

**ALARKO GAYRİMENKUL YATIRIM
ORTAKLIĞI ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2025 AND INDEPENDENT
AUDITOR'S REPORT**

**(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH)**



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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the Shareholders of Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (“the Company”) and its subsidiary (together will be referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board (“CMB”) regulations, published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under Standards on Auditing issued by POA are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors (*including Independence Standards*) issued by POA (“POA’s Code of Ethics”), as applicable to audits of the consolidated financial statements of public interest entities, and the ethical requirements in the CMB regulations and other regulations that are relevant to audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the POA’s Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

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

Valuation of investment properties

Refer to Note 2.6, Note 8 and Note 27 to the consolidated financial statements for summary of material accounting policies and significant accounting estimates and assumptions for revenue recognition.

<u>The key audit matter</u>	<u>How the matter was addressed in our audit</u>
<p>As of 31 December 2025, investment properties amounting to TRY 23,323,109,067 constitute 96% of the Group's total assets.</p> <p>The Group's investment properties consist of hotels, offices, factory buildings, and land.</p> <p>The fair values of the Group's investment properties are determined by an independent valuation company.</p> <p>As of 31 December 2025, the fair value based on the valuation reports prepared by the independent valuation company, a total net decrease in value of TRY 2,528,884,275 has been recognized during the period under "other operating expenses and income."</p> <p>Investment properties constitute a significant part of the Group's consolidated financial statements, and the valuation methods include significant estimates and assumptions. Therefore, the determination of the fair values of investment properties and proper presentation in the consolidated financial statements have been identified as a key audit matter.</p>	<p>Our audit procedures for testing fair value measurement of investment property included below:</p> <ul style="list-style-type: none">- We assessed the procedures applied by Group management in determining the fair value of investment properties.- We evaluated the capabilities, independence and competence, of valuation experts appointed by Group management.- We assessed the valuation methods used in determining the values of investment properties and verified the consistency and appropriateness of key inputs and assumptions that have a significant impact on fair value (such as discount rates, occupancy rates, and unit costs per square meter etc.) by comparing them with observable market data, and, with the support of our valuation specialists, assessed whether the fair value fall within an acceptable range.- We evaluated the accuracy of the calculations in the valuation reports through recalculation and control of the value increases to be reflected in the consolidated financial statements. <p>Evaluation of the appropriateness and adequacy of the disclosures related to investment properties in the consolidated financial statement notes, including those regarding key estimates and assumptions, in accordance with TFRSs.</p>



Matter of Emphasis – Comparative Information

As disclosed in detail in Note 2.3, the Group's consolidated financial statements as of 31 December 2024, presented for comparative purposes, have been restated. However, this matter does not affect our opinion.

Other Matter – Comparative Information

The Group's consolidated financial statements for the years ended 31 December 2024 and 31 December 2023 (from which the consolidated statement of financial position as of 1 January 2024 was derived) were audited by another independent auditor prior to the adjustments disclosed in Note 2.3, and an unmodified opinion was issued on these consolidated financial statements on 8 March 2025.

As part of our independent audit of the consolidated financial statements for the year ended 31 December 2025, we have also audited the adjustments disclosed in Note 2.3 that were made to restate the Group's consolidated statements of financial position as of 31 December 2024 and 31 December 2023, as well as the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year ended 31 December 2024. As we were not engaged to audit, review, or perform any procedures on the Group's consolidated financial statements for the year ended 31 December 2024 prior to the adjustments disclosed in Note 2.3, we do not express an audit opinion or any other form of assurance on those consolidated financial statements taken as a whole.

In our opinion, the adjustments disclosed in Note 2.3 are appropriate and have been properly applied.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

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

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

· Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 5 March 2026.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2025 and 31 December 2025, the Company's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Hakan Ölekli, SMMM

Partner

5 March 2026

İstanbul, Türkiye

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ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

		Audited	Restated (*)	Restated (*)
	Notes	31 December 2025	Audited 31 December 2024	Audited 1 January 2024
ASSETS				
Current Assets				
		787.856.597	2.440.799.241	3.449.190.199
Cash and Cash Equivalent	3	141.121.119	455.063.635	327.729.879
Financial Investments	4	-	1.122.656.673	1.915.881.892
Trade Receivables		28.176.150	406.345.356	564.175.603
- Trade Receivables from Related Parties	6,25	22.703.107	401.774.503	558.158.326
- Trade Receivables from Third Parties	6	5.473.043	4.570.853	6.017.277
Other Receivables		1.629.228	2.134.583	2.403.898
- Other Receivables from Third Parties	7	1.629.228	2.134.583	2.403.898
Inventories		4.306	4.923	100.966.546
Prepaid Expenses	13	530.296.003	435.837.569	514.020.724
Current Tax Asset	23	28.004.285	16.199.351	22.789.707
Other Current Assets		58.203.081	2.019.653	684.452
Sub Total		787.434.172	2.440.261.743	3.448.652.701
Assets Held for Sales	14	422.425	537.498	537.498
		23.454.002.507	21.142.741.993	18.479.123.073
Non-Current Assets				
Financial Investments	4	120.684.091	142.612.184	202.770.268
Other Receivables		650.407	812.851	223.162
- Other Receivables from Third Parties	7	650.407	812.851	223.162
Investment Properties	8	23.323.109.067	20.986.876.161	18.257.513.072
Property, Plant and Equipment	9	8.173.699	10.132.231	15.427.030
Intangible Assets		1.385.243	2.308.566	3.189.541
- Other Intangible Assets	10	1.385.243	2.308.566	3.189.541
TOTAL ASSETS		24.241.859.104	23.583.541.234	21.928.313.272

(*) Refer to Note 2.3 for details on the restatement

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

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

	<u>Notes</u>	<u>Audited</u> <u>31 December 2025</u>	<u>Restated (*)</u> <u>Audited</u> <u>31 December 2024</u>	<u>Restated (*)</u> <u>Audited</u> <u>1 January 2024</u>
LIABILITIES				
Current Liabilities		2.148.877.523	731.538.215	488.788.498
Short-Term Borrowings	5	1.010.626.585	-	-
Short Term Portion of Long-Term Borrowings	5	679.756.382	615.516.282	299.295.344
Trade Payables		313.960.006	50.905.569	71.769.436
- Trade Payables to Related Parties	6,25	241.601.256	14.885.773	11.653.645
- Trade Payables to Third Parties	6	72.358.750	36.019.796	60.115.791
Payables Related to Employee Benefits	12	23.764.834	14.280.610	15.277.898
Other Payables		18.636.974	43.910.706	89.635.304
- Other Payables to Third Parties	7	18.636.974	43.910.706	89.635.304
Deferred Income		-	419.797	443.162
Current Income Tax	23	102.132.742	6.505.251	8.776.059
Other Current Liabilities		-	-	3.591.295
Non-Current Liabilities		6.535.991.130	5.413.472.986	1.112.768.305
Long-Term Borrowings	5	2.503.610.482	1.501.835.219	913.863.324
Other Payables		125.489.599	32.977.434	35.689.078
- Other Payables to Third Parties	7	125.489.599	32.977.434	35.689.078
Long-term Provisions		5.646.473	5.256.512	3.674.137
- Long-term Provisions for Employee Benefits	12	5.646.473	5.256.512	3.674.137
Deferred Tax Liability	23	3.901.244.576	3.873.403.821	159.541.766
EQUITY		15.556.990.451	17.438.530.033	20.326.756.469
Equity Attributable to Parent		15.556.990.451	17.438.530.033	20.326.756.469
Share Capital	1,15	289.800.000	289.800.000	144.900.000
Adjustments to share capital	15	2.104.174.214	2.104.174.214	2.036.401.492
Treasury Shares (-)	15	(215.310.658)	(215.310.658)	(215.870.407)
Effect of Mergers Involving Enterprises or Businesses Under Common Control		(796.977.295)	(796.977.295)	(796.977.295)
Other Comprehensive Income or Expenses That Will Not Be Reclassified Subsequently to Profit or Loss		82.971.107	104.995.887	165.038.507
- Gain/Loss from Investments in Equity Based Financial Instruments	4	83.461.648	105.389.741	165.422.327
- Gains / Losses on Revaluation and Remeasurement for Defined Benefit Plans		(490.541)	(393.854)	(383.820)
Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss		61.737.006	(111.092.070)	135.453.290
- Currency Translation Difference		61.737.006	(111.092.070)	135.453.290
Restricted Reserves Appropriated from Profit	15	606.714.825	599.915.300	575.682.312
Retained Earnings / (Losses)	15	15.456.225.130	14.758.672.159	15.640.295.225
Net Profit / (Loss) for The Period	24	(2.032.343.878)	704.352.496	2.641.833.345
TOTAL LIABILITIES AND EQUITY		24.241.859.104	23.583.541.234	21.928.313.272

(*) Refer to Note 2.3 for details on the restatement

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

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN JANUARY 1 – DECEMBER 31, 2025**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

		Audited	Restated (*)
	Notes	1 January - 31 December 2025	1 January - 31 December 2024
PROFIT AND LOSS			
Revenue	16	554.616.277	484.409.921
Cost of Sales (-)	16	(115.733.267)	(30.117.471)
BRÜT KAR		438.883.010	454.292.450
Administrative expenses (-)	17	(178.081.752)	(147.390.877)
Other Income from Operating Activities	19	418.375.225	2.438.435.258
Other Expenses from Operating Activities (-)	19	(2.666.160.954)	(894.011.647)
OPERATING PROFIT / (LOSS)		(1.986.984.471)	1.851.325.184
Income from Investing Activities	20	3.599.222	4.105.379
OPERATING PROFIT/(LOSS) BEFORE FINANCE INCOME/EXPENSE		(1.983.385.249)	1.855.430.563
Financing Expenses (-)	21	(286.699.821)	(296.327.492)
Net Monetary Position Gains / (Losses)	22	319.611.059	(358.167.504)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(1.950.474.011)	1.200.935.567
Current Tax Expense/Income	23	(100.787.150)	(6.904.453)
Deferred Tax Expense/Income	23	18.917.283	(489.678.618)
Tax Expense/Income from Continuing Operations	23	(81.869.867)	(496.583.071)
PROFIT FROM CONTINUING OPERATIONS		(2.032.343.878)	704.352.496
PROFIT/(LOSS) FOR THE YEAR	24	(2.032.343.878)	704.352.496
OTHER COMPREHENSIVE INCOME			
Items that will not be Reclassified Subsequently to Profit or Loss			
- Gain/Loss from Investments in Equity Based Financial Instruments	4,15	(21.928.093)	(60.032.586)
- Gain/Loss on Remeasurement of Defined Benefit Plans	12	(177.961)	(64.898)
- Deferred Tax (Expense) Income		81.274	54.864
Items that will be Reclassified Subsequently to Profit or Loss			
- Foreign Currency Translation Differences		172.829.076	(246.545.360)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		150.804.296	(306.587.980)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)		(1.881.539.582)	397.764.516
Earnings per share			
Earnings/(Loss) per 1 TL Share from Continuing Operations	24	(7,3834)	2,5589

(*) Refer to Note 2.3 for details on the restatement

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

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY – 31 DECEMBER 2025**

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

		Restated (*)
	Audited	Audited
	2025	2024
	Notes	
A. Cash Flows from Operating Activities		817.274.912
Profit/(Loss) for the Year		704.352.496
Adjustments to Reconcile Profit/(Loss) for the Year		139.612.236
- Adjustments related to depreciation and amortization expenses	9, 10	1.891.698
- Adjustments related to provisions	12	2.528.848
- Adjustments related to interest income		(85.674.418)
- Adjustments related to interest expenses		324.809.938
- Adjustments related to unrealized currency translation differences		65.251.920
- Adjustments related to gain/loss on fair value	8	(1.011.021.237)
- Adjustments related to tax (income) / expense	23	496.583.071
- Adjustments related to monetary loss/gain		345.242.416
Changes in Working Capital		(105.471.854)
- Adjustments related to increase/decrease in trade receivables		(15.181.432)
- Adjustments related to increase/decrease in other receivables from operations		(1.531.024)
- Adjustments related to increase/decrease in inventories		(4.923)
- Adjustments related to increase/decrease in trade payables		1.196.436
- Adjustments related to increase/decrease in other payables from operations		(9.914.359)
- Adjustments related to other increase /decrease in working capital		(80.036.552)
Cash Generated from Operations		738.492.878
Interest Received		85.674.418
Payments Related with Provisions for Employee Benefits	12	--
Tax Return / (Payments)	23	(6.892.384)
B. Cash Flows from Investing Activities		(1.404.519.112)
Cash outflows for acquisition of debt instruments		(1.354.763.412)
Cash inflows from sale of debt instruments		1.860.956.585
Payments for purchase of property, plant and equipment and intangible assets	9	(141.686)
Payments for investment properties	8	(1.910.570.599)
Cash Inflows from Sales of Assets Held for Sale		--
C. Cash Flows from Financing Activities		1.021.695.670
Cash inflows from borrowing	5	1.596.324.707
Cash outflows from borrowing	5	(564.032.054)
Dividends Paid		(10.596.983)
Net Increase / (Decrease) in Cash and Cash Equivalents Before the Effect of Currency Translation Differences (A+B+C)		434.451.470
D. Effect of Currency Translation Differences on Cash and Cash Equivalents		--
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)		434.451.470
E. Cash and Cash Equivalents at the Beginning of the Period		327.729.879
F. Monetary Loss/Gain on Cash and Cash Equivalents	3	(307.117.714)
Cash and Cash Equivalents at the end of the Period (A+B+C+D+E+F)	3	455.063.635

(*) Refer to Note 2.3 for details on the restatement

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

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

1. Organization and Operations of the Group

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

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

As of December 31, 2025 and 2024, the shareholders and the shareholding structure of the Group at historic values are as follows:

Shareholders	%	December 31, 2025	%	December 31, 2024
Alarko Holding A.Ş.	16,42	47.568.791	16,42	23.784.396
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş.	34,78	100.800.460	34,78	50.400.230
Public Offering	48,77	141.336.803	48,77	70.668.401
Other (*)	0,03	93.946	0,03	46.973
Total	100,00	289.800.000	100,00	144.900.000

The Group applied to the Capital Markets Board on 29 August 2025 to increase its issued share capital by 1,738,800,000 TL, corresponding to 173,880,000,000 bearer shares with a nominal value of 0,01 TL each in Group C, raising the total issued share capital to 2,028,600,000 TL, and to amend Articles 6 and 7 of the Articles of Association accordingly. It was announced in the Capital Markets Board's bulletin dated 23 December 2025 and numbered 2025/65 that this application was approved. The bonus share capital increase was registered with the Istanbul Trade Registry Directorate on 13 January 2026. The starting date for the exercise of the bonus share entitlement was 15 January 2026.

As of December 31, 2025 and 2024, the difference arising from the adjustment of the nominal capital is at the amount of 2.104.174.214 and 2.104.174.214 TL (Note 15 (b)).

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

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

As of December 31, 2025, the average number of Group personnel is 20 (December 31, 2024: 18).

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

Subsidiary:

In the accompanying consolidated financial statements, Mosalarko OJSC company residing in the Russian Federation, whose activities are only real estate, has been consolidated according to the full consolidation method with 100% ownership as of December 31, 2025 and 2024.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2. Basis of Presentation of the Consolidated Financial Statements

2.1. Basis of Presentation

(a) Basis of measurement

The accompanying consolidated financial statements are prepared on the historical cost basis as adjusted for the effects of inflation on Turkish Lira at the reporting date based on Turkish Accounting Standard ("TMS") No. 29 "Financial Reporting in Hyperinflationary Economies" except for the monetary assets and liabilities and those assets and liabilities stated below which are measured at fair value:

- Non derivative debt instruments with fair value through profit and loss statement,
- Non derivative financial instrument - investments in equity based with fair value through profit and loss statement,
- Investment property with fair value through profit and loss statement,

Fair value measurement principles are explained in Note 27.

(b) Functional Currency

The functional currency of the Parent Company is Turkish Lira (TL) and the accompanying consolidated financial statements and footnotes are presented in Turkish Lira (TL). The functional currency of the Parent Company's subsidiary operating in Russia is Ruble. Unless otherwise stated, all consolidated financial information presented in TL is expressed in full TL.

(c) Going Concern

The Group has prepared its consolidated financial statements on a going concern basis. In accordance with IAS 1, the Group has assessed its ability to continue its operations under the going concern assumption. As of 31 December 2025, current assets amount to 787,856,597 TL and current liabilities amount to 2,148,877,523 TL; accordingly, current liabilities exceed current assets by 1,361,020,926 TL. During the period, cash flows generated from operating activities amounted to 1,564,307,933 TL. The Group's short-term interest-bearing liabilities amount to 1,690,382,967 TL. The Group has assessed that it will be able to obtain the financing required for its operations from its internal resources as well as external sources, including the support of the parent company.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2. Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.2 Statement of conformity with Turkish Financial Reporting Standards (“TFRS”)

The accompanying financial statements have been prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”) as adopted by the Capital Markets Board (“CMB”) pursuant to the “Communiqué on Principles of Financial Reporting in Capital Markets” (II-14.1) published in the Official Gazette No. 28676 on 13 June 2013, and as issued by the Public Oversight, Accounting and Auditing Standards Authority (“POA”). TFRS comprise the Standards and Interpretations issued by the POA under the names of Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, TAS Interpretations, and TFRS Interpretations.

The consolidated financial statements have been presented in accordance with the formats specified by the CMB in the Financial Statement Examples and User Guide, and aligned with the TFRS Taxonomy Announcement published by the POA on 15 April 2019, following the CMB’s financial statement and note presentation formats.

Approval of the Consolidated Financial Statements:

The consolidated financial statements were approved by the Group’s Board of Directors on 5 March 2026. The Group’s General Assembly has the right to amend these consolidated financial statements, and the relevant regulatory authorities have the right to request amendments.

2.3 Change in Accounting Estimates and Errors

If the changes in accounting estimates are for only one period, they are applied prospectively in the current period when the change is made, both in the period when the change is made and in the future periods. Significant accounting errors identified are applied retrospectively and prior period consolidated financial statements are restated.

Accounting policies have been consistently applied by the Group in all periods presented in the consolidated financial statements. Significant changes in accounting policies are applied retrospectively and prior period consolidated financial statements are restated.

2.3.1 Comparative Information and Restatements

While preparing the consolidated financial statements as at 31 December 2025, the Group’s management identified an error in relation to the investment amount of its foreign subsidiary included in the consolidated financial statements as at 31 December 2024. The effect of restating this investment to the current purchasing power in accordance with IAS 29 “Financial Reporting in Hyperinflationary Economies” had not been recognized in the statement of profit or loss under the monetary gain or loss item. In addition, the Group identified an error in the consolidated statement of cash flows for the year ended 31 December 2024. The Group has accounted for the effects of these errors retrospectively on a line-by-line basis in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors.” Accordingly, the consolidated statements of financial position as at 31 December 2024 and 31 December 2023 (from which the consolidated statement of financial position as at 1 January 2024 is derived) and the consolidated statement of changes in equity, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows for the year ended 31 December 2024 have been restated.

The amounts of these corrections, as well as the errors identified in the consolidated statement of cash flows for the year ended 31 December 2024, are presented in the tables and explanations below on a line-item basis for each affected financial statement item.

As of 31 December 2024, increases arising from fair value changes that were previously reported net under other income from operating activities have started to be presented on a gross basis. Accordingly, as of 31 December 2024, other income from operating activities and other expenses from operating activities were each increased by TRY 820,700,923. This reclassification has no impact on operating profit.

As of 31 December 2024, TRY 27,834,035 of rent and land allocation fee recharge income from the Republic of Türkiye Ministry of Environment and Forestry, previously reported under other income from operating activities, and TRY 28,942,843 of rent and land allocation fee expenses recharged by the Republic of Türkiye Ministry of Environment and Forestry, previously reported under other expenses from operating activities, have been netted and reclassified to revenue.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.3 Change in Accounting Estimates and Errors (continued)

2.3.1 Comparative information and Restatements (continued)

Statement of Financial Position

	Reported	Stated in terms of the purchasing power of TL as of	Adjustments	Restated
	31 December 2023	31 December 2023		31 December 2023
Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss				
- Currency Translation Difference	389.597.771	736.264.732	(600.811.442)	135.453.290
Retained Earnings / (Losses)	8.066.765.217	15.244.632.239	395.662.986	15.640.295.225
Net Profit / (Loss) for The Period	1.289.382.689	2.436.684.889	205.148.456	2.641.833.345

Statement of Financial Position

	Reported	Stated in terms of the purchasing power of TL as of	Adjustments	Restated
	31 December 2024	31 December 2024		31 December 2024
Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss			(721.448.401)	
- Currency Translation Difference	466.304.128	610.356.331)	(111.092.070)
Retained Earnings / (Losses)	10.816.417.507	14.157.860.717	600.811.442	14.758.672.159
Net Profit / (Loss) for The Period	445.950.916	583.715.537	120.636.959	704.352.496

Profit or Loss and Other Comprehensive Income

	Reported	Stated in terms of the purchasing power of TL as of	Adjustments	Restated
	31 December 2024	31 December 2024		31 December 2024
<u>Profit and Loss</u>				
Net Monetary Position Gains / (Losses)	(365.800.249)	(478.804.463)	120.636.959	(358.167.504)
<u>Other Comprehensive Income</u>				
Items that will be Reclassified			(120.636.959)	
- Foreign Currency Translation Differences	(96.192.347)	(125.908.401))	(246.545.360)

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.3 Change in Accounting Estimates and Errors (continued)

2.3.1 Comparative Information and Restatements (continued)

	Reported 2024	Stated in terms of the purchasing power of TL as of 31 December, 2025	Adjustments	Restated 2024
A. Cash Flows from Operating Activities	886.191.666	1.159.956.907	(342.681.995)	817.274.912
Profit/(Loss) for the Year	445.950.916	583.715.537	120.636.959	704.352.496
Adjustments to Reconcile Profit/(Loss) for the Year	(455.004.845)	(595.566.435)		139.612.236
- Adjustments related to depreciation and amortization expenses	1.445.232	1.891.698	--	1.891.698
- Adjustments related to provisions	1.595.401	2.088.258	440.590	2.528.848
- Adjustments related to interest expenses	(11.607.975)	(15.193.949)	340.003.887	324.809.938
- Adjustments related to interest income	(53.846.142)	(70.480.469)	(15.193.949)	(85.674.418)
- Adjustments related to unrealized currency translation differences	86.602.877	113.356.522	(48.104.602)	65.251.920
- Adjustments related to gain/loss on fair value	(772.406.794)	(1.011.021.237)	--	(1.011.021.237)
- Adjustments related to tax (income) / expense	379.382.869	496.583.071	--	496.583.071
- Adjustments related to monetary loss/gain	(82.939.189)	(108.561.036)	453.803.452	345.242.416
- Adjustments related to other	(3.231.124)	(4.229.293)	4.229.293	--
Changes in Working Capital	288.558.204	377.700.553		(105.471.854)
- Adjustments related to increase/decrease in trade receivables	120.672.151	157.950.590	(173.132.022)	(15.181.432)
- Adjustments related to increase/decrease in other receivables from operations	(244.761)	(320.373)	(1.210.651)	(1.531.024)
- Adjustments related to increase/decrease in inventories	(3.761)	(4.923)	--	(4.923)
- Adjustments related to increase/decrease in trade payables	(15.936.986)	(20.860.292)	22.056.728	1.196.436
- Adjustments related to increase/decrease in other payables from operations	(37.004.645)	(48.436.241)	38.521.882	(9.914.359)
- Adjustments related to other increase /decrease in working capital	221.076.206	289.371.792	(369.408.343)	(80.036.551)
Cash Generated from Operations	279.504.275	365.849.655	372.643.224	738.492.879
Cash outflows for acquisition of debt instruments	(1.493.479.288)	(1.954.849.813)	1.954.849.813	--
Cash inflows from sale of debt instruments	2.107.176.455	2.758.132.324	(2.758.132.324)	--
Interest Received	--	--	85.674.418	85.674.418
Tax Return / (Payments)	(7.009.776)	(9.175.259)	2.282.875	(6.892.384)
B. Cash Flows from Investing Activities	(1.402.776.205)	(1.836.126.437)	431.607.325	(1.404.519.112)
Payments for purchase of property, plant and equipment and intangible assets	(108.246)	(141.686)	--	(141.686)
Payments for investment properties	(1.459.650.556)	(1.910.570.599)	--	(1.910.570.599)
Cash outflows for acquisition of debt instruments	--	--	(1.354.763.412)	(1.354.763.412)
Cash inflows from sale of debt instruments	--	--	1.860.956.585	1.860.956.585
Dividends received	3.136.455	4.105.379	(4.105.379)	--
Interest Received	53.846.142	70.480.469	(70.480.469)	--
C. Cash Flows from Financing Activities	719.360.958	941.588.306	80.107.364	1.021.695.670
Cash inflows from borrowing	1.053.636.000	1.379.128.692	217.196.015	1.596.324.707
Cash outflows from borrowing	(326.179.088)	(426.943.403)	(137.088.651)	(564.032.054)
Dividends Paid	(8.095.954)	(10.596.983)	--	(10.596.983)
Net Increase / (Decrease) in Cash and Cash Equivalents Before the Effect of Currency Translation Differences (A+B+C)	202.776.419	265.418.776	169.032.694	434.451.470
D. Effect of Currency Translation Differences on Cash and Cash Equivalents	(28.533.576)	(37.348.262)	37.348.262	--
E. Monetary Loss/Gain on Cash and Cash Equivalents	(76.961.545)	(100.736.758)	(206.380.956)	(307.117.714)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D+E)	97.281.298	127.333.756	--	127.333.756
F. Cash and Cash Equivalents at the Beginning of the Period	250.381.274	327.729.879	--	327.729.879
Cash and Cash Equivalents at the end of the Period (A+B+C+D+E+F)	347.662.572	455.063.635	--	455.063.635

2.4 Changes in Significant Accounting Policies

Accounting policies have been applied consistently by the Group across all periods presented in the consolidated financial statements. Material changes in accounting policies are applied retrospectively, and prior period consolidated financial statements are restated accordingly.

No changes in accounting policies were made during the preparation of the consolidated financial statements as of 31 December 2025.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Reporting in a Hyperinflationary Economy

Pursuant to the Capital Markets Board (“CMB”) resolution No. 81/1820 dated 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies” for annual financial reports beginning with the fiscal year ended 31 December 2023.

In line with this CMB decision, the announcement by the Public Oversight, Accounting and Auditing Standards Authority (“POA”) on 23 November 2023, and the published “Implementation Guide on Financial Reporting in Hyperinflationary Economies,” the Group has prepared its consolidated financial statements for the year ended 31 December 2025 applying TAS 29.

Under this standard, consolidated financial statements prepared in the currency of a hyperinflationary economy must be presented in terms of the purchasing power of that currency at the balance sheet date, and prior period consolidated financial statements must be restated in the current measurement unit at the end of the reporting period. Accordingly, the Group has presented its consolidated financial statements for the year ended 31 December 2024 in terms of the purchasing power as of 31 December 2025.

Restatements under TAS 29 have been performed using the adjustment coefficients derived from the Consumer Price Index (“CPI”) published by the Turkish Statistical Institute (“TUIK”). As of 31 December 2025, the indices and adjustment coefficients used to restate the consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient
31 December 2025	3,513.87	1.00000
31 December 2024	2,684.55	1.30892
31 December 2023	1,859.38	1.88981

The main components of the Group’s adjustments for financial reporting in a hyperinflationary economy are as follows:

- Monetary assets and liabilities carried at their current amounts as of the reporting date have not been restated, as they are already expressed in the reporting currency at that date.
- Non-monetary assets and liabilities and equity items that are not carried at current amounts as of the balance sheet date have been restated using the relevant adjustment coefficients from the transaction date or, if applicable, the most recent revaluation date up to the reporting date.
- Property, plant, and equipment have been restated by applying changes in the index from the transaction date or, if applicable, the most recent revaluation date up to the reporting date. Depreciation is based on the restated amounts.
- All income statement items, except for the depreciation expense and deferred tax expense described above, have been restated using monthly adjustment coefficients according to the reporting date for the months in which the transactions occurred.
- The effects of inflation on the Group’s net monetary position are presented in the income statement as “monetary gain/(loss).”
- All items in the cash flow statement have been expressed in the reporting currency at the reporting date. For this purpose, all cash flow statement items have been restated using the relevant adjustment coefficients from the transaction date.

All comparative period amounts have been restated by applying the index change from the relevant comparative period to 31 December 2025.

The Group translates the financial statements of Mosalarko OJSC, whose functional currency is the currency of an economy that is not hyperinflationary, into the presentation currency (“TL”). In this translation process, the Group translates all statement of financial position items using the closing exchange rate at the end of reporting period. Items in the statement of consolidated profit or loss are translated using the average exchange rate. The Group has recognized the effect of restating the investment amount related to this subsidiary in accordance with IAS 29 to the current purchasing power in the monetary gain/loss line in profit or loss. All amounts relating to the comparative period, including those incorporated into the consolidated financial statements with respect to this subsidiary, have been presented in terms of the current purchasing power at the end of the reporting period. Accordingly, no additional IAS 29 adjustment has been made in the current period to restate the subsidiary’s profit or loss items from the transaction date to the end of the reporting period in terms of current purchasing power.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies

The accounting policies described below have been applied consistently across all periods presented in the consolidated financial statements.

a) Standards and Amendments Issued but Not Yet Effective as of 31 December 2025

Certain new or amended accounting standards have become effective for annual periods beginning after 1 January 2025, and early application is permitted. However, the Group has not early adopted any of these new or amended standards in the preparation of these consolidated financial statements.

TFRS 18 – Presentation and Disclosures in Financial Statements

IFRS 18 "Presentation and Disclosures in Financial Statements," issued by the IASB on 9 April 2024, will replace IAS 1 "Presentation of Financial Statements" and will be effective for annual periods beginning on or after 1 January 2027. The POA published the standard in Turkey on 8 May 2025 under the title "TFRS 18 Presentation and Disclosures in Financial Statements," announcing that, upon its effective date, the currently applied "TAS 1 Presentation of Financial Statements" will be withdrawn. The new standard introduces primarily the following changes:

- Companies will be required to classify all income and expenses in the profit or loss statement into five categories: operating, investing, financing, discontinued operations, and income tax, and present a newly defined subtotal for operating profit. The Group's net profit for the period will not change.
- Management-defined performance measures (Management-Defined Performance Measures) must be disclosed in a single note to the financial statements.
- Guidance on how information should be grouped in the financial statements has been strengthened.

In addition, when presenting cash flows from operating activities using the indirect method, all companies will be required to use the operating profit subtotal as the starting point in the cash flow statement.

TFRS 18 will be applied retrospectively, and early application is permitted. The Group continues to assess the potential effects of the new standard on the consolidated financial statements, particularly regarding the structure of the Group's consolidated profit or loss statement and consolidated cash flow statement, as well as additional disclosures related to management-defined performance measures. Furthermore, the impact on the grouping of information in the consolidated financial statements, including items currently classified as "other," is also being evaluated.

Amendments to the Classification and Measurement of Financial Instruments – TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures

Classification of Financial Assets with Contingent Features

The amendments introduce an additional SPPI (solely payments of principal and interest) test to allow the classification of financial assets with contingent features that are not directly related to changes in the underlying credit risk or costs—for example, where cash flows vary depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan agreement. The classification of such a contingent financial asset will be determined based on the SPPI test, which establishes whether the asset is measured at amortized cost or at fair value.

Under the amendments, certain financial assets, including those with ESG-linked features, can meet the SPPI criterion provided that their cash flows do not differ significantly from an otherwise identical financial asset without such a feature. However, companies will need to perform additional judgment-based work to substantiate this.

The amendments also introduce additional disclosures for all financial assets and financial liabilities with specific contingent features that:

- Are not directly linked to changes in the underlying credit risk or costs; and
- Are not measured at fair value through profit or loss.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2 **Basis of Presentation of the Consolidated Financial Statements** *(continued)*

2.6 **Summary of Significant Accounting Policies** *(continued)*

a) **Standards and Amendments Issued but Not Yet Effective as of 31 December 2025** *(continued)*

Reconciliation of Electronic Payments

A company that settles its trade payables using an electronic payment system typically derecognizes the payable on the payment date. The amendments introduce an exception for derecognition of such financial liabilities. This exception allows a company to derecognize a trade payable before the payment date if it uses an electronic payment system that meets all of the following criteria:

The payment instruction cannot be withdrawn, stopped, or canceled;

The Group does not have access to the cash to be used for the payment as a result of the payment instruction; and

The settlement risk associated with the electronic payment system is insignificant.

Other Amendments

Contractual Linked Instruments (CLIs) and Non-Recourse Features

The amendments clarify the fundamental characteristics of contractual linked instruments (CLIs) and how these instruments differ from financial assets with non-recourse features. They also specify the factors a company should consider when assessing the cash flows of financial assets with non-recourse features (the “review” test).

Disclosures for Investments in Equity Instruments

The amendments require additional disclosures for investments in equity instruments measured at fair value, with gains or losses recognized in other comprehensive income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Companies may choose to early adopt these amendments, including the related disclosure requirements, separately from other changes affecting the recognition, measurement, and derecognition of financial assets and liabilities.

The Group is currently assessing the potential impact of these amendments to TFRS 9 and TFRS 7 on its consolidated financial statements.

TFRS 19 – Disclosures for Subsidiaries without Public Accountability

Subsidiaries of companies applying TFRS may significantly reduce their disclosures and focus more on users’ needs following the issuance of TFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, individual, or separate financial statements if it meets the following criteria:

It does not have public accountability; and

Its parent prepares consolidated financial statements in accordance with TFRS.

A subsidiary applying the reduced disclosure requirements under TFRS 19 will fully comply with the recognition, measurement, and presentation requirements in TFRS but will provide fewer disclosures. It must clearly state in its TFRS compliance declaration that it has applied TFRS 19.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

The Group is currently assessing the potential impact of applying TFRS 19 on its consolidated financial statements.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2 **Basis of Presentation of the Consolidated Financial Statements** (*continued*)

2.6 **Summary of Significant Accounting Policies** (*continued*)

a) **Standards and Amendments Issued but Not Yet Effective as of 31 December 2025** (*continued*)

IFRS Annual Improvements – 11th Cycle:

The annual improvements process aims to enhance the clarity and internal consistency of IFRS Standards. In July 2024, the IASB issued its publication titled "Annual Improvements to IFRS Standards – 11th Cycle" to make minor amendments to certain standards. The amendments were also published by the POA on 27 September 2025 as "Annual Improvements to TFRS – Volume 11."

Transaction Price (Amendments to TFRS 9: Financial Instruments): In TFRS 9, the term "transaction price"—used in certain paragraphs in a manner not fully consistent with its definition in TFRS 15—has been updated and replaced with "the amount determined applying TFRS 15."

Derecognition of Lease Liabilities (Amendments to TFRS 9: Financial Instruments): When a lease liability is derecognized, the transaction is accounted for under TFRS 9. However, any modification of the lease is accounted for in accordance with TFRS 16. The amendment clarifies that, upon derecognition of lease liabilities under TFRS 9, the difference between the carrying amount of the liability and the consideration paid is recognized in profit or loss.

The amendment on the derecognition of lease liabilities applies only to lease liabilities that are settled after the beginning of the annual reporting period in which the amendment is first applied.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.

Hedge Accounting for First-Time Adopters (Amendments to TFRS 1: First-time Adoption of International Financial Reporting Standards)

TFRS 1 has been amended with the following objectives:

- To enhance consistency with the hedge accounting requirements in TFRS 9;
- To improve understandability.

A cross-reference to TFRS 9 has been added in TFRS 1 under the section "Exceptions to the Retrospective Application of Other IFRSs."

Gains or Losses on Derecognition (Amendments to IFRS 7: Financial Instruments – Disclosures): An additional statement has been included in TFRS 7 clarifying that the guidance does not illustrate all requirements for accounting for gains and losses arising on derecognition. Furthermore, the term "inputs not based on observable market data" has been amended to "unobservable inputs" to align with the terminology used in TFRS 13.

Disclosure of Deferred Difference Between Fair Value and Transaction Price (Amendments to IFRS 7: Financial Instruments – Disclosures): The amendment clarifies and simplifies the concept that the transaction price at initial recognition may differ from the fair value, which had not been updated following the issuance of TFRS 13 in May 2011. Fair value is not necessarily supported by a price in an active market for the same asset or liability (Level 1 input) or by a valuation technique that relies solely on observable market data. In such cases, the subsequent difference will be recognized in profit or loss in accordance with TFRS 9.

Credit Risk Disclosures: The amendment clarifies that the referenced paragraphs in TFRS 7 do not necessarily illustrate all requirements. This has been achieved by revising paragraph IG1 to provide greater clarity regarding credit risk disclosures.

Determining the "De Facto" Agent (Amendments to TFRS 10: Consolidated Financial Statements): When assessing whether another party acts on behalf of the investor, the amendments clarify that less prescriptive language should be used to determine whether a party is a de facto agent. Specifically, a party is considered a de facto agent if it has the ability to direct the investor's activities on the investor's behalf. This assessment requires judgment.

Cost Method (Amendments to TAS 7):

Following earlier amendments that removed the term "cost method," the wording in TAS 7 has been updated from "cost method" to "accounted for at cost."

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

2 **Basis of Presentation of the Consolidated Financial Statements** (*continued*)

2.6 **Summary of Significant Accounting Policies** (*continued*)

a) **Standards and Amendments Issued but Not Yet Effective as of 31 December 2025** (*continued*)

Contracts for the Sale of Electricity Produced from Renewable Resources – Amendments to TFRS 9 and TFRS 7

In December 2024, the IASB amended IFRS 9 to address challenges in applying it to contracts for electricity produced from renewable resources, sometimes referred to as Renewable Energy Take-or-Pay Agreements (YETAs). These amendments were also published by the POA on 10 August 2025 as "Contracts for Electricity Produced from Renewable Resources (Amendments to TFRS 9 and TFRS 7)."

The amendments provide guidance on:

The "own use" exemption for electricity purchasers under such YETAs;

Hedge accounting requirements for companies whose electricity purchases or sales are hedged using YETAs; and

New disclosure requirements for certain YETAs under TFRS 7 Financial Instruments: Disclosures and TFRS 19 Disclosures for Subsidiaries without Public Accountability.

These amendments are effective for reporting periods beginning on or after 1 January 2026, with early application permitted.

Own-Use Exemption for YETAs

If the own-use exemption under IFRS 9 is not applied when purchasing electricity through Renewable Energy Take-or-Pay Agreements ("YETAs"), the contracts are treated as derivative instruments and measured at fair value through profit or loss, which, given the typically long-term nature of YETAs, may result in significant volatility in the statement of profit or loss.

For the own-use exemption to be applied to YETAs, IFRS 9 requires entities to assess whether the contract aligns with the entity's expected consumption or purchase requirements—for example, whether the entity expects to consume the purchased electricity. The unique characteristics of electricity—its non-storability, the requirement to sell unused electricity on the market within a short period, and the fact that such sales are subject to prevailing market conditions rather than short-term price speculation—create a need for clarity in applying the exemption.

The amendments permit entities to apply the own-use exemption to YETAs if they are expected to remain net electricity purchasers throughout the contract period.

These amendments are applied prospectively, based on the facts and circumstances at the beginning of the first reporting period of application, without requiring restatement of prior periods.

Hedge Accounting Requirements for YETAs

Since virtual YETAs (contracts for differences) and YETAs that do not qualify for the own-use exemption are accounted for as derivatives and measured at fair value through profit or loss, the hedge accounting requirements under IFRS 9 have been amended to allow the application of hedge accounting to YETAs. These amendments aim to mitigate volatility in profit or loss:

-Entities are permitted to determine the variable nominal volume of renewable electricity sales or purchases being hedged, rather than a fixed volume.

-The hedged item may be measured using the same volume assumptions as the hedging instrument.

These amendments apply prospectively to new hedging relationships designated after the date of first application. Additionally, entities are allowed to terminate an existing hedge accounting relationship and designate the same hedging instrument (i.e., a contract for electricity produced from renewable resources) in a new hedge relationship, applying the amendments accordingly.

The Group is currently assessing the potential impacts of the amendments to IFRS 9 and IFRS 7 related to contracts for electricity produced from renewable resources on its consolidated financial statements.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

a) Standards and Amendments Issued but Not Yet Effective as of 31 December 2025 *(continued)*

The following newly issued or amended accounting standards and interpretations are not expected to have a material impact on the Group's financial statements:

Standards and Interpretations Issued by the International Accounting Standards Board ("IASB") but not yet published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"):

IAS 21 – Translation into a Hyperinflationary Presentation Currency

The IASB has issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" to provide a consistent and simplified translation method and to address issues related to the continuously increasing foreign currency translation reserve balances in certain entities. These amendments clarify the following for entities translating financial statements from a non-hyperinflationary functional currency to a hyperinflationary presentation currency:

- An entity whose functional currency is that of a non-hyperinflationary economy shall translate all financial statement items, including comparative figures, using the closing rate at the end of the most recent reporting period.
- When translating amounts of a foreign entity whose functional currency is that of a non-hyperinflationary economy, all amounts, except comparative information, shall be translated at the closing rate at the end of the reporting period, while comparative amounts shall be re-expressed using a general price index.

These amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

The Group does not expect the amendments to IAS 21 "Translation into a Hyperinflationary Presentation Currency" to have a material effect on its consolidated financial statements.

b) Consolidation Principles

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

The consolidated financial position statements and profit or loss and other comprehensive income statements of the Subsidiaries are consolidated using the full consolidation method, and the book values and equity of the Subsidiaries owned by Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. are mutually offset. Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. Intra-group transactions and balances between the Group and its Subsidiaries have been deducted during consolidation. The book values of the shares owned by Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. and the dividends arising from them have been netted off from the related equity and income statement accounts.

The amount presented under "Under Common Control" arise from the acquisition of Mosalarko OJSC by the Group from Alarko Holding A.Ş. in 2022.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

c) Foreign Currency

(i) Foreign Currency Balances and Transactions

Transactions in foreign currencies are translated into the Group's functional currency at the spot exchange rate prevailing at the transaction date.

Foreign currency monetary assets and liabilities are translated into the functional currency at the spot exchange rate at the reporting date. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising due to translation from original currency to TL are recognized in the statement of profit or loss in the relevant period. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date.

Foreign exchange differences arising from the retranslation of the following items are recognized in other comprehensive income:

- Equity instruments measured at fair value through other comprehensive income and recognized under equity (except in cases of impairment; in such cases, the foreign exchange differences previously recognized in other comprehensive income are reclassified to profit or loss).
- Financial liabilities designated as hedging instruments for hedges of net investments in foreign operations, to the extent that the hedge is effective.
- Qualifying cash flow hedge instruments, to the extent that the hedge is effective.

The Central Bank of the Republic of Turkey exchange rates used by the Group for valuation at the reporting date are as follows:

	Foreign Exchange Rates	
	31 December 2025	31 December 2024
US Dollar – USD	42,8457	35,2803
Euro – EUR	50,2859	36,7362

(ii) Foreign Operations

Assets and liabilities of foreign operations, including fair value adjustments arising from acquisition and goodwill, are translated into TL using the exchange rates at the end of the reporting period. All income and expenses arising from foreign operations are translated into TL using the exchange rates at the dates of the transactions.

Foreign currency translation differences are recognized in other comprehensive income and presented under foreign currency translation reserves, except for translation differences attributable to non-controlling interests.

Upon the disposal of a foreign operation, if control, significant influence, or joint control is lost, the cumulative amount recognized in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If a partial disposal of a subsidiary with foreign operations occurs without losing control, the relevant portion of the accumulated amount is reclassified to non-controlling interests. If the Group partially disposes of its interest in an associate or joint venture with foreign operations without losing significant influence or joint control, the relevant portion of the accumulated amount is reclassified to profit or loss.

	Average Rate		Exchange Rate at the Reporting Period			
	2025	2024	31 December 2025	31 December 2025	31 December 2024	31 December 2024
			Buy	Sell	Buy	Sell
US Dollar/TL	39,4761	32,7921	42,8457	42,9229	35,2803	35,3438
Ruble/TL	0,4731	0,3524	0,53495	0,54195	0,32705	0,33133

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2 **Basis of Presentation of the Consolidated Financial Statements** *(continued)*

2.6 **Summary of Significant Accounting Policies** *(continued)*

d) **Revenue**

(i) **General Model for Revenue Recognition**

Under IFRS 15, a five-step approach is followed for revenue recognition for all contracts with customers.

Step 1: Identification of the Contract

A contract is considered under IFRS 15 only when all of the following conditions are met: it has commercial substance, it is legally enforceable, collection of consideration is probable, the rights to goods or services are identifiable, and the payment terms are defined; additionally, the contract must be approved by the parties and the parties must commit to fulfilling their obligations.

When contracts are negotiated as a single commercial package, or when a contract is dependent on another contract for goods or services (or part thereof), and there is a single performance obligation under the contracts, the Group treats such contracts as a single contract.

Step 2: Identification of Performance Obligations

The Group defines a “performance obligation” as a unit of account for revenue recognition. The Group evaluates the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation if it involves:

(a) a distinct good or service (or a bundle of goods or services); or

(b) a series of substantially similar goods or services that are transferred to the customer in the same manner.

A good or service in a contract is considered distinct if the Group can identify it separately from other promises in the contract and the customer can benefit from it either on its own or together with other readily available resources. A contract may include a series of distinct goods or services that are essentially the same. At the beginning of the contract, the Group determines whether a series of goods or services constitutes a single performance obligation.

Step 3: Determination of the Transaction Price

The Group determines the transaction price by assessing the amount of consideration it expects to be entitled to upon fulfilling its performance obligations under the contract. In this assessment, the Group considers any elements of variable consideration in the contract as well as whether the contract contains a significant financing component.

Significant Financing Component

The Group adjusts the amount promised to reflect the cash selling price of the goods or services for the effect of a significant financing component. As a practical expedient, at the inception of the contract, the Group may not adjust the transaction price for the effects of a significant financing component if it expects the period between the customer’s payment and the transfer of goods or services to be one year or less. When the timing of the Group’s performance obligations, advance payments received, and the payment schedule are largely aligned, the Group assesses that the period between fulfilling the obligation and receiving payment will never exceed 12 months.

Variable Consideration

The Group identifies whether the customer contract includes items that may give rise to variable consideration, such as price concessions, incentives, performance bonuses, early completion premiums, price adjustment clauses, penalties, discounts, or similar elements.

Step 4: Allocation of the Transaction Price to Performance Obligations

When distinct goods or services are delivered under a single contract, the contract consideration is allocated to the individual goods or services (i.e., separate performance obligations) based on their relative standalone selling prices. If directly observable standalone selling prices are not available, the total contract consideration is allocated based on the expected cost plus margin approach.

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2 **Basis of Presentation of the Consolidated Financial Statements** (*continued*)

2.6 **Summary of Significant Accounting Policies** (*continued*)

d) **Revenue** (*continued*)

Step 5: Recognition of Revenue

The Group recognizes revenue over time when any of the following conditions are met:

- The customer simultaneously receives and consumes the benefits provided by the Group;
- The Group creates or enhances an asset, and control of the created or enhanced asset is transferred to the customer simultaneously; or
- The performance obligation fulfilled by the Group does not create an asset with an alternative use for the Group, and the Group has a legally enforceable right to payment for work completed to date.

For each performance obligation satisfied over time, the Group selects a single measure of progress that depicts the transfer of control of goods or services to the customer. The Group uses a method that reliably measures work performed: when an input method is used, costs incurred are used to measure progress toward completion; when an output method is used, transferred units are used to measure progress toward completion

If a performance obligation is not satisfied over time, the Group recognizes revenue when control of the goods or services is transferred to the customer.

When the costs necessarily incurred by the Group to fulfill contract obligations are expected to exceed the economic benefits to be obtained from the contract, a provision is recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets."

Contract Modifications

If the Group undertakes to provide additional goods or services, the contract modification is treated as a separate contract. In cases where the existing contract is terminated and a new contract is created, the modification is accounted for if the goods or services provided are distinct. If the modification does not create a separate good or service, the Group accounts for it by combining the additional goods or services with the original contract, treating them as part of the initial contract.

Sale of Real Estate

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

Rental Income from Real Estate Leases

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

Under the agreements related to the hotels leased by the Group, in addition to the fixed rental fee, there is also variable rental income calculated based on a specified percentage of the tenant's gross profit margin for the relevant period, as stipulated in the contract. Such variable rental income is recognized on an accrual basis in the period in which the relevant performance conditions are met and the amount can be measured reliably.

Dividend and Interest Income

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

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

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2 **Basis of Presentation of the Consolidated Financial Statements** (*continued*)

2.6 **Summary of Significant Accounting Policies** (*continued*)

e) **Government grants**

Government grants (excluding those related to income tax) are recognized in profit or loss under "other income" on a systematic basis over the periods in which the costs they are intended to compensate are expensed. Government grants provided to cover previously incurred expenses or losses, or to provide immediate financial support to the entity without future cost, are recognized in profit or loss when they become receivable.

f) **Finance income and expenses**

Finance expenses include interest expenses on bank loans and lease transactions, letters of guarantee and bank commissions, foreign exchange losses on financial assets and liabilities (excluding trade receivables and payables), and losses from derivative instruments recognized in profit or loss.

Foreign exchange gains and losses on financial assets and liabilities (excluding trade receivables and payables) are reported net within finance income or finance expenses, depending on the net position of the exchange rate movements. Foreign exchange and remeasurement gains on trade receivables and payables are reported under other operating income, while foreign exchange and remeasurement losses are reported under other operating expenses.

Interest income and expense are recognized using the effective interest method. Interest, foreign exchange, and fair value gains arising from financial instruments held for investment purposes are presented under other income from operating activities.

g) **Employee benefits**

(i) **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) **Vacation provision**

In accordance with the existing labor law in Turkey, the Group is required to pay to the employee, whose employment is terminated due to any reasons, the wage of the deserved and unused vacation days over the gross prevailing wage and other benefits subject to contract at the date the contract is terminated. Unused leave provision is the earned and unused vacation rights of its employees of the Group, and measured on an undiscounted basis and are recognized in profit or loss as the related service is provided.

h) **Income Tax**

i) **Current Tax**

According to Article 5/1(d) (4) of the Corporate Tax Law No. 5520 ("KVK"), earnings from real estate investment trusts are exempted from Corporate Tax. This exemption also applies to interim Provisional Tax. With the Law No. 7524 on the Amendment of Tax Laws and Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024, the effective date is 1 January 2025;

The application of the corporate tax exemption provided to the earnings of Real Estate Investment Trusts ("REITs") and Real Estate Investment Funds ("REITs") is conditional on the distribution of at least 50% of the earnings of these funds and partnerships from the immovable properties they own as dividends by the end of the second month following the month in which the corporate tax return must be submitted,

With the subparagraph c added in Article 32 of the Corporate Tax Law, a minimum corporate tax of 10% has been introduced, and the earnings of REITs and REITs from immovable properties cannot be taken into account as exemptions and deductions from the corporate income for which the minimum corporate tax will be calculated,

It has been ruled in this context, as of 1 January 2025, the Group will use the tax rate of 30%, which is applicable to undistributed profits in the tax account for the period. The effect that will arise in the event that the relevant exemption condition is met after the decision of the General Assembly of the Group and a tax is paid at 10% according to the minimum corporate tax is reported under the tax income/(expense) item of the period in the profit or loss statement in the next accounting period.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

h) Income Tax *(continued)*

ii) Deferred Tax

Since the Group has a corporate tax exemption in 2023 and before, no deferred tax assets and liabilities have been calculated. With the Law No. 7524 on the Amendment of Tax Laws and Certain Laws and Decree Law No. 375 published in the Official Gazette dated 2 August 2024, the corporate tax exemption has been abolished and a deferred tax of 30% (2024: 30%) has been calculated starting from 2024. Due to the tax legislation, the taxable or deductible temporary differences in the financial statements as of 31 December 2024 were multiplied by the 30% tax rate that will be valid in the period after 1 January 2025, and the deferred tax liability or asset was calculated. Pursuant to the letter on "Reporting Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds" sent by the UPS to real estate investment trusts on 12 February 2025, the deferred tax liability arising as a result of the legislative amendment in the financial statements dated 31 December 2024 is reflected in the profits or losses of previous years under equity for 2023 and before, and its effect for 2024 is reflected in the profit or loss statement.

Deferred tax is calculated based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax is not recognized for temporary differences arising in the following circumstances:

- Temporary differences arising from the initial recognition of an asset or liability in a transaction;
 - That is not a business combination, and
 - That does not affect either accounting profit or taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates, and jointly controlled entities, the reversal of which is not expected in the foreseeable future and over which the Group can control the timing of reversal; and
- Taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which unused tax losses, tax credits, and deductible temporary differences can be utilized. Taxable profit is determined based on the Group's business plans. Deferred tax assets are reviewed at each reporting date and are recognized to the extent that it is probable that sufficient taxable profit will be available in future periods to utilize previously unrecognized deferred tax assets.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that the Group expects, at the end of the reporting period, to arise from the manner in which it expects to recover or settle the carrying amounts of its assets and liabilities.

Accordingly, for investment properties measured using the fair value method, the Group has a rebuttable presumption that the carrying amount of the investment property will be recovered through sale, unless proven otherwise.

Deferred tax assets and deferred tax liabilities are offset only when certain criteria are met.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

i) Assets Held for Sale

The non-current assets, or a group of assets and liabilities that are likely to be disposed of primarily rather than continuing to be used, are classified as selling or distributing them.

For an asset to be classified as held for sale, the asset (or disposal group) must be available for immediate sale in its present condition under usual and customary terms for such assets, and its sale must be highly probable. For the sale to be considered highly probable, a management team must have approved a plan to sell the asset, identified potential buyers, and initiated an active program to complete the plan. Additionally, the asset must be actively marketed at a price consistent with its fair value.

Such assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses of a disposal group are first allocated to goodwill, then proportionally to other assets and liabilities in the group—excluding impairment allocation to inventories, financial assets, deferred tax assets, employee benefit assets, investment property, or biological assets—based on the Group's accounting policies. Impairment losses and subsequent gains or losses arising after initial classification as held for sale are recognized in profit or loss.

Intangible and tangible assets classified as held for sale are no longer depreciated or amortized. In addition, investments accounted for using the equity method cease equity accounting.

j) Investment Properties

Investment properties and properties under construction for these purposes are real estate held for the purpose of obtaining rent and/or appreciation gains and are first measured by their cost value and the transaction costs included in it. After initial recognition, investment properties are valued at fair value reflecting market conditions as of the balance sheet date. Gains or losses resulting from changes in the fair value of investment properties are included in the profit or loss statement for the period in which they occur.

Investment properties are taken off the balance sheet if they are sold or become unusable and it is determined that no future economic benefit can be derived from their sale. Profit/loss arising from the expiry or sale of investment property is included in the profit or loss statement in the period in which they occur.

Transfers are made when there is a change in the use of investment properties. In a transfer from an investment property measured at fair value to a property used by the owner, the estimated cost in the accounting treatment after the transfer is the fair value of the property at the date the change in use occurred. If a property used by the owner is converted into an investment property to be measured at fair value, the entity applies the accounting policy for "Property, Plant and Equipment" until the date the change in use occurs. The transfer of a property classified under inventories is only carried out if there is a change in its usage status, and in a transfer from inventories to investment properties that will be measured at fair value, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognized as profit or loss in the consolidated financial statements.

Rental income derived from investment properties is recognized on a straight-line basis over the lease term and presented under other income from operating activities. Lease incentives received are accounted for over the lease term as an integral part of total rental income.

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2 Basis of Presentation of the Consolidated Financial Statements (*continued*)

2.6 Summary of Significant Accounting Policies (*continued*)

k) Property, Plant and Equipment

(i) *Recognition and Measurement*

Property, plant, and equipment are measured at cost, including borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of acquired property, plant, and equipment has been adjusted for the effects of inflation.

When components of a tangible asset have different useful lives, they are accounted for as separate parts (significant components) of the asset.

Gains or losses arising from the disposal of a tangible asset are recognized in profit or loss.

(ii) *Subsequent Costs*

Subsequent expenditures are capitalized only when it is probable that they will generate future economic benefits for the Group.

(iii) *Depreciation*

Items of property, plant, and equipment are depreciated from the date they become available for use, or, for assets constructed by the Group, from the date they are completed and ready for use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, after deducting their estimated residual values. Depreciation is generally recognized in profit or loss unless it is included in the carrying amount of another asset.

Leased assets are depreciated over the shorter of the lease term and their useful life if the Group is not reasonably certain to obtain ownership of the asset at the end of the lease term. Land is not depreciated.

The estimated useful lives of significant property, plant, and equipment items for the current and comparative periods are as follows:

<u>Type</u>	<u>Useful Life</u>
Plant, Machinery, and Equipment	4-5 years
Fixtures and Fittings	4-16 years
Other Property, Plant, and Equipment	5 year

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if necessary.

l) Intangible Assets and Goodwill

(i) *Recognition and Measurement*

Rights

Other intangible assets acquired by the Group with a finite useful life are measured at cost less accumulated amortization and any accumulated impairment losses, if applicable.

(ii) *Subsequent Expenditures*

Subsequent expenditures are capitalized only if they enhance the future economic benefits of the related intangible asset. All other expenditures, including internally generated goodwill and trademarks, are recognized in profit or loss as incurred.

(iii) *Amortization*

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets, after deducting their estimated residual values, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

<u>Type</u>	
Rights (*)	3-32 years
Leasehold Improvements	2-33 years

(*) Includes the rights to computer software.

Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if necessary.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

m) Financial Instruments

(i) *Recognition and Initial Measurement*

The Group recognizes trade receivables and debt instruments on the date they arise. All other financial assets and liabilities are recognized only on the trade date when the Group becomes a party to the contractual terms of the respective financial instrument.

For financial assets and liabilities measured at initial recognition, excluding those at fair value through profit or loss (and trade receivables without a significant financing component), transaction costs directly attributable to the acquisition or issuance of the instrument are included in the fair value. Trade receivables without a significant financing component are initially measured at the transaction price.

(ii) *Classification and Subsequent Measurement*

Upon initial recognition, a financial instrument is classified as follows: measured at amortized cost; measured at fair value through other comprehensive income (FVOCI) for debt investments; measured at FVOCI for equity investments; or measured at fair value through profit or loss (FVPL).

Subsequent to initial recognition, financial instruments are not reclassified unless the Group changes the business model used to manage its financial assets. In such cases, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost only if both of the following conditions are met and it is not classified as measured at FVPL:

- The financial asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, only to payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income (FVOCI) if both of the following conditions are met and it is not classified as measured at fair value through profit or loss (FVPL):

- The financial asset is held within a business model whose objective is both to collect the contractual cash flows and to sell the financial assets; and
- The contractual terms of the financial asset give rise, on specified dates, only to payments of principal and interest on the principal amount outstanding.

Upon initial recognition of investments in equity instruments not held for trading, an irrevocable election can be made to present subsequent changes in fair value in other comprehensive income. This election may be made on an investment-by-investment basis.

All financial assets not measured at amortized cost or at fair value through other comprehensive income (FVOCI) as described above are measured at fair value through profit or loss (FVPL). This includes all derivative financial assets.

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2 **Basis of Presentation of the Consolidated Financial Statements** *(continued)*

2.6 **Summary of Significant Accounting Policies** *(continued)*

m) **Financial Instruments** *(continued)*

Financial Assets – Assessment of the Business Model

The Group evaluates the objective of holding a financial asset at the portfolio level to ensure that the business model reflects how the assets are managed and the information provided to management. The information considered includes:

- The policies and objectives established for the portfolio and their practical implementation. These include whether management’s strategy focuses on collecting contractual interest income, continuing to earn a specified yield, aligning the maturities of financial assets with the funding liabilities, or realizing cash flows through the sale of assets
- The objective of the business model may include managing daily liquidity needs, maintaining a specified yield, or aligning the maturities of financial assets with the maturities of the liabilities that fund those assets.;
- How the business model and the performance of the financial assets held within that model are reported to the Group’s management;
- The risks that affect the business model (and the financial assets held within it) and, in particular, how these risks are managed
- How additional compensation to management is determined (e.g., whether it is based on the fair value of the managed assets or on the contractual cash flows collected) and the frequency, value, timing, and reasons for previous sales, as well as expectations for future sales.
- The frequency, value, timing, and reasons for sales in previous periods, as well as expectations for future sales.

The transfer of financial assets to third parties in transactions that do not qualify for derecognition is not considered a sale for this purpose, consistent with the Group’s continuous recognition of the assets in its financial statements.

Financial Assets – Assessment of Whether Contractual Cash Flows Consist Solely of Payments of Principal and Interest on the Principal Amount Outstanding

In assessing whether the contractual cash flows of a financial asset consist solely of payments of principal and interest on the principal amount outstanding, the Group considers the characteristics of the contractual cash flows. This assessment requires evaluating whether the contract includes terms that modify the timing or amount of the cash flows in a way that would cause the asset not to meet this condition. In performing this assessment, the Group considers the following:

- Any contingent event that could change the timing or amount of the contractual cash flows (i.e., a trigger event)
- Terms that adjust the contractual coupon interest rate, including features with variable rates;
- Features that provide for early repayment or extension of the maturity; and
- Contractual terms that limit the Group’s rights to receive cash flows from specified assets (e.g., non-recourse features).

An early repayment feature is consistent with the “solely payments of principal and interest” criterion if the prepayment amounts, in the event the contract is terminated before maturity, largely represent unpaid principal and interest on the principal amount, including any reasonable compensation for early termination.

Additionally, for a financial asset acquired at a premium or discount to its contractual nominal value, prepayment amounts that include a reasonable additional payment upon early termination are considered to largely reflect the contractual nominal value and accrued (but unpaid) interest (which may include reasonable compensation for early repayment). If the fair value of the early repayment feature is insignificant at initial recognition, the asset is deemed to meet this criterion.

The Group does not hold any financial assets outside of its trade business models that fail the assessment for solely principal and interest payments.

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2 **Basis of Presentation of the Consolidated Financial Statements** (*continued*)

2.6 **Summary of Significant Accounting Policies** (*continued*)

m) **Financial Instruments** (*continued*)

Financial Assets – Gains or Losses Arising from Subsequent Measurement

Financial Assets Measured at Fair Value Through Profit or Loss (FVPL) These assets are subsequently measured at fair value. All related net gains and losses, including any interest or dividend income, are recognized in profit or loss. For derivatives designated as hedging instruments, refer to section (v) below.

Financial Assets Measured at Amortized Cost These assets are subsequently measured at amortized cost using the effective interest method. Their amortized cost is reduced by any impairment losses, if applicable. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Gains or losses arising from derecognition of these assets are also recognized in profit or loss.

Equity Instrument Measured at Fair Value Through Other Comprehensive Income These assets are subsequently measured at fair value. Dividends are recognized in profit or loss, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Financial Liabilities – Classification, Subsequent Measurement, and Gains or Losses

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss (FVPL).

A financial liability is classified as FVPL if it meets the definition of held-for-trading. Additionally, a financial liability is classified as held-for-trading if it is a derivative or if it is designated as such upon initial recognition. Financial liabilities measured at FVPL are subsequently measured at fair value, and all net gains and losses, including interest expense, are recognized in profit or loss.

Other financial liabilities are measured at amortized cost using the effective interest method, after deducting any impairment losses, based on the present value of future principal and interest cash flows. Interest expense and foreign exchange differences are recognized in profit or loss. Gains or losses arising from the derecognition of these liabilities are also recognized in profit or loss.

For derivatives designated as hedging instruments, refer to section (v) below.

(iii) **Derecognition of Financial Instruments**

The Group continues to recognize a financial asset in the statement of financial position when it retains substantially all the risks and rewards of ownership of the asset. In such cases, the transferred assets are not derecognized.

(iv) **Offsetting of Financial Assets and Liabilities**

The Group offsets financial assets and liabilities only when it has a legally enforceable right to do so and intends either to settle the items on a net basis or to realize the asset and settle the liability simultaneously. The net amount is presented in the consolidated financial statements.

(v) **Derivative Financial Instruments**

Derivative instruments are recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. Any resulting gain or loss is recognized in profit or loss unless the derivative is designated as a hedging instrument and its hedge effectiveness is demonstrated.

A derivative with a positive fair value is recognized as a financial asset, while a derivative with a negative fair value is recognized as a financial liability. Derivatives are not presented on a net basis except where the Group has both the legal right and the intention to offset.

Derivatives with a remaining maturity of more than 12 months, for which settlement or realization is not expected within 12 months, are presented as non-current assets or non-current liabilities in the consolidated financial statements. All other derivatives are presented as current assets or current liabilities.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

n) Capital

(i) Ordinary Shares

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recorded by deducting them from the accumulated profit at the time when the dividend decision is made. Income taxes related to distributions to holders of equity instruments and transaction costs arising from equity transactions are accounted for in accordance with IAS 12 Income Taxes.

(ii) Treasury Shares

When shares recorded as capital are repurchased, the purchase consideration, including any costs directly attributable to the repurchase net of any tax effects, is deducted from equity. Repurchased shares are presented under equity as the Group's treasury shares. When such shares are sold or reissued, the proceeds received increase equity, and any gains or losses arising from the transaction are transferred to share premium.

o) Impairment of Assets

(i) *Non-Derivative Financial Assets*

Financial Instruments and Contract Assets

The Group recognizes a provision for expected credit losses for the following:

- Financial assets measured at amortized cost ("trade and other receivables");
- Debt instruments measured at fair value through other comprehensive income (FVOCI)

The Group measures the allowance for expected credit losses on the following items at an amount equal to the lifetime ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date; and
- Other debt instruments and bank balances for which credit risk has not increased significantly since initial recognition (i.e., the risk of default over the expected life of the financial instrument).

The Group always measures the impairment of trade receivables (including lease receivables) and contract assets at an amount equal to the lifetime expected credit losses (ECLs).

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

o) Impairment of Assets *(continued)*

(i) *Non-Derivative Financial Assets (continued)*

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses (ECLs), the Group considers reasonable and supportable information that is available without undue cost or effort, including the expected effects of early payments. This information comprises quantitative and qualitative data and analyses based on the Group's historical experience of credit losses, adjusted for forward-looking macroeconomic indicators.

The Group applies the simplified approach, measuring lifetime ECLs. Lifetime ECLs represent the expected credit losses arising from all possible default events over the expected life of the financial instrument. The maximum period over which ECLs are measured is the longest contractual period over which the Group is exposed to credit risk.

Measurement of Expected Credit Losses (ECLs)

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial asset. In other words, they represent the present value of all expected shortfalls in contractual cash flows (i.e., the difference between the cash flows the entity is contractually entitled to receive and the cash flows it expects to receive).

A cash shortfall is the difference between the cash flows due to the entity under the contract and the cash flows the entity expects to receive. ECLs take into account the timing and amount of payments; therefore, a credit loss may arise even if the entity expects to receive the full payment later than the contractual due date.

ECLs are discounted using the asset's effective interest rate.

Financial Assets That Are Credit-Impaired

At each reporting date, the Group assesses whether financial assets measured at amortized cost are credit-impaired. A financial asset is considered credit-impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the asset.

Evidence that a financial asset is credit-impaired may include the following observable data:

- The borrower or issuer is experiencing significant financial difficulty;
- A default by the borrower or a breach of contract, such as the financial asset being more than 90 days past due;
- The restructuring of a loan or advance due to conditions that the Group cannot reasonably disregard;
- The likelihood that the borrower will enter bankruptcy or undergo financial reorganization; or
- The disappearance of an active market for a security due to financial difficulties.

Presentation of Impairment

Allowance for expected credit losses on financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

o) Impairment of Assets *(continued)*

(i) *Non-Derivative Financial Assets (continued)*

Derecognition

When there is no reasonable expectation of recovering all or part of a financial asset, the Group directly reduces the gross carrying amount of the asset. Derecognition constitutes a reason for removing the financial asset from the statement of financial position.

The Group assesses the timing and amount to be derecognized based on whether there is a reasonable expectation of recovery on an individual basis. The Group does not expect significant recovery on amounts written off.

(ii) *Non-Financial Assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually.

For impairment testing purposes, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro rata basis according to their carrying amounts.

An impairment loss recognized in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

o) Provisions

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

If the amount of a previously recognized provision decreases due to events occurring after the provision was recorded, the reduction is recognized in other income in the current period.

(i) *Onerous Contracts*

A provision for onerous contracts is measured at the lower of the net cost of exiting the contract, being the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfill it.

Before recognizing a separate provision for an onerous contract, the Group recognizes any impairment losses on assets allocated to that contract.

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2 **Basis of Presentation of the Consolidated Financial Statements** *(continued)*

2.6 **Summary of Significant Accounting Policies** *(continued)*

r) **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date in the principal market, or in the absence of a principal market, in the most advantageous market accessible to the Group. The fair value of a liability reflects the effect of non-performance risk.

Certain accounting policies and note disclosures of the Group require the measurement of fair values for both financial and non-financial assets and liabilities.

When available, the Group measures the fair value of a financial asset or liability using the quoted price in an active market for that instrument. A market is considered "active" if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The selected valuation technique incorporates all factors that market participants would consider in pricing the transaction.

When an asset or liability measured at fair value has a bid and an ask price, the Group measures assets and long positions at the bid price and liabilities and short positions at the ask price.

s) **Borrowing Costs**

In the case of assets that require significant time to be made available for use and sale (featured assets), the inflation-adjusted real cost of borrowing, which is directly associated with its purchase, construction or production, is included in the cost of the asset until the asset is made available for use or sale.

The amount of borrowing costs that can be capitalized in relation to funds borrowed for the purpose of acquiring a specific asset in a period is the amount determined by deducting the income of these funds from temporary investments from the total borrowing costs incurred for these assets in the relevant period.

When the Group borrows for general purpose and a portion of those funds are used to finance a specific asset, the amount of borrowing costs that can be capitalized is determined with the help of a capitalization ratio applicable to expenditures incurred on that asset. This capitalization ratio is the weighted average of the borrowing costs of all existing debts of the Group during the relevant period, excluding borrowings made for the purchase of special assets. The financial investment income obtained by temporarily evaluating the unspent part of the investment-related loan in financial investments is deducted from the borrowing costs suitable for capitalization.

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

t) **Earnings per Share (EPS)**

Earnings and loss per share reported in the statement of profit or loss are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the year.

In Türkiye, companies may increase their capital by issuing "bonus shares" to shareholders from retained earnings of prior periods. Such bonus share distributions are treated as if they were previously issued shares for the purpose of calculating earnings per share. Accordingly, the weighted average number of shares used in these calculations is adjusted to reflect the retrospective effect of such share distributions.

When the number of outstanding ordinary shares or potential ordinary shares changes as a result of capitalization, bonus issue, share split, or reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.6 Summary of Significant Accounting Policies *(continued)*

u) Dividends

Dividend liabilities are recognized in the consolidated financial statements as a component of profit distribution in the period in which the General Assembly approves the dividend distribution.

v) Cash Flow Reporting

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities.

Cash flows from operating activities represent the cash generated from the Group's core business operations.

Cash flows from investing activities represent the cash used in, and generated from, the Group's investment activities, including investments in assets and financial instruments.

Cash flows from financing activities represent the cash flows related to the Group's financing activities, including the sources of funds obtained and repayments of those funds.

Cash and cash equivalents include cash on hand, bank deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

y) Contingent Assets and Liabilities

Obligations and assets that arise from past events but whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the Group's control are not recognized in the consolidated financial statements and are instead classified as contingent liabilities and contingent assets.

z) Related Parties

Related parties are the person or business that is associated with the entity that prepares its consolidated financial statements (the reporting entity).

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

Receivables from and payables to related parties are assumed to approximate their fair value due to their short-term nature.

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2 **Basis of Presentation of the Consolidated Financial Statements** *(continued)*

2.7 **Use of Accounting Estimates and Assumptions**

In preparing these consolidated financial statements, management has made judgments and estimates regarding the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and related assumptions are continuously reviewed and are aligned with the Group's risk management. Changes to estimates are accounted for prospectively.

Assumptions

The notes below disclose information on the accounting policies applied and the related professional judgments that have a significant impact on the amounts recognized in the consolidated financial statements.

Uncertainties Related to Assumptions and Estimates

As of 31 December 2025, information regarding uncertainties related to estimates and assumptions that involve the risk of significant adjustments to the carrying amounts of assets and liabilities in future periods is disclosed in the following notes:

- Note 8 – Fair Value Measurement of Investment Properties, and the Assumptions and Estimates Used in the Valuation
- Note 8 – Inventories are accounted for at the lower of cost and net realizable value. Net realizable value is determined by deducting estimated completion and selling costs from the estimated selling price. Significant estimates and judgments regarding inventory turnover and potential usage/disposal periods are required when determining the amount of inventory write-downs.
- Note 23 – Deferred tax assets and liabilities: Deferred tax assets are recognized when it is highly probable that future taxable profits will allow the utilization of temporary differences and accumulated losses. Significant estimates and judgments regarding future taxable profits are required when determining the amount of deferred tax assets to be recognized.

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2 Basis of Presentation of the Consolidated Financial Statements *(continued)*

2.7 Use of Accounting Estimates and Assumptions *(continued)*

Measurement of Fair Values

Various note disclosures of the Group require the determination of the fair values of both financial and non-financial assets and liabilities.

In measuring the fair value of assets and liabilities, the Group uses, where possible, observable market data.

At initial recognition, the best indicator of fair value is the transaction price (i.e., the amount paid or received). If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value cannot be evidenced by a quoted price in an active market for the same asset or liability or a valuation technique using unobservable inputs, and the difference is immaterial for measurement purposes, the financial instrument is initially measured at fair value, with the difference between fair value and the transaction price deferred.

Subsequent to initial recognition, the financial instrument is measured on an appropriate basis through profit or loss over its lifetime. However, recognition in profit or loss continues only as long as the valuation is supported entirely by observable market data or until the transaction is closed. Further information on the assumptions used in fair value measurements is disclosed in the following notes:

These fair value measurements are classified within the fair value hierarchy according to the valuation techniques and inputs used, as described below:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities accessible to the Group at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly (as prices) or indirectly (derived from prices), for assets or liabilities.

Level 3: Inputs that are not based on observable market data for the assets or liabilities.

Various note disclosures of the Group require the determination of the fair values of financial assets and liabilities. Fair values are determined for measurement and/or disclosure purposes using the methods described above. Where applicable, additional information on the assumptions used in determining fair values is provided in asset- or liability-specific notes.

Supplementary note: Control of Compliance to Portfolio Limitations

As of December 31, 2025, and 2024, the information provided in the footnote titled "Control of Compliance with Portfolio Limitations" are summary information derived from financial statements in accordance with Article 16 of the CMB's Series: II, No: 14.1 "Principles on Financial Reporting in Capital Markets". This information has been prepared in line with the provisions of the Series III, No. 48.1 "Principles for Real Estate Investment Trusts" published in the Official Gazette No. 28660 dated May 28, 2013, and the Series III, No. 48.1a "Communiqué Amending the Principles for Real Estate Investment Trusts" published in the Official Gazette No. 28891 dated January 23, 2014, regarding the control of compliance with portfolio restrictions. The data in the table may not coincide with the information in the consolidated statements as they are non-consolidated data.

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3. Cash and Cash Equivalents

The details of the cash and cash equivalents as at December 31, 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Cash at banks	59.475.678	30.929.837
Foreign currency demand deposit (*)	42.922.283	21.655.428
Demand deposit TL	965.990	4.500.024
Demand deposit in foreign currency	15.587.405	4.774.385
B type liquid funds	81.628.860	424.114.371
Cash on hand	16.581	19.427
Total (Note 26 (i))	141.121.119	455.063.635

(*) As of 31 December 2025, interest rate of time deposits in Ruble is 13,50% (As of 31 December 2024, interest rate of time deposits in Ruble is 18,50%).

(**) As of 31 December 2025 and 2024, the cash and cash equivalents presented in the consolidated financial statements consist of short-term, highly liquid capital market instruments, specifically money market funds that provide investors with daily subscription and redemption at the current fund price and whose price movements are similar to average market deposit interest rates.

The Group has no restricted cash at banks as of December 31, 2025 and 2024.

4. Financial Investment

As of December 31, 2025 and 2024, breakdown of the Group's financial assets is as follows:

Short-Term Financial Assets with Fair Value Changes Recognized in the profit or loss statement

Currency	31 December 2025			31 December 2024		
	Book Value (TL)	Interest Rate	Maturity	Book Value (TL)	Interest Rate	Maturity
- US Dollar Eurobond (*)	-	-	-	1.044.567.739	% 2,13	13 March 2025
- Other (**)	-	-	-	78.088.934	%2,75	28 January 2025
Toplam	-			1.122.656.673		

(*) As at 31 December 2024, financial assets carried at amortized cost and fair value consist of Eurobonds with coupon payment date 13 March 2025

(**) Repo in foreign currency.

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4. Financial Investment (continued)

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

	31 December 2025		31 December 2024	
	Participation Rate (%)	Amount (TL)	Participation Rate (%)	Amount (TL)
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş. (*)	-	38.363	-	38.363
Alarko Holding A.Ş. (*)	-	120.645.728	-	142.573.821
Total	-	120.684.091	-	142.612.184

(*) Participation rate is lower than 1%.

The investment in Alarko Holding A.Ş. has been valued, as of 31 December 2025 and 2024, at the best bid price among pending orders on Borsa İstanbul A.Ş., which is considered close to its fair value. The Group monitors any increases or decreases arising from fair value measurement in its consolidated financial statements under the equity item "Other Comprehensive Income or Expense Not to Be Reclassified to Profit or Loss". Accordingly, the fair value decrease of TRY 21,928,093 in the year ended 31 December 2025 (2024: TRY 60,140,097 decrease) resulted in a total fair value gain of TRY 83,354,166 as of 31 December 2025 (31 December 2024: TRY 105,282,259).

5. Borrowings

As of December 31, 2025 and 2024, Group's short-term borrowings are as follows:

	31 December 2025	31 December 2024
Short-term liabilities	1.010.626.585	-
Short-term portion of long-term liabilities	679.756.382	615.516.282
Total (Note 26 (ii))	1.690.382.967	615.516.282

As of December 31, 2025 and 2024, Group's long-term borrowings are as follows:

	31 December 2025	31 December 2024
Long term liabilities	2.503.610.482	1.501.835.219
Total (Note 26 (ii))	2.503.610.482	1.501.835.219

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5. Borrowings (continued)

As of December 31, 2025 and 2024, the maturity dates and interest rates of short-term financial debts are as follows:

31 December 2025					
	Currency	Effective Interest Rate	Maturity	Original Currency	Amount
Secured Bank Loan	TL	%10,00-%36,00	18.02.2026 - 15.12.2026	184.867.389	184.867.389
Unsecured Bank Loan	TL	44,00%	31.03.2026 - 14.08.2026	249.956.140	249.956.140
Unsecured Bank Loan	Avro	5,73%	26.06.2026 - 28.12.2026	6.849.171	345.037.252
Unsecured Bank Loan	Avro	7,50%	21.01.2026 - 19.06.2026	15.099.708	760.670.446
Unsecured Bank Loan	USD	%6,15-%7,91	17.03.2026 - 17.12.2026	3.491.184	149.851.740
Total					1.690.382.967

31 December 2024					
	Currency	Effective Interest Rate	Maturity	Original Currency	Amount
Secured Bank Loan	TL	%10,00-%36,00	18.02.2025 - 15.12.2025	265.262.621	265.262.621
Unsecured Bank Loan	Avro	6,21%	27.06.2025 - 26.12.2025	7.270.970	350.253.661
Total					615.516.282

As of December 31, 2025 and 2024, the maturity dates and interest rates of long-term financial debts are as follows:

31 December 2025					
	Currency	Effective Interest Rate	Maturity	Original Currency	Amount
Secured Bank Loan	TL	%10,00-%36,00	18.02.2027 - 15.12.2032	360.536.426	360.536.426
Unsecured Bank Loan	Avro	5,73%	28.06.2027 - 28.06.2029	14.167.278	713.697.862
Unsecured Bank Loan	USD	%6,15-%7,91	17.03.2027 - 26.11.2032	33.301.016	1.429.376.194
Total					2.503.610.482

31 December 2024					
	Currency	Effective Interest Rate	Maturity	Original Currency	Amount
Secured Bank Loan	TL	%10,00-%36,00	18.02.2026 - 15.12.2032	550.571.392	550.571.392
Unsecured Bank Loan	Avro	6,21%	26.06.2026 - 28.06.2029	19.747.433	951.263.827
Total					1.501.835.219

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5 Borrowings (continued)

As of December 31, 2025 and 2024, the distribution of short and long-term financial liabilities according to their maturities is as follows:

	Bank Loan 31 December 2025	Bank Loan 31 December 2024
Within 1 year	1.690.382.967	615.516.282
1 – 2 Years	634.155.546	495.585.041
2 – 3 Years	1.110.628.458	404.471.509
3 – 4 Years	334.858.857	334.791.052
4 years and above	423.967.621	266.987.617
Total	4.193.993.449	2.117.351.501

Movement tables of financial liabilities as of December 31, 2025 and 2024 are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Opening Balance	2.117.351.501	1.213.158.668
Cash Inflows from Borrowing	2.554.638.363	1.596.324.707
Cash Outflows from Borrowing	(706.190.576)	(564.032.054)
Interest Expenses	367.705.424	324.809.938
Foreign Exchange Rate Differences	562.578.014	65.251.920
Monetary Gain/Loss	(702.089.278)	(518.161.678)
Closing Balance	4.193.993.449	2.117.351.501

The details of pledges, mortgages, and guarantees provided to financial institutions for financial borrowings as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Pledges Provided	1.537.878.853	2.012.965.437
Mortgages Provided	5.392.510.650	5.118.556.279
Total	6.930.389.503	7.131.521.716

As of 31 December 2025 and 2024, guarantees provided by one of the major shareholders and subsidiaries of this major shareholder to financial institutions, securing the Group's bank loans, amount to 1.537.878.853 TL (31 December 2024: 2.012.965.437 TL).

Pledges, mortgages, and guarantees provided to banks as collateral for the loans are disclosed in Note 11.

There are no financial covenants in the loan agreements related to the loans utilized by the Group that the Group is obligated to comply with.

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6. Trade Receivables and Payables

The details of the Group's trade receivables as of December 31, 2025 and 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables	5.473.043	4.570.853
Trade receivables from related parties (Note 25(a))	22.703.107	401.774.503
Total (Note 26 (i))	<u>28.176.150</u>	<u>406.345.356</u>

The average collection period on trade receivable is between 5 - 10 days (2024: 5 – 10 days).

As of 31 December 2025 and 2024, there is no doubtful receivable provision.

The details of the Group's trade payables as of December 31, 2025 and 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade payables	72.358.750	36.019.796
Trade payables from related parties (Note 25 (a))	241.601.256	14.885.773
Total (Note 26 (ii))	<u>313.960.006</u>	<u>50.905.569</u>

The average turnover day for trade payables is 15 days (2024: 15 days).

As of 31 December 2025, the Group does not utilize any supplier financing or reverse factoring programs (31 December 2024: None).

7. Other Receivable and Payable

The details of the Group's other short-term receivables as of December 31, 2025 and 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Other receivables	1.629.228	2.134.583
Total (Note 26 (i))	<u>1.629.228</u>	<u>2.134.583</u>

The details of the Group's other long-term receivables as of December 31, 2025 and 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deposits and guarantees given	650.407	812.851
Total (Note 26 (i))	<u>650.407</u>	<u>812.851</u>

The details of the Group's other short-term liabilities as of December 31, 2025 and 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
VAT Payables	5.762.680	30.329.606
Other taxes	12.297.350	12.824.911
Other miscellaneous liabilities	576.944	756.189
Total (Note 26 (ii))	<u>18.636.974</u>	<u>43.910.706</u>

The details of the Group's other long-term liabilities as of December 31, 2025 and 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deposits and guarantees received	125.489.599	32.977.434
Total (Note 26 (ii))	<u>125.489.599</u>	<u>32.977.434</u>

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8. Investment Properties

The movements in investment properties for the periods ended 31 December 2025 and 2024 are as follows:

Fair Value	Investment Properties
As of 1 January 2024	18.257.513.072
Addition (*)	35.657.848
Addition (**)	1.874.912.751
Transfer	100.966.546
Foreign Currency Translation Differences	(293.195.293)
Change in Fair Value (Note19)	1.011.021.237
As of 31 December 2024	20.986.876.161
As of 1 January 2025	20.986.876.161
Addition (*)	219.905.358
Addition (**)	4.433.784.790
Foreign Currency Translation Differences	211.427.033
Change in Fair Value (Note 19)	(2.528.884.275)
As of 31 December 2025	23.323.109.067

(*) Investments made for Hillside Beach Club Resort

(**) Investment expenditures are made for the Bodrum Hotel, which is under construction.

For the period ended 31 December 2025, borrowing costs of TRY 643,583,617 have been capitalized on investment properties (31 December 2024: TRY 93,734,366).

As of December 31, 2025, the fair values of investment properties are as follows:

Name of Real Estate	31 December 2025	
	Date of Appraisal Report	Fair Value (TL)
Hillside Beach Club Holiday Village	31 December 2025	10.030.000.000
Bodrum Hotel	31 December 2025	7.873.542.000
Land in Büyükçekmece	31 December 2025	1.266.090.000
Land in Maslak	31 December 2025	1.122.930.000
Mosalarko Office Building	26 December 2025	1.048.924.067
Eyüp Topçular – Factory	31 December 2025	822.000.000
Etiler Alkent Site - Shops	31 December 2025	708.233.000
İstanbul Karaköy Business Center	31 December 2025	224.270.000
Büyükçekmece Alkent 2000 – Shops	31 December 2025	135.840.000
Ankara Çankaya Business Center	31 December 2025	91.280.000
Total		23.323.109.067

The valuation methods used to determine the fair value of investment properties as of 31 December 2025 are as follows:

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

(*) For this property, the average of the two valuation methods has been used due to the convergence of the values determined by both methods.

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8. Investment Properties (continued)

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

31 December 2024		
Name of Real Estate	Date of Appraisal Report	Fair Value (TL)
Hillside Beach Club Holiday Village	31 December 2024	10.078.709.281
Bodrum Hotel	31 December 2024	5.801.684.650
Land in Büyükçekmece	31 December 2024	1.240.305.598
Land in Maslak	31 December 2024	1.107.218.205
Mosalarko Office Building	25 December 2024	855.218.518
Eyüp Topçular – Factory	31 December 2024	785.353.970
Etiler Alkent Site - Shops	31 December 2024	669.969.765
İstanbul Karaköy Business Center	31 December 2024	223.721.168
Büyükçekmece Alkent 2000 – Shops	31 December 2024	135.740.580
Ankara Çankaya Business Center	31 December 2024	88.954.426
Total		20.986.876.161

The valuation methods used to determine the fair value of investment properties as of 31 December 2025 are as follows:

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

As of 31 December 2025 and 2024, the total insurance amount on investment properties amounts to 5,609,274,557 TL and 6,602,797,301 TL, respectively (Note 31).

As of 31 December 2025, mortgages on investment properties total 5,392,510,650 TL (2024: 5,118,556,279 TL).

As of December 31, 2025 and 2024, the fair value of the Group's investment properties has been determined by Reel Gayrimenkul Değerleme A.Ş., an independent valuation company.

Valuation company is authorized by the Capital Markets Board (SPK) and provides real estate valuation services in accordance with capital market regulations. They possess sufficient experience and qualifications in the fair value measurement of properties in the relevant regions.

The Mosalarko Office Building has been valued by Nexia Pacioli Consulting LLC.

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8. Investment Properties (continued)

As of December 31, 2025 and 2024 the fair value hierarchy of the Group's investment properties and the related assets are shown in the following table:

	31 December 2025	Level 1	Level 2	Level 3
Hillside Beach Club Holiday Village	10.030.000.000	-	-	10.030.000.000
Bodrum Hotel	7.873.542.000	-	-	7.873.542.000
Etiler Alkent Sites – Shops	708.233.000	-	-	708.233.000
Büyükçekmece Alkent 2000 – Shops	135.840.000	-	-	135.840.000
Eyüp Topçular – Factory	822.000.000	-	-	822.000.000
Ankara Çankaya Business Center	91.280.000	-	-	91.280.000
İstanbul Karaköy Business Center	224.270.000	-	-	224.270.000
Land in Maslak	1.122.930.000	-	-	1.122.930.000
Land in Büyükçekmece	1.266.090.000	-	-	1.266.090.000
Mosalarko Office Building	1.048.924.067	-	-	1.048.924.067
Total	23.323.109.067	-	-	23.323.109.067

	31 December 2025	Level 1	Level 2	Level 3
Hillside Beach Club Holiday Village	10.078.709.281	-	-	10.078.709.281
Bodrum Hotel	5.801.684.650	-	-	5.801.684.650
Etiler Alkent Sites – Shops	669.969.765	-	-	669.969.765
Büyükçekmece Alkent 2000 – Shops	135.740.580	-	-	135.740.580
Eyüp Topçular – Factory	785.353.970	-	-	785.353.970
Ankara Çankaya Business Center	88.954.426	-	-	88.954.426
İstanbul Karaköy Business Center	223.721.168	-	-	223.721.168
Land in Maslak	1.107.218.205	-	-	1.107.218.205
Land in Büyükçekmece	1.240.305.598	-	-	1.240.305.598
Mosalarko Office Building	855.218.518	-	-	855.218.518
Total	20.986.876.161	-	-	20.986.876.161

As of December 31, 2025, rental income from investment properties is 483.362.024 TL (December 31, 2024 – 477.405.166 TL). Relevant rental income is presented as revenue in the statement of profit or loss and other comprehensive income (Note 16)

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8. **Investment Properties** (continued)

The key assumptions used by the Group, as included in the valuation reports of investment properties prepared using the discounted cash flow method, are as follows:

<u>Hillside Beach Club Holiday Village</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Gross Operating Profit	%43	%45
Discount Rate	%25	%26,50

The key assumptions used by the Group, as included in the valuation reports of investment properties prepared using the discounted cash flow method, are as follows:

<u>Bodrum Hotel</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Construction unit cost per m ²	58.000	58.901

The key assumptions used by the Group, as included in the valuation reports of investment properties prepared using the discounted cash flow method, are as follows:

<u>Comparable Price per Square Meter</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Lands	1.850-59.220	1.832-58.391
Buildings	54.400-219.000	53.011-200.003

Restrictions

As of 31 December 2025 and 2024, the Group's Investment Properties include:

For the shops located in Etiler Alkent Site, Beşiktaş District, an easement right was established in favor of Parcel 1, Block 1411 and against Parcel 1, Block 1408 by Journal No. 6430 dated 14 October 1987, to benefit from the central heating system and, in certain areas, to pass heating channels 1.5 meters wide, for a period of 49 years at a fee of 7.72 TL.

Additionally, regarding the same parcel, a personal easement right exists in favor of the owners of Parcel 1, Block 1410 against this parcel by Journal No. 784 dated 26 February 1992, to use the surplus parking spaces specified in the project.

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9. **Property, Plant and Equipment**

As of December 31, 2025, property, plant and equipment are as follows:

Cost:

	Opening January 1, 2025	Addition	Foreign currency translation differences	Closing December 31, 2025
Plant, Machinery and Equipment	130.104	-	-	130.104
Furniture and Fixture	18.122.421	205.440	(910.654)	17.417.209
Other Tangible Fixed Assets	844.759	-	-	844.759
Subtotal	19.097.284	205.440	(910.654)	18.392.072
<u>Accumulated Depreciation:</u>				
Plant, Machinery and Equipment	130.104	-	-	130.104
Furniture and Fixture	7.990.190	721.974	531.344	9.243.510
Other Tangible Fixed Assets	844.759	-	-	844.759
Subtotal (Note 18)	8.965.053	721.974	531.344	10.218.373
Net Book Value	10.132.231	-	-	8.173.699

As of December 31, 2024, property, plant and equipment's are as follows:

Cost:

	Opening January 1, 2024	Addition	Foreign currency translation differences	Closing December 31, 2024
Plant, Machinery and Equipment	130.104	-	-	130.104
Furniture and Fixture	25.008.485	78.753	(6.964.817)	18.122.421
Other Tangible Fixed Assets	844.759	-	-	844.759
Subtotal	25.983.348	78.753	(6.964.817)	19.097.284
<u>Accumulated Depreciation:</u>				
Plant, Machinery and Equipment	130.104	-	-	130.104
Furniture and Fixture	9.581.455	947.790	(2.539.055)	7.990.190
Other Tangible Fixed Assets	844.759	-	-	844.759
Subtotal (Note 18)	10.556.318	947.790	(2.539.055)	8.965.053
Net Book Value	15.427.030	-	-	10.132.231

As of December 31, 2025, and 2024, the total insurance amount on property, plant and equipment is respectively, 103.268.724 TL and 83.260.076 TL (Note 31).

As of 31 December 2025, there are no pledges or mortgages on property, plant, and equipment (31 December 2024: None).

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10. Intangible Asset

As of December 31, 2025, intangible assets are as follows:

Cost:

	Opening January 1, 2025	Addition	Foreign currency translation differences	Closing December 31, 2025
Rights	935.671	-	-	935.671
Other Intangible Assets	8.747.313	-	-	8.747.313
Subtotal	9.682.984	-	-	9.682.984
<u>Accumulated amortization:</u>				
Rights	872.687	7.140	-	879.827
Other Intangible Assets	6.501.731	916.183	-	7.417.914
Subtotal (Note 18)	7.374.418	923.323	-	8.297.741
Net Book Value	2.308.566	-	-	1.385.243

As of December 31, 2024, intangible assets are as follows:

Cost:

	Opening January 1, 2024	Addition	Foreign currency translation differences	Closing December 31, 2024
Rights	935.671	-	-	935.671
Other Intangible Assets	8.684.380	62.933	-	8.747.313
Subtotal	9.620.051	62.933	-	9.682.984
<u>Accumulated amortization:</u>				
Rights	856.969	15.718	-	872.687
Other Intangible Assets	5.573.541	928.190	-	6.501.731
Subtotal (Note 18)	6.430.510	943.908	-	7.374.418
Net Book Value	3.189.541	-	-	2.308.566

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

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11. Provisions, Contingent Assets, and Liabilities

a) Contingent Asset and Liabilities

As of 31 December 2025, the Group has no contingent assets (31 December 2024: none).

b) Pledges, Mortgages, and Guarantees Provided

Pursuant to the decision of the Capital Markets Board (CMB) dated 7 June 2013, meeting No. 20/670, and in accordance with the Communiqué on Principles of Financial Reporting in Capital Markets, TRİK (Collateral/Pledge/Mortgage and Guarantee) reports have been prepared for capital market institutions and joint-stock companies whose capital market instruments are traded on a stock exchange, excluding investment funds, housing finance, and asset-backed funds, for interim periods ending after 31 March 2013.

The tables below present the Group's collateral, pledge, mortgage, and guarantee (TRİK) positions as of 31 December 2025 and 31 December 2024:

CPMG Provided by the Group:	31 December 2025	31 December 2024
A. CPMG Provided in Its Own Legal Name	6.933.669.930	7.136.716.661
B. CPMG Provided on Behalf of Subsidiaries Included in Full Consolidation	-	-
C. CPMG Provided to Secure the Debts of Third Parties for the Purpose of Ordinary Commercial Activities	-	-
D. Other CPMG Provided		
i. CPMG Provided on Behalf of the Parent Company	-	-
ii. CPMG Provided on Behalf of Other Companies Not Covered Under B and C	-	-
iii. C CPMG Provided on Behalf of Third Parties Not Covered Under C	-	-
Total	6.933.669.930	7.136.716.661

As of 31 December 2025, the Group has not provided any guarantees (31 December 2024: none).

The ratio of other CPMG provided by the Group to its equity is 0% as of 31 December 2025 (31 December 2024: 0%).

The details of the Group's collateral, pledge, mortgage, and guarantees as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Collateral Provided	1.541.159.280	2.018.160.382
Mortgages Given	5.392.510.650	5.118.556.279
Total	6.933.669.930	7.136.716.661

As of 31 December 2025, 3.280.427 TL of the provided guarantees consist of letters of guarantee issued to suppliers for goods and services, to courts for ongoing litigation, to tax authorities, and to other regulatory bodies (31 December 2024: 5.194.945 TL).

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11. Provisions, Contingent Assets, and Liabilities (continued)

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

	31 December 2025	31 December 2024
Guarantee Notes Received	3.688.155	3.973.209
Guarantee Letters Received	776.500.009	710.497.251
Guarantees Received	7.957.630.750	5.335.922.624
Total	8.737.818.914	6.050.393.084

d) There are not any receivables in the Group records that are due and not collected; thus no provision is made for such receivables.

e) As of December 31, 2025, there is no significant lawsuit filed against the Group that would result in a cash outflow. There are 7 ongoing cases that the Group is a party to and there is no uncertainty in their legal processes, therefore the Group management does not foresee any cash outflows related to these cases. Therefore, no lawsuit provision has been set aside in the attached consolidated financial statements.

12. Employee Benefits

According to the Labor Law, the Group is obligated to pay termination benefits to employees who have completed one year of service and whose employment is terminated without just cause as defined in Article 25/II of the Law, those called to military service, women who leave within one year after marriage, retired employees, or in case of death. The payable termination benefit is equivalent to one month's salary for each year of service, capped at 64,948.77 TL per service year as of 31 December 2025 (31 December 2024 – 46,655.43 TL).

The Group has calculated the termination benefit liability in accordance with Turkish Accounting Standard 19 "Employee Benefits," based on the recognition and measurement principles specified therein. Since the termination benefit liability, by its nature, aligns with the "Defined Benefit Plans – Post-employment Benefits" described in the standard, the liability has been determined using the Projected Unit Credit Method and certain actuarial assumptions, then recognized in the consolidated financial statements.

Employees' past service periods are considered to determine the dates at which they are entitled to retirement benefits under current social security laws.

To calculate the present value of future obligations in the event of employees' retirement or termination, the termination benefit ceiling is used if it exceeds employees' current salaries or the government-determined ceiling. As of 31 December 2025, this ceiling is assumed to remain constant, excluding the effect of inflation. The present value of the termination benefit liability at the reporting date is then calculated using a real discount rate of 4.36% (31 December 2024 – 2.85%), derived from an expected nominal discount rate of 28.88% (31 December 2024 – 28.57%) and an expected inflation rate of 23.49% (31 December 2024 – 25%), based on the average yield of Government Domestic Borrowing Securities.

Short term provisions are as follows:

	31 December 2025	31 December 2024
Payables Related Employee Benefits	23.764.834	14.280.610
Total	23.764.834	14.280.610

Long-term provisions are as follows:

	31 December 2025	31 December 2024
Retirement Pay Provision	2.118.143	2.597.023
Vacation Pay Provision	3.528.330	2.659.489
Total	5.646.473	5.256.512

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12. Employee Benefits (continued)

Retirement Pay Provision;

	1 January - 31 December 2025	1 January- 31 December 2024
Opening Balance	2.597.023	2.240.751
Service Cost	488.861	418.751
Interest Cost	573.005	443.404
Payment	(1.198.731)	-
Actuarial Loss / (Gain)	177.961	64.898
Monetary (Gain) / Loss	(519.976)	(570.781)
Closing Balance	2.118.143	2.597.023

Unused Vacation Provision:

	1 January - 31 December 2025	1 January- 31 December 2024
Opening Balance	2.659.489	1.433.386
Increase/(Decrease) During the Period	1.496.516	1.666.693
Monetary (Gain)/ Loss	(627.675)	(440.590)
Closing Balance	3.528.330	2.659.489

13. Prepaid Expenses

Short term prepaid expenses are as follows:

	31 December 2025	31 December 2024
Advances Given to Subcontractors	528.938.653	433.414.343
Advances Given	1.147.797	2.075.147
Prepaid Expenses	209.553	348.079
Total	530.296.003	435.837.569

14. Assets held for Sale

Assets held for sale are as follows:

	31 December 2025	31 December 2024
Tangible Asset	422.425	537.498
Total	422.425	537.498

Tangible assets with a net book value of TL 422.425 were acquired during the purchase of Bodrum Hotel and were classified as non-current assets held for sale as of December 31, 2025.

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15. Equity

a) Paid in Capital

As at 31 December 2025 and 2024, the Group's authorized share capital is TL 500.000.000 and TL 150.000.000, issued and paid-in share capital is TL 289.800.000 and TL 289.800.000, respectively. The Group's share capital consists of 28.980.000.000.000 and 14.490.000.000 shares with a nominal value of Kr 1 each. The details of the Group's shareholding structure are disclosed in Note 1

The Group applied to the Capital Markets Board on 29 August 2025 for the increase of its issued capital by 1,738,800,000 TL, through the issuance of 173,880,000,000 C-group bearer shares with a nominal value of 1 Kr each, raising the capital to 2,028,600,000 TL, and for the amendment of Articles 6 and 7 of the Articles of Association. The Capital Markets Board stated in its bulletin No. 2025/65 dated 23 December 2025 that this application was approved. The bonus share capital increase was registered by the Istanbul Trade Registry Office on 13 January 2026. The start date for exercising the right to receive bonus shares is 15 January 2026.

b) Adjustment for Share Capital

As of December 31, 2025 and 2024, the difference arising from the adjustment of nominal capital for inflation amounts to TRY 2.104.174.214 TL

c) Gains (Losses) from Investments in Equity-Based Financial Instruments

The investment amount in Alarko Holding A.Ş. has been valued at the best bid price among the current pending orders on Borsa İstanbul A.Ş., which is expected to approximate its fair value as of December 31, 2025, and 2024. The Group tracks increases or decreases resulting from fair value measurements in its financial statements under the "Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss" item within the Equity account. Accordingly, as of December 31, 2025, and 2024, the decreases in value resulting from fair value measurements are recorded as a decrease of 21.928.093 TL and 60.032.586 TL, respectively, in the "Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss" account. Additionally, the income of 107.482 TL obtained from the sale of investment amounts in Alarko Konut Projeleri Geliştirme A.Ş. and Alarko Enerji A.Ş. has been classified under the "Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss" item (Note 4).

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15. Equity (continued)

d) Restricted profit reserves

Restricted reserves set aside from equity are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Legal Reserves	111.126.998	105.238.186
Inflation Difference of Legal Reserves	495.587.827	494.677.114
Total	<u>606.714.825</u>	<u>599.915.300</u>

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

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

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

e) Retained Earnings/(Accumulated Losses)

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Extraordinary Reserves	1.948.347.192	1.836.459.766
Inflation Difference of Extraordinary Reserves	2.714.516.785	2.697.213.229
Retained Earnings	10.793.361.153	10.224.999.164
Total	<u>15.456.225.130</u>	<u>14.758.672.159</u>

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated December 30, 2023, and numbered 32415 (2nd Repeated), the balance sheet prepared as of December 31, 2024, in accordance with the Tax Procedure Law, has been adjusted using the Producer Price Index (ÜFE) published by the Turkish Statistical Institute as part of inflation accounting practices. The accompanying consolidated financial statements have been subjected to inflation adjustment using the Consumer Price Index (TÜFE) published by the Turkish Statistical Institute in accordance with TMS 29, and ultimately, the amounts for the current and previous reporting periods have been expressed in terms of purchasing power as of December 31, 2025.

Due to the use of different indices in the inflation accounting practices of the Tax Procedure Law and TMS 29, as well as the adjustment of amounts from previous reporting periods to the purchasing power as of December 31, 2025, discrepancies have arisen between the amounts presented in the balance sheet prepared according to the Tax Procedure Law for the items "Capital Adjustment Differences," "Premiums (Discounts) on Shares," "Restricted Reserves Allocated from Profit," and "Other Reserves," and the amounts presented in the consolidated financial statements prepared in accordance with TMS/TFRS.

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15. Equity (continued)

e) Retained Earnings/(Accumulated Losses) (continued)

	31 December 2025				
	Adjustment to share capital	Legal reserves	Reserve for Repurchased Shares	Special Fund	Extraordinary reserves
According to TAS/IFRS financial statements	2.104.174.214	495.587.827	184.007.938	-	2.714.516.785
In accordance with the Tax Procedure Law	2.030.396.242	410.617.872	206.303.009	4.935.708	2.075.600.243

31 December 2024

	Adjustment to share capital	Legal reserves	Reserve for Repurchased Shares	Special Fund	Extraordinary reserves
According to TAS/IFRS financial statements	2.104.174.214	494.677.114	184.007.938	-	2.697.213.229
In accordance with the Tax Procedure Law	2.030.396.242	410.617.872	206.303.009	4.935.708	2.075.600.243

f) Dividends

Publicly traded companies distribute dividends in accordance with the Capital Markets Board's Dividend Communiqué No. II-19.1, effective from 1 February 2014.

Companies distribute their profits based on the dividend policies determined by their general assemblies and in compliance with relevant regulations, through a general assembly resolution. Under this Communiqué, no minimum distribution rate is prescribed. Companies pay dividends as specified in their articles of association or dividend policies. Dividends may also be paid in equal or unequal installments, and cash dividend advances may be distributed from profits reported in interim financial statements.

According to the Turkish Commercial Code (TCC), until the legal reserves required to be set aside and the dividend determined for shareholders in the articles of association or dividend policy are allocated, no other reserves may be set aside, no profits may be carried forward to the next year, and no dividends may be distributed to holders of usufruct shares, board members, employees, or persons other than shareholders. Moreover, dividends for shareholders cannot be paid in cash until the amount determined for them is allocated.

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15. Equity (continued)

f) Treasury Shares

As of December 31, 2025, the total purchases made from the Group's internal resources amount to 14,539,680 shares, corresponding to 287.818.314 TL, which is shown under the "Treasury Shares (-)" account. The proportion of treasury shares in the Group's capital is 5.017%.

In accordance with the Capital Markets Board's communiqué on treasury shares, the Group has classified the amount equal to the repurchase price of the treasury shares as restricted reserves allocated from profit under equity. The dividends attributable to the treasury shares are shown in the treasury shares account.

The Group has recorded the amount of 287.818.314 TL paid for the repurchase of shares under the "Treasury Shares (-)" account.

From the treasury shares repurchased in 2019, 219.623.976 TL, the following dividends have been deducted: 10.212.803 TL in 2020, 13.517.195 TL in 2021, and 14.601.289 TL in 2022. Additionally, 18.333.586 TL in dividends were deducted, and 48.873.254 TL was added as the repurchase amount. As of December 31, 2023, after deducting 15.283.029 TL in dividends and adding 19.321.079 TL in repurchase amounts, the total for 2025 is 215.310.658 TL after deducting 559.749 TL in dividends. (As of December 31, 2024, the amount was 215.310.658 TL.)

16. Sales and Cost of Sales

Sales revenues are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Rental income	483.362.024	477.405.167
Other	71.254.253	7.004.754
Total	554.616.277	484.409.921

Cost of sales are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Cost of Services Rendered	115.733.267	30.117.471
Total	115.733.267	30.117.471

17. General Administrative Expenses

General administrative expenses are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
General Administrative Expenses	178.081.752	147.390.877
Total	178.081.752	147.390.877

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17. General Administrative Expenses (continued)

General administrative expenses consist of the following:

	1 January - 31 December 2025	1 January - 31 December 2024
Personnel Expenses (Note 18)	71.452.578	62.675.434
Outsourced Repair and Services	30.440.235	26.746.566
Taxes and Duties	11.763.591	16.198.324
Rental Expenses	17.640.303	9.082.829
Benefits Obtained from Outside	5.207.394	4.489.287
Financial Consulting and Audit Expenses	4.471.439	2.823.531
Security Service Expenses	3.971.492	2.469.408
Participation Fee for Public and Professional Organizations	1.739.070	1.909.083
Depreciation and Amortization (Note 9, 10)	1.645.297	1.891.698
Construction and Joinery Maintenance and Repair Expenses	1.592.525	891.169
Others	28.157.828	18.213.548
Total	178.081.752	147.390.877

18. Expenses by Nature

Depreciation and amortization expenses consist of the following:

	1 January - 31 December 2025	1 January - 31 December 2024
Property, plant and equipment (Note 9)	721.974	947.790
Intangible Assets (Note 10)	923.323	943.908
Total	1.645.297	1.891.698

Expenses related to employee benefits are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Wages And Salaries	63.180.973	52.668.250
Personnel Transportation Expenses	647.673	1.415.985
Personnel Catering Expenses	781.904	831.034
Personnel Health Expenses	273.894	200.460
Other Personnel Expenses	6.568.134	7.559.705
Total	71.452.578	62.675.434

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19. Other Operating Income / (Expenses)

Other operating income consists of the following:

	1 January - 31 December 2025	1 January - 31 December 2024
Increase Arising from Changes in Fair Value (Note 8)	119.379.288	1.831.722.160
Foreign Exchange Gains	111.456.972	388.955.452
Gain On Sale of Other Marketable Securities	104.099.896	122.168.588
Interest Income	21.303.507	85.674.418
Income From Maturity Difference	3.404.902	4.670.592
Rediscount Interest Income	53.138.340	1.299.550
Non-Rental Income from Property	1.667.467	1.278.547
Other	3.924.853	2.665.951
Total	418.375.225	2.438.435.258

Other operating expenses consist of the following:

	1 January - 31 December 2025	1 January - 31 December 2024
Decrease Arising from Changes in Fair Value (Note 8)	2.648.263.563	820.700.923
Foreign Exchange Losses	17.185.554	34.098.911
Financial Investments Fair Value Decrease	-	6.494.864
Donations and Grants	-	1.308.923
Rediscount Interest Expense	10.315	775.894
Other	701.522	30.632.132
Total	2.666.160.954	894.011.647

20. Income and Expense from Investing Operations

Income from investing operations consists of the following:

	1 January - 31 December 2025	1 January - 31 December 2024
Dividends Received	3.554.365	4.105.379
Profit on Sale of Fixed Assets	44.857	-
Total	3.599.222	4.105.379

21. Financing Expenses

Financing expenses are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Short-Term Financing Expenses	286.699.821	296.327.492
Toplam	286.699.821	296.327.492

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22. Explanations on Gains / (Losses) on Net Monetary Position

Net monetary position gains/(losses) reported in the statement of profit or loss arise from the following monetary/non-monetary financial statement items

NON-MONETARY ITEMS	1 January - 31 December 2025	1 January - 31 December 2024
Statement of Financial Position Items	326.748.738	(335.417.317)
Prepaid Expenses	61.685.188	99.506.640
Non-current Assets Classified for Sale	113.359	165.215
Investment Properties	214.853.873	282.028.272
Tangible Fixed Assets	5.044.285.537	5.532.504.923
Intangible Assets	919.096	865.652
Deferred Income	31.170	(98.338)
Deferred Tax Liability	(877.080.152)	--
Capital Adjustment Differences	(565.009.717)	(670.482.781)
Treasury Shares (-)	50.816.175	66.353.685
Effect of Mergers Involving Enterprises or Businesses Under Common Control	23.217.491	30.237.839
Effect of Mergers Involving Entities or Businesses Under Common Control (-)	(26.843.769)	(50.729.107)
Other comprehensive income or expenses not to be reclassified to profit or loss	(26.936.724)	(50.847.085)
- Gains (Losses) on Investments in Equity Instruments	92.955	117.978
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	112.397.867	68.550.645
- <i>Currency Translation Difference</i>	112.397.867	68.550.645
Restricted Reserves	(141.587.980)	(176.951.733)
Retained Earnings / (Losses)	(3.571.049.400)	(5.517.368.229)
Profit or Loss Statement Items	(7.137.679)	(22.750.187)
Revenue	(20.005.528)	(21.890.121)
Cost of Sales	4.038.171	1.398.782
General Administrative Expenses	18.121.559	14.171.523
Other Income from Operating Activities	(30.688.099)	(58.015.532)
Other Operating Expenses	212.119	9.077.605
Income from Investing Activities	(476.064)	(690.763)
Finance Expenses	21.660.163	33.198.319
NET MONETARY POSITION GAINS / (LOSSES)	319.611.059	(358.167.504)

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23. Tax Assets and Liabilities

Corporate Income Taxes

According to Article 5/1(d)(4) of the Corporate Tax Law No. 5520 ("CTL"), the profits derived from real estate investment trusts (REITs) are exempt from corporate tax. However, with the publication of Law No. 7524 in the Official Gazette in August 2024, which amends various tax laws, including the Law on Changes to Certain Laws and the Decree-Law No. 375, the corporate tax exemption for the profits of real estate investment trusts and real estate investment funds has been conditioned on the requirement that at least 50% of the profits derived from real estate owned by these entities must be distributed as dividends by the end of the second month following the month in which the corporate tax return is due. Additionally, a new provision under Article 32 of the Corporate Tax Law introduces a 10% minimum domestic corporate tax application. It has been specified that the profits from real estate that REITs and REIFs earn will not be eligible for exemptions or reductions when calculating the minimum corporate tax on the Group's taxable profits. This exemption also applies to interim advance tax calculations. As a result, as of December 31, 2025, the deferred tax assets and liabilities of the Group are calculated using the 30% tax rate applicable to undistributed earnings (As of December 31, 2024:30%).

Deferred tax is calculated using the liability method, based on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Due to tax regulations, the taxable or deductible temporary differences of Alarko GYO as of December 31, 2024, have been multiplied by the 30% tax rate applicable in the period after January 1, 2025, to calculate the deferred tax liability or asset. In accordance with the letter sent by the Public Oversight Accounting and Auditing Standards Authority (POA) on February 12, 2025, titled "Reporting of Tax Amounts for Real Estate Investment Trusts and Real Estate Investment Funds," the deferred tax liability resulting from the legislative change in the financial statements as of December 31, 2024, is reflected as follows: the impact related to prior years (2023 and earlier) is recognized under equity, under retained earnings or losses, while the impact for the year 2024 is reflected in the income statement.

Pursuant to Federal Law No. 176-FZ dated July 12, 2024, titled "Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and Recognition of Certain Provisions of the Legislative Acts of the Russian Federation as Invalid," the corporate tax rate in Russia has been increased from 20% to 25%, effective January 1, 2025. Accordingly, as of December 31, 2025, deferred tax calculations for companies located in Russia have been made using a 25% tax rate (December 31, 2024: 20%).

Pursuant to the Tax Procedure Law General Communiqué No. 555, published in the Official Gazette No. 32415 (2nd Supplement) on 30 December 2023, financial statements prepared for tax purposes for the 2023 fiscal year are required to be adjusted for inflation. These inflation-adjusted financial statements form the opening balance for tax returns prepared from 1 January 2024 onwards. Accordingly, the Group's tax financial statements have been subject to inflation adjustment since the 2023 fiscal year. The financial statements adjusted for inflation have been adopted as the opening balance sheet for tax purposes in tax returns prepared from 1 January 2024 onwards. Accordingly, the Group's tax financial statements have been subject to inflation adjustment since the 2023 reporting period. However, according to Article 17 of Law No. 7491 on Amendments to Certain Laws and Decree Laws, published in the Official Gazette No. 32413 dated 28 December 2023, banks, companies within the scope of the Financial Leasing, Factoring, Financing, and Savings Finance Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange offices, asset management companies, capital markets institutions, insurance and reinsurance companies, and pension companies shall not take into account the gains or losses arising from inflation adjustments for the 2024 and 2025 reporting periods, including interim tax periods, in determining taxable profit. Therefore, no current tax expense has arisen from the application of inflation accounting in the relevant periods.

However, according to Provisional Article 37 added to the Tax Procedure Law and published in the Official Gazette No. 33118 on 25 December 2025, tax financial statements prepared for the 2025 fiscal year and provisional tax periods, including 2026 and 2027, will not be subject to inflation adjustment, regardless of whether inflation adjustment conditions exist. In these periods, under Article 298 (repeated) (Ç) of the Tax Procedure Law, depreciable assets and their accumulated depreciation in the tax financial statements may be revalued for tax purposes. Any increase in value from such revaluation, if not transferred to another account or withdrawn from the Group (other than being added to capital), is recognized as current income or subject to corporate tax in the period of the transaction. The Group has utilized this revaluation option in its 31 December 2025 financial statements.

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23. **Tax Assets and Liabilities** (continued)

Corporate Income Taxes (continued)

The tax effects arising from the non-application of inflation adjustment under Provisional Article 37 have been considered in the deferred tax calculation as of 31 December 2025.

Turkish tax legislation does not allow the Group and its subsidiaries to file a consolidated tax return. Therefore, the tax provision reflected in the consolidated financial statements has been calculated separately on a company-by-company basis.

According to the Corporate Tax Law, tax losses shown in the tax return can be deducted from the corporate tax base for up to five years. There is no formal practice in Turkey for agreeing with the tax authorities on the taxes to be paid. Tax authorities can review tax returns and underlying accounting records for a period of five years following the reporting period and may reassess tax liabilities based on their findings.

For resident joint-stock companies in Turkey, excluding exempt entities and those not liable for corporate or income tax, dividend payments made to both resident and non-resident real persons and non-resident legal entities are subject to 15% withholding tax. The withholding obligation is declared in the period when the dividend is paid, either in cash or by account.

In Turkey, dividend payments made by resident joint-stock companies to other resident joint-stock companies are not subject to income tax. Additionally, no income tax is calculated if profits are not distributed or are added to capital. For dividends distributed to non-resident corporations and individuals, the withholding tax rates specified in relevant Double Taxation Avoidance Agreements are applied. Dividends received by a fully taxable corporation from its shareholding in another fully taxable corporation are exempt from corporate tax.

Gains from the sale of shares in subsidiaries that have been held on the Group's books for at least two full years, including related founder shares, usufruct shares, preemptive rights, and participation units in investment funds qualifying for the income exemption under the Corporate Tax Law, are 50% exempt from corporate tax. Gains from the sale of real estate and associated founder shares, usufruct shares, and preemptive rights held for the same period were also 50% exempt. However, as of 15 July 2023, the 50% exemption for real estate sales was removed. For properties held before 15 July 2023, the exemption is applied at 25%.

To benefit from the exemption, the relevant gain must be recorded in a fund account under liabilities in the tax financial statements and cannot be withdrawn from the Group for five years. The gain can be added to capital within this period, and the sale proceeds must be collected by the end of the second calendar year following the year of sale.

Furthermore, under the Tax Procedure Law, differences arising from inflation adjustments for ongoing investments subject to tax-based inflation accounting are tracked in a special fund under equity. These amounts are taxed by being associated with income accounts in equal installments over the period in which the investment is capitalized and the following four fiscal years. The amounts in this fund are annually revalued at the rate specified in the Tax Procedure Law.

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23. Tax Assets and Liabilities (continued)

Transfer Pricing Regulations

In Turkey, transfer pricing regulations are set out in Article 13 of the Corporate Tax Law, titled "Disguised Profit Distribution Through Transfer Pricing." The communiqué dated 18 November 2007 provides detailed guidance on the implementation of these rules.

If a taxpayer engages in the purchase or sale of goods or services with related parties at prices or terms that violate the arm's length principle, the profit is considered to be partially or fully distributed as disguised profit through transfer pricing. Such disguised profit distribution cannot be deducted when determining corporate income for corporate tax purposes and is treated as distributed dividend.

Tax Income/Expense)

For the years ended 31 December, tax income/(expense) is as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Tax Income/(Expense)		
Current Period Corporate Tax Expense	(100.787.150)	(6.904.453)
Deferred Tax Income/Expense)		
Deferred Tax Income/Expense) from Temporary Differences	18.917.283	(489.678.618)
Tax Expense Recognized in Profit or Loss	(81.869.867)	(496.583.071)
Tax Income/Expense) Recognized in Other Comprehensive Income	81.274	54.864
Total Tax Income/Expense)	(81.788.593)	(496.528.207)

Taxes Payable

The movement of taxes payable for the years ended 31 December is as follows:

	31 December 2025	31 December 2024
Beginning of Period	(9.694.100)	(14.013.648)
Tax Expense for the Period	100.787.150	6.904.453
Refunds / (Payments) During the Period	(19.252.529)	(6.892.384)
Monetary Loss / Gain	2.287.936	4.307.479
Liabilities / (Assets) Related to Current Period Tax	74.128.457	(9.694.100)

Reconciliation of Effective Tax Rate

For the years ended 31 December, the reported tax income/(expense) differs from the amount calculated by applying the statutory tax rate to profit/(loss) before tax. The related reconciliation is as follows:

	%	1 January - 31 December 2025	%	1 January - 31 December 2024
Net Profit / (Loss) for the Period		(2.032.343.878)		704.352.496
Tax Income / (Expense)		(81.869.867)		(496.583.071)
Profit / (Loss) Before Tax – Tax Base		(1.950.474.011)		1.200.935.567
Tax Income / (Expense) Calculated Using the Local Tax Rate	(30)	585.142.203	(30)	(360.280.670)
Exempt Income and Other Deductions (*)	(3)	6.327.830	7	46.248.018
Non-Deductible Expenses	,03	(645.936)		--
Effect of Different Tax Rates and Foreign Currency Translation Differences	3	(40.723.211)	3	24.936.910
Non-Taxable Inflation Adjustments	(43)	873.315.058	139	980.596.383
Deferred Tax Effect Calculated on Temporary Differences Arising from Inflation Accounting under the Tax Procedure Law	71	(1.508.019.354)	(165)	(1.158.665.486)
Exemption for Under Construction		--	(2)	(16.361.736)
Other	(,1)	2.733.543	(2)	(13.056.490)
Profit / (Loss) Before Tax	4	(81.869.867)	(63)	(496.583.071)

(*) The 2024 period earnings of the Real Estate Investment Trust have been presented as other deductions.

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23. Tax Assets and Liabilities (continued)

Deferred Tax Assets and Liabilities;

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

	Accumulated Temporary Differences		Deferred Tax Assets / Liabilities	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Deferred Tax Assets				
Prior Year Tax Losses	45.003.548	26.403.840	11.250.887	5.280.768
Tangible and Intangible Assets	37.907.224	42.956.247	9.476.806	8.591.249
Provision for unused vacation	3.528.330	2.659.489	1.058.499	797.847
Provision for employment termination benefits	2.118.143	2.597.023	635.443	779.107
Other	7.071.611	-	2.121.483	-
Total	95.628.856	69.297.621	24.543.118	15.448.971
Deferred Tax Liabilities				
Construction costs over the years	-	(10.692.844)	-	(2.673.211)
Investment properties	(13.205.854.160)	(13.238.150.128)	(3.909.310.045)	(3.885.923.186)
Tangible and Intangible Assets	(986.233)	(854.650)	(295.870)	(256.395)
Other	(53.939.265)	-	(16.181.779)	-
Total	(13.260.779.658)	(13.249.697.622)	(3.925.787.694)	(3.888.852.792)
Net Deferred Tax Liability			(3.901.244.576)	(3.873.403.821)

Movement of temporary differences are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Beginning of Period	(3.873.403.821)	(159.541.766)
Recognized in Profit or Loss	18.917.283	(489.678.618)
Recognized in Retained Earnings (*)	-	(3.275.393.969)
Recognized in Other Comprehensive Income	81.274	54.864
Foreign Currency Translation Differences	(46.839.312)	51.155.668
Deferred Tax Liability, Net	(3.901.244.576)	(3.873.403.821)

(*) In accordance with the letter on 'Reporting of Tax Amounts in Real Estate Investment Trusts and Real Estate Investment Funds' communicated by POA to real estate investment trusts on 12 February 2025, in the financial statements dated 31 December 2024, in relation to the deferred tax arising as a result of the change in legislation, the cumulative effect for 2023 and prior years is directly reflected in the 'Retained earnings or losses' account under equity, and the deferred tax income (expense) effect for 2024 is reflected in the statement of profit or loss for the current period.

Unrecognized Deferred Tax Assets and Liabilities

As of 31 December 2025, the Group has no unrecognized deferred tax assets or liabilities (31 December 2024: None).

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24. Earnings per Share

For the year ended 31 December 2025, basic and diluted earnings/(loss) per share of (2.032.343.878) TL and 704.352.496 TL, respectively, were calculated by dividing the net profit/(loss) attributable to the parent Group's shareholders for the period by the weighted average number of shares of 275.260.320 (2024: 275.260.320) during the period. The calculation of earnings/(loss) per share attributable to the parent Group's shareholders is as follows

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

	1 January - 31 December 2025	1 January - 31 December 2024
Profit / (Loss) For the Year	(2.032.343.878)	704.352.496
Weighted Average Number of Ordinary Shares (Per Share of TL 1 Nominal Value)	289.800.000	289.800.000
Treasury Shares (-)	(14.539.680)	(14.539.680)
Earnings / (Loss) Per Share (TL)	(7,3834)	2,5589

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

25. Related Party Disclosures

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

	31 December 2025	
	Receivables Current- Trading	Payables Current- Trading
Balances with related parties		
Attaş Alarko Turistik Tesisler A.Ş.(3)	22.713.422	280.013.320
Eksi: Ertelenmiş Gelirler	(10.315)	(52.362.446)
Alarko Holding A.Ş.(1)	-	3.961.083
Alarko Enerji Üretim A.S.(3)	-	8.435.342
Al-Riva Projesi Arazi Değ. Konut İnş. ve Tic. A.Ş.(3)	-	816
Alarko Dijital Teknoloji Çözümleri A.Ş.(3)	-	1.553.141
Total (Note 6)	22.703.107	241.601.256
	31 December 2024	
	Receivables Current- Trading	Payables Current- Trading
Balances with related parties		
Attaş Alarko Turistik Tesisler A.Ş.(3)	402.508.576	11.521.436
Eksi: Ertelenmiş Gelirler	(775.894)	-
Alarko Holding A.Ş.(1)	-	1.425.784
Alarko Konut Projeleri Geliştirme A.S. (3)	4.702	-
Aldem Alarko Konut İnşaat Ticaret A.S.(3)	34.656	-
Al-Riva Proje.Ar.Değ.Konut İnş.Tic.A.S. (3)	1.298	-
Al-Riva Arazi Değ.Konut İnş.ve Tic. A.S.(3)	509	-
Al-Riva Ar.Değ.Kon.İnş.Tur.Tes.Golf A.S. (3)	656	-
Alarko Digital Teknoloji Çözümleri A.Ş. (3)	-	1.154.301
Alarko Tarım San.ve Tic. A.S.-İştirakler (3)	-	12.351
Alsim Alarko San. Tes. ve Tic A.Ş.(2)	-	771.901
Total (Note 6)	401.774.503	14.885.773

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25. Related Party Disclosure (continued)

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

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

Transactions with related parties	1 January – 31 December 2025			
	Goods Purchases	Service Purchases	Other Purchases	Other Sales
Attaş Alarko Turistik Tes. A.Ş.(3)	200.105.113	76.058.554	19.873.060	337.009.249
Alarko Carrier San. ve Tic. A.Ş.(3)	-	42.005.886	-	6.970.312
Alarko Holding A.Ş.(1)	-	21.035.619	7.048.840	-
Alsim Alarko San. Tes. ve Tic. A.Ş.(2)	-	129.009	1.889	-
Alarko Dijital Teknoloji Çözümleri A.Ş. (3)	-	6.017.440	-	-
Total	200.105.113	145.246.508	26.923.789	343.979.561

Transactions with related parties	1 January – 31 December 2024			
	Goods Purchases	Service Purchases	Other Purchases	Other Sales
Attaş Alarko Turistik Tes. A.Ş.(3)	35.657.848	63.682.165	8.297.081	355.287.048
Alarko Carrier San. ve Tic. A.Ş.(3)	6.975.628	7.912	-	5.590.419
Alarko Holding A.Ş.(1)	62.933	7.771.502	6.242.292	-
Alsim Alarko San. Tes. ve Tic. A.Ş.(2)	-	5.799.956	447.098	-
Alarko Dijital Teknoloji Çözümleri A.Ş. (3)	-	961.917	-	-
Alarko Tarım Sanayi ve Ticaret A.Ş. (3)	-	1.989.734	-	-
Total	42.696.409	80.213.186	14.986.471	360.877.467

- 1.Ultimate parent company
- 2.Parent company
- 3.Entities controlled by the ultimate parent company

As of December 31, 2025 and 2024, there are no doubtful receivables arising from related parties.

As of 31 December 2025 and 2024, there are no letters of guarantee issued to related parties.

As of 31 December 2025 and 2024, there are no guarantees provided to related parties.

As of 31 December 2025, the Group has guarantees received from related parties amounting to 7,957,630,750 TL (31 December 2024: 5,335,922,624 TL).

(c) Benefits Provided to Senior Management Personnel

The Group's key management personnel consist of the Chairman and members of the Board of Directors, the General Manager, and Deputy General Managers. As of 31 December 2025, the total salaries and similar benefits provided to key management personnel, such as the Chairman and Board members, amounted to 37.317.482 TL (31 December 2024 – 25.786.283 TL).

As of 31 December 2025 and 2024, the Group's key management personnel, including the Chairman and Board members, did not have any loans from the Group.

As of 31 December 2025 and 2024, there were no outstanding payables from key management personnel to the Group.

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26. **Nature and Level of Risks Derived from Financial Instruments**

Financial risk management

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

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

i. Credit Risk

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

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

i. Credit Risk (continued)

As of December 31, 2025, maturity and guarantee structure of the Group’s receivables and cash and cash equivalents consist of the following:

31 December 2025	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
	Related Parties	Other	Related Parties	Other	
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1) (Note 3, 6 and 7)	22.703.107	5.473.043	-	2.279.635	141.104.538
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2) (Note 3, 6 and 7)	22.703.107	5.473.043	-	2.279.635	141.104.538
B. Terms are re-negotiated, otherwise accepted as overdue or impaired financial assets’ fair value	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired (3)	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount) (Note 6)	-	-	-	-	-
- Impairment (-) (Note 6)	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-

- (1) In determining the credit amounts, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
- (2) No impairment or credit risk is anticipated in relation to the financial assets that are not overdue or impaired.
- (3) As the overdue financial assets that are not impaired have short term maturities, they are not expected to create impairment loss in the future either.

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

i. Credit Risk (continued)

As of December 31, 2024, maturity and guarantee structure of the Group’s receivables and cash and cash equivalents consist of the following:

31 December 2024	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
	Related Parties	Other	Related Parties	Other	
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (1) (Note 3, 6 and 7)	401.774.503	4.570.853	-	2.947.434	455.044.208
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2) (Note 3, 6 and 7)	401.774.503	4.570.853	-	2.947.434	455.044.208
B. Terms are re-negotiated, otherwise accepted as overdue or impaired financial assets’ fair value	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired (3)	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount) (Note 6)	-	-	-	-	-
- Impairment (-) (Note 6)	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-

- (1) In determining the credit amounts, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
- (2) No impairment or credit risk is anticipated in relation to the financial assets that are not overdue or impaired.
- (3) As the overdue financial assets that are not impaired have short term maturities, they are not expected to create impairment loss in the future either.

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

i. Credit Risk (continued)

As of 31 December 2025 and 2024, the Group does not have any receivables that are past due but not impaired. The Group has assessed that the expected credit loss effect on its financial assets is not significant, and therefore no provision has been recognized.

ii. Liquidity Risk

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

As of 31 December 2025, the portion by which the Group's liquid assets exceeded/fall short of) its short-term liabilities amounts to (1,361,020,926) TL, while as of 31 December 2024 it amounts to 1,709,261,026 TL.

The following table shows the maturity distribution of the Group's non-derivative short-term financial liabilities as of December 31, 2025, and 2024:

31 December 2025	Carrying Value	Total Contracted				
		Cash Outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years
Contractual maturities						
Non-derivative Financial Liabilities						
Bank Loan (Note 5)	4.193.993.449	5.384.640.340	98.634.357	1.738.050.088	3.298.013.808	249.942.087
Trade payables to related parties (Note 6)	241.601.256	293.963.702	293.963.702	-	-	-
Trade payables to third parties (Note 6)	72.358.750	72.358.750	72.358.750	-	-	-
Other payables (Note 7)	144.126.573	144.126.573	18.636.974	-	125.489.599	-
Total	4.652.080.028	5.895.089.365	483.593.783	1.738.050.088	3.423.503.407	249.942.087

31 December 2024	Carrying Value	Total Contracted				
		Cash Outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years
Contractual maturities						
Non-derivative Financial Liabilities						
Bank Loan (Note 5)	2.117.351.501	3.194.341.573	79.408.605	593.018.702	2.092.810.471	429.103.795
Trade payables to related parties (Note 6)	14.885.773	14.885.773	14.885.773	-	-	-
Trade payables to third parties (Note 6)	36.019.796	36.019.796	36.019.796	-	-	-
Other payables (Note 7)	76.888.140	76.888.140	43.910.706	-	32.977.434	-
Total	2.245.145.210	3.322.135.282	174.224.880	593.018.702	2.125.787.905	429.103.795

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26. Nature and Level of Risks Derived from Financial Instruments *(continued)*

iii. Market Risk

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

iv. Foreign Currency Risk

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

The Group's net foreign currency position as of December 31, 2025 is (3.392.173.325) TL (December 31, 2024 - 145.991.623 TL). A 10% increase in exchange rates will increase the Group's profit by 339.217.333 TL, while a 10% decrease will decrease it by 339.217.333 TL.

Foreign Currency Position

On "totals" basis;

	<u>31 December 2025</u>	<u>31 December 2024</u>
A. Foreign Currency Assets	11.281.227	1.455.087.757
B. Foreign Currency Liabilities	3.403.454.552	1.309.096.134
Net Foreign Currency Position (A-B)	<u>(3.392.173.325)</u>	<u>145.991.623</u>

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

Foreign Currency Risk (continued)

Foreign Currency Position (continued)

Breakdown on foreign currency basis;

	31 December 2025		
	TL Amount (Functional Currency)	US Dollar	EUR
1. Trade Receivables	3.486.236	81.367	-
2a. Monetary Financial Assets	7.794.991	181.932	-
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	11.281.227	263.299	-
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	11.281.227	263.299	-
10. Trade Payables	-	-	-
11. Financial Liabilities	1.255.559.438	3.491.184	21.948.879
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13. CURRENT LIABILITIES	1.255.559.438	3.491.184	21.948.879
14. Trade Payables	-	-	-
15. Financial Liabilities	2.143.074.056	33.301.016	14.167.278
16a. Monetary Other Liabilities	4.821.058	112.319	-
16b. Non-Monetary Other Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	2.147.895.114	33.413.335	14.167.278
18. TOTAL LIABILITIES	3.403.454.552	36.904.519	36.116.157
19. Net Foreign Currency Assets/Liabilities Position (9-18)	(3.392.173.325)	(33.412.220)	(36.116.157)
20. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)	(3.392.173.325)	(33.412.220)	(36.116.157)

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

Foreign Currency Risk (continued)

Foreign Currency Position (continued)

	31 December 2024		
	TL Amount (Functional Currency)	US Dollar	EUR
1. Trade Receivables	332.431.084	7.198.718	-
2a. Monetary Financial Assets	1.122.656.673	24.310.870	-
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	1.455.087.757	31.509.588	-
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	1.455.087.757	31.509.588	-
10. Trade Payables	-	-	-
11. Financial Liabilities	350.253.661	-	7.270.970
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13. CURRENT LIABILITIES	350.253.661	-	7.270.970
14. Trade Payables	-	-	-
15. Financial Liabilities	951.263.827	-	19.747.433
16a. Monetary Other Liabilities	7.578.646	163.819	-
16b. Non-Monetary Other Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	958.842.473	163.819	19.747.433
18. TOTAL LIABILITIES	1.309.096.134	163.819	27.018.403
19. Net Foreign Currency Assets/Liabilities Position (9-18)	145.991.623	31.345.769	(27.018.403)
20. Monetary Items Net Foreign Currency Assets / Liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)	145.991.623	31.345.769	(27.018.403)

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

Foreign Currency Risk (continued)

Foreign Currency Position (continued)

Foreign currency position sensitivity analysis as of December 31, 2025 and 2024 is as follows:

	31 December 2025		31 December 2024	
	Profit / (Loss)		Profit / (Loss)	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dolar increases in 10% against TL				
1 - US Dolar net asset/liability	(157.276.775)	157.276.775	144.750.911	(144.750.911)
2- US Dolar hedges (-)	-	-	-	-
3- Net effect of US Dollar (1 +2)	(157.276.775)	157.276.775	144.750.911	(144.750.911)
In case of EUR increases in 10% against TL				
4 - EUR net asset/liability	(181.940.558)	181.940.558	(130.151.749)	130.151.749
5- EUR hedges (-)	-	-	-	-
6- Net effect of EUR (4+5)	(181.940.558)	181.940.558	(130.151.749)	130.151.749
Total	(339.217.333)	339.217.333	14.599.162	(14.599.162)

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

v. Interest Risk

The Group is exposed to interest rate risk due to the effects of changes in interest rates on its interest-bearing assets and liabilities. This interest rate risk is managed by balancing assets and liabilities that are sensitive to interest rates.

As of 31 December 2025 and 2024, the interest rate position is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Fixed Interest Financial Instruments		
Financial Assets		
Time Deposits (Note 4)	58.509.688	26.429.813
Fair Value Difference Assets Recognized in Profit/(Loss) (Note 4)	-	1.122.656.673
Financial Liabilities (Note 5) (*)	2.138.992.239	815.834.014
Variable Interest Financial Instruments		
Financial Assets		
Type B Liquid Investment Fund (Note 4)	81.628.860	424.114.371
Financial Liabilities (Note 5) (*)	2.055.001.210	1.301.517.487

(*) As of December 31, 2025, the financial liabilities shown under fixed and variable financial instruments consist of the total of short-term and long-term bank loans.

Fair value interest rate risk of fixed-rate instruments:

The Group does not have any fixed-rate financial assets or liabilities measured at fair value through profit or loss, nor any hedging derivative instruments (such as forward interest rate swaps) accounted for under a fair value hedge model. Therefore, changes in interest rates as of the reporting date would not affect profit or loss.

Cash flow sensitivity risk of variable-rate instruments:

The Group's operations expose it to interest rate risk arising from changes in interest rates when interest-sensitive assets and liabilities mature or are repriced at different times or in different amounts. This interest rate risk is managed through natural hedging by balancing interest-sensitive assets and liabilities. The Group's loan agreements bear both fixed and variable interest rates, with maturities ranging from 1 to 7 years.

As of the end of the reporting period, a 100 basis point change in interest rates would result in an increase/(decrease) in equity and profit or loss as shown below. This analysis assumes that all other variables, particularly foreign exchange rates, remain constant.

	<u>Profit or Loss</u>		<u>Equity</u>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2025				
Financial Liabilities	(1.005.323)	1.009.427	(1.005.323)	1.009.427
Financial Assets	-	-	-	-
Cash Flow Sensitivity (Net)	(1.005.323)	1.009.427	(1.005.323)	1.009.427
31 December 2024				
Financial Liabilities	(4.876.873)	4.919.893	(4.876.873)	4.919.893
Financial Assets	-	-	-	-
Cash Flow Sensitivity (Net)	(4.876.873)	4.919.893	(4.876.873)	4.919.893

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26. Nature and Level of Risks Derived from Financial Instruments (continued)

vii. Share Price Risk

The Group is exposed to the stock price risk caused by the price changes that may occur in the stocks in its portfolio. As of December 31, 2025, if there is a 10% increase/decrease in the best purchase price among the current orders pending in Borsa Istanbul used in the valuation of these stocks, and all other variables are kept constant, the Group will have a direct net effect on equity without affecting profit/loss. would have been TL 12.064.573 TL lower/higher (December 31, 2024 – 14.257.382 TL) (Note: 4).

vii. Capital Risk Management

For proper management of capital risk, the Group aims;

- to maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders, and
- to increase profitability through determining a product and service pricing policy that is commensurate with the level of risks inherent in the market.

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

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

There's basically no change in the Group's general strategy with respect to the previous year. As of December 31, 2025 and 2024, the ratio of the total equity to net debts is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Total Financial Liability	4.193.993.449	2.117.351.501
Minus: Cash and Cash Equivalents	(141.121.119)	(455.063.635)
Net Financial Liability	4.052.872.330	1.662.287.866
Total Equity	15.556.990.451	17.438.530.033
Net Financial Liability/ Total Equity	<u>%26</u>	<u>%10</u>

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27. Financial Instruments (Fair Value Disclosures and Explanations)

31 December 2025	Financial Assets Measured at Amortized Cost	Financial Liabilities Measured at Amortized Cost	Fair Value Through Profit or Loss	Carrying Amount	Fair Value
<u>Financial Assets</u>					
Cash and Cash Equivalents (Note 3)	141.121.119	-	-	-	141.121.119
Trade Receivables from Related Parties (Note 6)	5.473.043	-	-	-	5.473.043
Trade Receivables from Third Parties (Note 6)	22.703.107	-	-	-	22.703.107
Other Receivables from Third Parties (Note 7)	2.279.635	-	-	-	2.279.635
Derivative Assets (Note 4)	-	-	120.684.091	-	120.684.091
<u>Financial Liabilities</u>					
Bank Loan (Note 5)	-	-	-	(4.193.993.449)	(4.312.041.431)
Trade Payable to Third Parties (Note 6)	-	-	-	(72.358.750)	(72.358.750)
Trade Payable to Related Parties (Note 6)	-	-	-	(241.601.256)	(241.601.256)
Other Payables to Third Parties (Note 7)	-	-	-	(144.126.573)	(144.126.573)
31 December 2024	Financial Assets Measured at Amortized Cost	Financial Liabilities Measured at Amortized Cost	Fair Value Through Profit or Loss	Carrying Amount	Fair Value
<u>Financial Assets</u>					
Cash and Cash Equivalents (Note 3)	455.063.635	-	-	-	455.063.635
Trade Receivables from Related Parties (Note 6)	4.570.853	-	-	-	4.570.853
Trade Receivables from Third Parties (Note 6)	401.774.503	-	-	-	401.774.503
Other Receivables from Third Parties (Note 7)	2.947.434	-	-	-	2.947.434
Derivative Assets (Note 4)	-	1.122.656.673	142.612.184	-	1.265.268.857
<u>Financial Liabilities</u>					
Bank Loan (Note 5)	-	-	-	(2.117.351.501)	(2.293.247.978)
Trade Payable to Third Parties (Note 6)	-	-	-	(36.019.796)	(36.019.796)
Trade Payable to Related Parties (Note 6)	-	-	-	(14.885.773)	(14.885.773)
Other Payables to Third Parties (Note 7)	-	-	-	(76.888.140)	(76.888.140)

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27. **Financial Instruments (Fair Value Disclosures and Explanations)** *(continued)*

Financial Instruments

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

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

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

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

Financial Assets

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

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

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

The fair values of financial assets which are available for sale and traded in active markets correspond to the best bid among current orders pending at the balance sheet date. The fair values of financial assets available for sale which are not traded in active markets cannot be determined reliably; hence, they are assumed to be equivalent to their restated cost values.

Financial Liabilities

Trade payables have been presented at their fair values.

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

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

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

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

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27. Financial Instruments (Fair Value Disclosures and Explanations) (continued)

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

	Fair Value Level as of Reporting Period			
	31 December 2025	Level 1 TL	Level 2 TL	Level 3 TL
Financial Assets				
Publicly Traded Shares	120.645.728	120.645.728	-	-
Investment Property	-	-	-	23.323.109.067

	Fair Value Level as of Reporting Period			
	31 December 2024	1.Seviye TL	2.Seviye TL	3.Seviye TL
Financial Assets				
Publicly Traded Shares	142.573.821	142.573.821	-	-
Financial Investments (Eurobond)	1.044.567.739	-	-	1.044.567.739
Other	78.088.934	-	-	78.088.934
Investment Property	-	-	-	20.986.876.161

Investment Properties – Sensitivity Analys

Hillside Beach Club Hotel

31 December 2025	Sensitivity Rate	Effect on Profit/Loss) on 31 December 2025	Effect on Profit/(Loss) on 31 December 2024
Discount Rate	%0.5 Increase	(460.000.000)	(458.123.149)
	%0.5 Decrease	510.000.000	418.855.451
Room Rate	%0.5 Increase	580.000.000	506.553.311
	%0.5 Decrease	(570.000.000)	(489.537.308)
Occupancy Rate	%0.5 Increase	70.000.000	56.283.701
	%0.5 Decrease	(120.000.000)	(64.137.241)

Bodrum Hotel - Eyüp Topçular- Building

31 December 2025	Sensitivity Rate	Effect on Profit/Loss) on 31 December 2025	Effect on Profit/(Loss) on 31 December 2024
Construction Cost	%5 Increase	166.463.474	84.014.183
	%5 Decrease	(166.463.474)	(84.014.183)

Etiler Alkent –Büyükçekmece Alkent 2000–Building

31 December 2025	Sensitivity Rate	Effect on Profit/Loss) on 31 December 2025	Effect on Profit/(Loss) on 31 December 2024
Capitalization Rate	%0.5 Increase	(74.472.000)	(55.959.273)
	%0.5 Decrease	90.441.000	68.394.667

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27. Financial Instruments (Fair Value Disclosures and Explanations) (continued)

Sensitivity Analysis (continued)

Mosalarko Building

The fair value of the real estate owned by Mosalarko OJSC, the Group's foreign subsidiary, is determined by taking the average of the comparable (market) approach and the income capitalization approach. The sensitivity of profit or loss to fair value, in the event that the weights of these methods in average are changed, is presented below.

31 December 2025	Sensitivity Rate	Effect on Profit/Loss) on 31 December 2025	Effect on Profit/(Loss) on 31 December 2024
Market Approach	%10 Increase	(2.209.477)	5.885.945
	%10 Decrease	2.209.477	(5.885.945)
Income Approach	%10 Increase	2.209.477	(5.885.945)
	%10 Decrease	(2.209.477)	5.885.945

28. Segment Reporting

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

	Türkiye 31 December 2025	Ruya 31 December 2025	Total 31 December 2025
PROFIT AND LOSS			
Revenue	468.446.425	86.169.852	554.616.277
Cost of Sales (-)	(115.733.267)	-	(115.733.267)
GROSS PROFIT	352.713.158	86.169.852	438.883.010
Administrative expenses (-)	(126.238.370)	(51.843.382)	(178.081.752)
Other Income from Operating Activities	410.749.246	7.625.979	418.375.225
Other Expenses from Operating Activities (-)	(2.647.765.231)	(18.395.723)	(2.666.160.954)
OPERATING PROFIT	(2.010.541.197)	23.556.726	(1.986.984.471)
Income from Investing Activities	3.599.222	-	3.599.222
OPERATING PROFIT/(LOSS) BEFORE FINANCE INCOME/EXPENSE	(2.006.941.975)	23.556.726	(1.983.385.249)
Financing Expenses (-)	(286.699.821)	-	(286.699.821)
Net Monetary Position Gains (Losses)	319.611.059	-	319.611.059
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	(1.974.030.737)	23.556.726	(1.950.474.011)
- Current Tax Expense/Income	(90.489.248)	(10.297.902)	(100.787.150)
- Deferred Tax Expense/Income	56.409.609	(37.492.326)	18.917.283
Tax Expense/Income from Continuing Operations	(34.079.639)	(47.790.228)	(81.869.867)
PROFIT FROM CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE YEAR	(2.008.110.376)	(24.233.502)	(2.032.343.878)

	Türkiye 31 December 2025	Russia 31 December 2025	Total 31 December 2025
Depreciation and Amortization Expense	1.158.642	486.655	1.645.297

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28. Segment Reporting (continued)

	Türkiye 31 December 2024	Russia 31 December 2024	Toplam 31 December 2024
PROFIT AND LOSS			
Revenue	406.842.644	77.567.277	484.409.921
Cost of Sales (-)	(30.117.471)	-	(30.117.471)
GROSS PROFIT	376.725.173	77.567.277	454.292.450
Administrative expenses (-)		(56.566.768)	(147.390.877)
Other Income from Operating Activities	(90.824.109)	248.133.011	2.438.435.258
Other Expenses from Operating Activities (-)	2.190.302.247	(377.018)	(894.011.647)
OPERATING PROFIT	1.582.568.682	268.756.502	1.851.325.184
Income from Investing Activities	4.105.379	-	4.105.379
OPERATING PROFIT/(LOSS) BEFORE FINANCE INCOME/EXPENSE	1.586.674.061	268.756.502	1.855.430.563
Financing Expenses (-)	(296.327.492)	-	(296.327.492)
Net Monetary Position Gains (Losses)	(358.167.504)	-	(358.167.504)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS			
- Current Tax Expense/Income	932.179.065	268.756.502	1.200.935.567
- Deferred Tax Expense/Income	-	(6.904.453)	(6.904.453)
Tax Expense/Income from Continuing Operations	(440.893.030)	(48.785.588)	(489.678.618)
Financing Expenses (-)	(440.893.030)	(55.690.041)	(496.583.071)
PROFIT FROM CONTINUING OPERATIONS	491.286.035	213.066.461	704.352.496
PROFIT/(LOSS) FOR THE YEAR	491.286.035	213.066.461	704.352.496
	Türkiye 31 December 2024	Russia 31 December 2024	Toplam 31 December 2024
Depreciation and Amortization Expense	1.168.974	722.724	1.891.698
	Türkiye 31 December 2025	Russia 31 December 2025	Total 31 December 2025
Total Assets	23.102.553.906	1.139.305.198	24.241.859.104
Total Liabilities	8.387.558.419	297.310.234	8.684.868.653
	Türkiye 31 December 2024	Russia 31 December 2024	Total 31 December 2024
Total Assets	22.672.791.353	910.749.881	23.583.541.234
Total Liabilities	5.946.443.758	198.567.443	6.145.011.201

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29. Events After the Reporting Period

- a) It was previously disclosed to the public that the Group, whose registered capital ceiling is 500,000,000 TL and issued capital is 289,800,000 TL, applied to the Capital Markets Board (CMB) on 29 August 2025 to increase its issued capital by 1,738,800,000 TL, through the issuance of 173,880,000,000 C-group bearer shares with a nominal value of 1 Kr each, thereby increasing the capital to 2,028,600,000 TL, and to amend Articles 6 and 7 of the Articles of Association accordingly. This application was approved as stated in the CMB's bulletin No. 2025/65 dated 23 December 2025. The bonus capital increase was registered by the Istanbul Trade Registry Office on 13 January 2026. The start date for exercising the right to receive bonus shares is 15 January 2026.
- b) On 26 January 2026, an application was submitted to the Capital Markets Board (CMB) to obtain approval for increasing the Group's registered capital ceiling from 500,000,000 TL to 10,000,000,000 TL and for the amendment of Article 6 of the Group's Articles of Association within the framework of the provisions of the CMB Communiqué No. II-18.1 on the Registered Capital System.

30. Fees for Services Received from the Independent Auditor/Independent Audit Firm

The statement of the Group regarding the fees of the services provided by independent audit firms, prepared in accordance with the Board Decision published in the duplicate Official Gazette on March 30, 2021, by the Public Oversight Accounting and Auditing Standards Authority (POA), and based on the POA letter dated August 19, 2021, which was announced by the POA on October 4, 2024, is as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Independent Audit Fee for the Reporting Period	3.406.222	2.617.867
Fees for Tax Advisory Services	Service not received.	Service not received.
Fees for Other Non-Audit Services	Service not received.	Service not received.
Fees for Other Assurance Services	142.710	-
Total	3.548.932	2.617.867

31. Disclosure of Other Matters That May Affect Financial Statements Significantly or is Necessary for Financial Statements to Be Clear, Interpretable and Comprehensible

Total value of insurance on assets for the respective periods is as follows;

	31 December 2025	31 December 2024
Investment Properties (Note 8)	5.609.274.557	6.602.797.301
Property, Plant and Equipment (Note 9)	103.268.724	83.260.076
Total	5.712.543.281	6.686.057.377

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32. Supplementary Notes: Monitoring Compliance with Portfolio Restrictions

	Main Account Items of Unconsolidated / Separate Financial Statements	Related Regulation	Current Year (TL) December 31, 2025	Prior Year (TL) December 31, 2024
A	Money Market and Capital Market Instruments	Md. 24/(b)	211.035.569	1.693.844.889
B	Real estates, real estate projects and rights supported by real estates	Md. 24/(a)	22.274.185.000	20.131.657.643
C	Affiliates	Md. 24/(b)	837.464.084	713.370.058
	Due from Related Parties (Non-Trade)	Md. 23/(f)	-	-
	Other Assets		617.294.974	847.250.458
D	Total Assets	Md. 3/(p)	23.939.979.627	23.386.123.048
E	Financial Liabilities	Md. 31	4.193.993.449	2.117.351.501
F	Other Financial Liabilities	Md. 31	-	-
G	Lease Obligations	Md. 31	-	-
H	Due to Related Parties (Non-Trade)	Md. 23/(f)	-	-
İ	Equity	Md. 31	15.552.421.208	17.439.679.290
	Other Liabilities		4.193.564.970	3.829.092.257
D	Total Liabilities and Equity	Md. 3/(p)	23.939.979.627	23.386.123.048
	Other Financial Information with Unconsolidated Financial Statements	Related Regulation	Current Year (TL) December 31, 2025	Prior Year (TL) December 31, 2024
A1	Part of Money Market Instruments and Capital Market Instruments Held for Real Estates (3 Years)	Md. 24/(b)	-	-
A2	Time and Demand Deposits in TL/ Foreign Currency	Md. 24/(b)	8.760.981	4.500.024
A3	Foreign Capital Market Instruments	Md. 24/(d)	-	-
B1	Real estates, real estate projects and rights supported by real estates	Md. 24/(d)	-	-
B2	Lands Held Idle	Md. 24/(c)	2.389.020.000	2.347.523.803
C1	Foreign Investments	Md. 24/(d)	837.425.721	713.331.695
C2	Participation in the Operating Company	Md. 28/1(a)	38.363	38.363
J	Non-cash Loans	Md. 31	6.933.669.930	7.136.716.661
K	Mortgage line on lands to be administrated for projects and the property of which does not belong to the Group	Md. 22/(e)	-	-
L	All of the money and capital markets in a single investment company Tools	Md. 22/(l)	120.645.728	142.573.821

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32. Supplementary Notes: Monitoring Compliance with Portfolio Restrictions (continued)

		Related Regulation	Current Year December 31, 2025	Current Year December 31, 2024	Ratio of Minimum/Maximum
1	Mortgage line on lands to be administrated for projects and the property of which does not belong to the Group	Md. 22/e)	% 0,00	% 0,00	≤ % 10
2	Real estate, real estate projects and rights supported by real estates	Md. 24/(a),(b)	% 93,04	% 86,08	≥ % 51
3	Money Market and Capital Market Instruments and Subsidiaries	Md. 24/(b)	% 4,38	% 10,29	≤ % 49
4	Real estates, real estate projects and rights supported by real estates, Subsidiaries, Capital Market Instruments	Md. 24/(d)	% 3,50	% 3,05	≤ % 49
5	Lands Held Idle	Md. 24/(c)	% 9,98	% 10,04	≤ % 20
6	Participation in the Operating Company	Md. 28/1 (a)	% 0,00	% 0,00	≤ % 10
7	Borrowing Limit	Md. 31	% 71,55	% 53,06	≤ % 500
8	Time and Demand Deposits in TL / Foreign Currency	Md. 24/(b)	% 0,04	% 0,02	≤ % 10
9	All of the money and capital markets in a single investment company Tools	Md. 22/(l)	% 0,50	% 0,61	≤ % 10

The Communique on Principles Regarding Real Estate Investment Funds, number III: 48.1 issued by the Capital Markets Board (CMB) that became effective upon its publication in the Official Gazette dated 28.05.2013, stipulates in clause (c) of the article 24 that "the proportion of land and fields in the portfolio that have not been subjected to any disposition for project development despite five years have passed since their acquisition cannot exceed 20% of the total assets". As of the financial statements dated 31 December 2024, the ratio of these lands to the total assets is 5.35%, which is within the limits specified in the Communique.

The same Communique, in clause (a) of article 24 of "Principles on Real Estate Investment Funds" numbered III: 48.1, it is stated that "They should invest at least 51% of the total assets in real estate, real estate-based rights, and real estate-based projects." As of the financial statements dated December 31, 2024, this ratio is 80.37%, which is within the limits specified in the Communique.

Also with this Communique, in clause (b) of Article 24 of "Principles Regarding Real Estate Investment Funds" numbered III: 48.1, it is stated that "They can invest in the assets stated in clause (k) of the first paragraph of Article 22 of this Communique and all of the partnerships stated in Article 28 up to 49% of the total assets." As of the financial statements dated December 31, 2024, this ratio is 14.65%, which is within the limits specified in the Communique.

In clause (b) of Article 24 of the Communique, it is stated that "... They can invest in demand deposits in Turkish Lira or foreign currency, and term deposits at a maximum rate of 10% of the total assets." As of the financial statements dated December 31, 2024, this ratio is 0.01%, which is within the limits specified in the Communique.

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

The information provided under the note titled "Control of Compliance with Portfolio Limits" as of December 31, 2025, and 2024 is an abstract derived from the financial statements according to Article 16 of the CMB Series: II, No: 14.1 "Communique Regarding Principles of Financial Reporting in Capital Markets". The table is prepared under the provisions related to the control of compliance with portfolio limits in "Principles Regarding Real Estate Investment Funds" numbered III: 48.1 published in the Official Gazette no. 28660 on 28 May 2013 and "Communique Regarding Changes in the Communique on Principles Regarding Real Estate Investment Funds" numbered III: 48.1a published in the Official Gazette no. 28891 on January 23, 2014. The data in the table is non-consolidated; therefore, they may not match the information in the consolidated statements.