

**(Convenience Translation of Financial Statements
Originally Issued in Turkish)**

**Peker Gayrimenkul Yatırım Ortaklığı Anonim
Şirketi and Its Subsidiaries**

**Condensed Consolidated Financial Statements
for the Interim Period January 1 - March 31,
2024**

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

Index

	<u>Page</u>
Condensed Consolidated Statements of Financial Position	1 – 2
Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statements of Changes in Shareholders' Equity	4
Condensed Consolidated Statements of Cash Flows	5
Notes to the Condensed Consolidated Financial Statements	6 – 40

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries**Condensed Consolidated Statements of Financial Position****As of March 31, 2024 and December 31, 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

		Unaudited	Audited
		Current period	Prior period
	Note	March 31, 2024	December 31, 2023
Current assets		1.949.047.851	1.992.374.039
Cash and cash equivalents	4	87.149.848	66.313.516
Financial investments	5	119.062.868	107.158.779
Trade receivables			
<i>Due from related parties</i>	7-18	158.818.136	170.559.716
<i>Due from third parties</i>	7	755.152.617	812.330.774
Other receivables			
<i>Due from related parties</i>	8-18	3.498.438	3.667.530
<i>Due from third parties</i>	8	11.285.975	4.432.814
Inventories	9	340.062.002	340.062.002
Prepaid expenses			
<i>Due to related parties</i>	10-18	428.266.489	414.658.670
<i>Due to third parties</i>	10	7.429.800	7.599.838
Current income tax assets		43.220	36.702
Other current assets	11	38.278.458	65.553.698
Non-current assets		4.477.031.767	4.802.921.080
Financial investments	5	899.113	899.113
Other receivables			
<i>Due from third parties</i>	8	915.960	986.496
Investment properties	12	4.386.408.934	4.712.653.576
Property, plant and equipment	13	63.579.348	62.808.244
Prepaid expenses			
<i>Due to related parties</i>	10-18	13.920.920	14.992.334
Deferred tax assets	17	11.307.492	10.581.317
Total assets		6.426.079.618	6.795.295.119

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Statements of Financial Position

As of March 31, 2024 and December 31, 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

	Note	Unaudited		Audited	
		Current period		Prior period	
		March 31, 2024	December 31, 2023	December 31, 2023	December 31, 2023
Current liabilities		542.257.699		415.519.228	
Short-term borrowings	6	238.319.595		136.998.682	
Short-term portion of long-term borrowings	6	86.884.392		6.009.836	
Short-term leasing liabilities	6	25.360.812		36.447.405	
Trade payables					
<i>Due to related parties</i>	7-18	1.275.501		1.105.454	
<i>Due to third parties</i>	7	113.486.915		137.784.387	
Contract liabilities	10	75.000		292.826	
Employee benefit obligations		1.246.455		931.505	
Other payables					
<i>Due to related parties</i>	8-18	5.043.250		1.877.419	
<i>Due to third parties</i>	8	61.247.156		35.526.568	
Provisions					
<i>Other provisions</i>		15.661		414.880	
Other current liabilities	11	9.302.962		58.130.266	
Non-current liabilities		2.445.634.455		2.548.514.148	
Long-term borrowings	6	2.218.266.473		2.308.360.587	
Long-term leasing liabilities	6	17.928.174		17.885.391	
Other payables					
<i>Due to related parties</i>	8-18	1.239.723		1.335.138	
Provisions					
<i>Provision for employee benefits</i>		756.507		570.580	
Deferred tax liabilities	17	207.443.578		220.362.452	
Equity		3.438.187.464		3.831.261.743	
Equity holders of the parent		3.216.537.196		3.597.108.026	
Paid-in capital	15	669.833.747		669.833.747	
Adjustment to share capital	15	2.157.328.010		2.157.328.010	
Treasury shares	15	(72.133.458)		-	
Share premium		18.125		18.125	
Other accumulated comprehensive income and expense not to be reclassified to profit or loss					
<i>Gain/ (loss) arising from defined benefit plans</i>		(721.044)		(611.673)	
Other accumulated comprehensive income and expense to be reclassified to profit or loss					
<i>Currency translation differences</i>		(762.292.463)		(582.054.949)	
Effect of combinations of businesses under common control		(1.639.343.368)		(1.639.343.368)	
Restricted reserves	15	204.743.193		132.609.735	
Retained earnings		2.787.194.941		1.754.638.859	
Net profit for the period		(128.090.487)		1.104.689.540	
Non-controlling interest		221.650.268		234.153.717	
Total liabilities and equity		6.426.079.618		6.795.295.119	

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the Period Ended March 31, 2024, and 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

		Unaudited	Audited
		Current period	Prior period
		January 1-	January 1-
	Note	March 31, 2024	March 31, 2023
Revenue	19	29.120.235	73.027.641
Cost of sales (-)	19	(23.766)	(67.926.561)
Gross loss		29.096.469	5.101.080
General administrative expenses (-)	20	(30.705.561)	(45.572.037)
Other income from operating activities	21	234.261.771	100.243.866
Other expenses from operating activities (-)	21	(74.174.364)	(48.441.719)
Operating profit		158.478.315	11.331.190
Income from investment activities	22	3.339.066	-
Expenses from investment activities (-)	22	(30.642.502)	-
Operating income before financial income		131.174.879	11.331.190
Finance income	23	912.792	580.136
Finance expenses (-)	23	(79.256.151)	(28.968.669)
Net monetary position gain/(loss)		(163.279.730)	(126.417.146)
Loss before tax from continuing operations		(110.448.210)	(143.474.489)
Tax income/ (expense), continuing operations		(13.819.185)	1.450.854
Taxes on expense	17	-	-
Deferred tax expenses (-)	17	(13.819.185)	1.450.854
Net income		(124.267.395)	(142.023.635)
Equity holders of the parent		(128.090.487)	(142.023.635)
Non-controlling interest		3.823.092	-
Not to be reclassified to profit or loss		(109.371)	(610.145)
Loss arising from defined benefit plans		(109.371)	(610.145)
To be reclassified to profit or loss		(196.564.055)	(128.228.085)
Currency translation differences		(196.564.055)	(128.228.085)
Other comprehensive income		(196.673.426)	(128.838.230)
Total comprehensive loss		(320.940.821)	(270.861.865)
Equity holders of the parent		(308.437.372)	(270.861.865)
Non-controlling interest		(12.503.449)	-
Earnings per share		(,05)	(,05)

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed Consolidated Statements of Changes in Shareholder' Equity
For the Period Ended March 31, 2024, and 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

	Paid-in capital	Adjustment to share capital	Share premium	Gain/ (loss) arising from defined benefit plans	Currency translation differences	Restricted reserves	Effect of combinations of businesses under common control	Retained earnings	Net profit for the period	Equity holders of the parent	Total
Balance at January 1, 2023	669.833.747	2.157.328.010	18.125	(679.105)	(558.791.919)	110.992.251	5.191.570	2.454.395.084	(529.793.820)	4.308.493.943	4.308.493.943
Transfers	-	-	-	-	-	21.617.484	-	(551.411.304)	529.793.820	-	-
Total comprehensive income	-	-	-	(610.145)	(128.228.085)	-	-	-	(142.023.635)	(270.861.865)	(270.861.865)
Balance at March 31, 2023	669.833.747	2.157.328.010	18.125	(1.289.250)	(687.020.004)	132.609.735	5.191.570	1.902.983.780	(142.023.635)	4.037.632.078	4.037.632.078

	Paid-in capital	Adjustment to share capital	Treasury shares	Share premium	Gain/ (loss) arising from defined benefit plans	Currency translation differences	Restricted reserves	Effect of combinations of businesses under common control	Retained earnings	Net profit for the period	Equity holders of the parent	Non-controlling interest	Total
Balance at January 1, 2024	669.833.747	2.157.328.010	-	18.125	(611.673)	(582.054.949)	132.609.735	(1.639.343.368)	1.754.638.859	1.104.689.540	3.597.108.026	234.153.717	3.831.261.743
Transfers	-	-	-	-	-	-	-	-	1.104.689.540	(1.104.689.540)	-	-	-
Total comprehensive income	-	-	-	-	(109.371)	(180.237.514)	-	-	-	(128.090.487)	(308.437.372)	(12.503.449)	(320.940.821)
Increase/(decrease) due to acquisition of treasury shares	-	-	(72.133.458)	-	-	-	72.133.458	-	(72.133.458)	-	(72.133.458)	-	(72.133.458)
Balance at March 31, 2024	669.833.747	2.157.328.010	(72.133.458)	18.125	(721.044)	(762.292.463)	204.743.193	(1.639.343.368)	2.787.194.941	(128.090.487)	3.216.537.196	221.650.268	3.438.187.464

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Its Subsidiaries

**Condensed Consolidated Statements of Cash Flows
For the Period Ended March 31, 2024, and 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

		Unaudited	Unaudited
		Current period	Prior period
		January 1-	January 1-
	Note	March 31, 2024	March 31, 2024
A. Cash flows from operating activities		(58.179.731)	(184.742.491)
Net income/ (expenses)		(124.267.395)	(142.023.635)
Adjustments regarding net profit reconciliation for the period		89.084.552	111.286.340
Adjustments for depreciation and amortisation expense	13	3.983.532	2.935.725
Adjustments for provision (reversal of provision) for receivables		-	125.078
Adjustments for provisions for employee benefits		76.556	(898.253)
Adjustments for interest income	23	(912.792)	(30.444)
Adjustments for interest expense	23	78.519.621	19.494.384
Adjustments for tax expense/ (income)	17	13.819.185	(1.450.854)
Adjustments for unrealised foreign exchange differences		(86.887.450)	(52.659.133)
Adjustments for fair value (gains)/ losses	5-12	(63.091.864)	10.264.776
Monetary (gain)/ loss		156.140.605	122.635.682
Adjustments for unrealised translation differences		(9.298.826)	10.869.379
Adjustments for other cash flows from investing or financing activities	5	(3.264.015)	-
Changes in operating assets and liabilities		(22.990.370)	(148.006.918)
Adjustments for decrease (increase) in trade receivables		12.780.891	210.809
Adjustments for decrease (increase) in other receivables		(6.613.533)	34.973.586
Decrease (increase) in prepaid expenses		(12.366.367)	(106.465.911)
Adjustments for increase (decrease) in trade payables		(24.127.425)	1.637.518
Increase (decrease) in employee benefit liabilities		314.950	790.902
Adjustments for increase (decrease) in other payables		28.573.178	(78.831.737)
Adjustments for other (increase) decrease in changes in operating assets and liabilities			
Adjustments for (increase) decrease in other assets		27.275.240	(6.989.469)
Adjustments for increase (decrease) in other liabilities		(48.827.304)	6.667.384
Cash flows from operating activities		(6.518)	(5.998.278)
Income taxes refund/ (paid)		(6.518)	(5.998.278)
B. Cash flows from investing activities		(47.482.064)	24.801.473
Cash inflow from sales of property, plant, equipment	13	-	6.673.164
Cash outflow from purchase of property, plant, equipment	13	(6.206.351)	(9.630.631)
Cash inflow from sales of investment properties	12	-	67.800.413
Cash outflows arising from project expenditures of investment properties	12	(10.366.455)	(40.041.473)
Cash outflows from purchase of funds and stocks	5	(96.754.317)	-
Cash inflow from sales of funds and stocks	5	65.845.059	-
. Cash flows from financing activities		128.085.948	121.701.072
Cash inflow from borrowings	6	358.648.500	144.846.505
Cash outflow from repayments of borrowings	6	(102.953.953)	(4.392.094)
Cash outflows from acquisition of treasury shares	15	(72.133.458)	-
Interest and comission paid		(56.387.933)	(18.783.783)
Interest received		912.792	30.444
D. Net change in cash and cash equivalents (A+B+C)		22.424.153	(38.239.946)
E. Effect of monetary gain/ loss		(875.909)	(6.698.956)
F. Effect of foreign exchange gain/ loss		(711.912)	303.589
G. Cash and cash equivalents at January 1		66.313.516	105.505.830
Cash and cash equivalents at December 31 (D+E+F+G)	3	87.149.848	60.870.517

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

1. Group's organisation and nature of operations

Peker Investment Gayrimenkul Anonim Şirketi was established as of April 25, 2017 by separating part of Peker Holding Anonim Şirketi through division. The Company was registered in the trade registry as of April 25, 2017, and at the same time, it applied to the Capital Markets Board for be a Real Estate Investment Corporation. It was approved in accordance with the Capital Markets Board's decision dated September 21, 2017 and numbered 34/1144. The title of the Company, Peker Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company"), was registered in the trade registry on September 28, 2017, pursuant to the permissions of the CMB and the Ministry of Customs and Trade. Group is composed of Peker Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") and its subsidiaries which it owns the majority of their shares.

The Company's shares have been traded on the Borsa İstanbul Anonim Şirketi (formerly known as the Istanbul Stock Exchange) ("BIST") since February 21, 2018. As of March 31, 2024, 61% of its shares are traded on BIST.

The Company is affiliated to the İstanbul Ticaret Odası and its registered address is as follows: Cumhuriyet Mahallesi Silahşor Cad. Yeniyol Sk. No:8/1-G Şişli/ İstanbul.

The main objective and operations of the Company are real estate buying-selling, renting, developing real estate projects etc.

Number of employees of the Group as of March 31, 2024 is 26 (December 31, 2023: 27).

As of March 31, 2024 and December 31, 2023, the shareholder structure is as follows:

	March 31, 2024			December 31, 2023		
	Number of shares	Share (%)	Amount	Number of shares	Share (%)	Amount
Hasan Peker	262.364.967	39,17	262.364.967	262.364.967	39,17	262.364.967
Treasury shares (*)	3.508.691	0,52	3.508.691	-	-	-
Public shares	403.960.089	60,31	403.960.089	407.468.780	60,83	407.468.780

(*) As of March 31, 2024, it refers to publicly traded shares that have been repurchased by the Company.

As of March 31, 2024 and December 31, 2023, the difference resulting from the inflation adjustment of nominal capital amounting to 2.157.328.010 TL (Note 15a).

The main operations of the companies included in the consolidation and the share percentage of the Group for these companies are as follows:

Name of the Company	Operation	Country of Operation	Voting right and ownership ratios (%)			
			Ownership ratio	Voting righth	Ownership ratio	Voting righth
Peker GMBH	Real estate projects	Düsseldorf - Germany	100	100	100	100
Peker GYO Global GMBH	Real estate projects	Düsseldorf - Germany	100	100	100	100
Blue Stone Investment GMBH	Real estate projects	Grevenbroich - Germany	100	100	100	100
Nordstern Düsseldorf GMBH	Real estate projects	Düsseldorf - Germany	51	100	51	100
Peker GYO Spain SL	Real estate projects	Malaga – Spain	100	100	100	100

Germany-based Peker Real Estate GMBH is not active as of March 31, 2024 and is immaterial to the consolidated financial statements, it is not included in the consolidation. Peker Real Estate GMBH is accounted for as a long-term financial investment in the consolidated financial statements.

For the period ended March 31, 2024, there has been no change in the group structure and consolidation principles.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

The condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") and in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The condensed consolidated financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on October 4, 2022 by POA and the format and mandatory information recommended by CMB.

The Company maintain its legal books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation. These consolidated financial statements are based on the statutory records with adjustments and reclassifications, for the purpose of fair presentation in accordance with Turkish Financial Reporting Standards ("TFRS").

The condensed consolidated financial statements are prepared on the basis of historical cost, with the exception of investment properties and short-term financial investments carried at fair value. In determining the historical cost, generally the fair value of the amount paid for the assets is taken as basis.

The Group prepared its condensed consolidated interim financial statements for the three months period ended March 31, 2024 in accordance with TAS 34 "Interim Reporting" standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

Functional and reporting presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Turkish lira and the foreign subsidiaries is euro.

The accompanying condensed consolidated financial statements are prepared in Turkish lira (TL) in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on June 13, 2013.

In accordance with the Public Oversight, Accounting and Auditing Standards Authority's ("POA") announcement "On the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards" dated March 15, 2021, the Group carried out a valuation for the assets and liabilities in the condensed consolidated financial statements based on the current buying and selling rates effective as of the end of the reporting period, income and expenses are translated into TRY at the average foreign exchange rate.

	March 31, 2024	December 31, 2023	March 31, 2023
Buying exchange rate	34,8023	32,5739	20,8450
Selling exchange rate	34,8650	32,6326	20,8825
Average exchange rate	33,5552	25,7198	20,2251

The differences between the values arising from translation of the historical values of these items into the presentation currency and their carrying values from statutory records are recognized as foreign currency translation differences in the statement of other comprehensive income.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements (cont'd)

2.1 Basis of presentation (cont'd)

Financial reporting in hyperinflationary economies

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of March 31, 2023, and December 31, 2023 on the purchasing power basis as of March 31, 2024.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Turkey published by the Turkish Statistical Institute ("TÜİK"). As of March 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Index	2.139,47	1.859,37	1.269,75	1.128,40	686,95	504,81
Average Index	2.065,79	1.488,92	1.238,16	967,7	561,61	469,59
Conversion Factor	1,00000	1,15064	1,68495	1,89602	3,11445	4,23817
Period - Inflation Rate	15,06%	64,78%	12,53%	64,26%	36,08%	
Cumulative - Inflation Rate (Since 2020)	323,82%	268,33%	151,53%	123,53%	36,08%	

As of March 31, 2023 and 2024, quarterly inflation refers to the 3-month inflation starting from the end of the previous year. When calculating cumulative inflation, the base date was taken into December 31, 2020.

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

- Current period condensed consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the condensed consolidated income statement.
- Subsidiaries' assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate and then applied TAS 29.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements (cont'd)

2.1 Basis of presentation (cont'd)

Going concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

Approval of the consolidated financial statements

The consolidated financial statements have been approved and authorized to be published on June 14, 2024 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

2.2 New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

Amendments to TAS 1	Classification of Liabilities as Current and Non-Current Liabilities
Amendments to TFRS 16	Lease Liability in a Sale and Leaseback
Amendments to TAS 7 and TFRS 7	Disclosures: Supplier Finance Arrangements

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

Amendments to TFRS 10 and TAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
TFRS 17	The new Standard for insurance contracts

iii) The amendments which are effective immediately upon issuance

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

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

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

Amendments to IAS 21	Lack of exchangeability
IFRS 18	The new Standard for Presentation and Disclosure in Financial Statements

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

2. Basis of presentation of the consolidated financial statements (cont'd)

2.3 Comparative information and restatement of consolidated financial statements with prior periods

The Group's condensed consolidated financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends in accordance with a new illustrative financial statements. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period consolidated financial statements.

2.4 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period condensed consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.4 Summary of significant accounting policies

The condensed consolidated financial statements for the three months period ended March 31, 2024 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed consolidated financial statements for the three months period ended March 31, 2024, are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2023. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

3. Segmental reporting

Within the framework of TFRS 8 - Operating Segments, there are no operating segments that meet limits and require segment reporting (December 31, 2023: None).

4. Cash and cash equivalents

The details of cash and cash equivalents as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Cash on hand:		
- Turkish lira	520	598
Cash in bank:		
Time deposits		
- Turkish lira	63.658	191.361
- US dollar	64.571	67.746
Demand deposits		
- Turkish lira	1.039.567	979.908
- US dollar	8.160.126	117.858
- Euro	77.554.475	64.490.836
- British pound	266.931	465.209
Total	87.149.848	66.313.516

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

4. Cash and cash equivalents (cont'd)

As of March 31, 2024 and December 31, 2023 the details of the time deposits are as follows:

	Maturity	Interest rate	March 31, 2024
Turkish lira	April '24	%45,00	63.658
US dollar	April '24	%4,10	64.571
Total			128.229

	Maturity	Interest rate	December 31, 2023
Turkish lira	January '24	%42,50 - 47,50	191.361
US dollar	January '24	%4,10	67.746
Total			259.107

As of March 31, 2024, there is no blockage on the bank accounts (December 31, 2023: None).

5. Financial investments

a) Short-term financial investments

The details of short-term financial investments as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Stock certificates	84.255.000	69.671.947
Foreign funds (*)	34.807.868	37.486.832
Total	119.062.868	107.158.779

(*) As of December 31, 2023, the Group has short-term funds amounting to 1.000.000 euros.

As of March 31, 2024 the details of the stock certificates are as follows:

Code of stock	Number of shares	Price of stock	Fair value
PETKM	2.500.000	19,83	49.575.000
SISE	750.000	46,24	34.680.000

As of December 31, 2023 the details of the stock certificates are as follows:

Code of stock	Number of shares	Price of stock	Fair value	Purchasing power of the TL at March 31, 2024
EKGYO	3.470.000	6,88	23.873.600	27.469.921
KRDMD	950.000	23,76	22.572.000	25.972.248
THYAO	30.000	228,60	6.858.000	7.891.090
AVPGY	150.000	38,78	5.817.000	6.693.273
ADGYO	50.000	28,60	1.430.000	1.645.415

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

5. Financial investments (cont'd)

a) Short-term financial investments (cont'd)

Movement of stock certificates for the periods ended March 31, 2024 and 2023 are as follows:

	2024
January 1	69.671.947
Addition	96.754.317
Sales of stock certificate (-)	(65.845.059)
Fair value change (Note 22a-b)	(9.167.250)
Profit from sales of stock certificate (Note 22a)	3.264.015
Monetary loss (-)	(10.422.970)
March 31	84.255.000

b) Long-term financial investments

The details of long-term financial investments as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Peker Real Estate GMBH	899.113	899.113
Total	899.113	899.113

6. Financial liabilities

The details of financial liabilities as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Short-term bank loans	130.289.714	136.998.682
Short-term portion of long-term borrowings	86.884.392	6.009.836
Commercial paper (*)	108.029.881	-
Short-term lease liabilities	25.360.812	36.447.405
Short-term financial liabilities	350.564.799	179.455.923
Long-term bank loans	2.218.266.473	2.308.360.587
Long-term lease liabilities	17.928.174	17.885.391
Long-term financial liabilities	2.236.194.647	2.326.245.978
Total	2.586.759.446	2.505.701.901

(*) As of March 31, 2024, the commercial paper consists of the commercial paper issued on March 21, 2024, with ISIN code TRFPEGY62417, annual interest rate of 58% simple, 72.56% compound interest, maturity of June 10, 2024.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

6. Financial liabilities (cont'd)

The details of bank loans as of March 31, 2024 are as follows:

Currency	TL equivalent	Interest	Interest rate (%)
Euro	585.430.210	Fixed	2,09
Euro	538.006.870	Fixed	2,09
Euro	522.975.000	Fixed	12,00
Euro	209.190.000	Fixed	4,99
Euro	174.325.000	Fixed	4,85
Euro	122.550.475	Floating	2,90
Turkish lira	37.245.877	Fixed	50,00
Turkish lira	30.548.858	Fixed	50,00
Euro	24.299.859	Fixed	4,50
Euro	19.912.831	Fixed	4,50
Turkish lira	18.921.586	Fixed	53,00
Turkish lira	18.742.126	Floating	48,00
Turkish lira	18.595.142	Fixed	50,00
Turkish lira	18.329.997	Fixed	47,40
Turkish lira	10.760.414	Fixed	48,48
Turkish lira	9.554.305	Fixed	47,52
Turkish lira	8.476.905	Fixed	49,08
Turkish lira	7.655.653	Fixed	45,60
Turkish lira	5.722.975	Fixed	52,92
Turkish lira	5.397.935	Fixed	48,48
Turkish lira	5.275.766	Fixed	49,08
Turkish lira	5.246.230	Fixed	49,08
Turkish lira	4.695.484	Fixed	51,96
Turkish lira	4.175.097	Fixed	49,50
Turkish lira	4.150.119	Fixed	53,00
Turkish lira	4.112.846	Floating	48,00
Turkish lira	2.695.018	Fixed	48,48
Turkish lira	2.597.811	Fixed	49,56
Turkish lira	2.507.399	Fixed	20,69
Turkish lira	2.442.058	Fixed	48,00
Turkish lira	2.253.503	Fixed	48,60
Turkish lira	1.956.867	Fixed	43,20
Turkish lira	1.950.042	Fixed	49,08
Turkish lira	992.619	Fixed	45,49
Turkish lira	992.619	Fixed	45,49
Turkish lira	992.619	Fixed	45,49
Turkish lira	992.619	Fixed	45,49
Turkish lira	769.845	Fixed	50,00

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

6. Financial liabilities (cont'd)

The details of bank loans as of December 31, 2023 are as follows:

Currency	TL equivalent	Interest	Interest rate (%)
Euro	634.132.640	Fixed	2,09
Euro	579.414.464	Fixed	2,09
Euro	563.225.662	Fixed	12,00
Euro	225.290.265	Fixed	4,99
Euro	187.741.887	Fixed	4,85
Euro	94.434.169	Floating	2,90
Turkish lira	27.402.917	Fixed	47,40
Euro	26.170.087	Fixed	4,50
Turkish lira	21.801.995	Fixed	53,00
Euro	21.445.435	Fixed	4,50
Turkish lira	21.424.877	Floating	47,00
Turkish lira	11.117.904	Fixed	45,60
Turkish lira	9.259.983	Fixed	52,92
Turkish lira	5.793.279	Fixed	48,48
Turkish lira	4.745.297	Fixed	53,00
Turkish lira	4.703.489	Floating	47,00
Turkish lira	3.869.840	Fixed	20,68
Euro	3.564.065	Fixed	4,50
Turkish lira	2.938.228	Fixed	43,20
Turkish lira	2.892.622	Fixed	48,48

Interest risks related to interest rate changes on floating rate bank loans are explained in Note 24.

Movement of bank loans for the periods ended March 31, 2024 and 2023 are as follows:

	2024	2023
January 1	2.451.369.105	1.888.700.292
Addition	169.693.593	144.846.505
Principal payments (-)	(19.917.817)	(4.392.094)
Interest accrual/ (paid), net	20.238.339	710.601
Translation differences	(165.841.289)	(124.701.999)
Monetary gain (-)	(20.101.352)	(9.466.421)
March 31	2.435.440.579	1.895.696.884

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

6. Financial liabilities (cont'd)

Movement of commercial paper for the period ended March 31, 2024 is as follows:

	2024
January 1	-
Issued of commercial paper (*)	188.954.907
Principal payments (-)	(78.731.852)
Interest accrual/ (paid), net	1.659.899
Monetary gain (-)	(3.853.073)
March 31	108.029.881

(*) For the period ended March 31, 2024, issued commercial paper consist of the commercial paper with the ISIN code TRFPEGY32410, issued on January 18, 2024, with a maturity of 19 March 2024, and commercial paper with the ISIN code TRFPEGY62417, with an issue date of 21 March 2024, with a maturity of June 10, 2024.

Movement of lease liabilities for the period ended March 31, 2024 is as follows:

	2024
January 1	54.332.796
Addition	-
Principal payments (-)	(4.304.284)
Interest paid	(6.321.061)
Interest accrual	6.554.511
Monetary gain (-)	(6.972.976)
March 31	43.288.986

As of March 31, 2024 and December 31, 2023, lease liabilities consist of the "sale-leaseback" transaction for the Ritz Carlton A95, which is included in the investment properties, and the B8 and D2 independent sections of the Ataköy NEF 22 project, which are included in the inventories.

7. Trade receivables and payables

a) Short-term trade receivables

The details of short-term trade receivables as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Trade receivables from third parties (*)	754.847.124	811.979.261
Income accruals	305.493	351.513
Trade receivables from related parties (Note 18)	158.818.136	170.559.716
Total	913.970.753	982.890.490

(*) As of March 31, 2024 and December 31, 2023, trade receivables from third parties mainly consist of receivables arising from the sale of 40% of the shares of Nordstern Dusseldorf GMBH, operating in Germany, to DATE Investment GMBH and EN FA Investment GMBH on December 28, 2023.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

7. Trade receivables and payables (cont'd)

b) Short-term trade payables

The details of short-term trade payables as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Trade payables to third parties	113.486.915	137.784.387
Trade payables to related parties (Note 18)	1.275.501	1.105.454
Total	114.762.416	138.889.841

8. Other receivables and payables

a) Short-term other receivables

The details of short-term other receivables as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Deposits and guarantees given	11.079.866	374.808
Receivables from the tax authorities	93.839	4.039.785
Other receivables from third parties	112.270	18.221
Other receivables from related parties (Note 18)	3.498.438	3.667.530
Total	14.784.413	8.100.344

b) Long-term other receivables

The details of long-term other receivables as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Deposits and guarantees given	915.960	986.496
Total	915.960	986.496

c) Short-term other payables

The details of short-term other payables as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Other payables to third parties (*)	60.336.911	34.533.742
Deposits and guarantees taken	910.245	992.826
Other payables to related parties (Note 18)	5.043.250	1.877.419
Total	66.290.406	37.403.987

(*) As of March 31, 2024 and December 31, 2023, other payables to third parties mainly consist of payables to Deniz Yatırım Menkul Kıymetler A.Ş. within the scope of stock purchases.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

8. Other receivables and payables (cont'd)

d) Long-term other payables

The details of long-term other payables as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Other payables to related parties (Note 18)	1.239.723	1.335.138
Total	1.239.723	1.335.138

9. Inventories

The details of inventories as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Ataköy Nef 22 independent sections (*)	251.256.984	251.256.984
Land shares of Ataköy Project (**)	77.948.231	77.948.231
Sultan Makamı (***)	45.561.465	45.561.465
Inventories, gross	374.766.680	374.766.680
Ataköy Nef 22 independent sections (*)	(22.461.889)	(22.461.889)
Land shares of Ataköy Project (**)	(12.242.789)	(12.242.789)
Sultan Makamı (***)	-	-
Impairment (-)	(34.704.678)	(34.704.678)
Inventories, net	340.062.002	340.062.002

(*) With the protocol signed between the Company and Timur Gayrimenkul on December 28, 2017, 23 commercial areas amounting to 74.898.337 Turkish liras in the Ataköy project were purchased by the Company. 15 of the purchased commercial areas were returned, and 45 independent sections (16 commercial areas and 29 residences) were purchased within the framework of property sharing between the Company and Nef. As of March 31, 2024, there is a inventory of 1 residence and 10 commercial areas (December 31, 2023: 1 residence and 10 commercial areas).

(**) The "Revenue Sharing Project for Land Sale" is carried out with the contract concluded between Nef and the Company on the Company's land located in Istanbul, Bakırköy, Ataköy. The sales revenue will be shared between the landowner Peker GYO and the contractor Nef, 50% of the landowner and 50% of the contractor. There are 1,438 residences and 125 workplaces in the project. The delivery of the independent sections sold by Nef has started, and the land share invoices of the delivered independent sections have been invoiced to Nef. In addition, the land shares (76 in total) of the independent sections subject to the independent section sharing between the Company and Nef in the current period were invoiced to Nef. As of March 31, 2024, the land shares of 5 commercial areas that were not delivered are included in the inventories (December 31, 2023: 5 commercial areas).

(***) It consists of an independent section in the "Sultan Makamı Konutları" located on the parcel 879 of the Çengelköy, in the Istanbul, Üsküdar. (December 31, 2023: An independent section).

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

9. Inventories (cont'd)

Movement of inventories for the periods ended March 31, 2024 and 2023 are as follows:

	2024	2023
January 1	340.062.002	388.989.567
Transfer to investment properties (*) (Note 12)	-	(26.924.004)
March 31	340.062.002	362.065.563

(*) Independent sections of Nef 22 which was previously reported in inventories has been classified into investment properties due to rental.

10. Prepaid expenses and contract liabilities

a) Short-term prepaid expenses

The details of short-term prepaid expenses as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Advances given to third parties	5.613.351	7.471.220
Prepaid expenses for next months	1.816.449	128.618
Advances given to related parties (Note 18)	428.266.489	414.658.670
Total	435.696.289	422.258.508

b) Long-term prepaid expenses

The details of long-term prepaid expenses as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Advances given to related parties (Note 18)	13.920.920	14.992.334
Total	13.920.920	14.992.334

c) Contract liabilities

The details of contract liabilities as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Liabilities from customer contracts	75.000	292.826
Total	75.000	292.826

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

11. Other assets and liabilities

a) Other current assets

The details of other current assets as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Deferred VAT	35.157.310	62.136.319
Personnel and job advances	1.392	57.512
Other	3.119.756	3.359.867
Total	38.278.458	65.553.698

b) Other current liabilities

The details of other current liabilities as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Taxes and funds payables	9.302.962	58.130.266
Total	9.302.962	58.130.266

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

12. Investment properties

The details of investment properties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Hotel - Peker GMBH ⁽¹⁾	2.992.997.800	3.223.351.802
Düsseldorf 2 - Nordstern ⁽²⁾	384.565.415	414.163.226
Düsseldorf - Nordstern ⁽²⁾	372.384.610	401.044.933
Solingen - Peker GYO Global ⁽³⁾	227.085.008	244.562.448
Grevenbroich - Bluestone ⁽⁴⁾	97.620.452	105.133.742
Ritz Carlton A 95 - Peker GYO ⁽⁵⁾	71.339.685	71.339.685
Nef 22 - Peker GYO ⁽⁶⁾	58.394.984	58.394.984
House - Peker GMBH ⁽¹⁾	51.333.393	55.284.231
Parcela Benalmadena - Spain ⁽⁸⁾	48.639.846	52.383.378
Parcela Mijas - Spain ⁽⁸⁾	40.268.239	43.367.456
Grevenbroich - Peker GYO Global ⁽³⁾	24.013.587	25.861.776
Kaiserwall - Peker GYO ⁽⁷⁾	17.765.915	17.765.915
Total	4.386.408.934	4.712.653.576

- (1) Peker GMBH owns the Northgate Düsseldorf project. Related project; It is a project with a gross indoor construction area of 26.200 m² located in Düsseldorf, Germany. The project, which was developed on a land of 11,600 m², has a total net usage area of 24.000 m² (8.400 m² hotel, 5.800 m² boarding, 1.800 m² office, 8.000 m² common use area). The 431-room hotel project, the construction of which started in 2019, was completed at the beginning of 2023. The related hotel is one of the largest hotels in the city of Düsseldorf and has been leased to the Novum Hotels Group for 25+5 years. The hotel continues to operate.
- (2) Nordstern Düsseldorf GMBH owns a land of 8,891 m² in Düsseldorf, Germany, and continues its project development activities on the relevant land. In addition, with the purchase agreement signed between Nordstern Düsseldorf GMBH and Düsseldorf Municipality on August 31, 2023, a new land of 9,163 m² was purchased on the parcel adjacent to the mentioned land.
- (3) Peker GYO Global GMBH owns 3 adjoining buildings in Grevenbroich, Nordrhein-Westfalen, Germany, and plans to design these three real estates together. In addition, it has a land area of 2,690 m² in the city of Solingen, and it is planned to build a project with a total of 45 flats, 33 indoor parking lots, 14 outdoor parking lots and motor parking lots.
- (4) It is planned to develop a residential project on a land of 2,370 m² in Grevenbroich, Germany.
- (5) On July 26, 2023, the Company purchased the independent section numbered 95 amounting to 48.303.840 TL + VAT, which is located on the 14th floor of the A Block of the project. Related project; It is located in Istanbul, Şişli, Teşvikiye. The project is located on a parcel with a surface area of 5.032,56 m², registered with the parcel number 840 and 114. There are 3 blocks in the project, consisting of blocks A, B and C.
- (6) Due to the rental of 2 residences, which were previously in Nef 22 independent section inventories, the related residences were classified as investment properties as of December 31, 2022 and March 31, 2023, respectively.
- (7) A real estate consisting of 3 flats and 1 commercial area with a leasable area of 417 m² in the city of Recklinghausen, Westphalia, Germany, was purchased for 500.000 euros. Rental income is obtained from the said real estate.
- (8) As part of the restructuring the Group has created for new investments to be made in Spain; Avellano purchased a 609.11 m² plot at the address 9.3, Benalmadena 1 29639 Malaga and a 670 m² plot at the address of Ficus Buena Vista Sol, 2, Buenavista, 29650, Mijas, Malaga.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

12. Investment properties (cont'd)

Movement of investment properties for the periods ended March 31, 2024 and 2023 are as follows:

	2024	2023
January 1	4.712.653.576	4.636.226.569
Addition	10.366.455	40.041.473
Transfer from inventories (*) (Note 9)	-	26.924.004
Sales of investment properties (**) (Note 19)	-	(67.800.413)
Translation differences	(408.870.211)	(284.098.612)
Fair value change (Note 21a)	72.259.114	(10.264.776)
March 31	4.386.408.934	4.341.028.245

(*) Independent sections of Nef 22 which was previously reported in inventories has been classified into investment properties due to rental.

(**) It consists of the sales of residences numbered 18 and 19 in the Urbanization Oasis Club Project in Marbella, Malaga.

As of March 31, 2024, the fair values of the investment properties and the methods that are used to identify the fair values are as follows:

March 31, 2024				
Name of investment property	Date of appraisal report	Fair value (Appraisal report)	Currency	Fair value (TL)
Hotel - Peker GMBH	December 14, 2023	86.000.000	Euro	2.992.997.800
Düsseldorf 2 - Nordstern	December 12, 2023	11.050.000	Euro	384.565.415
Düsseldorf - Nordstern	December 12, 2023	10.700.000	Euro	372.384.610
Solingen - Peker GYO Global	December 14, 2023	6.525.000	Euro	227.085.008
Grevenbroich - Bluestone	December 14, 2023	2.805.000	Euro	97.620.452
Ritz Carlton A 95 - Peker GYO	January 8, 2024	71.339.685	Turkish lira	71.339.685
Nef 22 - Peker GYO	January 8, 2024	58.394.984	Turkish lira	58.394.984
House - Peker GMBH	December 14, 2023	1.475.000	Euro	51.333.393
Parcela Benalmadena - Spain	January 15, 2024	1.397.604	Euro	48.639.846
Parcela Mijas - Spain	January 16, 2024	1.157.057	Euro	40.268.239
Grevenbroich - Peker GYO Global	December 14, 2023	690.000	Euro	24.013.587
Kaiserwall - Peker GYO	December 31, 2023	474.000	Euro	17.765.915

Name of investment property	Valuation method use	Based on valuation method
Hotel - Peker GMBH	Precent comparison, Income discount	Income discount
Düsseldorf 2 - Nordstern	Precent comparison	Precent comparison
Düsseldorf - Nordstern	Precent comparison	Precent comparison
Solingen - Peker GYO Global	Cost analysis, Precent comparison, Income discount	Precent comparison
Grevenbroich - Bluestone	Precent comparison	Precent comparison
Ritz Carlton A 95 - Peker GYO	Precent comparison, Income discount	Precent comparison
Nef 22 - Peker GYO	Precent comparison, Income discount	Precent comparison
House - Peker GMBH	Precent comparison	Precent comparison
Parcela Benalmadena - Spain	Precent comparison	Precent comparison
Parcela Mijas - Spain	Precent comparison	Precent comparison
Grevenbroich - Peker GYO Global	Precent comparison, Income discount	Precent comparison
Kaiserwall - Peker GYO	Cost analysis, Income discount	Income discount

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

12. Investment properties (cont'd)

As of December 31, 2023, the fair values of the investment properties and the methods that are used to identify the fair values are as follows:

31 Aralık 2023				
Name of investment property	Date of appraisal report	Fair value (Appraisal report)	Currency	Fair value (TL)
Hotel - Peker GMBH	December 14, 2023	86.000.000	Euro	3.223.351.802
Düsseldorf 2 - Nordstern	December 12, 2023	11.050.000	Euro	414.163.226
Düsseldorf - Nordstern	December 12, 2023	10.700.000	Euro	401.044.933
Solingen - Peker GYO Global	December 14, 2023	6.525.000	Euro	244.562.448
Grevenbroich - Bluestone	December 14, 2023	2.805.000	Euro	105.133.742
Ritz Carlton A 95 - Peker GYO	January 8, 2024	71.339.685	Turkish lira	71.339.685
Nef 22 - Peker GYO	January 8, 2024	58.394.984	Turkish lira	58.394.984
House - Peker GMBH	December 14, 2023	1.475.000	Euro	55.284.231
Parcela Benalmadena - Spain	January 15, 2024	1.397.604	Euro	52.383.378
Parcela Mijas - Spain	January 16, 2024	1.157.057	Euro	43.367.456
Grevenbroich - Peker GYO Global	December 14, 2023	690.000	Euro	25.861.776
Kaiserwall - Peker GYO	December 31, 2023	474.000	Euro	17.765.915

Name of investment property	Valuation method use	Based on valuation method
Hotel - Peker GMBH	Precent comparison, Income discount	Income discount
Düsseldorf 2 - Nordstern	Precent comparison	Precent comparison
Düsseldorf - Nordstern	Precent comparison	Precent comparison
Solingen - Peker GYO Global	Cost analysis, Precent comparison, Income discount	Precent comparison
Grevenbroich - Bluestone	Precent comparison	Precent comparison
Ritz Carlton A 95 - Peker GYO	Precent comparison, Income discount	Precent comparison
Nef 22 - Peker GYO	Precent comparison, Income discount	Precent comparison
House - Peker GMBH	Precent comparison	Precent comparison
Parcela Benalmadena - Spain	Precent comparison	Precent comparison
Parcela Mijas - Spain	Precent comparison	Precent comparison
Grevenbroich - Peker GYO Global	Precent comparison, Income discount	Precent comparison
Kaiserwall - Peker GYO	Cost analysis, Income discount	Income discount

As of March 31, 2024 the fair values classification of the investment properties are as follows:

	March 31, 2024	1. level	2. level	3. level
Hotel - Peker GMBH	2.992.997.800	-	2.992.997.800	-
Düsseldorf 2 - Nordstern	384.565.415	-	384.565.415	-
Düsseldorf - Nordstern	372.384.610	-	372.384.610	-
Solingen - Peker GYO Global	227.085.008	-	227.085.008	-
Grevenbroich - Bluestone	97.620.452	-	97.620.452	-
Ritz Carlton A 95 - Peker GYO	71.339.685	-	71.339.685	-
Nef 22 - Peker GYO	58.394.984	-	58.394.984	-
House - Peker GMBH	51.333.393	-	51.333.393	-
Parcela Benalmadena - Spain	48.639.846	-	48.639.846	-
Parcela Mijas - Spain	40.268.239	-	40.268.239	-
Grevenbroich - Peker GYO Global	24.013.587	-	24.013.587	-
Kaiserwall - Peker GYO	17.765.915	-	-	17.765.915
Total	4.386.408.934	-	4.368.643.019	17.765.915

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

12. Investment properties (cont'd)

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

	December 31, 2023	1. level	2. level	3. level
Hotel - Peker GMBH	3.223.351.802	-	3.223.351.802	-
Düsseldorf 2 - Nordstern	414.163.226	-	414.163.226	-
Düsseldorf - Nordstern	401.044.933	-	401.044.933	-
Solingen - Peker GYO Global	244.562.448	-	244.562.448	-
Grevenbroich - Bluestone	105.133.742	-	105.133.742	-
Ritz Carlton A 95 - Peker GYO	71.339.685	-	71.339.685	-
Nef 22 - Peker GYO	58.394.984	-	58.394.984	-
House - Peker GMBH	55.284.231	-	55.284.231	-
Parcela Benalmadena - Spain	52.383.378	-	52.383.378	-
Parcela Mijas - Spain	43.367.456	-	43.367.456	-
Grevenbroich - Peker GYO Global	25.861.776	-	25.861.776	-
Kaiserwall - Peker GYO	17.765.915	-	-	17.765.915
Total	4.712.653.576	-	4.694.887.661	17.765.915

13. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation for the periods ended March 31, 2024 and 2023 are as follows:

	January 1, 2024	Addition	Translation difference	March 31, 2024
Cost:				
Vehicles	76.085.928	6.007.389	(726.285)	81.367.032
Furniture and fixtures	16.109.776	198.962	(1.042.679)	15.266.059
Total	92.195.704	6.206.351	(1.768.964)	96.633.091
Accumulated depreciation (-):				
Vehicles	25.783.691	3.501.002	(115.830)	29.168.863
Furniture and fixtures	3.603.769	482.530	(201.419)	3.884.880
Total	29.387.460	3.983.532	(317.249)	33.053.743
Book value	62.808.244			63.579.348

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

13. Maddi duran varlıklar (devamı)

	January 1, 2023	Addition	Disposal	Translation difference	March 31, 2023
Cost:					
Vehicles	62.583.832	9.240.347	(7.729.996)	(1.965.380)	62.128.803
Furniture and fixtures	13.198.384	390.284	-	(846.930)	12.741.738
Total	75.782.216	9.630.631	(7.729.996)	(2.812.310)	74.870.541
Accumulated depreciation (-):					
Vehicles	16.043.215	2.624.151	(1.056.832)	895.075	18.505.609
Furniture and fixtures	1.616.541	311.574	-	(83.899)	1.844.216
Total	17.659.756	2.935.725	(1.056.832)	811.176	20.349.825
Book value	58.122.460				54.520.716

As of March 31, 2024 and December 31, 2023, there are pledges on vehicles amounting to 4.849.398 Turkish liras and 5.579.912 Turkish liras (Note 14).

As of March 31, 2024 and December 31, 2023 there are no property, plant and equipment acquired through financial leasing.

As of March 31, 2024 and December 31, 2023 there is no capitalized borrowing cost.

For the periods ended March 31, 2024 and 2023, depreciation expenses are included in general administrative expenses (Note 20).

14. Provisions, commitments and contingencies

a) Provisions

As of March 31, 2024 and December 31, 2023, there are 8 lawsuits to which the Group is a party. The Group does not foresee a significant cash outflow risk for the related lawsuits.

b) Contingent assets

The details of collaterals, pledges and mortgages ("CPM") received as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Letter of guarantees taken (*)		
- Turkish lira	2.060.200	2.370.549
- US dollar	62.434.507	65.504.218
Total	64.494.707	67.874.767

(*) As of March 31, 2024 and December 31, 2023, letter of guarantees taken consist of the letter of guarantees received from the customers regarding the undelivered residences and workplaces within the scope of the sales contracts made within the scope of Nef 22 Project.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

14. Provisions, commitments and contingencies (cont'd)

c) Contingent liabilities

The details of collaterals, pledges and mortgages ("CPM") given as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
A. Total amount of guarantees provided by the Company on behalf of itself (*)	174.882.677	201.227.017
B. Total amount for guarantees provided on behalf of subsidiaries accounted under full consolidation method (**)	2.492.888.749	2.689.590.278
C. Provided on behalf of third parties in order to maintain operating activities	-	-
D. Other guarantees given	-	-
i. Total amount of guarantees given on behalf of the parent company	-	-
ii. Total amount of guarantees provided on behalf of the associates which are not in the scope of B and C	-	-
iii. Total amount of guarantees provided on behalf of third parties which are not in the scope of C	-	-
Total	2.667.771.426	2.890.817.295

(*) As of December 31, 2023, guarantees, pledges and mortgages consist of amounting to 88.783.389 Turkish liras consist of mortgages on independent sections, amounting to 27.040.042 Turkish liras is from mortgages within the scope of "sale-leaseback", amounting to 5.579.912 Turkish liras consist of pledges on vehicles, amounting to 48.181.073 Turkish liras is from liens within the scope of "sale-leaseback", amounting to 23.012.801 Turkish liras and 8.629.800 Turkish liras guarantee given to Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. As of March 31, 2024, guarantees, pledges and mortgages consist of amounting to 77.160.000 Turkish liras consist of mortgages on independent sections, amounting to 23.500.000 Turkish liras is from mortgages within the scope of "sale-leaseback", amounting to 4.849.398 Turkish liras consist of pledges on vehicles, amounting to 41.873.279 Turkish liras is from liens within the scope of "sale-leaseback", amounting to 20.000.000 Turkish liras and 7.500.00 Turkish liras guarantee given to Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş.

(**) As of March 31, 2024 and December 31, 2023, guarantees provided on behalf of subsidiaries accounted under full consolidation method consist of mortgage amounting to 11.000.000 euros related to land in Nordstern, amounting to 10.000.000 euros related to land in Solingen, amounting to 50.000.000 euros related to Hotel in Northgate and amounting to 630.000 euros related to real estates in Grevenbroich.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

15. Shareholders' equity

a) Paid in capital

The details of paid-in capital as of March 31, 2024 and December 31, 2023 are as follows:

Name of shareholder	March 31, 2024		December 31, 2023	
	Share (%)	Amount	Share (%)	Amount
Hasan Peker	39,17	262.364.967	39,17	262.364.967
Treasury shares (*) (Note 15b)	0,52	3.508.691	-	-
Public shares	60,31	403.960.089	60,83	407.468.780
Total	100	669.833.747	100	669.833.747
Inflation adjustment to share capital		2.157.328.010		2.157.328.010
Total		2.827.161.757		2.827.161.757

As of March 31, 2024 and December 31, 2023, the Company's share capital consists of 669.833.747 units of shares with the nominal value of Turkish lira 1.

Shareholder	March 31, 2024		December 31, 2023		Group	Type
	Units of share	Amount	Units of share	Amount		
Hasan Peker	42.166.667	42.166.667	42.166.667	42.166.667	A	Registered
Hasan Peker	220.198.300	220.198.300	220.198.300	220.198.300	B	Bearer
Treasury shares (*)	3.508.691	3.508.691	-	-	B	Bearer
Public shares	403.960.089	403.960.089	407.468.780	407.468.780	B	Bearer
Total	669.833.747	669.833.747	669.833.747	669.833.747		

(*) As of March 31, 2024, it refers to publicly traded shares that have been repurchased by the Company (Note 15b).

Shares are divided into groups A and B, and group A shares are privileged. The nominal amount of the privileged shares is amounting to 42.166.667 Turkish liras. Group A shares have the privilege to nominate candidates in the election of the members of the Board of Directors. If the Board of Directors consists of 5 members, 3 of them, in case of 6 or 7 members, 4 of them are selected by the General Assembly from among the candidates nominated by the group A shareholders.

The management control of the Company belongs to group A shareholders, and this control is achieved by owning the majority of the privileges granted to the shares.

b) Treasury shares

As of March 31, 2024, in accordance with the decision of the board of directors dated March 12, 2024, based on the completed transactions, a total of 3.508.691 shares, corresponding to 0.52% of the Company's capital, were purchased for a total price of 72.133.458 Turkish liras, including transaction costs (Note 15a).

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

15. Shareholders's equity (cont'd)

c) Restricted reserves

In accordance with the Turkish Commercial Code ("TCC"), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the Company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The Turkish Commercial Code ("TCC") stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

As of March 31, 2024, the total amount of legal reserves is 204.743.193 Turkish liras (December 31, 2023: 132.609.735 Turkish liras).

16. Earnings per share

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income per share by the weighted average number of shares that have been outstanding during the year.

	January 1 - March 31, 2024	January 1 - March 31, 2023
Profit for the year	(128.090.487)	(142.023.635)
Weighted average number of ordinary shares with nominal value	2.827.161.757	2.827.161.757
Earnings per share	(,05)	(,05)

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

17. Taxation

The earnings of companies that are granted the Real Estate Investment Trust ("REIT") status is exempt from Corporate Tax and provisional corporate tax as per the article 5, section 1, paragraph d/4 of the Corporate Tax Law nr 5520. On the other hand, as per the article 15, paragraph 3 of the Corporate Tax Law, the percentage of the income tax withholding required to be made over the earnings of these partnerships that are subject to exemption is currently zero in accordance with the Ministerial Council Decision nr 2010/14594 (nr 2003/6577 for 2008).

Deferred tax is calculated using the liability method, based on temporary differences between the recorded values and tax basis of assets and liabilities in the financial statements prepared in accordance with TAS. During this calculation, effective tax rate of the balance sheet date are used. Since the Company is exempt from corporate tax in accordance with the current tax legislation after the approval of the CMB for its transformation into a real estate investment corporation, no deferred tax assets or liabilities have been recognized over temporary and taxable differences.

Subsidiaries in Germany and Spain deferred tax assets and liabilities based upon the temporary differences arising between its taxable statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences consist of fair value differences related to investment properties. As of March 31, 2024, deferred tax asset is 11.307.492 Turkish liras (December 31, 2023: 10.581.317 Turkish liras) and deferred tax liability is 207.443.578 Turkish liras (December 31, 2023: 220.362.452 Turkish liras).

18. Related parties

a) Short-term trade receivables

The details of short-term trade receivables from related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Peker Holding GMBH (*)	158.072.672	170.024.488
Peker Port GMBH	186.366	133.807
Pollux Construction GmbH	186.366	133.807
PekFor 95 GMBH	186.366	133.807
Peker Investment GMBH	186.366	133.807
Total	158.818.136	170.559.716

(*) As of March 31, 2024, 146,582,550 Turkish lira of short-term trade receivables from Peker Holding GMBH consists of the sale of 9% of the shares of Nordstern Dusseldorf GMBH, operating in Germany, to Peker Holding GMBH on December 28, 2023.

b) Short-term other receivables

The details of short-term other receivables from related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Hasan Peker	3.305.782	3.447.766
Peker Holding GMBH	175.288	188.779
Peker Investment GMBH	17.368	30.985
Total	3.498.438	3.667.530

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

18. Related parties (cont'd)

c) Short-term prepaid expenses

The details of short-term prepaid expenses to related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Marbella Lifestyle Investment SL (*)	312.879.463	312.879.463
Pollux Construction GMBH	115.387.026	101.779.207
Total	428.266.489	414.658.670

(*) The Company signed a real estate purchase agreement amounting to 8.900.000 euros with its related party, Marbella Lifestyle Investments SL, regarding the purchase of a villa with 16 rooms and a total construction area of 1,992 m² on a 7,100 m² land in Malaga, Spain. Pursuant to the aforesaid agreement, the title deed will be transferred after the permissions for the construction of 4 additional villas on the land area excluding the existing villa are obtained. Within the scope of the relevant agreement, an advance of 8.500.000 euros was paid to the seller.

d) Long-term prepaid expenses

The details of long-term prepaid expenses to related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Marbella Lifestyle Investment SL	13.920.920	14.992.334
Total	13.920.920	14.992.334

e) Short-term trade payables

The details of short-term trade payables to related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Peker Management GMBH	1.275.501	1.105.454
Total	1.275.501	1.105.454

f) Short-term other payables

The details of short-term other payables to related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Peker Holding A.Ş.	5.043.250	1.877.419
Total	5.043.250	1.877.419

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

18. Related parties (cont'd)

g) Long-term other payables

The details of long-term other payables to related parties as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Peker Holding Ltd.	1.239.723	1.335.138
Total	1.239.723	1.335.138

h) Benefits of the key management

The key management of the Group consists of the Board of Directors, General Manager and Directors. For the period ended March 31, 2024, the total compensation consisting of short term benefits such as salaries and rental of car. For the periods ended March, 2024 and 2023, benefits of the key management amounting to 5.409.475 Turkish liras and 6.083.540 Turkish liras.

19. Sales and cost of sales

For the periods ended March 31, 2024 and 2023, the details of sales and cost of sales are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Export sales (*)	-	71.564.557
Rent income	29.120.235	1.463.084
Net sales	29.120.235	73.027.641
Cost of export sales (-) (Note 12)	-	(67.800.413)
Other (-)	(23.766)	(126.148)
Cost of sales (-)	(23.766)	(67.926.561)
Gross profit	29.096.469	5.101.080

(*) For the period ended March 31, 2023, export sales consist of the sales of investment properties numbered 18 and 19 in the Urbanization Oasis Club project in Malaga Marbella, Spain.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

20. General administrative expenses

For the periods ended March 31, 2024 and 2023, the details of general administrative expenses are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Personnel expenses	10.440.937	13.507.718
Consultancy expenses	4.344.246	8.602.643
Amortization and depreciation expenses (Note 13)	3.983.532	2.935.725
Rent expenses	3.783.338	3.116.650
Insurance expenses	1.634.366	3.294.350
Taxes, duties and other charges	1.098.241	2.206.091
Travel expenses	935.678	832.694
Maintenance and repair expenses	544.392	501.883
Outsourced benefits and services (*)	298.368	1.231.367
Travel and accommodation expenses	194.007	2.564.112
Donations and grants (**)	24.880	5.174.302
Other (***)	3.423.576	1.604.502
Total	30.705.561	45.572.037

(*) For the period ended March 31, 2023, outsourced benefits and services mainly consist of real estate appraisal service expenses. No real estate appraisal service was received for the period ended March 31, 2024.

(**) For the period ended March 31, 2023, donations and grants mainly consist of donations made within the scope of the Kahramanmaraş-centered earthquake that occurred on February 6, 2023.

(***) For the period ended March 31, 2024, other expenses mainly consist of capital market transaction expenses.

21. Other income and expenses from operating activities

a) Other income from operating activities

For the periods ended March 31, 2024 and 2023, the details of other income from operating activities are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Foreign exchange gains	145.270.511	79.140.302
Fair value differences of investment properties (Note 12)	85.851.212	10.611.417
Taxes, duties and other charges refunds	3.097.422	-
Late interest income (*)	-	8.503.809
Other (**)	42.626	1.988.338
Total	234.261.771	100.243.866

(*) For the period ended March 31, 2023, late interest income consists of interest income related to trade receivables from UK Imperial Investment Ltd.

(**) For the period ended March 31, 2023, other expenses mainly consist of income arising from commercial debts that will not be paid.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

21. Other income and expenses from operating activities (cont'd)

b) Other expenses from operating activities

For the periods ended March 31, 2024 and 2023, the details of other expenses from operating activities are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Foreign exchange loss	59.079.300	27.138.337
Fair value differences of investment properties (Note 12)	13.592.098	20.876.193
Taxes, duties and other charges	1.420.395	68.804
Other	82.571	358.385
Total	74.174.364	48.441.719

22. Income and expenses from investing activities

a) Income from investing activities

For the periods ended March 31, 2024 and 2023, the details of income from investing activities are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Profit from sales of stocks (Note 5a)	3.264.015	-
Interest income from funds	57.801	-
Fair value gain of stocks (Note 5a)	17.250	-
Total	3.339.066	-

b) Expense from investing activities

For the periods ended March 31, 2024 and 2023, the details of expense from investing activities are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Loss from sales of funds	21.458.002	-
Fair value loss of stocks (Note 5a)	9.184.500	-
Total	30.642.502	-

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

23. Income and expenses from financing activities

a) Income from financing activities

For the periods ended March 31, 2024 and 2023, the details of income from financing activities are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Interest income from time deposits	912.792	30.444
Late interest income (*)	-	510.583
Interest income from group companies	-	38.769
Other	-	340
Total	912.792	580.136

(*) For the period ended March 31, 2023, late interest income consists of maturity difference income calculated in line with the contract for the receivables related to the sale of investment real estate located in Gravesend, England.

b) Expense from financing activities

For the periods ended March 31, 2024 and 2023, the details of expense from financing activities are as follows:

	January 1 - March 31, 2024	January 1 - March 31, 2023
Interest and comission expenses related to loans	36.854.053	7.414.889
Late interest expenses	23.997.012	12.079.495
Interest and comission expenses related to lease liabilities	9.586.271	-
Interest expenses related to commerical papers	8.082.285	-
Taxes, duties and other charges	204.418	8.149.344
Interest expenses related to retirement payment liability	23.255	59.127
Other	508.857	1.265.814
Total	79.256.151	28.968.669

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments

The primary financial instruments of the Group consist of bank loans, cash and short-term deposits. The main objective of the related financial instruments is to finance the Group's business activities. The Group also has other financial instruments such as trade receivables and trade payables arising directly from its operating activities.

a) Capital risk management

The Group manages its capital through the optimization of the debt and the equity balance that minimizes the financial risk.

Through the forecasts regularly prepared by the Group, the future capital amount, debt to equity ratio and similar ratios are forecasted and required precautions are taken to strengthen the capital.

The capital structure of the Group consists of debt which includes the financial liabilities disclosed in Note 45 cash and cash equivalents and equity attributable to equity holders of the parent company, comprising issued capital, reserves and retained earnings as disclosed in Note 15.

As of reporting date the net financial debt/ equity ratio is as follows:

	March 31, 2024	December 31, 2023
Financial liabilities	2.586.759.446	2.505.701.901
Less: Cash and cash equivalents	(87.149.848)	(66.313.516)
Net financial debt	2.499.609.598	2.439.388.385
Total equity	3.216.537.196	3.597.108.026
Net financial debt/ Total equity ratio	77,71%	67,82%

b) Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. Group Management and Board of Directors examines and approves the policies on the management of risks stated below. In addition, the Group also considers the market risk of all of its financial instruments.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

**Notes to the Condensed Consolidated Financial Statements
As of and for the Period Ended March 31, 2024 and 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk of receivables is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are bank guarantees, mortgages and cheques-notes negotiated.

In credit risk control, for the customers which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors. Individual risk limits are set in accordance and the utilization of credit limits is regularly monitored.

Current period	Receivables		Bank deposits	Other
	Trade receivables	Other receivables		
March 31, 2024				
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	913.970.753	15.700.373	87.149.328	119.062.868
- The part of maximum risk under guarantee with collateral	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	913.970.753	15.700.373	87.149.328	119.062.868
B. Net book value of financial assets that are renegotiated	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	-	-	-
- The part of maximum risk under guarantee with collateral	-	-	-	-
D. Net book value of impaired asset	-	-	-	-
- Overdue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
- Undue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Credit risk off the statement of financial position	-	-	-	-

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

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

**Notes to the Condensed Consolidated Financial Statements
As of and for the Period Ended March 31, 2024 and 2023**

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

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

Prior period	Receivables		Bank deposits	Other
	Trade receivables	Other receivables		
December 31, 2023				
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	982.890.490	9.086.840	66.312.918	107.158.779
- The part of maximum risk under guarantee with collateral	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	982.890.490	9.086.840	66.312.918	107.158.779
B. Net book value of financial assets that are renegotiated	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	-	-	-
- The part of maximum risk under guarantee with collateral	-	-	-	-
D. Net book value of impaired asset	-	-	-	-
- Overdue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-
- Undue (gross net book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Credit Risk off the Statement of Financial Position	-	-	-	-

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

There is no additional impairment in the financial assets except for the provisions in the consolidated financial statements.

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.2) Liquidity risk management

Liquidity risk is the risk of the Group not meeting its net funding requirements. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group management eliminates of the liquidity risk with the principle of managing the balance sheet in accordance with the expected cash flow by keeping sufficient cash and cash equivalents for daily transactions and ensuring the availability of high quality credit providers. The Group management also tries to adjust the maturity structures of the financial debts used for construction costs and investment property development according to the cash flow of the incomes to be obtained from these real estates as much as possible.

As of March 31, 2024 and December 31, 2023, the maturity analysis of the financial liabilities is as follows:

Contractual maturity analysis March 31, 2024	Carrying value	Total cash outflow according to contract (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Bank loans	2.435.440.579	2.507.261.515	90.215.958	163.351.947	2.253.693.610
Commercial paper	108.029.881	120.125.000	120.125.000	-	-
Lease liabilities	43.288.986	64.976.358	10.259.425	30.778.275	23.938.658
Trade payables	114.762.416	19.637.941		19.637.941	
Other payables	67.530.129	67.530.129	61.247.156	5.043.250	1.239.723
Total liabilities	2.769.051.991	2.779.530.943	281.847.539	218.811.413	2.278.871.991

Contractual maturity analysis December 31, 2023	Carrying value	Total cash outflow according to contract (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Bank loans	2.451.369.105	2.475.998.679	25.418.760	139.785.623	2.310.794.296
Lease liabilities	54.332.796	86.569.308	11.804.906	35.414.717	39.349.685
Trade payables	138.889.841	138.889.841	116.655.828	22.234.013	-
Other payables	38.739.125	38.739.125	35.526.568	1.877.419	1.335.138
Total liabilities	2.683.330.867	2.740.196.953	189.406.062	199.311.772	2.351.479.119

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.3) Interest rate risk

Changes in interest rates create significant risks over financial results with due to the impact on interest sensitive assets and liabilities. These exposures are managed by establishing a fixed-floating balance in the consolidated financial statements and balancing interest rate sensitive assets and maturity with inter balance sheet items.

As of March 31, 2024 and December 31, 2023, interest rate table of financial instruments is as follow:

	March 31, 2024	December 31, 2023
Fixed interest rate financial assets		
Time deposits (Note 4)	128.229	259.107
Fixed interest rate financial liabilities		
Bank loans (Note 6)	2.290.035.132	2.330.806.570
Floating interest rate financial liabilities		
Bank loans (Note 6)	145.405.447	120.562.535

The Group's floating rate bank loans are exposed to interest rate risk depending on interest rate changes. Interest rates of floating interest rate bank loans as of March 31, 2024 and December 31, 2023 are presented in Note 6.

b.4) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions.

As of March 31, 2024 and December 31, 2023, details of foreign currency positions of assets and liabilities of the Group are as follows:

Foreign exchange position	Current period			
	March 31, 2024			
	TL equivalent	USD	EUR	GBP
1. Monetary financial assets	16.706.591	254.726	236.088	6.547
2. Trade receivables	895.119.374	-	24.500.000	1.044.177
3. Other receivables	43.594	-	-	1.072
4. Current assets (1+2+3)	911.869.559	254.726	24.736.088	1.051.796
5. Other receivables	1.340.574.003	-	38.519.696	-
6. Non-current assets (5)	1.340.574.003	-	38.519.696	-
7. Total assets (4+6)	2.252.443.562	254.726	63.255.784	1.051.796
8. Trade payables	(457.600)	-	(16.085)	2.513
9. Other payables	(862.378.581)	-	(24.779.356)	-
10. Current liabilities (8+9)	(862.836.181)	-	(24.795.441)	2.513
11. Total liabilities (10)	(862.836.181)	-	(24.795.441)	2.513
12. Net foreign currency (liability)/ asset (7+11)	1.389.607.381	254.726	38.460.343	1.054.309

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.4) Foreign currency risk (cont'd)

	Prior period			
	December 31, 2023			
Foreign exchange position	TL equivalent	USD	EUR	GBP
1. Monetary financial assets	1.259.498	5.503	16.197	10.816
2. Trade receivables	963.265.606	-	24.500.000	1.044.177
3. Other receivables	79.536	-	-	1.846
4. Current assets (1+2+3)	964.604.640	5.503	24.516.197	1.056.839
5. Other receivables	1.369.021.063	-	36.525.896	-
6. Non-current assets (5)	1.369.021.063	-	36.525.896	-
7. Total assets (4+6)	2.333.625.703	5.503	61.042.093	1.056.839
8. Trade payables	(122.489)	-	(9.498)	5.420
9. Other payables	(930.061.670)	-	(24.814.326)	-
10. Current liabilities (8+9)	(930.184.159)	-	(24.823.824)	5.420
11. Total liabilities (10)	(930.184.159)	-	(24.823.824)	5.420
12. Net foreign currency (liability)/ asset (7+11)	1.403.441.544	5.503	36.218.269	1.062.259

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, EUR and GBP.

In foreign currency sensitivity analysis gain/ loss section as of March 31, 2024 and December 31, 2023, the exposure of the 10% loss/ gain of Turkish lira against foreign currencies on the comprehensive financial income statement is disclosed. During the foreign currency sensitivity analysis, all variables, especially interest rates are assumed to be fixed.

Foreign currency sensitivity table		
Current period	March 31, 2024	
	Profit/ (loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
US dollar against Turkish lira by 10%		
1- US dollar denominated net assets/ (liabilities)	822.393	(822.393)
2- Hedged amount against US dollar risk (-)	-	-
3- Net effect of USD (1+2)	822.393	(822.393)
EUR against Turkish lira by 10%		
4- EUR denominated net assets/ (liabilities)	133.850.840	(133.850.840)
5- Hedged amount against EUR risk (-)	-	-
6- Net effect of EUR (4+5)	133.850.840	(133.850.840)
GBP against Turkish lira by 10%		
7- GBP denominated net assets/ (liabilities)	4.287.505	(4.287.505)
8- Hedged amount against GBP risk (-)	-	-
9- Net effect of GBP (7+8)	4.287.505	(4.287.505)
Total (3+6+9)	138.960.738	(138.960.738)

Peker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ve Bağlı Ortaklıkları

Notes to the Condensed Consolidated Financial Statements

As of and for the Period Ended March 31, 2024 and 2023

(Amounts expressed in Turkish lira ("TL") in terms of purchasing power of the TL at March 31, 2024 unless otherwise indicated.)

24. Nature and level of risks arising from financial instruments (cont'd)

b) Financial risk factors (cont'd)

b.4) Foreign currency risk (cont'd)

Foreign currency sensitivity (cont'd)

Foreign currency sensitivity table		
Prior period	December 31, 2023	
	Profit/ (loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
US dollar against Turkish lira by 10%		
1- US dollar denominated net assets/ (liabilities)	18.640	(18.640)
2- Hedged amount against US dollar risk (-)	-	-
3- Net effect of USD (1+2)	18.640	(18.640)
EUR against Turkish lira by 10%		
4- EUR denominated net assets/ (liabilities)	135.749.098	(135.749.098)
5- Hedged amount against EUR risk (-)	-	-
6- Net effect of EUR (4+5)	135.749.098	(135.749.098)
GBP against Turkish lira by 10%		
7- GBP denominated net assets/ (liabilities)	4.576.416	(4.576.416)
8- Hedged amount against GBP risk (-)	-	-
9- Net effect of GBP (7+8)	4.576.416	(4.576.416)
Total (3+6+9)	140.344.154	(140.344.154)

25. Subsequent events

Based on the transactions completed as of March 31, 2024, within the framework of the program initiated by the Company to buy back 25.000.000 shares with a nominal value of 25.000.000 Turkish liras between March 12, 2024 and March 11, 2025, in accordance with the decision of the board of directors dated March 12, 2024, the Company It purchased a total of 3.508.691 shares, corresponding to 0.52% of its capital, by paying a total price of 72.133.458 Turkish liras, including transaction costs (Note 15b). The exchange of 200.000 shares with a nominal value of 200.000 Turkish liras, purchased on March 28, 2024 for an amount of 2.060.000 Turkish liras, excluding transaction costs, has not yet been completed as of March 31, 2024. After the balance sheet date, 19.741.309 shares and 19.741.309 shares with a nominal value of 19.741.309 Turkish liras were purchased by paying 164.971.382 Turkish liras, excluding transaction costs.

In addition, on June 11, 2024, the Company issued a commercial paper with the ISIN code TRFPEGY92414, an annual compound interest rate of 72.06%, a nominal amount of 200.199.655 Turkish liras, a maturity date of September 30, 2024, and a coupon-free commercial paper to qualified investors.

On June 13, 2024, the Company sold its shares with a nominal amount of 33.000.000 TL to Hedef Portföy Yönetimi A.Ş. at a price of 7,40 TL. With this transaction, Hasan Peker's shares in the Company's capital reached the limit of 34,24% as of June 13, 2024.

73 independent sections which are in the Tenet Topkapı Prime Project located in Istanbul province, Zeytinburnu district, Merkez Efendi District, island 3326, parcel 11 was valued as 792.200.000 TL, excluding VAT, with the report of Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. dated June 6, 2024. The Company signed a real estate sales promise agreement with Tenet İnşaat ve Sanayi Ticaret A.Ş. on June 11, 2024 to purchase the mentioned real estate on a "turnkey" basis for 832.134.745 Turkish liras excluding VAT.