

**TORUNLAR GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş. AND
ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY- 30 SEPTEMBER 2021**

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

**TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS**

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TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

	Notes	<i>Not reviewed</i> 30 September 2021	<i>Audited</i> 31 December 2020
ASSETS			
Current Assets		1,126,855	1,221,606
Cash and Cash Equivalents	5	144,482	143,276
Financial Investments		-	29,977
Trade Receivables	8	167,475	100,839
<i>Trade Receivables from Related Parties</i>		<i>13,954</i>	<i>16,945</i>
<i>Trade Receivables from Third Parties</i>		<i>153,521</i>	<i>83,894</i>
Other Receivables		286	132
<i>Other Receivables from Third Parties</i>		<i>286</i>	<i>132</i>
Inventories	10	790,773	923,299
Prepaid Expenses	7	5,902	13,319
Other Current Assets		17,937	10,764
Non-Current Assets		12,517,685	12,493,181
Trade Receivables	8	10,383	3,061
<i>Trade Receivables from Third Parties</i>		<i>10,383</i>	<i>3,061</i>
Other Receivables		2,803	2,743
<i>Other Receivables from Third Parties</i>		<i>2,803</i>	<i>2,743</i>
Investments Accounted by Equity Method	3	405,719	401,643
Investment Properties	9	11,774,633	11,736,607
Property, Plant and Equipment	12	320,715	346,446
Intangible Assets		2,442	1,713
<i>Other Intangible Assets</i>		<i>2,442</i>	<i>1,713</i>
Prepaid Expenses	7	990	968
Total Assets		13,644,540	13,714,787

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

	Notes	<i>Not Reviewed</i> 30 September 2021	<i>Audited</i> 31 December 2020
LIABILITIES			
Current Liabilities		2,306,465	2,495,746
Short-Term Borrowings	6	1,361,311	1,647,691
Short-Term Portion of Long-Term Borrowings	6	632,569	532,244
Trade Payables	8	74,581	71,429
<i>Trade Payables to Related Parties</i>		<i>37,217</i>	<i>31,639</i>
<i>Trade Payables to Third Parties</i>		<i>37,364</i>	<i>39,790</i>
Payables Related to Employee Benefits		2,480	2,265
Other Payables		57,018	88,972
<i>Other Payables to Related Parties</i>		<i>37,347</i>	<i>67,144</i>
<i>Other Payables to Third Parties</i>		<i>19,671</i>	<i>21,828</i>
Derivative instruments		-	55,900
<i>Derivative Instruments for Hedging Purposes</i>		-	<i>55,900</i>
Deferred Income	7	141,833	72,636
Short-Term Provisions	7	26,543	20,205
Other Current Liabilities	7	10,130	4,404
Non-Current Liabilities		2,500,996	2,449,124
Long-Term Borrowings	6	2,499,530	2,447,393
Deffered income		-	265
Long-Term Provisions		1,466	1,466
<i>Long-Term Provisions for Employee Benefits</i>		<i>1,466</i>	<i>1,466</i>
EQUITY		8,837,079	8,769,917
Share Capital	13	1,000,000	1,000,000
Treasury Shares		(5,930)	(5,930)
Share Premium		25,770	25,770
Restricted Reserves Appropriated from Profit		74,421	74,421
Retained Earnings		7,675,656	7,382,655
Net Profit for the Period		67,162	293,001
TOTAL LIABILITIES AND EQUITY		13,644,540	13,714,787

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED
30 SEPTEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	Not Reviewed 1 January 30 September 2021	Not Reviewed 1 July - 30 September 2021	Not Reviewed 1 January - 30 September 2020	Not Reviewed 1 July - 30 September 2020
Revenue	14	1,023,173	427,650	776,417	325,772
Cost of Sales (-)	14	(250,801)	(104,400)	(332,337)	(126,299)
GROSS PROFIT		772,372	323,250	444,080	199,473
General Administrative Expenses (-)	15	(54,933)	(20,768)	(24,959)	(10,819)
Marketing Expenses (-)	15	(6,710)	(3,261)	(25,179)	(3,501)
Other Income from Operating Activities		12,950	9,959	5,340	2,117
Other Expenses from Operating Activities (-)		(17,392)	(12,531)	(4,511)	(911)
OPERATING PROFIT		706,287	296,649	394,771	186,359
Share of the Group on Profit/Loss of Investments Accounted by Equity Method	3	38,220	17,536	25,008	12,307
PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		744,507	314,185	419,779	198,666
Finance Income	16	96,393	48,527	31,244	8,048
Finance Expenses (-)	16	(773,738)	(209,136)	(895,446)	(383,930)
PROFIT/(LOSS) BEFORE TAX		67,162	153,576	(444,423)	(177,216)
PROFIT/(LOSS) FOR THE PERIOD		67,162	153,576	(444,423)	(177,216)
Loss per share from continuing operations	17	0.07	0.15	(0.44)	(0.18)
TOTAL COMPREHENSIVE INCOME/ (LOSS)		67,162	153,576	(444,423)	(177,216)

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	Share Capital	Treasury Shares	Share Premium	Restricted Reserves	Retained Earnings	Net Profit/(Loss) for the Period	Total Equity
Opening balance as of 1 January 2020	1,000,000	(4,707)	25,770	74,255	6,517,031	865,790	8,478,139
Transfers	-	-	-	166	865,624	(865,790)	-
Total comprehensive income	-	-	-	-	-	(444,423)	(444,423)
Transactions with non-controlling interest owners	-	(1,123)	-	-	-	-	(1,123)
Closing balance as of 30 September 2020	1,000,000	(5,830)	25,770	74,421	7,382,655	(444,423)	8,032,593
Opening balance as of 1 January 2021	1,000,000	(5,930)	25,770	74,421	7,382,655	293,001	8,769,917
Transfers	-	-	-	-	293,001	(293,001)	-
Total comprehensive income/(loss)	-	-	-	-	-	67,162	67,162
Closing balance as of 30 September 2021	1,000,000	(5,930)	25,770	74,421	7,675,656	67,162	8,837,079

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. and ITS SUBSIDIARY

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

	Notes	1 January - 30 September 2021	1 January - 30 September 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		752,338	686,566
Net Profit/(Loss) for the Period		67,162	(444,423)
Adjustments Related to Reconciliation of Profit for the Period		548,719	881,774
Adjustments related to depreciation and amortisation expenses		13,000	2,232
Adjustments related to provisions		6,338	40
Adjustments related to doubtful trade receivable provision expenses		(1,846)	280
Adjustments related to interest income and expenses	15	399,337	391,875
Adjustments related to unrealized foreign exchange differences		230,209	516,724
Adjustments for fair value losses of derivative financial instruments		(55,900)	-
Gain on sales of investment properties		(4,199)	(4,369)
Adjustments related to undistributed profits of investments accounted for by equity method	3	(38,220)	(25,008)
Changes in working capital		136,457	249,215
Adjustments related to decrease in trade receivables		(72,112)	8,163
Increase/(decrease) in other assets		30,009	6,122
Adjustments related to decrease/(increase) in inventories		132,526	200,100
Adjustments related to decrease in prepaid expenses		7,395	3,731
Adjustments related to decrease in trade payables		3,152	(24,798)
Increase/(decrease) in other payables due to operations		(31,954)	62,119
Adjustments related to increase/(decrease) in deferred income		68,932	(8,520)
Adjustments related to other increase/(decrease) in working capital		(1,232)	2,338
Employment termination benefits payment		(259)	(40)
B. CASH FLOWS FROM INVESTING ACTIVITIES		11,681	(106,904)
Cash outflows from purchases of property, plant and equipments and intangible assets		(9,733)	(1,063)
Payments for acquisition of investment properties	9	(20,619)	(147,685)
Cash inflows from the sale of investment properties		7,888	7,769
Dividends received	3	34,145	34,075
C. CASH FLOWS FROM FINANCING ACTIVITIES		(763,192)	(986,765)
Proceeds from borrowings		1,501,323	1,871,171
Repayment of borrowings		(1,913,207)	(2,296,836)
Interest paid		(392,067)	(593,494)
Interest received		40,759	32,394
Net (decrease)/ increase in cash and cash equivalents before the effect of exchange rate changes		827	(407,103)
Effects of exchange rate changes on cash and cash equivalents		650	10,462
Net (decrease)/ increase in cash and cash equivalents	5	1,477	(396,641)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	143,005	733,572
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	144,482	336,931

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

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 30 September 2021, the total number of the Company's employees is 144 (31 December 2020: 103) and the main shareholder is the Torun Family (Note 12). 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 13 March 2018. Accordingly, the financial statements are prepared as consolidated as of 30 June 2018. The principal activity of TRN, and the Group's participation rates are as follows:

Company	Operating country	Operating sector	30 September 2021 Participation rate %	31 December 2020 Participation rate %
TRN Otel İşletmeciliği ve Yatırımları A.Ş.	Turkey	Hotel Management	100	100

Joint Ventures

The Joint Ventures of Torunlar REIC operate in Turkey and their principal activities and joint venture partners as of 30 September 2021 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

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.

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

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

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

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 2018. 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. (“Yeni Gimat”)	Owner of Ankamall Shopping Mall and Crowne Plaza Hotel
Netsel Turizm Yatırımları A.Ş. (“Netsel”)	Management of Marmaris Marina

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 Torunlar 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 on 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.

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of Preparation

Statement of Compliance in TAS

The accompanying condensed consolidated interim 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 condensed consolidated interim financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué. The condensed consolidated interim financial statements and disclosures have been prepared in accordance with the resolution of CMB dated 7 June 2013 about the “illustrations of consolidated financial statements and application guidance”.

The condensed consolidated interim financial statements are prepared on the basis of historical cost, with the exception of financial instruments and investment properties to be recognized by their fair value. A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Group.

The accompanying condensed consolidated interim financial statements for the period ended 30 September 2021 are prepared in accordance with the Turkish Accounting Standard No:34 “Interim Financial Reporting”. According to TAS 34, entities are allowed to prepare a complete or condensed consolidated set of interim financial statements. In this respect, the Group has preferred to prepare its interim consolidated financial statements for the period as of 30 September 2021 as condensed, and disclosures and notes that are required to be involved in the annual consolidated financial statements prepared according to TAS/TFRS are condensed or not included. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

The condensed consolidated interim financial statements of the Group as of 30 September 2021, have been approved by the Board of Directors on 4 November 2021. The General Assembly has the right to modify the condensed consolidated interim financial statements.

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.

Summary of Significant Accounting Policies

Significant accounting policies that are used to prepare the Group’s interim condensed financial statements for the period of 30 September 2021 are prepared according to the financial statement formats and guides issued by CMB with the resolution taken in the 7 June 2013 dated and 20/670 numbered meeting, and they are in accordance with the accounting policies explained as detailed in the 31 December 2020 dated financial statements. Interim condensed consolidated financial statements must be assessed with the financial statements for the period ended 31 December 2020.

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

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

2.1 Basis of Preparation (Continued)

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.

Interests in Joint Ventures on combined basis are as follows:

	30 September 2021	31 December 2020
	(%)	(%)
TTA	40.00	40.00
	30 September 2021	31 December 2020
Current assets	3,238	1,789
Non-current assets	211,875	211,857
Total assets	215,113	213,646
Short-term liabilities	55,570	54,707
Long-term liabilities	15,391	15,392
Equity	144,152	143,547
Total liabilities and equity	215,113	213,646
Net profit for the period	3,248	42,215

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises 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.

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

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

2.1 Basis of Preparation (Continued)

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 equal 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, otherwise, presented with cost value.

Torunlar REIC's direct and indirect voting rights in the associates as of 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021 (%)	31 December 2020 (%)
Netsel	44.60	44.60
Yeni Gimat	14.83	14.83

Interest in associates on combined basis (*)

	30 September 2021	31 December 2020
Total assets	2,338,902	2,295,084
Total liabilities	79,601	52,217
Net profit for the period	210,365	131,925

(*) 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.

Interest in Yeni Gimat

	30 September 2021	31 December 2020
Total assets	2,272,865	2,234,071
Total liabilities	53,364	30,186
Net profit for the period	182,431	110,708

Interest in Netsel

	30 September 2021	31 December 2020
Total assets	66,037	61,017
Total liabilities	26,237	22,031
Net profit for the period	27,934	21,217

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

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

2.1 Basis of Preparation (Continued)

Offsetting

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

Going concern

The Group's consolidated financial statements have been prepared on a going concern basis. As of 30 September 2021, the Group's short-term liabilities exceeded its short-term assets by TRY1,179,610. The Group does not anticipate any delay in fulfilling short term liabilities.

The deliveries of residences continue for the Group's 5th Levent, Torun Center and Mall of Istanbul 2nd Stage (High Residence) projects. As of 30 September 2021, the Group's delivery and lease operations continue. In case of any cash shortage, sales, mortgages or other alternative methods will be evaluated by the Group. The Group estimates a shopping mall rental income of TRY700,000 and an office rental income of TRY150,000 in the short term. In this context, the Group's existing resources for liquidity are sufficient and it is of the opinion that it will not need additional resources for the projected cash flows.

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 Estimates and Errors

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.

2.4 New and Revised Turkish Accounting Standards

a. Standards, amendments and interpretations applicable as at 30 September 2021:

- **Amendment to IFRS 16, 'Leases' - Covid-19 related rent concessions;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

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

2.4 New and Revised Turkish Accounting Standards (Continued)

b. Standards, amendments and interpretations that are issued but not effective as at 30 September 2021:

- **IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.
- **A number of narrow-scope amendments to IFRS 3, TAS 16, TAS 37 and some annual improvements on IFRS 1, IFRS 9, TAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, ‘Business combinations’** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to TAS 16, ‘Property, plant and equipment’** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to TAS 37, ‘Provisions, contingent liabilities and contingent assets’** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 ;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

2.5 Critical Accounting Estimates, Assumptions and Judgements

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows (all cash-deficiencies) that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate (or credit-based adjusted effective interest rate for financial assets with credit-value impairment when purchased or incurred). The expected credit losses do not have a significant impact on the Group’s financial statements.

Critical judgments in applying the Group’s accounting policies

In the process of applying the Group’s accounting policies, management has made the following judgments that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements (apart from those involving estimations, which are dealt with below):

The preparation of condensed consolidated interim 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 Group management; the actual results might differ from them. The assumptions and critical accounting estimates used in order to prepare the condensed consolidated interim financial statement as of 30 September 2021 have no change in comparison with the prior year. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

Fair values of investment properties

In the consolidated financial statements, valuation method as basic assumptions of valuation reports, discount rates, annual rent increase rate, terminal value growth rates, capitalization rates and comparable m2 values that are used in order to find fair value of properties classified as investment property are presented in the following pages.

In 2020, fair values of the investment properties are determined by independent valuation expert; Lotus Gayrimenkul Danışmanlık ve Değerleme A.Ş. The Group assumes that expenditure amount on investment property has an equivalent effect on fair value of related real estate. Since the valuation reports are performed once a year, the fair values of the investment properties determined by the valuation reports are 2020 used for 30 September 2021 condensed consolidated interim financial statements. As of 30 September 2021, the Group management has evaluated the effects on the fair values of the related real estates, and a negative impact has not been determined in relation to the foreseen income for 2021 and actual results for 9 months period as a result of this evaluation.

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

2.5 Critical Accounting Estimates, Assumptions and Judgements (Continued)

Significant estimates and assumptions disclosed in the financial statements as of 30 September 2021 and 31 December 2020 are as follows:

31 December 2020	Valuation report date	Valuation method	Discount rate	Rent increase rate p.a	Terminal growth rate	Comparable m² prices in full TRY
Antalya Deepo AVM	7 January 2021	Discounted cash flow	20%	10-15%	8%	-
Mall of Antalya	7 January 2021	Discounted cash flow	20%	10-15%	8%	-
Antalya Kepez arsalar	7 January 2021	Sale comparison	-	-	-	1,139
Bursa Korupark AVM	7 January 2021	Discounted cash flow	20%	10-15%	7%	-
Torium AVM	7 January 2021	Discounted cash flow	20%	10-15%	9%	-
Bursa Zafer Plaza AVM	7 January 2021	Discounted cash flow	20%	10-15%	7%	-
Mall of İstanbul AVM	7 January 2021	Discounted cash flow	20%	10-15%	8%	-
Torun Tower	7 January 2021	Sale comparison	-	-	-	18,854
Paşabahçe arazisi	7 January 2021	Discounted cash flow	20%	10-15%	8%	-
İstanbul İkitelli Kayabaşı arsa	7 January 2021	Sale comparison	-	-	-	1,500
İstanbul Beyoğlu Kemankuş binası	7 January 2021	Sale comparison	-	-	-	58,125
Bursa Korupark bağımsız bölümler	7 January 2021	Sale comparison	-	-	-	2,205
5.Levent Çarşı	7 January 2021	Sale comparison	-	-	-	10,707
Mall of İstanbul Konut ve Ofisler	7 January 2021	Sale comparison	-	-	-	8,818
Mall of İstanbul otel kongre merkezi ve ofis projesi	7 January 2021	Discounted cash flow	20%	5-8%	7-10%	-
Mall of İstanbul 3. Etap	7 January 2021	Sale comparison	-	-	-	6,965
Torun Center	7 January 2021	Sale comparison	-	-	-	20,142

If all the variables in the valuations of the real estates with the fair value of TRY3,596,932 (31 December 2020: TRY3,596,932 valued using the income approach as of 30 September 2021 and 31 December 2020 were fixed and the discount rate used was more than 1% and less than 1%, the fair values would have been TRY35,969 lower and TRY35,969 higher (31 December 2020: TRY35,969 lower, TRY35,969 higher)

- The Antalya Deepo Shopping Center and growth project (Mall of Antalya), which was established on an area of 84,503.61 m² on the territory of Antalya Province, Merkez District, Koyunlar Village, and which the Group classified under investment properties as of 30 September 2021 and 31 December 2020, was opened in April 2017, respectively. Leasing and management of shopping center is conducted by Torun Alışveriş Merkezleri Yatırım ve Yönetim A.Ş..

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, as at 7 January 2021 with the report number 2020-4566 the aforementioned property's fair value is TRY1,080,000 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, as at 7 January 2020 with the report number 2019-1645 the aforementioned property's fair value is TRY1,040,000 as at 31 December 2019).

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

2.5 Critical Accounting Estimates, Assumptions and Judgements (Continued)

- ii. The Group has 57,680 m² of land in the province of Antalya, Merkez District, Koyunlar Village, which is classified under investment properties as of 30 September 2021 and 31 December 2020.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, as at 7 January 2021 with the report number 2020-4552 the aforementioned property's fair value is TRY65,725 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, as at 7 January 2020 with the report number 2019-1628 the aforementioned property's fair value is TRY63,265 as at 31 December 2019).

- iii. The Bursa Korupark Shopping Center, which was established on the area of 53,185.61 m² in Bursa Province, Osmangazi District, Emek Village, which is classified under investment properties as of 30 September 2021 and 31 December 2020, has been put into service on May 2008. The management of the shopping center is conducted by Torun Alışveriş Merkezleri Yatırım ve Yönetim A.Ş.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report with the number 2020-4554, Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021, as of 31 December 2020, the aforementioned property's fair value is TRY1,785,000. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report with the number 2019-1632, Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020, as of 31 December 2019, the aforementioned property's fair value is TRY1,710,000)

- iv. The Mall of İstanbul Shopping Center, which was established on the rentable area of 181,295 m² in İstanbul Province, Başakşehir District, İkitelli – 2 Neighborhood, which is classified under investment properties as of 30 September 2021 and 31 December 2020, has been put into service on 23 May 2014. The management of the shopping center is conducted by Torun Alışveriş Merkezleri Yatırım ve Yönetim A.Ş.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4557, the aforementioned property's fair value is TRY3,135,000 as at 31 December 2020 (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1635, the aforementioned property's fair value is TRY3,000,000 as at 31 December 2019).

- v. As of 30 September 2021 and 31 December 2020, the Group has completed the Torium Shopping Center project on an area of 44,571 m² in İstanbul Province, Büyükçekmece District, Esenyurt Village which is classified under investment properties. The Torium AVM project has been completed and the shopping mall was opened on 30 October 2010.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4555, the aforementioned property's fair value is TRY630,000 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1633, the aforementioned property's fair value is TRY540,000 as at 31 December 2019).

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

2.5 Critical Accounting Estimates, Assumptions and Judgements (Continued)

- vi. As of 30 September 2021 and 31 December 2020, the Group has an area of 70,644 m² in the Istanbul Province, Beykoz District which is classified as investment property and has 49 years of usage rights for a 3,935 m² pier and dock. It is planned to make a 5-star Hotel and Apart Hotel project on the land.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4565, the aforementioned property's fair value is TRY891,475 as at 31 December 2020 (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1644, the aforementioned property's fair value is TRY861,500 as at 31 December 2019).

- vii. On the 11,099 m² land located in İstanbul - Şişli 2nd District - which is classified under investment property as of 30 September 2021 and 31 December 2020, the Group completed Torun Tower Project in 2014. The project has been completed in 2014 and a rent agreement has been signed with Denizbank A.Ş. for 60,023 m² of area (30 floors) on 6 February 2014.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4558 the aforementioned property's fair value is TRY2,000,000 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1633, the aforementioned property's fair value is TRY1,853,000 as at 31 December 2019).

- viii. Bursa Zafer Plaza located on the 9,622 m² land in Bursa - Osmangazi Şehreküstü District - which is classified under investment property as of 30 September 2021 and 31 December 2020 has been opened in October 1999. Rental procedures and management of the Mall is conducted by Zafer Plaza İşletmecilik A.Ş.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4553, the aforementioned property's fair value is TRY379,200 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1631, the aforementioned property's fair value is TRY366,700 as at 31 December 2019).

- ix. The Group owns 60,833 m² land located in İstanbul - Küçükçekmece Kayabaşı District - which is classified under investment property as of 30 September 2021 and 31 December 2020. The usage of this land has not been determined by the management as of balance sheet date and the land is retained for capital appreciation.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4549 the aforementioned property's fair value is TRY91,250 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1627 the aforementioned property's fair value is TRY74,215 as at 31 December 2019).

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

2.5 Critical Accounting Estimates, Assumptions and Judgements (Continued)

- x. The Group owns a building located on 1,479 m² land in İstanbul - Beyoğlu Kemankeş District - which is classified under investment property as of 30 September 2021 and 31 December 2020. The building is planned to be renovated as a hotel.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4569 the aforementioned property's fair value is TRY85,950 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1648 the aforementioned property's fair value is TRY74,970 as at 31 December 2019).

- xi. As at 30 September 2021 and 31 December 2020 separate unit of Bursa Korupark Shopping Mall located in Bursa - Osmangazi Emek district which is classified under investment properties includes a dolphin pool, social recreation areas, office and stores.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4560 the aforementioned property's fair value is TRY35,797 as at 31 December 2020 (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1638 the aforementioned property's fair value is TRY24,093 as at 31 December 2019).

- xii. The Group has started to Mall of Istanbul Hotel, Convention Center and Office Project on 18,209 m² land located in İstanbul-Başakşehir district which is classified under investment properties as of 30 September 2021 and 31 December 2020.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4559 the aforementioned property's fair value is TRY518,350 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1647 the aforementioned property's fair value is TRY442,585 as at 31 December 2019).

- xiii. The Group has rented 22 units consisting of 20 offices and 2 residents with a rentable area of 2,177 m² which is located in İstanbul Province, Başakşehir-İkitelli-2 District and is classified under investment properties as of 30 September 2021 and 31 December 2020.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No1 Communiqué, dated 7 January 2021 with the report number 2020-4559, the aforementioned property's fair value is TRY15,030 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No1 Communiqué, dated 7 January 2020 with the report number 2019-1629, the aforementioned property's fair value is TRY12,100 as at 31 December 2019).

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

2.5 Critical Accounting Estimates, Assumptions and Judgements (Continued)

- xiv. In 2018, The Group leased out the rentable area of 68,673 m² which consists of workplaces, offices and commercial units within the Torun Center project and in the address of İstanbul Province, Şişli-Dikilitaş District, as of 30 September 2021 and 31 December 2020.

Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2021 with the report number 2020-4564 the aforementioned property's fair value is TRY1,105,400 as at 31 December 2020 (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 7 January 2020 with the report number 2019-1643 the aforementioned property's fair value is TRY1,039,726 as at 31 December 2019.).

- xv. The Group owns 50 units consisting of workplaces, offices and commercial units with a rentable area of which is located in İstanbul Province, Eyüpsultan Güzeltepe District and is classified under investment properties in 5.Levent project as of 30 September 2021 and 31 December 2020.

Invest Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No1 Communiqué, dated 7 January 2020 with the report number 2020-4567, the aforementioned property's fair value is TRY91,780 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report for the related aforementioned properties dated 7 January 2020 with the report number 2019-1646, the aforementioned property's fair value is TRY71,620 as of 31 December 2019).

- xvi. The Group owns 12,132 m² land located in İstanbul province, Başakşehir Ziya Gökalp District - which is classified under investment property as of 30 September 2021 and 30 December 2020. The usage of this land has not been determined by the management as of balance sheet date and the land is retained for capital appreciation.

Invest Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No1 Communiqué, dated 7 January 2020 with the report number 2020-4551, the aforementioned property's fair value is TRY84,500 as at 31 December 2020. (Based on Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.'s valuation report for the related aforementioned properties dated 7 January 2020 with the report number 2019-1629, the aforementioned property's fair value is TRY71,820 as of 31 December 2019)

2.6 Significant Changes Regarding the Current Period

While preparing the interim consolidated financial statements dated 30 September 2021, the Group evaluated the possible effects of the COVID-19 outbreak on the financial statements and reviewed the estimates and assumptions used in the preparation of the financial statements. In this context, the Group has tested possible impairment in the values of financial assets, inventories, property, plant and equipments and intangible assets and investment properties included in the interim consolidated financial statements dated 30 September 2021, and no significant changes have been detected.

2.7 Compliance with the portfolio limitations

Information included in the footnote titled "Control of Compliance with Portfolio Limitations" as of September 30, 2021; 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.

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NOTE 3 - INTERESTS N OTHER ENTITIES

	30 September 2021		31 December 2020	
	(%)	TRY	(%)	TRY
Yeni Gimat	14.83	329,152	14.83	326,836
TTA	40.00	58,718	40.00	57,419
Netsel	44.60	17,849	44.60	17,388
		405,719		401,643
	1 January - 30 September 2021	1 July- 30 September 2021	1 January - 30 September 2020	1 July- 30 September 2020
Opening balance	401,643	375,636	394,174	371,677
Income and expenses from associates, (net)	36,921	16,801	22,336	11,110
Dividends received from associates	(34,144)	-	(34,075)	-
Treasury shares (*)	-	-	(1,123)	-
Income and expenses from joint ventures, (net)	1,299	735	2,672	1,197
Closing balance	405,719	393,172	383,984	383,984

(*) As a result of the repurchase of Yeni Gimat GYO A.Ş., which is the Company's subsidiary, in 2020, the shares of Yeni Gimat GYO A.Ş. amounting to TRY1,123 were classified as treasury shares.

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

	1 January - 30 September 2021	1 July- 30 September 2021	1 January - 30 September 2020	1 July- 30 September 2020
Yeni Gimat	27,055	11,304	17,157	6,581
Netsel	9,866	5,496	5,179	4,529
TTA	1,299	736	2,672	1,197
Total	38,220	17,536	25,008	12,307

The Group's associates and joint ventures are included in the condensed consolidated interim financial statements with accounted for by the equity method.

NOTE 4 - 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.

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NOTE 4 - SEGMENT REPORTING (Continued)

The segment information for the reportable segments as of and for the period ended 30 September 2021 is as follows

	Total revenue from departments	Gross profit	Increase in fair value of investment properties (*)	Operating profit/(loss)	Income (expense)from subsidiaries	Finance expenses net	Profit/(loss) from operations before tax	Investment expenditures (**)
Offices and shopping malls for rent								
Mall of İstanbul Shopping Mall	228,623	187,108	-	185,873	-	-	185,873	1,002
Korupark Shopping Mall	112,925	93,005	-	92,787	-	-	92,787	304
Torun Tower	84,384	86,752	-	86,752	-	-	86,752	-
Torium Shopping Mall	42,345	20,189	-	19,646	-	-	19,646	1,841
Antalya Deepo Shopping Mall	37,876	29,939	-	29,598	-	-	29,598	-
Mall of Antalya	45,820	31,500	-	30,995	-	-	30,995	361
Zafer Plaza Shopping Mall	23,150	17,067	-	17,067	-	-	17,067	-
Torun Center	8,846	7,041	-	6,701	-	-	6,701	52
5. Levent bazaar	3,063	3,043	-	3,043	-	-	3,043	-
Torium Student Residence	2,883	2,866	-	2,866	-	-	2,866	45
Mall of İstanbul Redidences and Offices	4,590	3,739	-	3,739	-	-	3,739	-
Korupark independent areas	247	104	-	104	-	-	104	16
Nishistanbul Project	157	163	-	163	-	-	163	-
Hotel projects								
Hilton Hotel	33,954	20,427	-	20,427	-	-	20,427	18,047
Subtotal	628,863	502,943	-	499,761	-	-	499,761	21,668
Residences and office projects								
Torun Center	139,222	59,923	-	59,283	-	-	59,283	-
5. Levent Project	210,048	174,594	-	167,543	-	-	167,543	-
Mall of İstanbul	6,200	1,553	-	1,516	-	-	1,516	-
Korupark 3rd phase residences	382	382	-	382	-	-	382	-
Residences and office projects	38,458	24,884	-	24,884	-	-	24,884	-
Subtotal	394,310	261,336	-	253,608	-	-	253,608	-
Projects under construction								
5. Levent Project	-	-	-	-	-	-	-	-
Paşabahçe Project	-	-	-	-	-	-	-	503
Mall of İstanbul hotel convention center and residence project	-	-	-	-	-	-	-	-
Real estates held to develop projects								
Antalya Kepez Lans	-	-	-	-	-	-	-	-
Kayabaşı Land	-	-	-	-	-	-	-	-
Kemankeş Building	-	-	-	-	-	-	-	5,464
Mall of İstanbul 3. Etap	-	-	-	-	-	-	-	-
Associates								
Ankamall and Hotel (Yeni Gimat)	-	-	-	-	27,055	-	27,055	-
Netsel	-	-	-	-	9,867	-	9,867	-
TTA	-	-	-	-	1,298	-	1,298	-
Unallocated	-	8,093	-	(47,082)	-	(677,345)	(724,427)	-
Total	1,023,173	772,372	-	706,287	38,220	(677,345)	67,162	27,635

(*) 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 4 - SEGMENT REPORTING (Continued)

The segment information for the reportable segments as of and for the period ended 30 September 2020 is as follows:

	Total revenue from departments	Gross profit	Increase in fair value of investment properties (*)	Operating profit/(loss)	Income (expense) from subsidiaries	Finance expenses nett	Profit/(loss) from operations before tax	Investment expenditures (**)
Offices and shopping malls for rent								
Mall of Istanbul Shopping Mall	159,223	112,069	-	104,202	-	-	104,202	2,975
Torun Tower	80,078	64,323	-	64,061	-	-	64,061	122
Korupark Shopping Mall	75,139	71,091	-	71,091	-	-	71,091	-
Torium Shopping Mall	32,742	12,139	-	8,657	-	-	8,657	2,218
Antalya Deepo Shopping Mall	23,860	17,991	-	17,777	-	-	17,777	669
Mall of Antalya	19,418	7,755	-	7,327	-	-	7,327	188
Zafer Plaza Shopping Mall	16,710	13,494	-	13,494	-	-	13,494	-
Torun Center	7,582	7,040	-	(227)	-	-	(227)	-
5. Levent Bazaar	2,584	2,473	-	2,473	-	-	2,473	-
Torium Student Residence 1	1,896	40	-	(1,534)	-	-	(1,534)	-
Torium Student Residence 2	1,624	818	-	818	-	-	818	147
Mall of Istanbul Residences and Offices	342	76	-	76	-	-	76	-
Korupark independent areas	231	93	-	93	-	-	93	-
Subtotal	421,429	309,402	-	288,308	-	-	288,308	6,319
Residences and office projects								
5. Levent Project	306,293	108,804	-	89,548	-	-	89,548	11,573
Torun Center	42,545	22,811	-	22,811	-	-	22,811	-
Nishistanbul Project	6,150	3,063	-	2,739	-	-	2,739	-
Korupark 3rd phase residences	-	-	-	-	-	-	-	-
Mall of Istanbul	-	-	-	-	-	-	-	-
Torium residences	-	-	-	-	-	-	-	-
Subtotal	354,988	134,678	-	115,098	-	-	115,098	11,573
Projects under construction								
5. Levent Project	-	-	-	-	-	-	-	-
Paşabahçe project	-	-	-	-	-	-	-	9,305
Mall of Istanbul hotel convention center and residence project	-	-	-	-	-	-	-	127,341
Real estates held to develop projects								
Antalya Kepez Lans	-	-	-	-	-	-	-	-
Kayabaşı Land	-	-	-	-	-	-	-	-
Kemankeş building	-	-	-	-	-	-	-	4,720
Mall of Istanbul 3rd Stage	-	-	-	-	-	-	-	-
Associates								
Ankamall and Hotel (Yeni Gimat)	-	-	-	-	17,157	-	17,157	-
Netsel	-	-	-	-	5,179	-	5,179	-
TTA	-	-	-	-	2,672	-	2,672	-
Unallocated	-	-	-	(8,635)	-	(864,202)	(872,837)	-
Total	776,417	444,080	-	394,771	25,008	(864,202)	(444,423)	159,258

(*) 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 5 - CASH AND CASH EQUIVALENTS

	30 September 2021	31 December 2020
Cash	174	17
Bank	143,137	142,437
<i>Demand deposit</i>	2,357	1,510
<i>Time deposit</i>	140,780	140,927
Other cash equivalents	1,171	822
	144,482	143,276

As of 30 September 2021 and 31 December 2020, cash and cash equivalents in the statements of cash flows are as follows:

	30 September 2021	31 December 2020
Cash and cash equivalents	144,482	143,276
Less: Interest accrual of time deposits	-	(271)
Cash and cash equivalents in the statement of cash flows	144,482	143,005

Maturities of cash and cash equivalents are as follows:

	30 September 2021	31 December 2020
Up to 30 days	144,482	110,023
30 - 90 days	-	33,253
	144,482	143,276

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

	<u>30 September 2021</u>		<u>31 December 2020</u>	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
US Dollar	657	5,833	12,405	91,062
EUR	1,845	18,991	243	2,185
Other	3,573	42,581	15	148
		67,405		93,395

Weighted average effective interest rate for time deposits (%):

	30 September 2021	31 December 2020
US Dollars	2.20	2.57
Euro	1.63	1.27
Turkish Lira	18.92	12.81

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NOTE 6 - FINANCIAL LIABILITIES

	30 September 2021	31 December 2020
Financial Liabilities		
Bank borrowings	1,361,311	1,647,691
Short-term financial borrowings	1,361,311	1,647,691
Short-term portions of long-term borrowings	627,618	487,772
Finance leases	4,951	44,472
Short-term portions of long-term borrowings	632,569	532,244
Bank borrowings	2,495,749	2,440,196
Finance leases	3,781	7,197
Long-term borrowings	2,499,530	2,447,393
Total borrowings	4,493,410	4,627,328

As of 30 September 2021, there are mortgages amounting to given to the banks regarding the financial liabilities amounting to TRY15,213,773 (31 December 2020: TRY11,668,984) on the investment properties.

Bank borrowings

	30 September 2021	31 December 2020
Short-term bank borrowings	1,361,311	1,647,691
Short-term portions of long-term borrowings	627,618	487,772
Long-term bank borrowings	2,495,749	2,440,196
Total borrowings	4,484,678	4,575,659

30 September 2021	Weighted avg. effective interest (%) (*)	Currency	Original amount	TRY equivalent
Short-term bank borrowings	12.23	TRY	1,153,967	1,153,967
	4.84	USD	447	3,956
	3.92	EUR	19,721	203,388
Short-term portion of long-term borrowings	12.27	TRY	288,000	288,000
	4.46	USD	3,125	27,635
	4.07	EUR	30,250	311,983
Long-term bank borrowings	14.76	TRY	1,483,571	1,483,571
	4.61	USD	52,500	464,273
	4.02	EUR	53,125	547,905
Total bank borrowings				4,484,678

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

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

31 December 2020	Weighted avg. effective interest (%) (*)	Currency	Original amount	TRY equivalent
Short-term bank borrowings	11.02	TRY	1,318,903	1,318,903
	3.23	EUR	36,500	328,788
Short-term portion of long-term borrowings	11.12	TRY	438,990	438,990
	6.66	USD	2,811	20,632
	4.17	EUR	3,125	28,150
Long-term bank borrowings	12.96	TRY	1,261,096	1,261,096
	6.01	USD	54,481	399,917
	4.67	EUR	86,500	779,183
Total bank borrowings				4,575,659

(*) 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 September 2021 and 31 December 2020 is as follows:

	30 September 2021	31 December 2020
2022	259,722	1,522,357
2023	1,019,557	465,519
2024 and beyond	1,216,470	452,320
	2,495,749	2,440,196

Obligations under finance lease

The maturities of obligations under finance lease is as follows:

	30 September 2021	31 December 2020
Up to 1 year	4,951	44,472
1 years - 5 years	3,781	7,197
	8,732	51,669

Finance leases consist of US Dollar and EUR. The Group has a finance leases obligation of 5.87% interest rate with original currency of EUR847 (31 December 2020: 3.56% interest rate with original currency of EUR5,736) as of 30 September 2021.

As of 30 September 2021, a significant part of the finance leases consists of financial lease obligations related to the shopping malls which are sold to Ak Finansal Kiralama A.Ş. regarding the sell and leaseback agreement that was made on 27 May 2016 and which are represented as the investment properties (Note 2).

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NOTE 7 - PREPAID EXPENSES, DEFERRED INCOME AND SHORT-TERM LIABILITIES

	30 September 2021	31 December 2020
Short-Term Prepaid Expenses		
Advances given	793	6,791
Prepaid expenses	5,109	6,528
	5,902	13,319

Long-Term Prepaid Expenses		
Order advances given	970	968
Prepaid expenses	20	-
	990	968

	30 September 2021	31 December 2020
Kısa Vadeli Ertelenmiş Gelirler		
Advances received (*)	136,628	65,529
Deferred income	5,205	7,107
	141,833	72,636

(*) As of 30 September 2021, from the sales commitments regarding the offices and residential units that are not delivered consist of advances received amounting to TRY133,599 for 5. Levent Project, TRY3,029 for Mall of İstanbul project, (31 December 2019: TRY24,760 5. Levent Project, TRY19,272 Mall of İstanbul project, TRY126 Korupark 3rd Phase, TRY18,339 for Torun Center and remaining and remaining TRY2,093 other advances)

	30 September 2020	31 December 2020
Other Short-Term Liabilities		
Prepaid taxes and funds	8,967	4,063
Accrued expenses	1,163	341
	10,130	4,404

	30 September 2021	31 December 2020
Short-Term Liabilities		
Lawsuit provision (**)	20,205	20,205
Property tax provisions	6,338	-
	26,543	20,205

(**) As of 30 September 2020, provision for legal case amounting to TRY20,205 has been made according the opinions of the Group's lawyers (31 December 2019: TRY20,205). As of 30 September 2021, there are 75 pecuniary and non-pecuniary damage lawsuits, 143 business lawsuits, 28 cases of debt, 9 deed registration lawsuits and 27 other miscellaneous lawsuits filed against the Group. The risk arising from the total possible cash outflow is TRY20,205 and the lawsuits are ongoing. (As of 31 December 2020, there are 47 pecuniary and non-pecuniary damage lawsuits, 115 business lawsuits, 13 cases of debt, 7 deed registration lawsuits and 11 other miscellaneous lawsuits filed against the Group. The risk arising from the total possible cash outflow is TRY20,205 and the lawsuits are ongoing). According to the opinions of the Group's lawyers, no liability is expected to arise except for the provision amount. There are no lawsuits against the shareholders of the Group.

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Current trade receivables	30 September 2021	31 December 2020
Trade receivables	124,500	79,316
Notes receivables (*)	51,591	28,994
Trade receivables from related parties	13,954	16,945
Less: Allowance for doubtful receivables	(22,570)	(24,416)
	167,475	100,839

Non-current trade receivables	30 September 2021	31 December 2020
Notes receivables (*)	10,383	3,061
	10,383	3,061

(*) As of 30 September 2021, TRY16,008 of the short and long-term notes receivable consisted of the 5th Levent project, TRY79 from Korupark project and the remaining TRY45,887 from other notes receivable (31 December 2020: 5. Levent TRY17,806, shopping mall tenants TRY9,573 and TRY4,676 other bills of receivables)

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

	30 September 2021	30 September 2020
Opening balance	(24,416)	(22,855)
Provision provided during the period	-	(280)
Provisions no longer required	1,846	7
Closing balance	(22,570)	(23,128)

Aging of provision for doubtful receivables is as follows:

	30 September 2021	31 December 2020
3 to 6 months	(607)	(2,142)
Over 6 months	(21,963)	(22,274)
	(22,570)	(24,416)

Short-term trade payables	30 September 2021	31 December 2020
Trade payables	37,364	39,790
Trade payables to related parties	37,217	31,639
	74,581	71,429

As of 30 September 2021 and 31 December 2020, majority of trade payables consist of payables to subcontractors relating to projects in progress.

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NOTE 9 - INVESTMENT PROPERTIES

Movement schedule of investment properties as of 30 September 2021 and 31 December 2020:

	1 January 2021	Additions	Disposals	Transfers	Change in fair value	30 September 2021
Shopping Malls and Offices						
Mall of İstanbul Shopping Mall	3,135,000	1,002	-	-	-	3,136,002
Torun Tower	2,000,000	-	-	-	-	2,000,000
Bursa Korupark Shopping Mall	1,785,000	304	-	-	-	1,785,304
Torun Center	1,105,400	52	(3,689)	-	-	1,101,763
Mall of Antalya	730,000	361	-	-	-	730,361
Torium Shopping Mall	630,000	1,841	-	-	-	631,841
Mall of İstanbul hotel convention center and office project	238,000	11,030	-	-	-	249,030
Antalya Deepo Shopping Mall	350,000	-	-	-	-	350,000
Bursa Zafer Plaza Shopping Mall	379,200	-	-	-	-	379,200
5. Levent bazaar	91,780	-	-	-	-	91,780
Korupark independent areas	35,797	16	-	-	-	35,813
Torium Student Residence 1	22,500	45	-	-	-	22,545
Torium Student Residence 2	-	-	-	21,097	-	21,097
Mall of İstanbul Residences and Offices	15,030	-	-	-	-	15,030
Investment properties under construction						
Paşabağçe land	891,475	504	-	-	-	891,979
Karaköy hotel	85,950	5,463	-	-	-	91,413
Properties held for new projects						
Kayabaşı land	91,250	-	-	-	-	91,250
Mall of İstanbul 3.rd Phase	84,500	-	-	-	-	84,500
Antalya Kepez land	65,725	-	-	-	-	65,725
	11,736,606	20,618	(3,689)	21,097	-	11,774,633

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NOTE 9 - INVESTMENT PROPERTIES (Continued)

	1 January 2020	Additions	Disposals	Transfers	Change in fair value	30 September 2020
Shopping Malls and Offices						
Mall of İstanbul Shopping Mall	3,000,000	2,975	-	-	-	3,002,975
Torun Tower	1,853,000	-	-	-	-	1,853,000
Bursa Korupark Shopping Mall	1,710,000	122	-	-	-	1,710,122
Torun Center	1,039,726	-	(3,400)	-	-	1,036,326
Mall of Antalya	575,000	188	-	-	-	575,188
Torium Shopping Mall	540,000	2,218	-	-	-	542,218
Mall of İstanbul hotel convention center and office project	465,000	669	-	-	-	465,669
Antalya Deepo Shopping Mall	366,700	-	-	-	-	366,700
Bursa Zafer Plaza Shopping Mall	71,620	-	-	-	-	71,620
5. Levent bazaar	24,093	-	-	-	-	24,093
Korupark independent areas	22,300	147	-	-	-	22,447
Mall of İstanbul Residences and Offices	12,100	-	-	-	-	12,100
Investment properties under construction						
Paşabahçe land (*)	861,500	9,305	-	-	-	870,805
Mall of İstanbul hotel convention center and office Project						
Karaköy hotel	442,585	127,341	-	-	-	569,926
Investment properties under construction						
	74,970	4,720	-	-	-	79,690
Properties held for new projects						
Kayabaşı land	74,215	-	-	-	-	74,215
Mall of İstanbul 3.rd Phase	71,820	-	-	-	-	71,820
Antalya Kepez landr	63,265	-	-	-	-	63,265
	11,267,894	147,685	(3,400)	-	-	11,412,179

(*) The Group has purchased a real estate after a successful tender at a price of TRY355 million from R.T. Prime Ministry Privatization Administration. The aforementioned purchase contains real estates as follows: Block 195, Lot 7 as 54,870 m2; Block 209, Lot 3 as 16,212 m2; Block 200, lot 3 in Paşabahçe neighborhood, Beykoz district and İstanbul city as 827 m2 and buildings on these real estates. Title deed processes of real estates have been completed as of 20 September 2012. A project, which will include a five-star hotel and apart hotel on the land purchased, is planned. The building license for the project was received on 7 September 2017

As of 30 September 2021 and 31 December 2020, the mortgages on investment properties arising from loans are as follows:

	30 September 2021		31 December 2020		Currency	30 September 2021	31 December 2020
	Original Amount	Original Amount	Original Amount	Original Amount			
Bursa Korupark Shopping Mall	1,500,000	1,500,000			TRY	1,500,000	1,500,000
Torun Tower	2,000,000				TRY	2,000,000	-
Torun Tower	390,000	390,000			USD	3,448,887	2,862,795
Paşabahçe land	375,000	375,000			USD	3,316,238	2,752,688
Mall of İstanbul	150,000	150,000			USD	1,326,495	1,101,075
Mall of Antalya - Deepo	130,000	130,000			EUR	1,340,754	1,171,027
Mall of İstanbul	1,906,399	1,906,399			TRY	1,906,399	1,906,399
Mall of İstanbul 2.nd Stage	375,000	375,000			TRY	375,000	375,000
						15,213,773	11,668,984

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NOTE 10 - INVENTORIES

	30 September 2021	31 December 2020
Residences and office projects		
Completed Projects		
- Torun Center project (1)	437,367	472,821
- 5.Levent project (6)	248,936	328,235
- Mall of İstanbul 2nd Phase (High Residence) (7)	90,738	104,312
- Mall of İstanbul project (2)	10,146	10,146
- Nishistanbul (3)	-	4,647
- Korupark 3rd phase (4)	2,140	2,140
- Torium (5)	438	438
	789,765	922,739
Other inventories		
- Inventories related to tourism activities	1,008	560
Total inventories	790,773	923,299

Provision for impairment of inventories amounting to TRY67 has been recognised for Torium Residences (31 December 2020: TRY67); TRY1,331 (31 December 2020: TRY519) for Nishistanbul total of TRY1,398 (31 December 2020: TRY586) as of 30 September 2021.

- (1) Torun Center Project 45,776 m² of Tower Office, 36,382 m² of Horizontal Office, 77,988 m² of Residence and It has a total of 175,408 m² salable area, 15,312 m² of which is Commercial Area. The delivery of Tower Offices and Horizontal Offices started on 31 December 2017 and 147 residences as of 30 September 2021, 47 offices and 45 horizontal offices were delivered. Between 1 January 2021 and 30 September 2021 TRY210,048 of final sales revenue was obtained. TRY857,833 of final sales revenue was obtained from the beginning of the Project as of 30 September 2021. (31 December 2020: 112 residences, 47 offices and 43 horizontal offices were delivered, resulting in sales revenue of TRY647,785). As of 30 September 2021, there are no borrowing costs capitalized in the current year within the scope of Torun Center Project (31 December 2020: None).
- (2) In the Mall of Istanbul project, 2 residences with 116.44 m², 12 flat offices with 3,343.88 m², and 1 office with 323.00 m² have been remained in the inventories..
- (3) All residences in Nishistanbul project have been sold (31 December 2020: There are 5 stores (gross 904 m²))
- (4) In the context of 3rd phase of the Korupark project, 9 residences with 1,371.76 m² have been remained in the inventories.
- (5) In Torium project, 2 residences with 189 m² have been remained in the inventories.
- (6) Between the dates of 1 January 2021 and 30 September 2021 TRY139,222 of final sales revenue was obtained and as of 30 September 2021, the final sales revenue of TRY2,235,220 was obtained from the beginning of the project, 27 residences with 4,190 m² have been remained in inventories. (31 December 2020: 2,206 residences have been sold from 2,086 residences by having firm sale income amounting to TRY2,095,998 in return, and 88 residences with 12,389 m² have been remained in inventories).
- (7) The Mall of Istanbul 2nd Stage project (High Residence) consists of 100 residences of 18,780 m². As of 30 September 2021, 82 residences of 16,166 m² remained, and TRY38,458 revenue was generated during the period (31 December 2020: TRY 1,795 was obtained from the sales of 2 high residence).

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NOTE 11 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities

	30 September 2021	31 December 2020
Collaterals received	102,205	110,875

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

Collaterals, Pledges and Mortgages (“CPM”)

Below are the amounts of collaterals, pledges and mortgages of the Group as of 30 September 2021 and 31 December 2020:

CPM’s given by the Company Collaterals, Pledges, Mortgages (“GPM”)	30 September 2021	31 December 2020
A.CPM’s Given for Its Own Legal Personality	15,288,967	11,821,623
B.CPM’s Given on Behalf of Fully Consolidated Companies	-	-
C. CPM’s Given for Continuation of its Economic Activities on Behalf of Third Parties	20,386	20,386
D. 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 on 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	-	-
	15,309,353	11,842,009

	<u>30 September 2021</u>		<u>31 December 2020</u>	
	Foreign currency	TRY equivalent	Foreign currency	TRY equivalent
US Dollar	915,000	8,091,620	915,000	6,716,558
Euro	130,000	1,340,754	130,000	1,171,027
TRY	5,781,399	5,781,399	3,781,399	3,781,399
		15,213,773		11,668,984

As of 30 September 2021, mortgages on investment properties of the Group is TRY15,213,773 (31 December 2020: TRY11,668,984) (Note 9). 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 12 - PLANT, PROPERTY AND EQUIPMENT

Movements in property, plant and equipment and related accumulated depreciation for the period ending on 30 September 2021 and 30 September 2020 are as follows:

	1 January 2021	Additions	Impairment	Disposals (-)	Transfers	30 September 2021
Land improvement	454	76	-	-	-	530
Buildings	307,949	6,729	-	-	(21,500)	293,178
Machine and devices	7,999	-	-	-	-	7,999
Vehicles	2,095	-	-	-	-	2,095
Furniture and fixtures	34,918	1,316	-	-	-	36,234
Special cost	242	-	-	-	-	242
Cost	353,657	8,049	-	-	(21,500)	361,706
Land improvement	85	17	-	-	-	102
Buildings	1,259	4,722	-	-	(403)	5,578
Machine and devices	195	674	-	-	-	869
Vehicles	1,320	288	-	-	-	1,608
Furniture and fixtures	4,135	7,039	-	-	-	11,174
Special cost	217	15	-	-	-	232
Amortization and depreciation (-)	7,211	12,754	-	-	(403)	19,563
Net Book Value	346,446					320,715
	1 January 2020	Additions	Impairment	Disposals (-)	Transfers	30 September 2020
Land improvement	454	-	-	-	-	454
Buildings	28,837	-	-	-	-	28,837
Machine and devices	437	-	-	-	-	437
Vehicles	1,627	-	-	-	-	1,627
Furniture and fixtures	20,762	1,487	-	(885)	-	21,364
Special cost	242	-	-	-	-	242
Cost	52,359	1,487	-	(885)	-	52,961
Land improvement	55	40	-	-	-	95
Buildings	1,136	154	-	-	-	1,290
Machine and devices	58	169	-	-	-	227
Vehicles	1,144	219	-	-	-	1,363
Furniture and fixtures	2,960	1,273	-	(54)	-	4,179
Special cost	186	39	-	-	-	225
Amortization and depreciation (-)	5,539	1,894	-	(54)	-	7,379
Net Book Value	46,820					45,582

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NOTE 13 – 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 were 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 2017.

Group’s shareholders and capital structure as of 30 September 2021 and 31 December 2020 is as follows:

Shareholders	(%)	Group A (thousand)	Group B (thousand)	Group C (thousand)	30 September 2021	31 December 2020
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	low than 0.01	-	16	-	16	16
Other shareholders	low 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

A ve B grubu payların, ana sözleşmesinin 13. maddesindeki esaslar çerçevesinde yönetim kurulu 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.

Companies whose shares are quoted in Borsa İstanbul are subject to profit distribution rules of Capital Market Board as follows:

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 14 - REVENUE AND COST OF SALES

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Residence and office sales income	394,310	136,857	354,988	167,259
Rent income	488,058	221,435	340,986	129,242
Common area income	103,045	49,574	77,565	28,497
Hotel income	33,954	19,778	-	-
Other	3,806	6	2,878	774
Revenues	1,023,173	427,650	776,417	325,772
Cost of residence and office sales	(132,974)	(42,693)	(220,310)	(87,389)
Common area expenses	(90,531)	(47,471)	(104,168)	(37,954)
Rent expenses and management fees of shopping malls	(13,400)	(7,385)	(7,859)	(956)
Hotel expenses	(13,527)	(6,852)	-	-
Other	(369)	-	-	-
Cost of sales	(250,801)	(104,400)	(332,337)	(126,299)
Gross profit	772,372	323,250	444,080	199,473

Operational lease revenues mainly consist of rent income from shopping malls and Torun Tower office 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.

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 15 - MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
General administrative expenses				
Taxes, due and fees	(18,035)	(6,377)	(10,492)	(5,415)
Depreciation expenses	(12,905)	(5,059)	(1,728)	(1,530)
Property expenses	(10,778)	(4,364)	(5,133)	(1,132)
Personnel expenses	(6,691)	(832)	(5,107)	(1,473)
Donations	(2,360)	(2,360)	(10)	-
Provisions for legal cases and doubtful receivables	(1,269)	(59)	(486)	(371)
Consultancy expenses	(778)	(305)	(652)	(224)
Transportation and travel expenses	(481)	(174)	(473)	(184)
Borsa İstanbul, CMB and CRA expenses	(359)	(118)	(232)	(91)
Other	(1,277)	(1,120)	(646)	(399)
	(54,933)	(20,768)	(24,959)	(10,819)

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NOTE 15 - MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (Continued)

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Marketing expenses				
Advertising and promotion expenses	(3,807)	(2,113)	(5,380)	(1,402)
Personnel expenses	(1,188)	(488)	(1,111)	(324)
Residence sales marketing expenses (*)	(742)	(232)	(17,675)	(1,392)
Consultancy expenses	(181)	(16)	(182)	(79)
Depreciation expenses	(95)	(34)	(504)	(166)
Other	(697)	(378)	(327)	(138)
	(6,710)	(3,261)	(25,179)	(3,501)

(*) As of 30 September 2021 and 2020, a significant portion of the residence sales marketing expenses consists of commissions paid to intermediary real estate companies for sales to foreign residents.

NOTE 16 - FINANCE INCOME/(EXPENSES)

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Finance income				
Financial income from derivative instruments	55,900	31,320	-	-
Interest income on time deposits	40,487	17,207	31,244	8,048
Other	6	-	-	-
	96,393	48,527	31,244	8,048
Finance expenses				
Interest expense	(439,824)	(185,766)	(376,749)	(95,079)
Foreign exchange losses, net (*)	(333,914)	(23,370)	(518,697)	(288,851)
	(773,738)	(209,136)	(895,446)	(383,930)

(*) Foreign exchange gains are disclosed after being offset with foreign exchange losses since the Group discloses the foreign exchange gains and losses as net balance.

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NOTE 17 - (LOSS)/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.

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Net losses of shareholders	67,162	153,576	(444,423)	(177,216)
Weighted average number of ordinary shares (Full TRY)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Loss per share (Full TRY)	0.07	0.16	(0.44)	(0.17)

NOTE 18 - RELATED PARTY DISCLOSURES

As of 30 September 2021 and 31 December 2020, the balances with related parties are as follows:

Receivables from related parties	30 September 2021	31 December 2020
Torun AVM (*)	12,603	11,535
Zafer Plaza İşletmeciliği A.Ş.	1,288	5,361
Aziz Torun	14	-
Other	49	49
	13,954	16,945

Trade payables from related parties	30 September 2021	31 December 2020
Torun AVM (*)	22,730	6,191
Torun Yapı San. ve Tic. A.Ş. (**)	14,375	25,448
Other	112	-
	37,217	31,639

(*) Torun Shopping Mall operates Mall of Istanbul, Mall of Antalya, Deepo Shopping Mall, İstanbul Torium Shopping Mall and Bursa Korupark Shopping Mall that the Company owns. In accordance with the administration contract signed for the shopping malls, 2% administration fee is paid to the shopping malls on total rental price invoices (VAT excluded) to the lessees. It is also regarded as lessee in cinemas and other entertainment sections of shopping malls. Balances of payable and receivables of Torun Mall is presented by netting off.

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

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NOTE 18 - RELATED PARTY DISCLOSURES (Continued)

As of 30 September 2021 and 2020, sales to related parties and commission paid to them and service expenses are as follows:

	1 January- 30 September 2021	1 July- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2020
Sales to related parties				
Zafer Plaza İşletmeciliği A.Ş.	18,877	6,000	16,710	6,750
Torun AVM	8,656	5,982	9,421	1,818
Other	807	46	327	217
	28,340	12,028	26,458	8,785

Zafer Plaza İşletmeciliği A.Ş. operates Zafer Plaza Shopping Mall owned by the Company. In accordance with the administration contract signed for Zafer Plaza Shopping Mall, Torunlar REIC had rental income amounting to TRY18,877 for the period 30 September 2021 and TRY16,710 for the period 30 September 2020.

	1 January- 30 September 2021	1 July- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2020
Purchases from related parties				
Torun AVM	54,407	23,898	41,054	13,149
Torun Yapı San. ve Tic. A.Ş. (*)	20,470	4,017	112,903	22,030
Torunlar Gıda A.Ş.	2,553	390	841	271
PRN Parakende Mağazacılık ve Tic. A.Ş.	-	-	240	240
Other	666	453	476	-
	78,096	28,758	155,514	35,690

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

As of 30 September 2021 and 2020, the interest income from and interest expenses to the related parties are as follows:

	1 January- 30 September 2021	1 July- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2020
Interest Income				
Torun AVM	186	-	-	-
Torunlar Gıda A.Ş.	44	-	215	-
Other	11	5	335	130
	241	5	550	130

	1 January- 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Interest Expenses				
Torunlar Gıda	1,563	329	349	215
Torun Yapı	1,115	33	963	628
Torun AVM	-	-	287	34
Other	45	-	-	-
	2,722	362	1,599	877
	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Salaries and premiums	2,921	1,036	2,139	758
	2,921	1,036	2,139	758

The remuneration of top management consists of short-term salaries and other short-term benefits and free from long-term benefits.

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NOTE 19 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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 30 September 2021 and 31 December 2020.

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

	30 September 2021	31 December 2020
Assets	25,734	127,896
Liabilities	(1,753,763)	(1,726,351)
Net balance sheet position	(1,728,029)	(1,598,455)

The table below summaries foreign currency position risk of the Group as of 30 September 2021. The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent are as follows:

	Euro	US Dollar	TRY Amount
Current Assets			
Monetary financial assets	1,842	658	24,802
Other assets	10	93	932
Total assets	1,852	751	25,734
Short-term liabilities			
Trade payables	(13)	(27)	(375)
Financial liabilities	(53,036)	(3,125)	(574,622)
Other short-term liabilities	(5,736)	(2,513)	(81,377)
Long-term liabilities			
Financial liabilities	(53,499)	(52,500)	(1,016,035)
Other long-term liabilities	(1)	(9,199)	(81,354)
Total liabilities	(112,285)	(67,364)	(1,753,763)
Net balance sheet position	(110,433)	(66,613)	(1,728,029)
Net foreign currency liability position	(110,433)	(66,613)	(1,728,029)

If the foreign currency gains 20% against TRY, the effect is as follows:

Against Euro	(227,790)
Against US Dollar	(117,815)
Net foreign currency liability position	(345,605)

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NOTE 19 - 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 2020. The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent are as follows

	Euro	US Dollar	TRY Amount
Current Assets			
Monetary financial assets	243	12,405	93,248
Other assets	-	4,084	29,977
Trade receivables	518	-	4,671
Total assets	761	16,489	127,896
Short-term liabilities			
Trade payables	(7,849)	(680)	(75,696)
Financial liabilities	(44,562)	(2,811)	(422,044)
Other short-term liabilities	(3,119)	(956)	(35,116)
Long-term liabilities			
Financial liabilities	(87,299)	(54,481)	(1,186,298)
Other long-term liabilities	(799)	-	(7,197)
Total liabilities	(143,628)	(58,928)	(1,726,351)
Net balance sheet position	(142,867)	(42,439)	(1,598,455)
Net foreign currency liability position	(142,867)	(42,439)	(1,598,455)
Assets from off balance sheet derivative instruments	45,000	-	405,356
Net foreign currency liability position	(97,867)	(42,439)	(1,193,099)

The table below shows the Group’s sensitivity for 20% fluctuation of USD and EUR. These amounts represent the effect on the statement of comprehensive income of 20% fluctuation of USD and EUR against TRY. During this analysis all other variables especially interest rate is assumed to remain constant.

If the foreign currency gains 20% against TRY, the effect is as follows:

Against Euro	(176,315)
Against the US Dollar	(62,304)
Net foreign currency position	(238,619)

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NOTE 20 - SUBSEQUENT EVENTS

None.

NOTE 21 - ADDITIONAL NOTES: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

As of 30 September 2021 and 31 December 2020, the information stated in Note “Control of Compliance with the Portfolio Limitations” are the condensed information which comprised of Serial: II. No: 14.1 “Financial Reporting in Capital Markets” Amendment No: 16 and prepared in accordance with Capital Markets Board’s Communiqué Serial: III, No: 48.1 “Real Estate Investment Company” published in the Official Gazette dated 28 May 2013 numbered 28660 ,Capital Markets Board’s Communiqué Serial: III. No: 48.1 a “Amendment on Real Estate Investment Company” published in the Official Gazette dated 23 January 2014 numbered 28891 and Capital Markets Board’s Communiqué Serial: III. No: 48.1 e “Amendment on Real Estate Investment Company” published in the Official Gazette dated 9 October 2020 numbered 31269

Financial Statements Main Account Items	Related Regulations	30 September 2021	31 December 2020
A Money and capital markets instruments	Series:III, No:48.1, Art.24/(b)	142,710	172,700
B Properties, projects based on properties and rights based on properties	Series:III, No:48.1, Art.24/(a)	12,852,167	12,961,196
C Subsidiaries	Series:III, No:48.1, Art.24/(b)	406,203	402,127
Due to related parties (non-trade)	Series:III, No:48.1, Art.23/(f)	-	-
Other assets		240,830	175,158
D Total assets	Series:III, No:48.1, Art.3/(p)	13,641,910	13,711,181
E Financial liabilities	Series:III, No:48.1.1, Art.31	4,484,678	4,575,659
F Other financial liabilities	Series:III, No:48.1.1, Art.31	-	-
G Finance leases	Series:III, No:48.1.1, Art.31	8,732	51,669
H Due from related parties (non-trade)	Series:III, No:48.1, Art.23(f)	37,347	67,144
I Shareholders Equity	Series:III, No:48.1, Art.31	8,840,230	8,771,457
Other liabilities		270,923	245,252
D Total liabilities	Series:III, No:48.1, Art.3/(p)	13,641,910	13,711,181

TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

NOTE 21 ADDITIONAL NOTES: CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS (Continued)

Financial Information	Related Regulations	30 September 2021	31 December 2020
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)	142,710	172,700
A2 TRY and foreign currency time and demand deposits	Series:III, No:48.1, Art.24/(b)	142,710	142,723
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	95,580	173,026
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)	91,330	141,783

Portfolio Restrictions	Related Regulations	30 September 2021	31 December 2020	Asgari / Azami Oran
1 Mortgage amount on non-owned land to be developed (K/D)	Series:III, No:48.1a, Art.22/(e)	%0	%0	<%10
2 Real Estate, Projects Based on Real Estate, Rights Based on Real Estate mutual fund participation shares and companies they are 100% affiliated with (B+A1)/D)	Series:III, No:48.1a, Art.24/(a),(b)	%95	%96	>%50
3 Money and capital market instruments and affiliates (A+C-A1)/D)	Series:III, No:48.1a, Art.24/(b)	%3	%3	<%50
4 Foreign properties, projects based on properties rights based on properties affiliates capital, market instruments (A3+B1+C1)/D)	Series:III, No:48.1a, Art.24/(d)	%0	%0	<%49
5 Idle lands(B2/D)	Series:III, No:48.1a, Art.24/(c)	%0	%0	<%20
6 Investment in affiliated operating companies (C2/D)	Series:III, No:48.1a, Art.28/1(a)	%0	%0	<%10
7 Borrowing limit (E+F+G+H+J)/I)	Series:III, No:48.1, Art.31	%52	%55	<%500
8 TRY and foreign currency time and demand deposits (A2-A1)/D)	Series:III, No:48.1, Art.24/(b)	%0	%0	<%10
9 Total investments for money and capital market instruments in a single entity	Series:III, No:48.1, Art.22/(1)	%3	%1	<%10

Associate	Participation rate	Participation amount	
	(%)	30 September 2021	31 December 2020
Yeni Gimat	14.83	329,152	326,836
TTA	40.00	58,718	57,419
Netsel	44.60	17,849	17,388
TRN	99.99	484	484
		406,203	402,127

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