliberation and resolution regarding vesting the authority to the Board of Directors members in accordance with articles 395 and 396 of the Turkish Commercial Code.
16. Presenting information to General Assembly on procedures indicated in articles 1.3.6 of the "Corporate Governance Principles" in the annex of the Communiqué numbered II-17.1 of the Capital Markets Board.
17. Deliberation and decision on the approval for the auditing of the company's accounts and operations for 2024 by an Independent Audit Company selected by the Board of Directors in accordance with the Capital Markets Regulations and Turkish Commercial Code.
18. Remarks and suggestions.

Board of Directors



ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We hereby present the Annual Statement of Financial Position, Statement of Comprehensive Income and other financial statements which reflect the results of our company's activities in 2023 for your evaluation and criticism.

- 1) Our annual report covers the period between January 1, 2023 and December 31, 2023.
- 2) The members of the Board and the Statutory Auditors during 2023 are their terms of office are presented on page 4.

The financial statements which show the operational results obtained in 2023 were audited independently by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited)

- 3) The Board of Directors convened 17 times during the term. All members of the Board participated in 11 meetings. One Board member was unable to participate in 6 of the meetings due to an excuse. Board decisions have been taken unanimously. Therefore, there is no record of dissenting votes.
- 4) The company's registered capital ceiling in 2023 was TL 150.000.000.
- 5) Our issued capital is TL 144.900.000 and our net profit for the period TL 1.289.382.689.
- 6) The rate of participation to our Ordinary General Assembly Meeting held on March 31, 2023 was 51,97%. The shareholders that hold more than 10% of our capital are; Alarko Holding A.Ş. with 16,42% of the shares and Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. with 34,78% of the shares. 48,77% of the capital is offered to the public.

In the last three years of activity a cash dividend of 78% was paid in 2020, a cash dividend of 165% was paid in 2021 and a cash dividend of 175%, as %125 bonus issue, %300 dividend was paid in 2022.

The proposal for profit distribution for the year 2023 submitted by the Board of Directors to the approval of the General Assembly is on page 21 of the report. At the time this report was written, the nominal value of TL 1 of our share certificate registered with the İstanbul Stock Exchange, where their transaction is carried out, was TL 42.

- 7) TL 2.616.661 was donated to in 2023.
- 8) Information on the guarantees, pledges and mortgages lodged by our company in favor of third parties as of 31.12.2023 is given in footnote 12 of the financial statements.
- 9) There are no important lawsuits brought against our company which could impinge on its financial status or activities of the company as of 31 December 2023.
- 10) Shareholders who control the management, members of the board of directors, top executives and their spouses and blood and in-law relatives up to and including second kin have not executed any transaction which may lead to conflict of interest with the Company or its affiliates. Members of the Board have no transactions of their own or on behalf of others that could be within the scope of the noncompetition covenant.
- 11) Footnote 32 to the financial statements contains information related to checking compliance with portfolio limitations.



GENERAL INFORMATION REGARDING OUR ACTIVITIES

Our company was founded to invest in real estate and real estate projects, real estate-based rights, money, and capital market instruments, and it continues to diversify its investments to expand its portfolio.

We continue to develop projects on the plots included in our portfolio, and we also continue to search and make feasibility studies for suitable plots in major cities, particularly Istanbul, for new projects.

Our company's 740-bed capacity Bodrum Hotel project, located in Muğla, Bodrum Gündoğan location and under construction, will offer a stable rental income in the long term when it is completed.

In previous years, the Company included a significant number of high-quality real estate properties in its portfolio in order to generate rental income. The following are high-profile properties that we have added to our portfolio in prior years: Five-star Hillside Beach Club Holiday Village with a capacity of 781 beds in Kalemya Bay, Fethiye; factory building and facilities in Eyüp, İstanbul; 39 shops in Alkent Etiler Bazaar in Etiler, İstanbul; 4-story Alarko Business Centre in Necatibey Street, Karaköy, İstanbul; 10 shops in Alkent 2000 Complex in Büyükçekmece, İstanbul; 6-story Alarko Business Centre in Çankaya, Ankara.

The Company continues to generate high financial returns by investing in new projects and utilizing the resources designated for these projects in money and capital markets, owing to its strong shareholders' equity and liquidity structure.

ADDITIONAL INFORMATION REGARDING OUR ACTIVITIES

- 1) Our Company had no activities related to Research and Development in the financial term of 2023.
- 2) Information regarding the internal control system of our company and its internal and external auditing activities: Our Company conforms to the principles stated in the Corporate Governance Principles. Hence, an "Auditing Committee" was constituted within the Board of Directors and the committee's work principles were determined by the Board. The results of the internal auditing reports drawn as a result of the inspections carried out in accordance with the internal control system set up and the audit reports drawn at the end of inspections carried out by the independent auditing companies are followed by the committee and reported to the Board. The financial statements showing the results of the activities of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. for the year 2023 have been subject to independent auditing by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited). Both internal auditing and independent auditing were conducted twice within the financial period of 2023 and no adverse case was determined. Neither public nor special inspection was conducted within the term. The financial statements of the company were examined by the Auditing Committee and it was determined that they reflected the financial status of the company correctly, and were in accordance with the records and that the results of 2023 were in compliance with the relevant laws and the Articles of Association.



- 3) Direct participations and share ratios of are company are as follows. The company has no mutual participation exceeding 5%.

Subsidiaries	Declared Capital (TL)	Share (TL)	Share (%)
Alarko Holding A.Ş.	435.000.000	1.183.962	0,27
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	200.000.000	1.312	0,00
Alarko Enerji A.Ş.	226.975.276	241	0,00
Alarko Konut Projeleri Geliştirme A.Ş.	22.193.713	143	0,00
Mosalarko A.O.	30.000.000 (Ruble)	30.000.000 (Ruble)	100,00

Information regarding our partnership ratios in our shareholdings as of 31 December 2023 and the dividends we have accumulated in 2022 and 2023 are given in note numbers 4 and 21 to the Financial Statements.

- 4) During the period, the Company acquired a total of 113.650 of its own shares. After the capital increase, the total number is 7.269.840 shares with the 2.861.051 shares acquired in 2018 and 256.339 shares acquired in 2022. The information on this issue is given in footnote no.16.
- 5) As there is no practice by the Company and the members of the Board of Directors against to the applicable laws and regulations, there is neither any administrative nor judicial litigation against the Company and the members of the Board of Directors.
- 6) Objectives determined in former terms have been attained and there are no matters that have not been implemented in the decisions taken at the General Assemblies of the Company.
- 7) No extraordinary General Assembly was held during the term.
- 8) Our company made donations to Alarko Eğitim-Kültür Vakfı and the Disaster and Emergency Management Presidency (AFAD) within the scope of its social responsibility project. Social contributions are made through the GYO (Real Estate Investment) Association and Alarko Educational Cultural Foundation.
- 9) Our company is a dependent company of Alarko Holding A.Ş. as defined in Turkish Commercial Code Article 195 Paragraph 1. Our company has carried out some transactions of goods and services with the parent company and its affiliates. All aforesaid transactions are conducted in accordance with arm's length principle.

No legal action was taken by our Company in favor of the parent company or its affiliates under directives of the parent company. Therefore, no measures were taken or avoided to be taken in favor of the parent company or its affiliates during the past year.

All business activities of our Company performed with the parent company and its affiliates are in total conformity with law and regulations and also with the arm's length principle, and therefore no compensation is needed for aforesaid transactions according to Turkish Commercial Code Article 199 whatsoever.

- 10) There have been no legislative amendments that can seriously affect the Company's activities within the term.
- 11) Conflict of interest does not exist between the Company and investment consulting institutions as well as rating institutions which render services to the Company.



AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND JUSTIFICATION OF SUCH AMENDMENTS

In the Board Meeting held on 18 April 2023, it has been decided that the issued capital of our Company, which has registered capital of TL 150,000,000 and issued capital of TL 64,400,000, increased by 8,050,000,000 Group C bearer shares each with a nominal value of 1 Kr and worth total TL 80.500.000 and thus increased to TL 144,900,000 and It has been decided that the entire increased capital will be covered from the 2022 dividend payment. An application has been filed with the Capital Markets Board on 27 April 2023. Necessary permissions were obtained from the Capital Markets Board with its letter dated 05 June 2023 and numbered E-12233903-340.05.05-38197 for the certificate for issuing shares for the capital increase and amended texts of Articles 6 and 7 of the Articles of Association of the Company, and the certificate and the amended texts were registered by Istanbul Trade Registry on 14 June 2023.

It was decided in the Board Meeting held on 20 December 2023 that, since the registered capital allowed by the Capital Markets Board will have completed the 5-year period in 2024, permission is obtained for time extension, and that the authorized capital of our company, which has an registered capital of TL 150,000,000 TL, increased to TL 500,000,000. An application has been filed with the Capital Market Board on 27 December 2023. Necessary permissions were obtained from the Capital Markets Board with its letter dated 19 January 2024 and numbered E-12233903-340.08-48339 for the amended text of Article 6 of the Articles of Association of the Company related to the increase of registered capital, and It will be submitted to shareholders for approval at the Ordinary General Assembly meeting for 2023.

FINANCIAL RIGHTS GRANTED TO BOARD MEMBERS AND TOP EXECUTIVES

Except for the Independent Members of the Board, no financial rights such as honorariums, fees, bonuses, premiums, profit share are granted to Board Members. The gross total of fees and similar financial rights provided to the Independent Board Members and top executives in 2023 was TL 8.074.223.

There are no allowances, travel, accommodation and representation expenses and real and financial means, insurances and any similar collaterals given to the Members of the Board of Directors.

INFORMATION ABOUT HUMAN RESOURCES

The average number of employees on the 01.01.2023 - 31.12.2023 term is 20.

As of 31.12.2023, the company has calculated TL 1.185.703 employment termination indemnities with full provision.

All employees are treated fairly and equally in terms of training and promotion opportunities, training plans and policies aiming at improving the knowledge, skills and experience of the employees are developed. The employees receive training regularly during the year.

Job descriptions are developed for every position. Performance and reward criteria are determined on a yearly basis and are then implemented upon agreement with the employees.

Health insurance, transportation, lunch facilities are provided to employees by company.

A safe working environment is provided to the personnel and it is improved continuously.



CURRENT CAPITAL AND PARTNERSHIP STRUCTURE

Shareholders	Share Amount (TL)	Number of shares and votes	Ratio (%)	Number of (*) A Group shares and votes	Number of (**) B Group shares and votes	Number of C Group shares and votes
Alarko Holding A.Ş.	23.784.396	2.378.439.564	16,42	16.467.000	–	2.361.972.564
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	50.400.230	5.040.022.972	34,78	–	23.500.000	5.016.522.972
Other	46.973	4.697.307	0,03	33.000	–	4.664.307
Public Offering	70.668.401	7.066.840.157	48,77	–	–	7.066.840.157
Total	144.900.000	14.490.000.000	100	16.500.000	23.500.000	14.450.000.000

(*) A Group Shareholders have right of nomination of 4 candidates at election of members of Board.

(**) B Group Shareholders have right of nomination of 3 candidates at election of members of Board.

There are no other concessions except for that of “Nomination to the Board” as stated above.

PROFIT DISTRIBUTION POLICY

Our Company distributes its profits within the frame of Capital Market Legislation, Turkish Commercial Code, Tax Legislation, other concerned legislation and the provisions stipulated under the Articles of Association of the Company.

The amount of profit to be distributed is determined by taking into consideration the funds that may be needed in line with the investment policy and other cash needs of the company.

In principle, our company will distribute every year at least 5% of its distributable profit for the term to its shareholders in cash as dividend or as non-paid by adding it to the capital. In case of occurrence of extraordinary economic circumstances, a dividend at a lower rate than the above indicated one may be distributed or no dividend may be distributed. Such a case is announced to the public with a special case announcement containing a justification by passing a resolution from the Board of Directors.

The Board of Directors passes a resolution containing its proposal for the distribution of profit every year within the frame of profit distribution policy of the company and presents same to the approval of the General Assembly.

It is essential that the distribution of dividend is started on 31st of May every year in case the proposal of the Board of Directors related to the distribution of profit is approved by General Assembly. General Assembly of Shareholders may determine the date of distribution of profit provided that such date shall not be later than the last day of current accounting period during which the meeting is held.

There is no privileges in profit distribution.

Our company distributed a total of 193.200.000 TL dividends to its shareholders in 2023 as 112.700.000 TL in cash and 80.500.000 TL in bonus shares.



RISK MANAGEMENT AND INTERNAL AUDIT MECHANISM

A risk governance and internal audit mechanism is established by the Board of Directors. Managerial risks are reviewed periodically by the Auditing Committee constituted by the Board members. The Committee has decided to establish, audit and update an internal control mechanism. The Auditing Group has been appointed to supervise the constitution of the internal control mechanism and to oversee its operability. The Auditing Group inspects the internal control mechanism regularly through the approved annual audit plans and communicates its opinions and findings to top management.

Pursuant to this decision, the Auditing Group has been appointed to oversee the setting up of the internal control mechanism and supervise its operability. The Auditing Group supervises the internal control mechanism at predetermined periods in accordance with the approved annual plans and reports its views on matters determined to top management. Furthermore, the Auditing Committee and Early Detection of Risk Committee review related matters and advise the Board accordingly. The Auditing Committee and the Board determine the measures to be taken and instruction the managers of the company by way of the General Manager.

An Early Detection of Risk Committee consisting of three members has been established to determine risks likely to be encountered and to make recommendations to the Board in order to set up an effective risk management system and their operation principles have been approved by the Board. The Early Detection of Risk Committee convened 1 times in 2023 and the 6 reports of Committee were presented to the Board.

BOARD OF DIRECTORS

Structure and Composition of Board of Directors

Board of Directors

Mehmet Ahkemođlu	Chairman
Harun Hanne Moreno	Vice Chairman
Ümit Nuri Yıldız	Member
Alpaslan Serpen	Member
Mustafa Tansu Uslu	Member (Independent)
Bedriye Banu Köker	Member (Independent)
Neslihan Tonbul	Member (Independent)

Except for General Manager, Harun Hanne Moreno, the other members of the Board of Directors have no executive duties in the Company's management.

There are 3 independent members on the Board of Directors.

For election to the Independent Membership, a Nomination Committee has not been constituted among the members of our company's Board of Directors. Hence, the Corporate Governance Committee undertook the duty of the Nomination Committee in accordance with the Corporate Governance Communiqué of the Capital Market Board. There was no situation to rule out their independence in the relevant term of activity of the Independent Members of the Board.



Their independence declaration is as follows:

Declaration of Independence

I declare to the Board, the partners and all the related parties that I meet all the independence criteria specified in clauses 4.3.6 and 4.3.7 of the Corporate Governance Announcement number II-17.1 published by the Capital Markets Board, have the qualifications stipulated in the related legislation and the Articles of Association and in case there are any changes affecting my independence, I will duly inform the Board of the Alarko Real Estate Investment Partnership Co.

Name Surname : Mustafa Tansu USLU
Date : 18.02.2022

Declaration of Independence

I declare to the Board, the partners and all the related parties that I meet all the independence criteria specified in clauses 4.3.6 and 4.3.7 of the Corporate Governance Announcement number II-17.1 published by the Capital Markets Board, have the qualifications stipulated in the related legislation and the Articles of Association and in case there are any changes affecting my independence, I will duly inform the Board of the Alarko Real Estate Investment Partnership Co.

Name Surname : Bedriye Banu KÖKER
Tarih : 18.02.2022

Declaration of Independence

I declare to the Board, the partners and all the related parties that I meet all the independence criteria specified in clauses 4.3.6 and 4.3.7 of the Corporate Governance Announcement number II-17.1 published by the Capital Markets Board, have the qualifications stipulated in the related legislation and the Articles of Association and in case there are any changes affecting my independence, I will duly inform the Board of the Alarko Real Estate Investment Partnership Co.

Name Surname : Neslihan TONBUL
Date : 30.03.2023

The CV's of the members of the Board of Directors, their term in office and their duties outside the company are published in the previous parts of the Annual Report and the web-site of the Company. They are not included here to avoid repetition.

Our Board of Directors has two female member, and the nomination process is determined in consideration of inclusion and competency criteria. Works are ongoing for the development of a policy to increase compliance with diversity and inclusion criteria, which will also consider the members' competency.

Board members are in no way restricted in assuming position in other organizations or entitles other than the company.

General Manager Harun Hanne Moreno

Moreno was born in Istanbul in 1960. In 1982, he graduated from the Industrial Engineering Department of the Faculty of Engineering of Boğaziçi University. Moreno completed his MBA at the Social Studies Institute of the Faculty of Business Administration of the same university in 2002.



Harun Moreno started to work at the Alarko Group of Companies in 1986. Following various middle and top management positions in the various units of the group, he was appointed general manager of the Alarko Real Estate Investment Partnership Co. in 2001. He is still holding this position.

Harun Hanne Moreno speaks English and Spanish. He is married and has two children.

Operational Principles of the Board of Directors

The Board of Directors convenes when it is deemed necessary from the point of view of the company's operations upon the invitation of the chairman or deputy chairman. However, meeting once a month is compulsory. The chairman of the Board confers with the other members of the Board and the General Manager and determines the agenda of the Board meetings and sends it to all members 3 days prior to the meeting. Members make a point of attending every meeting and expressing their opinions. Participation in the Board meeting can be done by any technological means that allows remote access. Remarks of members who are unable to attend the meeting but report them to the Board in writing are presented to the other members. No weighed voting right is granted to the Board members. Each member of the Board has one vote. In Board meetings related to related party transaction, the member of the relevant Board does not have a voting right. The meeting and resolution quorum of the Board meeting is stated in the Articles of Association. Decisions that present characteristics stated in the Communiqué of the Capital Markets Board the articles of the communiqué are applied. The powers and responsibilities of the Board members are given in the Articles of Corporation.

The Board of Directors convened 17 times during the term. All members of the Board participated in 11 meetings. One Board member was unable to participate in 6 of the meetings due to an excuse. Board decisions have been taken unanimously. Therefore, there is no record of dissenting votes. In 2023 there were no related party transactions and transactions of important character to be presented to the approval of the independent members of the Board.

ASSESSMENT OF THE OPERATING PRINCIPLES AND EFFECTIVENESS OF COMMITTEES OF THE BOARD OF DIRECTORS

Our Company's Board of Directors has established new committees and laid down their operating principles pursuant to the Capital Markets Board's Communiqué No. II-17.1 on Corporate Governance and the provisions of the Turkish Commercial Code.

All committee members are non-executive members.

Information on the purviews and operating principles of the committees and on their members is disclosed on the Public Disclosure Platform (PDP) and published on our corporate web site for investors for information purposes. Decisions taken as a result of independent studies conducted by committees are proposed to the Board of Directors, and the final decision is made by the Board of Directors.

For this purpose;

- A Corporate Governance Committee consisting of 4 members is established in order to develop corporate management practices, and Independent Member Mustafa Tansu USLU, is elected as the chairman of the Committee, Members Mehmet AHKEMOĞLU, Alpaslan SERPEN and Investor Relations Department manager Metin FRANKO are elected as Committee members. Corporate Governance Committee met 3 times in 2023 with full attendance of all members and submitted a report to the Board of Directors about its activities.



The Corporate Governance Committee;

- has supervised the works of Investor Relations department.
- has reviewed Company's performance evaluation system.
- has evaluated the implementation of corporate governance principles. In the evaluation, information has been obtained on Corporate Governance Principles Compliance Report prepared pursuant to the CMB's Communiqué No. II-17.1 on Corporate Governance.
- For the purpose of early detection of risks that may be encountered by our Company and establishment of an effective risk management system, an Early Risk Detection Committee consisting of 4 members has been established to give advices to the Board of Directors, and Independent Member Mustafa Tansu USLU has been elected as the Chairman of the Committee, Ümit Nuri YILDIZ, Mehmet AHKEMOĞLU and Alpaslan SERPEN were elected as member of the committee. Early Risk Detection Committee has 1 times in 2023 with the attendance of all members and the 6 reports of Committee were submitted to the Board of Directors.

Early Risk Detection Committee has carried out studies on early detection of the risks that may endanger the existence, development and continuation of the Company under the regulations and legal legislation, and on the implementation of appropriate measures related to determined risks and management of the risk.

- Independent Member Mustafa Tansu USLU has been elected as the Chairman and Independent Member Bedriye Banu KÖKER has been elected as the member of the Audit Committee which exists under the Board of Directors. The Audit Committee has met 5 times in 2023 with the attendance of all members and the results of meeting have been submitted to the Board of Directors in a report.

The Audit Committee;

- has supervised the operation and effectiveness of the internal control system by evaluating the reports issued by the Company management, independent audit firm and internal auditors.
- has submitted to the board of directors, for approval, its proposal for the independent audit firm following appointment of independent audit firm which will provide services to the Company and prior approval by the committee of the services to be obtained from this company.
- has submitted to the board of directors, for approval, the annual and interim financial statements to be disclosed to the public, together with its own evaluations, after taking the opinions of the company's chief operating officers and independent auditors on their truthfulness, accuracy and compliance with the accounting principles observed by the company.
- has reviewed the activities of the independent audit firm.

Nomination Committee and Remuneration Committee have not been established among Members of the Board of Directors, and pursuant to the CMB's Communiqué on Corporate Governance, the Corporate Governance Committee has performed the duties of the Nomination Committee and Remuneration Committee.

According to the organization of the Board of Directors, the Board has three independent members. As the chairmen of the committees and all members of the Audit Committee must be independent members, some independent members serve in several committees.



HUMAN RESOURCES POLICY

The Human resources policy of the company is defined in the manual “Our Policy” issued annually and announced to the employees in annual meetings.

Recruitment criteria are determined in writing and are complied with. The physiological, psychological and intellectual characteristics required by each job are taken into consideration in the recruitment process. These characteristics are measured and evaluated by a written test. Following the initial evaluation by the human resources department, the candidate is interviewed by the manager of the particular unit to employ him/her.

All employees are treated fairly and equally in terms of training and promotion opportunities, training plans and policies aiming at improving the knowledge, skills and experience of the employees are developed. Employees receive training regularly every year.

Job descriptions are developed for every position. Performance and reward criteria are determined on a yearly basis and are then implemented upon agreement with the employees. The performance and evaluation system used in measuring and evaluating individual performance is taken into account during wage and career planning.

On the other hand, a certain number of personnel are granted “Golden Badge” as a reward of their outstanding performance. And employees winning the “Invention Prize” competition are also awarded. Thus, the creative personnel are motivated.

A safe working environment is provided to the personnel and improvements are made continuously.

RULES OF ETHICS AND SOCIAL RESPONSIBILITY

Rules of ethics approved by the Company’s Board of Directors, agreed by all Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. personnel and managers and defined in the Alarko Group of Companies Philosophy are summarized here below.

These rules are integrated to the policies, objectives, procedures and principles of Alarko.

- Act honestly in all business activities towards the government, clients, shareholders, personnel, partners and sub- and by- industries,
- Protect the environment and maintain the inter-company social balance,
- Orient the customers without forcing and give priority to their needs,
- Maintain high-quality; try to supply the best at the lowest price even when the customers are satisfied and contented with what is given already,
- Achieve the profits deserved by the shareholders under the current conditions,
- Give priority to teamwork as a corporation performing systematically on the basis of pre-defined procedures; share profit, loss and success and failure.

Our policies are shaped by this philosophy. And this philosophy is affixed at easily visible points in various units of our Company. In addition, all employees are informed through annual Policy Meetings and Our Policy Book published. Our existing and newly recruited personnel are trained on this philosophy and related rules regularly.

Our philosophy comprising these rules of ethics is also published in the in-company intranet system and the www.alarkoyatirim.com.tr web-site. All Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. employees are obliged to conform to these rules. Rules of ethics are followed-up by the superiors of all employees in the hierarchical order. Employees are obliged to notify the



management of any act or behavior contrary to the rules of ethics immediately. The rules of ethics are published in the Report on Compliance with Corporate Governance Principles link of the website.

Any infraction of rules noticed, notified or suspected by the Board of Auditors, General Manager or other managers are reviewed by the Board of Directors or instructed to be reviewed by the Board of Auditors to ensure compliance therewith. Disciplinary sanctions are applied to doers of actually proven infractions.

Social contributions are made through the education foundation established by the GYO Association of which we are a member and the group of companies that our our main shareholders.

There is no litigation or warning filed against our Company either during the current year or in the past for damages on the environment.

FINANCIAL INDEXES

According to the independently audited financial statements prepared as of December 31, 2023 financial indexes are as follows.

Financial Indexes	Year 2023	Year 2022
Net Sales	TL 327.476.665	TL 297.110.097
Net Profit for the Period	TL 1.289.382.689	TL 1.243.493.208
Current Ratio	7,06	8,15
Liquidity Ratio	6,85	7,65
Debt Equity Ratio	7,88 %	4,37 %
Total Assets	TL 11.603.464.875	10.098.747.654

Analysis of the basic ratios regarding the term of 2023 shows that our Company's net working capital is adequate, that it can pay all its short term liabilities in cash or with economic assets that can be liquidated in a short period and also that its operating activities are financed with its equities. The Company's paid-in capital is TL 144.900.000, and it is in a position to pay its debts. The financial structure of the company is propitious to maintaining its activities. Hence, there are no precautions taken concerning this issue.

As of 31.12.2023, the number of shares at par value of TL 1,00 is 144.900.000 and the current value per share is TL 80.

Information regarding assets in our portfolio is summarized below :

i – Real Estates

Real Estates, Real Estate Projects, Chattel Real		Appraisal Date	Appraisal Value (TL)		Rent Appraisal Value (TL)	
			VAT excluded	VAT Included	VAT excluded	VAT Included
- Land in Büyükçekmece Eskice Village	Büyükçekmece / İstanbul, 3 parcels 622.651,10 m ² .	29.12.2023	678.390.000	746.229.000	-	-
- Maslak Land	Sarıyer / İstanbul, 2 parcels, in Maslak, on the Şişli - İstinye Büyükdere motorway 18.961,90 m ² .	29.12.2023	561.080.000	617.188.000	-	-
- İstanbul Karaköy Business Center	Karaköy / İstanbul, gross 1.730 m ² , single block, elevator, air conditioning heating, ½ bought in 1997, ½ bought in 1999.	29.12.2023	108.800.000	130.560.000	433.000	519.600
- Ankara Çankaya Business Center	Çankaya / Ankara, gross 1.887 m ² , single block, 6 storeys, elevator, chiller air conditioning, natural gas heating.	29.12.2023	44.200.000	53.040.000	228.000	273.600
- Fethiye Hillside Beach Club Holiday Village	10.128,09 m ² , in Fethiye / Muğla, Parcel 3 with 1. Class Holiday Village in Kaya Village, Kalemya Bay.	29.12.2023	405.120.000	486.144.000	-	-
- Fethiye Hillside Beach Club Holiday Village (usufruct)	Fethiye / Muğla, 2 parcels, 84.762 m ² , usufruct for parcel 1 in Kaya Village, Kalemya Bay.	29.12.2023	4.714.880.000	5.657.856.000	278.410.000	334.092.000
- Factory and land in Eyüp - Topçular	Eyüp / İstanbul, 15.675 m ² , facilities located in Topçular neighborhood. Door no. 8, block 247, parcel 56.	29.12.2023	416.000.000	499.200.000	648.000	777.600
- 39 shops in Etiler Alkent Housing Estate	39 shops in Etiler Alkent Shopping Center in Beşiktaş, İstanbul.	29.12.2023	352.800.000	423.360.000	1.470.000	1.764.000
- 10 shops in Büyükçekmece Alkent 2000 Yeditepe Housing Estate	10 shops in Büyükçekmece Alkent 2000 Shopping Center in Büyükçekmece, İstanbul.	29.12.2023	68.040.000	81.648.000	283.500	340.200
-Bodrum Hillside Hotel	Hotel facility in Gündoğın township in Bodrum, Muğla, which is registered with the land registry under Block No.363 and Lot No.10 and which has an area of 41.829,84 m ² ,	29.12.2023	2.511.720.000	3.014.064.000	242.675.000	291.210.000
TOTAL			9.861.030.000	11.709.289.000	524.147.500	628.977.000





ii – Money and Capital Market Instruments

Type	Total (TL)	Ratio (%)
Government Bonds and Bills	1.013.797.456	78,32
Mutual Funds	153.649.853	11,86
Share Certificates	107.266.959	8,29
Foreign Currency Time Deposits	16.414.827	1,27
TL Deposit	2.655.923	0,21
Foreign Currency Deposits	693.495	0,05
Cash	5.631	0,00
TOTAL	1.294.484.144	100

iii – Participations

Type	Total (TL)	Ratio (%)
Participations	1.696	0,001

INFORMATION REGARDING PORTFOLIO ASSETS LEASED

Information Regarding Portfolio Assets Leased	Insurance Value (TL)	Rent Appraisal Date	Rent Appraisal Value (TL)	Monthly Rent(TL)
- İstanbul Karaköy Business Center	9.100.000	29.12.22	207.500	283.500
- 39 shops in Etiler Alkent Shopping Center	13.000.000	29.12.22	837.500	1.191.584
- 10 shops in Büyükçekmece Alkent 2000	4.550.000	29.12.22	150.000	433.975
- Factory in Eyüp - Topçular	2.288.000	29.12.22	331.000	385.000
- Ankara Çankaya Business Center	8.000.000	29.12.22	136.000	200.000
- Fethiye Hillside Beach Club Holiday Village (*)	634.807.285	29.12.22	162.420.000	238.558.009

Note:

- (*) The main operator of Hillside Beach Club Holiday Resort in Fethiye is Attaş Alarko Turistik Tesisler A.Ş. According to the operation contract, the annual rent income is minimum USD 2.582.000. Hillside Beach Club Holiday Resort in Fethiye has been rented for Turkish Lira equivalent of US Dollar. Turkish lira value of the rent changes according to the change in the exchange rate. In addition to the annual fixed rent of USD 2.582.000, if the amount of land allocation fee paid in TL to the Ministry of Forestry for the facility, the rent for land paid in TL at 2% of the operation income, and the annual gross operation profit of the operator exceed USD 3.500.000, 50 % of the sum in excess is added to the annual rent.



PROPOSAL FOR PROFIT DISTRIBUTION

- We are proposing that, out of the profit for the period in the amount of TL 1.289.382.689 set forth in our company's 2023 financial statements submitted for the approval of our General Assembly, first order general legal reserves of TL 16.100.000 be set aside in accordance with the provisions of the Capital Market Legislation, Company's Articles of Association and the relevant legislation.
- Out of the net distributable profit for the period in the amount of TL 2.616.661 including donations made within the year worth TL 1.275.899.350, the TL 152.145.000 part be distributed to the shareholders as dividend.
- To distribute TL 7.245.000 of the profit in cash, and TL 144.900.000 in the form of bonus issue by adding them to capital,
- To transfer the balance to extraordinary reserves,
- To commence distributing cash dividends on 3 June 2024,

Board of Directors

Accordingly, dividend distribution will be made as follows pursuant to the provisions of the Capital Market Legislation, Company's Articles of Association and other legislation.

Profit for the Period.....	TL 1.289.382.689
Primary Statutory Reserves.....	TL 16.100.000
Net Distributable Profit for the Period	TL 1.273.282.689
Net Distributable Profit for the Period including Donations.....	TL 1.275.899.350
Dividend to be Distributed to the Shareholders in Cash.....	TL 7.245.000
Dividend to be Distributed to Shareholders as Bonus Issue	TL 144.900.000
Balance to be transferred to Extraordinary Reserves.....	TL 1.121.137.689
The ratio of Dividends to the Issued Capital.....	105,00%
The ratio of Dividends to be Distributed to the Profit for th Period Including Donations	11,92%



REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Our company has taken due care in the observation of Corporate Governance Principles published by the Capital Markets Board. All of the obligatory principles defined in the Communiqué on Corporate Governance have been observed by our Company. Most of the non-obligatory Corporate Governance Principles have also been complied with, while those that could not be complied with have been explained in the relevant section. Please find the details on the issue in the following sections. The Corporate Governance Committee continues to perform its activities.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There is no action within the scope of this article.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					



Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	The Company does not have any corporation with which it has cross shareholding that also brings along a domination relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The articles of association stipulates that minority rights are not less than one-twentieth of the capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution made.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					



Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.			X			The rights of stakeholders are protected under the legislation.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			No special model is designed for employee participation in management.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					



Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					



Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.			X			No insurance has been made.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					Our Board of Directors has two female members, and the nomination process is determined in consideration of inclusion and competency criteria. Works are ongoing for the development of a policy to increase compliance with diversity and inclusion criteria, which will also consider the members' competency.



Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3.10 - At least one member of the audit committee has 5 years of experience in audit / accounting and finance	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member physically or electronically attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			No rules or restrictions have been laid down for preventing members of the board of directors from serving outside the company, and their services in this scope are presented to the shareholders in the general assembly meeting for information.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			As the chairmen of the Committees and all members of the Audit Committee must be independent members, some independent members serve in several committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees have not procured consulting services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					



Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The wages paid to members of the board of directors and managers with administrative responsibilities are explained in the annual report; however no explanation has been provided on an individual basis.



CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	52 physical and 72 virtual meetings were held.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim//1116828
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	-
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	-
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II17.1)	-
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.alarkoyatirim.com.tr/en/investor-relations/corporate-governance/articles-of-association.pdf
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/1130542
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	https://www.alarkoyatirim.com.tr/en/investor-relations/corporate-governance/articles-of-association.pdf , article no: 20,21,22,23,24
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	-
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	34,78%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/profit-distribution-policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Dividend distribution made.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends.	Dividend distribution made.



General Assembly Meetings

General Meeting Date	Meeting Date The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
31.03.2023	0	51,97%	0,74%	51,23%	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/general-assembly-participation-and-minutes	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/general-assembly-participation-and-minutes	-	0	https://www.kap.org.tr/en/Bildirim/1130542

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/shareholder-structure
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Information Regarding Members of the Board pages 5 Board of Directors - page 13
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Operational Principles of the Board of Directors page 15
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Additional Information Regarding Our Activities page 9
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report of the Board of Directors - page 8
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	-



f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Additional Information Regarding Our Activities page 9
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Information About Human Resources - page 11, Human Resources Policy - page 16, Rules of Ethics and Social Responsibility page 17
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Investor Relations Department Manager
The contact detail of the company alert mechanism	Metin Franko Tel: 0212 310 34 14 metin.franko@alarko.com.tr Fatma Acar Tel: (0212) 310 34 63 fatma.acar@alarko.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	-
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Succession plan is being conducted by the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/HumanResourcesPolicy
Whether the company provides an employee stock ownership programme	There is no employee share ownership plan.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resources policy.	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/HumanResourcesPolicy
The number of definitive convictions the company is subject to in relation to health and safety measures	-
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/RulesofEthicsandSocialResponsibility
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/RulesofEthicsandSocialResponsibility



Any measures combating any kind of corruption including embezzlement and bribery	http://www.alkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/Risk Management and Internal Audit Mechanism
4. BOARD OF DIRECTORS - I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	31.03.2023
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	-
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Audit Mechanism page 13
Name of the Chairman	Mehmet Ahkemođlu
Name of the CEO	General Manager - Harun Hanne Moreno
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	2 - 28,57%

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/ Or Finance Or Not
Mehmet AHKEMOĐLU	Non-executive	Not independent director	29.03.2006	-	-	-	-
Harun Hanne MORENO	Executive	Not independent director	29.03.2022	-	-	-	-
Ümit Nuri YILDIZ	Non-executive	Not independent director	27.03.2009	-	-	-	-
Alpaslan SERPEN	Non-executive	Not independent director	08.07.2020	-	-	-	-
Mustafa Tansu USLU	Non-executive	Independent director	26.03.2018	-	Considered	No	Yes
Bedriye Banu KÖKER	Non-executive	Independent director	29.03.2022	-	Considered	No	Yes
Neslihan TONBUL	Non-executive	Independent director	04.05.2023	-	Considered	No	Yes



4. BOARD OF DIRECTORS - II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period (meetings in person)	17
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3
The name of the section on the corporate website that demonstrates information about the board charter	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/Operational Principles of the Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/229158 https://www.kap.org.tr/en/Bildirim/198295

Composition of Board Committees - I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	Mustafa Tansu USLU	Yes	Board Member
Audit Committee	-	Bedriye Banu KÖKER	No	Board Member
Corporate Governance Committee	-	Mustafa Tansu USLU	Yes	Board Member
Corporate Governance Committee	-	Mehmet AHKEMOĞLU	No	Board Member
Corporate Governance Committee	-	Alpaslan SERPEN	No	Board Member
Corporate Governance Committee	-	Metin FRANKO	No	Not Board Member
Committee of Early Detection of Risk	-	Mustafa Tansu USLU	Yes	Board Member
Committee of Early Detection of Risk	-	Ümit Nuri YILDIZ	No	Board Member
Committee of Early Detection of Risk	-	Mehmet AHKEMOĞLU	No	Board Member
Committee of Early Detection of Risk	-	Alpaslan SERPEN	No	Board Member



4. BOARD OF DIRECTORS - III	
4.5. Board Committees - II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee carries out the duties of the Nomination Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Committee carries out the duties of the Remuneration Committee.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report of the Board of Directors page 8, General Information Regarding Our Activities page 9
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/significant-management-board-resolutions
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Financial Rights Granted to Board Members And Top Executives - page 11

Composition of Board Committees - II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	100%	100%	5	5
Corporate Governance Committee	-	100%	25%	3	3
Committee of Early Detection of Risk	-	100%	25%	1	6



SUSTAINABILITY PRINCIPLES COMPLIANCE DECLARATION

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. closely follows best practices in sustainability, including those specified in the Capital Markets Board (CMB) Sustainability Principles Compliance Framework, and conducts its activities to ensure compliance with generally accepted best practices in this field.

Practices regarding the principles within the scope of the CMB Sustainability Principles Compliance Framework are included in the “Sustainability” section of the Annual Report.

A. General Principles

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. manages environmental, social, and corporate governance principles within the context of sustainability by incorporating them into its practices and projects.

While environmental sensitivity is prioritized in all projects that have been and are currently being carried out, we constantly improve OHS and environmental performance in all projects by measuring them on both a project and an individual basis.

We ensure that these issues are taken into consideration in the management of the assets we rent to operating companies.

Environmental Management Systems are regularly reported in the “Management Review Meetings” as part of the activities carried out under the Hillside Beach Club holiday village brand in Fethiye, which is in our Company’s portfolio.

The prior year’s target and completion rate, as well as the target for the following year, are provided.

B. Environmental Principles

In terms of environmental principles, the Tourism Group, the operating company that manages the Hillside Beach Club Holiday Resort in Fethiye, which is an asset of our Company, holds ISO 18001, Food Safety 22000, Environmental Management 14001, Safe Tourism Certificate, Zero Waste Basic Certificate, Blue Flag Certificate, HACCP Gold Certificate, and Travelife Gold certificates, and this facility is regularly audited and compliant.

Regulations on environmental pollution and solid hazardous waste pollution are complied with. ISO 18001, and Environmental Management 14001 practices and principles are complied with.

Every year, saplings are planted, and annual electricity, gas, and water consumption is reduced to combat environmental problems. It is aimed to reduce the consumption of chemicals, and the staff is trained on this issue.

C. Social Principles

Full compliance with the legal framework and legislation is achieved in the employment contract made with all employees who will work at Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. and in human resources procedures. Equal opportunity in recruitment is maintained through policies in compliance with the applicable legislation. The requirements of the Labor and Social Security



Legislation and Labor Law against discrimination, inequality, human rights violations, and child labor are met.

Processes and policies on the protection of personal data have been developed, and are regularly updated and controlled.

Customer satisfaction is extremely important to Hillside, and we use a Customer Questionnaire Form that is sent to our customers regularly throughout the year to measure their satisfaction and take quick action when necessary.

The ethical rules and principles approved by the Company's Board of Directors and accepted by all Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. Members and Management, as well as stated in the Philosophy of Alarko Group of Companies, are shared under the title of "Ethical Rules and Social Responsibility" in the Annual Report.

D. Corporate Governance Principles

Sustainability is at the center of the corporate governance strategy. Disciplinary procedures are in place in relation to bribery and corruption.



Güney Bağımsız Denetim ve SMMM AŞ
Eski Büyükdere Cad.
Orjin Maslak No:27
Maslak, Sarıyer 34485
İstanbul - Turkey

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assambly of
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.

1) Opinion

We have audited the annual report of Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("the Company) and its subsidiaries ("the Group") for the period of 01.012023 - 31.12.2023.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated March 29, 2024 on the full set consolidated financial statements of the Group for the period of 01.01.2023 - 31.12.2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest



manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Tolga Özdemir.

Ganey Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Tolga Özdemir, SMMM
Partner

March 29, 2024
İstanbul, Türkiye



Güney Bağımsız Denetim ve
SMMM AŞ
Eski Büyükdere Cad.
Orjin Maslak No:27
Maslak, Sarıyer 34485
İstanbul - Turkey

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

INDEPENDENT AUDITOR'S REPORT

To the General Assambley of
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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



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Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="236 674 635 701">Valuation of investment properties</p> <p data-bbox="236 725 788 931">As explained in Notes 2 and 9, the Group evaluates its investment properties by the fair value method after the initial recognition. As of December 31, 2023, the fair value of the investment properties valued at 9.661.044.562 TL, which are shown in the consolidated financial statements, are determined by independent valuation companies and the details are explained in Note 9.</p> <p data-bbox="236 958 788 1088">Since investment properties constitute an important part of the Group's total assets and the valuation methods used contain important estimates and assumptions, the valuation of investment properties is considered as a key audit subject by us.</p>	<p data-bbox="807 674 1359 748">We have assessed the licenses, competencies and impartiality of real estate appraisers appointed by the management.</p> <p data-bbox="807 775 1359 958">In our audit, the appropriateness of the valuation methods used by the valuation experts in the valuation reports of investment properties was evaluated. In the valuation reports, the reconciliation of the values appreciated by the valuation experts for the independent sections to the amounts explained in Note 9 has been reviewed.</p> <p data-bbox="807 985 1359 1169">The audit procedures we apply include the investigation of market data against the assumptions (including real discount rate, market rents and estimated occupancy rates) used by valuation experts in their valuation. For this evaluation, appraisers included in the audit network that we are connected to are included in the studies.</p> <p data-bbox="807 1196 1359 1326">Due to the presence of high-level judgments used in the valuation reports as well as alternative estimates and valuation methods, we have assessed whether the value appreciated by valuation specialists is within an acceptable range.</p> <p data-bbox="807 1352 1359 1507">In addition, the appropriateness of the information contained in the consolidated financial statements and explanatory footnotes was taken into consideration by us, considering the importance of the disclosed information for the readers of the financial statements.</p>



Key Audit Matter	How the matter was addressed in the audit
<p>Application of the hyperinflationary accounting</p> <p>As stated in 2.1 to the consolidated financial statements, the Group has started to apply “TAS 29 Financial Reporting in Hyperinflation Economies” since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023.</p> <p>In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in 2.1.</p> <p>Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <p>We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed,</p> <p>We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</p> <p>We have audited the restatements of corresponding figures as required by TAS 29,</p> <p>We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.</p>

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

5) Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and



to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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




We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 29, 2024.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Tolga Özdemir.


Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited


Tolga Özdemir, SMMM
Partner

March 29, 2024
İstanbul, Türkiye



**CONSOLIDATED FINANCIAL
STATEMENTS AUDITED
BY INDEPENDENT AUDITORS**



ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023 (TL)

ASSETS	Notes	Current Period 31 December 2023	Prior Period 31 December 2022
CURRENT ASSETS		1.825.154.392	859.776.784
Cash and Cash Equivalent	3	173.419.729	370.189.307
Financial Investments	4	1.013.797.456	61.969.915
Trade Receivables		298.536.039	260.096.677
Trade Receivables from Related Parties	6,25	295.351.970	256.528.333
Trade Receivables from Third Parties	6	3.184.069	3.568.344
Other Receivables		1.272.033	-
Trade Receivables from Third Parties	7	1.272.033	-
Inventories	8	53.426.899	53.535.547
Prepaid Expenses	14	271.996.361	99.559.246
Current Tax Asset		12.059.275	13.461.675
Other Current Assets		362.181	637.032
SUB TOTAL		1.824.869.973	859.449.399
Assets Held for Sales	15	284.419	327.385
NON-CURRENT ASSETS		9.778.310.483	9.238.970.870
Financial Investments	4	107.296.792	1.142.705.448
Other Receivables		118.087	194.575
Other Receivables from Third Parties	7	118.087	194.575
Investment Properties	9	9.661.044.562	8.080.563.748
Property, Plant and Equipment	10	8.163.282	12.655.344
Intangible Assets		1.687.760	2.177.387
Other Intangible Assets	11	1.687.760	2.177.387
Prepaid Expenses	14	-	674.368
TOTAL ASSETS		11.603.464.875	10.098.747.654

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



LIABILITIES	Notes	Current Period 31 December 2023	Prior Period 31 December 2022
CURRENT LIABILITIES		258.644.613	105.433.697
Financial Borrowings	5	–	3.751.074
Short Term Portion of Long Term Borrowings	5	158.373.468	19.609.735
Trade Payables		37.977.117	27.925.256
- Trade Payables to Related Parties	6,25	6.166.578	2.280.409
- Trade Payables to Third Parties	6	31.810.539	25.644.847
Payables Related to Employee Benefits	13	8.084.368	4.796.971
Other Payables		47.430.918	45.448.907
- Other Payables to Third Parties	7	47.430.918	45.448.907
Deferred Income		234.501	200.461
Current Income Tax		4.643.891	3.699.064
Other Current Liabilities		1.900.350	2.229
NON-CURRENT LIABILITIES		588.826.317	317.698.206
Financial Borrowings	5	483.574.858	186.928.083
Other Payables		18.885.035	22.163.681
- Other Payables to Third Parties	7	18.885.035	22.163.681
Long-term Provisions		1.944.186	1.699.120
- Long-term Provisions for Employee Benefits	13	1.944.186	1.699.120
Deferred Tax Liability	23	84.422.238	106.907.322
EQUITY		10.755.993.945	9.675.615.751
Equity Attributable to Parent		10.755.993.945	9.675.615.751
Share Capital	1,16	144.900.000	64.400.000
Adjustments to Share Capital	16	1.009.345.424	974.710.436
Treasury stocks (-)	16	(114.228.790)	(112.092.036)
Effect of Mergers Involving Enterprises or Businesses Under Common Control	2,10	(421.724.095)	(421.724.095)
Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		87.330.863	139.667.018
- Gain / Loss from Investments in Equity Based Financial Instruments	4	87.533.963	140.236.603
- Gains / Losses on Revaluation and Remeasurement for Defined Benefit Plans (569.585)			(203.100)
Other Accumulated Comprehensive Income that will be Reclassified to Profit or Loss		389.597.771	382.940.380
- Currency Translation Difference		389.597.771	382.940.380
Restricted Reserves Appropriated from Profit	16	304.624.866	274.668.065
Prior Years' Profit	16	8.066.765.217	7.129.552.775
Net Profit for the Year	24	1.289.382.689	1.243.493.208
TOTAL LIABILITIES AND EQUITY		11.603.464.875	10.098.747.654



ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2023 (TL)

	Notes	Current Period 1 January 2023 31 December 2023	Prior Period 1 January 2022 31 December 2022
PROFIT AND LOSS			
Revenue	17	327.476.665	297.110.097
Cost of Sales (-)	17	(8.034.983)	(8.553.192)
GROSS PROFIT		319.441.682	288.556.905
Administrative expenses (-)	18	(65.489.329)	(66.847.951)
Other Income from Operating Activities	20	1.595.346.499	1.982.625.285
Other Expenses from Operating Activities (-)	20	(35.420.453)	(71.967.083)
OPERATING PROFIT		1.813.878.399	2.132.367.156
Income from Investing Activities	21	43.572.528	4.582.035
Expenses form Investing Activities	21	—	(2.476.909)
OPERATING PROFIT / (LOSS) BEFORE FINANCE INCOME / EXPENSE		1.857.450.927	2.134.472.282
Financing Expenses (-)	22	(5.522.177)	(1.508.351)
Net Monetary Position Gains (Losses)		(556.152.035)	(870.331.877)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1.295.776.715	1.262.632.054
- Current Tax Expense / Income		(3.839.738)	(3.241.888)
- Deferred Tax Expense / Income		(2.554.288)	(15.896.958)
Tax Expense / Income from Continuing Operations	23	(6.394.026)	(19.138.846)
PROFIT FROM CONTINUING OPERATIONS		1.289.382.689	1.243.493.208
PROFIT FOR THE YEAR	24	1.289.382.689	1.243.493.208
OTHER COMPREHENSIVE INCOME			
Items that will not be Reclassified Subsequently to Profit or Loss			
- Gain / Loss from Investments in Equity Based Financial Instruments	4,16	(52.702.640)	120.616.477
- Gain / Loss on Remeasurement of Defined Benefit Plans	13	366.485	(569.585)
Items that will be Reclassified Subsequently to Profit or Loss			
- Foreign Currency Translation Differences Regarding the Translation of Foreign Businesses		6.657.391	93.496.727
OTHER COMPREHENSIVE INCOME/(EXPENSE)		(45.678.764)	213.543.619
TOTAL COMPREHENSIVE INCOME		1.243.703.925	1.457.036.827
Earnings per share			
- Earnings / (Loss) per Share from Continuing Operations	24	9,3647	8,9872

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

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2023 (TL)

	Share Capital	Adjustments to Share Capital	Treasury Shares (-)	Effect of Mergers Involving Enterprises or Businesses Under Common Control	Gain/Loss from Investments in Equity Based Financial Instruments	Accumulated Gain / Loss on Remeasurement of Defined Benefit Plans	Accumulated Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss	Other comprehensive income and expenses accumulated that will be reclassified in profit or loss	Retained Earnings			Equity attributable to parent	
									Restricted Reserves Appropriated from Profit	Prior Years' Profit / (Losses)	Net Profit/Loss for the Year		
Balances as of January 1, 2022													
(Opening Balance)	64.400.000	974.710.436	(95.931.836)	(158.558.106)	19.620.126	-	289.443.653	235.797.880	7.386.791.553	-	218.368.593	-	8.716.273.706
Transfers	-	-	-	-	-	-	-	22.709.985	(241.078.578)	-	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	120.616.477	(569.585)	93.496.727	-	-	-	1.243.493.208	-	1.457.036.827
Effect of Mergers Involving Enterprises or Businesses Under Common Control	-	-	-	(263.165.989)	-	-	-	-	-	-	-	-	(263.165.989)
Dividends	-	-	9.701.300	-	-	-	-	(9.701.300)	9.701.300	(218.368.593)	-	-	(208.667.293)
Increase / (Decrease) Due to Share Buyback Transactions	-	-	(25.861.500)	-	-	-	-	25.861.500	(25.861.500)	-	-	-	(25.861.500)
Balances as of December 31, 2022 (Closing balances)	64.400.000	974.710.436	(112.092.036)	(421.724.095)	140.236.603	(569.585)	382.940.380	274.668.065	7.129.552.775	1.243.493.208	1.243.493.208	-	9.675.615.751
Balances as of January 1, 2023													
(Opening Balance)	64.400.000	974.710.436	(112.092.036)	(421.724.095)	140.236.603	(569.585)	382.940.380	274.668.065	7.129.552.775	1.243.493.208	1.243.493.208	(1.082.304.231)	9.675.615.751
Transfers	-	-	-	-	-	-	-	27.820.047	1.054.484.184	-	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	(52.702.640)	366.485	6.657.391	-	-	-	1.289.382.689	-	1.243.703.925
Capital Increase	80.500.000	34.634.988	-	-	-	-	-	-	(115.134.988)	-	-	-	-
Dividends	-	-	8.087.083	-	-	-	-	(8.087.083)	8.087.083	(161.188.977)	-	-	(153.101.894)
Increase / (Decrease) Due to Share Buyback Transactions	-	-	(10.223.837)	-	-	-	-	10.223.837	(10.223.837)	-	-	-	(10.223.837)
Balances as of December 31, 2023 (Closing Balances)	144.900.000	1.009.345.424	(114.228.790)	(421.724.095)	87.533.963	(203.100)	389.597.771	304.624.866	8.066.765.217	1.289.382.689	1.289.382.689	-	10.755.993.945

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





ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN
CASH FLOWS FOR THE PERIOD BETWEEN
1 JANUARY - 31 DECEMBER 2023 (TL)

	Notes	Audited 1 January 2023 31 December 2023	Restated Audited 31 January 2022 31 December 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / Loss for the Year		186.508.066	271.680.734
Profit / Loss for the Year		1.289.382.689	1.243.493.208
Adjustments to Reconcile Profit / Loss for the Year		(1.331.490.718)	(1.455.301.017)
- Adjustments Related to Depreciation and Amortization Expenses	10,11,18	1.142.672	1.250.287
- Adjustments Related to Provisions	13	866.856	270.530
- Adjustments Related to Interest Income and Expenses	20	(83.748.858)	(77.911.567)
- Adjustments Related to Unrealized Currency Translation Differences		(224.085.837)	(104.954.405)
- Adjustments Related to Gain / Loss on Fair Value	9,20	(1.094.075.736)	(1.375.094.157)
- Adjustments Related to Tax (Income) / Expense	23	6.394.026	19.138.846
- Adjustments Related to Losses / (Gains) on Disposal of Fixed Assets	20	-	(36.525.470)
- Adjustments Related to Losses / (Gains) on Disposal of Non-Current Assets Held for Sale or for Distribution to Shareholders		(477.951)	(1.561.695)
- Other Adjustments Related to the Reconciliation of Profit / (Loss)		(145.144)	(80.592)
- Adjustments Related to Monetary Loss / Gain		62.639.254	120.167.206
Changes in working capital		(182.805.619)	16.735.405
- Adjustments Related to Increase / Decrease in Trade Receivables	6	(38.834.421)	122.883.534
- Adjustments Related to Increase / Decrease in Other Receivables from Operations	7	(1.195.545)	9.823
- Adjustments Related to Increase / Decrease in Inventories	8	108.648	(108.648)
- Adjustments Related to Increase / Decrease in Trade Payables	6	10.051.046	6.303.374
- Adjustments Related to Increase / Decrease in Other Payables From Operations	7	(1.296.635)	(14.376.109)
- Adjustments Related to Other Increase / Decrease in Working Capital		(151.638.712)	(97.976.569)
Cash Generated From Operations		(224.913.648)	(195.072.404)
Cash Outflows For Acquisition Of Debt Instruments	4	-	(417.919.677)
Cash Inflows From Sale Of Debt Instruments	4	414.316.625	886.506.697
Tax Return / (Payments)		(2.894.911)	(1.833.882)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(563.623.455)	(284.159.036)
Cash Outflows Arising from Purchase of Shares or Capital Increase of Associates and / or Joint Ventures	2,10	-	(263.165.989)
Payments for Purchase of Property, Plant and Equipment and Intangible Assets	10,11	(12.529)	(14.481.395)
Cash Inflow from Investments Properties		-	65.315.985
Payments for Investment Properties	9	(626.813.081)	(140.473.758)
Cash Inflows from Sales of Assets held for Sale		588.686	8.439.688
Dividends Received From Other Equity Investments	21	541.018	543.431
Interest Received		62.072.451	59.663.002
C. CASH FLOWS FROM FINANCING ACTIVITIES		312.441.655	(35.182.134)
Cash Outflows For The Acquisition of Own Shares and Other Equity Instruments		(10.223.837)	(25.861.500)
Cash Inflows From Borrowing	5	499.200.000	205.636.602
Cash Outflows From Borrowing	5	(20.932.984)	-
Cash Outflows Related to Debt Payments Arising From Lease Agreements	5	(2.499.630)	(6.289.943)
Dividends Paid	16	(153.101.894)	(208.667.293)
Net Increase / (Decrease) in Cash and Cash Equivalents Before the Effect of Currency Translation Differences		(64.673.734)	(47.660.436)
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		13.427.110	144.036.400
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(51.246.624)	96.375.964
MONETARY LOSS / GAIN ON CASH AND CASH EQUIVALENTS		(145.522.954)	(73.432.575)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	370.189.307	347.245.918
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	173.419.729	370.189.307

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



ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (TL))

1- ORGANIZATION AND OPERATIONS OF THE COMPANY

The company name of Aletim Alarko Elektrik Tesisat ve İnşaat Malzemeleri Anonim Şirketi founded on 6 June 1978 was changed to Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (the Company) upon being published in the Turkish Trade Register Gazette dated 6 August 1996 nr 4096. The Company applied to the Capital Markets Board (“CMB” or “Board”) on 31 October 1996 for the registration of a document related to share certificates to be issued for the capital increase in its shareholders; and the document was registered by the CMB certificate Nr GYO 1/1552 dated December 31, 1996 in accordance with the Capital Markets Law.

The Company operates as a real estate partnership in accordance with the statements and regulations of the CMB. In this context, the Company invests in real estates, real estate projects, and capital market instruments. Accordingly, the Company acts in accordance with the regulations and legislation of the CMB in its principal activities, investment portfolio policies, and administrative limits.

As of 31 December 2023 and 31 December 2022, the shareholders and the shareholding structure of the Company at historic values is as follows:

Shareholders	31 December 2023		31 December 2022	
	Share Rate (%)	Share Amount (TL)	Share Rate (%)	Share Amount (TL)
Alarko Holding A.Ş.	16,42	23.784.396	16,42	10.570.843
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş.	34,78	50.400.230	34,78	22.400.102
Public Offering	48,77	70.668.401	48,77	31.408.178
Other (*)	0,03	46.973	0,03	20.877
Total	100,00	144.900.000	100,00	64.400.000

(*) Represents total shareholdings less than 10%.

It has been decided to increase the company’s issued capital of 64.400.000 TL by 80.500.000 TL to 144.900.000 TL in return for 8.050.000.000 unit C group shares with a nominal value of 1 KR each, with the entire increased capital to be covered from the 2022 dividend according to the ordinary general assembly decision dated March 31, 2023, and to distribute the C group shares representing the increased capital of 80.500.000 TL, which correspond to 125% of the existing capital, to the shareholders free of charge in accordance with the procedures. An application was made to the Capital Markets Board on July 27, 2023. The necessary permissions have been obtained with the decision of the Capital Markets Board dated June 5, 2023, and numbered E-12233903-340.05.05-38197 regarding the issuance document related to the capital increase and the amendment text of the 6th and 7th articles of the Company’s Articles of Association, and it was registered by the Istanbul Chamber of Commerce on June 14, 2023.

As of 31 December 2023 and 31 December 2022, the difference arising from the inflation adjustment of the nominal capital is at the amount of 1.009.345.424 and 974.710.436 TL (Note 16 (b)).



The address of the Company's Head Office is Muallim Naci Caddesi, No:69 P.K. 34347 Ortaköy – Beşiktaş/ İstanbul.

The majority of the Company shares belong to Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. and 48,77% of the Company shares is traded at the Istanbul Stock Exchange since 1996.

As of 31 December 2023, the average number of the Company personnel is 20 (31 December 2022: 19).

The share certificates constituting the Company's share capital are classified in three groups, namely, Group A, Group B, and Group C. Group A share owners are granted the right to nominate four candidates for the Board of Directors and B Group share owners are granted the right to nominate three candidates for the Board of Directors. There are no other rights granted to the shareholders other than the right to nominate candidates for the Board of Directors.

Joint Ventures:

In the accompanying consolidated financial statements, Mosalarko OJSC company residing in the Russian Federation, whose activities are only real estate, has been consolidated according to the full consolidation method with 100% ownership as of 31 December 2023 and 31 December 2022.

Approval of financial statements:

Board of Directors has approved the consolidated financial statements and delegated authority for publishing it on 29 March 2024. General Assembly has the authority to modify the financial statements.

2- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation :

Statement of Compliance with TFRS

The Company maintains its books of account and prepares its statutory consolidated financial statements in accordance with the prevailing commercial and financial legislation. The accompanying financial statements are prepared in accordance with the provisions of the "Communiqué Related to the Financial Reporting Principles at the Capital Markets" (Communiqué) Nr. II/14.1 of the CMB published in the Official Gazette dated 13 June 2013 Nr 28676, taking as basis the Turkish Accounting Standards /Turkish Financial Reporting Standards and the related appendices and interpretations (TAS/TFRS) put into effect by the Public Oversight Accounting and Auditing Standards Authority (POA) as per the Article 5 of the Communiqué. In addition, it has been presented in accordance with the TAS taxonomy published by the POA with the decision number 30 on June 2, 2016 and subsequently announced to the public on April 15, 2019, together with the changes in TFRS-15 Revenue from Customer Contracts and TFRS-16 Leasing standards.

Consolidated financial statements are prepared on the historical cost basis, except for the revaluation of investment properties and the fair value of financial investments. In determining the historical cost, fair value of the amount generally paid for the assets is taken as basis.

Functional Currency

The functional currency of the Parent Company is Turkish Lira (TL) and the accompanying consolidated financial statements and footnotes are presented in Turkish Lira (TL). The



functional currency of the Parent Company's subsidiary operating in Russia is Ruble. In the statement of financial position, asset items are converted to TL with the buying rate at the end of the reporting period, liability items are converted to TL with the selling rate at the end of the reporting period, income and expenses are converted to TL with the average rate of the period. Profit or loss arising from the translation transaction is shown in the "currency translation differences" account in the consolidated statement of profit or loss and other comprehensive income.

Consolidation Principles

During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications have been made in terms of compliance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority, and compliance with the accounting policies and presentation formats applied by the Group.

Subsidiaries refer to companies that Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. has the authority and power to control directly and/or indirectly. Control is provided to the Group's investee if and only if all of the following indicators are present; a) Has power over the investee, b) Is exposed to or has rights to varying returns from its involvement with the investee, c) Has the ability to use its power over the investee to influence the amount of returns it receives.

The financial position statements and profit or loss and other comprehensive income statements of the Subsidiaries are consolidated using the full consolidation method, and the book values and equity of the Subsidiaries owned by Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. are mutually offset. Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. Intra-group transactions and balances between the Group and its Subsidiaries have been deducted during consolidation. The book values of the shares owned by Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. and the dividends arising from them have been netted off from the related equity and income statement accounts. Subsidiaries are included in the scope of consolidation from the date on which control over their activities is transferred to the Group and are excluded from the scope of consolidation on the date that control ceases. Non-controlling interests in the net assets and operating results of Subsidiaries are presented as "non-controlling interests" in the consolidated statement of financial position and statement of profit or loss and other comprehensive income.

Financial Reporting in Hyperinflationary Economies

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts. Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.



On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year End	Index	Index, %	Adjustment Factor
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,2248
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,5	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1,00000

In order to make the necessary adjustments in the financial statements under TMS 29, assets and liabilities have first been distinguished as monetary and non-monetary, and non-monetary assets and liabilities have been subject to an additional distinction as those measured at current value and those measured at cost value.

Monetary items (excluding those linked to an index) and non-monetary items measured at their current values at the end of the reporting period are not subjected to inflation adjustments as they are already expressed in the current measurement unit as of 31 December 2023. Non-monetary items not expressed in the measurement unit as of 31 December 2023 have been subjected to inflation adjustment using the relevant coefficient. If the inflation-adjusted value of non-monetary items exceeds the recoverable amount or net realizable value, a reduction in the carrying amount has been made applying the relevant IFRS. In addition, inflation adjustment has been made on all items in equity items and income statement or other comprehensive income statement.

Non-monetary items acquired or assumed prior to January 1, 2005, the date when the definition of Turkish Lira as the currency of a hyperinflationary economy ended, or equities put into operation or formed before this date have been adjusted according to the change in the CPI from January 1, 2005 to 31 December 2023.

The application of TMS 29 required adjustments presented in the Net Monetary Position Gains (Losses) item in the income or loss part of the statement of income or loss and other



comprehensive income, arising from the decrease in the purchasing power of Turkish Lira. During inflation, unless the value of monetary assets or liabilities is dependent on changes in the index, businesses carrying more monetary assets than liabilities lose purchasing power, while businesses with more monetary liabilities than assets gain purchasing power. Net monetary position gain or loss was derived from the adjustment differences of non-monetary items, equity, items in the statement of income or loss and other comprehensive income, and index-linked monetary assets and liabilities.

Also, in the reporting period when TMS 29 was first applied, the provisions of the Standard are assumed to have always been applied as if there was always hyperinflation in the relevant economy. Therefore, to serve as a basis for subsequent reporting periods, the statement of financial position dated January 1, 2022, at the start of the earliest comparative period, has been adjusted for inflation. The inflation-adjusted amount of the past years' earnings/losses item in the statement of financial position dated January 1, 2022 was derived from the balance sheet equivalence that should occur after the other items of the table are adjusted for inflation.

2.2 Adjustments :

The accompanying consolidated financial statements are prepared in accordance with TAS/IFRS with the below mentioned adjustments which are not stated in the statutory records:

- Provision for doubtful receivables
- Calculation of rediscount on customers
- Depreciation adjustment for property, plant and equipment in accordance with TAS 16
- Retirement pay liability adjustment as per TAS 19
- Valuation of financial assets quoted at the stock exchange by market value
- Provisions for unused vacation days
- Valuation of investment properties at fair value
- Valuation of financial investments at fair value
- Valuation of financial assets held to maturity at the cost value amortized as per the effective interest method.
- Accounting of right-of-use asset according to IFRS 16
- Valuation of financial liabilities at amortized cost

2.3 Offsetting :

Offsetting financial assets and liabilities can only be made under the conditions where the offsetting transaction is legally allowed and the company has an intention in this respect or where the acquisition of assets and fulfillment of liabilities are realized simultaneously.

2.4 Comparative Information and Restatement of Prior Period Financial Statements :

To identify trends in financial position and performance, consolidated financial statements are prepared on a comparative basis with the previous period. Comparative information is reclassified where necessary to ensure consistency with the presentation of the consolidated financial statements for the current period, and any significant differences are explained.

As stated in Note 2.1, amounts for the earlier reporting period and comparative information are restated using the general price index to present the comparative financial statements in the currency valid at the end of the reporting period.



2.5 Changes in Accounting Policies :

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. There has been no significant change in the Company's accounting policies during the current period.

2.6 Changes and Errors in Accounting Estimates :

If the changes in accounting estimates are for only one period, they are applied prospectively in the current period when the change is made, both in the period when the change is made and in the future periods. There has not been a significant change, in the accounting estimates of the Company in the current year.

Significant accounting errors are applied retrospectively and prior period financial statements are restated.

2.7 The New and Revised Turkish Accounting / Financial Reporting Standards :

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and



the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.



Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively



in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)



The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

2.8 Summary of Significant Accounting Policies :

Financial Instruments :

Financial Assets

The Company measures the remaining financial assets at fair value when they are first recognized in the financial statements, excluding trade receivables that do not have a significant financing component. In cases where trade receivables do not have a significant financing component under IFRS 15 (or if the Company chooses the practical expedient), these receivables are measured at their transaction price (as defined in IFRS 15) when they are first recognized in the financial statements.

At initial measurement of financial assets, other than those reflected in profit or loss for changes in fair value, transaction costs that can be directly attributed to their acquisition or issuance are added to or deducted from the fair value. Financial assets that are bought and sold in the ordinary course of business are recorded on the transaction date.

The Company classifies its financial assets as: measured at amortized cost, through other comprehensive income for changes in fair value, or through profit or loss for changes in fair value, based on (a) The business model used by the Company for managing financial assets, and (b) The characteristics of the contractual cash flows of the financial assets. The Company only reclassifies all financial assets that are affected when it changes the business model it uses to manage its financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no corrections are made for any previously recognized gains, losses (including impairment gains or losses), or interest.

Financial Assets Measured At Amortised Cost

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;



- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

- (a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
- (b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial Assets Measured at Fair Value Through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets,
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Company accounts for the cumulative gain or loss that was previously recognised in other comprehensive income in consolidated financial statements. Interest calculated using the effective interest method is recognised in profit or loss.

At initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.



Financial assets measured at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

The financial assets, which constitute derivative products that are not identified as an effective means of protection against financial risk, are also classified as financial assets whose fair value difference is reflected in profit or loss. Related financial assets are shown at their fair values, and the gains and losses resulting from the valuation are accounted in the income statement.

Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost or fair value through other comprehensive income.

The Company applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses except for purchased or originated credit impaired financial assets. For purchased or originated credit-impaired financial assets, the Company only recognises the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance at the reporting date.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables that do not contain a significant financing component, which is referred as simplified approach.

Financial liabilities

At initial recognition, the Company measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for:

- (a) financial liabilities at fair value through profit or loss: Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
- (b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to



recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Company recognises any income on the transferred asset and any expense incurred on the financial liability.

- (c) contingent consideration recognised by an acquirer in a business combination to which TFRS 3 applies. Such contingent consideration is subsequently be measured at fair value with changes recognised in profit or loss.

The Company does not reclassify any financial liability.

Recognition and derecognition of financial assets and liabilities

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. The Company derecognises a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for derecognition. If a transfer of financial asset does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company will continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the Company recognises any income on the transferred asset and any expense incurred on the financial liability.

The Company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Related Parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity,
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) (A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Within the scope of this report, the Company shareholders, Alarko Holding A.Ş. and Alarko Holding Group Companies, their executive staff, and other companies controlled by or related to these companies are defined as related parties.

Inventories

Inventories are valued at their restated acquisition cost; however, the expertise values creating basis for the fair values of unsold inventories and the contract totals of inventories of which sales contracts are signed during the current period are compared with the restated acquisition costs, and if the expertise value and the contract total are lower than the restated acquisition cost, provision is made for impairment within the frame of conditions stated in the “Impairment of Assets” section. Impairment loss is determined for all inventories separately. In cases where the conditions leading to the reduction of inventories to net realizable value have expired or there has been an increase in net realizable value due to changing economic conditions, the provision for impairment is canceled. The canceled amount is limited by the amount of impairment previously reserved.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property that is measured at fair value to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property that is measured at fair value, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

No assets held under operating lease have been classified as investment properties.

Property, Plant and Equipments

Tangible fixed assets are stated by deducting accumulated depreciation and, if any, impairment from cost amounts. In converting tangible fixed assets into the purchasing power of Turkish Lira at the reporting date by indexing, the initial entry dates to the asset are considered. For tangible fixed assets, depreciation is allocated based on the normal depreciation method using the revised amounts according to inflation accounting and the estimated useful lives of the assets. Information on the depreciation rates of the assets is as follows:



Economic Lives

Machinery, plant and equipment	4-5 Years
Furniture and fixtures	4 -16 Years
Other tangible assets	5 - Years

Repair and maintenance expenses are expensed when realized. In case the repair and maintenance expenses provide an increase or an observable development in tangible assets, they are capitalized.

In case the book value of a tangible asset is higher than the recoverable value, the book value is decreased to the recoverable amount.

The profit or loss arising from the sale of a tangible asset is determined by comparing the restated amount of the assets sold and the amount collected and reflected to the income or loss for the current period.

Intangible Assets

Intangible fixed assets are stated by deducting accumulated amortization and, if any, impairment from cost amounts. In converting intangible fixed assets into the purchasing power at the reporting date by indexing, the initial entry dates to the asset are considered. Intangible fixed assets have been amortized over the revised amounts according to inflation accounting and the rates specified below:

Economic Lives

Leasehold improvements	2 – 33 Years
Rights	3 – 32 Years

Effect of Exchange Differences

Foreign Currency Balances and Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising due to translation from original currency to TL are recognized in the statement of profit or loss in the relevant period.

Impairment of Intangible Assets Other Than Goodwill and Tangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those



assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Deferred Tax

The deferred tax liability or asset is determined by calculating the tax effects of the temporary differences between the amounts of the assets and liabilities shown in the financial statements and the amounts considered in the legal tax base account, by taking into account the legal tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly likely to benefit from such differences by obtaining taxable profit in the future. Such assets and liabilities are not recognized if the temporary difference related to the transaction that does not affect commercial or financial profit / loss is due to the first time the goodwill or other assets and liabilities are included in the financial statements (other than business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and affiliates and shares in business partnerships, except when the Company can control the disappearance of temporary differences and the likelihood that this difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly probable to benefit from these differences by obtaining sufficient taxable profit in the near future and that the related differences are likely to disappear in the future.

Deferred tax assets and liabilities are calculated over the tax rates (tax regulations) that are expected to be valid during the period when the assets will be realized or liabilities



will be fulfilled and have been legalized or significantly legalized as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax results of the methods that the Company predicted to recover its book value or fulfill its liabilities as of the balance sheet date are taken into account.

Deferred tax assets and liabilities, if there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority or if the Company intends to pay by netting the current tax assets and liabilities. deducted.

In calculating deferred tax liabilities and deferred tax assets for investment property that is measured using the fair value model, it is assumed that the carrying amount of these assets will be recovered entirely through sale, unless there is evidence to the contrary.

Current Tax

According to Turkish tax legislation, legal or business centers institutions in Turkey, the corporation is subject to corporate tax.

In the Turkish tax system, financial losses can be offset by financial profits within the following five years, and it is not possible to offset earnings (retrospectively) from previous years.

With the Law No. 7316 dated April 15, 2021, titled "Law on the Amendment of the Law on the Collection Procedure of Public Receivables and Some Laws", some changes have been made to the Corporate Tax Law No. 5520. Accordingly, by the temporary 13th article added to the Corporate Tax Law, the corporate tax rate, which was 20 percent, was applied at 25 percent for 2021 corporate earnings and 23 percent for 2022 corporate earnings. Income tax withholding at a rate of 15% is calculated on the dividends distributed in cash to full taxpayers, whether they are individuals or institutions, institutions that are exempt from tax, and resident and non-resident individuals and institutions. However, no income tax is withheld in case of the distribution of profits from profits related to the years 1998 and earlier, profits from the years 1999, 2000, 2001 and 2002 which are related to exemptions or profits corresponding to investment deductions over which 19.8% withholding tax has been made. No income tax is calculated on the dividends distributed by adding the current year and past year profits to the capital. On the other hand, no withholding tax is made on dividends distributed to full taxpayer institutions.

In addition, provisional tax is paid at a rate of 25% in 2023 and 23% in 2022 on the bases declared during interim periods within the year to be offset against corporation tax..

The earnings of companies that have acquired the Real Estate Investment Trust (REIT) status are exempt from Corporate Tax and provisional corporate tax, according to clause d/4 of the first paragraph of Article 5 of the Corporate Tax Law No. 5520. According to the third paragraph of Article 15 of the Corporate Tax Law, the rate of Corporate Tax withholding that must be made on the earnings of these partnerships, for which the exemption is applied, is currently zero as per the Cabinet Decree No. 2009/14594 (for 2008, 2003 / 6577).

In the attached consolidated financial statements, the tax rate used for corporate tax and deferred tax calculations for the subsidiary located abroad and consolidated by the full consolidation method as of 31 December 2023 and 31 December 2022, is 20%.



Employee Benefits

Provision for Severance Payment :

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (Revised) Employee Benefits (“TAS 19”).

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Profit - Sharing and Bonus Plans:

The Company recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Revenue

Sales consist of sales revenue generated from real estate sold and rents received from property held for investment purposes. Sales are accounted for by the accrual principle, calculated over the fair value of prospect or realized income upon services provided, reliable determination of the income amount, and potential economic benefits to flow to the Company in relation to the subject transaction.

Rent income from investment properties

Rental income from real estates is accounted on an accrual basis linearly throughout the relevant lease agreement. If the Company has benefits for its tenants, they are recorded in a way to reduce rental income during the lease period.

Revenue from real estate sales

The real estate promised in accordance with the revenue contract is transferred to the customer and it is included in the financial statements when the performance obligation determined in the contract is fulfilled. When the control of the property is in the hands of the customer, the real estate is transferred.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



Earnings per Share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Companies in Turkey can increase their share capital through distributing shares (bonus shares) from retained earnings and differences arising from inflation adjustment of equity to their current shareholders. When calculating profit/(loss) per share, these bonus shares are recognized as issued shares. Therefore, the weighted average of shares used in the calculation of profit/(loss) per share is derived through retroactive application with respect to bonus shares.

Events After the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

The Company adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

Assets Held for Sale

Assets held for sale are classified as held for sale and depreciation is stopped when their carrying amount is recovered as a result of a sale transaction rather than through use. Assets held for sale are valued at the lower of their book values and their fair values less selling expenses.

Conditional Assets and Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation or a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously treated as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Statement of Cash Flows

In the statement of cash flows, current period cash flows are classified as principal activities, investing activities, and financing activities, and reported accordingly.



Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

Supplementary note: Control of Compliance to Portfolio Limitations

As of 31 December 2023, and 2022, the information provided in the footnote titled “Control of Compliance with Portfolio Limitations” are summary information derived from financial statements in accordance with Article 16 of the CMB’s Series: II, No: 14.1 “Principles on Financial Reporting in Capital Markets”. This information has been prepared in line with the provisions of the Series III, No. 48.1 “Principles for Real Estate Investment Trusts” published in the Official Gazette No. 28660 dated May 28, 2013, and the Series III, No. 48.1a “Communiqué Amending the Principles for Real Estate Investment Trusts” published in the Official Gazette No. 28891 dated January 23, 2014, regarding the control of compliance with portfolio restrictions. The data in the table may not coincide with the information in the consolidated statements as they are non-consolidated data.

2.9 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Fair values of investment properties

In the financial statements, the basic assumptions of the appraisal reports used to find the fair value of real estate classified as investment property are stated in Note 9. The 2023 valuations were performed by TSKB Real Estate Valuation Inc. and Reel Real Estate Valuation Inc., and the 2022 valuations were performed by TSKB Real Estate Valuation Inc. In 2023 and 2022, the Mosalarko Office Building was appraised by Nexia Pacioli Consulting LLC.

2.10 Business Combinations

There has been no business combination during the accounting period of 1 January - 31 December 2023.

The business combinations that took place within the accounting period of 1 January - 31 December 2022 are as follows:

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., Marksistskaya Sok., No.16, 109147 Moscow / Russian Federation, which is the parent of 50% of the Mosalarko OJSC company, which is the parent company of the real estate only real estate, Alarko Holding A.Ş. purchased from . The purchase of the said share was registered in the Moscow Trade Registry of the Russian Federation on January 27, 2022.



31 January 2022

	Net assets
Cash and cash equivalents	6.274.379
Receivables	1.222.507
Inventories	82.747
Prepaid expenses	301.587
Current tax assets	2.811.146
Investment properties	206.410.966
Tangible assets	5.110.034
Trade payables	(121.511)
Other payables	(15.006.812)
Tax charge	(105.044)
Deferred tax liabilities	(33.668.094)
Value of net assets	173.311.905
Total ownership rate of the Group	100%
Group's share of net assets acquired	173.311.905
Past year purchase price	(158.558.106)
Purchase price	(263.165.989)
The effect of mergers involving undertakings or businesses under common control	(421.724.095)

2.11 Continuity of the business

The consolidated financial statements have been prepared based on the going concern principle under the assumption that the Company will benefit from its assets and meet its obligations in the next year and within the natural course of its operations.

3- CASH AND CASH EQUIVALENTS

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

	31 December 2023	31 December 2022
Cash at banks	19.764.245	366.401.173
- TL Demand deposits	16.414.827	193.164.960
- TL Time deposits (*)	693.495	168.197.381
- Foreign currency demand deposit	2.655.923	5.038.832
B type liquid funds	153.649.853	3.775.776
Cash	5.631	12.358
Total (Note 26 (i))	173.419.729	370.189.307

(*) As of 31 December 2023, the interest rate for term deposit is 12.75% (As of 31 December 2022, the interest rate for the US Dollar term deposits held in banks was 2.50% and 3.50%, the interest rate for the term Ruble deposit was 5%, and the accrued interest amount was 331,302 TL).

The Company has no blocked deposits at banks as of 31 December 2023 and 31 December 2022.



4- FINANCIAL ASSETS

As of 31 December 2023 and 31 December 2022, breakdown of the Company's financial assets is as follows:

Short-term financial assets disclosed at amortized cost :

Currency	31 December 2023			31 December 2022		
	Book Value (TL)	Interest Rate	Maturity	Book Value (TL)	Interest Rate	Maturity
US Dollar	494.634.502	2,88%	22.03.2024	28.423.214	2,88%	22.03.2023
Total	494.634.502			28.423.214		

Short-Term Financial Assets Shown in the Income Statement at Fair Value through Profit or Loss :

Currency	31 December 2023			31 December 2022		
	Book Value (TL)	Interest Rate	Maturity	Book Value (TL)	Interest Rate	Maturity
US Dollar	32.053.328	3,18%	10.02.2024	33.546.701	3,18%	10.02.2023
US Dollar	487.109.626	3,18%	10.08.2024	-	-	-
Total	519.162.954			33.546.701		

(*) As of 31 December 2023, the financial assets presented at amortized cost and fair value consist of coupon payment Eurobonds with redemption dates of February 10, 2024, March 22, 2024, and August 10, 2024 (31 December 2022 – Coupon payment Eurobonds with redemption dates of February 10, 2023, March 22, 2023, March 22, 2024 and August 10, 2024).

Long-term financial assets disclosed at amortized cost :

Currency	31 December 2023			31 December 2022		
	Book Value (TL)	Interest Rate	Maturity	Book Value (TL)	Interest Rate	Maturity
US Dollar	-	-	-	481.618.667	2,88%	22.03.2024
Total	-			481.618.667		



Long-Term Financial Assets Shown in the Income Statement at Fair Value through Profit or Loss :

Currency	31 December 2023			31 December 2022		
	Book Value (TL)	Interest Rate	Maturity	Book Value (TL)	Interest Rate	Maturity
US Dollar	-	-	-	501.087.349	3,18%	10.08.2024
Total	-			501.087.349		

(*) As of 31 December 2023, the financial assets presented at amortized cost and fair value consist of coupon payment Eurobonds with redemption dates of February 10, 2024, March 22, 2024, and August 10, 2024 (31 December 2022 – Coupon payment Eurobonds with redemption dates of February 10, 2023, March 22, 2023, March 22, 2024 and August 10, 2024).

Financial Assets of which fair value difference reflected on Other Comprehensive Income :

	31 December 2023		31 December 2022	
	Participation Rate (%)	Amount (TL)	Participation Rate (%)	Amount (TL)
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş. (*)	-	20.300	-	20.300
Alarko Enerji A.Ş. (*)	-	7.701	-	7.701
Alarko Konut Projeleri Geliştirme A.Ş. (*)	-	1.832	-	1.832
Alarko Holding A.Ş. (*)	-	107.266.959	-	159.969.599
Total	-	107.296.792	-	159.999.432

(*) Participation rate is lower than 1%.

As of 31 December 2023 and 31 December 2022, the participation amount in Alarko Holding A.Ş. is valued at the best buying price among the current orders pending in Borsa Istanbul A.Ş., which is presumed to be close to its fair value. The Company tracks increases or decreases resulting from fair value valuation in the “Other Comprehensive Income or Expenses that Will Not Be Reclassified to Profit or Loss” under the Equity account in its financial statements. Accordingly, as of 31 December 2022, an appreciation of 140.236.603 TL, and as of 31 December 2023, a depreciation of 52.702.640 TL resulted in a total appreciation of 87.533.963 TL. (Note 16(c)).

The participation amounts in Alarko Residential Projects Development A.Ş., Alarko Energy A.Ş. and Alsim Alarko Industrial Facilities and Trade A.Ş. have been valued on their adjusted cost basis as they do not have a traded price on an organized market and their fair value cannot be reliably determined.



5- BORROWINGS

As of 31 December 2023 and 31 December 2022, Company's short-term borrowings are as follows :

	31 December 2023	31 December 2022
Short term portion of long-term liabilities	158.373.468	19.609.735
Short term lease liability	-	3.751.074
Total (Note 26(ii))	158.373.468	23.360.809

As of 31 December 2023 and 31 December 2022, Company's long-term borrowings are as follows :

	31 December 2023	31 December 2022
Long term liabilities	483.574.858	186.928.083
Total (Note 26(ii))	483.574.858	186.928.083

In order to be used in the financing of the investment of the tourism facility in Muğla Province, Bodrum District, Gündoğan Mevkii, which is in the company portfolio, Turkey Development and Investment Bank A.Ş. The contract was signed on 30 November 2022 for the use of a loan amounting to TL 624.000.000, with a maturity of 10 years, with a grace period of 2 years.

As of 31 December 2023 and 31 December 2022, the maturity dates and interest rates of short-term financial debts are as follows :

31 December 2023

	Maturity	Effective Interest Rate	Currency	Amount
Bank loans	19.02.2024 - 16.12.2024	10,00% - 36,00%	TL	158.373.468
Total				158.373.468

31 December 2022

	Maturity	Effective Interest Rate	Currency	Amount
Bank loans	15.03.2023 - 15.12.2023	10,00%	TL	19.609.735
Lease liabilities	25.02.2023	9,00%	TL	3.751.074
Total				23.360.809



As of 31 December 2023 and 31 December 2022, the maturity dates and interest rates of long-term financial debts are as follows:

31 December 2023

	Maturity	Effective Interest Rate	Currency	Amount
Bank loans	18.02.2025 - 18.08.2033	10,00%-36,00%	TL	483.574.858
Total				483.574.858

31 December 2022

	Maturity	Effective Interest Rate	Currency	Amount
Lease liabilities	15.03.2024 – 15.12.2032	10,00%	TL	186.928.083
Total				186.928.083

As of 31 December 2023 and 31 December 2022, the distribution of short and long-term financial liabilities according to their maturities is as follows:

	Bank Loans 31 December 2023	Lease Liabilities 31 December 2023	Bank Loans 31 December 2022	Lease Liabilities 31 December 2022
Within 1 year	158.373.468	-	19.609.735	3.751.074
1 – 2 Years	147.683.671	-	22.962.657	-
2 – 3 Years	107.450.263	-	34.082.174	-
3 – 4 Years	75.318.070	-	29.124.712	-
4 years and above	153.122.854	-	100.758.540	-
Total	641.948.326	-	206.537.818	3.751.074

Movement tables of financial liabilities as of 31 December 2023 and 31 December 2022 are as follows :

	Bank Loans	Lease Liabilities	Total
Opening balance, 1 January 2023	206.537.818	3.751.074	210.288.892
Used amounts	499.200.000	-	499.200.000
Interest accruals	40.011.091	223.119	40.234.210
Principle payments	-	(2.293.235)	(2.293.235)
Interest payments	(20.932.984)	(206.395)	(21.139.379)
Effective interest rate effect	(1.676.724)	-	(1.676.724)
Monetary gain/loss	(81.190.875)	(1.474.563)	(82.665.438)
Closing balance, 31 December 2023	641.948.326	-	641.948.326



	Bank Loans	Lease Liabilities	Total
Opening balance, 1 January 2022	-	11.814.965	11.814.965
Used amounts	205.636.602	-	205.636.602
Interest accruals	1.006.267	1.435.279	2.441.546
Principle payments	-	(5.330.461)	(5.330.461)
Interest payments	-	(959.482)	(959.482)
Effective interest rate effect	(105.051)	-	(105.051)
Monetary gain/loss	-	(3.209.227)	(3.209.227)
Closing balance, 31 December 2022	206.537.818	3.751.074	210.288.892

6- TRADE RECEIVABLES AND PAYABLES

The details of the Company's trade receivables as of 31 December 2023 and 31 December 2022 are as follows :

	31 December 2023	31 December 2022
Trade receivables	3.184.069	3.568.344
Trade receivables from related parties (Note 25(a))	295.351.970	256.528.333
Total (Note 26(i))	298.536.039	260.096.677

The average collection period on trade receivable is between 5 - 10 days (2022: 5 – 10 days).

As of 31 December 2023 and 31 December 2022, there is no doubtful receivable provision.

The details of the Company's trade payables as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Trade payables	31.810.539	25.644.847
Trade payables from related parties (Note 25(a))	6.166.578	2.280.409
Total (Note 26(ii))	37.977.117	27.925.256

The average turnover day for trade payables is 15 days (2022: 15 days).

7. OTHER RECEIVABLES AND PAYABLES

The details of the Company's other short-term receivables as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Various other receivables	1.272.033	-
Total (Note 26(i))	1.272.033	-



The details of the Company's other long-term receivables as of 31 December 2023 and 31 December 2022 are as follows :

	31 December 2023	31 December 2022
Deposits and guarantees given	118.087	194.575
Total (Note 26(ii))	118.087	194.575

The details of the Company's other short-term liabilities as of 31 December 2023 and 31 December 2022 are as follows :

	31 December 2023	31 December 2022
VAT Payables	37.302.490	29.910.975
Other taxes	9.921.059	15.418.267
Other miscellaneous liabilities	207.369	119.665
Total (Note 26(ii))	47.430.918	45.448.907

The details of the Company's other long-term liabilities as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Deposits and guarantees received	18.885.035	22.163.681
Total (Note 26(ii))	18.885.035	22.163.681



8- INVENTORIES

As of 31 December 2023 and 31 December 2022, inventories consist of real estate held for trading and raw materials and supplies inventories as detailed below :

	31 December 2023			31 December 2022		
	Restated Book Value (TL)	Sales Value (TL)	Expertise Value (TL)	Restated Book Value (TL)	Sales Value (TL)	Expertise Value (TL)
Land in Büyükçekmece						
Land Cost (3 Parcel Lots)	53.426.899	-	678.390.000	53.426.899	-	550.077.911
Raw Materials And Supplies Inventories	-	-	-	108.648	-	-
Total	53.426.899	-	678.390.000	53.535.547	-	550.077.911

Land in Büyükçekmece : There are 3 parcels of land with a total area of 622.651 m². According to the valuation reports dated 29 December 2023 and 29 December 2022 the market approach and income approach (discounted cash flow) were used in determining the appraisal value, and the market approach was taken into account from these methods.

As of 31 December 2023, the Company's real estate held for trading have been valued by Reel Gayrimenkul Değerleme A.Ş. (December 31, 2022: TSKB Gayrimenkul Değerleme A.Ş.)



9- INVESTMENT PROPERTIES

Investment properties are as given below :

Fair Value	Investment Properties
As of January 1, 2022	6.668.243.440
Additions (*)	36.850.414
Additions (**)	103.623.344
Sale of real estate for investment purposes (**)	(51.630.648)
Foreign currency conversion differences	(51.616.959)
Increase resulting from fair value change (Note 20)	1.375.094.157
As of 31 December 2022	8.080.563.748
As of 1 January 2023	8.080.563.748
Additions (*)	72.130.197
Additions (***)	554.682.884
Foreign currency conversion differences (****)	(140.408.003)
Increase resulting from fair value change (Note 20)	1.094.075.736
As of 31 December 2023	9.661.044.562

As of 31 December 2023 and 31 December 2022, the total insurance amount on investment properties is 3.337.783.424 TL and 1.339.948.766 TL, respectively (Note 31).

(*) Investments made for Hillside Beach Club Holiday Village.

(**) Investments made for Bodrum Hotel.

(***) In the Board of Directors meeting held on September 27, 2022 at the company headquarters, it was unanimously decided to sell the independent sections no. 1-2-3-4 of Alarko-DIM Business Center located in Evliyaçelebi Neighborhood, Şimal Kuytu Street, plot number 29 on the block 299, Beyoğlu District, İstanbul Province to Sürgü Real Estate Investment A.Ş. for a price of 39,640,000 TL + VAT, and that the sale price will be collected in cash at the time of the title deed transfer. The title deed transfer processes related to the said sale were completed on September 30, 2022, and the entire sales price amounting to 39,640,000 TL+VAT has been collected.



As of 31 December 2023, the market values of investment properties are as follows:

31 December 2023

Name of Real Estate	Date of Expertise Report	Market Value (TL)
Hillside Beach Club Holiday Village	29 December 2023	5.120.000.000
Bodrum Hotel	29 December 2023	2.511.720.000
Land in Maslak	29 December 2023	561.080.000
Mosalarko Office Building	29 December 2023	478.404.562
Eyüp Topçular – Factory	29 December 2023	416.000.000
Etiler Alkent Sitesi - Shops	29 December 2023	352.800.000
İstanbul Karaköy Business Center	29 December 2023	108.800.000
Büyükçekmece Alkent 2000 – Shops	29 December 2023	68.040.000
Ankara Çankaya Business Center	29 December 2023	44.200.000
Total		9.661.044.562

As of 31 December 2023, the market values of investment properties are as follows :

Real Estate name	Valuation Methods Used	Valuation Method Considered
Hillside Beach Club Holiday Village	Income Reduction, Cost Analysis	Income Reduction
Bodrum Hotel	Cost Analysis, Income Reduction	Cost Approach
Land in Maslak	Comparable Comparison	Comparable Comparison
Mosalarko Office Building	Comparable Comparison, Income Reduction	Average
Eyüp Topçular- Factory	Cost Analysis, Comparable Comparison	Cost Approach
Etiler Alkent Sitesi – Shops	Comparable Comparison, Income Reduction	Income Reduction
İstanbul Karaköy Business Center	Comparable Comparison	Comparable Comparison
Büyükçekmece Alkent 2000–Shops	Comparable Comparison, Income Reduction	Income Reduction
Ankara Çankaya Business Center	Comparable Comparison, Income Reduction	Comparable Comparison



As of 31 December 2022, the market values of investment properties are as follows :

31 December 2022

Name of Real Estate	Date of Expertise Report	Market Value (TL)
Hillside Beach Club Holiday Village	29 December 2022	4.315.699.330
Bodrum Hotel	5 January 2023	1.921.655.925
Etiler Alkent Sitesi – Shops	29 December 2022	275.953.445
Büyükçekmece Alkent 2000 – Shops	29 December 2022	53.888.983
Eyüp Topçular – Factory	29 December 2022	338.303.518
Ankara Çankaya Business Center	29 December 2022	35.945.212
İstanbul Karaköy Business Center	29 December 2022	82.122.823
Land in Maslak	29 December 2022	453.043.140
Mosalarko Office Building	29 December 2022	603.951.372
Total		8.080.563.748

As of 31 December 2022, the valuation methods used in determining the fair value of investment properties are as follows :

Name of Real Estate	Valuation Methods Used	Valuation Method Considered
Hillside Beach Club Holiday Village	Income Reduction, Cost Analysis	Income Reduction
Bodrum Hotel	Comparable Comparison, Cost Analysis	Cost Approach
Etiler Alkent Sitesi – Shops	Comparable Comparison, Income Reduction	Income Reduction
Büyükçekmece Alkent 2000 – Shops	Comparable Comparison, Income Reduction	Income Reduction
Eyüp Topçular- Factory	Cost Analysis, Income Reduction	Cost Approach
Ankara Çankaya Business Center	Comparable Comparison, Income Reduction	Comparable Comparison
İstanbul Karaköy Business Center	Comparable Comparison, Income Reduction	Income Reduction
Land in Maslak	Comparable Comparison	Comparable Comparison
Mosalarko Office Building	Comparable Comparison, Income Reduction	Average



As of 31 December 2023, the fair value of the Company's investment properties is determined by Reel Gayrimenkul Değerleme A.Ş. and TSKB Gayrimenkul Değerleme A.Ş. , a valuation company independent of the Company. As of 31 December 2022, the fair value of the Company's investment properties is determined by TSKB Gayrimenkul Değerleme A.Ş. It is authorized by the CMB and provides real estate valuation services in accordance with the capital markets legislation and has sufficient experience and qualifications in the fair value measurement of real estate in the relevant regions. Mosalarko Office Building was valued by Nexia Pacioli Consulting LLC.

Main assumptions for sales comparison method of investment properties in related valuation reports and used by the Company are as follows:

Precedent square meter value	31 December 2023	31 December 2022
Land	29.590	23.892
Building	26.340-154.820	21.420-99.358

As of 31 December 2023 and 31 December 2022 the fair value hierarchy of the Company's investment properties and the related assets are shown in the following table :

	31 December 2023	Level 1 TL	Level 2 TL	Level 3 TL
Hillside Beach Club Holiday Village	5.120.000.000	-	-	5.120.000.000
Bodrum Hotel	2.511.720.000	-	2.511.720.000	-
Etiler Alkent Sitesi – Shops	352.800.000	-	-	352.800.000
Büyükçekmece Alkent 2000 – Shops	68.040.000	-	-	68.040.000
Eyüp Topçular – Factory	416.000.000	-	416.000.000	-
Ankara Çankaya Business Center	44.200.000	-	44.200.000	-
İstanbul Karaköy Business Center	108.800.000	-	108.800.000	-
Land in Maslak	561.080.000	-	561.080.000	-
Mosalarko Office Building	478.404.562	-	-	478.404.562
Total	9.661.044.562	-	3.641.800.000	6.019.244.562

	31 December 2022	Level 1 TL	Level 2 TL	Level 3 TL
Hillside Beach Club Holiday Village	4.315.699.330	-	-	4.315.699.330
Bodrum Hotel	1.921.655.925	1.921.655.925	-	-
Etiler Alkent Sitesi – Shops	275.953.445	-	-	275.953.445
Büyükçekmece Alkent 2000 – Shops	53.888.983	-	-	53.888.983
Eyüp Topçular – Factory	338.303.518	-	338.303.518	-
Ankara Çankaya Business Center	35.945.212	-	35.945.212	-
İstanbul Karaköy Business Center	82.122.823	-	-	82.122.823
Land in Maslak	453.043.140	-	453.043.140	-
Mosalarko Office Building	603.951.372	-	-	603.951.372
Total	8.080.563.748	-	2.748.947.795	5.331.615.953



The movement of investment properties valuated at level 3 from beginning of the period to end of the period is as follows :

	31 December 2023	31 December 2022
Opening Balance	5.331.615.953	4.569.115.221
Total loss / gain - profit /loss projected	838.029.238	777.267.277
Foreign currency translation differences	(140.408.003)	(51.616.959)
Transfers (*)	(82.122.823)	-
Realized	72.130.197	36.850.414
Closing Balance	6.019.244.562	5.331.615.953

As of 31 December 2023, rental income from investment properties is 324.889.305 TL (31 December 2022 – 297.110.097 TL). Relevant rental income is presented as revenue in the statement of profit or loss and other comprehensive income (Note 17).

10- PROPERTY, PLANT AND EQUIPMENTS

As of 31 December 2023, property, plant and equipments are as follows :

Cost ;

	Opening 1 January 2023	Addition	Foreign currency translation differences	Closing 31 December 2023
Plant, Machinery and Equipment	68.845	-	-	68.845
Furniture and Fixture	18.132.719	-	(4.899.368)	13.233.351
Other Tangible Fixed Assets	447.008	-	-	447.008
Subtotal	18.648.572	-	(4.899.368)	13.749.204

Accumulated Depreciation ;

Plant, Machinery and Equipment	68.845	-	-	68.845
Furniture and Fixture	5.477.375	640.516	(1.047.822)	5.070.069
Other Tangible Fixed Assets	447.008	-	-	447.008
Subtotal (Note 19)	5.993.228	640.516	(1.047.822)	5.585.922
Net Book Value	12.655.344	-	-	8.163.282



As of 31 December 2022, property, plant and equipments are as follows :

Cost ;

	Opening 1 January 2022	Addition	Foreign currency translation differences	Closing 31 December 2022
Plant, Machinery and Equipment	68.845	-	-	68.845
Furniture and Fixture	6.383.080	12.356.727	(607.088)	18.132.719
Other Tangible Fixed Assets	447.008	-	-	447.008
Subtotal	6.898.933	12.356.727	(607.088)	18.648.572

Accumulated Depreciation ;

Plant, Machinery and Equipment	68.845	-	-	68.845
Furniture and Fixture	5.841.235	947.565	(1.311.425)	5.477.375
Other Tangible Fixed Assets	447.008	-	-	447.008
Subtotal (Note 19)	6.357.088	947.565	(1.311.425)	5.993.228
Net Book Value	541.845	-	-	12.655.344

As of 31 December 2023 and 31 December 2022, the total insurance amount on property, plant and equipment is respectively, 63.346.533 TL and 50.263.173 TL (Note 31).

11- INTANGIBLE ASSETS

As of 31 December 2023, intangible assets are as follows :

Cost

	Opening 1 January 2023	Addition	Disposal	Closing 31 December 2023
Rights	495.114	-	-	495.114
Other Intangible Assets	4.582.850	12.529	-	4.595.379
Subtotal	5.077.964	12.529	-	5.090.493

Accumulated amortization;

Rights	444.244	9.225	-	453.469
Other Intangible Assets	2.456.333	492.931	-	2.949.264
Subtotal (Note 19)	2.900.577	502.156	-	3.402.733
Net Book Value	2.177.387	-	-	1.687.760



As of 31 December 2022, intangible assets are as follows :

Cost

	Opening 1 January 2022	Addition	Disposal	Closing 31 December 2022
Rights	495.114	-	-	495.114
Other Intangible Assets	2.458.182	2.124.668	-	4.582.850
Subtotal	2.953.296	2.124.668	-	5.077.964

Accumulated amortization;

Rights	434.896	9.348	-	444.244
Other Intangible Assets	2.162.959	293.374	-	2.456.333
Subtotal (Note 19)	2.597.855	302.722	-	2.900.577
Net Book Value	355.441	-	-	2.177.387

All depreciation expenses have been included in the general administrative expenses.

12- PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES

- a) As stated among the Company's inventories, investment properties and fixed asset accounts as of 31 December 2023 and 31 December 2022;

With regard to the shops located in Beşiktaş District, Etiler Alkent Site, with the journal number 6430 dated October 14, 1987, an easement right facility and 1 in some parts, in favor of the Company's 1411 parcel 1 and against 1408 parcel 1, in favor of central heating facilities, There is an easement right for 49 years for a price of 7.72 TL to pass the 5 m wide canal belonging to the heating facilities.

Besides, there is a personal right of easement for the owners of the property on section 1410 parcel 1 to benefit from the unused parking lot as stated in the project against the same parcel by voucher dated 26 February 1992 nr 784.



- b) The guarantees, securities, and mortgages given by the Company in the name of its own corporate body are as follows :

Collateral/pledge/mortgage ("CPM") given by the Company	31 December 2023	31 December 2022
A. CPMs Given for Company's Own Legal Personality	3.870.536.611	2.395.969.188
B. CPMs Given on Behalf of Fully Consolidated Companies	-	-
C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPMs		
i. Total Amount of CPMs Given on Behalf of the Parent	-	-
ii. Total Amount of CPMs Given to on Behalf of Other Group Companies Which are not in Scope of B and C	-	-
iii. Total Amount of CPMs Given on Behalf of Third Parties Which are not in Scope of C	-	-
Total	3.870.536.611	2.395.969.188

As of 31 December 2023 and 31 December 2022, the ratio of other CPM's given by the Company to equity is 0%.

- c) The total amount of guarantee letters and notes received by the Company in each period are given below :

	31 December 2023	31 December 2022
Guarantee notes received	2.541.200	2.675.225
Guarantee letters received	446.739.509	196.335.847
Bails received	1.872.000.000	3.084.549.036
Total	2.321.280.709	3.283.560.108

- d) There are not any receivables in Company records that are due and not collected; thus no provision made for such receivables.
- e) As of 31 December 2023, there is no significant lawsuit filed against the Company that would result in a cash outflow. There are 2 ongoing cases that the Company is a party to and there is no uncertainty in their legal processes, therefore the Company management does not foresee any cash outflows related to these cases. Therefore, no lawsuit provision has been set aside in the attached consolidated financial statements.

13- EMPLOYEE BENEFITS

According to the Labor Law, the Company has completed one year and is subject to Article



According to the Labor Law, the Company has completed one year and is subject to Article 25/II of the Law. It is obliged to pay severance pay for its personnel who have been dismissed from the company, called for military service, married and quit the job within one year (for women), retired or died without the justified reasons stated in the article. The compensation to be paid is one month's salary for each year worked, and this amount is limited to 23.489,83 TL for each year of service as of 31 December 2023 (31 December 2022 - 25.327,90).

Severance pay liability is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability amount for each service year will increase parallel to inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. Therefore, as of 31 December 2023, in the attached financial statements, provisions are calculated by estimating the present value of the probable liability arising from the retirement of employees. The provisions at the related balance sheet dates were calculated using the real discount rate obtained as approximately 2.12% based on the assumptions of 24,82% annual inflation and 27,47% discount rate (31 December 2022: 0,49%). Voluntary employment termination rates are also considered as 100% for employees working 0-15 years and 0% for employees working 16 and over years. The cap amount of 35,058.58 TL valid from January 1, 2024 is considered in the calculation of the company's severance pay (January 1, 2023: 30.873.53 TL). Significant estimates used in calculating the severance pay obligation are the discount rate and the probability of voluntary termination of employment.

Short term provisions are as follows :

	31 December 2023	31 December 2022
Payables Arising from Employee Benefits	8.084.368	4.796.971
Total	8.084.368	4.796.971

Long term provisions are as follows :

	31 December 2023	31 December 2022
Retirement Pay Provision	1.185.703	1.219.046
Vacation Pay Provision	758.483	480.074
Total	1.944.186	1.699.120



Retirement Pay Provision ;

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Provision for retirement pay at the beginning of the period	1.219.046	830.516
Service cost	385.215	96.659
Interest cost	203.232	47.221
Actuarial loss / (gain)	(366.485)	569.585
Monetary (gain) / loss	(255.305)	(324.935)
Provision for retirement pay at the period-end	1.185.703	1.219.046

Unused Vacation Provision:

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Provision for unused vacations at the beginning of the period	480.074	353.424
Increase/(decrease) during the period	467.128	264.925
Monetary (gain)/ loss	(188.719)	(138.275)
Provision for unused vacations at the period-end	758.483	480.074

14- PREPAID EXPENSES

Short term prepaid expenses are as follows:

	31 December 2023	31 December 2022
Advances given to subcontractors	270.874.037	97.586.399
Advances given	73.868	261.308
Prepaid expenses	1.048.456	1.711.539
Total	271.996.361	99.559.246

Long term prepaid expenses are as follows:

	31 December 2023	31 December 2022
Prepaid expenses	-	674.368
Total	-	674.368



15- ASSETS HELD FOR SALE

Assets held for sale are as follows:

	31 December 2023	31 December 2022
Tangible assets	284.419	327.385
Total	284.419	327.385

Tangible assets with a net book value of TL 284.419 were acquired during the purchase of Bodrum Hotel and were classified as non-current assets held for sale as of 31 December 2023.

16- EQUITY

a) Paid-in Capital

As of 31 December 2023 and 31 December 2022, the Company's registered capital is 150,000,000 TL and its issued and paid-in capital is 144,900,000 TL and 64,400,000 TL respectively. The Company's capital is made up of 14,490,000,000 shares and 6,440,000,000 shares, each with a nominal value of 1 kr. The detailed structure of the company's shares is indicated in Note 1.

The Company has decided to increase its issued capital of 64,400,000 TL by 80,500,000 TL to be 144,900,000 TL by issuing 8,050,000,000 B Group shares, each bearing a nominal value of 1 Kr, against 80,500,000 TL, and to cover the entire increased capital from 2022 dividends, according to the resolution of the Ordinary General Meeting dated on March 31, 2023, and to distribute the B Group shares representing the increased capital of 80,500,000 TL, which is 125% of the existing capital, to shareholders free of charge, in accordance with the relevant procedures. The Company has applied to the Capital Markets Board on July 27, 2023. Necessary permissions regarding the issuance certificate for the capital increase and amendment texts of Articles 6 and 7 of the Company's Articles of Association received with the decision of the Capital Markets Board dated June 5, 2023, and numbered E-12233903-340.05.05-38197, and it was registered by the Istanbul Trade Registry Office on June 14, 2023.

During the Board of Directors meeting held on December 20, 2023, it was decided to increase the registered capital ceiling of the Company, which has a registered capital of 150,000,000 TL, to 500,000,000 TL since the registered capital ceiling permission granted by the Capital Markets Board will complete the 5-year period in 2024. The Company has applied to the Capital Markets Board on December 27, 2023. Necessary permissions for the amendment text of Article 6 of the Company's Articles of Association related to the increase of the registered capital ceiling were obtained with the letter of the Capital Markets Board dated January 1, 2024, and numbered E-12233903-340.08-48339, and it will be submitted for the approval of shareholders at the Ordinary General Meeting for the year 2023.

b) Capital Adjustment Differences

As of 31 December 2023 and 31 December 2022, the difference arising from the adjustment of nominal capital for inflation amounts to TRY 1,009,345,424 and TRY 974,710,436, respectively.



c) Financial Assets Value Increase Fund

The stake held in Alarko Holding A.Ş., as of 31 December 2023 and 31 December 2022, has been valued at the best buying price among pending current orders in Borsa Istanbul A.Ş., which is anticipated to be close to its fair value. The Company tracks increases or decreases resulting from fair value valuation under the account "Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss" in its financial statements. Accordingly, as of 31 December 2023 and 31 December 2022, the decrease in value of TRY 52,702,640 and the increase in value of TRY 120,616,477 resulting from fair value measurement, respectively, have been recorded in the "Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss" account (Note 4).

d) Restricted Profit Reserves

Restricted reserves set aside from equity are as follows:

	31 December 2023	31 December 2022
Legal reserves	89.501.678	69.176.253
Inflation difference of legal reserves	215.123.188	205.491.812
Total	304.624.866	274.668.065

Legal reserves, which are divided as First Legal Reserve and Second Legal Reserve as per the Turkish Commercial Code, are appropriated as below:

- I. Legal Reserve: Appropriated out of net profit at the rate of 5% until such reserve is equal to 20% of issued and fully paid capital.
- II. Legal Reserve: Appropriated out of net profit at the rate of 10% of distributions after providing for First Legal Reserve and an amount equal to 5% of capital as dividends.

Legal reserves which do not exceed one half of share capital may only be used to absorb losses or for purposes of continuity of the business in times of business difficulties and to prevent unemployment or lessen its effects.

e) Retained Earnings / (Accumulated Losses)

Breakdown of retained earnings / (accumulated losses) is as follows :

	31 December 2023	31 December 2022
Extraordinary reserves	1.296.008.246	1.057.542.232
Inflation difference of extraordinary reserves	5.130.808.631	5.020.072.881
Retained earnings from previous years	1.639.948.340	1.051.937.662
Total	8.066.765.217	7.129.552.775

At the Ordinary General Assembly Meeting of Alarko Real Estate Investment Trust Inc. held on March 31, 2023; from the 2022 annual net profit of TRY 2,753,941,111 in its financial statements, since the statutory reserve amount of TRY 1,500,000, which was previously set aside, has reached the legal ceiling, it was decided not to set aside first general statutory reserve, to distribute TRY 193,200,000 from the net distributable



period profit of TRY 2,755,441,111, which includes donations made during the year, to shareholders as profit share, to distribute the profit sharing in cash of TRY 112,700,000 and to issue bonus shares by adding TRY 80,500,000 to the capital, to set aside a second general statutory reserve of TRY 18,998,000 on distributed profit, to add the remaining amount to extraordinary reserves, and to start cash profit distribution on April 25, 2023. In the dividend distribution operation, the dividend receivables of registered shares traded on Borsa Istanbul were transferred to free accounts of related members at Takasbank A.Ş. on April 25, 2023. In the bonus issue operation, which started on June 15, 2023, at a rate of 125%, the increase counterparts of registered shares were credited to the accounts of related members on June 19, 2023. (The purchasing power of TRY 112,700,000, the part of profit distribution distributed in cash, brought to 31 December 2023, is TRY 161,188,977.).

According to the Tax Procedure Law and the relevant communique published in the Official Gazette numbered 32415 (2nd Duplicate) dated December 30, 2023, the balance sheet dated December 31, 2023, prepared in accordance with the Tax Procedure Law, has been adjusted using the General Producer Price Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting application. The attached financial statements, on the other hand, have been subjected to inflation adjustment using the Consumer Price Index (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and ultimately the amounts for the current and previous reporting period have been expressed in terms of purchasing power as of December 31, 2023.

Due to the use of different indices in the application of inflation accounting of the Tax Procedure Law and TAS 29, and also the adjustment of the amounts related to the previous reporting periods according to the purchasing power as of December 31, 2023 as per TAS 29; differences have arisen between the amounts included in the balance sheet prepared in accordance with the Tax Procedure Law and the amounts included in the financial statements prepared in accordance with TAS/IFRS regarding the items "Capital Adjustment Differences", "Premiums (Discounts) Related to Shares", "Restricted Reserves Set Aside from Equity", and "Other Reserves". The said differences have been reflected in the "Retained Earnings or Losses from Previous Years" item in the TAS/IFRS financial statements and the details of these differences are given below:

31 December 2023	Adjustment to Share Capital	Legal Reserves	Reserve for Repurchased Shares	Extraordinary Reserves
According to TAS/IFRS financial statements	1.009.345.424	215.123.188	82.562.578	5.130.808.631
In accordance with the Tax Procedure Law	1.541.365.563	303.076.446	150.023.594	5.585.962.849

In the context of the first transition to inflation, the retained earnings for previous years, as of January 1, 2022, amounted to TRY 2.729.058.319 in the balance sheet prepared after the TAS 29 inflation adjustment. As of December 31, 2023, the amount calculated in terms of purchasing power is TRY 7.386.791.553.

f) Treasury Stocks (-)

As of December 31, 2023, the total purchases provided from the Company's internal sources amounted to TRY 152.300.345, corresponding to 7.269.840 shares, and are



shown in the "Repurchased Shares (-)" account. The proportion of repurchased shares in the Company's capital is 5.017%. The Company has classified the reserve fund equal to the repurchase price of repurchased shares as restricted reserves set aside from profit under equity. The dividends attributed to repurchased shares are shown in the repurchased shares account. In 2019, from the repurchased shares of TRY 116,215,008, after deducting dividends of TRY 5,404,150 in 2019, TRY 7,152,684 in 2020, TRY 7,726,338 in 2021, and TRY 9,701,300 in 2022, and adding the repurchase amount of TRY 25,861,500, it became TRY 114,228,790 as of December 31, 2023, after deducting dividends of TRY 8,087,083 and adding the repurchase amount of TRY 10,223,837. (December 31, 2022 - TRY 112,092,036).

17- SALES AND COST OF SALES

Sales revenues are as follows :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Rental income	324.889.305	297.110.097
Other	2.587.360	-
Total	327.476.665	297.110.097

Cost of sales are as follows :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Cost of services rendered	8.034.983	8.553.192
Total	8.034.983	8.553.192

18- GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses are as follows :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
General administrative expenses	365.489.329	66.847.951
Total	65.489.329	66.847.951



General administrative expenses consist of the following :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Personnel expenses (Note 19)	26.085.581	21.316.401
Taxes and duties	10.271.511	11.888.223
Outsourced repair and services	8.906.927	8.528.070
Rental expenses	3.273.359	2.478.387
Benefits obtained from outside	2.798.751	3.722.005
Other expenses	1.832.490	2.443.380
Maintenance and repair expenses for construction and joinery	1.330.992	3.057.047
Security service expenses	1.229.656	1.638.365
Financial consulting and audit expenses	1.173.627	6.255.136
Depreciation and amortization (Note 10,11)	1.142.672	1.250.287
Participation fee for public and professional organizations	800.132	541.019
Bank charges	476.912	629.841
Other consulting expenses	381.302	406.973
Communication expenses	286.691	255.604
Litigation, execution, notary expenses	183.164	61.014
Printing and publishing expenses	110.434	85.433
Legal consulting expenses	-	249.147
Other	5.205.128	2.041.619
Total	65.489.329	66.847.951

19- EXPENSES BY NATURE

Depreciation and amortisation expenses consist of the following :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Property, plant and equipment (Note 10)	640.516	947.565
Intangible Assets (Note 11)	502.156	302.722
Total	1.142.672	1.250.287

Expenses related to employee benefits are as follows :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Wages and salaries	22.572.039	19.253.936
Personnel transportation expenses	424.551	208.497
Personnel catering expenses	386.921	138.296
Personnel health expenses	94.015	25.988
Other personnel expenses	2.608.055	1.689.684
Total	26.085.581	21.316.401



20- OTHER OPERATING INCOME / (EXPENSES)

Other operating income consists of the following :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Foreign exchange gains from operations	1.094.075.736	1.375.094.157
Increase on fair values of investment properties (Note 9)	373.369.277	465.314.201
Interest income	83.971.977	79.346.847
Gain on sale of investment property	20.103.969	17.943.502
Turkish Ministry of Environment and Forestry– Rental Expense	15.059.172	1.876.910
Turkish Ministry of Environment and Forestry– Land appropriation	2.746.734	1.943.515
Gain on sale of other marketable securities	2.265.683	877.492
Income from maturity differences	490.467	25.960
Income from real estate other than rental income	460.671	359.684
Rediscount interest income	-	36.525.470
Other	2.802.813	3.317.547
Total	1.595.346.499	1.982.625.285

Other operating expenses consist of the following :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Ministry of Environment and Forestry of the Republic of Turkey - Rent	24.670.184	21.746.694
Exchange losses	4.549.928	19.470.364
Ministry of Environment and Forestry of the Republic of Turkey - Land Allocation	2.746.734	1.943.515
Foundation donations	2.616.661	2.471.594
Rediscount interest expense	687.663	490.468
Decrease in Fair Value of Financial Investments	-	22.536.523
Other	149.283	3.307.925
Total	35.420.453	71.967.083

21- INCOME AND EXPENSE FROM INVESTING OPERATIONS

Income from investing operations consists of the following :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Fair value difference of currency hedged deposits	42.553.559	-
Dividends received	541.018	543.431
Profit on sale of fixed assets	477.951	4.038.604
Total	43.572.528	4.582.035



Expense from investing operations consists of the following:

	31 December 2023	31 December 2022
Loss on sale of tangible assets	-	2.476.909
Total	-	2.476.909

22- FINANCING EXPENSES

Financing expenses are as follows:

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Short-term financing expenses	5.522.177	1.508.351
Total	5.522.177	1.508.351

23- TAX ASSETS AND LIABILITIES

a) Current income tax

In Turkey, the corporate tax rate for the year 2023 is 25% (2022 - 23%). This rate is applied to the tax base obtained by adding non-deductible expenses required by tax laws to the commercial earnings of corporations and by subtracting exemptions and deductions stipulated in tax legislation.

Taxation of the Operations of the Foreign Subsidiary

In the accompanying consolidated financial statements, the tax rate is used as 20% as of December 31, 2023 and 2022 for the period tax and deferred tax calculations for the foreign subsidiary Mosalarko A.O, which is consolidated with the full consolidation method.

The tax income and expenses included in the consolidated statement of profit or loss and other comprehensive income are summarized below :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Current tax	(3.839.738)	(3.241.888)
Deferred tax (income)/expense (Note 23 (b))	(2.554.288)	(15.896.958)
Total	(6.394.026)	(19.138.846)



The current period corporate tax calculation is as follows :

	31 December 2023	31 December 2022
Profit/ (Loss) before tax	1.289.382.689	1.243.493.208
Local tax rate	%25	%23
Tax expense calculated over the tax rate	322.345.672	286.003.438
Deductable expenses and other additions	-	-
Exempted earnings and other discounts (*)	(317.489.648)	(269.713.483)
Impact of changes in tax rates	1.538.002	2.848.891
Total tax expense	6.394.026	19.138.846

(*) Real Estate Investment Trust's earnings for the period are shown as other discounts.

b) Deferred tax assets and liabilities

For Mosalarko A.O, deferred tax assets and liabilities are recognized for the temporary timing differences arising from the differences between the tax base financial statements and the financial statements prepared in accordance with TFRS. These differences usually arise from some income and expense items being included in different periods in the tax base financial statements and the financial statements prepared in accordance with TFRS, and these differences are indicated below. In the calculation of deferred tax assets and liabilities, a tax rate of 20% has been used on the temporary timing differences.

The deferred tax assets, liabilities, income, and expenses, along with the temporary differences that form the basis of the deferred tax calculations, are as follows:

Temporary income / (expense) differences

	Accumulated temporary differences		Deferred tax assets / liabilities	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Tax assets				
Usable financial losses	56.293.372	69.414.736	11.258.674	13.882.952
Tax liabilities				
Investment properties	(478.404.562)	(603.951.372)	(95.680.912)	(120.790.274)
Deferred tax liabilities, net			(84.422.238)	(106.907.322)



	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Prior period deferred tax liability	(106.907.322)	(57.000.881)
Deferred tax (expense) / income (Note 23 (a))	(2.554.288)	(15.896.958)
Other comprehensive income / (expense)	25.039.372	(34.009.483)
Total	(84.422.238)	(106.907.322)

24- EARNINGS PER SHARE

Calculation of earnings / (loss) per share is calculated as follows :

	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Profit / (loss) for the year	1.289.382.689	1.243.493.208
Weighted average number of ordinary shares for the reporting period (per share of TL 1 nominal value)	144.900.000	144.900.000
Treasury stock (-)	(7.214.766)	(6.537.219)
Earnings / (loss) per share (TL)	9,3647	8,9872

The company does not have any diluted shares. Moreover, in Turkey, companies can increase their capital by distributing shares ("Bonus Shares") to existing shareholders from accumulated profits in proportion to their shares. When calculating earnings per share, this bonus share issuance is considered as issued shares. Therefore, the weighted average number of shares used in calculating earnings per share is obtained by retroactively applying the issuance of shares free of charge. There is no difference between the basic and proportional earnings per share for any period.

25- RELATED PARTY DISCLOSURES

a) Balances due from / due to related parties are as follows :

	31 December 2023	
Balances with related parties	Receivables Current Trading	Payables Current Trading
Attaş Alarko Turistik Tesisler A.Ş.	295.799.633	5.340.626
Less: Deferred Income	(687.663)	–
Alarko Holding A.Ş.	–	632.947
Alsim Alarko San. Tes. ve Tic A.Ş.	–	193.005
Alarko Carrier San. ve Tic. A.Ş.	240.000	–
Total (Note 6)	295.351.970	6.166.578



31 December 2022

Balances with related parties	Receivables Current Trading	Payables Current Trading
Attaş Alarko Turistik Tesisler A.Ş.	257.018.801	1.242.095
Less: Deferred income	(490.468)	-
Alarko Holding A.Ş.	-	747.089
Alsim Alarko San. Tes. ve Tic A.Ş.	-	156.701
Alarko Carrier San. ve Tic. A.Ş.	-	134.524
Total (Note 6)	256.528.333	2.280.409

b) Sales to / purchases from related parties are as follows :

The details of transactions with related parties on a company basis are as follows :

1 January - 31 December 2023

Transactions with related parties	Goods Purchases	Service Purchases	Other Purchases	Other Sales
Attaş Alarko Turistik Tes. A.Ş.	17.152.786	35.305.477	740.582	277.522.119
Alarko Carrier San. ve Tic. A.Ş.	39.471.696	-	-	3.068.598
Alarko Holding A.Ş.	12.529	1.037.619	3.961.214	-
Alsim Alarko San. Tes. ve Tic. A.Ş.	-	1.687.816	-	-
Total	56.637.011	38.030.912	4.701.796	280.590.717

1 January - 31 December 2022

Transactions with related parties	Goods Purchases	Service Purchases	Other Purchases	Other Sales
Attaş Alarko Turistik Tes. A.Ş.	36.850.414	16.177.459	10.599.276	225.557.684
Alarko Carrier San. ve Tic. A.Ş.	-	114.005	-	2.341.116
Alarko Holding A.Ş.	2.124.668	1.465.388	2.083.573	-
Alsim Alarko San. Tes. ve Tic. A.Ş.	-	728.867	-	-
Total	38.975.082	18.485.719	12.682.849	227.898.800

As of December 31, 2023 and 2022, there are no doubtful receivables arising from related parties.

As of December 31, 2023 and 2022, the salaries and similar remuneration provided to top management amounts to TL 8.074.223 TL ve 4.400.396 TL gross, respectively.



26- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial instruments and financial risk management

Due to the nature of its operations, the Company is exposed to various financial risks including the effects of changes in foreign exchange rates and interest rates on debt and capital market prices. The Company's total risk management program focuses on the unpredictability of financial markets, and aims to minimize its potential negative impact on the Company's financial performance.

Risk management is implemented within the frame of the following policies :

i. Credit Risk

The collection risk of the Company is basically attributed to its trade receivables. Trade receivables are valued by the Company management taking into account the past experiences and the current economic outlook; and they are recognized in the statement of financial position, net, after provisions for doubtful receivables are made when necessary.



As of 31 December 2023, maturity and guarantee structure of the Company's receivables and cash and cash equivalents consist of the following :

	Receivables					
	Trade Receivables			Other Receivables		
	Related Parties	Other	Related Parties	Other	Banks	Cash and Cash Equivalents
31 December 2023	295.351.970	3.184.069	-	1.390.120	19.764.245	153.649.853
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1) (Note 3, 6 and 7)	-	-	-	-	-	-
- Secured portion of the maximum credit risk by guarantees	295.351.970	3.184.069	-	1.390.120	19.764.245	153.649.853
A- Net book value of financial assets that are neither past due nor impaired (2) (Note 3, 6 and 7)	-	-	-	-	-	-
B- Terms are re-negotiated,, otherwise accepted as overdue or impaired financial assets' fair value	-	-	-	-	-	-
C- Net book value of financial assets that are overdue but not impaired (3)	-	-	-	-	-	-
D- Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross amount) (Note 6)	-	-	-	-	-	-
- Impairment (-) (Note 6)	-	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc	-	-	-	-	-	-
E- Off-balance sheet items include credit risk	-	-	-	-	-	-

(1) (1) In determining the credit amounts, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

(2) No impairment or credit risk is anticipated in relation to the financial assets that are not overdue or impaired.

(3) As the overdue financial assets that are not impaired have short term maturities, they are not expected to create impairment loss in the future either.

As of 31 December 2022, maturity and guarantee structure of the Company's receivables and cash and cash equivalents consist of the following :

	Receivables					
	Trade Receivables			Other Receivables		
	Related Parties	Other	Related Parties	Other	Banks	Cash and Cash Equivalents
31 December 2022						
Maximum credit risk exposed as of balance sheet date						
(A+B+C+D) (1) (Note 3, 6 and 7)	256.528.333	3.568.344	-	194.575	366.401.173	3.775.776
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-	-
A- Net book value of financial assets that are neither past due nor impaired (2) (Note 3, 6 and 7)	256.528.333	3.568.344	-	194.575	366.401.173	3.775.776
B- Terms are re-negotiated,, otherwise accepted as overdue or impaired financial assets' fair value	-	-	-	-	-	-
C- Net book value of financial assets that are overdue but not impaired (3)	-	-	-	-	-	-
D- Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross amount) (Note 6)	-	-	-	-	-	-
- Impairment (-) (Note 6)	-	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc	-	-	-	-	-	-
E- Off-balance sheet items include credit risk	-	-	-	-	-	-

(1) (1) In determining the credit amounts, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

(2) No impairment or credit risk is anticipated in relation to the financial assets that are not overdue or impaired.

(3) As the overdue financial assets that are not impaired have short term maturities, they are not expected to create impairment loss in the future either.





As of 31 December 2023 and 31 December 2022, there are no assets that are overdue but not impaired.

ii. Liquidity Risk

Liquidity risk arises during funding of the Company operations and management of the open position. Liquidity risk comprises the risk of not funding the operations at an appropriate maturity and rate and also the risk of not liquidating an asset at a reasonable price in an appropriate time frame.

The following table shows the maturity distribution of the Company's non-derivative short-term financial liabilities as of 31 December 2023 and 31 December 2022:

31 December 2023						
Contract Terms	Carrying Value	Total Contracted Cash Outflows (I+II+III+IV)	Less than 3 Months (I)	3 to 12 Months (II)	1 to 5 Months (III)	More than 5 Years (IV)
Payables due to bank loans (Note 5)	641.948.326	1.496.307.564	42.629.054	143.118.050	811.335.532	499.224.928
Trade payables to related parties (Note 6)	6.166.578	6.166.578	6.166.578	-	-	-
Other trade payables (Note 6)	31.810.539	31.810.539	31.810.539	-	-	-
Other payables (Note 7)	66.315.953	66.315.953	47.430.918	-	18.885.035	-
Total	746.241.396	1.600.600.634	128.037.089	143.118.050	830.220.567	499.224.928

31 December 2022						
Contract Terms	Carrying Value	Total Contracted Cash Outflows (I+II+III+IV)	Less than 3 Months (I)	3 to 12 Months (II)	1 to 5 Months (III)	More than 5 Years (IV)
Payables due to leasing operations (Note 5)	206.537.818	330.376.441	5.121.900	15.650.252	151.880.288	157.724.001
Payables due to leasing operations (Note 5)	3.751.074	3.778.630	3.778.630	-	-	-
Trade payables to related parties (Note 6)	2.280.409	2.280.409	2.280.409	-	-	-
Other trade payables (Note 6)	25.644.847	25.644.847	25.644.847	-	-	-
Other payables (Note 7)	67.612.588	67.612.588	45.448.907	-	22.163.681	-
Total	305.826.736	429.692.915	82.274.693	15.650.252	174.043.969	157.724.001

iii. Market Risk

Market risk is the risk of encountering a fluctuation in the fair value of a financial asset or in future cash flows arising from changes in market prices which may lead to a negative impact on the entity. The standard market risk factors are foreign exchange rates, interest rates, and commodity prices.



iv. Foreign Currency Risk

Foreign currency risk stems from the change in the value of a financial instrument depending on a change in foreign exchange rate. The Company may face foreign currency risk because of its foreign currency denominated receivables and payables. The Company continuously monitors the said risk and takes the necessary precautions. The main foreign currencies constituting the said risk is USD.

The Company's net foreign currency position as of December 31, 2023 is 1.247.524.229 TL (December 31, 2022 - 1.427.130.751 TL). A 10% increase in exchange rates will increase the Company's profit by 124.752.423 TL, while a 10% decrease will decrease it by 124.752.423 TL.

Foreign Currency Position

On totals basis;

	31 December 2023	31 December 2022
A. Foreign currency assets	1.252.355.465	1.432.312.073
B. Foreign currency liabilities	4.831.236	5.181.322
Net foreign currency position (A-B)	1.247.524.229	1.427.130.751



Breakdown on foreign currency basis;

31 December 2023

	TL Amount (Functional Currency)	US Dollar
1. Trade Receivables	238.558.009	8.103.689
2a. Monetary Financial Assets	1.013.797.456	34.438.161
2b. Non-monetary Financial Assets	–	–
3. Other	–	–
4. Current Assets	1.252.355.465	42.541.850
5. Trade Receivables	–	–
6a. Monetary Financial Assets	–	–
6b. Non-monetary Financial Assets	–	–
7. Other	–	–
8. Non-Current Assets	–	–
9. Total Assets	1.252.355.465	42.541.850
10. Trade Payables	–	–
11. Financial Liabilities	–	–
12a. Monetary Other Liabilities	–	–
12b. Non-Monetary Other Liabilities	–	–
13. Current Liabilities	–	–
14. Trade Payables	–	–
15. Financial Liabilities	–	–
16a. Monetary Other Liabilities	4.831.236	163.819
16b. Non-Monetary Other Liabilities	–	–
17. Non-Current Liabilities	4.831.236	163.819
18. Total Liabilities	4.831.236	163.819
19. Net Foreign Currency Assets / Liabilities Position (9-18)	1.247.524.229	42.378.031
20. Monetary Items Net Foreign Currency Assets / Liabilities Position (1+2a+5+6a-10-11-12a-14-15-16a)	1.247.524.229	42.378.031



Breakdown on foreign currency basis;

31 December 2022

	TL Amount (Functional Currency)	US Dollar
1. Trade Receivables	211.580.769	6.867.335
2a. Monetary Financial Assets	238.025.288	7.725.652
2b. Non-monetary Financial Assets	–	–
3. Other	–	–
4. Current Assets	449.606.057	14.592.987
5. Trade Receivables	–	–
6a. Monetary Financial Assets	982.706.016	31.895.959
6b. Non-monetary Financial Assets	–	–
7. Other	–	–
8. Non-Current Assets	982.706.016	31.895.959
9. Total Assets	1.432.312.073	46.488.946
10. Trade Payables	–	–
11. Financial Liabilities	–	–
12a. Monetary Other Liabilities	–	–
12b. Non-Monetary Other Liabilities	–	–
13. Current Liabilities	–	–
14. Trade Payables	–	–
15. Financial Liabilities	–	–
16a. Monetary Other Liabilities	5.181.322	167.869
16b. Non-Monetary Other Liabilities	–	–
17. Non-Current Liabilities	5.181.322	167.869
18. Total Liabilities	5.181.322	167.869
19. Net Foreign Currency Assets / Liabilities Position (9-18)	1.427.130.751	46.321.077
20. Monetary Items Net Foreign Currency Assets / Liabilities Position (1+2a+5+6a-10-11-12a-14-15-16a)	1.427.130.751	46.321.077



Foreign currency position sensitivity analysis as of 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023		31 December 2022	
	Profit / Loss		Profit / Loss	
	Appreciation of foreign Currency	Depreciation of foreign Currency	Appreciation of foreign Currency	Depreciation of foreign Currency
In case of US Dolar increases in 10% against TL				
1 - US Dolar net asset / liability	124.752.423	(124.752.423)	142.713.075	(142.713.075)
2- US Dolar hedges (-)	-	-	-	-
3- Net effect of US Dollar (1 +2)	124.752.423	(124.752.423)	142.713.075	(142.713.075)
Total	124.752.423	(124.752.423)	142.713.075	(142.713.075)

v. Interest Risk

The Company's operations are exposed to the risk of changes in interest rates when interest-sensitive assets and liabilities are amortized or repriced at different times or amounts. The said interest rate risk is managed by natural measures that occur by balancing interest rate sensitive assets and liabilities. The loan agreement of the Company has a fixed interest rate and its maturity is 10 years.

Fixed rate financial instruments

	31 December 2023	31 December 2022
Lease Liability (Dipnot 5)	-	3.751.074
Bank Loans (Dipnot 5)	641.948.326	206.537.818
Total	641.948.326	210.288.892

vi. Share Price Risk

The Company is exposed to the stock price risk caused by the price changes that may occur in the stocks in its portfolio. As of December 31, 2023, if there is a 10% increase/decrease in the best purchase price among the current orders pending in Borsa Istanbul used in the valuation of these stocks, and all other variables are kept constant, the Company will have a direct net effect on equity without affecting profit/loss. would have been TL 10.726.693 TL lower/higher (December 31, 2022 – 15.996.960 TL) (Note: 4).

vii. Capital Risk Management

For proper management of capital risk, the Company aims

- to maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders, and



- to increase profitability through determining a product and service pricing policy that is commensurate with the level of risks inherent in the market.

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

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

There's basically no change in the Company's general strategy with respect to the previous year. As of December 31, 2023 and 2022, the ratio of the total equity to net debts is as follows:

	31 December 2023	31 December 2022
Total borrowings	847.470.930	423.131.903
Less: Cash and cash equivalents	(173.419.729)	(370.189.307)
Net debt	674.051.201	52.942.596
Total equity	10.755.993.945	9.675.615.751
Gearing Ratio	6%	1%

27-FINANCIAL INSTRUMENTS (Fair Value Disclosures and Explanations on Hedge Accounting)

31 December 2023	Financial assets at amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Financial liabilities at amortized cost	Carrying Value
Financial assets					
Cash and Cash Equivalents (Note 3)	173.419.729	-	-	-	173.419.729
Trade Receivables (Note 6)	3.184.069	-	-	-	3.184.069
Due From Related Parties (Note 6)	295.351.970	-	-	-	295.351.970
Other Receivables (Note 7)	1.390.120	-	-	-	1.390.120
Other Financial Assets (Note 4)	494.634.502	519.162.954	107.296.792	-	1.121.094.248
Financial Liabilities					
Financial Liabilities (Note 5)	-	-	-	(641.948.326)	(641.948.326)
Trade Payables (Note 6)	-	-	-	(31.810.539)	(31.810.539)
Due to Related Parties (Note 6)	-	-	-	(6.166.578)	(6.166.578)
Other Financial Liabilities (Note 7)	-	-	-	(66.315.953)	(66.315.953)



31 December 2022	Financial assets at amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Financial liabilities at amortized cost	Carrying Value
Financial Assets					
Cash and Cash Equivalents (Note 3)	370.189.307	–	–	–	370.189.307
Trade Receivables (Note 6)	3.568.344	–	–	–	3.568.344
Due from Related Parties (Note 6)	256.528.333	–	–	–	256.528.333
Other Receivables (Note 7)	194.575	–	–	–	194.575
Other Financial Assets (Note 4)	510.041.881	534.634.050	159.999.432	–	1.204.675.363
Financial Liabilities					
Financial Liabilities (Note 5)	–	–	–	(210.288.892)	(210.288.892)
Trade Payables (Note 6)	–	–	–	(25.644.847)	(25.644.847)
Due to Related Parties (Note 6)	–	–	–	(2.280.409)	(2.280.409)
Other Financial Liabilities (Note 7)	–	–	–	(67.612.588)	(67.612.588)

Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial instruments may create/affect/decrease liquidity risk, credit risk and stock market risk in the financial statements of the Company. All financial assets are reviewed to prevent impairment risk.

Fair value is the value of an asset or liability in an arms length transaction between knowledgeable and willing parties.

The Company has determined the fair value of its financial instruments by using current market information at present and by using appropriate valuation methods. However, assessing market information and forecasting actual values requires judgment. The forecasts presented as a conclusion may not always represent the values that are acquired by the Company in current market transactions.

Methods and assumptions used to estimate the fair value of financial instruments are as follows :

Financial Assets

Balances denominated in foreign currency are translated by using the exchange rates valid at the balance sheet date. It is foreseen that these balances are close to their carrying values. The fair values of certain financial assets, which also include cash and cash equivalents, are considered to approximate their carrying values due to their short term nature.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to represent their fair values.

The fair values of investments held to maturity are calculated by deducting impairment losses, if any, from the cost values amortized by the effective interest method.

The fair values of financial assets which are available for sale and traded in active markets correspond to the best bid among current orders pending at the balance sheet date. The fair



values of financial assets available for sale which are not traded in active markets cannot be determined reliably; hence, they are assumed to be equivalent to their restated cost values.

Financial Liabilities

Trade payables have been presented at their fair values.

The fair value of financial assets and liabilities are determined as follows :

Level 1: Fair value of financial assets and liabilities is measured at quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Fair value of financial assets and liabilities is measured at prices other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value of financial asset and liabilities is measured using inputs that are not based on observable inputs of the active markets.

The hierarchical levels of the assets and liabilities stated at fair value are as follows :

Fair value level as of reporting period				
	31 December 2023	Level 1	Level 2	Level 3
Financial Assets				
Stocks (publicly traded)	107.266.959	107.266.959	–	–
Financial Investments (Eurobond)	519.162.954	–	519.162.954	–

Fair value level as of reporting period				
	31 December 2022	Level 1	Level 2	Level 3
Financial Assets				
Stocks (publicly traded)	159.969.599	159.969.599	–	–
Financial Investments (Eurobond)	534.634.050	–	534.634.050	–

Investment Properties

In the case of a 0.5% increase/decrease in the discount rates used in determining the fair value of investment properties as of December 31, 2023, and all other variables are held constant, the profit would be lower by 230,000,000 TL and higher by 210,000,000 TL respectively. (As of December 31, 2022 - in the case of a 0.25% increase/decrease and all other variables are held constant, the profit would be lower by 115,522,293 TL and higher by 106,558,646 TL respectively.)



31 December 2023	Discount Rate	Sensitivity Rate	Effect on Profit of Fair Value	Effect on Loss of Fair Value
Hillside Beach Club Holiday Village	%26,50	%0,5	210.000.000	(230.000.000)
31 December 2022	Discount Rate	Sensitivity Rate	Effect on Profit of Fair Value	Effect on Loss of Fair Value
Hillside Beach Club Holiday Village	%9-%11,5	%0,25	106.558.646	(115.522.293)

28- SEGMENT REPORTING

The main activity of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. is to deal with the objectives and subjects written in the regulations of the Capital Markets Board regarding real estate investment trusts. In this context, it is engaged in issues such as real estate, real estate projects and investing in capital market instruments. Reporting by segment is made for Turkey and Russia, which are the geographical divisions of the Group.



	Turkey 31 December 2023	Russia 31 December 2023	Total 31 December 2023
PROFIT AND LOSS			
Revenue	284.664.679	42.811.986	327.476.665
Cost of Sales (-)	(8.034.983)	-	(8.034.983)
GROSS PROFIT	276.629.696	42.811.986	319.441.682
Administrative Expenses (-)	(32.678.563)	(32.810.766)	(65.489.329)
Other Income from Operating Activities	1.579.395.895	15.950.604	1.595.346.499
Other Expenses from Operating Activities (-)	(35.286.751)	(133.702)	(35.420.453)
OPERATING PROFIT	1.788.060.277	25.818.122	1.813.878.399
Income from Investing Activities	43.572.528	-	43.572.528
OPERATING PROFIT / (LOSS) BEFORE FINANCE INCOME / EXPENSE	1.831.632.805	25.818.122	1.857.450.927
Financing Expenses (-)	(5.522.177)	-	(5.522.177)
Net Monetary Position Gains (Losses)	(556.152.035)	-	(556.152.035)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1.269.958.593	25.818.122	1.295.776.715
- Current Tax Expense / Income	-	(3.839.738)	(3.839.738)
- Deferred Tax Expense / Income	-	(2.554.288)	(2.554.288)
Tax Expense / Income from Continuing Operations	-	(6.394.026)	(6.394.026)
PROFIT FROM CONTINUING OPERATIONS	1.269.958.593	19.424.096	1.289.382.689
PROFIT FOR THE YEAR	1.269.958.593	19.424.096	1.289.382.689

	Turkey 31 December 2023	Russia 31 December 2023	Total 31 December 2023
Depreciation and amortization expense	623.530	519.142	1.142.672



	Turkey 31 December 2022	Russia 31 December 2022	Total 31 December 2022
PROFIT AND LOSS			
Revenue	246.599.486	50.510.611	297.110.097
Cost of Sales (-)	(8.553.192)	-	(8.553.192)
GROSS PROFIT	238.046.294	50.510.611	288.556.905
Administrative expenses (-)	(24.981.794)	(41.866.157)	(66.847.951)
Other Income from Operating Activities	1.897.247.896	85.377.389	1.982.625.285
Other Expenses from Operating Activities (-)	(67.909.975)	(4.057.108)	(71.967.083)
OPERATING PROFIT	2.042.402.421	89.964.735	2.132.367.156
Income from Investing Activities	4.582.035	-	4.582.035
Expenses form Investing Activities	(2.476.909)	-	(2.476.909)
OPERATING PROFIT/(LOSS) BEFORE FINANCE INCOME/EXPENSE	2.044.507.547	89.964.735	2.134.472.282
Financing Expenses (-)	(1.508.351)	-	(1.508.351)
Net Monetary Position Gains (Losses)	(870.331.877)	-	(870.331.877)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1.172.667.319	89.964.735	1.262.632.054
- Current Tax Expense / Income	-	(3.241.888)	(3.241.888)
- Deferred Tax Expense / Income	-	(15.896.958)	(15.896.958)
Tax Expense/Income from Continuing Operations	-	(19.138.846)	(19.138.846)
PROFIT FROM CONTINUING OPERATIONS	1.172.667.319	70.825.889	1.243.493.208
PROFIT FOR THE YEAR	1.172.667.319	70.825.889	1.243.493.208

	Turkey 31 December 2022	Russia 31 December 2022	Total 31 December 2022
Depreciation and amortization expense	398.770	851.517	1.250.287



	Turkey 31 December 2023	Russia 31 December 2023	Total 31 December 2023
Total Assets	11.083.749.673	519.715.202	11.603.464.875
Total Liabilities	731.206.369	116.264.561	847.470.930

	Turkey 31 December 2022	Russia 31 December 2022	Total 31 December 2022
Total Assets	9.443.926.540	654.821.114	10.098.747.654
Total Liabilities	277.627.574	145.504.329	423.131.903

29- EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors meeting held on December 20, 2023, it was decided to extend the period and increase the registered capital ceiling from 150,000,000 TL to 500,000,000 TL as the recorded capital ceiling permit given by the Capital Market Board will expire in 2024 after a 5 years period. An application was made to the Capital Markets Board on December 27, 2023. Necessary permissions have been obtained with the letter of the Capital Markets Board dated January 19, 2024, and numbered E-12233903-340.08-48339 regarding the amendment text of the 6th article of the Company's Articles of Association related to the increase of the registered capital ceiling, and it will be presented for the approval of the shareholders at the Ordinary General Assembly Meeting related to the 2023 fiscal year.

30- FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / AUDITOR

The statement of the Company regarding the fees of the services provided by independent audit firms, prepared in accordance with the Board Decision published in the duplicate Official Gazette on March 30, 2021, by the Public Oversight Accounting and Auditing Standards Authority (POA), and based on the POA letter dated August 19, 2021, which was announced by the POA on October 4, 2023, is as follows:

	31 December 2023	31 December 2022
Independent audit fee for the reporting period	1.215.188	509.715
Fees related to other assurance services	137.570	-
The fee for tax consultancy services	-	-
Fees related to other non-independent audit services	-	-
Total	1.352.758	509.715



31- DISCLOSURE OF OTHER MATTERS THAT MAY AFFECT FINANCIAL STATEMENTS SIGNIFICANTLY OR IS NECESSARY FOR FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND COMPREHENSIBLE

a) Total value of insurance on assets for the respective periods are as follows :

	31 December 2023	31 December 2022
Investment Properties (Note 9)	3.337.783.424	1.339.948.766
Property, Plant and Equipment (Note 10)	63.346.533	50.263.173
Toplam	3.401.129.957	1.390.211.939

32- SUPPLEMENTARY NOTES: MONITORING COMPLIANCE WITH PORTFOLIO RESTRICTIONS

As of 31 December 2023 and 31 December 2022, compliance with portfolio restrictions is monitored as follows:



	Main Account Items of Unconsolidated / Separate Financial Statements	Related Regulation	Current Year (TL) 31 December 2023	Prior Year (TL) 31 December 2022
A	Money Market and Capital Market Instruments	Art. 24/(b)	1.275.407.969	1.552.674.061
B	Real estates, real estate projects and rights supported by real estates	Art. 24/(a)	9.236.066.899	7.530.039.274
C	Affiliates	Art. 24/(b)	407.619.201	516.166.115
	Due from Related Parties (Non-Trade)	Art. 23/(f)	-	-
	Other Assets		572.244.972	361.183.372
D	Total Assets	Art. 3/(p)	11.491.339.041	9.960.062.822
E	Financial Liabilities	Art. 31	641.948.326	210.288.892
F	Other Financial Liabilities	Art. 31	-	-
G	Lease Obligations	Art. 31	-	-
H	Due to Related Parties (Non-Trade)	Art. 23/(f)	-	-
i	Equity	Art. 31	10.760.132.672	9.682.435.248
	Other Liabilities		89.258.043	67.338.682
D	Total Liabilities and Equity	Art. 3/(p)	11.491.339.041	9.960.062.822
	Other Financial Informations Related with Unconsolidated Financial Statements	Related Regulation	Current Year (TL) 31 December 2023	Prior Year (TL) 31 December 2022
A1	Part of Money Market Instruments and Capital Market Instruments Held for Real Estates (3 Years)	Art. 24/(b)	-	-
A2	Time and Demand Deposits in TL / Foreign Currency	Art. 24/(b)	693.701	344.252.755
A3	Foreign Capital Market Instruments	Art. 24/(d)	-	-
B1	Real estates, real estate projects and rights supported by real estates	Art. 24/(d)	-	-
B2	Lands Held Idle	Art. 24/(c)	614.506.899	506.470.039
C1	Foreign Investments	Art. 24/(d)	407.589.368	516.136.282
C2	Participation in the Operating Company	Art. 28/1(a)	29.833	29.833
J	Non-cash Loans	Art. 31	3.870.536.611	2.395.969.188
K	Mortgage lien on lands to be administrated for projects and the property of which does not belong to the company	Art. 22/(e)	-	-
L	All of the money and capital markets in a single investment company Tools	Art. 22/(l)	107.266.959	159.969.599



	Portfolio Limitations	Related Regulation	Current Year 31 December 2023	Current Year 31 December 2022	Ratio of Minimum/ Maximum
1	Mortgage lien on lands to be administrated for projects and the property of which does not belong to the company	Art. 22/(e)	0,00 %	0,00 %	≤ 10 %
2	Real estates, real estate projects and rights supported by real estates	Art. 24/(a),(b)	80,37 %	75,60 %	≥ 51 %
3	Money Market and Capital Market Instruments and Subsidiaries	Art. 24/(b)	14,65 %	20,77 %	≤ 49 %
4	Real estates, real estate projects and rights supported by real estates, Subsidiaries, Capital Market Instruments	Art. 24/(d)	3,55 %	5,18 %	≤ 49 %
5	Lands Held Idle	Art. 24/(c)	5,35 %	5,09 %	≤ 20 %
6	Participation in the Operating Company	Art. 28/1 (a)	0,00 %	0,00 %	≤ 10 %
7	Borrowing Limit	Art. 31	41,94 %	26,92 %	≤ 500 %
8	Time and Demand Deposits in TL / Foreign Currency	Art. 24/(b)	0,01 %	3,46 %	≤ 10 %
9	All of the money and capital markets in a single investment company Tools	Art. 22/(l)	0,93 %	1,61 %	≤10 %



The Communiqué on Principles Regarding Real Estate Investment Funds, number III: 48.1 issued by the Capital Markets Board (CMB) that became effective upon its publication in the Official Gazette dated 28.05.2013, stipulates in clause (c) of the article 24 that “the proportion of land and fields in the portfolio that have not been subjected to any disposition for project development despite five years have passed since their acquisition cannot exceed 20% of the total assets”. As of the financial statements dated 31 December 2023, the ratio of these lands to the total assets is 5.35%, which is within the limits specified in the Communiqué.

The same Communiqué, in clause (a) of article 24 of “Principles on Real Estate Investment Funds” numbered III: 48.1, it is stated that “They should invest at least 51% of the total assets in real estate, real estate-based rights, and real estate-based projects.” As of the financial statements dated December 31, 2023, this ratio is 80.37%, which is within the limits specified in the Communiqué.

Also with this Communiqué, in clause (b) of Article 24 of “Principles Regarding Real Estate Investment Funds” numbered III: 48.1, it is stated that “They can invest in the assets stated in clause (k) of the first paragraph of Article 22 of this Communiqué and all of the partnerships stated in Article 28 up to 49% of the total assets.” As of the financial statements dated December 31, 2023, this ratio is 14.65%, which is within the limits specified in the Communiqué.

In clause (b) of Article 24 of the Communiqué, it is stated that “... They can invest in demand deposits in Turkish Lira or foreign currency, and term deposits at a maximum rate of 10% of the total assets.” As of the financial statements dated December 31, 2023, this ratio is 0.01%, which is within the limits specified in the Communiqué.

Borrowing limit, the participation rate to the operating company, foreign real estates, real estate-based projects, real estate-based rights, participations, capital market instruments, and investments in money and capital market instruments in a single company are in line with the portfolio restrictions. There are no other matters related to the portfolio restriction..

The information provided under the note titled “Control of Compliance with Portfolio Limits” as of December 31, 2023, and 2022 is an abstract derived from the financial statements according to Article 16 of the CMB Series: II, No: 14.1 “Communiqué Regarding Principles of Financial Reporting in Capital Markets”. The table is prepared under the provisions related to the control of compliance with portfolio limits in “Principles Regarding Real Estate Investment Funds” numbered III: 48.1 published in the Official Gazette no. 28660 on 28 May 2013 and “Communiqué Regarding Changes in the Communiqué on Principles Regarding Real Estate Investment Funds” numbered III: 48.1a published in the Official Gazette no. 28891 on January 23, 2014. The data in the table are non-consolidated, therefore, they may not match the information in the consolidated statements.

ALARKO CENTER
Muallim Naci Caddesi No: 69
34347 Ortaköy - İSTANBUL / TURKEY

Phone : (+90212) 310 33 00 pbx
Fax : (+90212) 260 71 78
(+90212) 227 04 27

web page: www.alarkoyatirim.com.tr
e-mail: agmyo@alarko.com.tr

Trade Registry Number
İstanbul, 155313

Mersis Number
0051-0023-0400-0016