

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITOR'S REPORT FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2024 AND 2023**

**CONVENIENCE TRANSLATION OF
CONSOLIDATED FINANCIAL STATEMENTS
(ORIGINALLY ISSUED IN TURKISH)**



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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Torunlar Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2024 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

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

3. 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. Key audit matters were addressed in the context of our independent 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.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Valuation work related to determining the fair value of investment properties (Note 8)</p> <p>The Group values its investment properties with the fair value method after the initial recognition, as described in Note 2.</p> <p>As of 31 December 2024, investment properties constitute 71% of the Group's total assets and have a total carrying value of TRY80.469.801.000.</p> <p>As of 31 December 2024, the fair values of investment properties determined independent valuation experts have been evaluated by management and these values were used as the fair values of the investment properties in the consolidated financial statements.</p> <p>“Market approach” and “income approach” methods are used in determining the fair value of investment properties.</p> <p>The valuation of the Group's investment properties involves significant areas of judgment and requires subjective assumptions. Important reasoning and assumptions can be directly affected by factors such as capitalization rate, discount rate, occupancy rates of leasable areas, rental income, and comparable sales prices per square meter.</p>	<p>During our audit, the following audit procedures were applied regarding the fair value of investment properties;</p> <ul style="list-style-type: none"> - Design and implementation of the controls conducted by the Group management regarding the valuation reports prepared by independent valuation experts, assigned by the Group were understood, - The competence, capability and objectivity of the independent valuation experts assigned by the Group were evaluated, - The suitability of the valuation methods and comparables used in the valuation reports has been evaluated, - Mathematical accuracy of the calculation tables used in the valuation reports were tested, - Consistency of the estimates regarding cash inflows and cash outflows related to the income models in the valuation reports was evaluated by comparing them with the Group's budget projections for the upcoming years. In addition, the estimates for the previous year were checked retrospectively by comparing with the actual results, - Reasonableness of the important judgments and assumptions used in the valuation reports by independent valuation experts assigned by the Group were evaluated together with the independent appraisers assigned by us as the independent auditors by applying the following procedures: - Suitability of comparable benchmarks used in valuation studies was evaluated, - Values determined by the independent valuation experts were evaluated whether if they have been within a reasonable range, - The fair values in the valuation reports were compared to the disclosures, the consistency with the valuation reports and the adequacy in accordance with TFRS were checked with the amounts in the disclosures and financial statements.



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

The Group 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

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

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

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

- Identify and assess the risks of material misstatement in the 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.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 independent 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 11 March 2025.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 11 March 2025

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

		(Audited) Current Period 31 December 2024	(Audited) Previous Period 31 December 2023
	Notes		
ASSETS			
Current Assets		22,629,909	11,446,737
Cash and Cash Equivalents	4	9,685,631	3,076,939
Financial Investments	11	5,391,775	1,770,257
Trade Receivables		966,235	2,011,951
<i>Trade Receivables from Related Parties</i>	7, 25	13,966	990,178
<i>Trade Receivables from Third Parties</i>	7	952,269	1,021,773
Other Receivables		11,847	22,987
<i>Other Receivables from Third Parties</i>		11,847	22,987
Inventories	9	6,131,728	4,052,048
Prepaid Expenses	6	265,502	450,277
Other Current Assets	12	177,191	62,278
Non-Current Assets		92,800,796	104,910,650
Financial Investments	11	5,091,052	282,858
Trade Receivables		49,651	72,085
<i>Trade Receivables from Third Parties</i>	7	49,651	72,085
Other Receivables		-	1,708
<i>Other Receivables from Third Parties</i>		-	1,708
Inventories	9	-	3,376,417
Investments Accounted For Using the Equity Method	14	2,952,406	3,074,932
Investment Properties	8	80,469,804	93,481,358
Property, Plant and Equipment	10	4,217,169	4,605,808
Intangible Assets		3,211	3,283
Prepaid Expenses	6	17,503	12,201
Total Assets		115,430,705	116,357,387

The consolidated financial statements for the accounting period 1 January - 31 December 2024 were examined by the audit committee and approved by the decision of the Board of Directors dated 11 March 2025.

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

		(Audited) Current Period 31 December 2024	(Audited) Previous Period 31 December 2023
	Notes		
LIABILITIES			
Current Liabilities		4,126,045	3,439,548
Short-Term Borrowings	5	95,949	599,984
Short-Term Portion of Long-Term Borrowings	5	776,402	1,797,714
Trade Payables		291,135	495,946
<i>Trade Payables to Related Parties</i>	7, 25	95,996	58,849
<i>Trade Payables to Third Parties</i>	7	195,139	437,097
Payables Related to Employee Benefits		15,600	15,141
Other Payables		46,735	65,272
<i>Other payables due to related parties</i>		31	-
<i>Other Payables to Third Parties</i>	13	46,704	65,272
Deferred Income	6	2,763,978	300,361
Period Profit Tax Liability		457	241
Short-Term Provisions		50,986	67,387
<i>Other Short Term Provisions</i>	15	50,986	67,387
Other Current Liabilities	12	84,803	97,502
Non-Current Liabilities		14,066,102	8,619,520
Long-Term Borrowings	5	1,130,171	2,864,134
Deferred Income	6	223	5,710,192
Trade Payables		68,390	38,307
<i>Trade Payables to Related Parties</i>	7,25	68,390	38,307
Long-Term Provisions		4,476	6,887
<i>Long-Term Provisions for Employee Benefits</i>	15	4,476	6,887
Deferred tax liability	23	12,862,842	-
EQUITY		97,238,558	104,298,319
Share Capital	17	1,000,000	1,000,000
Adjustment to Share Capital		10,435,440	10,435,440
Treasury Shares		(47,603)	(47,603)
Share Premium		368,240	368,240
Not be reclassified to profit or loss			
Accumulated Other Comprehensive Income or Expenses			
<i>Gains on revaluation of property, plant and equipment</i>		992,923	1,726,776
Restricted Reserves		1,303,870	865,557
Retained Earnings		74,574,283	71,701,908
Net Income		8,611,405	18,248,001
TOTAL LIABILITIES AND EQUITY		115,430,705	116,357,387

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

	Notes	(Audited) 1 January - 31 December 2024	(Audited) 1 January - 31 December 2023
Revenue	18	12,510,573	7,176,676
Cost of Sales (-)	18	(5,032,160)	(1,849,817)
GROSS PROFIT		7,478,413	5,326,859
General Administrative Expenses (-)	19	(352,382)	(428,936)
Marketing Expenses (-)	19	(80,698)	(138,561)
Other Operating Income	21	4,936,339	11,374,882
Other Operating Expenses (-)	21	(3,969,739)	(24,810)
OPERATING PROFIT		8,011,933	16,109,434
Income from Investments Accounted by Equity Method	14	120,267	909,235
OPERATING PROFIT BEFORE FINANCIAL INCOME		8,132,200	17,018,699
Financial Income	22	5,425,372	974,112
Financial Expenses (-)	22	(917,841)	(1,552,963)
Monetary Gain/(Losses)	31	(3,352,247)	1,809,571
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		9,287,484	18,249,389
Tax Expense		(217)	(1,388)
Deferred tax expense	23	(675,862)	-
NET INCOME FROM CONTINUED OPERATIONS		8,611,405	18,248,001
Earnings per share from continuing operations	24	8.61	18.25
OTHER COMPREHENSIVE EXPENSE		(733,853)	-
<u>That will not be reclassified to profit or loss:</u>			
- Revaluation Increases of Property, Plant And Equipment		(308,314)	-
-Tax expense related to revaluation increases on property, plant and equipment		(425,539)	-
TOTAL COMPREHENSIVE INCOME		7,877,552	18,248,001

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

	Share Capital	Adjustments to Share Capital	Treasury Shares (-)	Share Premium	Accumulated Other Comprehensive Income Not to be Reclassified to Profit or Loss	Restricted Reserves	Retained Earnings	Net Income	Total Equity
Opening balance as of 1 January 2023	1,000,000	10,435,440	(47,955)	368,240	760,078	776,253	48,594,195	23,629,547	85,515,798
Transfers	-	-	-	-	-	89,304	23,540,243	(23,629,547)	-
Dividends paid	-	-	352	-	-	-	(432,530)	-	(432,178)
Total comprehensive income	-	-	-	-	966,698	-	-	18,248,001	19,214,699
Closing balance as of 31 December 2023	1,000,000	10,435,440	(47,603)	368,240	1,726,776	865,557	71,701,908	18,248,001	104,298,319
Opening balance as of 1 January 2024	1,000,000	10,435,440	(47,603)	368,240	1,726,776	865,557	71,701,908	18,248,001	104,298,319
Transfers	-	-	-	-	-	438,313	17,809,688	(18,248,001)	-
Dividends paid	-	-	-	-	-	-	(3,175,872)	-	(3,175,872)
Deferred tax effect from previous periods (Not 2.5)	-	-	-	-	-	-	(11,761,441)	-	(11,761,441)
Total comprehensive income	-	-	-	-	(733,853)	-	-	8,611,405	7,877,552
Closing balance as of 31 December 2024	1,000,000	10,435,440	(47,603)	368,240	992,923	1,303,870	74,574,283	8,611,405	97,238,558

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

	Notes	(Audited) 1 January- 31 December 2024	(Audited) 1 January- 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		(5,596,894)	4,448,695
Profit for the period		8,611,405	18,248,001
Adjustments for Reconciliation of Profit for the Period		(1,996,749)	(12,999,975)
Adjustments for depreciation and amortization expenses	20	97,737	107,582
Adjustments for trade receivable impairment	7	(361)	670
Adjustments for property, plant, and equipment		4,679	28,677
Adjustments for interest income and expenses	22	(3,592,252)	683,232
Adjustments for unrealized foreign exchange differences		-	446,473
Adjustments for undistributed profits of investments accounted for by equity method	14	(120,267)	(909,235)
Gain on sales of investment properties	8	(4,801,121)	(11,174,507)
Adjustments (+/-) related to losses (gains) arising from sale of real estate purchased for investment purposes	21	3,624,424	(101,604)
Adjustments for tax income/expense (+/-)	23	675,862	-
Adjustments for monetary position gains and losses		2,114,550	(2,081,263)
Changes in working capital		(12,211,550)	(799,331)
Adjustments for decrease in trade receivables		490,842	(1,602,996)
Adjustments for decrease in other receivables		6,034	(10,646)
Adjustments for decrease in financial investment		(10,400,193)	(2,625,077)
Adjustments for decrease in inventories		(1,024,246)	(729,963)
Adjustments for decrease in prepaid expenses		23,271	(344,541)
Adjustments for increase in trade payables		(11,722)	466,226
Adjustments for increase/(decrease) in other payables		1,752	15,769
Adjustments for increase in deferred income		(1,166,081)	4,010,419
Adjustments for decrease/increase in other current/non-current assets from operations		(131,207)	21,478
Cash generated from operations		(5,596,894)	4,448,695
B. CASH FLOWS FROM INVESTING ACTIVITIES		14,413,702	245,171
Cash outflows from purchases of property, plant and equipment		(17,342)	(3,158)
Cash outflows from purchases of investment properties	8	(335,120)	(306,080)
Proceeds from disposal of investment properties		14,523,371	373,094
Dividends received	14	242,793	181,315
C. CASH FLOWS FROM FINANCING ACTIVITIES		(1,468,281)	(2,965,603)
Cash inflows from financial liabilities	5	-	3,064,913
Cash outflows from financial liabilities	5	(1,890,722)	(5,320,219)
Interest paid		(908,427)	(1,146,744)
Interest received	22	4,506,740	868,977
Dividend paid		(3,175,872)	(432,530)
Net (decrease) / increase in cash and cash equivalents	4	7,348,527	1,728,263
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	3,050,337	2,183,901
MONETARY LOSS/(GAIN) IMPACT ON CASH AND CASH EQUIVALENTS		(937,605)	(861,827)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	9,461,259	3,050,337

The accompanying notes form an integral part of these consolidated financial statement.

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Torunlar Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (‘Torunlar REIC’ or the ‘Company’) and its subsidiary, TRN Otel İşletmeciliği ve Yatırımları A.Ş. (‘TRN’) referred together as a ‘Group.’ The Company was incorporated in 1996 with the trade name of Toray İnşaat Sanayi ve Ticaret A.Ş. in İstanbul, Turkey. With a change in the Articles of Association published on Trade Registry Gazette on 25 January 2008, the Company has been registered with the trade name of Torunlar Gayrimenkul Yatırım Ortaklığı A.Ş. on 21 January 2008. The Company’s stocks have been traded at the Borsa İstanbul since 21 October 2010 and registered to Capital Markets Board (‘CMB’). The Company operates in Turkey. As of 31 December 2024, the total number of the Company’s employees is 204 (31 December 2023: 189) and the main shareholder is the Torun Family (Note 17).

The Company is registered in İstanbul Trade Registry Office in Turkey in the following address: Rüzgarlıbahçe Mahallesi Özalp Çıkmazı No: 4 Beykoz 34805 İstanbul/Turkey. The Company’s principle activity is to engage in the pre-defined objectives and areas stipulated in the Communiqué on real estate investment companies published by the Capital Markets Board of Turkey (‘CMB’) such as investing in real estate, capital market instruments based on real estate, real estate projects and capital market instruments. Torunlar REIC purchased 100% of the shares of TRN Otel İşletmeciliği ve Yatırımları A.Ş. as of 12 March 2020. Accordingly, the financial statements are prepared as consolidated as of 31 December 2020. The principal activity of TRN, and the Group’s participation rates are as follows:

Firm	Operating country	Operating sector	31 December 2024 Participation rate(%)	31 December 2023 Participation rate (%)
TRN Otel İşletmeciliği ve Yatırımları A.Ş.	Türkiye	Otel Yönetimi	100	100

Joint Ventures

The Joint Ventures of Torunlar REIC operate in Turkey and their principal activities and joint venture partners as of 31 December 2024 are as follows (Note 2):

Joint Venture	Principal activity	Joint venture partner
TTA Gayrimenkul Yatırım Geliştirme ve Yönetim A.Ş. (‘TTA’)	Shopping Mall Project	Anaterra Gayrimenkul Yatırım İnşaat ve Ticaret A.Ş.

TTA Gayrimenkul Yatırım ve Yönetim A.Ş. has been incorporated on 7 January 2010 after winning the tender related to the old cigarette factory and its auxiliary buildings which are located in Samsun, İlkadım district, 205 lot, 2, 8, 9, 10, 11, 12, 13, 14 parcels and 376 lot, 1 parcel and 377 lot, 5 parcel whose ownership is registered to Samsun Metropolitan Municipality. The project includes, by the approval of Samsun Cultural and Natural Heritage Protection Regional Committee; the renovation as shopping mall and/or hotel; constructing two stores underground car park and facilitating the right of operation to Samsun Metropolitan Municipality; operating for 30 years with a limited incorporeal right (permanent and individual usufruct right) on land registry by the same term and providing a certain share of the revenue of shopping mall and/or hotel to Samsun Metropolitan Municipality; delivering the project to Samsun Metropolitan Municipality at the end of the 30 years term.

As a result of winning the tender and the agreement made with Samsun Metropolitan Municipality, the earned right as part of the financial leasing is classified as investment property within the scope of TAS 40 and is measured at fair value.

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

In August 2011, 450,000 shares which were previously owned by Turkmall Gayrimenkul Geliştirme Yönetim ve Yatırım A.Ş. and valued nominally as TRY450,000 and 50,000 shares which were previously owned by Ahmet Demir and valued nominally as TRY50,000 were transferred to Anaterra Gayrimenkul Yatırım İnşaat ve Ticaret A.Ş. After the transfer, the shareholding structure of TTA is 40% Torunlar REIC, 8% Torunlar Gıda Sanayi Ticaret A.Ş., 1% Aziz Torun, 1% Mehmet Torun and 50% Anaterra Gayrimenkul Yatırım İnşaat ve Ticaret A.Ş. The construction of the TTA Bulvar Samsun Mall project has been started in 2011 and the Mall started to operate in July 2012.

Subsidiary

TRN Otel İşletmeciliği A.Ş.

The Group management has decided to purchase that 100% of the shares of TRN Otel İşletmeciliği ve Yatırımları A.Ş. with a nominal value of 500,000 nominal amount and nominal value of TRY0.22 that has been valued at TRY109 as of 12 March 2020. The Group has consolidated TRN Otel İşletmeciliği A.Ş. at the rate of 100% in the consolidated financial statements.

Associates

The Associates of Torunlar REIC are incorporated in Turkey and their primary operations and nature of businesses are stated below:

Associate

Principal Activity

Yeni Gimat GYO A.Ş. (“YeniGimat”)

Owner of Ankamall Shopping Mall
and Crowne Plaza Hotel

Netsel Turizm Yatırımları A.Ş. (“Netsel”)

Marmaris Marina management

Yeni Gimat

Yeni Gimat has been incorporated by participation of 1,050 individual shareholders as founding members on 30 July 1999. The Entity owns Ankamall Shopping Mall since 2006 and Ankara Crowne Plaza Hotel since 2007. While the Group owns 14.83% of Yeni Gimat shares and Torun family members also own another 5% of Yeni Gimat, as a result the Group has significant influence on Yeni Gimat and is also represented in the Board of Directors. The investment in Yeni Gimat is accounted by the equity method in the consolidated financial statements.

Netsel

Netsel has been incorporated by Net Turizm Ticaret and Sanayi A.Ş. and Yüksel İnşaat A.Ş. on 6 October 1987. The coastal property operated by Netsel, has been leased from Ministry of Culture and Tourism for 49 years on 22 December 1988. Net Turizm sold its shares to Marmara Bank in 1992 and Yüksel İnşaat sold its shares to Çukurova Group in 1994. Following the liquidation process of Marmara Bank, 44.60% of Netsel was sold to Torunlar REIC in accordance with share transfer agreements on 31 May 2005 and 7 June 2005 respectively and 55% of Netsel was transferred to Tek-Art Kalamış and Fenerbahçe Marmara Turizm Tesisleri A.Ş. (a subsidiary of Koç Holding A.Ş.) in accordance with share transfer agreement on 22 August 2005 as a privatization transaction. It was accounted for by using equity method since the Group has a significant influence in Netsel. The remaining 0.40% belongs to Torun family.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Preparation

Preparation of the consolidated financial statements

The Company and its subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The accompanying financial statements are prepared in TRY based on historical cost method, except for investment properties at fair values. These financial statements are restated based on statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/IFRS.

The Company maintains its books of account and prepares their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The accompanying financial statements are prepared in Turkish Lira based on historical cost method, except for financial assets and liabilities at fair values. These financial statements are restated based on statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/IFRS.

The Group’s consolidated financial statements as of 31 December 2024 have been approved by the Board of Directors on 11 March 2025 General assembly has the right to modify the consolidated financial statements.

Statement of Compliance in TAS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 ‘Basis of Financial Reporting in Capital Markets’, which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying consolidated financial statements are prepared based on the Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) and their appendices and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué. In addition, the consolidated financial statements and disclosures have been prepared in accordance with the formats of CMB dated 4 July 2024.

Preparation of financial statements in hyperinflationary economies

The accompanying financial statements are prepared on the historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts. The previously mentioned financial statements and all comparative amounts from previous periods have been adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with TMS 29 and are finally expressed in terms of the purchasing power of the Turkish lira as of 31 December 2024.

The restatements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TÜİK”). As of 31 December 2024, the indices and adjustment of the consolidated financial are as follows:

Date	Index	Conversion Factor	Three-year Inflation Rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

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

2.1 Basis of Preparation (Continued)

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economic are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provision of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant conversion coefficients.
- All items included in the income statements and other comprehensive income statements, except the cost of sales (excluding shopping mall costs), fair value increases/decreases of investment properties, depreciation expense, and profit/loss on asset sales, have been adjusted using the relevant monthly conversion factors. Cost of sales, depreciation expense, asset sale profit/loss items, fair value increases/decreases of investment properties have been recalculated on the basis of adjusted balance sheet items using conversion factors.
- All items in the statement of cash flows are expressed in the measurement unit in effect at the end of the reporting period.

The effect of inflation on the Group's net monetary position is included in the statements of income as monetary gain or loss.

Comparative figures

The relevant figures for the previous reporting period are restated by applying the general price index so that comparative financial statements are presented in the unit of measurement effective at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit effective at the end of the reporting period.

Functional and Presentation Currency

Items included in the financial statements of the company are presented using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company's functional currency is Turkish Lira ("TRY"), and presentation currency is thousand Turkish Lira.

Basis of the Consolidation

Subsidiary

Subsidiaries of the Company as at 31 December 2024 and 2023 are detailed as follows;

Firm	Operating country	Operating sector	2024 Participation rate(%)	2023 Participation rate(%)
TRN Otel İşletmeciliği ve Yatırımları A.Ş.	Turkiye	Hotel Managment	100	100

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

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

2.1. Basis of Preparation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Joint Ventures

Interests in joint ventures

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

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

2.1. Basis of Preparation (Continued)

Interests in Joint Ventures on combined basis are as follows:

TTA

	31 December 2024	31 December 2023
Current assets	72,108	21,279
Non-current assets	138,036	367,572
Total assets	210,144	388,851
Short-term liabilities	14,000	34,937
Long-term liabilities	-	22,223
Equity	196,140	331,691
Total liabilities and equity	210,140	388,851
Net profit for the year	74,476	34,437

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in its consolidated financial statements in proportion to its interest in a joint operation:

- Its assets, including its share of any assets held jointly,
- Its liabilities, including its share of any liabilities incurred jointly,
- Its revenue from the sale of its share of the output arising from the joint operation,
- Its share of the revenue from the sale of the output by the joint operation,
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the TFRSs applicable to the particular assets, liabilities, revenues and expenses.

Associates

Investments in associates, over which the Group has significant influence, but which it does not control, are accounted for by the equity method of accounting. The Group’s share of its associates’ post-acquisition profits or losses is recognized under ‘profit from investments accounted for by using equity method’ in the statement of profit or loss. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. The accounting policies of the associates can be modified if required in order to provide integrity with policies accepted by the Group.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Carrying amount in the date of termination of significant influence, presented with fair value if fair value after this date can be measured securely.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

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

2.1. Basis of Preparation (Continued)

Torunlar REIC’s direct and indirect voting rights in the associates as of 31 December 2024 and 2023 are as follows:

	31 December 2024 (%)	31 December 2023 (%)
Netsel	44.60	44.60
Yeni Gimat	14.83	14.83

Interest in associates on combined basis (*)

	31 December 2024	31 December 2023
Total assets	20,300,733	19,728,986
Total liabilities	4,602,978	433,298
Net profit for the year	(229,300)	11,093,814

(*) These combined figures represent amounts presented in the consolidated financial statements of associates which are accounted by the equity method after their classifications and adjustment entries for the equity method. The above-mentioned figures represent the complete result of operations of these companies.

Yeni Gimat

	31 December 2024	31 December 2023
Total assets	19,424,529	19,254,410
Total liabilities	4,379,280	229,821
Net profit for the year	(523,732)	10,851,531

Netsel

	31 December 2024	31 December 2023
Total assets	876,204	474,576
Total liabilities	223,698	203,477
Net profit for the year	294,432	242,283

Netting/Offset

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

2.2 Changes in Accounting Policies

Significant changes in accounting policies have been applied retrospectively and prior period consolidated financial statements are restated.

2.3 Changes in Accounting Policies

If changes in accounting estimates and errors are for only one period, changes are applied in the current period but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively.

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

2.4 New and Revised Turkish Accounting Standards

a. Standards, amendments and interpretations applicable as at 31 December 2024:

- **Amendment to TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **TFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

These standards, amendments and interpretations did not have a significant impact on the financial position or performance of the Group.

Additionally, it has been announced in the Board Decision published in the Official Gazette on 29 December 2023, that certain enterprises will be subject to mandatory sustainability reporting starting from 1 January 2024. Within the scope of the "Board Decision on the Application of Turkey Sustainability Reporting Standards (TSRS)" dated 5 January 2024, enterprises that fall under the scope of sustainability practices are listed to identify those subject to sustainability reporting. On the other hand, according to the "Board Decision on the Application of Turkey Sustainability Reporting Standards (TSRS)" dated 16 December 2024, changes have been made regarding the enterprises subject to sustainability reporting.

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

2.4 New and Revised Turkish Accounting Standards

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

The IFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet incorporated into legislation by the Public Oversight Accounting and Auditing Standards Authority.

- **Amendments to TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to TFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

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

2.4 New and Revised Turkish Accounting Standards

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024 (continued):

- **TFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **TFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group will evaluate the effects of the above changes on its operations and implement the necessary ones.

2.5 Summary of Significant Accounting Policies

Related parties

A related party is a person or entity that is related to reporting entity, 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.

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

2.5 Summary of Significant Accounting Policies (Continued)

Related parties (Continued)

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 (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- (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 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).

In the consolidated financial statements, shareholders, key management personnel and members of Board of Directors and their families, Torun Family and companies under their control and affiliated companies, subsidiaries and partnerships are considered and stated as related parties (Note 25).

Foreign currency transactions

Transactions in foreign currencies are translated into functional currency at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to functional currency TRY at the exchange rate at that date. Gains or losses on translation of foreign currency denominated transactions to functional currency TRY are recognized in statement of comprehensive income.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on the transaction date.

‘Financial assets measured at amortized cost’ are non-derivative financial assets that are held within the scope of a business model that aims to collect contractual cash flows and that have cash flows that include only the principal and interest payments arising from the principal balance at certain dates in contract terms. Related assets are recorded in the financial statements with their fair values; In subsequent accounts, they are measured over their discounted values using the effective interest rate method. Gains and losses arising from valuation of non-derivative financial assets measured at amortized cost are accounted in the consolidated income statement.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

If a financial asset is not measured at amortized cost or at FVTPL, the change in fair value is measured at profit or loss.

At the initial recognition, the Group may irrevocably elect to present changes in fair value of an equity investment that is not held for trade, in other comprehensive income.

(i) Amortized cost and effective interest method

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 amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. Interest income is recognized in profit or loss and is included in the ‘financial income – interest income’ line item (Note 22).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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NOT 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedging policy).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Specifically,

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss for the period. Other exchange differences are recognized in other comprehensive income;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on borrowing instruments (1 short-term), rental receivables, trade receivables, contract assets and expected credit losses related to investments for financial guarantee contracts that are measured at amortized cost and at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Since the Company's trade receivables, which are accounted under amortized cost value in the financial statements, do not include an important financing component, the Company uses the response matrix by selecting the simplified application for the impairment calculations. With this application, the Company measures the expected credit loss provision from an amount equal to the expected credit losses of the lifetime when the trade receivables are not impaired due to certain reasons. In the calculation of the expected credit losses, the Company's future forecasts are taken into consideration along with the past loan loss experiences. There is no material ECL as of 31 December 2024.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial assets (Continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss on default (for example, the size of the loss if there is a default) and the amount at risk in the event of default. Assessment of probability of default and loss in case of default is based on historical data corrected with forward looking information. The amount of financial assets subject to risk in case of default is reflected over the gross book value of the related assets at the reporting date.

The expected credit loss of financial assets is the initial effective interest rate of the difference between all of the cash flows that the Group expects to collect as the contractual maturity of the Group and all the cash flows the Group expects to receive (or the initial effective interest rate (or credit-impairment when purchased or generated). is the present value calculated on the basis of the effective interest rate adjusted according to the credit for the financial assets found.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

The Company classifies its financial liabilities as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

The Company classifies a financial liability subsequently at amortized cost except:

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial liabilities (Continued)

Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

A contingent consideration recognized in the consolidated financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The entity does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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

2.5 Summary of Significant Accounting Policies (Continued)

Advances

Advances received due to preliminary sales contracts related to residence projects are classified as short-term and long-term regarding the estimated delivery date of the residences. Other advances received due to operational reasons are classified as short-term and long-term regarding the acquisition purpose and term of the advance. Advances denominated in foreign currencies given to suppliers and subcontractors in relation to the projects being developed are not subject to exchange rate valuation. Advances denominated in foreign currencies given to legal entities and real persons in relation to residence and office projects are subject to exchange rate valuation if received from real persons with repayment obligations continuing after the delivery of the residences and offices, however exchange rate valuation is not applied if the advances are received from legal entities with no obligation regarding the repayment of the advance.

Financial liabilities and borrowing cost

Borrowings are recognized initially at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method in the consolidated financial statements. For the projects starting after the 1 January 2009, the borrowing costs are capitalized as a part of the qualifying assets which are directly attributable with the construction or production of the regarding assets if it takes significant time to be available for use or sale ('qualifying assets'). In the periods prior to 1 January 2009, borrowing costs were recognized as expense in the scope of the option existed TAS 23.

Current and deferred tax for the period

Corporate tax

According to Article 5/1(d) (4) of the New Corporate Tax Law No. 5520 ("CTV"), the income of Real Estate Investment Trusts ("REIT") is exempt from Corporate Tax in Türkiye.

With the Law No. 7524, certain conditions have been introduced for the exemption from corporate tax on the profits of REITs starting from 1 January 2025. Accordingly, when at least 50% of the gains derived from real estate are distributed as dividends, a tax rate of 10% will be applied to the corporate profit. Therefore, a tax rate of 30% will be used for the calculation of current taxes and deferred tax assets and liabilities for undistributed profits.

Deferred taxes

Due to tax regulations, as of 31 December 2024, taxable or deductible temporary differences recognized in the financial statements have been multiplied by the 30% tax rate effective from 1 January 2025, to calculate the deferred tax liability or asset. In accordance with the letter titled 'Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds' sent to Real Estate Investment Trusts by the KGK on 12 February 2025, the deferred tax liability arising from the legislative change in the financial statements as of 31 December 2024, is reflected as follows: the effect related to the years 2023 and prior is recorded under equity as retained earnings or losses from previous years, while the effect related to 2024 is reflected in the profit or loss statement.

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

2.5 Summary of Significant Accounting Policies (Continued)

Provision for employment termination benefits

Provision for the employee termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising from retirement of its employees calculated in accordance with Turkish Labor Law. In conformity with the laws regulating the work life in Turkey and the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month’s salary limited to a maximum of amount of TRY41,828.42 as of 31 December 2024 (31 December 2023: TRY23,489.83).

Share capital

Common shares are classified as equity. Costs related to newly issued shares are recognized in equity less tax effect.

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

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

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories consist of the cost of lands which is held for residential construction for sale by the Group and residential construction in process on these lands. Cost of inventories includes all purchase costs, conversion costs and other costs incurred in bringing the inventories to their present state and position. The unit cost of inventories is determined using the lower of cost or net realizable value.

Property, plant and equipment and related depreciation

Hotel and dormitory buildings that are kept in use for the delivery of goods or services or for administrative purposes are expressed with their revalued amounts. The Group bears the cost as the sales offices will be sold or rented in the future. If the book value of the asset has increased as a result of revaluation, the increase is recognized as other comprehensive income and is added to revaluation and measurement gains in equity. However, if there is a decrease in value of the same asset that was previously associated with profit or loss as a result of revaluation, this increase is recognized as income to the extent that it reverses the decrease in value. If the book value of the asset has decreased as a result of revaluation, the decrease is recognized as an expense. However, if there is an increase in value of the same asset that was previously recognized as other comprehensive income as a result of revaluation, this decrease is recognized as other comprehensive income to the extent that this decrease reverses the increase in value.

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

2.5 Summary of Significant Accounting Policies (Continued)

The increase resulting from the revaluation of the buildings in question is recorded in the revaluation fund in equity. The increase in value resulting from revaluation is recorded in the consolidated statement of profit or loss in the event of a decrease in the value of the property, plant and equipment previously shown in the consolidated statement of profit or loss, in proportion to the said decrease in value. The decrease in the book value resulting from the revaluation of the mentioned buildings is recorded in the consolidated statement of profit or loss if the asset exceeds the balance in the revaluation fund related to the previous revaluation.

Depreciation of revalued buildings is included in the consolidated statement of profit or loss. When the revalued real estate is sold or withdrawn from service, the remaining balance in the revaluation fund is directly transferred to the undistributed profits. Unless the asset is derecognized, no transfer is made from the revaluation fund to undistributed profits.

Assets under construction for leasing or administrative purposes or for other unspecified purposes are shown by deducting the impairment loss, if any, from their cost values. Legal fees are also included in the cost. For assets that need considerable time to be ready for use and sale, borrowing costs are capitalized. Such assets are subject to depreciation when they are ready for use, as in the depreciation method used for other fixed assets.

The buildings consist of the Hotel and Dorm buildings where the Group carries out tourism hotel management and dormitory services. Property, plant and equipment other than buildings are shown at cost, less accumulated depreciation and accumulated impairment losses.

Except for land and ongoing investments, cost or valued amounts of property, plant and equipment are subjected to depreciation using the straight-line depreciation method according to their expected useful lives. The expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates and if there is a change in estimates, they are accounted for prospectively.

The gain or loss resulting from the disposal of property, plant and equipment or decommissioning a property, plant and equipment is determined as the difference between the sales revenue and the asset's book value and is included in the consolidated statement of profit or loss.

The expected useful lives for property, plant and equipment are stated below:

	Years
Motor Vehicles	5
Furniture and Fixtures	4-5
Building	50
Machinery, plant and equipment	5-15
Underground and overland plants	15

Intangible Assets

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

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

2.5 Summary of Significant Accounting Policies (Continued)

Impairment of assets

The Group reviews all assets including tangible assets at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is projected. Impairment exists if the carrying value of an asset or a cash generating unit including the asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life. Impairment losses are recorded in the statement of comprehensive income. Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment.

Investment properties

Lands, buildings, hotels, congress centers and malls that are held to acquire rent or appreciation purpose instead of the purpose of using in the production of goods and services or selling for management purposes or in the natural course of the business, are classified as investment properties. Investment properties, after initial recognition, are carried at fair value. Gains and losses resulting from changes in fair values of investment property are recognized in the statement of comprehensive income (Note 21).

An investment property can be accounted as an asset, if and only if, it is probable that economic benefits related to real estate would flow to the entity and the cost of the investment property would be measured reliably.

The profit or loss recognized due to condemnation or disposal of an investment property is the difference between net collection obtained from the disposal of the asset and the book value of the real estate, and it is accounted as net profit or loss from appreciation in investment properties when their use is ended or they are disposed.

Investment property is measured initially at cost. These costs comprise of the costs related to the acquisition of investment properties and costs from subsequent additions, adjustments or service costs for investment properties. The transaction cost and borrowing costs are included to the cost. Borrowing costs related to acquisition, construction or production of qualifying assets are capitalized and this capitalization continues until the completion of the asset. The Group does not include the daily service expenses related to real estate in the book value of the investment property. Those costs are recognized in the statement of profit or loss to the extent that they are realized. ‘Maintenance and repair’ expenses regarding the investment properties are recognized to the income statement in the period they incur.

After initial recognition, investment property is measured at fair value. Fair value is based on active market prices, and it can be adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as discounted cash flow projections.

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

2.5 Summary of Significant Accounting Policies (Continued)

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure.

The Group measures the investment property under construction at fair value. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers factors such as the stage of completion, comparability of the project in market, the level of reliability of cash inflows after completion, the development risk specific to the property, past experiences with similar constructions, status of construction permits, estimated m² sales and rental charges and occupancy rates.

The Group transfers its investment properties to inventory or fixed assets if and only if a change occurs in use of the investment property. The aforementioned change in use is to start development for the purpose of sale after the development. If the Group decides on disposal of the investment properties without any development, until the disposal date, it is continued to be classified as investment property. Likewise, if the Company re-develops an existing investment property to be used as an investment property in the future, the classification of the property remained as investment property and cannot be reclassified to fixed assets during the course of development.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors (Note 3).

General expense reflection income (Common area expenses)

Invoices for common area expenses billed to Torunlar REIC related to the shopping malls the Group owns are charged to managers of malls and/or lessees in accordance with the agreements.

Hotel revenues

Earnings from room rentals, earnings from food and beverage sales, and earnings from other services provided to in-hotel customers are defined as income. Revenue is recognized when the rooms are kept and the services provided to the rooms are provided.

Sale of residences and offices

Revenue is recognized in the consolidated financial statements when real estates (residence or office) that are committed in accordance with the contract are transferred to the customer and the contractual performance obligation is realized. When the control is obtained to the customer, the real estate is considered as transferred.

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

2.5 Summary of Significant Accounting Policies (Continued)

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 Group 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 Group 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.

Share premiums

Share premium refers to the difference arising from the sale of the Company’s subsidiaries or investments accounted for using equity method, on a price higher than nominal amount, or refers to the difference between nominal amount and fair value of shares issued by the Company in relation to the acquired companies.

Treasury shares

The Company’s own shares which are purchased by the Company itself from Borsa İstanbul are named as treasury shares and recorded on nominal value in equities. Purchase/sale of treasury stocks is not associated with comprehensive income statement, and recognition is made directly on equity.

Earnings per share

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

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

Reporting of cash flows

The statement of cash flows includes cash and cash equivalents, cash with original maturity periods of less than three months and bank deposits (Note 4).

Netting/Offset

Each material class of similar items according to their nature or function is presented separately in the consolidated financial statements. If a line item is not individually material, it is aggregated with other similar items according to their nature or function. If the essence of the transaction and events requires offsetting, presentation of these transactions and events at their net values or following up of the assets at their amounts after the deduction of impairment, is not evaluated as a breach of the non-deductibility rule.

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

2.5 Summary of Significant Accounting Policies (Continued)

Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Group adjusts its consolidated financial statements if such subsequent events arise which require an adjustment to the consolidated financial statements (Note 28).

2.6 Critical Accounting Estimates, Assumptions and Judgements

The preparation of consolidated financial statements requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues expenses, which are reported throughout the period. Even though, these assumptions and estimates rely on the best estimates of the management; the actual results might differ from them:

Impairment of trade receivables

An important part of the doubtful receivables belongs to the tenants, which unexpectedly falls into economic difficulty. Provision for doubtful receivables related to trade receivables is determined based on past default experience. Expected credit loss calculated under TFRS 9 is not a material amount therefore, no provision was made for expected credit losses in the consolidated financial statements.

Fair values of investment properties

The fair value of the investment properties has been determined according to valuation carried out by an independent valuation company. The fair value of the investment property is determined according to the income approved and comparable transaction. Estimates and assumptions are determined by comparable or independent valuation experts, based on the income approach using appropriate discount rates, occupancy rates, annual rent increases, terminal value growth rates, etc. Differences between estimates and assumptions and actual results may cause significant impact on the Group's consolidated financial statements.

Principal assumptions found in the income reduction method are disclosed below:

In 2024, fair values of the investment properties are determined by independent valuation expert; Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş. which is licensed by CMB. The Group Management assumes that expenditure amount on investment property has an equivalent effect on fair value of related real estate.

In the consolidated financial statements, the following assumptions used by valuation experts; selection of the valuation method, the discount rate, the rent increase per annum terminal value growth rate, the capitalization rate and determination of the market comparable m² values are considered critical and thus disclosed below.

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

2.6 Critical Accounting Estimates, Assumptions and Judgements (Continued)

Significant estimates and assumptions disclosed in the financial statements as of 31 December 2024 and 2023 are as follows

31 December 2024	Valuation report date	Valuation method	Discount rate(*)	Rent increase rate p.a	Capitilazition rate	Comparable m ² prices in full TRY)
Antalya Deepo Shopping Mall	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Mall of Antalya	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Antalya Kepez Lands	8 January 2025	Sale Comparison	-	-	-	15,840
Bursa Korupark Shopping Mall	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Torium Shopping Mall and 2 Student Residences	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Bursa Zafer Plaza Shopping Mall	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Mall of İstanbul Shopping Mall	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Paşabahçe project İstanbul İkitelli	8 January 2025	Discounted Cash Flow	16-38%	8-30%	7%	-
Kayabaşı Land	8 January 2025	Sale Comparison	-	-	-	20,140
Karaköy Hotel project	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Bursa Korupark Independent Areas	8 January 2025	Discounted Cash Flow	-	-	-	40,450
5.Levent Retail	8 January 2025	Discounted Cash Flow	-	-	-	93,960
Mall of İstanbul Residents and Offices	8 January 2025	Discounted Cash Flow	-	-	-	89,750
Mall of İstanbul 2nd. Phase	8 January 2025	Discounted Cash Flow	14-36%	8-30%	7%	-
Mall of İstanbul 3rd. Phase	8 January 2025	Sale Comparison	-	-	-	30,464
Torun Center Office and Commercial	8 January 2025	Sale Comparison	-	-	-	172,906
31 December 2023	Valuation report date	Valuation method	Discount rate(*)	Rent increase rate p.a	Capitilazition rate	Comparable m ² prices in full TRY)
Antalya Deepo Shopping Mall	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Mall of Antalya	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Antalya Kepez Lands	8 January 2024	Sale Comparison	-	-	-	16,575
Bursa Korupark Shopping Mall	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Torium Shopping Mall and 2 Student Residences	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Bursa Zafer Plaza Shopping Mall	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Mall of İstanbul Shopping Mall	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Torun Tower	8 January 2024	Sale Comparison	-	-	-	168,490
Paşabahçe project İstanbul İkitelli	8 January 2024	Discounted Cash Flow	16-48%	8-40%	8%	-
Kayabaşı Land	8 January 2024	Sale Comparison	-	-	-	23,245
Karaköy Hotel project	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Bursa Korupark Independent Areas	8 January 2024	Sale Comparison	-	-	-	42,880
5.Levent Retail	8 January 2024	Sale Comparison	-	-	-	186,711
Mall of İstanbul Residents and Offices	8 January 2024	Sale Comparison	-	-	-	107,519
Mall of İstanbul 2nd. Phase Office and Commercial	8 January 2024	Discounted Cash Flow	14-46%	8-40%	6%	-
Mall of İstanbul 3rd. Phase	8 January 2024	Sale Comparison	-	-	-	50,099
Torun Center Office and Commercial	8 January 2024	Sale Comparison	-	-	-	253,906

(*) In accordance with the decree no. 32 that is effective as of 16 November 2019, monthly rental fees are denominated in Turkish Lira. Accordingly, in future projections, discount rates are calculated in TRY due to from cash flows denominated in TRY as a result of rental income in TRY.

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

2.6 Critical Accounting Estimates, Assumptions and Judgements (Continued)

Investment Properties	Location	Property Type	Report Number	31 December 2024 Fair Value
Mall of İstanbul Shopping mall	Başakşehir/İstanbul	Shopping Mall	2024/457	29,300,000
Bursa Korupark Shopping Mall	Osmangazi/Bursa	Shopping Mall	2024/454	12,554,300
Torun Center	Şişli/İstanbul	Commercial Unit & Office	2024/461	10,924,945
Mall of İstanbul Residents and Offices	Başakşehir/İstanbul	Housing & Office	2024/458	252,756
Mall of İstanbul 2nd. Phase	Başakşehir/İstanbul	Hotel & Residence	2024/465	1,495,000
Torium Shopping Mall	Esenyurt/İstanbul	Shopping Mall	2024/455	3,325,100
Deepo Shopping Mall	Kepez/Antalya	Shopping Mall	2024/463	4,147,300
Mall of Antalya Shopping Mall	Kepez/Antalya	Shopping Mall	2024/463	5,623,400
Bursa Zafer Plaza	Osmangazi/Bursa	Shopping Mall	2024/453	1,713,800
Korupark Independent Areas	Osmangazi/Bursa	Commercial Unit & Office	2024/459	176,466
Levent Çarşı	Eyüpsultan/İstanbul	Commercial Unit	2024/464	707,859
Torium Student Residences	Esenyurt/İstanbul	Student Dormitory	2024/455	494,202
Paşabahçe Land	Beykoz/İstanbul	Land	2024/462	6,246,099
Karaköy Hotel	Beyoğlu/İstanbul	Hotel project	2024/466	1,616,100
Kepez Lands	Kepez/Antalya	Land	2024/450	618,656
Kayabaşı Land	Başakşehir/İstanbul	Land	2024/449	888,636
Mall of İstanbul 3rd. Phase	Başakşehir/İstanbul	Land	2024/451	385,185

2.7 Compliance with the portfolio limitations

Information included in the footnote titled ‘Control of Compliance with Portfolio Limitations’ as of 31 December 2024 CMB Serial: II, No: 14.1 ‘The Communiqué on Principles Regarding Financial Reporting in the Capital Markets’ is a summary information derived from the financial statements and published in the Official Gazette numbered 28660 on 28 May 2013, Serial: III, No: 48.1. ‘Communiqué on Principles Regarding Investment Trusts’, ‘Communiqué Amending the Communiqué on Principles Regarding Real Estate Investment Trusts’, Serial: III, No: 48.1a, published in the Official Gazette No. 28891 on 23 January 2014, and the Official Gazette No. 31269 on 9 October 2020. It has been prepared in accordance with the provisions of the Communiqué Amending the Communiqué on Principles Regarding Real Estate Investment Trusts, Serial: III, No: 48.1.e, on the control of compliance with portfolio limitations.

NOTE 3 - SEGMENT REPORTING

The reportable segments of Torunlar REIC have been organized by the management as a portfolio on a project-by-project basis and makes decisions about resources to be allocated to the properties on the same basis. Accounting policies applied by each operational segment of Torunlar REIC are the same as those are applied in Torunlar REIC’s financial statements which are prepared in accordance with TFRS. The information about each segment is presented below. Management follows and evaluates the performance of its segments in the statement of profit or loss until the operating profit before the financing income/expense. Since all of the loans and deposits which are constituted the financing activities of the Group cannot be matched with the projects and are generally related to mixed projects, the Management does not make an assessment by distributing the financing activities according to the departments. In addition, the Management does not make an assessment by distributing its total assets and liabilities according to the divisions.

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

The segment information for the reportable segments as of and for the period ended 31 December 2024 is as follows:

	Total revenue from departments	Gross profit	Increase/ (Decrease) in fair value of investment properties (*)	Operating profit/ (loss)	Income/ (expense) from subsidiaries	Finance Incomes/ expenses, net	Profit/(loss) from operations before tax	Investment expenditures (**)
Offices and Shopping Malls for Rent								
Mall of İstanbul Shopping Mall	2,632,555	2,070,097	3,228,386	5,309,590	-	-	5,309,590	85,283
Korupark Shopping Mall	1,144,452	923,629	1,475,803	2,398,547	-	-	2,398,547	11,864
Torun Tower	209,471	209,231	-	(3,913,032)	-	-	(3,913,032)	-
Torium Shopping Mall	545,618	293,223	117,014	410,224	-	-	410,224	31,753
Mall of Antalya	555,717	409,303	508,398	917,701	-	-	917,701	11,212
Antalya Deepo Shopping Mall	384,545	296,081	(1,055)	295,026	-	-	295,026	34,483
Mall of İstanbul Residents and Offices	22,472	9,806	676,378	301,607	-	-	301,607	-
Zafer Plaza Shopping Mall	234,974	203,393	355,918	559,311	-	-	559,311	-
Torun Center	300,777	284,456	(1,571,612)	(1,304,813)	-	-	(1,304,813)	77,366
5. Levent Retail	29,682	26,330	(109,504)	(99,549)	-	-	(99,549)	-
Torium Student Residences	22,667	20,703	104,089	124,792	-	-	124,792	-
Korupark Independent Areas	2,105	1,390	(10,130)	(8,740)	-	-	(8,740)	-
Mall of İstanbul Residents and Offices	3,485	2,360	(29,874)	(27,512)	-	-	(27,512)	1,321
Tourism Income								
Hilton Hotel	313,887	130,050	-	130,050	-	-	130,050	-
Subtotal	6,402,407	4,880,052	4,743,8011	5,093,202	-	-	5,093,202	253,282
Residences and Office Projects								
Torun Center	372,077	176,258	-	357,219	-	-	357,219	-
Korupark 3rd Phase Residences	85,336	53,557	-	53,557	-	-	53,557	-
MOİ High Residence	-	-	-	-	-	-	-	-
MOİ Horizontal Office	-	-	-	-	-	-	-	-
5. Levent Project	5,650,741	2,631,131	-	2,593,771	-	-	2,593,771	-
Subtotal	6,108,154	2,860,946	-	3,004,547	-	-	3,004,547	-
Projects Under Construction								
5. Levent Project 2nd Phase	-	-	-	-	-	-	-	2,062,745
Paşabahçe Project	-	-	301,010	301,010	-	-	301,010	79,558
Karaköy Hotel	-	-	(100,678)	(100,678)	-	-	(100,678)	2,280
Real Estates Held to Develop Projects								
Antalya Kepez Lands	-	-	2,885	2,885	-	-	2,885	-
Kayabaşı Land	-	-	(136,988)	(136,988)	-	-	(136,988)	-
MOİ 3rd Phase	-	-	(8,919)	(8,919)	-	-	(8,919)	-
Associates								
Ankamall and Hotel (Yeni Gimat)	-	-	-	-	(111,950)	-	(111,950)	-
Netsel	-	-	-	-	189,278	-	189,278	-
TTA	-	-	-	-	42,939	-	42,939	-
Unallocated	12	(262,585)	-	(143,126)	-	1,155,284	1,012,158	-
Total	12,510,573	7,478,413	4,801,121	8,011,933	120,267	1,155,284	9,287,484	2,397,865

(*) It comprises of fair value increases/decreases arising from investment properties.

(**) Investment expenditures include investments for items classified as inventory in financial statements and shopping malls classified as investment properties.

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NOTE 3 - SEGMENT REPORTING (Continued)

The segment information for the reportable segments as of and for the period ended 31 December 2023 is as follows:

	Total revenue from departments	Gross profit	Increase/ (Decrease) in fair value of investment properties (*)	Operating profit/ (loss)	Income/ (expense) from subsidiaries	Finance Incomes/ expenses net	Profit/(loss) from operations before tax	Investment expenditures (**)
Offices and Shopping Malls for Rent								
Mall of Istanbul Shopping Mall	2,572,844	2,045,348	4,207,542	6,195,660	-	-	6,195,660	96,314
Korupark Shopping Mall	1,167,178	922,127	2,055,372	2,965,553	-	-	2,965,553	14,945
Torun Tower	512,155	505,261	3,629,141	4,122,024	-	-	4,122,024	-
Torium Shopping Mall	535,338	285,482	381,794	656,275	-	-	656,275	58,722
Mall of Antalya	577,312	425,611	98,527	684,659	-	-	684,659	37,352
Antalya Deepo Shopping Mall	415,239	324,816	267,397	423,321	-	-	423,321	4,314
Mall of Istanbul 2nd. Phase High Residence and Hilton Otel	11,569	8,658	(475,064)	(549,041)	-	-	(549,041)	-
Zafer Plaza Shopping Mall	219,301	185,717	8,530	193,270	-	-	193,270	-
Torun Center	158,425	140,878	1,766,619	1,777,577	-	-	1,777,577	-
5. Levent Retail	22,917	19,361	(232,457)	(239,672)	-	-	(239,672)	64
Torium Yurtlar	19,731	14,402	130,495	144,896	-	-	144,896	-
Korupark Independent Areas	2,320	1,468	(59,629)	(61,004)	-	-	(61,004)	-
Mall of Istanbul Residents and Offices	4,581	3,601	(57,129)	(53,528)	-	-	(53,528)	26,352
Tourism Income								
Hilton Hotel	306,988	151,042	-	151,042	-	-	151,042	-
Subtotal	6,525,898	5,033,772	11,721,138	16,411,032	-	-	16,411,032	238,063
Residences and Office Projects								
Torun Center	562,309	253,704	-	253,704	-	-	253,704	-
Korupark 3rd Phase	17,699	8,101	-	8,101	-	-	8,101	-
MOİ High Residence	67,171	29,567	-	29,567	-	-	29,567	-
MOİ Horizontal Office	1,005	479	-	479	-	-	479	-
5. Levent Project	2,585	1,236	-	1,236	-	-	1,236	-
Subtotal	650,769	293,087	-	293,087	-	-	293,087	-
Projects Under Construction								
5. Levent Project 2nd Phase	-	-	-	-	-	-	-	948,374
Paşabahçe Project	-	-	(589,434)	(589,434)	-	-	(589,434)	31,743
Real Estates Held to Develop Projects								
Antalya Kepez Lands	-	-	50,693	50,693	-	-	50,693	-
Kayabaşı Land	-	-	(58,378)	(58,378)	-	-	(58,378)	-
Kemankeş Building	-	-	77,462	77,462	-	-	77,462	36,274
Mall of Istanbul 3rd Phase	-	-	(26,974)	(26,974)	-	-	(26,974)	-
Associates								
ANKA mall and Hotel (Yeni Gimat)	-	-	-	-	787,401	-	787,401	-
Netsel	-	-	-	-	108,059	-	108,059	-
TTA	-	-	-	-	13,775	-	13,775	-
Unallocated	9	-	-	(48,054)	-	1,230,720	1,182,665	-
Total	7,176,676	5,326,859	11,174,507	16,109,434	909,235	1,230,720	18,249,389	1,254,454

(*) It comprises of fair value increases/decreases arising from investment properties.

(**) Investment expenditures include investments for items classified as inventory in financial statements and shopping malls classified as investment properties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	353	456
Banks	9,660,943	3,068,509
<i>Demand deposits</i>	271,688	50,027
<i>Time deposits</i>	9,389,255	3,018,482
Other cash equivalents	24,335	7,974
	9,685,631	3,076,939

As of 31 December 2024 and 31 December 2023, cash and cash equivalents in the statements of cash flows are as follows:

	31 December 2024	31 December 2023
Cash and cash equivalents	9,685,631	3,076,939
Less: Interest accrual of time deposits	(224,372)	(26,602)

Cash and cash equivalents in the statement of cash flows **9,461,259** **3,050,337**

Maturities of cash and cash equivalents are as follows:

	31 December 2024	31 December 2023
Up to 30 days	9,389,255	137,147
30 - 90 days	-	2,881,335
	9,389,255	3,018,482

The breakdown of foreign currency denominated cash and cash equivalents in terms of TRY is as follows;

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
US Dollar	2,542	89,683	51,644	2,194,999
Euro	1,569	57,639	2,694	126,698
Sterlin	32	1,415	18	973
		148,737		2,322,670

Average effective annual interest rates for time deposits are as follows:

	31 December 2024 (%)	31 December 2023 (%)
US Dollar	2.50	3.75
Euro	1.50	3.00
Turkish Lira	50.12	40.25

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31 DECEMBER 2024**

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NOTE 5 - FINANCIAL LIABILITIES

	31 December 2024	31 December 2023
Financial Liabilities		
Bank borrowings	95,949	599,984
<i>Short-term financial borrowings</i>	95,949	599,984
Short-term portions of long-term borrowings		
Finance leases	776,402	1,797,714
<i>Short-term portions of long-term borrowings</i>	776,402	1,797,714
Bank borrowings	1,130,171	2,864,134
<i>Long-term borrowings</i>	1,130,171	2,864,134
Total borrowings	2,002,522	5,261,832

As of 31 December 2024, there are mortgages amounting to given to the banks regarding the financial liabilities amounting to TRY7,775,706 (31 December 2023: TRY13,343,830) on the investment properties.

Bank borrowings	31 December 2024	31 December 2023
Short-term bank borrowings	95,949	599,984
Short-term portions of long-term borrowings	776,402	1,797,714
Long-term bank borrowings	1,130,171	2,864,134
Total borrowings	2,002,522	5,261,832

31 December 2024	Weighted average effective interest (%) (*)	Currency	Original amount	TRY equivalent
Short-term bank borrowings	40.03	TRY	95,949	95,949
Short-term portion of long-term borrowings	56.31	TRY	776,402	776,402
Long-term bank borrowings	56.92	TRY	1,130,171	1,130,171
Total bank borrowings				2,002,522

(*) Weighted average effective interest rates consists of weighted average rate of fixed and floating loans.

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(Amounts are expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 5 - FINANCIAL LIABILITIES (Continued)

31 December 2023	Weighted average effective interest (%) (*)	Currency	Original amount	TRY equivalent
Short-term bank borrowings	44.03	TRY	599,984	599,984
Short-term portion of long-term borrowings	30.68	TRY	1,772,554	1,772,554
	8.39	Euro	535	25,160
Long-term bank borrowings	33.26	TRY	2,554,905	2,554,905
	8.39	Euro	6,575	309,229
Total bank borrowings				5,261,832

(*) Weighted average effective interest rates consists of weighted average rate of fixed and floating loans.

The repayment schedule for long-term bank borrowings as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
2025	-	1,092,555
2026	776,402	1,147,914
2027 and beyond	353,769	623,665
	1,130,171	2,864,134

The movements of the Group's financial liabilities during the year are as follows:

	2024	2023
Total financial liabilities as of 1 January	5,261,832	10,478,620
Cash inflows from borrowing	-	3,064,913
Cash outflows from repayment	(1,890,722)	(5,320,219)
Foreign currency losses	-	446,473
Monetary loss/(gain), net	(1,374,649)	(3,813,420)
Change in interest accruals	6,061	405,465
Total financial liabilities as of 31 December	2,002,522	5,261,832

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 6 PREPAID EXPENSES AND DEFERRED INCOME

Short-Term Prepaid Expenses

	31 December 2024	31 December 2023
Advances given	172,739	281,682
Prepaid expenses	92,763	168,595
	265,502	450,277

Long-Term Prepaid Expenses

	31 December 2024	31 December 2023
Prepaid expenses	5,809	5,808
Order advances given	11,694	6,393
	17,503	12,201

Short-Term Deferred Income

	31 December 2024	31 December 2023
Advances received (*)	2,683,910	185,867
Deferred income	80,068	114,914
	2,763,978	300,361

(*) As of 31 December 2024, from the sales commitments regarding the offices and residential units that are not delivered consist of advances received amounting to TRY133,952 for Mall of İstanbul 2.nd Phase, TRY2,485,718 5. Levent Project, TRY64,240 part advanced received.

Long Term Deferred Income

	31 December 2024	31 December 2023
Deferred income	223	297
Advances received (*)	-	5,709,895
	223	5,710,192

(*) As of 31 December 2023, all of the long-term sales commitments regarding the residences and offices that were sold but not delivered yet consists of the 2nd Stage of the 5th Levent Project. Of the related advance amount, TRY 3,254,640 has been received in cash, TRY2,455,255 as notes receivable.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 7 TRADE RECEIVABLES AND PAYABLES

Current trade receivables	31 December 2024	31 December 2023
Notes receivables (*)	648,018	574,600
Trade receivables	327,012	480,556
Trade receivables from related parties (Not 25)	13,966	990,178
Less: Provisions for expected credit losses	(22,761)	(33,383)

966,235 **2,011,951**

Non-current trade receivables	31 December 2024	31 December 2023
Notes receivables (*)	49,651	72,085

49,651 **72,085**

(*) As of 31 December 2024, TRY550,114 of the short and long-term notes receivable consisted of the 5th Levent project 2nd Stage Project, TRY18,915 from Mall of Istanbul Project, TRY126,840 from Torun Center project, TRY1,800 from 5th Levent Project.

Movement of the provision for the doubtful receivables is as follows:

Doubtful trade receivable provision movements

	31 December 2024	31 December 2023
Opening balance	(33,383)	(54,143)
Provision provided during the year	(53)	(2,153)
Provisions no longer required	414	1,483
Monetary gain	10,261	21,430
Closing balance	(22,761)	(33,383)

Aging of provision for doubtful receivables is as follows:

	31 December 2024	31 December 2023
3 to 6 months	(46)	(1,750)
Over 6 months	(22,715)	(31,633)
	(22,761)	(33,383)

Short-term trade payables

	31 December 2024	31 December 2023
Trade payables	195,139	387,102
Trade payables to related parties (Not 25)	95,996	58,849
Notes payable	-	49,995
	291,135	495,946

As of 31 December 2024 and 2023, majority of trade payables consist of payables to subcontractors relating to projects in progress.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Long-term trade payables	31 December 2024	31 December 2023
Trade payables to related parties (Not 25)	68,390	38,307
	68,390	38,307

As of 31 December 2024 and 2023, majority of trade payables consist of payables to subcontractors relating to projects in progress.

NOTE 8 INVESTMENT PROPERTIES

Movement schedule of investment properties as of 31 December 2024 and 31 December 2023:

	1 January 2024	Additions	Disposals	Transfers	Change in fair value	31 December 2024
Shopping Malls and Offices						
Mall of Istanbul Shopping Mall	25,988,179	85,283	(1,848)	-	3,228,386	29,300,000
Torun Tower	17,902,968	-	(17,902,968)	-	-	-
Bursa Korupark Shopping Mall	11,066,633	11,864	-	-	1,475,803	12,554,300
Torun Center	12,655,705	77,366	(236,514)	-	(1,571,612)	10,924,945
Torium Shopping Mall	3,176,333	31,753	-	-	117,014	3,325,100
Antalya Deepo Shopping Mall	4,114,795	34,483	(923)	-	(1,055)	4,147,300
Mall of Antalya (*)	5,103,790	11,212	-	-	508,398	5,623,400
Mall of Istanbul hotel congress center and office Project - 2	818,622	-	-	-	676,378	1,495,000
Bursa Zafer Plaza Shopping Mall	1,357,882	-	-	-	355,918	1,713,800
Mall of Istanbul Residences and Offices	281,309	1,321	-	-	(29,874)	252,756
Korupark Independent Areas	186,596	-	-	-	(10,130)	176,466
5. Levent Retail 1	817,363	-	-	-	(109,504)	707,859
Torium Student Residence 1	155,208	-	-	-	65,693	220,901
Torium Student Residence 2	234,905	-	-	-	38,396	273,301
Investment properties under construction						
Paşabahçe Land	5,865,531	79,558	-	-	301,010	6,246,099
Karaköy Hotel	1,714,498	2,280	-	-	(100,678)	1,616,100
Properties held for new projects						
Antalya Kepez Lands	621,313	-	(5,542)	-	2,885	618,656
Kayabaşı Land	1,025,624	-	-	-	(136,988)	888,636
Mall of Istanbul 3rd Phase	394,104	-	-	-	(8,919)	385,185
	93,481,358	335,120	(18,147,795)	-	4,801,121	80,469,804

(*) The Company's request for an additional period until 31 December 2024 to ensure that Antalya Deepo AVM and Mall of Antalya AVM comply with Article 22, paragraph one, subparagraph (b) of the REIT Communiqué was approved in the letter sent to the Company by the Institutional Investors Department of the Capital Markets Board Presidency dated 6 December 2024.

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NOTE 8 - INVESTMENT PROPERTIES (Continued)

	1 January 2023	Additions	Disposals	Transfers	Change in fair value	31 December 2023
Shopping Malls and Offices						
Mall of İstanbul Shopping Mall	21,684,323	96,314	-	-	4,207,542	25,988,179
Torun Tower	14,273,827	-	-	-	3,629,141	17,902,968
Bursa Korupark Shopping Mall	8,996,316	14,945	-	-	2,055,372	11,066,633
Torun Center	10,334,856	-	(271,490)	825,720	1,766,619	12,655,705
Torium Shopping Mall	2,735,817	58,722	-	-	381,794	3,176,333
Antalya Deepo Shopping Mall	3,843,084	4,314	-	-	267,397	4,114,795
Mall of Antalya	4,967,909	37,354	-	-	98,527	5,103,790
Mall of İstanbul hotel congress center and office Project - 2	1,293,686	-	-	-	(475,064)	818,622
Bursa Zafer Plaza Shopping Mall	1,349,352	-	-	-	8,530	1,357,882
Mall of İstanbul Residences and Offices	312,088	26,350	-	-	(57,129)	281,309
Korupark Independent Areas	246,225	-	-	-	(59,629)	186,596
5. Levent Retail	1,049,756	64	-	-	(232,457)	817,363
Torium Student Residence 1	91,425	-	-	-	63,783	155,208
Torium Student Residence 2	168,193	-	-	-	66,712	234,905
Investment properties under construction						
Paşabahçe Land	6,423,222	31,743	-	-	(589,434)	5,865,531
Karaköy Hotel	1,600,762	36,274	-	-	77,462	1,714,498
Properties held for new Projects						
Antalya Kepez Lands	570,620	-	-	-	50,693	621,313
Kayabaşı Land	1,084,002	-	-	-	(58,378)	1,025,624
Mall of İstanbul 3rd Phase	421,078	-	-	-	(26,974)	394,104
	81,446,541	306,080	(271,490)	825,720	11,174,507	93,481,358

As of 31 December 2024 and 2023, the mortgages on investment properties arising from loans are as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>		<u>31 December</u>	<u>31 December</u>
	<u>Original</u>	<u>Original</u>	<u>Currency</u>	<u>2024</u>	<u>2023</u>
	<u>Amount</u>	<u>Amount</u>			
Torun Tower	-	2,887,575	TRY	-	2,887,575
Mall of İstanbul	1,500,000	2,165,682	TRY	1,500,000	2,165,682
Bursa Korupark Shopping Mall	1,500,000	2,165,682	TRY	1,500,000	2,165,682
Mall of Antalya - Deepo	130,000	130,000	Euro	4,775,706	6,124,891
				7,775,706	13,343,830

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NOTE 9 – INVENTORIES

Residences and office projects

	31 December 2024	31 December 2023
Residences and office projects (short term)		
- Torun Center Project (1)	3,176,488	3,045,585
- Mall of İstanbul 2nd Phase (High Residence) (2)	864,844	864,844
- 5th Levent Project (3)	61,354	72,230
- Mall of İstanbul Project (4)	37,236	37,236
- Torium (5)	5,995	5,995
- Korupark 3rd Phase	325	21,227
- 5.Levent project 2nd Phase (6)	1,979,450	-
	6,125,692	4,047,117

Other Inventories

- Inventories related with tourism activities	6,036	4,931
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Total inventories	6,131,728	4,052,048
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	31 December 2024	31 December 2023
Residences and office projects (long term)		
- 5th Levent Project 2nd Phase (6)	-	3,376,417
	-	3,376,417

- (1) As of 31 December 2024 there are 271 residences with an area of 45,479.39 m² and 7 workplaces with an area of 885 m² remaining in the Torun Center Project.
- (2) As of 31 December 2024, there are 46 residence stocks remaining in the Mall of İstanbul II. Stage project, totaling 11,028 m².
- (3) As of 31 December 2024, there are 8 housing stocks of 1,107 m² remaining in the 5th Levent project.
- (4) As of 31 December 2024, there are 2 housing stocks of 116 m² left in the Mall of İstanbul project.
- (5) As of 31 December 2024, there are 2 housing stocks of 189 m² remaining in the Torium Houses project.
- (6) Title deeds have started to be issued in the 5.Levent 2nd Stage project as of December 2024, and as of 31 December 2024, there are 481 houses with an area of 80,830.10 m² and 20 workplaces with an area of 3,325.68 m² left.

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Movements in tangible fixed assets and related accumulated depreciation for the period ending on 31 December 2024 and 31 December 2023 are as follows:

	1 January 2024	Additions	Transfers	Revaluation Fund	31 December 2024
Underground and overland plants	2,072	-	-	-	2,072
Buildings	4,629,895	12,387	(308,315)	-	4,333,967
Machinery, plant and equipment	2,570	-	-	-	2,570
Vehicles	17,334	-	-	-	17,334
Fixtures	214,668	4,060	-	-	218,728
Cost Value	4,866,539	16,447	(308,315)	-	4,574,671
Underground and overland plants	(517)	(31)	-	-	(548)
Buildings	(74,759)	(76,209)	-	-	(150,968)
Machinery, plant and equipment	(1,617)	(219)	-	-	(1,836)
Vehicles	(17,275)	(59)	-	-	(17,334)
Fixtures	(166,563)	(20,253)	-	-	(186,816)
Accumulated Depreciation (-)	(260,731)	(96,771)	-	-	(357,502)
Net Book Value	4,605,808				4,217,169

	1 January 2023	Additions	Transfers	Revaluation Fund	31 December 2023
Underground and overland plants	2,072	-	-	-	2,072
Buildings	3,588,439	-	1,041,456	-	4,629,895
Machinery, plant and equipment	2,570	-	-	-	2,570
Vehicles	17,334	-	-	-	17,334
Fixtures	212,020	2,648	-	-	214,668
Cost Value	3,822,435	2,648	1,041,456	-	4,866,539
Underground and overland plants	(478)	(39)	-	-	(517)
Buildings	-	(74,759)	-	-	(74,759)
Machinery, plant and equipment	(1,392)	(225)	-	-	(1,617)
Vehicles	(17,159)	(116)	-	-	(17,275)
Fixtures	(135,122)	(31,441)	-	-	(166,563)
Accumulated Depreciation (-)	(154,151)	(106,580)	-	-	(260,731)
Net Book Value	3,668,284				4,605,808

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NOTE 11 - FINANCIAL INVESTMENTS

The Group's short-term financial investments are as follows:

	31 December 2024	31 December 2023
Measured at amortized cost	5,391,775	1,770,257
	5,391,775	1,770,257

The Group's long-term financial investments are as follows:

	31 December 2024	31 December 2023
Measured at amortized cost	5,091,052	282,858
	5,091,052	282,858

a) Measured at amortized cost

Debt securities:

	31 December 2024	31 December 2023
Eurobond (*)	6,999,077	2,053,115
Domestic bonds	3,483,750	-
	10,482,827	2,053,115

(*) The minimum annual yield of the Eurobond in question is 5.98 percent and the maximum yield is 9.97 percent.

NOTE 12 - OTHER ASSETS AND LIABILITIES

Other current assets	31 December 2024	31 December 2023
Prepaid taxes and funds	160,324	30,115
Value added tax (“VAT”) receivables	13,834	24,936
Income accruals	2,237	1,100
Personnel advances	796	426
Other	-	5,701
	177,191	62,278

Other short-term liabilities

	31 December 2024	31 December 2023
Prepaid taxes and funds	73,867	95,213
Other	10,936	2,289
	84,803	97,502

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NOTE 13 - OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Other short-term receivables		
Deposits and guarantees given	1,669	21
Other miscellaneous receivables	10,178	22,966
	11,847	22,987

	31 December 2024	31 December 2023
Other long-term receivables		
Deposits and guarantees given	-	1,708
	-	1,708

	31 December 2024	31 December 2023
Other short-term payables		
Deposits and guarantees received	46,641	64,962
Other	94	310
	46,735	65,272

NOTE 14 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	31 December 2024		31 December 2023	
	(%)	TRY	(%)	TRY
Yeni Gimat	14.83	2,548,536	14.83	2,821,346
TTA	40.00	168,120	40.00	132,677
Netsel	44.60	235,750	44.60	120,909
		2,952,406		3,074,932

	31 December 2024	31 December 2023
Opening balance	3,074,932	2,347,012
Income and expenses from associates, (net)	77,328	895,460
Income and expenses from joint ventures, (net)	42,939	13,775
Dividends received from associates	(242,793)	(181,315)
Closing balance	2,952,406	3,074,932

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NOTE 14 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

Profit or losses from investments accounted for by the equity method:

	31 December 2024	31 December 2023
Yeni Gimat	(111,950)	787,401
Netsel	189,278	108,059
TTA	42,939	13,775
Total	120,267	909,235

NOTE 15 - PROVISIONS

Short-term provisions

	31 December 2024	31 December 2023
Provisions for legal cases	50,986	67,387
	50,986	67,387

(*) According to the opinions received from the lawyers of the Group, provision for lawsuits amounted to TRY50,986 as of 31 December 2024 (31 December 2023: TRY67,387). As of 31 December 2024, there are 58 pecuniary and non-pecuniary damages, 2 business lawsuits, 94 claims for receivables, 4 title deed registrations and 43 enforcement cases and 38 other miscellaneous lawsuits against the Group. The risk amount arising from the total possible cash outflow is TRY50,986, and the lawsuits are pending. (31 December 2023 73 pecuniary and non-pecuniary damages, 80 business lawsuits, 31 claims for receivables, 6 title deed registrations and there are 20 other miscellaneous cases and 39 other miscellaneous lawsuits). Based on the opinions received from the group lawyers, it is not expected that there will be any liability other than the provision allocated. There are no lawsuits in which the group partners are a party.

Short-term provisions

Provisions for employment termination benefits

	31 December 2024	31 December 2023
Provisions for legal cases	4,476	6,887
	4,476	6,887

Provisions for severance pay consist of the present value of the future possible liabilities, which occurs from the employees' retirements and it is calculated according to the Turkish Labor Law and accounted accrual basis. The calculation of severance payment provision is according to the price ceiling which is determined by the government. As of 1 January 2025, the effective price ceiling is TRY46,655.43 (1January 2023: TRY35,058.58).

TAS 19 Employee Benefits standard requires actuarial valuation methods on determining the severance payment liability. The company has classified the actuarial (loss)/gain effect in profit or loss in the financial statements since it does not reach a significant amount.

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NOTE 15 - PROVISIONS (Continued)

Movements of provision for employment termination benefits:

	1 January - 31 December 2024	1 January - 31 December 2023
Provision as of 1 January	6,887	14,692
Service cost	3,302	2,293
Interest cost	3,551	2,466
Monetary loss	(9,264)	(12,564)
Provision as of 31 December	4,476	6,887

NOTE 16 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities

	31 December 2024	31 December 2023
Collaterals received	1,183,868	991,224

Collaterals received usually consist of letters of guarantee received from subcontractors for projects which are developed by the Group.

In consideration with the present contract terms, the totals of expected minimum operational lease revenues as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Between 0 - 1 years	7,646,402	7,646,402
Between 1 - 5 years	45,277,603	45,277,603
Between 5 – 10 years	66,155,007	66,155,007

The minimum operational lease revenue represents lease revenue from Mall of İstanbul Shopping Mall, Korupark Shopping Mall, Torium Shopping Mall, Zafer Plaza Shopping Mall and Deepo Shopping Mall and the lease revenues from Ankamall and Crowne Plaza Otel that are owned by Yeni Gimat-associate of the Group and Bulvar Samsun shopping mall that is owned by joint ventures are not included in minimum operational lease revenue.

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NOTE 16 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals, Pledges and Mortgages (‘CPM’)

Below are the amounts of collaterals, pledges and mortgages of the Group as of 31 December 2024 and 31 December 2023:

CPM’s given by the Company Collaterals, Pledges, Mortgages (‘GPM’)	31 December 2024	31 December 2023
A. CPM’s Given for Its Own Legal Personality	86,123	120,756
B. CPM’s Given on Behalf of Fully Consolidated Companies	-	-
C. CPM’s Given for Continuation of its Economic D. Activities on Behalf of Third Parties	-	-
Total Amount of Other CPM’s		
i. Total Amount of CPM’s Given on Behalf of the Majority Shareholder	-	-
ii. Total Amount of CPM’s Given to Behalf of Other Group Companies which are not in Scope of B and C	-	-
iii. Total Amount of CPM’s Given on Behalf of Third Parties which are not in Scope of C	-	-
	86,123	120,756

The ratio of other CPM’s given by the Group to the Group’s equity is 8% as of 31 December 2024 (31 December 2023: 13%).

	31 December 2024		31 December 2023	
	Foreign currency	TRY equivalent	Foreign currency	TRY equivalent
Euro	130,000	4,775,706	130,000	6,124,891
TRY	3,000,000	3,000,000	7,218,939	7,218,939
		7,775,706		13,343,830

As of 31 December 2024 mortgages on investment properties of the Group are TRY7,775,706 (31 December 2023: TRY13,343,830). Lease income from Korupark Shopping Mall, Mall of Istanbul Shopping Mall, Mall of Antalya, Antalya Deepo Shopping Mall and Torun Tower is alienated regarding the loans used.

The Group also stands as the guarantor of the borrowings that will be used by the buyers of the residences until the completion of residences and transfer of deeds to the contracting parties in relation to sale of residences through loans.

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NOTE 17 - EQUITY

The Group increased its issued capital from TRY176,100,000 to TRY224,000,000 through public offering. A total TRY56,352,942 nominal value of shares was offered to the public, consisting of TRY47,900,000 to be issued from the capital increase and additional shares TRY8,452,942 owned by current shareholders. The compulsory prospectus of the public offering was registered by the İstanbul Trade Registry Office on 7 October 2010 and announced in the Trade Registry no: 7669 on 14 October 2010 pages between 641-735 totally 95 pages. The Group’s quoted shares are traded in the İstanbul Stock Exchange as from 21 October 2010.

The board of directors decided in its meeting dated 10 May 2012 to increase its paid-up capital of TRY224,000,000 to TRY500,000,000 within the cap of TRY1,000,000,000 registered capital, through a bonus issue by adding TRY276,000,000 out of a total of TRY301,770,000 share premium, transactions related to capital increase was completed on 16 August 2012.

The Group has increased its capital that is increased to TRY500,004, to TRY1,000,000 by providing all of it from the Extraordinary Shares within TRY1,000,000 registered equity ceiling, with capital increase through bonus issues by TRY499,996 on 22 December 2019.

Group’s shareholders and capital structure as of 31 December 2024 and 2023 is as follows:

Shareholders	(%)	Group A (thousand)	Group B (thousand)	Group C (thousand)	31 December 2024	31 December 2023
Aziz Torun	37.41	200,328	-	173,740	374,068	374,068
Mehmet Torun	37.41	-	200,312	173,740	374,052	374,052
Torunlar Gıda San. Ve Tic. A.Ş.	0.03	142	142	-	284	284
Mahmut Karabiyik	Less than 0.01	-	16	-	16	16
Other shareholders	Less than 0.01	-	-	8	8	8
Other (Public quotation)	25.16	-	-	251,572	251,572	251,572
Nominal capital		200,470	200,470	599,060	1,000,000	1,000,000
Adjustment to capital share		2,200,280	2,094,560	6,140,600	10,435,440	10,435,440
Adjusted capital		2,400,750	2,295,030	6,739,660	11,435,440	11,435,440

The A and B group shares have nomination privilege to the Board of Directors according to Article 13 of association. The members of the Board of Directors are elected by the General Assembly among the two candidates nominated by the shareholders of Group B, two candidates nominated by the shareholders of the Group A and the other three members among the candidates nominated by the general assembly. The nomination and election of the independent board members, the regulations regarding the independent members of the Capital Markets Board are taken as basis

Dividend is distributed according to Communiqué Serial: IV, No: 27 on ‘Principles Regarding Distribution of Dividends for the quoted entities subjected to Capital Market Board Law’, principles determined in the Articles of Association and dividend distribution policy which is declared by the Companies to the market.

In addition, the decision also allows companies to compute their distributable profit amounts by considering the net profit for the period presented in the publicly disclosed consolidated financial statements prepared in accordance with the Communiqué Serial: XI, No: 29, if such distributable profits could be fully recovered from resources subject to profit distribution in the statutory records.

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NOTE 18 - REVENUE AND COST OF SALES

	1 January- 31 December 2024	1 January- 31 December 2023
Residence and office sales income	6,108,154	650,769
Rent income from shopping malls and offices	4,976,950	5,087,437
Common area income	1,100,206	1,131,473
Hotel revenue	325,251	306,988
Other	12	9
Sales income	12,510,573	7,176,676
Cost of residence and office sales	(3,247,207)	(357,681)
Common area expenses	(1,223,877)	(1,246,894)
Hotel service costs	(183,837)	(155,946)
Rent expenses and management fees of shopping malls	(114,642)	(89,155)
Other	(262,597)	(141)
Cost of sales	(5,032,160)	(1,849,817)
Gross profit	7,478,413	5,326,859

Operational lease revenues mainly consist of rent income from shopping malls and building. Shopping malls in operation are Mall of İstanbul, Ankara ANKAmall, Bursa Korupark, Bursa Zafer Plaza, Antalya Deepo, İstanbul Torium and Samsun Bulvar Shopping Mall. Bulvar Samsun Shopping Mall started to operate on July 2012. Ankamall is owned by the Group's associate Yeni Gimat; Samsun Bulvar Shopping Mall, is owned by the Group's joint venture TTA. Mall of İstanbul, İstanbul Torium, Bursa Korupark and Antalya Deepo is managed by the related party Torun AVM Yatırım ve Yönetim A.Ş. ('Torun Shopping Mall'), the management of Bursa Zafer Plaza is conducted by Zafer Plaza İşletmeciliği A.Ş. Hotel revenues include revenues from room rentals, revenues from food and beverage sales, and revenues from other services provided to hotel guests. Common area expenses consist of electricity, water, security, cleaning, advertising and other common area expenses of the shopping malls. Common area income consists of expenses charged to tenants related to common areas.

NOTE 19- MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
General administrative expenses		
Personnel expenses	(96,116)	(63,502)
Depreciation expenses	(87,963)	(88,894)
Property expenses	(61,595)	(88,513)
Taxes, due and fees (*)	(50,833)	(126,902)
Transportation and travel expenses	(11,956)	(8,874)
Consultancy expenses	(10,620)	(7,033)
Donations	(9,243)	(1,096)
Provisions for legal cases and doubtful receivables	(7,065)	(39,199)
Other	(16,991)	(4,923)
	(352,382)	(428,936)

(*) A substantial part of the taxes and duties consist of estate taxes

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NOTE 19- MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (Continued)

	1 January- 31 December 2024	1 January- 31 December 2023
Marketing expenses		
Advertising and promotion expenses	(37,734)	(49,502)
Personnel expenses	(27,354)	(16,967)
Depreciation expenses	(9,774)	(18,688)
Consultancy expenses	(3,018)	(51,478)
Residence sales marketing expenses (*)	-	(722)
Other	(2,818)	(1,204)
	(80,698)	(138,561)

(*) As of 31 December 2024, a significant portion of housing sales marketing expenses consists of commissions paid to intermediary real estate companies for sales to non-residents.

NOTE 20 - EXPENSES BY NATURE

	1 January- 31 December 2024	1 January- 31 December 2023
Expenses for residences and offices sold	(3,247,207)	(357,681)
Common area expenses	(1,223,877)	(1,246,894)
Hotel costs	(183,837)	(155,946)
Personnel expenses	(123,470)	(80,469)
Rent expenses and management fees of shopping malls	(114,642)	(89,155)
Depreciation expenses	(97,737)	(107,582)
Property expenses	(61,595)	(88,513)
Taxes, due and fees	(50,833)	(126,902)
Advertising and promotion expenses	(37,734)	(49,502)
Consultancy expenses	(13,638)	(58,511)
Transportation and travel expenses	(11,956)	(8,874)
Donations	(9,243)	(1,096)
Provision for litigation and doubtful receivable expenses	(7,065)	(39,199)
Residence sales marketing expenses	-	(722)
Other	(282,406)	(6,268)
	(5,465,240)	(2,417,314)

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NOTE 21 - OTHER OPERATING INCOME/(EXPENSES)

Other operating income

	1 January- 31 December 2024	1 January- 31 December 2023
Net gain from fair value adjustments, on investment properties (Note 8)	4,801,121	11,174,507
Foreign exchange income, net	55,076	48,783
Provisions no longer required (Note 7)	414	1,392
Gains from the sale of real estate for investment purposes	-	101,604
Fixed asset sales	-	14,820
Other	79,728	33,776
	4,936,339	11,374,882

Other operating expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Loss on sale of investment properties (*)	(3,624,424)	-
Foreign exchange expense	(39,677)	-
Other (**)	(305,638)	(24,810)
	(3,969,739)	(24,810)

(*) The portion of the investment property sales loss of (3,823,644) TRY is the sales loss of the Torun Tower project, which was sold in April 2024, and the portion of 199,220 TRY is the sales profit of the Torun Center sales.

(**) The amount of other expenses (291,734) TRY is the Torun Tower title deed fee.

NOTE 22 - FINANCIAL INCOME/EXPENSES

Financial income

	1 January- 31 December 2024	1 January- 31 December 2023
Interest income on time deposits	4,506,740	868,977
Foreign exchange gains	918,632	105,135
	5,425,372	974,112

Financial expense

	1 January- 31 December 2024	1 January - 31 December 2023
Interest expense	(914,488)	(1,552,209)
Foreign exchange losses	(3,353)	(754)
	(917,841)	(1,552,963)

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NOTE 23 - TAX ASSETS AND LIABILITIES

Corporate Tax

The corporate tax rate is the corporate tax rate applied to the legal tax base, which is found by adding expenses that are not deductible according to the tax laws to the commercial income of the corporations and deducting the exemptions in the tax laws. The corporate tax rate applied to Capital Market Companies in Türkiye in 2024 is 30%.

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its tax-based legal financial statements and its financial statements prepared in accordance with TFRS. These differences generally arise from the fact that the tax-based amounts of some income and expense items are included in different periods in the financial statements prepared in accordance with TFRS. As explained in detail in Note 2, the tax exemption granted to real estate investment trusts by Article 5, paragraph d-4 of the Corporate Tax Law is conditioned on the distribution of at least 50% of the profits obtained from immovable properties through dividends as of 1 January 2025, with the Law No. 7524 dated 02/08/2024. Since the profit distribution decision is under the responsibility of the general assembly, the tax rate used in the calculation of 2024 deferred tax assets and liabilities is 30% (31 December 2023: 0%).

Deferred tax movement table:

	1 January- 31 December 2024	1 January- 31 December 2023
Deferred Tax Assets/(Liabilities) at the Beginning of the Period, Net	-	-
Associated with retained earnings	(11,761,441)	-
Associated with the profit or loss statement	(675,862)	-
Associated with other comprehensive income statement	(425,539)	-
Deferred tax liability	(12,862,842)	-

Deferred tax assets and liabilities recorded

As of 31 December 2024 and 31 December 2023, the items attributable to deferred tax assets and deferred tax liabilities consist of the following:

	Cumulative temporary differences 31 December 2024	Deferred tax assets/(liabilities) 31 December 2024
Regulations against trade receivables	(10,555)	3,167
Inventories	(5,478,334)	1,643,500
Advances provided	1,913	(574)
Investment properties and tangible fixed assets	48,430,155	(14,527,153)
Unused leave allowance	(2,551)	765
Deferred income	(2,717)	815
Provisions for lawsuits	(50,986)	15,295
Provision for employment termination benefits	(4,476)	1,343
		(12,862,842)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira as of 31 December 2024 unless otherwise indicated.)

NOTE 24 - EARNINGS PER SHARE

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (‘Bonus Shares’) to existing shareholders from retained earnings and revaluation surplus. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share.

Earnings per share disclosed in the income statement is determined by dividing net income attributable to ordinary shareholders by the weighted average number of shares existing during the period concerned.

	31 December 2024	31 december 2023
Net profit/(loss) of shareholders	8,611,405	18,248,001
Weighted average number of ordinary shares (Thousand in TRY)	1,000,000	1,000,000
Profit/(Loss) per share (Thousand in TRY)	8.61	18.25

NOTE 25 - RELATED PARTY DISCLOSURES

As of 31 December 2024 and 31 December 2023, the balances with related parties are as follows:

Trade payables to related parties

	31 December 2024	31 December 2023
Zafer Plaza İşletmeciliği A.Ş.	13,966	-
Torun Yapı San. Ve Tic. A.Ş. (**)	-	980,099
Other	-	10,079
	13,966	990,178

Other payables to related parties

	31 December 2024	31 December 2023
Mehmet Torun	68,390	38,307
Torun AVM (*)	91,550	53,687
Torun Center	4,404	3,984
Torun Enerji	42	-
Torunlar Gıda	-	1,178
	164,386	97,156

(*) Torun Shopping Mall provides management and administration services to Mall of İstanbul, Mall of Antalya, Deepo Shopping Mall, İstanbul Torium Shopping Mall and Bursa Korupark Shopping Mall which are owned by the Company. In accordance with the management agreement signed for the malls, management fee is paid for malls which is 2% (VAT excluding) of the sum of monthly TRY rent bills charged to tenants. The payable and receivable balances of Torun Shopping Mall are recognized as offset. The transactions with Torun AVM have been conducted through normal market conditions and market prices.

(**) Torun Yapı undertakes the construction works of the Company.

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NOTE 25 - RELATED PARTY DISCLOSURES (Continued)

As of 31 December 2024 and 2023, related to sales to related parties and commission paid, service expenses are as follows:

Sales to related parties	1 January- 31 December 2024	1 January- 31 December 2023
Zafer Plaza İşletmeciliği A.Ş. (**)	243,889	209,925
Torun AVM (*)	239,771	244,412
Torun Yapı San. Ve Tic. A.Ş.	27,391	-
Other	4,552	10,380
	515,603	464,717

(*) Torun Shopping Mall provides management and administration services to Mall of İstanbul, Mall of Antalya, Deepo Shopping Mall, İstanbul Torium Shopping Mall and Bursa Korupark Shopping Mall which are owned by the Company. In accordance with the management agreement signed for the malls, management fee is paid for malls which is 2% (VAT excluding) of the sum of monthly TRY rent bills charged to tenants. The payable and receivable balances of Torun Shopping Mall are recognized as offset. The transactions with Torun AVM have been conducted through normal market conditions and market prices

(**) Zafer Plaza İşletmeciliği A.Ş. is providing management and administration services to Zafer Plaza Shopping Mall which is owned by the Company. In accordance with the management agreement signed for Zafer Plaza Shopping Mall, Torunlar REIC has a rent income amounting to TRY243,889 for the period ended 31 December 2024 and TRY209,925 for the period ended 31 December 2023. The transactions with Zafer Plaza İşletmeciliği A.S. have been conducted through normal conditions and market prices.

Purchases of goods and services from related parties

	1 January- 31 December 2024	1 January- 31 December 2023
Torun Yapı San. Ve Tic. A.Ş. (*)	1,764,044	122,247
Torun AVM	769,450	584,077
Torunlar Gıda	11,911	11,167
Other	10,042	4,531
	2,555,447	722,022

(*) Torun Yapı undertakes the Group’s construction works.

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NOTE 25 - RELATED PARTY DISCLOSURES (Continued)

As of 31 December 2024 and 2023, the interest income from and interest expenses to the related parties are as follows:

Interest income from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Torun AVM	11,514	5,286
Torunlar Gıda	3,360	2,721
Other	23	531
Torun Yapı	489	3,175
	15,386	11,713

Finance expense from related parties

	1 January- 31 December 2024	1 January- 31 December 2023
Başkent Doğalgaz	3,600	-
Zafer Plaza	2,958	2,203
Torunlar Gıda	2,092	752
Torun Yapı	-	1,881
Trn Otel İşletmeciliği Faiz Giderleri	-	1,676
TRN AVM.A.Ş.Faiz Giderleri	-	146
Other	4	123
	8,654	6,781

Benefits Provided to Management

	1 January- 31 December 2024	1 January- 31 December 2023
Salaries and premiums	19,807	23,782

All the benefits provided to the senior management consist of short-term remuneration and similar benefits and do not include long-term benefits.

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NOTE 26 - FAIR VALUE DISCLOSURES ON FINANCIAL INSTRUMENTS

Financial assets

It is assumed that the carrying values of the cash and cash equivalents approximate their fair values since classified under short term.

Appraiser report values are used to determine the fair values of the investment properties, which are recognized at their fair values in the balance sheet (Note 8).

It is assumed that the registered values of trade receivables reflect the fair value since the receivables are short term.

Financial liabilities

It is assumed that the carrying values of trade payables approximate their fair values since they are classified under short term.

It is assumed that the fair values of liabilities from finance leases approximate their fair values since classified under short term.

Derivative financial instruments are carried at their fair values.

Fair Value of Financial Instruments

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

Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from directly or indirectly observable current market transactions.

Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data.

Classifications of the assets and liabilities which are measured at fair values are as follows:

Financial assets measured at the fair value	Fair Value as of 31 December 2024		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Investment properties	-	13,954,503	66,515,301

Financial assets measured at the fair value	Fair Value as of 31 December 2023		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Investment properties	-	33,884,982	59,596,376

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NOTE 26- FAIR VALUE DISCLOSURES ON FINANCIAL INSTRUMENTS (Continued)

Investment Properties

If there was an increase/decrease of 0.5% in the discount rates of investment properties, the fair value of which was calculated using the income approach method, and all other variables remained constant, the profit would be TRY2,114,900 less and TRY2,165,200 more, respectively (31 December 2023 TRY4,367,263 less and TRY5,256,652 more). The sensitivity analysis of investment properties calculated using the revenue discount approach as of 31 December 2024 and 2023 is as follows:

	Discount Rate	Sensitivity Analysis	Profit effect On the Fair value	Loss effect On the Fair value
31 December 2024				
Mall of Shopping Mall	22%	0.5%	900,000	(900,000)
Korupark Shopping Mall	22%	0.5%	382,900	(367,800)
Paşabahçe	22%	0.5%	199,100	(190,700)
Mall of Antalya Shopping Mall	22%	0.5%	171,000	(164,100)
Mall of İstanbul 2nd Phase Offices and commercial ares	22%	0.5%	234,000	(225,000)
Deepo Shopping Mall	22%	0.5%	126,200	(121,300)
Torium Shopping Mall	22%	0.5%	100,400	(96,500)
Zafer Plaza Shopping Mall	22%	0.5%	51,600	(49,500)
31 December 2023				
	Average Discount Rate	Sensitivity Analysis	Profit effect On the Fair value	Loss effect On the Fair value
Mall of İstanbul Shopping Mall	22%	0.5%	2,165,685	(1,732,548)
Korupark Shopping Mall	22%	0.5%	924,026	(786,866)
Paşabahçe	23%	0.5%	376,252	(334,093)
Mall of Antalya Shopping Mall	22%	0.5%	425,918	(353,729)
Mall of İstanbul 2nd Phase Offices and commetcial ares	22%	0.5%	467,788	(395,598)
Deepo Shopping Mall	22%	0.5%	339,291	(288,758)
Torium Shopping Mall	22%	0.5%	259,882	(223,787)
Kemankeş	21%	0.5%	188,472	(159,236)
Zafer Plaza Shopping Mall	22%	0.5%	109,338	(92,648)

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

Liquidity risk

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient liquidity. The Group management tries to avoid liquidity risk from daily operations by trying to keep sufficient levels of cash and to have open credit lines with creditors. Management also tries to align the repayment of borrowings obtained for the construction and acquisition of investment properties with the rental revenue streams from such properties to the extent possible. For the construction of residential units, the Group obtains cash advances from customers by engaging in pre-sales agreements to minimize the funding requirement in such projects.

The analysis of the Group’s financial liabilities with respect to their maturities as of 31 December 2024 and 2023 is as follows:

31 December 2024	Carrying value	Contractual Cash Flow	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
Short-term financial liabilities (non-derivative):						
Short-term liabilities	95,949	107,722	23,698	84,024	-	-
Short-term portion of long-term liabilities	776,402	871,667	776,402	95,265	-	-
Other payables	46,704	46,704	46,704	-	-	-
Trade payables	291,135	291,135	291,135	-	-	-
	1,210,190	1,317,228	1,137,939	179,289	-	-
Long-term financial liabilities (Non-derivative):						
Long-term liabilities	1,130,171	1,268,843	-	353,769	915,074	-
	1,130,171	1,268,843	-	353,769	915,074	-
Non-derivative financial liabilities, total	2,340,361	2,586,071	1,137,939	533,058	915,074	-

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Carrying value	Contractual Cash Flow	Up to 3 months	3 months to 1 year	1 year to- 5 years	Over 5 years
Short-term financial liabilities (non-derivative):						
Short-term liabilities	599,984	673,603	108,284	565,319	-	-
Short-term portion of long-term liabilities	1,797,714	1,990,045	514,664	1,475,381	-	-
Other payables	65,272	65,272	65,272	-	-	-
Trade payables	495,946	495,946	495,946	-	-	-
	2,958,916	3,224,866	1,184,166	2,040,700	-	-
Long-term financial liabilities (Non-derivative):						
Long-term liabilities	2,864,134	3,215,563	-	-	3,215,563	-
	2,864,134	3,215,563	-	-	3,215,563	-
Non-derivative financial liabilities, total	5,823,050	6,440,429	1,184,166	2,040,700	3,215,563	-

The analysis of the Group’s assets and liabilities with respect to their maturities as of 31 December 2024 and 2023 is as follows:

	31 December 2024				Total
	Up to 3 months	3 months to 1 year	More than 1 year	Non-interest bearing	
Cash and cash equivalents	9,389,255	-	-	296,376	9,685,631
Trade receivables	-	952,269	49,651	-	1,001,920
Due from related parties	13,966	-	-	-	13,966
Other financial assets	-	5,391,775	-	-	5,391,775
Total assets	9,403,221	6,344,044	49,651	296,376	16,093,292
Financial liabilities	23,698	848,653	1,130,171	-	2,002,522
Trade payables	195,139	-	-	-	195,139
Due from related parties	95,996	-	68,390	-	164,386
Total liabilities and equity	314,833	848,653	1,198,561	-	2,362,047
Net repricing position	9,088,388	5,495,391	(1,148,910)	296,376	13,731,245

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2023				Total
	Up to 3 months	3 months to 1 year	More than 1 year	Non-interest bearing	
Cash and cash equivalents	3,018,482	-	-	58,457	3,076,939
Trade receivables	-	1,021,773	72,085	-	1,093,858
Due from related parties	990,178	-	-	-	990,178
Other financial assets	-	2,053,115	-	-	2,053,115
Total assets	4,008,660	3,074,888	72,085	58,457	7,214,090
Financial liabilities	970,800	1,426,898	2,864,134	-	5,261,832
Trade payables	437,097	-	-	-	437,097
Due from related parties	97,156	-	-	-	97,156
Total liabilities and equity	1,505,053	1,426,898	2,864,134	-	5,796,085
Net repricing position	2,503,607	1,647,990	(2,792,049)	58,457	1,418,005

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by offsetting interest rate sensitive assets and liabilities and using derivative instruments when considered necessary. In this context, matching of not only maturities of receivables and payables but also contractual repricing dates are crucial. To keep the exposure of financial liabilities to interest rate changes at a minimum, ‘fixed interest/floating interest’, ‘short-term/long-term’, ‘TRY/foreign currency’ balance should be structured consistent within and with assets in the balance sheet.

Borrowings with floating interest rate which have been classified as financial liabilities in the Group’s balance sheet have been exposed to the interest risk as a result of change in interest rates. As of 31 December 2023, if the interest denominated in US Dollar and Euro is 1% higher/lower while all other variables were held constant, profit before tax would decrease/increase by TRY12,591 (31 December 2023: TRY39,859).

Interest Position Table

	31 December 2024	31 December 2023
Fixed Interest Rate Instruments		
Financial Liabilities	743,439	1,275,947
Variable Interest Rate Instruments		
Financial Liabilities	1,259,083	3,985,885
Total financial liabilities	2,002,522	5,261,832

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NOT 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2024, the repricing details of variable rate financial instruments are as follows:

	31 December 2024	31 December 2023
0-6 month	436,220	2,097,105
6-12 month	138,013	899,236
Over 1 year	684,850	989,544
Total	1,259,083	3,985,885

Credit risk disclosures

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

The Group keeps majority of its deposits with top 10 retail banks established in Turkey, with which the Group had standing relations.

Credit risk mainly consists of receivables from related parties. Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (letter of guarantee, letter of credit, etc.)
- Mortgage on real estate
- Cheques and notes

In credit risk control, the credit quality of each customer is assessed; taking into account its financial position, past experience and other factors, individual risk limits are set in accordance and the utilization of credit limits is regularly monitored.

Credit risk details as of 31 December 2024 are as follows:

31 December 2024	Trade receivables		Other Receivables	Deposit in banks
	Related party	Other party		
Maximum exposed credit risk as of reporting date	13,966	1,001,920	11,847	9,660,943
Secured portion of the maximum credit risk by guarantees, etc.	-	1,183,868	-	-
A. Net book value of financial assets that are either not due or not impaired	13,966	1,001,920	11,847	9,660,943
B. Net book value of the expired but not impaired financial assets	-	-	-	-
C. Net book value of impaired assets	-	-	-	-
- Overdue (Gross book value)	-	22,761	-	-
- Impairment (-)	-	(22,761)	-	-
- Not overdue (Gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Secured portion of the net value by guarantees, etc	-	-	-	-
D. Off balance sheet items with credit risks	-	-	-	-

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NOT 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Trade receivables		Other Receivables	Deposit in banks
	Related party	Other party		
Maximum exposed credit risk as of reporting date	990,178	1,093,858	24,695	3,068,509
Secured portion of the maximum credit risk by guarantees, etc.	-	991,224	-	-
A. Net book value of financial assets that are either not due or not impaired	990,178	1,093,858	24,695	3,068,509
B. Net book value of the expired but not impaired financial assets	-	-	-	-
C. Net book value of impaired assets	-	-	-	-
- Overdue (Gross book value)	-	33,383	-	-
- Impairment (-)	-	(33,383)	-	-
- Not overdue (Gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Secured portion of the net value by guarantees, etc	-	-	-	-
D. Off balance sheet items with credit risks	-	-	-	-

While determining the above-mentioned amounts, the factors that increase the credibility such as guarantees received are not considered. In the financial assets of the Group which are subject to credit risk, no impairment risk has been identified. Additionally, Group does not have off balance sheet items which are subject to credit risk and assets overdue but not impaired assets.

Foreign exchange risk

The Group is exposed to foreign exchange rate risk through operations it has made in multiple currencies. The main principle in the management of this foreign currency risk is maintaining foreign exchange position in a way to be affected least by the fluctuations in foreign exchange rates, in other words, maintaining foreign exchange position close to zero.

For this reason, the proportion of the positions of these currencies among each other or against Turkish Lira to total equity amount is aimed to be controlled under certain limits. The Group is exposed to foreign exchange rate risk for EUR and USD

Foreign currency position

Foreign currency denominated assets, liabilities and off-balance sheet accounts give rise to foreign exchange exposure.

The Group does not have any export or import activity in 31 December 2024 and 2023.

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency denominated assets and liabilities held by the Group are as follows:

	31 December 2024	31 December 2023
Assets	10,669,560	2,475,684
Liabilities	(511,616)	(521,871)
Net balance sheet position	10,157,944	1,953,813

The table below summaries foreign currency position risk of the Group as of 31 December 2024. The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent are as follows:

31 December 2024		Total TRY Amount	Euro	US Dollar	Sterlin
1.	Trade receivables	169,138	342	4,438	-
2.a	Monetary financial assets	10,485,173	44,592	250,724	32
2.b	Non-Monetary financial assets	-	-	-	-
3.	Other assets	15,249	78	351	-
4.	Current Assets	10,669,560	45,012	255,513	32
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-Monetary financial assets	-	-	-	-
7.	Other assets	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	Total assets	10,669,560	45,012	255,513	32
10.	Trade payables	(136,417)	(526)	(3,312)	-
11.	Financial liabilities	-	-	-	-
12.a	Other monetary obligations	-	-	-	-
12.b	Other non-monetary liabilities	-	-	-	-
13.	Short-term liabilities	(136,417)	(526)	(3,312)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(375,199)	(526)	(10,068)	-
16.a	Other monetary obligations	-	-	-	-
16.b	Other non-monetary liabilities	-	-	-	-
17.	Long-term liabilities	(375,199)	(526)	(10,068)	-
18.	Total liabilities	(511,616)	(1,052)	(13,380)	-
19.	Net asset/liability position of off-balance sheet foreign currency derivative instruments (19a-19b)	-	-	-	-
19.a	Amount of off-balance sheet foreign currency derivatives with asset character	-	-	-	-
19.b	Amount of off-balance sheet foreign currency derivatives with a passive character	-	-	-	-
20.	Net foreign currency asset liability position (9+18+19)	10,157,944	43,960	242,133	32
21.	Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	10,157,944	43,960	242,133	32
22.	Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-
23.	Amount of hedged foreign exchange assets	-	-	-	-
24.	Amount of hedged foreign exchange liabilities	-	-	-	-
25.	Export	-	-	-	-
26.	Import	-	-	-	-

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The table below summaries foreign currency position risk of the Group as of 31 December 2024. The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent are as follows:

31 December 2023		Total TRY Amount	Euro	US Dollar	Sterlin
1.	Trade receivables	151,853	815	2,671	-
2.a	Monetary financial assets	2,322,670	2,694	51,644	18
2.b	Non-Monetary financial assets	-	-	-	-
3.	Other assets	1,161	3	24	-
4.	Current Assets	2,475,684	3,512	54,339	18
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-Monetary financial assets	-	-	-	-
7.	Other assets	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	Total assets	2,475,684	3,512	54,339	18
10.	Trade payables	(186,887)	(978)	(3,307)	-
11.	Financial liabilities	-	-	-	-
12.a	Other monetary obligations	(40,518)	(860)	-	-
12.b	Other non-monetary liabilities	-	-	-	-
13.	Short-term liabilities	(227,405)	(1,838)	(3,307)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(294,466)	(6,250)	-	-
16.a	Other monetary obligations	-	-	-	-
16.b	Other non-monetary liabilities	-	-	-	-
17.	Long-term liabilities	(294,466)	(6,250)	-	-
18.	Total liabilities	(521,871)	(8,088)	(3,307)	-
19.	Net asset/liability position of off-balance sheet	-	-	-	-
19.a	foreign currency derivative instruments (19a-19b)	-	-	-	-
19.b	Amount of off-balance sheet	-	-	-	-
19.b	foreign currency derivatives with asset character	-	-	-	-
	Amount of off-balance sheet	-	-	-	-
20.	Net foreign currency asset liability position (9+18+19)	1,953,813	(4,576)	51,032	18
21.	Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	1,953,813	(4,576)	51,032	18
22.	Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-
23.	Amount of hedged foreign exchange assets	-	-	-	-
24.	Amount of hedged foreign exchange liabilities	-	-	-	-
25.	Export	-	-	-	-
26.	Import	-	-	-	-

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The table below shows the Group’s sensitivity for 10% fluctuation of USD and EUR. These amounts represent the effect on the statement of comprehensive income of 10% fluctuation of USD and EUR against TRY. During this analysis all other variables especially interest rate are assumed to remain constant.

Foreign currency sensitivity analysis as of 31 December 2024 and 2023 are as follows:

	Gain/Loss		Equity	
	Appreciation	Depreciation	Appreciation	Depreciation
31 December 2024				
10% fluctuation in USD rate				
USD net asset/liability	854,143	(854,143)	854,143	(854,143)
Secured portion from USD risk	-	-	-	-
USD net effect	854,143	(854,143)	854,143	(854,143)
10% fluctuation in EUR rate				
EUR net asset/liability	161,405	(161,405)	161,405	(161,405)
Secured portion from EUR risk	-	-	-	-
EUR net effect	161,405	(161,405)	161,405	(161,405)
	Gain/Loss		Equity	
	Appreciation	Depreciation	Appreciation	Depreciation
31 December 2023				
10% fluctuation in USD rate				
USD net asset/liability	217,470	(217,470)	217,470	(217,470)
Secured portion from USD risk	-	-	-	-
USD net effect	217,470	(217,470)	217,470	(217,470)
10% fluctuation in EUR rate				
EUR net asset/liability	(21,707)	21,707	(21,707)	21,707
Secured portion from EUR risk	-	-	-	-
EUR net effect	(21,707)	21,707	(21,707)	21,707

Capital management

The Group attempts to manage its capital by minimizing the investment risk with portfolio diversification. The Group’s objectives are to safeguard the Group’s sustainability as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to keep a gearing ratio that is in-line with industry averages.

When the Group manages the capital, it aims to provide returns to shareholders and to reduce cost of capital, to maintain optimal capital structure by protecting the Group’s operation ability.

To maintain or adjust the capital structure, Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Gearing ratios as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Total liabilities	2,002,522	5,261,832
Cash and cash equivalents	(9,685,631)	(3,076,939)
Net liabilities	(7,683,109)	2,193,323
Equity	97,238,558	104,298,319
Invested capital	1,000,000	1,000,000
Gearing ratio	(8%)	(2%)

NOTE 28 - SUBSEQUENT EVENTS

None.

NOTE 29- FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/ AUDITOR'S FIRM

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2022, and the preparation principles of which are based on the KGK letter dated 19 August 2022 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Independent audit fee for the reporting period	2,296	2,310
Total	2,296	2,310

The fees above have been determined through including the independent audit and other related service fees of all Subsidiaries and Joint Ventures.

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NOTE 30 - ADDITIONAL NOTES: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

The information contained herein is in nature of summary information derived from the financial statements in accordance with Article 16 of the CMB Serial: II, No: 14.1 ‘Communiqué on Principles Regarding Financial Reporting in the Capital Markets’; ‘Communiqué on Principles Regarding Real Estate Investment Trusts’ with Serial: III, No: 48.1, published in the Official Gazette No. 28660 on 28 May 2013, and Series III, published in the Official Gazette No. 28891 on 23 January 2014 and No. 31269 on 9 October 2022. No: 48.1.e ‘Communiqué Amending the Communiqué on Principles Regarding Real Estate Investment Trusts’ has been prepared in accordance with the provisions regarding the control of compliance with portfolio limitations.

Financial Statements Main Account Items	Related Regulations	31 December 2024	31 December 2023
A Money and capital markets instruments	Series:III, No:48.1, Art.24/(b)	20,143,927	5,115,857
B Properties, projects based on properties and rights based on properties	Series:III, No:48.1, Art.24/(a)	90,778,496	105,460,034
C Subsidiaries	Series:III, No:48.1, Art.24/(b)	2,953,557	3,076,083
Due to related parties (non-trade)	Series:III, No:48.1, Art.23/(f)		
Other Assets		1,534,389	2,682,709
D Total assets	Series:III, No:48.1, Art.3/(p)	115,410,369	116,334,683
E Financial liabilities	Series:III, No:48.1, Art.31	2,002,522	5,261,832
F Other financial liabilities	Series:III, No:48.1, Art.31	-	1,025,639
G Finance leases	Series:III, No:48.1, Art.31	-	-
H Due from related parties (non-trade)	Series:III, No:48.1, Art.23(f)	31	-
I Shareholders Equity	Series:III, No:48.1, Art.31	97,686,492	104,320,407
Other liabilities		15,721,324	5,726,805
D Total liabilities	Series:III, No:48.1, Art.3/(p)	115,410,369	116,334,683
Financial Information	Related Regulations	31 December 2024	31 December 2023
A1 The portion of money and capital market instruments held for payment of properties for the following 3 years	Series: III, No:48.1, Art.24/(b)	9,661,100	3,062,742
A2 TRY and foreign currency time and demand deposits	Series: III, No:48.1, Art.24/(b)	9,661,100	3,062,742
A3 Foreign capital market instruments	Series: III, No:48.1, Art.24/(d)	-	-
B1 Foreign properties, projects based on properties and rights based on properties	Series: III, No:48.1, Art.24/(d)	-	-
B2 Idle lands	Series: III, No:48.1, Art.24/(c)	-	-
C1 Foreign affiliates	Series: III, No:48.1, Art.24/(d)	-	-
C2 Investments in affiliated operating companies	Series: III, No:48.1, Art.28/1(a)	-	-
J Non-cash loans	Series: III, No:48.1, Art.31	86,123	120,756
K Mortgage amount on non-owned land to be developed	Series: III, No:48.1, Art.28(e)	-	-
L Total investments for money and capital market instruments in a single entity	Series: III, No:48.1, Art.22(I)	6,548,673	3,815,687

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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NOTE 30 - ADDITIONAL NOTES: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS (Continued)

	Portfolio Restrictions	Related Regulations	31 December 2024	31 December 2023	Maximum/ Minimum Rate
1	Mortgage amount on non-owed land to be developed (K/D)	Series: III, No:48.1a, Art.22/(e)	0.00%	0.00%	<% 10
2	Properties, projects based on properties and rights based on properties Investment fund participation shares	Series: III, No:48.1, Art.24/(a),(b)	87.03%	93.28%	>% 50
3	Money and capital market instruments and affiliates	Series: III, No:48.1, Art.24/(b)	11.64%	4.41%	<% 50
4	Foreign properties, projects based on properties rights based on properties affiliates capital, market instruments	Series: III, No:48.1, Art.24/(d)			
5	Idle lands	Series: III, No:48.1, Art.24/(c)	0.00%	0.00%	<% 20
6	Investment in affiliated operating companies	Series: III, No:48.1, Art.28/1(a)	0.00%	0.00%	<% 10
7	Borrowing limit	Series: III, No:48.1, Art.31	2.14%	6.14%	<% 500
8	TRY and foreign currency time and demand deposits	Series: III, No:48.1, Art.24/(b)	0.00%	0.00%	<% 10
9	Total investments for money and capital market instruments in a single entity	Series: III, No:48.1, Art.22(I)	5.67%	3.28%	<% 10

Associate	Participation rate (%)	Participation amount	
		31 December 2024	31 December 2023
Yeni Gimat	14.83	2,548,536	2,821,346
TTA	40	168,120	132,677
Netsel	44.6	235,750	120,909
TRN	99.99	1,152	1,152
		2,953,558	3,076,084

Yeni Gimat, Netsel and TTA which are associates and joint ventures of the Company (all together ‘Subsidiaries’) do not have valuation reports as of 31 December 2024. For the purposes of the control of compliance with the portfolio limitations, net asset values of associates are used. In this respect, Yeni Gimat and TTA’s stand-alone financial statements, which are prepared in accordance with financial reporting standards of the Company, are multiplied with the Company’s ownership rate in the related subsidiary. Thus, it is assumed that net values which are determined by adding and deducting net receivables/liabilities as of balance sheet date from the investment properties that are owned by associates and followed in stand-alone financial statements with fair values, approximate to the fair value of the associates. Investment properties which are owned by associates are explained in Note 1 in detail. Since there are no valuation reports of Netsel, net asset values of the subsidiaries based on their stand-alone financial statements are taken into account and they are multiplied with Company’s share in these subsidiaries.

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NOTE- 31.EXPLANATIONS REGARDING NET MONETARY POSITION GAINS / (LOSSES)

The details of monetary gains and losses for the period 1 January – 31 December 2024 are as follows:

Non-monetary items	1 January- 31 December 2024
Information on the Statement of Financial Position	
Inventories	822,811
Prepaid expenses	22,398
Tangible and intangible assets	8,152
Investments in associates accounted for using equity method	907,860
Deferred income	(1,601,106)
Paid-in capital	(443,788)
Repaid shares (-)	2,523
Share premiums	(11,436)
Restricted reserves	(60,439)
Retained earnings/accumulated losses	(29,511,576)
Profit or loss statement items	
Revenue	(3,453,897)
Cost of sales (-)	2,671,505
Marketing, sales and distribution expenses (-)	42,362
General administrative expenses (-)	10,580
Other income from operating activities	24,597,547
Other expenses from operating activities (-)	3,165,944
Shares of profit/loss of investments accounted for using the equity method	(36,828)
Financial income	(596,030)
Financial expenses (-)	111,171
Net monetary position gains/(losses)	(3,352,247)

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