

**HALK GAYRİMENKUL YATIRIM  
ORTAKLIĞI A.Ş.**

UNCONSOLIDATED FINANCIAL  
STATEMENTS AS OF 30 SEPTEMBER 2022 AND  
INDEPENDENT AUDITOR'S REVIEW REPORT

(CONVENIENCE TRANSLATION OF THE  
UNCONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REVIEW  
REPORT ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF THE REVIEW REPORT ON  
INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF INTERIM  
FINANCIAL STATEMENTS**

**To the General Assembly of Halk Gayrimenkul Yatırım Ortaklığı A.Ş.**

*Introduction*

We have reviewed the accompanying unconsolidated financial statements of Halk Gayrimenkul Yatırım Ortaklığı A.Ş. which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the nine-months period then ended and a summary of significant accounting policies and other explanatory notes. The Company management is responsible for the preparation and presentation of this unconsolidated interim financial information in accordance with Turkish Financial Reporting Standards (TFRS). Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with Independent Auditing Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently the review of interim financial information does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Turkish Financial Reporting Standards (TFRS).

### *Other Matters*

As detailed in Note 28, we draw attention to the following matters from which the Parent Bank (“Bank”) can be affected:

On 15 October 2019, the United States (“USA”) New York Southern District Attorney's Office filed a lawsuit against the Bank in the Southern District Court of New York (“District Court”) for violation of Iran sanctions. Criminal case pending before the District Court is pending due to appeal filed by the Bank under the "Foreign State Immunity Act (FSIA)". The Bank's appeal process to the U.S. Supreme Court continues.

In addition, a civil lawsuit was filed against the Parent Bank on 27 March 2020 with a claim for compensation by plaintiffs in the U.S. New York Southern District Court "on the grounds that they (plaintiffs) could not satisfy their judgments from Iran due to violations of sanctions". The District Court dismissed the case. The complainants filed an appeal against the court decision before the Second Appeal, and the process continues.

At this stage, the Parent Bank's Management state that there is no penalty, compensation, sanction or other measure arising from the ongoing criminal and civil lawsuits against the Parent Bank. There is an uncertainty with respect to any decisions by the US authorities that may adversely affect the financial position of the Parent Bank. No provision has been made in the accompanying financial statements related to these matters. Our opinion is not modified in respect of these matters.

### *Additional paragraph for convenience translation to English*

*In the accompanying interim condensed unconsolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying interim condensed financial statements are not intended to present the financial position and results of operations in accordance with IFRS.*

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Zere Gaye Şentürk  
Partner

Istanbul, 11 November 2022

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**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****REVIEWED UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

	<b>Notes</b>	<b>Reviewed 30 September 2022</b>	<b>Audited 31 December 2021</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	27	59,436,450	52,795,894
Trade Receivables	5	11,603,728	1,811,138
<i>Trade Receivables from Related Parties</i>	4	-	60
<i>Trade Receivables from Third Parties</i>		11,603,728	1,811,078
Inventories	6	334,772,886	176,833,096
Prepaid Expenses	7	909,165	734,112
<i>Prepaid Expenses to Third Parties</i>		909,165	734,112
Current Tax Assets		840,301	733,745
Other Current Assets	14	104,383,046	39,817,290
<i>Other Current Assets from Third Parties</i>		104,383,046	39,817,290
<b>Non-Current Assets</b>		<b>8,908,811,091</b>	<b>4,294,745,095</b>
Trade Receivables	5	3,472	244,980
<i>Trade Receivables From Third Parties</i>		3,472	244,980
Financial Investments	30	15,000,000	15,000,000
Investment Property	9	8,825,215,624	4,127,257,500
Property, Plant and Equipment	10	5,839,646	3,917,083
Intangible Assets	11	1,529,561	769,895
<i>Other Intangible Assets</i>		1,529,561	769,895
Prepaid Expenses	7	61,222,788	83,469,889
<i>Prepaid Expenses to Related Parties</i>		1,535,437	561,536
<i>Prepaid Expenses to Third Parties</i>		59,687,351	82,908,353
Other Non-Current Assets	14	-	64,085,748
<i>Other Non-Current Assets to Third Parties</i>		-	64,085,748
<b>TOTAL ASSETS</b>		<b>9,420,756,667</b>	<b>4,567,470,370</b>

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

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****REVIEWED UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

	Notes	Reviewed 30 September 2022	Audited 31 December 2021
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-Term Borrowings	23	1,426,676,609	1,089,243,097
<i>Short-Term Borrowings from Related Parties</i>		552,987,361	864,006,093
<i>Short-Term Borrowings from Third Parties</i>		552,274,585	862,804,646
		712,776	1,201,447
Short-Term Portion of Long-Term Borrowings	23	32,210,204	50,368,187
<i>Short-Term Portion of Long-Term     Borrowings from Related Parties</i>		32,210,204	50,368,187
Trade Payables	5	135,007,876	51,598,557
<i>Trade Payables to Related Parties</i>	4	25,967	10,021
<i>Trade Payables to Third Parties</i>		134,981,909	51,588,536
Liabilities Arising from Customer Contracts	8	640,303,169	94,920,308
Short-Term Provisions		3,492,653	3,490,926
<i>Short-Term Portion of Provisions Related to     Employee Benefits</i>	13	3,227,853	2,799,386
<i>Other Short-Term Provisions</i>	12	264,800	691,540
Other Current Liabilities	14	62,675,346	24,859,026
<i>Other Current Liabilities to Related Parties /     Other Current Liabilities to Third Parties</i>		62,675,346	24,859,026
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	23	882,011,632	180,501,154
<i>Long-Term Borrowings from Related Parties</i>		375,079,804	94,209,091
<i>Long-Term Borrowings from Third Parties</i>		374,107,436	93,736,832
		972,368	472,259
Trade Payables		85,000,000	85,000,000
<i>Trade Payables to Related Parties</i>	5	85,000,000	85,000,000
Deferred Income	8	420,000,000	-
<i>Deferred Income to Third Parties</i>		420,000,000	-
Long-Term Provisions	13	1,931,828	1,292,063
<i>Long-Term Portion of Provisions Related to     Employee Benefits</i>		1,931,828	1,292,063
<b>EQUITY</b>			
Paid-in Capital	15	7,112,068,426	3,297,726,119
Treasury Shares (-)	15	1,570,000,000	1,020,000,000
Share Premiums/Discounts		(33,160,263)	(28,756,004)
Share Premiums/Discounts		81,040,446	49,945,096
Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		61,004	61,003
- <i>Gains on Remeasurement of Defined Benefit Plans</i>		61,004	61,003
Restricted Reserves Appropriated from Profit	15	69,518,140	58,787,783
Prior Years' Profit or Losses		2,142,132,566	1,821,775,956
Net Profit or Loss for the Period		3,282,476,533	375,912,285
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,420,756,667</b>	<b>4,567,470,370</b>

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

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****REVIEWED UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

		<b>Reviewed</b>	<b>Reviewed</b>	<b>Reviewed</b>	<b>Reviewed</b>
		<b>1 January- 30 September 2022</b>	<b>1 July 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July 30 September 2021</b>
	<b>Notes</b>				
Revenue	16	120,468,865	47,391,086	76,331,777	19,649,665
Cost of Sales (-)	16	(20,113,945)	(11,150,538)	(27,649,011)	(2,422,720)
<b>GROSS PROFIT (LOSS)</b>		<b>100,354,920</b>	<b>36,240,548</b>	<b>48,682,766</b>	<b>17,226,945</b>
General Administrative Expenses (-)	18	(23,721,116)	(7,834,326)	(16,550,833)	(5,612,116)
Marketing Expenses (-)	18	(4,129,086)	(1,516,984)	(3,928,817)	(1,269,594)
Other Operating Income	19	3,237,350,044	670,182	3,053,774	1,797,031
Other Operating Expenses (-)	19	(887,888)	(558,454)	(714,847)	(392,708)
<b>OPERATING PROFIT (LOSS)</b>		<b>3,308,966,874</b>	<b>27,000,966</b>	<b>30,542,043</b>	<b>11,749,558</b>
<b>OPERATING PROFIT (LOSS) BEFORE FINANCE INCOME (EXPENSE)</b>		<b>3,308,966,874</b>	<b>27,000,966</b>	<b>30,542,043</b>	<b>11,749,558</b>
Finance Expenses (-)	20	(26,490,341)	(6,633,270)	(3,257,347)	(2,020,186)
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>3,282,476,533</b>	<b>20,367,696</b>	<b>27,284,696</b>	<b>9,729,372</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>3,282,476,533</b>	<b>20,367,696</b>	<b>27,284,696</b>	<b>9,729,372</b>
Earnings Per Share	22	2.0907	0.0130	0.0267	0.0119
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>		<b>3,282,476,533</b>	<b>20,367,696</b>	<b>27,284,696</b>	<b>9,729,372</b>

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

# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## REVIEWED UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

	Notes	Paid-in Capital	Treasury Shares	Share Issued Premiums / Discounts	Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss	Retained Earnings		Equity	
					Accumulated Gains/Losses on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profit	Prior Years' Profit / Losses		Net Profit / Loss for the Period
<b>Balances as of 1 January 2021</b>		<b>970,000,000</b>	<b>(27,346,399)</b>	<b>49,945,096</b>	<b>68,913</b>	<b>52,735,975</b>	<b>1,528,632,662</b>	<b>352,452,465</b>	<b>2,926,488,712</b>
Transfers		-	-	-	-	6,051,808	346,400,657	(352,452,465)	-
Total Comprehensive Income		-	-	-	162,940	-	-	27,467,838	<b>27,630,778</b>
Capital Increase	15	50,000,000	(1,409,605)	-	-	-	(48,590,395)	-	-
Profit shares		-	-	-	-	-	(4,859,041)	-	<b>(4,859,041)</b>
<b>Balances as of 30 September 2021</b>	<b>15</b>	<b>1,020,000,000</b>	<b>(28,756,004)</b>	<b>49,945,096</b>	<b>231,853</b>	<b>58,787,783</b>	<b>1,821,583,883</b>	<b>27,467,838</b>	<b>2,949,260,449</b>
<b>Balances as of 1 January 2022</b>	<b>15</b>	<b>1,020,000,000</b>	<b>(28,756,004)</b>	<b>49,945,096</b>	<b>61,003</b>	<b>58,787,783</b>	<b>1,821,775,956</b>	<b>375,912,285</b>	<b>3,297,726,119</b>
Transfers		-	-	-	1	3,404,928	372,507,360	(375,328,667)	<b>583,620</b>
Total Comprehensive Income		-	-	-	-	-	-	3,281,892,914	<b>3,281,892,914</b>
Capital Increase	15	550,000,000	(4,404,259)	31,095,350	-	7,325,429	(52,150,750)	-	<b>531,865,773</b>
Profit shares		-	-	-	-	-	-	-	-
<b>Balances as of 30 September 2022</b>	<b>15</b>	<b>1,570,000,000</b>	<b>(33,160,263)</b>	<b>81,040,446</b>	<b>61,004</b>	<b>69,518,140</b>	<b>2,142,132,566</b>	<b>3,282,476,532</b>	<b>7,112,068,426</b>

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



**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****REVIEWED UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

	<b>Notes</b>	<b>Reviewed 1 January- 30 September 2022</b>	<b>Reviewed 1 January- 30 September 2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit (Loss) for the Period</b>		<b>3,282,476,533</b>	<b>28,115,696</b>
<b>Adjustments to Reconcile Net Profit (Loss) for the Period</b>			
- Adjustments Related to Depreciation and Amortization Expenses	10-11	1,844,116	1,797,911
- Adjustments Related to Provisions	12-13	738,904	(128,410)
- Adjustments Related to Interest Income and Expenses	16-20	113,430,750	20,354,907
- Adjustments Related to Fair Value Losses/Gains	19	(3,235,473,811)	(993,557)
- Adjustments Related to Loss/Gain on Disposal of Fixed Assets		30,149,118	(3,213,214)
<b>Changes in working capital</b>			
- Adjustments Related to (Increase) / Decrease in Inventories	6	(157,939,790)	(20,043,930)
- Adjustments Related to (Increase) / Decrease in Trade Receivables		(9,551,009)	(6,603,650)
- Decrease (Increase) in Prepaid Expenses		22,072,048	8,587,129
- Decrease (Increase) in Other Operating Assets		(586,564)	(12,957,364)
- Adjustments Related to Increase / (Decrease) in Trade Payables		83,409,319	8,846,536
- Adjustments Related to Increase / (Decrease) in Deferred Income (Excluding Liabilities Arising from Customer Contracts)		965,382,861	5,257,152
- Adjustments Related to Increase (Decrease) in Other Operating Liabilities		37,718,836	(52,280,674)
<b>Cash Flows Generated from Operations</b>		<b>1,133,671,311</b>	<b>(23,261,468)</b>
Interest Received		19,311,692	6,549,330
		<b>1,152,983,003</b>	<b>(16,712,138)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets	10-11	(4,526,345)	27,226,853
Cash Outflows from Purchase of Investment Properties	9-20	(1,478,746,813)	27,226,853
Cash Inflows from Disposals of Investment Properties	9	(13,886,618)	27,226,853
		<b>(1,497,159,776)</b>	<b>81,680,559</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash Inflows from Borrowings		402,507,464	759,676,916
Cash Outflows from Repayment of Borrowings		(450,813,463)	(563,146,318)
Cash Inflows from Capital Increase		531,865,770	-
Dividends Paid		-	(4,859,041)
Interest Paid		(132,742,632)	(69,725,921)
		<b>350,817,139</b>	<b>121,945,636</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		6,640,366	186,083,057
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		<b>52,773,911</b>	<b>49,531,522</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>			
	27	<b>59,414,280</b>	<b>235,614,579</b>

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

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 1. ORGANIZATION AND OPERATIONS OF THE COMPANY

The main activity of Halk Gayrimenkul Yatırım Ortaklığı A.Ş (the “Company”) is to invest in properties, property projects, rights on properties, property related capital market instruments and portfolio including other rights and assets as deem appropriate by the Capital Markets Board of Turkey (“CMB”) The Company, its joint operations and its subsidiary will be described as (“Group”) in this report (see also Note 2.1 and Note 3). In accordance with the relevant articles of the CMB’s Communiqué on the Principles of Real Estate Investment Trusts, the main objective of the Company is to invest in properties, property projects, property rights and capital market instruments.

The operations of the Company, its portfolio management policies and limitations are consistent with the regulatory requirements of the CMB. Investment property portfolio of the Company consists of lands and rental properties which are used as bank branches and bank headquarter. The Company obtained its license to operate by the CMB’s approval dated 24 September 2010 and numbered 9546, and registered in the CMB. The registered capital ceiling of the Company is TL 2,500,000,000. (The registered capital ceiling before 2 September 2020 is TL 1,500,000,000.). On 25 March 2022, the capital of the Company was increased to TL 1,530,000,000 with a capital increase of TL 510,000,000.

The headquarter of the Company is registered in Şerifali Çiftliği Tatlısu Mah. Ertuğrulgazi Sok. No:1 34774 Yukarı Dudullu Ümraniye/İstanbul.

As of 30 September 2022, the number of personnel employed in the Company is 42 (31 December 2021: 42).

The Company is a subsidiary of Türkiye Halk Bankası A.Ş (“Halkbank”) and was registered on 18 October 2010. With the amendment dated 31 December 2009 made by the CMB the Communiqué on the Principles of Real Estate Investment Trusts, it is obligatory that the shares of trusts representing a minimum 25% of their capital be issued within three months of either the establishment of the investment trust or the related amendment to the articles of association being registered with the Trade Registry, are offered to public and that they apply to the CMB with the request that all shares to be registered.

The Company has applied to the CMB on 29 August 2012 to increase the issued capital from TL 477,000,000 to TL 662,500,000 within TL 1,500,000,000 registered capital ceiling (The registered capital ceiling as of 2 September 2020 is TL 2,500,000,000.), by initial public offering of the increase of TL 185,500,000 B group bearer shares. The application was approved in accordance with the CMB’s decision numbered 4/97 on 8 February 2013. During 13-15 February 2013, TL 185,500,000 B group shares offered to public by restricting the preemptive rights of the existing shareholders. After the collection of the investors demand, the Company’s shares started to be traded on İstanbul Stock Exchange with HLGYO title as of 22 February 2013.

The Company’s application to the Capital Markets Board regarding the increase of its issued capital from TL 1,020,000,000 by 50% to TL 1,530,000,000, all in cash, within the registered capital ceiling of TL 2,500,000,000, was approved at the meeting of the Market Board dated 24 February 2022 No. 10-282 and announced in the Capital Markets Bulletin dated 24 February 2022 No. 2022/10. Bearer shares with a nominal value of TL 510,000,000 were made available for 15 days between 2 March 2022 and 16 March 2022, in accordance with the principles stated in the prospectus. The new version of Article 8 of the Articles of Association titled "Capital and Shares" regarding the increase of the Company's issued capital from TL 1,020,000,000 by 50% to TL 530,000,000, all in cash, within the registered capital ceiling of TL 2,500,000,000 was approved by Capital Markets Board on 25 March 2022. The Capital Markets Board approved the new version of Article 8 of the Articles of Association, titled "Capital and Shares", regarding the increase of the Company's capital to TL 1,570,000,000, all in cash on 18 May 2022.

# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 1. ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)

Capital increase details are given below:

<u>Date</u>	<u>Share Capital</u>	<u>Capitalisation</u>	<u>Increase value</u>	<u>Funds</u>
18 October 2010	477,000,000	Rights Issue	-	Funding Capital
15 August 2012	662,500,000	Rights Issue	185,500,000	Public Offering
20 June 2013	673,638,704	Bonus Issue	11,138,704	Prior Years' Profit
5 June 2014	697,900,000	Bonus Issue	24,261,296	Prior Years' Profit
11 June 2015	743,000,000	Bonus Issue	45,100,000	Prior Years' Profit
25 May 2016	790,000,000	Bonus Issue	47,000,000	Prior Years' Profit
15 August 2017	820,000,000	Bonus Issue	30,000,000	Prior Years' Profit
8 June 2018	858,000,000	Bonus Issue	38,000,000	Prior Years' Profit
17 June 2019	928,000,000	Bonus Issue	70,000,000	Prior Years' Profit
20 August 2020	970,000,000	Bonus Issue	42,000,000	Prior Years' Profit
20 Mayıs 2021	1,020,000,000	Bonus Issue	50,000,000	Prior Years' Profit
25 March 2022	1,530,000,000	Rights Issue	510,000,000	Cash on Payment
18 May 2022	1,570,000,000	Bonus Issue	40,000,000	Prior Years' Profit

As at 4 September 2014, the Company has signed a Joint Operation Agreement with Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. for developing a real estate project.

As at 14 April 2016, the Company has signed Joint Operation Agreement with Er Konut İnş. Taah. İnş. Malz. Nak. ve Mad. Tic. ve San. A.Ş. for developing a real estate project.

As at 24 August 2017, the Company has signed a Joint Operation Agreement with Teknik Yapı Teknik Yapılar San.ve Tic. A.Ş. for developing a real estate project.

The Company established Halk Yapı Projeleri Geliştirme A.Ş. to develop all kinds of real estate projects on 15 December 2020. The entire capital of the company established belongs to Halk GYO.

The details of the Company's subsidiary and shares in joint operations are as follows:

<u>Subsidiary</u>	<u>Type of activity</u>	<u>Main activity fields</u>
Halk Yapı Projeleri Geliştirme A.Ş.	Construction	Real Estate Construction
<u>Shares in joint operations</u>	<u>Type of activity</u>	<u>Main activity fields</u>
Halk GYO-Vakıf GYO Joint Venture	Construction	Real Estate Construction
Halk GYO-Erkonut Joint Venture	Construction	Real Estate Construction
Teknik Yapı-Halk GYO Joint Venture	Construction	Real Estate Construction

#### Approval of unconsolidated financial statements:

The Board of Directors has approved the financial statements and delegated authority for publishing it on 11 November 2022. The General Assembly has the authority to modify the financial statements.

### 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### Statement of Compliance in TFRS

The accompanying unconsolidated 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" ("the Communiqué"), which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards ("TFRS") and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the financial statements have been prepared in accordance with the "Announcement on TFRS Taxonomy" published by POA and the resolution of CMB about the Illustrations of Financial Statements and Application Guidance published on 15 April 2019.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of Presentation (cont'd)

The unconsolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### Currency Used

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

#### Preparation of financial statements in hyperinflationary economies

In accordance with the communique issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Accounting Standards, it is decided not to apply inflation accounting from 1 January 2005 which is published on 17 March 2005 numbered 11/367. Accordingly, as of 1 January 2005 No:29 “Financial reporting in Hyperinflationary Economies” (“TAS 29”) was not applied.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements in accordance with TAS 29.

#### Comparative Information and Adjustment of Prior Period Unconsolidated Financial Statements

Unconsolidated Financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year unconsolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary.

#### Basis of Subsidiaries

As of 30 September 2022 and 31 December 2021, the details of the Company's subsidiaries are as follows:

Subsidiaries	Place of incorporation and operation	Functional currency	The Group's shareholding rate and voting power (%)	
			30 September 2022	31 December 2021
Halk Yapı Projeleri Geliştirme A.Ş.	Turkey	Turkish Lira	100%	100%

The Company accounts for its subsidiary at cost.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of Presentation (cont'd)

#### Interests in joint operations:

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 economic activity.

This control is deemed to exist when decisions regarding relevant activities require the unanimous consent of the parties sharing control.

When a company undertakes its activities under joint operations, the Company as a joint operator recognizes in relation 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 Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the TFRS applicable to the particular assets, liabilities, revenues and expenses.

### 2.2 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. In the current period, there are no material changes in accounting estimates of the Company.

### 2.3 New and Amended Turkish Financial Reporting Standards

#### a) Amendments that are mandatorily effective from 2022

Amendments to TFRS 3  
Amendments to TAS 16

*Reference to the Conceptual Framework  
Property, Plant and Equipment – Proceeds before  
Intended Use*

Amendments to TAS 37  
Annual Improvements to TFRS Standards  
2018-2020

*Onerous Contracts – Cost of Fulfilling a Contract  
Amendments to TFRS 1, TFRS 9 and TAS 41*

Amendments to TFRS 16

*COVID-19 Related Rent Concessions beyond 30 June  
2021*

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.3 New and Amended Turkish Financial Reporting Standards (cont'd)

#### a) Amendments that are mandatorily effective from 2022 (cont'd)

##### ***Amendments to TFRS 3 Reference to the Conceptual Framework***

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

##### ***Amendments to TAS 16 Property, Plant and Equipment - Proceeds before Intended Use***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

##### ***Amendments to TAS 37 Onerous Contracts – Cost of Fulfilling a Contract***

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

##### ***Annual Improvements to TFRS Standards 2018-2020 Cycle***

#### *Amendments to TFRS 1 First time adoption of Turkish Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

#### *Amendments to TFRS 9 Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.3 New and Amended Turkish Financial Reporting Standards (cont'd)

#### Amendments to TAS 41 Agriculture

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

#### **Amendments to TFRS 16 COVID-19 Related Rent Concessions**

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group management has evaluated that these amendments and comments, which are effective from 2022, do not have any impact on the financial statements of the Company.

#### b) New and revised TFRSs in issue but not yet effective

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 – Comparative Information</i>

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.3 New and Amended Turkish Financial Reporting Standards (cont'd)**

#### ***TFRS 17 Insurance Contracts***

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2023.

#### ***Amendments to TAS 1 Classification of Liabilities as Current or Non-Current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### ***Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9***

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

#### ***Amendments to TAS 1 Disclosure of Accounting Policies***

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### ***Amendments to TAS 8 Definition of Accounting Estimates***

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.



## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.3 New and Amended Turkish Financial Reporting Standards (cont'd)**

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

These amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### ***Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information***

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Changes will be applied when TFRS 17 is first applied.

The possible effects of the standards, amendments and improvements on the financial position and performance of the Company are being evaluated.

### **2.4 Summary of Significant Accounting Policies**

#### **Related Parties**

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

- a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Related Parties (cont'd)

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an entity of which the other entity is a member).
- (ii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

#### Revenue

Revenue is recognized when it is probable that an economic gain will be realized to the Group as a result of its operations and it is probable that the income will be measured reliably. Net sales are reduced for estimated and realized customer returns, rebates, commissions and taxes related with sales. Revenue is recognized when all the following conditions are satisfied:

##### *Sale of real estate*

In accordance with the contract, revenue is included in the financial statements when the performance obligation determined in the contract is fulfilled after the real estate committed is transferred to the customer. When the customers receives the control of the property, the real estate is considered as transferred.

##### *Rental income from real estate leases:*

Rental income from real estates is recognized on an accrual and a straight-line basis through the related lease contract. If there are other benefits to the tenants of the Company, they are recorded so as to reduce rental income during the lease term.

##### *Dividend and interest income:*

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

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

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Revenue (cont'd)**

##### *Sale of lands*

Revenue is recognised when all significant risks and rewards regarding the lands that are not designed are transferred to the buyer according to TFRS 15 and the amount of revenue can be measured reliably.

##### *Sales of land by way of “Land Sale of Revenue Sharing Agreement” (“LSRSA”)*

The Company recognizes revenue from the sale of the lands designed in the scope of “Land Sale of Revenue Sharing Agreement” (LSRSA) when transfer of legal ownership of land is transferred to the buyer. When the legal ownership is not transferred, the Company books its share of revenue as deferred income. The Company’s share (land sales income) in Total Sales Revenue (“TSR”) is recorded as revenue from sale of land and related cost is recognized as cost of land sold in the statement of profit or loss.

#### **Inventories**

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

#### **Property, Plant and Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Property, Plant and Equipment (cont'd)**

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### **Leases**

##### **The Company as Lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Leases (cont'd)**

##### **The Company as Lessee (cont'd)**

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Leases (cont'd)**

##### **The Company as Lessee (cont'd)**

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

##### **The Company as lessor**

The Company enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Company is a lessor are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies TFRS 15 to allocate the consideration under the contract to each component.

#### **Intangible Assets**

##### ***Intangible assets acquired separately***

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

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Intangible Assets (cont'd)

##### Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5-10 years). Costs associated with developing or maintaining computer software programme are recognized in the statement of profit or loss as incurred.

##### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

#### Impairment of Property, Plant and Equipment and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Intangible Assets (cont'd)

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

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalization is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

General borrowings of the Company are capitalized to the applicable qualifying assets based on a capitalization rate. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

#### Financial Instruments

##### Financial assets

At initial recognition, the Company measures a financial asset at its fair value, except for trade receivables that do not contain significant financing component. The Group measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component in accordance with TFRS 15 (or when the entity applies the practical expedient) at initial recognition.

At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. A regular way purchase or sale of financial assets shall be recognized using trade date accounting or settlement date accounting.



## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Financial Instruments (cont'd)

##### Financial assets (cont'd)

The Company shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: (a) the Company's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset. When, and only when, the Company changes its business model for managing financial assets it shall reclassify all affected financial assets. If the Company reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date the Company shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

##### Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

Interest revenue regarding the financial assets at amortized cost, shall be calculated by using the effective interest method. This shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the entity shall apply the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the entity shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with this Standard, an entity shall recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in profit or loss.

The Company shall directly reduce the gross carrying amount of a financial asset and derecognizes the financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Financial Instruments (cont'd)

##### Financial assets (cont'd)

##### Financial assets at FVTOCI

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

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

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

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

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

##### Financial assets at FVTPL

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

Derivatives are also categorized as FVTPL unless they are designated as hedges. These financial assets are stated at fair value and any gain or losses are recognized in profit or loss.

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Financial Instruments (cont'd)**

##### Impairment

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

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

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

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

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

##### Financial liabilities

When a financial liability is recognized initially, the Company measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

An entity shall classify all financial liabilities as subsequently measured at amortized cost, except for:

(a) Financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies: When the Company continues to recognize an asset to the extent of its continuing involvement, the entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained. The associated liability is measured in such a way that the net carrying amount of the transferred asset.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Financial Instruments (cont'd)

##### Financial liabilities (cont'd)

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

The entity does not reclassify any financial liability.

##### Recognition and derecognition of financial assets

The Company recognizes a financial asset or a financial liability in its statement of financial position when, and only, the entity becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. An Company shall remove a financial liability from its statement of financial position when, and only, the obligation specified in the contract is discharged or cancelled or expires.

##### Derivative financial instruments and financial risk hedge accounting

The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives are included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item has an effect on profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for financial risk hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Effect of Exchange Differences**

##### Foreign Currency Balances and Transactions

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings.

#### **Earnings Per Share**

Earnings per share disclosed in the statement of comprehensive income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings on equity items. Such kind of “bonus shares” are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

#### **Events After the Reporting Period**

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

## **HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

### **NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

### **2.4 Summary of Significant Accounting Policies (cont'd)**

#### **Provisions, Contingent Assets and Liabilities**

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

#### **Investment Properties**

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

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

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

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

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Income Taxes

According to Article 5/1(d) (4) of the New Corporate Tax Law No: 5520, the income of Real Estate Investment Trusts (“REIT”) is exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax.

According to the Corporate Tax Law Article 15/(3), the income of REITs is subject to 15% withholding tax irrespective of its distribution. Within the framework of the authority within the scope of KVK Article 15/(4), the Council of Ministers, it is authorized to reduce the tax withholding rates specified in Article 15 to zero for each payment and income separately, to increase it up to the corporate tax rate, and to differentiate within the same limits according to the type of fund or partnership for the earnings specified in the third paragraph, or according to the nature and distribution of the assets in their portfolios. In accordance with New Corporate Tax Law Article 15/(2), income subject to corporate tax is also exempt from withholding tax.

According to the temporary Article (1) of the Corporate Tax Law, resolutions of the Council of Ministers related with Income Tax Law numbered 193 and Tax Law No: 5422 are valid up to new Decrees published by the Council of Ministers. Determined rates cannot exceed statutory limits defined at New Corporate Tax Law.

Based on the resolution of the Council of Ministers related to the withholding tax rates which were determined as 15% according to the Corporate Tax Law Article 15/(3) published in the Official Gazette dated 3 February 2009 numbered 27130, the withholding tax rate is determined as 0% and this resolution is effective on the same date. Thereof, in accordance with the Article 5/1(d) (4) of the Corporate Tax Law, real estate investment trusts earnings, regardless of the fact they are distributed or not, will be subject to 0% withholding.

#### Deferred tax

Since the Company is exempt from Corporate Income Tax in Turkey in accordance with the Article 5 of the Corporate Tax Law, deferred tax is not recognized.

#### Employee Benefits

##### *Termination and retirement benefits:*

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

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

##### *Profit-sharing and bonus plans*

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

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Statement of Cash Flows

In the statement of cash flows, cash flows are classified according to operating, investing and financing activities.

#### Share Capital and Dividends

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

### 2.5 Segment Reporting

As the Company only operates in Turkey and in the field of real estate investment, there are no business segments apart from those disclosed in the notes regarding the revenue and the cost of sales and reporting details in accordance with geographic segments to be reported.

### 2.6 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

#### Critical judgments in applying the Company's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2.4, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

#### *Useful lives of property, plant and equipment*

The Company reviews the estimated useful lives of its property, plant and equipment at the end of each reporting period. The Company takes into consideration the intended use of the property, plant and equipment, the advancement in technology related to the particular type of property, plant and equipment as well as other factors that may require management to extend or shorten the useful lives and the assets' related depreciation.

#### *Determination of fair values of investment properties and investment properties under development*

The fair values of investment properties are based on valuations, performed by independent valuers using certain estimates and assumptions, who hold recognized and relevant professional qualifications licensed by the CMB and who have recent experience in the location and category of the investment properties being valued. Any future changes in these estimates and assumptions may cause significant impact on the Company's financial statements.

The Company generally uses the final appreciation value in Independent valuation expert reports to determine fair value.

#### *Borrowing costs*

In accordance with TAS 23, the Company evaluates whether borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, will be added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 3. INTERESTS IN OTHER ENTITIES

##### a) Joint Operations

Shareholding of the Company in its joint operations is as follows:

##### Halk GYO-Vakıf GYO Joint Venture

Halk GYO-Vakıf GYO Joint Venture, which is a joint operation with 50% share and 50% voting right, was established in Turkey. The Company owns 50% of Bizimtepe Aydos Project located in Istanbul. The residences in the project will be offered for sale. The financial information of Halk GYO-Vakıf GYO Joint Venture is summarized in the tables below. The summarized financial information calculated by taking into account the ownership rate of the Halk GYO-Vakıf GYO joint operation is as follows:

	30 September 2022	31 December 2021
Halk GYO-Vakıf GYO Joint Venture		
Current assets	15,241,902	19,177,898
Non-current assets	466,190	4,969,734
Current liabilities	(877,909)	(1,027,990)
Halk GYO- Vakıf GYO		
	1 January- 30 September 2022	1 January- 31 December 2021
Profit/(loss) for the period	<u>6,379,163</u>	<u>5,027,387</u>

##### Halk GYO-Erkonut Joint Venture

Halk GYO-Erkonut Joint Venture has been founded in Turkey for operating as a joint operation with 50% shares and 50% voting rights. The Company owns 50% of the Şehristan Project in Erzurum. The residences in the project will be offered for sale. The financial information of Halk GYO-Erkonut is summarized in the following tables. The summarized financial information calculated by taking into account the ownership of the Halk GYO-Erkonut joint operation is as follows:

	30 September 2022	31 December 2021
Halk GYO-Erkonut Joint Venture		
Current assets	1,159,000	1,194,951
Non-current assets	460	-
Current liabilities	(155,652)	(488,101)
Halk GYO-Erkonut Joint Venture		
	1 January- 30 September 2022	1 January- 31 December 2021
Profit/(loss) for the period	<u>235,673</u>	<u>487,666</u>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 3. INTERESTS IN OTHER ENTITIES (cont'd)

##### a) Joint Operations (cont'd)

##### Halk GYO-Teknik Yapı Joint Venture

Halk GYO-Teknik Yapı Joint Venture has been founded on 24 August 2017 in Turkey for operating as a joint operation with 50% shares and 50% voting rights. The Company owns 50% of the İzmir Project in İzmir. The residences in the project will be offered for sale. The financial information of Halk GYO-Teknik Yapı is summarized in the following tables. The summarized financial information calculated by taking into account the ownership of the Halk GYO-Teknik Yapı joint operation is as follows:

	30 September 2022	31 December 2021
Halk GYO-Teknik Yapı Joint Venture		
Current assets	297,223,739	108,420,343
Non-current assets	12,540,258	5,101,291
Current liabilities	(380,527,378)	(166,931,035)
Non-current liabilities	(1,347,637)	(4,897,737)
Halk GYO-Teknik Yapı Joint Venture		
	1 January- 30 September 2022	1 January- 31 December 2021
Profit/(loss) for the period	<u>(13,581,511)</u>	<u>2,879,582</u>

#### 4. RELATED PARTY DISCLOSURES

Transactions between the Company and joint operations of the Company have been eliminated during the preparation of the unconsolidated financial statements and are not disclosed in this note.

Details of transactions between the Company and other related parties are disclosed below:

	30 September 2022	31 December 2021
Deposits at Halk Bank		
Demand deposits	1,606,549	1,816,277
Time deposits	<u>57,794,558</u>	<u>50,970,120</u>
	<b>59,401,107</b>	<b>52,786,397</b>
Balances with related parties		
Halk Varlık Yönetimi A.Ş. lease certificate issuance (Note 23)	339,144,658	747,962,082
Short-term loans received from Halk Bank	32,210,204	108,147,368
Long-term loans received from Halk Bank	313,043,769	22,928,788
Halk Leasing financial lease agreement (Note 23)	<u>128,034,473</u>	<u>127,871,426</u>
	<b>812,433,103</b>	<b>1,006,909,664</b>



## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 4. RELATED PARTY DISCLOSURES (cont'd)

1 January - 30 September 2022						
Transactions with related parties	Interest income	Interest expenses	Foreign currency difference expenses	Rent income	Other expense	Financial Expense / Income Capitalized on Investment Properties (Net)
<u>Shareholders</u>						
Halkbank A.Ş.	(12,785,242)	24,096,349		(42,071,962)	3,404,753	(7,725,391)
<u>Other companies controlled by the main shareholder</u>						
Halk Yatırım A.Ş.					375,000	
Halk Varlık Kiralama A.Ş.		83,904,046				(75,003,498)
Halk Leasing Finansal Kiralama A.Ş.		5,134,501	26,076,123			(31,210,624)
	<b>(12,785,242)</b>	<b>113,134,896</b>	<b>26,076,123</b>	<b>(42,071,962)</b>	<b>4,154,753</b>	<b>(113,939,513)</b>

1 January - 30 September 2021						
Transactions with related parties	Interest income	Interest expenses	Foreign currency difference expenses	Rent income	Other expense	Financial Expense / Income Capitalized on Investment Properties (Net)
<u>Shareholders</u>						
Halkbank A.Ş.	(4,567,268)	9,668,440		(35,146,400)	898,026	(4,668,697)
<u>Other companies controlled by the main shareholder</u>						
Halk Varlık Kiralama A.Ş.	-	58,665,805				(58,665,805)
Halk Leasing Finansal Kiralama A.Ş.	-	1,300,067	6,975,176	-	-	(8,275,243)
	<b>(4,567,268)</b>	<b>69,634,312</b>	<b>6,975,176</b>	<b>(35,146,400)</b>	<b>898,026</b>	<b>(71,609,745)</b>

#### Compensation of key management personnel:

Key management personnel comprises members of Board of Directors and members of Execution Committee, General Manager and Deputy General Manager. Compensation of key management personnel comprises salaries, premium, healthcare insurance and transportation. The remuneration of of key management during the period is as follows:

	1 January- 30 September 2022	1 January- 30 September 2021
Salaries and other short-term benefits	2,746,133	2,017,259
	<b>2,746,133</b>	<b>2,017,259</b>

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

**5. TRADE RECEIVABLES AND TRADE PAYABLES****a) Trade Receivables:**

The details of the Company trade receivables as of balance sheet date are as follows:

	30 September 2022	31 December 2021
<b>Short-term trade receivables</b>		
Trade receivables	7,823,929	1,884,457
Trade receivables from related parties (Note 4)	-	60
Income accruals	3,853,105	-
Provision for doubtful trade receivables (-) (**)	(73,306)	(73,379)
	<b>11,603,728</b>	<b>1,811,138</b>

The short-term trade receivables of the Company arising from the residences sold and leased under the projects developed are as follows:

	30 September 2022	31 December 2021
<b>Short-term trade receivables from sale of residences and rental properties</b>		
Sale of residences	499,933	1,316,853
<i>Bizimtepe Aydos project</i>	493,313	1,310,368
<i>Erzurum Şehristan project</i>	6,620	6,485
Rented and sold investment properties (*)	7,323,996	567,604
	<b>7,823,929</b>	<b>1,884,457</b>

(\*) Rental receivables consist of trade receivables guaranteed by letters of guarantee.

As of 30 September 2022, the total of overdue trade receivables (notes) is TL 1,750 (31 December 2021: TL 139,624).

	30 September 2022	31 December 2021
<b>Long-term trade receivables</b>		
Trade receivables (*)	3,472	252,234
Provision for doubtful trade receivables (-) (**)	-	(7,254)
	<b>3,472</b>	<b>244,980</b>

	30 September 2022	31 December 2021
<b>(*) Long-term trade receivables from sale of residences</b>		
Residences sold	3,472	252,234
<i>Bizimtepe Aydos project</i>	3,472	252,234
	<b>3,472</b>	<b>252,234</b>

(\*) Consists of provisions for losses expected within the scope of TFRS 9.

	1 January- 30 September 2022	1 January- 30 September 2021
<b>Movement of provision for doubtful trade receivables</b>		
Opening balance	(73,379)	(91,040)
Charge for the period / (Provisions reversed)	73	10,407
Closing balance	<b>(73,306)</b>	<b>(80,633)</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 5. TRADE RECEIVABLES AND TRADE PAYABLES (cont'd)

Explanations about the nature and level of risks related to trade receivables are provided in Note 23.

##### b) Trade Payables:

The details of the Company's short-term trade payables as of the balance sheet date are as follows:

	30 September 2022	31 December 2021
<u>Short-term trade payables</u>		
Trade payables	134,981,909	51,588,536
Trade payables to related parties (Note 4)	25,967	10,021
	<b>135,007,876</b>	<b>51,598,557</b>

The details of the Company's long-term trade payables as of the balance sheet date are as follows:

	30 September 2022	31 December 2021
<u>Long-term trade payables</u>		
Trade payables to related parties (Note 4)	85,000,000	85,000,000
	<b>85,000,000</b>	<b>85,000,000</b>

Explanations about the nature and level of risks related to trade payables are provided in Note 4.

#### 6. INVENTORIES

	31 December 2021			Transfer to	30 September 2022
Land inventories	Cost value	Addition	Disposal	Fixed Asset	Cost value
Sancaktepe - Residence Project (1)	1,731,294	-	(1,533,815)	-	197,479
İzmir Project (2)	90,101,802	159,473,606	-	-	249,575,408
Sakarya Adapazarı Project (3)	85,000,000	-	-	-	85,000,000
<b>Total</b>	<b>176,833,096</b>	<b>159,473,606</b>	<b>(1,533,815)</b>	<b>-</b>	<b>334,772,886</b>

	31 December 2020			Transfer to	31 December 2021
Land Inventories	Cost value	Addition	Disposal	Fixed Asset	Cost value
İstanbul Bakırköy Arsası - Referans Bakırköy Residence Project (4)	96,507	-	(96,507)	-	-
Sancaktepe - Residence Project (1)	2,245,932	-	(445,695)	(68,943)	1,731,294
Erzurum - Şehristan Project (5)	312,601	-	(312,601)	-	-
Sakarya Adapazarı Project (3)	-	85,000,000	-	-	85,000,000
İzmir Project (2)	15,523,811	74,577,991	-	-	90,101,802
	<b>18,178,851</b>	<b>159,577,991</b>	<b>(854,803)</b>	<b>(68,943)</b>	<b>176,833,096</b>

(1) As at 16 October 2014, a land was purchased in Istanbul, Sancaktepe, Samandıra Neighborhood for TL 110,000,000 by Halk GYO-Vakıf GYO Joint Operation for real estate development project. The main contractor services agreement was signed at 22 October 2015 and the construction permit was granted on 6 November 2015. The Group issued property deeds on 8 February 2019. As of 30 September 2022, sales revenue of TL 12,096,571 and cost of sales of TL 5,952,547 occurred. Cost of sales includes taxes, duties and fee. During the period, 15 independent sections have been withdrawn from stocks and 14 independent sections from investment properties. (As of 31 December 2021, the delivery of 15 independent sections in the project has been completed. Total sales amount of TL 8,628,831 and TL 2,926,002 were accounted as cost of sales. Cost of sales includes taxes, duties and fees.)

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 6. INVENTORIES (cont'd)

<sup>(2)</sup> As of 24 August 2017, Halk GYO and Teknik Yapı Joint Operation signed a LSRSA contract for a mixed project on the parcels located in İzmir, Konak Province, Umurbey and Kuruçay districts and this amount comprise of the official expenses made for the project. There is no restriction on the land. In the scope of the 1st Phase LSRSA contract (Evora İzmir), building licenses for 486 residences, 58 commercial buildings (Former 451 residences, 1 hotel, 1 cultural center) located on Island 8115, 3 Parcel (Formerly 7700 Island, 1 Parcel) and the building permits for 534 residences, 38 commercial buildings, 79 apart hotels located in Island 8110, Parcel 1 (Former 497 residences, 35 commercial, 45 apart hotels, 1 hotel, 3 art galleries) were updated on 11 April 2022 and total number of units for which the licenses were received is 1,915 as of 11 April 2022 (The number of independent sections with previous licenses is 1.034). As of 30 September 2022, a preliminary sales contract was signed for 579 independent units. (31 December 2021: for 487 independent units, a preliminary sales contract was signed).

<sup>(3)</sup> Between the Company and Haldız İnşaat Otomotiv ve Ticaret AŞ, the group company Faver Proje Geliştirme İnşaat Sanayi ve Ticaret AŞ and the Company's Parent Bank, to which Haldız İnşaat Otomotiv ve Ticaret AŞ is indebted a "Collaboration Protocol" has been signed to develop a project on a qualified 59,314.46 m2 real estate at Sakarya Province, Adapazarı District, Tepekum Mah, Island 4932, 1 Parcel, sheet no. G24B24B4D. According to the agreement between the parties, %65 of the revenue from this project will be transferred to Haldız İnşaat Otomotiv ve Ticaret AŞ. (The contractor), 30% of it will be transferred to Our main shareholder, the Bank, to which Haldız İnşaat Otomotiv ve Ticaret AŞ is indebted and 5% will be Company share (the minimum expected revenue share of the Company will be TL 30 million). The Company included the land in its portfolio on 30 December 2021. In addition, a revenue sharing business agreement was signed on 14 January 2021 within the scope of this protocol. The planning work of the project continues. The construction permit works of the project were completed on 02.11.2022 and construction permits were obtained for 460 independent sections, including 34 commercial and 426 residences. As of the reporting period, official business and transactions and sales planning studies continue.

#### 7. PREPAID EXPENSES AND DEFERRED INCOME

	30 September 2022	31 December 2021
<u>Short-Term Prepaid Expenses</u>		
Prepaid insurance expense	909,165	734,112
	<b>909,165</b>	<b>734,112</b>
	30 September 2022	31 December 2021
<u>Long-Term Prepaid Expenses</u>		
Investment advances given	58,909,449	83,313,184
Investment advances given to related parties	1,535,437	-
Other	777,902	156,705
	<b>61,222,788</b>	<b>83,469,889</b>
	30 September 2022	31 December 2021
<u>Investment Advances Given</u>		
İstanbul Finance Center project	50,967,918	80,656,680
İzmir Evora project	9,476,968	2,656,504
	<b>60,444,886</b>	<b>83,313,184</b>
	30 September 2022	31 December 2021
<u>Deferred Residence Sales Income</u>		
İzmir Evora project	220,258,177	94,452,132
Bizimtepe Aydos project	26,484	108,256
Erzurum Şehristan project	17,740	359,152
Bakırköy project	768	768
	<b>220,303,169</b>	<b>94,920,308</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 8. LIABILITIES ARISING FROM CUSTOMER CONTRACTS

	30 September 2022	31 December 2021
<u>Liabilities Arising from Short-Term Customer Contracts</u>		
Deferred residency income	220,303,169	94,920,308
Prepaid rents (*)	420,000,000	-
	<b>640,303,169</b>	<b>94,920,308</b>
	30 September 2022	31 December 2021
<u>Liabilities Arising from Long-Term Customer Contracts</u>		
Prepaid rents (*)	420,000,000	-
	<b>420,000,000</b>	-

(\*) Rents received in advance of liabilities arising from long and short-term customer contracts consists of the lease of the A Block building of the Istanbul International Finance Center to Türkiye Halk Bankası A.Ş. for a period of 2 years (24 months) in May 2022. Relevant amounts have been collected in advance.

#### 9. INVESTMENT PROPERTIES

##### Fair value measurement of the Company's investment properties

As of 31 December 2021, the fair value of the Company's investment properties have been determined by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. which is an independent valuation company from the Group. After 31 December 2021, it is determined by Marka Kurumsal Gayrimenkul Değerleme Danışmanlık A.Ş. Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş is authorized by CMB and has appropriate qualifications and recent experience in the valuation of properties and Marka Kurumsal Gayrimenkul in the relevant locations. The fair value of the properties owned is determined according to the sample comparison approach and cost value that reflects the current transaction prices for similar properties.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	Fair value as of the reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Land	40,887,183	-	40,887,183	-
Buildings	2,094,771,500	-	1,879,521,500	215,250,000
Investment properties under construction	6,689,556,941	-	-	6,689,556,941
	<b>8,825,215,624</b>	<b>-</b>	<b>1,920,408,683</b>	<b>6,904,806,941</b>
	31 December 2021	Fair value as of the reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Land	52,000,000	-	52,000,000	-
Buildings	1,681,167,500	-	1,217,602,500	463,565,000
Investment properties under construction	2,394,090,000	-	-	2,394,090,000
	<b>4,127,257,500</b>	<b>-</b>	<b>1,269,602,500</b>	<b>2,857,655,000</b>

There has been no transition between Level 1 and Level 2 in the current period.

As of 30 September 2022, the total amount of insurance on investment properties is TL 3,486,311,948 (31 December 2021: TL 1,979,338,298). As of 30 September 2022, the total amount of capitalized finance expenses on investment properties is TL 367,198,285 (31 December 2021: TL 253,607,419).



# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 9. INVESTMENT PROPERTIES (cont'd)

The valuation reports of the Company's İstanbul Finance Center Project and Kocaeli Şekerpinar Block A and Block B Buildings were updated during the period. İstanbul Financial Center report has been updated due to the signing of a previously determined lease agreement with Türkiye Halk Bankası A.Ş. for the İstanbul International Financial Center Project Halk Ofis Towers A Block, which will be used by Halk Bank and its Subsidiaries, in line with the Group's decision shared with the public on 12 May 2022 and Şekerpinar A Block and B Block reports have been updated due to the title deed change of the relevant real estates.

Investment properties	1 January 2022				30 September 2022	
	Fair Value	Additions	Transfers	Disposal	Fair Value Differences	Book value
İstanbul Salıpazarı Land	10,000,000	--	--	--	--	10,000,000
Erzurum Yakutiye Land	12,000,000	--	--	(12,000,000)	--	--
Antalya Muratpaşa Land	--	204,000,000	--	--	--	204,000,000
<b>Total lands</b>	<b>22,000,000</b>	<b>204,000,000</b>	<b>--</b>	<b>(12,000,000)</b>	<b>--</b>	<b>214,000,000</b>
İstanbul Karaköy Building	51,000,000	--	--	--	--	51,000,000
İstanbul Salıpazarı Building	117,000,000	--	--	--	--	117,000,000
İzmir Konak Building-1	48,000,000	--	--	--	--	48,000,000
Ankara Kızılay Building	30,000,000	--	--	--	--	30,000,000
İstanbul Beşiktaş Building	31,000,000	--	--	--	--	31,000,000
İstanbul Etiler Building	32,000,000	--	--	--	--	32,000,000
İstanbul Şişli Building	28,000,000	--	--	--	--	28,000,000
İzmir Konak Building-2	27,500,000	--	--	--	--	27,500,000
Ankara Başkent Building	18,600,000	--	--	--	--	18,600,000
İstanbul Bakırköy Building	37,000,000	--	--	--	--	37,000,000
Bursa Building	23,400,000	--	--	--	--	23,400,000
Ankara Bahçelievler Building 1	15,900,000	--	--	--	--	15,900,000
Kocaeli Building	19,500,000	--	--	--	--	19,500,000
İstanbul Fatih Building	20,500,000	--	--	--	--	20,500,000
İstanbul Caddebostan Building	36,500,000	--	--	--	--	36,500,000
Ankara Bahçelievler Building 2	11,250,000	--	--	--	--	11,250,000
İstanbul Ataköy Building	20,250,000	--	--	--	--	20,250,000
Halkbank Finance Tower	436,500,000	--	--	--	--	436,500,000
Levent Hotel	350,000,000	--	--	--	--	350,000,000
Kocaeli Şekerpinar A Block	195,000,000	--	--	--	21,980,000	216,980,000
Kocaeli Şekerpinar Office Project	115,000,000	--	--	--	14,585,000	129,585,000
Sakarya Adapazarı Building (New Building)	12,550,000	--	--	--	--	12,550,000
Gayrettepe Building	--	177,301,500	--	--	--	177,301,500
Bizimtepe Aydos T 13 No BB (Empty)	282,500	--	--	(282,500)	--	--
Bizimtepe Aydos T 15 No BB	262,500	--	--	(262,500)	--	--
Bizimtepe Aydos T 16 No BB Hairdresser	410,000	--	--	(410,000)	--	--
Bizimtepe Aydos T 26 No BB Nuts Shop	410,000	--	--	(410,000)	--	--
Bizimtepe Aydos T 25 No BB Pharmacy	410,000	--	--	(410,000)	--	--
Bizimtepe Aydos T 23-24 No BB Real Estate Agency	1,315,000	--	--	(1,315,000)	--	--
Bizimtepe Aydos T 40	160,000	--	--	(160,000)	--	--
Bizimtepe Aydos T 41	150,000	--	--	(150,000)	--	--
Bizimtepe Aydos T 42-43-44 No BB Gift Shop	455,000	--	--	--	--	455,000
Bizimtepe Aydos T 14 No BB Real Estate Agency	282,500	--	--	(282,500)	--	--
Bizimtepe Aydos T 29	145,000	--	--	(145,000)	--	--
Bizimtepe Aydos T 30-31-32 No BB Real Estate Agency	435,000	--	--	(435,000)	--	--
<b>Total buildings</b>	<b>1,681,167,500</b>	<b>177,301,500</b>	<b>--</b>	<b>(4,262,500)</b>	<b>36,565,000</b>	<b>1,890,771,500</b>
İstanbul Beyoğlu Land	30,000,000	887,183	--	--	--	30,887,183
İstanbul International Finance Center Project	2,394,090,000	1,096,558,130	--	--	3,198,908,811	6,689,556,941
<b>Total of investment properties under construction</b>	<b>2,424,090,000</b>	<b>1,097,445,313</b>	<b>--</b>	<b>--</b>	<b>3,198,908,811</b>	<b>6,720,444,124</b>
<b>Total</b>	<b>4,127,257,500</b>	<b>1,478,746,813</b>	<b>--</b>	<b>(16,262,500)</b>	<b>3,235,473,811</b>	<b>8,825,215,624</b>

# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 9. INVESTMENT PROPERTIES (cont'd)

Investment properties	Acquisition Date	Acquisition Amount	Valuation Method	Valuation Date	Appraisal Value	Lessor/Lessee	Rent Income (2022 Nine Months) (TL)	Direct operating/maintenance expenses (2022 Nine Months) (TL)	Rent Income (2021 Nine Months) (TL)	Direct operating/maintenance expenses (2021 Nine Months) (TL)
Istanbul Salpaazar Land	26 January 2018	5,178,343	Comparable Sales Approach	29 November 2021	10,000,000	-	-	56,255	-	31,469
Erzurum Yakutiye Land 1	30 September 2019	10,047,000	Comparable Sales Approach	14 June 2022	12,000,000	-	-	14,697	-	8,066
Erzurum Palandöken Lands 2	5 September 2019	4,455,000	Comparable Sales Approach	-	-	-	-	-	-	7,417
Sakarya Adapazarı Land 3	28 October 2010	5,960,000	Comparable Sales Approach	-	-	-	-	-	-	-
Antalya Murtapaşa Land 23	22 April 2022	204,000,000	Comparable Sales Approach	20 September 2022	276,700,000	-	-	4,500	-	-
<b>Total lands</b>		<b>229,640,343</b>			<b>298,700,000</b>			<b>75,452</b>		<b>46,953</b>
Ankara Bahçeşehir Building 1	28 October 2010	6,681,356	Comparable Sales Approach	30 November 2021	15,900,000	Halk Bankası A.Ş.	843,048	-	720,000	10,306
Ankara Bahçeşehir Building 2	28 October 2010	5,684,746	Comparable Sales Approach	30 November 2021	11,250,000	İpekyol Gıyım Sanayi Pazarlama ve Ticaret A.Ş.	595,274	3,008	339,237	2,942
Ankara Başkent Building	28 October 2010	9,541,729	Revenue Discount Method	29 November 2021	18,600,000	Ceda Akaryakıt İnş. Emlak Tur. Ltd Şti, Halkbank A.Ş.	1,311,922	289,511	1,094,975	30,846
Ankara Kızılay Building	28 October 2010	12,475,237	Comparable Sales Approach	3 December 2021	30,000,000	Halk Bankası A.Ş.	1,633,406	23,385	1,395,000	48,737
Ataşehir France Plaza	12 January 2012	126,548,795	Comparable Sales Approach	16 December 2021	436,500,000	Halk Bankası A.Ş.	17,445,000	636,970	14,958,000	319,601
Bursa Building	28 October 2010	8,500,000	Comparable Sales Approach	1 December 2021	23,400,000	Halk Bankası A.Ş.	1,264,572	81,001	1,080,000	16,860
Istanbul Atatürk Building	28 October 2010	5,061,500	Comparable Sales Approach	30 November 2021	20,250,000	Halk Bankası A.Ş.	1,001,120	16,776	855,000	48,536
Istanbul Bakırköy Building	28 October 2010	9,023,500	Comparable Sales Approach	30 November 2021	37,000,000	Halk Bankası A.Ş.	1,791,477	18,195	1,530,000	37,660
Istanbul Beşiktaş Building	27 October 2010	11,893,840	Comparable Sales Approach	30 November 2021	31,000,000	Halk Bankası A.Ş.	1,528,025	16,420	1,305,000	12,803
Istanbul Etiler Building	27 October 2010	11,000,000	Comparable Sales Approach	30 November 2021	32,000,000	Halk Bankası A.Ş.	1,275,110	79,159	1,089,000	20,789
Istanbul Fatih Building	28 October 2010	6,380,000	Comparable Sales Approach	30 November 2021	20,500,000	Halk Bankası A.Ş.	853,586	28,970	729,000	42,297
Istanbul Karaköy Building 5	2 November 2010	23,500,000	Comparable Sales Approach	8 November 2021	51,000,000	Halk Bankası A.Ş.	1,170,000	209,360	-	32,068
Istanbul Salpaazar Building	28 October 2010	38,050,960	Revenue Discount Method	10 December 2021	117,000,000	Sapaz Otçelik Turizm İnşaat Sanayi Ve Ticaret A.Ş.	7,138,731	350,125	2,565,000	216,748
Istanbul Şişli Building	2 November 2010	11,000,000	Comparable Sales Approach	1 December 2021	28,000,000	Halk Bankası A.Ş.	1,296,186	177,487	1,107,000	64,232
İzmir Konak Building-1	2 November 2010	13,400,000	Comparable Sales Approach	1 December 2021	48,000,000	Halk Bankası A.Ş.	64,966	215,506	731,537	45,553
İzmir Konak Building-2	2 November 2010	10,290,000	Comparable Sales Approach	2 December 2021	27,500,000	Halk Bankası A.Ş., Halk Hayat ve Emeklilik AŞ	494,757	99,260	535,105	429,956
Kocaeli Building	28 October 2010	6,519,193	Comparable Sales Approach	29 November 2021	19,500,000	Halk Bankası A.Ş.	1,053,810	14,657	900,000	10,458
Kocaeli Şekerpınar A Blok	11 September 2012	67,860,443	Revenue Discount Method	24 March 2022	216,980,000	Halk Bankası A.Ş.	9,073,431	314,667	7,207,662	232,711
Kocaeli Şekerpınar B Blok 6	11 September 2012	39,830,221	Revenue Discount Method	24 March 2022	129,585,000	-	-	609,376	-	437,283
Levent Otel Building 18	3 November 2010	91,186,481	Revenue Discount Method	3 December 2021	350,000,000	Caba İnşaat Enerji Tur. San. ve Tic. AŞ	26,658,600	558,883	-	564,266
Sakarya Adapazarı Building-23	15 January 2021	10,200,000	Comparable Sales Approach	3 December 2021	12,550,000	Halk Bankası A.Ş.	398,268	-	315,097	16,076
Istanbul Caddebostan Building21	3 November 2010	6,300,000	Comparable Sales Approach	1 December 2021	36,500,000	-	-	114,053	-	5,522
Istanbul Gayrettepe Building24	13 May 2022	177,301,500	Comparable Sales Approach	13 September 2022	330,000,000	-	-	149,570	-	-
Bizantepe Aydos T 1-2-3 No BB Nursery7	10 April 2019	1,462,550	Comparable Sales Approach	-	-	Yakın Ufuklar Eğitim Kurumları A.Ş.	-	-	150,252	5,404
Bizantepe Aydos T 13 No BB 9	23 May 2019	103,601	Comparable Sales Approach	-	-	Real Person	6,250	190	3,982	356
Bizantepe Aydos T 14 No BB Real Estate Agency16	10 April 2020	103,601	Comparable Sales Approach	-	-	Real Person	5,646	117	8,502	357
Bizantepe Aydos T 15 No BB20	27 August 2021	145,966	Comparable Sales Approach	-	-	Demirbey İnşaat Tic.İd.Şti	7,500	71	1,500	14
Bizantepe Aydos T 16 No BB 10	10 June 2019	106,997	Comparable Sales Approach	-	-	Demirbey İnşaat Tic.İd.Şti	7,850	139	9,560	456
Bizantepe Aydos T 17-18-19-20-21-22 No BB8	16 April 2019	799,931	Comparable Sales Approach	-	-	Mopuş Marketçilik Gıda San. ve Tic. A.Ş.	-	-	172,759	1,947
Bizantepe Aydos T 23-24 No BB 13	30 October 2019	323,378	Comparable Sales Approach	-	-	Arge Emlak ve Emlak Yönetimi A.Ş.22, Migros Ticaret A.Ş.	15,750	1,402	42,599	1,253
Bizantepe Aydos T 25 No BB 12	1 October 2019	134,490	Comparable Sales Approach	-	-	Real Person	4,613	583	13,913	450
Bizantepe Aydos T 26 No BB 11	19 September 2019	135,420	Comparable Sales Approach	-	-	Arge Emlak ve Emlak Yönetimi A.Ş.22,Real Person	4,638	585	11,750	451
Bizantepe Aydos T 27-28 No BB15	27 March 2020	92,250	Comparable Sales Approach	-	-	Arge Emlak ve Emlak Yönetimi A.Ş.22	-	-	750	397
Bizantepe Aydos T 29-30-31-32 No BB 17	27 April 2020	181,305	Comparable Sales Approach	30 December 2021	145,000	Arge Emlak ve Emlak Yönetimi A.Ş.22	-	198	1,500	206
Bizantepe Aydos T 39-40-41-42-43-44 No BB14	22 November 2019	288,565	Comparable Sales Approach	30 December 2021	455,000	Meşgalem Hedive San. A.Ş.,Yağmuroğlu Plastik San.ve Tic.Ltd.Şti	16,875	812	6,430	1,222
<b>Total buildings</b>		<b>712,107,554</b>			<b>2,043,615,000</b>		<b>76,960,411</b>	<b>4,038,946</b>	<b>38,880,110</b>	<b>2,658,763</b>
Istanbul Finance Center Project	28 October 2010	229,846,920	Cost Method	29 April 2022	5,992,837,000	-	-	-	-	-
Istanbul Beyoğlu Land 4	28 October 2010	12,000,000	Comparable Sales Approach	15 December 2021	30,000,000	-	-	-	-	62,869
		<b>241,846,920</b>			<b>6,022,837,000</b>					
<b>Total of investment properties under construction</b>										
<b>Total</b>		<b>1,183,594,818</b>			<b>8,365,152,000</b>		<b>76,960,411</b>	<b>4,114,398</b>	<b>38,880,110</b>	<b>2,705,716</b>

# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 9. INVESTMENT PROPERTIES (cont'd)

- 1- Erzurum Yakutiye Land was transferred from Er Konut İnş.Taah. İnşaat Mlz. Nakliye ve Mad. Tic.San. A.Ş. to Halk GYO A.Ş. on 30 September 2019.
- 2- Erzurum Palandöken Lands were transferred to Er Konut İnş.Taah. İnşaat Mlz. Nakliye ve Mad. Tic.San. A.Ş. firm on 28 May 2021.
- 3- Upon detecting that Sakarya Adapazarı Building posed risks, the building was demolished and turned into a land, and classified as land in the financial statements. The mentioned land was transferred to Adapazarı Municipality on 15 January 2021, in exchange for the inclusion of the "Sakarya Adapazarı Building-2" building in the portfolio.
- 4- The lease agreement of the İstanbul Beyoğlu Building with T.Halk Bankası AŞ has expired as of 15 February 2020. A lease agreement including the renovation of the building was signed with Taksim Investment Gayrimenkul AŞ on 22 October 2020. The building was demolished to be reconstructed and was registered in the land registry as "Land" on 02 December 2021. After obtaining the necessary construction permits for the reconstruction of the building, rental income will begin to be obtained 20 months later.
- 5- İstanbul Karaköy Building lease contract was expired on 23 October 2017. A new lease agreement was signed with Halk Bank A.Ş. on 31 December 2021 for the building. After the restoration of the building by the Tenant in 2022, rental income will begin to be obtained.
- 6-Marketing activities are ongoing for Kocaeli Şekerpınar Block B Building.
- 7- While Bizimtepe Aydos T Blok Independent Sections Numbered 01,02,03 (Nursery) were leased to Yakın Ufuklar Eğitim Kurumları A.Ş. on 10 April 2019, related independent sections were transferred to Aydın Aydın Copyright Marka Patent Ltd. Şti. on 30 December 2021.
- 8- While Bizimtepe Aydos Trade Block Independent Sections Numbered 17,18,19,20,21,22 (Market) were leased to Mopaş Marketçilik Gıda San ve Tic A.Ş. on 16 April 2019, the related independent sections were sold to Real Persons on 29 September 2021.
- 9- The lease agreement with the real person tenant of Bizimtepe Aydos Ticaret Blok No. 13 Independent Section has expired as of 30 April 2021, Nefes Global İnş.Dan.Hizm.San.Tic.Ltd.Şti. signed a new lease agreement on 15 September 2021. As of 15 October 2021, rental income will begin to be obtained.
- 10- The lease agreement made with the real person tenant of Bizimtepe Aydos Ticaret Blok No.16 Independent Section has expired on 31 August 2021. A new lease agreement has been signed with Demirbey İnşaat Tic.Ltd.Şti. to be effective as of 01 September 2021.
- 11- The lease agreement signed with Arge Emlak ve Emlak Yönetimi A.Ş., the tenant of Bizimtepe Aydos Ticaret Blok No. 26 Independent Section, has expired as of 28 February 2021. While the vacant independent section was leased to a Real Person as of 01 May 2021; it has been transferred to a Real Person on 16 March 2022.
- 12- While Bizimtepe Aydos Ticaret Blok No. 25 Independent Section was leased to a Real Person on 01 October 2019; it was transferred to a Real Person on 17 March 2022.
- 13- The Lease Agreement signed with Arge Emlak ve Emlak Yönetimi A.Ş. for the Independent Sections of Bizimtepe Aydos Ticaret Blok No. 23,24 expired on 30 November 2021, while the related independent sections were leased with Migros Ticaret A.Ş. on the same date, and transferred to İmpo İmar AŞ on 21 March 2022.
- 14- The lease agreement with Meşgalem Hediye Sanayi A.Ş., tenant of Bizimtepe Aydos Ticaret Blok No. 39,40,41,42,43,44 Independent Sections, expired on 12 March 2021. A new lease agreement was signed on 01 October 2021 for the Independent Sections of Bizimtepe Aydos Ticaret Blok 42,43,44 and the Independent Section No. 40 was transferred to a Real Person on 18 March 2022.
- 15- The lease agreement made with Arge Emlak ve Emlak Yönetim, tenant of Bizimtepe Aydos Ticaret Blok No. 27,28 Independent Sections, has expired as of 31 January 2021. Related independent sections were transferred to Real Person on 10 December 2021 and 20 December 2021.
- 16- The lease agreement signed with Habitat Gayrimenkul İnş.Eml.Eğit. Danış.ve Paz. Tic. AŞ, the tenant of Bizimtepe Aydos Ticaret Blok No. 14 Independent Section, expired on 31 January 2021 and the independent sections were leased to Real Persons as of 01 February 2021.
- 17- The lease agreement made with Arge Emlak ve Emlak Yönetim A.Ş., the tenant of Bizimtepe Aydos Ticaret Blok No. 29,30,31,32 Independent Sections, expired on 31 January 2021.
- 18- The lease agreement with Dedeman Turizm Yönetimi A.Ş. for the Levent Hotel Building was terminated as of 31 December 2020 and a lease agreement was signed with Caba İnşaat Tur. San. ve Tic. A.Ş. to start in 2021. The renovation process of the building ended on 01 October 2021 and rental income started to be obtained.
- 19- Tenant Akathı Company Gayrimenkul İnş San ve Dış Tic Ltd Şti changed its title and started to use the title of Arge . Emlak ve Emlak Yönetimi A.Ş.
- 20- Bizimtepe Aydos Trade Block No. 15 Independent Sections were leased to Demirbey İnşaat Tic.Ltd.Şti. on 01 September 2021.
- 21- After the Caddebostan Urban Transformation Project was completed and the condominium title deeds of the building were received on 08.07.2021, the related project was classified as a building as of this date. Marketing activities of the building continue.
- 22- The İstanbul Nişantaşı building was transferred to Halk Yapı Projeleri Geliştirme AŞ, the subsidiary of the company, on 28 December 2020.
- 23- Antalya Muratpaşa Land was purchased from T.Halk Bankası A.Ş. on 22 April 2022.
- 24- İstanbul Gayrettepe Building was purchased from T.Halk Bankası A.Ş. on 13 May 2022.

### Operating leases

#### The Company as lessor

The Company has signed operating leases with Halkbank, Ceda Akaryakıt Turizm, Sapaz Otelcilik Turizm, Caba İnşaat Otelcilik, and İpekyol Giyim. As of 30 September 2022 and 31 December 2021, annual minimum lease amounts concerning the remaining lease terms are as follows:

<u>Operating leases</u>	<u>30.09.2022</u>	<u>31.12.2021</u>
Lease receivable contracts less than one year	298,125,893	68,924,140
Lease receivable contracts between one and five years	860,949,966	225,276,172
Lease receivable contracts more than five years	353,637,384	242,228,386
	<u>1,512,713,243</u>	<u>536,428,697</u>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 10. PROPERTY, PLANT AND EQUIPMENT

<b>Cost Value</b>	<b>Furniture and fixture</b>	<b>Leashold improvements</b>	<b>Right-of use assets (*)</b>	<b>Total</b>
Opening balance as of 1 January 2022	4,087,697	5,724,534	3,642,390	13,454,621
Additions	2,029,735	-	1,656,732	3,686,467
Disposals	(7,550)	-	(2,265,225)	(2,272,775)
Closing balance as of 30 September 2022	<b>6,109,882</b>	<b>5,724,534</b>	<b>3,033,897</b>	<b>14,868,313</b>
<b>Accumulated Depreciation</b>				
Opening balance as of 1 January 2022	(1,967,787)	(5,223,206)	(2,346,545)	(9,537,538)
Charge for the period	(563,507)	(498,325)	(702,072)	(1,763,904)
Disposals	7,550	-	2,265,225	2,272,775
Closing balance as of 30 September 2022	<b>(2,523,744)</b>	<b>(5,721,531)</b>	<b>(783,392)</b>	<b>(9,028,667)</b>
Net carrying value as of 30 September 2022	<b>3,586,138</b>	<b>3,003</b>	<b>2,250,505</b>	<b>5,839,646</b>
<b>Cost Value</b>				
Opening balance as of 1 January 2021	2,536,371	5,724,534	2,531,968	10,792,873
Additions	751,069	-	672,042	1,423,111
Disposals	-	-	-	-
Closing balance as of 30 September 2021	<b>3,287,440</b>	<b>5,724,534</b>	<b>3,204,010</b>	<b>12,215,984</b>
<b>Accumulated Depreciation</b>				
Opening balance as of 1 January 2021	(1,553,436)	(3,616,020)	(1,537,195)	(6,706,651)
Charge for the period	(466,372)	(615,001)	(510,877)	(1,592,250)
Disposals	-	-	-	-
Closing balance as of 30 September 2021	<b>(2,019,808)</b>	<b>(4,231,021)</b>	<b>(2,048,072)</b>	<b>(8,298,901)</b>
Net carrying value as of 30 September 2021	<b>1,267,632</b>	<b>1,493,513</b>	<b>1,155,938</b>	<b>3,917,083</b>

(\*) Assets arising from operating leases consist of assets that the Company uses within the scope of building and vehicle lease contract.

The depreciation of property, plant and equipment are as follows:

	<b>Useful Life</b>
Furniture and fixture	5 years
Leasehold improvements	3 years
Right-of-use assets	3 years

Depreciation expenses of TL 828,412 (30 September 2021: TL 1,574,706) have been charged in marketing expenses and TL 1,087,754 (30 September 2021: TL 858,255) have been charged in general administrative expenses.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 11. INTANGIBLE ASSETS

Cost Value	Other Intangible Assets
Opening balance as of 1 January 2022	1,615,024
Additions	839,878
Closing balance as of 30 September 2022	<b>2,454,902</b>
<u>Accumulated Amortization</u>	
Opening balance as of 1 January 2021	(845,129)
Charge for the period	(80,212)
Closing balance as of 30 September 2022	(925,341)
Net carrying value as of 30 September 2022	<b>1,529,561</b>
<u>Cost Value</u>	
Opening balance as of 1 January 2021	1,120,963
Additions	494,061
Closing balance as of 30 September 2021	<b>1,615,024</b>
<u>Accumulated Amortization</u>	
Opening balance as of 1 January 2021	(770,292)
Charge for the period	(74,837)
Closing balance as of 30 September 2021	<b>(845,129)</b>
Net carrying value as of 30 September 2021	<b>769,895</b>

TL 44,772 (30 September 2021: TL 35,428) of amortization is included in general administrative expenses and TL 39,940 in marketing and sales expenses.

The amortization periods used for intangible assets are as follows:

	Useful Life
Other intangible assets	2-10 years

#### 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### a) Provisions

As of 30 September 2022 and 31 December 2021, the provisions of the Company are as follows:

	Provision for legal claims
As of 1 January 2022	691,540
Provision reversed	(426,740)
As of 30 September 2022	<b>264,800</b>
<u>Provision for legal claims</u>	
As of 1 January 2021	691,540
Additional provision	-
As of 31 December 2021	<b>691,540</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

##### b) Collateral, Pledge and Mortgage

As per the decision of the CMB, made in the meeting no. 28/780, dated 9 September 2009, in which the collateral-pledge-mortgages (“CPM”) given by publicly owned companies to the guarantee a third party’s debts;

For companies other than publicly owned investment trusts and financial institutions, no limitation is imposed;

- i) For their own corporate identities,
- ii) In favor of fully consolidated subsidiaries,
- iii) In favor of 3rd parties in the normal course of their operations,

After the decision is published at the Public Disclosure Platform, publicly owned companies would not give commitments, except for those given under normal course of their operations, to natural entities or corporations other than mentioned at the bullets (i) and (ii) above or to third parties other than mentioned at the bullet (iii). If any commitment has already been given it would be reduced to nil until 31 December 2014.

The Company has ongoing 1 tax case on behalf of its own legal entity that is opened by the Company and it also has 13 lawsuits against the Company comprised of 3 consumer cases, 1 case in enforcement court, 1 negative declaratory action, 5 civil lawsuits, 1 case in civil court of first instance and 1 labor lawsuit, and 1 annulment suit in administrative court. There are 3 cases which has resulted in favor of the Company. 1 of these cases is a consumer case, and 2 of them is the case in the enforcement court. Upon the evaluation of the lawyers, no provision was made for the related lawsuits.

Halk GYO-Vakıf GYO Joint Venture has 1 case in enforcement court which is ongoing, and it also has 27 consumer cases, 2 civil lawsuits, 1 case proceeding in enforcement court and 1 appeal to Consumer Arbitration Committee against Halk GYO-Vakıf GYO joint venture. In addition, there are 1 consumer cases and 1 civil lawsuit in enforcement court which resulted in favor of Halk GYO-Vakıf GYO Joint Venture. Upon the evaluation of the lawyers, no provision was made for the related lawsuits.

There is no consumer cases filed by Halk GYO-Erkonut Joint Venture. However, there is 1 case in first instance court filed and ongoing against the Joint Venture. Upon the evaluation of the lawyers, no provision was made for the related lawsuits.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

##### b) Collateral, Pledge and Mortgage (cont'd)

		30 September 2022	31 December 2021
A. CPMs Given for Company's Own Legal Personality		319,919,723	344,570,109
	-Collateral	169,919,723	194,570,109
	-Pledge	-	-
	-Mortgage	150,000,000	150,000,000
B. CPMs Given on Behalf of Fully Consolidated Companies		-	-
	-Collateral	-	-
	-Pledge	-	-
	-Mortgage	-	-
C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties		336,764,749	237,067,888
	-Collateral	336,764,749	237,067,888
	-Pledge	-	-
	-Mortgage	-	-
D. Total Amount of Other CPMs		-	-
i. Total Amount of CPMs Given on Behalf of the Parent		-	-
	-Collateral	-	-
	-Pledge	-	-
	-Mortgage	-	-
ii. Total amount of CPMs given to on behalf of other Group Companies which are not in scope of B and C		-	-
	-Collateral	-	-
	-Pledge	-	-
	-Mortgage	-	-
iii. Total Amount of CPMs Given on Behalf of third parties which are not in scope of C		-	-
	-Collateral	-	-
	-Pledge	-	-
	-Mortgage	-	-
<b>Total</b>		<b>656,684,471</b>	<b>581,637,997</b>

A. CPMs Given for Company's Own Legal Personality	Project	CPM Type	30 September 2022	31 December 2021
İller Bankası A.Ş.	İstanbul Finance Center	Letter of Guarantee	167,345,244	192,907,862
Halk Bankası A.Ş.	Halkbank Finance Tower	Mortgage	150,000,000	150,000,000
T.C. İstanbul Büyükşehir Belediyesi	Levent Hotel	Letter of Guarantee	1,941,153	1,397,158
T.C. İstanbul 27. Executive Office	Bizimtepe Aydos	Letter of Guarantee	163,266	163,266
T.C. İstanbul 18. Executive Office	Bizimtepe Aydos	Letter of Guarantee	120,000	-
T.C. İstanbul 6. Executive Office	Bizimtepe Aydos	Letter of Guarantee	115,116	61,076
T.C. İstanbul 7. Executive Office	Bizimtepe Aydos	Letter of Guarantee	76,621	-
T.C. İstanbul 23. Executive Office	Bizimtepe Aydos	Letter of Guarantee	61,076	-
İstanbul Anadolu 23.Executive Office	Bizimtepe Aydos	Letter of Guarantee	56,500	-
T.C.İzmir 28. Executive Office	İzmir project	Letter of Guarantee	40,747	40747
			<b>319,919,723</b>	<b>344,570,109</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

## 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

### b) Collateral, Pledge and Mortgage (cont'd)

30 September 2022						
C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties	Letter of Guarantee	Letter of Conveyance	Limit of Guarantee	The Company's Share 50%	Sales Under Guarantee	The Company's Share 50%
Halk GYO-Vakıf GYO Joint Venture (*)	-	-	500,000,000	250,000,000	-	-
Halk GYO-Er Konut Joint Venture (**)	-	701,725	180,000,000	90,000,000	1,026,833	350,863
Teknik Yapı-Halk GYO Joint Venture (***)	108,827,773	564,000,000	-	-	-	336,413,886
<b>Total</b>	<b>108,827,773</b>	<b>564,701,725</b>	<b>680,000,000</b>	<b>340,000,000</b>	<b>1,026,833</b>	<b>336,764,749</b>

(\*) The balance consists of the guarantor fee given to the banks that the Company agreed in consideration of the loan amount when the customers of the pre-sales of residences at Bizimtepe Aydos Project use loans from these banks to buy residences in the scope of the relevant projects.

(\*\*) The balance consists of the guarantor fee given to the banks that the Company agreed in consideration of the loan amount when the customers of the pre-sales of residences at Erzurum Şehristan Project use loans from these banks to buy residences in the scope of the relevant projects. A letter of conveyance t of TL 701,725 was given.

(\*\*\*)In accordance to Teknik Yapı-Halk GYO Joint Operation İzmir Project, the joint operation has given guarantee letters for İzmir Konak Stage 1 Land Sale of Revenue Sharing amounting to TL 108,827,773 and the letter of conveyance to T.Halk Bankası A.Ş amounting to TL 564,000,000 as of 30 September 2022.

31 December 2021						
C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties	Letter of Guarantee	Letter of Conveyance	Limit of Guarantee	The Company's Share 50%	Sales Under Guarantee	The Company's Share 50%
Halk GYO-Vakıf GYO Joint Venture (*)	-	1,640,760	662,565,000	331,282,500	1,115,445	820,380
Halk GYO-Er Konut Joint Venture (**)	-	1,637,983	180,000,000	90,000,000	1,167,900	818,992
Teknik Yapı-Halk GYO Joint Venture (***)	107,852,431	364,000,000	-	-	-	235,926,216
<b>Total</b>	<b>107,852,431</b>	<b>367,278,743</b>	<b>842,565,000</b>	<b>421,282,500</b>	<b>2,283,345</b>	<b>237,565,588</b>

The proportion of other CPM given by the Company to the Company's equity is as follows:

	30 September 2022	Equity Rate	31 December 2021	Equity Rate
A. CPMs Given for Company's Own Legal Personality	319,919,723	4.50%	344,570,109	10.45%
C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties				
Halk GYO-Vakıf GYO Joint Venture (*)	-	0.00%	557,723	0.02%
Halk GYO-Er Konut Joint Venture (**)	350,863	0.00%	583,950	0.02%
Teknik Yapı-Halk GYO Joint Venture (***)	336,413,886	4.73%	235,926,216	7.15%



# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

#### b) Collateral, Pledge and Mortgage (cont'd)

As of 30 September 2022 and 31 December 2021, the Group's guarantee letters and notes received are as follows:

Collateral, Pledge and Mortgage Received	Project	CPM Type	30 September 2022	31 December 2021
YDA İnşaat San. ve Tic. A.Ş.	İstanbul Finance Center	Letter of guarantee	153,211,169	112,292,900
Buga Otis Asansör San.ve Tic.A.Ş.	İstanbul Finance Center	Letter of guarantee	71,619,330	59,566,104
Caba İnşaat Enerji Turizm San. ve Tic. A.Ş.	Levent Hotel (lessee)	Letter of guarantee	15,576,000	14,160,000
Sapaz Otelcilik Turizm İnşaat Sanayi Ve Ticaret A.Ş.	İstanbul Salıpazarı (lessee)	Letter of guarantee	10,233,361	10,233,361
Barankaya Zemin Müh.İnş.Taah.Nakl.San.Ve Tic.A.Ş.	İzmir Evora	Guarantee note	9,601,884	9,472,509
Taksim Yatırım Gayrimenkul A.Ş.	Beyoğlu Rental Agreement	Letter of guarantee	5,594,720	5,594,720
Aslanoğlu Altyapı Ve Üst Yapı A.Ş.	İzmir Evora	Letter of guarantee	5,000,000	-
Barankaya Zemin Müh.İnş.Taah.Nakl.San.Ve Tic.A.Ş.	İzmir Evora	Letter of guarantee	3,296,289	3,258,789
UCD Yapı A.Ş.	İzmir Evora	Guarantee note	1,878,588	1,878,588
Haldız İnşaat Otomotiv ve Tic.A.Ş.	Bizintepe Aydos	Letter of guarantee	1,550,463	1,550,463
Entegre Proje Yönetim Dan.Müh.Tic.A.Ş.	İstanbul Finance Center	Letter of guarantee	1,369,136	1,326,617
Villa Yapı Mühendislik San Ve Tic. Ltd.Şti	İzmir Evora	Letter of guarantee	980,000	-
Gert İç Ve Dış Ticaret Metal Sanayi Ltd.Şti.	İzmir Evora	Letter of guarantee	968,086	-
Ceda Akaryakıt İnşaat Emlak Tur.Tic.Ltd.Şti.	Ankara Başkent (lessee)	Surety contract	757,678	-
Teknik Yapı Proje A.Ş.	İzmir Evora	Guarantee note	746,045	746,045
Aslanoğlu Altyapı Ve Üst Yapı A.Ş.	İzmir Evora	Guarantee note	733,900	733,900
Kaf Ve İzmir Zemin Adi Ortaklığı	İzmir Evora	Guarantee note	714,365	714,365
İpekyl Giyim Sanayi Pazarlama ve Ticaret A.Ş.	Ankara Bahçelievler (lessee)	Letter of guarantee	254,000	350,000
Ceda Akaryakıt İnşaat Emlak Tur.Tic.Ltd.Şti.	Ankara Başkent (lessee)	Letter of guarantee	200,000	200,000
Duru Peyzaj Günceli Özdl	İzmir Evora	Guarantee note	191,875	191,875
Artes Mühendislik Müşavirlik İnş.San.Ve Tic.Ltd.Şti.	İzmir Evora	Letter of guarantee	152,065	-
Aktuna Ahşap San. Ve Tic.Ltd.Şti.	İzmir Evora	Guarantee note	140,003	207,638
DLA Mühendislik Mimarlık San.Tic.A.Ş.	İzmir Evora	Guarantee note	124,621	-
Softconomics Yazılım ve Danışmanlık Anonim Şirketi	Central Service Agreement	Letter of guarantee	122,340	-
Aydoğan Dış Ticaret Anonim Şirketi	Rent a car	Letter of guarantee	80,979	73,635
Bilkay İnsan Kay.Eğt.Dan.Ltd.Şti.	Central Support Serv. Agr.	Letter of guarantee	70,000	70,000
Özbüker Hafriyat İnş.Tur.San.Ve Tic.Ltd.Şti.(Kesin)	İzmir Evora	Letter of guarantee	56,589	-
Umut Utku Celep (Geoteknik Tasarım Ve Danışmanlık)	İzmir Evora	Guarantee note	54,910	54,910
Jeodinamik Yer Bilimleri Müh. İnş. San Tic Ltd Şti	İzmir Evora	Guarantee note	51,553	51,553
Arma Makine Elekt.İnşaat San.Tic.Ltd.Şti	İzmir Evora	Letter of guarantee	50,000	-
Aktif Taah. İnş.Elek.Nak.Tur.San.Tic.Ltd.Şti.	İzmir Evora	Guarantee note	42,435	42,435
DLA Mühendislik Mimarlık San.Tic.A.Ş.	İzmir Evora	Letter of guarantee	36,122	-
Armi Maket Arif Ünlü	İzmir Evora	Guarantee note	30,000	30,000
Özgün Mühendislik İnş.Taah.San.Ve Tic.Ltd.Şti.	İzmir Evora	Letter of guarantee	23,700	23,700
Zeha Mekanik Tesisat Müh.Hav.Sis.İnş.Taah.San.Ve Tic.Ltd.Şti.	İzmir Evora	Guarantee note	20,493	20,493
Burcum Peyzaj İnşaat Turizm San Ltd Şti	İzmir Evora	Guarantee note	16,815	16,815
Dedeman Turizm Yönetimi A.Ş.	Levent Hotel (lessee)	Letter of guarantee	-	3,000,000
Özbüker Hafriyat İnş. Tur. San. Ve Tic. Ltd. Şti	İzmir Evora	Letter of guarantee	-	35,286
İsmail Serhan Kocabaş	İzmir Evora	Letter of guarantee	-	5,400
Manevra Otomotiv Petrol Tarım Tur.Gıda İnş. Taah.San.Ve Tic.Ltd.Şti.	İzmir Evora	Guarantee note	-	139,725
Tan Oto Motorlu Araçlar Taşımacılık ve İnş. Tic. Ltd.Şti.	Rent a car	Letter of guarantee	-	33,239
Aktif Taah. İnş.Elek.Nak.Tur.San.Tic.Ltd.Şti.	İzmir Evora	Letter of guarantee	-	12,300
Ulaştırma Proje Yönetim İnş.İth.Ve Tic.Ltd.Şti.	İzmir Evora	Guarantee note	0	5,000
			<b>285,549,515</b>	<b>226,092,366</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 13. EMPLOYEE BENEFITS

##### Short-term provisions for employee benefits

	30 September 2022	31 December 2021
Employee bonus provision	2,820,404	1,404,213
Unused vacation provision	407,449	1,395,173
	<b>3,227,853</b>	<b>2,799,386</b>

##### Long-term provisions for employee benefits

###### Provision for retirement pay liability:

The movements of provision for retirement pay liability in the accounting periods for the years ended 30 September 2022 and 31 December 2021, are as follows:

	30 September 2022	31 December 2021
Retirement pay provision	1,931,828	1,292,063
	<b>1,931,828</b>	<b>1,292,063</b>

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 15,371.40 for each period of service at 30 September 2022 (31 December 2021: TL: 10,848.59).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits*, stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. Accordingly, actuarial assumptions used in calculation of total liabilities are described as follows:

	1 January- 30 September 2022	1 January- 31 December 2021
Provision as of 1 January	1,292,063	817,067
Service cost	725,824	448,918
Interest cost	11,426	33,988
Actuarial loss/gain	(97,485)	(7,910)
Provision as of 30 September	<b>1,931,828</b>	<b>1,292,063</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 13. EMPLOYEE BENEFITS (cont'd)

##### Provision for retirement pay liability (cont'd):

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying unconsolidated financial statements as of 30 September 2022, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 3.87% real discount rate (31 December 2021: 3.87%) calculated by using 15.02% annual inflation rate and 19.47% interest rate. Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 5.74% for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Ceiling amount of TL 15,371.40 which is in effect since 1 January 2022 is used in the calculation of the Group's provision for retirement pay liability (1 January 2021: TL 10,848.59).

The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate. If the discount rate would have been 1% higher (lower), provision for employment termination benefits would decrease/(increase) by TL 134,727 / TL (159,204). If the anticipated turnover rate would have been 1% lower/(higher) while all other variables were held constant, provision for employment termination benefits would (increase)/decrease by TL (40,293) / TL 44,425.

#### 14. OTHER ASSETS AND LIABILITIES

	30 September 2022	31 December 2021
<u>Other Non-Current Assets</u>		
Deferred VAT (**)	-	64,085,748
	-	<b>64,085,748</b>
	30 September 2022	31 December 2021
<u>Other Current Assets</u>		
Deferred VAT	99,162,538	34,772,701
Deposits and guarantees given	364,119	112,732
Business advances given	12,504	5,905
Other	4,843,885	4,925,952
	<b>104,383,046</b>	<b>39,817,290</b>

(\*\*) As of 30 September 2022, Halk GYO has no VAT balance. (31 December 2021: TL 64,085,748).

	30 September 2022	31 December 2021
<u>Other Current Liabilities</u>		
Deposits and collaterals received(*)	46,260,252	19,764,596
Taxes and funds payable	15,692,921	4,676,445
Other miscellaneous debts and liabilities	722,173	417,985
	<b>62,675,346</b>	<b>24,859,026</b>

(\*) Deposits and guarantees received consist of cash guarantees received from contractors for projects under construction.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

##### a) Share Capital

As of 30 September 2022 and 31 December 2021, the paid-in capital held is as follows:

Shareholders	Group	%	30 September		31 December	
			2022	%	2021	
Halkbank	A	1.58	24,807,133	1.58	16,116,736	
Halkbank(*)	B	70.38	1,105,000,876	70.38	717,898,620	
Halk Yatırım Menkul Değerler A.Ş.	A	0.04	592,452	0.04	384,905	
Halk Finansal Kiralama AŞ	A	<0,01	2	<0,01	2	
Publicly traded	B	28.00	439,599,537	28.00	285,599,737	
Nominal capital		100	1,570,000,000	100	1,020,000,000	
Total capital			<b>1,570,000,000</b>		<b>1,020,000,000</b>	

(\*) Türkiye Halk Bankası A.Ş. has 115,620,590.899, and Halk GYO A.Ş. has 33,160,262.98 nominal shares in the publicly traded held group as of 30 September 2022 (31 December 2021: 27,346,398.639 shares).

The Group shares are issued to the names into two groups; Group A and Group B. The Group A shares have the right to nominate the members of the Board of Directors (“BOD”). More than half of the BOD members are elected from the nominees of A Group shares and remaining members are elected from mutual nominees of A Group and B Group shares by the General Assembly. In capital increases new Group A shares are issued for Group A shares and new Group B shares are issued for Group B shares.

However, if the board of director restricts preemptive rights of shareholders, new shares are issued as Group B shares.

The Company was established with a registered capital ceiling of TL 1,500,000,000 and the registered capital ceiling is TL 2,500,000,000 as of 2 September 2020. It is divided into 2,500,000,000 shares, each with a nominal value of TL 1. The capital of the Company is divided into 1,570,000,000 shares with a nominal value of TL 1,570,000,000 and all of them are committed by the founders and TL 706,217,979 was paid in cash, TL 466,282,021 in kind (real estate) and TL 397,500,000 as capital increase from reserves. TL 466,282,021 of the capital was paid in kind by Halkbank, which is the main shareholder.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

##### a) Share Capital (cont'd)

As per the Board of Directors decision numbered 49/110 on 15 August 2012, the Company's capital was increased to TL 662,500,000. Increased capital of TL 185,500,000 corresponding to 185,500,000 shares were publicly offered during 13-15 February 2013. As of 20 June 2013, the Company increased its share capital by TL 11,138,704 from prior years' profit.

As of 5 June 2014, the Company increased its share capital by TL 24,261,296 from 2013's profit.

As of 11 June 2015, the Company increased its share capital to TL 743,000,000 by transferring TL 45,100,000 from prior years' profit to share capital.

As of 25 May 2016, the Company increased its share capital to TL 790,000,000 by transferring TL 47,000,000 from prior years' profit to share capital.

As of 15 August 2017, the Company increased its share capital to TL 820,000,000 by transferring TL 30,000,000 from prior years' profit to share capital.

As of 8 June 2018, the Company increased its share capital to TL 858,000,000 by transferring TL 38,000,000 from prior years' profit to share capital.

As of 17 June 2019, the Company increased its share capital to TL 928,000,000 by transferring TL 70,000,000 from prior years' profit to share capital.

As of 20 August 2020, the Company increased its share capital to TL 970,000,000 by transferring TL 42,000,000 from prior years' profit to share capital.

As of 20 May 2021, the Company increased its share capital to TL 1,020,000,000 by transferring a bonus issue of TL 50,000,000 from prior years' profits.

As of 25 March 2022, the Company increased its share capital to TL 1,530,000,000 by transferring a cash capital increase of TL 510,000,000.

As of 18 May 2022, the Company increased its share capital to TL 1,570,000,000 by transferring a bonus issue of TL 40,000,000 from prior years' profits to share capital.

##### b) Treasury shares acquired

The Company's treasury shares acquired are accounted for at cost of repurchased shares out of the publicly traded shares. The Company holds 33,160,262.98 treasury shares as of 30 September 2022 (31 December 2021: 28,756,004 shares).

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

##### b) Treasury shares acquired (cont'd)

The details of the treasury shares acquired for the year ended 30 September 2022 are as follows:

Transaction	Transaction date	Nominal value	Weighted average share price	Transaction amount
Repurchased shares	26 February 2013	933,649	1.34	1,251,090
Repurchased shares	27 February 2013	736,571	1.34	987,004
Repurchased shares	28 February 2013	1,000,000	1.34	1,340,000
Repurchased shares	1 March 2013	2,297,269	1.32	3,021,922
Repurchased shares	5 March 2013	3,455,130	1.33	4,608,678
Repurchased shares	11 March 2013	457,867	1.32	604,384
Repurchased shares	12 March 2013	586,245	1.32	773,843
Repurchased shares	15 March 2013	2,000,000	1.32	2,640,000
Repurchased shares	21 March 2013	7,210,586	1.33	9,582,612
Bonus shares from incorporating reserves	20 June 2013	314,024	1.25	392,530
Bonus shares from incorporating reserves	5 June 2014	683,974	1.16	793,413
Bonus shares from incorporating reserves	11 June 2015	1,271,466	1.12	1,424,042
Bonus shares from incorporating reserves	25 May 2016	1,325,030	1.01	1,336,955
Bonus shares from incorporating reserves	17 August 2017	845,764	1.03	873,674
Bonus shares from incorporating reserves	8 June 2018	1,071,301	0.75	801,333
Bonus shares from incorporating reserves	17 June 2019	1,973,449	0.73	1,440,618
Bonus shares from incorporating reserves	20 August 2020	1,184,071	2.12	2,512,599
Bonus shares from incorporating reserves	20 May 2021	1,409,605	3.28	4,622,095
Paid capital increase	15 March 2022	14,378,002	1.00	14,378,002
Bonus shares from incorporating reserves	1 June 202	1,127,686	2.17	2,450,463
Sale of repurchased shares to the market	8 September 2022	(9,150,000)	3.72	(34,068,380)
Sale of repurchased shares to the market	9 September 2022	(1,800,000)	3.94	(7,099,300)
Sale of repurchased shares to the market	12 September 2022	(151,426)	4.01	(607,118)
Total repurchased shares		<b>33,160,263</b>		<b>14,060,459</b>

##### c) Share issued premiums/discounts

The surplus of sales price over nominal value of shares amounted to TL 64,925,000 during the initial public offering on 13-15 February 2013 were accounted for as share premium. Commission expenses and legal expenses which are related with the initial public offering amounting to TL 8,847,688 are netted off with share premium. Additionally, the differences of sales price over nominal value of own shares acquired amounted to TL 27,075,787 are netted off with share premium and in the paid capital increase made between 2 March 2022 and 16 March 2022, TL 426,500 was added to the issue premiums arising from the sale of the shares that did not use the preference right.

##### d) Restricted reserves appropriated from profit

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's paid-in capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is exhausted. In accordance with the Turkish Commercial Code, the Company has to appropriate restricted reserve equivalent to the Company's treasury shares acquired. Such reserve can only be released in the amount of any sold or destroyed shares valued at acquisition cost. As of 30 September 2022, the Company's restricted reserves appropriated from profit are comprised of legal reserves amounting to TL 69,518,140 (31 December 2021: TL 58,787,783).

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 16. REVENUE AND COST OF SALES

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
<b>a) Sales</b>				
Total income on properties	101,156,983	45,046,097	69,806,167	18,054,685
<i>Income from the sale of investment property</i>	24,196,571	13,437,738	30,200,373	3,213,214
<i>Rental income</i>	76,960,412	31,608,359	39,605,794	14,841,471
Total income on debt instruments	19,311,882	2,344,989	6,525,610	1,594,980
<i>Interest income on deposits</i>	19,311,882	2,344,989	6,525,610	1,594,980
	<b>120,468,865</b>	<b>47,391,086</b>	<b>76,331,777</b>	<b>19,649,665</b>
<b>b) Cost of sales</b>				
Cost of sales of investment property	5,952,547	446,191	22,876,526	-
Real estate sales cost	10,047,000	6,589,949	3,988,553	2,422,720
Other	4,114,398	4,114,398	783,932	-
	<b>20,113,945</b>	<b>11,150,538</b>	<b>27,649,011</b>	<b>2,422,720</b>

#### 17. EXPENSES BY NATURE

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Personnel expenses	19,749,621	7,369,794	12,189,907	4,533,660
Cost of sales of investment property	15,999,547	10,493,191	22,876,526	-
Maintenance and repair expenses	4,349,525	680,687	262,465	40,716
Advertisement expenses	1,852,374	402,524	2,821,651	1,468,672
Depreciation and amortization expenses	1,916,166	653,023	1,944,561	191,877
Taxes, fees and duties	862,917	197,412	972,978	133,998
Outsourced benefits	556,717	-	420,261	90,069
Consulting expenses	581,639	164,509	680,262	313,883
Travel and car expenses	219,625	130,609	127,789	93,809
Commission expenses (*)	126,316	70,271	82,915	37,083
Stationery and IT related expenses	144,236	98,194	162,200	103,967
Building common expenses	231,722	190,818	238,258	160,987
Rent expenses	36,170	30,816	18,157	5,464
Other expenses	1,337,572	20,000	5,330,731	2,130,245
	<b>47,964,147</b>	<b>20,501,848</b>	<b>48,128,661</b>	<b>9,304,430</b>

# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 18. GENERAL ADMINISTRATIVE EXPENSES, MARKETING AND SALES EXPENSES

	1 January- 30 September 2022	1 July 30 September 2022	1 January- 30 September 2021	1 July 30 September 2021
General administrative expenses (-)	23,721,116	7,834,326	16,550,833	5,612,116
Marketing and sales expenses (-)	4,129,086	1,516,984	3,928,817	1,269,594
	<b>27,850,202</b>	<b>9,351,310</b>	<b>20,479,650</b>	<b>6,881,710</b>

#### a) Detail of General Administrative Expenses

	1 January- 30 September 2022	1 July 30 September 2022	1 January- 30 September 2021	1 July 30 September 2021
Personnel expenses	18,276,589	6,388,801	11,165,522	3,995,852
Promotion expenses	618,918	-	1,038,997	67,611
Depreciation and amortization expenses	1,087,754	633,023	951,316	310,124
Taxes, duties and fees	784,943	197,412	901,523	226,272
Advertisement expenses	589,743	198,999	846,965	846,965
Consultancy expenses	350,633	113,132	460,131	9,083
Outsourced benefits	556,717	-	420,261	7,069
Maintenance and repair expenses	235,127	23,340	262,465	2,716
Stationery and IT related expenses	144,236	98,194	162,200	70,877
Travel and car expenses	219,625	130,609	127,789	65,149
Rent expenses	36,170	30,816	18,157	1,834
Other expenses	820,661	20,000	195,507	8,564
	<b>23,721,116</b>	<b>7,834,326</b>	<b>16,550,833</b>	<b>5,612,116</b>

#### b) Detail of Marketing Expenses

	1 January- 30 September 2022	1 July 30 September 2022	1 January- 30 September 2021	1 July 30 September 2021
Depreciation and amortization expenses	828,412	20,000	993,245	23,948
Advertisement expenses	643,713	203,525	935,689	222,117
Personnel expenses	1,473,032	980,993	1,024,385	659,315
Consultancy expenses	231,006	51,377	220,131	13,710
Common building expenses	231,722	190,818	238,258	84,579
Taxes, duties and fees	77,974	-	71,455	11,796
Commission expenses (*)	126,316	70,271	82,915	22,778
Other expenses	516,911	-	362,739	231,351
	<b>4,129,086</b>	<b>1,516,984</b>	<b>3,928,817</b>	<b>1,269,594</b>

(\*) The amount comprises sales commissions paid related to the property projects.

### 19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities:

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Value increase of investment properties (Note 9)	3,235,473,811	-	583,557	583,557
Foreign exchange gains arising from activities	671,208	671,208	670,506	378,642
Income from waiver and cancellation of promise of sale	461,124	461,124	490,724	177,704
Provisions released	6,325	(21,338)	151,704	54,806
Other income	737,576	(440,812)	1,157,283	602,322
	<b>3,237,350,044</b>	<b>670,182</b>	<b>3,053,774</b>	<b>1,797,031</b>



**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

**19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (cont'd)**

Other expenses from operating activities:

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Foreign exchange difference expense arising from activities	(874,452)	(558,454)	(635,539)	(392,708)
Other expenses	(13,436)	-	(79,308)	-
	<b>(887,888)</b>	<b>(558,454)</b>	<b>(714,847)</b>	<b>(392,708)</b>

**20. FINANCE EXPENSES**

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Short-term lease certificate interest expenses	75,517,695	62,791,103	51,759,035	23,493,511
Expenses on finance leases	31,210,624	6,925,946	8,275,243	847,494
Interest expenses from bank loans	26,014,313	(35,268,325)	9,670,974	3,807,973
Commission expenses	7,184,238	1,460,401	3,984,913	1,584,524
Expenses on operating leases	154,337	44,445	549,857	447,935
	<b>140,081,207</b>	<b>35,953,570</b>	<b>74,240,022</b>	<b>30,181,437</b>
Less: Amounts included in the investment properties	(113,590,866)	(29,320,300)	(70,982,675)	(28,161,251)
Finance Expense	<b>26,490,341</b>	<b>6,633,270</b>	<b>3,257,347</b>	<b>2,020,186</b>

**21. INCOME TAXES**

According to the Article 5(1) / d-4 of the Corporate Tax Law numbered 520, earnings of real estate investment trusts are exempt from Corporate Income Tax in Turkey. The Company's subsidiary, Halk Yapı Projeleri Geliştirme A.Ş., is subject to corporate tax valid in Turkey.

**22. EARNINGS PER SHARE**

<b>Earnings per share</b>	1 January- 30 September 2022	1 January- 30 September 2021
Average number of shares outstanding during the period (full value)	1,570,000,000	1,020,000,000
Net profit for the parent company shareholders	3,282,476,533	27,284,696
Earnings per share from continuing and discontinued operations	2.0907	0.0267

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 23. FINANCIAL INSTRUMENTS

##### Financial Borrowings

<u>Financial Borrowings</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
a) Debt Securities	339,144,658	747,962,082
b) Bank Loans	491,413,093	131,076,156
c) Finance Lease Payables(*)	128,034,474	127,871,430
d) Operating Lease Payables	1,685,144	1,673,703
	<b>960,277,369</b>	<b>1,008,583,371</b>

(\*) The Company signed an agreement with Buga Otis Asansör Sanayi ve Ticaret A.Ş. within the scope of service procurement for vertical transports (elevator and escalator) in Halk Office Towers to be built related to the project of Istanbul International Finance Center and signed financial lease agreement with Halk Finansal Kiralama A.Ş. for relevant service procurement.

<u>Debt Securities</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
Short-term lease certificates	339,144,657	747,962,082
	<b>339,144,657</b>	<b>747,962,082</b>

The Company's lease certificate issue is detailed as follows:

<u>Issue Date</u>	<u>Maturity date</u>	<u>Rate of return</u>	<u>Nominal value</u>	<u>Amortization date</u>	<u>Amortization amount</u>
18 August 2020	13 January 2021	11.50%	40,000,000	13 January 2021	41,865,200
29 September 2020	24 February 2021	13.15%	120,000,000	24 February 2021	126,398,520
6 October 2020	10 March 2021	13.15%	120,000,000	10 March 2021	126,701,040
23 December 2020	6 April 2021	17.40%	46,000,000	6 April 2021	48,280,588
24 February 2021	23 June 2021	17.70%	150,000,000	23 June 2021	158,656,050
10 March 2021	1 July 2021	17.75%	131,000,000	1 July 2021	138,198,712
6 April 2021	18 August 2021	19.40%	120,000,000	18 August 2021	128,546,640
23 June 2021	12 October 2021	18.95%	180,000,000	12 October 2021	190,373,220
1 July 2021	9 November 2021	19.00%	150,000,000	9 November 2021	160,228,000
28 July 2021	23 November 2021	19.10%	120,000,000	23 November 2021	127,409,760
18 August 2021	8 December 2021	19.00%	150,000,000	8 December 2021	158,745,150
12 October 2021	8 February 2022	17.85%	180,000,000	8 February 2022	190,475,280
23 November 2021	22 March 2022	15.50%	120,000,000	22 March 2022	126,064,080
9 November 2021	1 March 2022	16.30%	200,000,000	1 March 2022	210,003,200
8 December 2021	5 April 2022	16.00%	232,000,000	5 April 2022	244,000,432
8 February 2022	17 Mayıs 2022	19.25%	250,000,000	8 February 2022	262,921,250
1 March 2022	31 Mayıs 2022	17.50%	125,000,000	1 March 2022	130,453,750
22 March 2022	28 June 2022	17.25%	200,000,000	22 March 2022	209,263,014
5 April 2022	5 July 2022	17.25%	250,000,000	5 July 2022	260,907,534
17 Mayıs 2022	23 August 2022	17.90%	200,000,000	23 August 2022	209,612,055
26 July 2022	25 October 2022	24.75%	100,000,000	25 October 2022	106,170,550
23 August 2022	29 November 2022	19.50%	230,000,000		242,041,926
			<b>Total</b>		<b>3,414,000,000</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 23. FINANCIAL INSTRUMENTS (cont'd)

##### Financial Borrowings (cont'd)

The details of the Company's financing bills are given below:

<u>Issue Date</u>	<u>Maturity date</u>	<u>Rate of return</u>	<u>Nominal value</u>	<u>Amortization date</u>	<u>Amortization amount</u>
6 October 2017	30 March 2018	14.10%	93,668,000	30 March 2018	100,000,213
30 March 2018	19 September 2018	14.85%	74,739,200	19 September 2018	80,000,000
19 September 2018	21 December 2018	28.50%	46,615,000	21 December 2018	50,000,000

<u>Bank Loans</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
Short-term bank loans	144,905,597	57,779,181
Short-term portions of long-term bank loans	32,210,204	50,368,187
Long-term bank loans	314,297,293	22,928,788
	<b>491,413,094</b>	<b>131,076,156</b>

Interest rates of financial liabilities are as follows:

<u>Financial Instrument</u>	<u>Currency</u>	<u>Weighted Average interest rate</u>	<u>30 September 2022</u>	
			<u>Short-term</u>	<u>Long-term</u>
Lease certificate	TL	21.12%	339,144,658	-
Fixed rate loan	TL	9.81%	36,215,801	314,297,292
Floating rate loan	TL	16.30%	140,900,000	-
Finansal kiralama	EUR	5.10%	68,224,330	59,810,144
Faaliyet kiralaması	TL	23.50%	712,776	972,368
			<b>585,197,565</b>	<b>375,079,804</b>

<u>Financial Instrument</u>	<u>Currency</u>	<u>Weighted Average interest rate</u>	<u>31 December 2021</u>	
			<u>Short-term</u>	<u>Long-term</u>
Lease certificate	TL	21.12%	747,962,082	-
Floating rate loan	TL	15.53%	50,943,872	-
Fixed rate loan	TL	16.13%	57,203,497	22,928,788
Financial lease	EUR	5.10%	57,063,382	70,808,044
Operating lease	TL	23.50%	1,201,447	472,259
			<b>914,374,280</b>	<b>94,209,091</b>

Maturities of bank borrowings are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
To be paid within 1 year	585,197,565	914,374,279
To be paid within 1 - 2 years	158,084,935	74,515,215
To be paid within 2 - 3 years	85,476,280	19,693,877
To be paid within 3 - 4 years	57,172,893	-
To be paid within 4 - 5 years	42,836,713	-
To be paid more than 5 years	31,508,983	-
	<b>960,277,369</b>	<b>1,008,583,371</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of debts, which includes the borrowings disclosed in Note 22, comprising cash and cash equivalents, issued capital, reserves and prior years' profit.

The Company's board of directors reviews the capital structure of the Company on a quarterly basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the board, the Group balances its overall capital structure through the payment of dividends, new share issues and acquiring own shares, as well as the issue of new debt or the redemption of existing debt.

In addition and consistent with other entities in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

During 2022, the Group's strategy has not been changed from 2019. As of 30 September 2022 and 31 December 2021, the net debt/capital ratio calculated as net debt divided by total capital (net debt is calculated as total borrowings less cash and cash equivalents and short-term financial investments) is as follows:

	30 September 2022	31 December 2021
<i>Financial Borrowings</i>	(961,249,737)	1,009,055,630
<i>Less: Cash and Cash Equivalents</i>	(59,436,450)	(52,795,894)
Net Debt	901,813,287	956,259,736
Total Equity	(7,112,068,426)	3,297,726,119
Total Capital	(1,570,000,000)	1,020,000,000
<b>Net Debt/Total Capital Rate</b>	<b>57%</b>	<b>94%</b>

##### b) Financial risk factors

The Company's activities expose it to market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management programme generally focuses on uncertainty in financial markets and minimizing potential negative effects on the Company's financial performance.

Risk management, is conducted by a treasury department with policies approved by the Board of Directors. Treasury department of the Company defines and evaluates the financial risk, and by working with the operation units by using tools to decrease the risk. Board of Directors maintains generates a written procedure about foreign exchange risk, interest rate risk, credit risk, usage of derivative instruments and other non-derivative financial instruments, and evaluating excess liquidity or other various risks.

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
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(All amounts expressed in Turkish Lira (TL).)

**24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

*b.1) Credit risk management*

**Details of credit risk by class of financial instruments**

	<b>Receivables</b>				
	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Deposit in Banks</b>
<b>30 September 2022</b>	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>	
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (*)	60	11,607,200	-	-	59,436,450
- Secured portion of the maximum credit risk by guarantees, etc. (**)	-	11,607,200	-	-	59,436,450
A. Net book value of financial assets that are neither past due nor impaired	60	11,607,200	-	-	59,436,450

(\*) The factors that increase the credit reliability, such as guarantees received are not considered in the determination of the balance.

(\*\*) Guarantees consist of *guarantee letters, guarantee notes and mortgages* obtained from the customers.

**Details of credit risk by class of financial instruments**

	<b>Receivables</b>				
	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Deposit in Banks</b>
<b>31 December 2021</b>	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>	
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (*)	60	2,529,290	-	-	53,109,547
- Secured portion of the maximum credit risk by guarantees, etc. (**)	-	2,529,290	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	60	2,529,290	-	-	53,109,547

(\*) The factors that increase the credit reliability, such as guarantees received are not considered in the determination of the balance.

(\*\*) Guarantees consist of *guarantee letters, guarantee notes and mortgages* obtained from the customers.

# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

### 24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

#### *b.1) Credit risk management (cont'd)*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company aims to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee. Credit risks which the Company is exposed and credibility of customers are being monitored regularly. Credit risk is being controlled by the risk management committee through limits which are determined and annually controlled by the Board of Directors.

#### *b.2) Liquidity risk management*

The ultimate responsibility for liquidity risk management belongs to the Board of Directors. The Board of Directors has established a liquidity risk management in order to meet short-, mid- and long-term financing, and liquidity requirements. The Company manages liquidity risk by monitoring expected and actual cash flows closely, and by maintaining sustainability of sufficient borrowing funds through matching maturities of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

#### **Liquidity risk table:**

30 September 2022

<u>Contractual terms</u>	<u>Carrying value</u>	<u>Total Contractual</u>	<u>Less than 3</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Longer than</u>
		<u>Cash Outflows</u>				
		<u>(I+II+III)</u>				
<b>Non-derivative</b>						
<b>financial liabilities</b>						
Bank loans	491,413,093	629,069,274	153,606,010	24,793,981	450,669,283	77,427,769
Debt securities issued	339,144,658	348,212,476	348,212,476	-	-	-
Financial lease liabilities	128,034,473	134,906,825	15,514,613	54,557,839	64,834,373	-
Long-term liabilities arising from operating leases	1,685,144	2,052,376	252,816	680,795	1,118,765	-
Trade payables	220,007,876	302,252,907	135,111,893	-	167,141,014	-
Other liabilities	62,675,346	62,675,347	62,675,347	-	-	-
<b>Total liability</b>	<b>1,242,960,590</b>	<b>1,479,169,205</b>	<b>715,373,155</b>	<b>80,032,615</b>	<b>683,763,435</b>	<b>77,427,769</b>

31 December 2021

<u>Contractual terms</u>	<u>Carrying value</u>	<u>Total Contractual</u>	<u>Less than 3</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Longer than</u>
		<u>Cash Outflows</u>				
		<u>(I+II+III)</u>				
<b>Non-derivative</b>						
<b>financial liabilities</b>						
Bank loans	131,076,157	137,235,942	68,860,692	42,073,397	26,301,853	-
Debt securities issued	747,962,082	770,542,992	526,542,560	244,000,432	-	-
Financial lease liabilities	127,871,427	135,716,823	15,069,228	46,004,755	74,642,840	-
Long-term liabilities arising from operating leases	1,673,705	1,879,031	425,208	934,263	519,560	-
Trade payables	136,598,557	159,468,547	51,598,557	-	107,869,990	-
Other liabilities	4,782,989	4,782,989	4,782,989	-	-	-
<b>Total liability</b>	<b>1,149,964,917</b>	<b>1,209,626,324</b>	<b>667,279,234</b>	<b>333,012,847</b>	<b>209,334,243</b>	<b>-</b>

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
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(All amounts expressed in Turkish Lira (TL).)

**24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)*****b.3) Market risk management***

During the current period, any change to either exposed risks or management and measurement methods of these risks, was not happened compared to the prior year.

***b.3.1) Foreign currency risk management***

The carrying amounts of the Company's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the reporting period are as follows:

	30 September 2022		
	TL Equivalent	US Dollar	EUR
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	29,623	2	1,631
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	<b>29,623</b>	<b>2</b>	<b>1,631</b>
5. Trade Receivables	1,535,436	-	84,646
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	<b>1,535,436</b>	-	<b>84,646</b>
9. TOTAL ASSETS	<b>1,565,059</b>	<b>2</b>	<b>86,277</b>
10. Trade Payables	-	-	-
11. Financial Liabilities	68,233,413	-	3,754,824
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13. CURRENT LIABILITIES	<b>68,233,413</b>	-	<b>3,754,824</b>
14. Trade Payables	-	-	-
15. Financial Liabilities	59,801,058	-	3,290,799
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	<b>59,801,058</b>	-	<b>3,290,799</b>
18. TOTAL LIABILITIES	<b>128,034,470</b>	-	<b>7,045,623</b>
19. Off-balance Sheet Derivative Instruments Net Asset/Liability Position (19a-19b)	-	-	-
19.a. Assets on foreign currency derivative instruments	-	-	-
19.b. Liabilities on foreign currency derivative instruments	-	-	-
20. Net Foreign Currency Assets/Liabilities Position	<b>126,469,412</b>	<b>2</b>	<b>6,959,346</b>
21. Monetary Items Net Foreign Currency Assets / Liabilities (1+2a+5+6a-10-11-12a-14-15-16a)	<b>(126,469,412)</b>	<b>2</b>	<b>(6,959,346)</b>

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
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(All amounts expressed in Turkish Lira (TL).)

**24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)***b.3.1) Foreign currency risk management (cont'd)*

	31 December 2021		
	TL Equivalent	US Dollar	EUR
1. Trade Receivables	331,620	4,764	17,772
2a. Monetary Financial Assets	-	-	-
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	<b>331,620</b>	<b>4,764</b>	<b>17,772</b>
5. Trade Receivables	577,006	-	38,246
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	<b>577,006</b>	-	<b>38,246</b>
9. TOTAL ASSETS	<b>908,626</b>	<b>4,764</b>	<b>56,018</b>
10. Trade Payables	63,427	4,750	-
11. Financial Liabilities	57,063,382	-	3,775,556
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13. CURRENT LIABILITIES	<b>57,126,809</b>	<b>4,750</b>	<b>3,775,556</b>
14. Trade Payables	-	-	-
15. Financial Liabilities	70,808,044	-	4,684,962
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	<b>70,808,044</b>	-	<b>4,684,962</b>
18. TOTAL LIABILITIES	<b>127,934,853</b>	<b>4,750</b>	<b>8,460,518</b>
19. Off-balance Sheet Derivative Instruments Net Asset/Liability Position (19a-19b)	-	-	-
19.a. Assets on foreign currency derivative instruments	-	-	-
19.b. Liabilities on foreign currency derivative instruments	-	-	-
20. Net Foreign Currency Assets/Liabilities Position	<b>(127,026,227)</b>	<b>14</b>	<b>(8,404,500)</b>
21. Monetary Items Net Foreign Currency Assets / Liabilities (1+2a+5+6a-10-11-12a-14-15-16a)	<b>(127,026,227)</b>	<b>14</b>	<b>(8,404,500)</b>



# HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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### 24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

#### b.3.1) Foreign currency risk management (cont'd)

##### Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in foreign currency against TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit/loss or other equity items.

	30 September 2022			
	Profit / Loss		Equity	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dolar increases in 10% against TL				
1 - US Dolar net asset/liability	4	(4)	4	(4)
2- US Dolar hedges (-)	-	-	-	-
<b>3- Net effect of US Dollar (1 +2)</b>	<b>4</b>	<b>(4)</b>	<b>4</b>	<b>(4)</b>
In case of Euro increases in 10% against TL				
4 - Euro net asset/liability	(12,646,663)	12,646,663	(12,646,663)	12,646,663
5 - Euro hedges (-)	-	-	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(12,646,663)</b>	<b>12,646,663</b>	<b>(12,646,663)</b>	<b>12,646,663</b>
	<b>(12,646,659)</b>	<b>12,646,659</b>	<b>(12,646,659)</b>	<b>12,646,659</b>
31 December 2021				
	Profit / Loss		Equity	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dolar increases in 10% against TL				
1 - US Dolar net asset/liability	19	(19)	19	(19)
2- US Dolar hedges (-)	-	-	-	-
<b>3- Net effect of US Dollar (1 +2)</b>	<b>19</b>	<b>(19)</b>	<b>19</b>	<b>(19)</b>
In case of Euro increases in 10% against TL				
4 - Euro net asset/liability	(12,702,478)	12,702,478	(12,702,478)	12,702,478
5 - Euro hedges (-)	-	-	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(12,702,478)</b>	<b>12,702,478</b>	<b>(12,702,478)</b>	<b>12,702,478</b>
	<b>(12,702,459)</b>	<b>12,702,459</b>	<b>(12,702,459)</b>	<b>12,702,459</b>

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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#### 24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### *b.3.2) Interest rate risk management*

The Company borrows funds at fixed and floating interest rate. Risk hedging strategies are evaluated regularly in order to comply with interest rate anticipations and defined risks.

##### Interest rate sensitivity

The details of the interest-bearing financial assets of the Company are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
<b>Fixed Interest Rate Instruments</b>		
Financial Liabilities	<b>819,377,369</b>	<b>956,409,873</b>
<b>Floating Interest Rate Instruments</b>		
Financial Liabilities	<b>140,900,000</b>	-

#### 25. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES) (cont'd)

(\*) The Company management considers that the book values of financial instruments reflect their fair values.

##### Fair Value of Financial Instruments

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

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions; and
- Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

#### 26. EVENTS AFTER THE REPORTING PERIOD

The paid-in capital of Halk Yapı Projeleri Geliştirme A.Ş., a 100% subsidiary of the Company, was increased from TL 15 million to TL 115 million in cash, and the related capital increase was registered as of 10.10.2022.

#### 27. NOTES ON THE STATEMENT OF CASH FLOWS

	<u>30 September 2022</u>	<u>31 December 2021</u>
Cash at banks	59,438,360	52,796,803
<i>Demand deposits (*)</i>	1,608,459	2,131,214
<i>Time deposits with a maturity of less than three months</i>	57,829,901	50,665,589
Expected credit loss (-)	(1,910)	(909)
<i>Cash and cash equivalent assets in the statement of financial position</i>	<u>59,436,450</u>	<u>52,795,894</u>
Less: Interest income accruals on cash and cash equivalents	(22,173)	(21,983)
<i>Cash and cash equivalent assets in the statement of cash flows</i>	<u>59,414,277</u>	<u>52,773,911</u>

(\*) As of 30 September 2022 and 31 December 2021, there is blocked amount for salary payments to personnel from demand deposit amounts.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 27. NOTES TO THE STATEMENT OF CASH FLOWS (cont'd)

As of 30 September 2022 and 31 December 2021, the details of time deposits at banks are as follows:

<b>30 September 2022</b>	<b>Amount</b>	<b>Interest rate</b>	<b>Maturity</b>
<b><u>Time deposits</u></b>			
TL	57,767,317	14.00%	3 October 2022
TL	1,245	7.00%	3 October 2022
TL	27,240	15.00%	3 October 2022
TL	34,098	13.25%	3 October 2022
	<b>57,829,901</b>		
<b>31 December 2021</b>	<b>Amount</b>	<b>Interest rate</b>	<b>Maturity</b>
<b><u>Time deposits</u></b>			
TL	50,525,008	15.75%	2 January 2022
TL	2,358	4.75%	2 January 2022
TL	57,238	14.00%	2 January 2022
TL	80,985	15.00%	2 January 2022
	<b>50,665,589</b>		

Explanations about the nature and level of risks related to cash and cash equivalents are provided in Note 23.

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

On 15 October 2019, U.S. Department of Justice, United States Attorney Southern District of New York indicted the Bank by repeating the allegations set forth in the case filed against the former executive of the Bank due to Iranian sanction violations.

First, the Bank applied to the District Court on 4 November 2019, and requested a special appearance to discuss the issues of personal jurisdiction and recusal. On 5 December 2019, the District Court denied the request of special appearance. The Bank objected to the District Court's decision and appealed the decision at the Court of Appeals Second Circuit on 17 December 2019. On 21 February 2020, the Second Circuit denied the Bank's objection.

In the meeting held by the Bank's Board of Directors on 27 March 2020, it was decided to attend the District Court hearing on 31 March 2020, to accept the arraignment and to appoint Williams & Connolly law firm with a proxy to represent the Parent Bank.

At the hearing on 31 March 2020, the District Court decided to postpone the hearing initially to 9 June 2020 and subsequently to 30 June 2020 due to the global scale COVID-19 outbreak.

(All amounts expressed in Turkish Lira (TL).)

**28. DISCLOSURE OF OTHER MATTERS THAT MAY AFFECT FINANCIAL STATEMENTS SIGNIFICANTLY OR IS NECESSARY FOR FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND COMPREHENSIBLE (cont'd)**

At the hearing held in the District Court on 30 June 2020; the schedule regarding the motion to recuse, discovery motions, and filings of other motions were identified. It was decided that the jury hearing would begin on 1 March 2021 for which the schedule was revised on 26 October 2020. Accordingly, the jury hearings are scheduled to be held on 3 May 2021. In this regard, the Bank filed its recusal motion on 14 July 2020 and its other motions to dismiss the indictment on 10 August 2020 at the District Court.

Bank's recusal motion was denied by the District Court on 24 August 2020 and by the Court of Appeals Second Circuit on 23 December 2020.

District Court denied the Bank's motion to dismiss the indictment on 1 October 2020. The Bank appealed the Court of Appeals Second Circuit for the motion to dismiss the indictment with regard to Foreign Sovereign Immunity Act (exemption from the jurisdiction of the US courts). On 23 December 2020, the Court of Appeals Second Circuit granted the Bank's motion to stay the case pending sovereign immunity appeal. An oral hearing was held before the Second Court of Appeal on 12 April 2021, and rejected the Bank's appeal on 22 October 2021. The Bank requested a reconsideration of the decision rendered by the Second Court of Appeals on 5 November 2021. The court rejected this request on 15 December 2021.

Since the Bank will take its objection regarding Foreign State Immunity to the US Supreme Court (Supreme Court of the United States), it has requested the Second Court of Appeal to stop the case from being sent back to the District Court in this process. This request was accepted by the Second Court of Appeal on 14 January 2022. Legal proceedings in the District Court are suspended pending the end of the U.S. Supreme Court process.

On 13 May 2022, the Bank submitted its petition of appeal under Foreign State Immunity to the US Court of Appeals. Halkbank's petition for appeal was responded to by the Solicitor General, the Office of the Attorney General of the US Department of Justice, on 18 July 2022, and the Bank submitted a reply petition on 2 August 2022. On 28 September 2022, the US Court of Appeals considered the Bank's appeal and issued its decision on 3 October 2022 that it accepted the application.

In the next period, the US Supreme Court will begin to consider the Bank's appeal on the merits. Until the Supreme Court process is over, the decision to stop the legal process in the US Southern District Court of New York, which is the court where the case was filed, on 14 January 2022, will continue. In the end, if the matter is concluded positively on the merits before the Court of Cassation, the case will be dismissed without going to trial. In case of a negative result, the case will be sent to the District Court again and the District Court will have to establish a new litigation calendar for the trial.

## HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

#### 28. DISCLOSURE OF OTHER MATTERS THAT MAY AFFECT FINANCIAL STATEMENTS SIGNIFICANTLY OR IS NECESSARY FOR FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND COMPREHENSIBLE (cont'd)

In addition, a civil case was filed against the Bank on 27 March 2020, before the US Southern District Court of New York, on the grounds that "they could not collect their receivables from Iran due to alleged violations of sanctions" by some of the complainants. The related lawsuit was notified to the Parent Bank's lawyers on 1 July 2020. The Bank submitted its petition to the court on 25 September 2020, stating that the case should be dismissed due to the rejection of the complaints of the complainants. The petition process in this context was completed on 16 December 2020. On 16 February 2021, the District Court accepted the objection of the Parent Bank for the incompatibility of the jurisdiction within the scope of the request for dismissal of the case, and rejected the case conditionally, and the case file at the District Court was closed on 3 March 2021.

The complainants submitted their appeal on 30 June 2021, taking the District Court decision to the Second Court of Appeal. The mutual petition stage has been completed and on 13 October 2022, an oral defense hearing was held before the Second Appeal. In the next process, the decision of the Second Appeal is expected.

The Bank closely monitors the proceedings of both criminal and civil lawsuits through specialized US law firms.

#### 29. FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR'S

Based on the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority published in the "POA" Official Gazette, the fees related to the services received by the Company from the independent auditor/independent audit firm as of the reporting period are as follows:

	1 January- 30 September 2022	1 January- 30 September 2021
Independent audit fee for the reporting period	356,782	181,750
	<b>356,782</b>	<b>181,750</b>

#### 30. FINANCIAL INVESTEMENTS

Subsidiaries	Place of incorporation and operation	Functional currency	The Group's shareholding rate and voting power (%)	
			30 September 2022	31 December 2021
Halk Yapı Projeleri Geliştirme A.Ş.	Turkey	Turkish Lira	100%	100%

#### APPENDIX 1 - CONTROL OF COMPLIANCE WITH RESTRICTIONS ON THE PORTFOLIO

The information contained herein, is summary information derived from the unconsolidated financial statements according to Article 16 "Communiqué on Financial Reporting in Capital Market" Serial: II, No: 14.1 of the CMB and prepared for purposes of the controlling the compliance with portfolio limitations as set out in the CMB's Serial: III No: 48.1 communique, "Communiqué on Principles Regarding Real Estate Investment Trusts", published in the Official Gazette numbered 28660 dated 28 May 2013.

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022

(All amounts expressed in Turkish Lira (TL).)

**APPENDIX 1 - CONTROL OF COMPLIANCE WITH RESTRICTIONS ON THE PORTFOLIO (cont'd)**

The control of the compliance with the portfolio limitations prepared in accordance with the unconsolidated financial statements of the Company in accordance with the "Communiqué on Principles Regarding Real Estate Investment Trusts" of the CMB, III. numbered 481, is as follows:

	<b>Financial statement primary account items</b>	<b>Regulation</b>	<b>30 September 2022 (TL)</b>	<b>31 December 2021 (TL)</b>
<b>A</b>	Money and capital market instruments	Serial: III-48.1, Article 24/(b)	59,436,450	52,795,893
<b>B</b>	Real estates, based on real estates, rights based on real estates	Serial: III-48.1, Article24/(a)	9,159,988,510	4,304,090,596
<b>C</b>	Subsidiaries	Serial: III-48.1, Article24/(b)	15,000,000	15,000,000
	Due from related parties (non-trade)	Serial: III-48.1, Article23/(f)	-	-
	Other assets		186,331,707	195,583,878
<b>D</b>	<b>Total Assets</b>	Serial: III-48.1, Article3/(k)	<b>9,420,756,667</b>	<b>4,567,470,367</b>
<b>E</b>	Loans and borrowings	Serial: III-48.1, Article31	832,242,895	880,711,941
<b>F</b>	Other financial liabilities	Serial: III-48.1, Article31	-	-
<b>G</b>	Financial leasing obligations	Serial: III-48.1, Article31	128,034,473	127,871,430
<b>H</b>	Due to related parties (non-trade)	Serial: III-48.1, Article23/(f)	-	-
<b>İ</b>	Equity	Serial: III-48.1, Article31	7,112,068,426	3,297,726,118
	Other liabilities		1,348,410,872	261,160,880
<b>D</b>	<b>Total liabilities and equity</b>	Serial: III-48.1, Article3/(k)	<b>9,420,756,666</b>	<b>4,567,470,369</b>
	<b>Other financial information</b>	<b>Regulation</b>	<b>30 September 2022 (TL)</b>	<b>31 December 2021 (TL)</b>
<b>A1</b>	Portion of money and capital markets instruments for real estate payments of 3 years	Serial: III-48.1, Article24/(b)	-	-
<b>A2</b>	Time deposit/ demand deposit/ TL / foreign currency	Serial: III-48.1, Article24/(b)	59,436,450	52,795,893
<b>A3</b>	Foreign capital market instruments	Serial: III-48.1, Article24/(d)	-	-
<b>B1</b>	Foreign real estates, based on real estates projects, rights for real estates	Serial: III-48.1, Article24/(d)	-	-
<b>B2</b>	Idle land	Serial: III-48.1, Article24/(c)	-	-
<b>C1</b>	Foreign Subsidiaries	Serial: III-48.1, Article24/(d)	-	-
<b>C2</b>	Investment in the operating company	Serial: III-48.1, Article28	-	-
<b>J</b>	Non-cash loans	Serial: III-48.1, Article31	430,406,604	431,637,997
<b>K</b>	Mortgage amounts on land that project to be developed but the ownership does not belong the entity	Serial: III-48.1, Article22/(e)	-	-
<b>L</b>	Total investments of money and capital market instruments at one company	Serial: III-48.1, Article22/(l)	-	-

**HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**NOTES TO THE REVIEWED UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(All amounts expressed in Turkish Lira (TL).)

**APPENDIX 1 - CONTROL OF COMPLIANCE WITH RESTRICTIONS ON THE PORTFOLIO (cont'd)**

	<b>Portfolio Restriction</b>	<b>Regulations</b>	<b>Calculation</b>	<b>Min/Mx Rate</b>	<b>30 September 2022 (TL)</b>	<b>31 December 2021 (TL)</b>
1	Mortgage amounts on land that project to be developed but the ownership does not belong the entity	Serial: III-48.1, Article 22/(e)	K/D	Maximum 10%	-	-
2	Real estates, based on real estates, rights based on real estates	Serial: III-48.1, Article 24/(a),(b)	(B+A1)/D	Minimum 51%	97.23%	94.23%
3	Money and capital market instruments and associates	Serial: III-48.1, Article 24/(b)	(A+C-A1)/D	Maximum 49%	0.79%	1.48%
4	Foreign real estates, based on real estates projects, rights for real estates, associates, capital market instruments	Serial: III-48.1, Article 24/(d)	(A3+B1+C1)/D	Maximum 49%	-	-
5	Idle land	Serial: III-48.1, Article 24/(c)	B2/D	Maximum 20%	-	-
6	Investment in the operating company	Serial: III-48.1, Article 28	C2/D	Maximum 10%	-	-
7	Borrowing Limit	Serial: III-48.1, Article 31	(E+F+G+H+J)/İ	Maximum 500%	19.55%	43.67%
8	Time deposit/ demand deposit/ TL / foreign currency	Serial: III-48.1, Article 24/(b)	(A2-A1)/D	Maximum 10%	0.63%	1.16%
9	Total investments of money and capital market instruments at one company	Serial: III-48.1, Article 22/(l)	L/D	Maximum 10%	-	-