ALARKO
GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

ANNUAL REPORT
2025

April 28, 2026
General Assembly Meeting
2025 Fiscal Year

Registered Capital
TL 500.000.000

Issued Capital
TL 289.800.000

CONTENTS

MESSAGE FROM THE BOARD OF DIRECTORS

Dear Shareholders,

The year 2025 has been shaped by moderate global growth, ongoing trade tensions, developments in the Middle East and the Russia–Ukraine region, rising risks, and increasingly complex geopolitical and foreign trade conditions. Against this backdrop, the global economy, which grew by 3.3% in 2024, is expected to maintain a similar growth rate in 2025.

In 2025, the Turkish economy continued to grow while grappling with high inflation and external balance challenges. Through a process of disinflation and increased reserves, Türkiye strengthened financial and price stability, while aiming to sustain economic growth through interest rate cuts; an objective in which significant progress was made. Economic growth stood at 3.3% in 2024, and averaged 3.7% in the first three quarters of 2025. Türkiye's annualized GDP in dollar terms reached USD 1.5 trillion. Inflation, which stood at 44.4% in 2024, declined to 30.9% in 2025. Meanwhile, the policy interest rate, which was 47.5% in December 2024, fell to 38% in December 2025, and is expected to continue declining in line with the disinflation process. In past years, the current account deficit posed a significant threat to the Turkish economy for an extended period, both due to its impact on economic growth and the high external financing needs it generated. Although post-earthquake expenditures continued to put pressure on the budget, fiscal discipline was maintained, and the budget deficit for 2025 is projected to remain around 3.1% of GDP. Thanks to the tight monetary policy implemented, there has been significant improvement in both risk perception and reserves: the CDS, which was 250 in 2024, fell to 205 in 2025, while the Central Bank of Türkiye's reserves, approximately USD 156 billion in 2024, reached USD 194 billion in 2025. The tourism sector recorded 62 million visitors and USD 61 billion in revenue in 2024, increasing to 64 million visitors and USD 65 billion in 2025. Overall, 2025 was a year of favorable developments in macroeconomic indicators relative to 2024.

We expect Türkiye's economic growth in 2026 to remain at a sustainable level, with inflation remaining in double digits but continuing its downward trend. While we anticipate easier access to financing due to declining global interest rates, we also foresee that geopolitical risks and global uncertainties will persist.

In 2025, our Company advanced its investment activities, backed by strong assets and a solid corporate identity. Rental revenues from our properties continued to perform positively, supported by economic growth, especially in the tourism sector. We anticipate that growth in tourism will persist in the years ahead. However, the increase in exchange rates remaining well below price and wage growth may, as in the current year, negatively affect the competitiveness of the tourism sector compared to other countries in the coming year. Our investment in refurbishing the rooms of the resort in Fethiye is ongoing, as are our large-scale hotel modernization and renovation projects in Bodrum. As mentioned earlier, the appreciation of the Turkish lira has led to higher investment costs. The completion time of our project has also been extended due to the working conditions in the tourism region. Despite these challenges, this project is going to be one of the most important sources of revenue in our portfolio once it is completed. The value of the assets in our portfolio increased in real terms this year as well, which in turn strengthened our asset base.

We will look for favorable investment opportunities to strengthen our asset portfolio and make the best use of our assets in 2026. We would like to thank all of our employees who contributed to this success through their creative and selfless work, as well as our valued shareholders who have supported us in our endeavors.

With these feelings and thoughts, we greet you all with respect and love and wish you a healthy and peaceful year.

Board of Directors

BOARD OF DIRECTORS AND AUDITORS

Board of Directors	Duty	Commencement Date of Duty	Expiry Date of Duty
Mehmet Ahkemoğlu	Chairman	14.05.2024	14.05.2027
Harun Hanne Moreno	Vice Chairman	14.05.2024	14.05.2027
Ümit Nuri Yıldız	Director	14.05.2024	14.05.2027
Alpaslan Serpen	Director	14.05.2024	14.05.2027
Bedriye Banu Köker	Director (Independent)	14.05.2024	14.05.2027
Neslihan Tonbul	Director (Independent)	14.05.2024	14.05.2027
Nergis Ayvaz Bumedian	Director (Independent)	14.05.2024	14.05.2027

Except for General Manager, Harun Hanne Moreno, the other members of the Board of Directors have no executive duties in the Company's management.

Auditor

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	09.04.2025	02.04.2026

Independent Auditor

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	09.04.2025	02.04.2026

Powers and Limits of Members of the Board of Directors

The Chairman and Directors are having the power and responsibility in accordance with the Turkish Commercial Legislations and Company's Articles of Association.

INFORMATION REGARDING MEMBERS OF THE BOARD

Mehmet AHKEMOĞLU
Chairman of the Board of Directors
Mehmet Ahkemoğlu was born in Ankara in 1964 and graduated from Ankara University, Faculty of Political Sciences, School of Economics in 1986. In 1996, he completed his Master's Degree in International Accounting and Auditing at Illinois University.
In 1986, Ahkemoğlu started working at the Ministry of Finance as Assistant Tax Inspector, in 1989 as Tax Inspector, in 1997-2004 as Department Head on the Revenues Administration of the Ministry of Finance, and in 2005 as Department Head on the Department of Revenues Management of the Revenues Administration. He resigned at the end of 2005 and joined the Alarko Group of Companies in 2006. He is the Chief Financial Officer of the Alarko Group of Companies. Ahkemoğlu who is also a member of the Board of various companies within the Alarko Group. He speaks English.
Mehmet Ahkemoğlu does not qualify as independent director according to the CMB's Communiqué Numbered II-17.1.

Harun Hanne MORENO
Vice Chairman of the Board
Moreno was born in Istanbul in 1960. In 1982, he graduated from the Industrial Engineering Department of the Faculty of Engineering of Boğaziçi University. Moreno completed his MBA at the Social Studies Institute of the Faculty of Business Administration of the same university in 2002.
Harun Moreno started to work at the Alarko Group of Companies in 1986. Following various middle and top management positions in the various units of the group, he was appointed general manager of the Alarko Real Estate Investment Partnership Co. in 2001. He is still holding this position.
Harun Hanne Moreno speaks English and Spanish. He is married and has two children.

Ümit Nuri YILDIZ
Member of the Board
Ümit Nuri Yıldız was born in Erzurum in 1966. He graduated from the Department of Business Administration, Faculty of Political Sciences of Ankara University in 1986. He obtained his MSc degree from University of Illinois. In 1987, he started working as Assistant Tax Inspector at Board of Auditors of the Ministry of Finance. Yıldız continued to work in the Ministry as Tax Inspector and Chief Tax Inspector until 1997. He was appointed Deputy General Manager of the Turkish Employment Organization in 1997. He resigned from his position and joined the Alarko Group of Companies in 1998. Yıldız who is presently working as Chief Executive Officer at Alarko Group is also a member of the Board of various companies within the group. Yıldız speaks English and is married with two children.
Ümit Nuri Yıldız does not qualify as independent director according to the CMB's Communiqué Numbered II-17.1.

Alpaslan SERPEN
Member of the Board
Born in 1977 in Balıkesir, Mr. Serpen graduated from the Department of Industrial Engineering, Faculty of Engineering, Middle Eastern Technical University in 1999. He received a Minor Degree in Finance, Department of Business Administration of METU during 1996-1999.
He embarked on his professional career in 1999 as Dealer in Department of Treasury Fund Management of Pamukbank. Joining Alarko Group of Companies as Feasibility Expert in 2005, Alpaslan Serpen worked in the fields of privatization tenders, acquisitions and mergers, investment planning, company valuation, strategic planning and energy investments. He currently serves as Chief Strategy Officer of Alarko Group of Companies. Alpaslan Serpen is married and speaks English.
Alpaslan Serpen does not qualify as independent director according to the CMB's Communiqué Numbered II-17.1.

Bedriye Banu KÖKER
Independent Member of the Board
Born in 1974 in Van, Bedriye Banu Köker graduated from the Department of Business Administration, Faculty of Economic and Administrative Sciences of Boğaziçi University in 1996, and received her graduate degree in Finance, Texas A&M University.
Having embarked upon her professional carrier in Abn Amro Bank in 1998 as executive candidate, Köker quit her office in 2010 as she was Group President in Charge of Corporate Banking Officer. She worked as Managing Director in Charge of Corporate Customers at Standard Ünlü during the 2010-2012 period and at Ünlü & Co during the 2012-2020 period.
During her 22-year term of office in the banking sector, Ms. Köker has achieved many accomplishments in the fields of both corporate banking and investment banking, serving the leading family holdings and corporate companies of Turkey.
Having acted as angel investor since 2020, she supports new start-ups as both investor and mentor. Banu Köker is a member of Women on Board Association Türkiye, holds a Gestalt Coaching Certificate and speaks English.
Bediye Banu Köker meets the independence criterion as per the CMB Communiqué No. II-17.1.

Neslihan TONBUL
Independent Member of the Board
Born in İstanbul, in 1959, Ms. Neslihan Tonbul, received a BA degree in economics and political science from Rutgers University (USA), and was awarded an MA degree in development economics and international relations from the Fletcher School of Law and Diplomacy at Tufts University.
After beginning her international banking career in 1983 at the Irving Trust Company, New York, she moved to İstanbul in 1988, as the Middle East Region Manager. She has been a pioneer in the development of the finance industry, and continued to work for BNY Mellon until 2008. In 2009, Ms. Tonbul became a board member for Yaşar Holding, and then served on the boards of Prysmian, Turcas, Petrol, and ANEL, and she is currently serving as an Independent Board Member for Vakıfbank International AG, TOFAŞ, and PETKİM.
She is a senior advisor for the New Zealand Development Agency and Cambridge Family Enterprise Group since 2014, and she also gives lectures at Koç University, Economics and Administrative Sciences Faculty. In addition to her professional work, Ms. Tonbul is also an active member of the civil society. Ms. Tonbul is a Trustee of the American Research Institute in Türkiye (ARIT), Young Presidents Organization (YPO), and Turkish Education Volunteers Foundation (TEGV), and she is among founders of Turkish-American Business Forum. She has been mentoring Women Entrepreneurs at the EBRD since 2014. Ms. Tonbul knows English, French, Azerbaijani, Italian and Persian.
Neslihan Tonbul meets the independence criterion as per the CMB Communiqué No. II-17.1.

Nergiz Ayvaz BUMEDİAN
Independent Member of the Board
Born in Istanbul in 1970, Nergis Ayvaz Bumedian graduated from Kadıköy Anatolian High School in 1988 and got her bachelor's degree in Economics from Boğaziçi University in 1992.
She worked at Yapı ve Kredi Bankası between 1992 and 1995 and at Demirbank T.A.Ş. in Corporate Banking between 1995 and 1997. In 1997, she joined Finansbank Corporate and Commercial Banking team. Then, she was appointed as Branch Manager in 1998 and Finansbank Commercial Banking Group Manager in 2000. Ayvaz Bumedian served as Chief Commercial Banking Officer of Finansbank between January 2008 and June 2009 and as a member of the Board of Directors of Finans Leasing between March 2009 and May 2010. In June 2009, she was appointed General Manager of Finans Faktoring A.Ş., a Finansbank affiliate. Since 2015, Finansbank A.Ş. and its affiliates have been operating under the Qatar National Bank (QNB) umbrella. Nergis Ayvaz Bumedian still serves as Board Member and General Manager of QNB Finansfaktoring.
Nergis Ayvaz Bumedian meets the independence criterion as per the CMB Communiqué No. II-17.1.

AGENDA OF THE ANNUAL GENERAL ASSEMBLY MEETING

1. Opening and moment of silence.
2. Deliberation and decision on the election of the Presiding Committee.
3. Deliberation and decision on authorizing the Presiding Committee to sign the minutes of the General Assembly Meeting.
4. Reading and deliberation on the Annual Report of the Board of Directors, Auditor Report and Independent Audit Company Report for 2025.
5. Reading, deliberation and approval of the Statement of Financial Position and the Statement of Comprehensive Income for 2025.
6. Deliberation and resolution for the acquittal of the Board of Directors members for the activities in 2025.
7. Presenting information about donations made by the Company in 2025.
8. Deliberation and decision on determining the upper limit of donations to be made by our company in 2026.
9. Review, discussion, and resolution regarding the letter of approval received from the Capital Markets Board and the General Directorate of Domestic Trade of the Ministry of Trade concerning the amendment of Article 6 of the Company's Articles of Association, as well as the old and new versions of the amended text attached thereto, and the adoption of the new version.
10. Presenting information about the guarantees, pledges, mortgages and bails given by our company in favor of third parties.
11. Discussion of, and decision on the proposal of the Board of Directors for dividend distribution.
12. Discussion of decision on the determination of the remuneration of the members of the Board of Directors.
13. Informing the General Assembly about the share buyback program.
14. Deliberation and resolution regarding vesting the authority to the Board of Directors members in accordance with articles 395 and 396 of the Turkish Commercial Code.
15. Presenting information to General Assembly on procedures indicated in articles 1.3.6 of the "Corporate Governance Principles" in the annex of the Communiqué numbered II-17.1 of the Capital Markets Board.
16. Deliberation and decision on the approval for the auditing of the company's accounts and operations for 2026 by an Independent Audit Company selected by the Board of Directors in accordance with the Capital Markets Regulations and Turkish Commercial Code.
17. Remarks and suggestions.

Board of Directors

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We hereby present the Annual Statement of Financial Position, Statement of Comprehensive Income and other financial statements which reflect the results of our company's activities in 2025 for your evaluation and criticism.

1) Our annual report covers the period between 1 January 2025 and 31 December 2025.

2) The members of the Board and the Statutory Auditors during 2025 are their terms of office are presented on page 4.

The financial statements which show the operational results obtained in 2025 were audited independently by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

3) The Board of Directors convened 17 times during the term. All members have attended to the meetings held during the period. Board decisions have been taken unanimously. Therefore, there is no record of dissenting votes.

4) The company's registered capital ceiling in 2025 was TL 500.000.000.

5) Our issued capital is TL 289.800.000 and our net loss for the period TL 2.032.343.878.

6) The rate of participation to our Ordinary General Assembly Meeting held on April 09, 2025 was 55.95%. The shareholders that hold more than 10% of our capital are; Alarko Holding A.Ş. with 16.42% of the shares and Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. with 34.78% of the shares. 48.77% of the capital is offered to the public.

During the last three years of operations, dividends were paid as follows based on issued capital: in 2022, 300% in cash 175% and stock dividends 125%; in 2023, 105% in cash 5% and stock dividends 100%. No dividends were paid in 2024.

The proposal for profit distribution for the year 2025 submitted by the Board of Directors to the approval of the General Assembly is on page 21 of the report. At the time this report was written, the nominal value of TL 1 of our share certificate registered with the İstanbul Stock Exchange, where their transaction is carried out, was TL 5.12.

7) TL 3.750 was donated to in 2025.

8) Information on the guarantees, pledges and mortgages lodged by our company in favor of third parties as of 31.12.2025 is given in footnote 11 of the financial statements.

9) There are no important lawsuits brought against our company which could impinge on its financial status or activities of the company as of 31 December 2025.

10) Shareholders who control the management, members of the board of directors, top executives and their spouses and blood and in-law relatives up to and including second kin have not executed any transaction which may lead to conflict of interest with the Company or its affiliates. Members of the Board have no transactions of their own or on behalf of others that could be within the scope of the noncompetition covenant.

11) Footnote 32 to the financial statements contains information related to checking compliance with portfolio limitations.

GENERAL INFORMATION REGARDING OUR ACTIVITIES

Our company was established to invest in real estate and real estate projects, real estate based rights, money and capital market instruments and continues to develop its portfolio by diversifying its investments.

The Bodrum Hotel Project with a capacity of 785 beds, located in Muğla Bodrum Gündoğan, which is an asset of our company and the construction of which we continue in 2025, will provide our company with a stable rental income in the long term when it is completed.

The Company has also included many qualified properties in its portfolio in previous years in order to generate rental income. High prestigious properties included in our portfolio in the previous years are as follows; Hillside Beach Club Holiday Village with a capacity of 781 beds in Kalemya Bay, Fethiye; factory building and facilities in Eyüp, Istanbul; 39 shops in Alkent Etiler Bazaar in Etiler, Istanbul; 4-storey Alarko Business Centre in Necatibey Street, Karaköy, Istanbul; 10 shops in Alkent2000 Complex in Büyükçekmece, Istanbul; 6-storey Alarko business centre in Çankaya, Ankara.

We continue to our efforts to develop projects on other lands in our portfolio and/or to evaluate them in other ways. In addition, we continue to search for suitable land for new projects and carry out feasibility studies.

ADDITIONAL INFORMATION REGARDING OUR ACTIVITIES

1) Our Company had no activities related to Research and Development in the financial term of 2025.

2) Information regarding the internal control system of our company and its internal and external auditing activities: Our Company conforms to the principles stated in the Corporate Governance Principles. Hence, an "Auditing Committee" was constituted within the Board of Directors and the committee's work principles were determined by the Board. The results of the internal auditing reports drawn as a result of the inspections carried out in accordance with the internal control system set up and the audit reports drawn at the end of inspections carried out by the independent auditing companies are followed by the committee and reported to the Board. The financial statements showing the results of the activities of Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. for the year 2025 have been subject to independent auditing by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. Both internal auditing and independent auditing were conducted twice within the financial period of 2025 and no adverse case was determined. Neither public nor special inspection was conducted within the term. The financial statements of the company were examined by the Auditing Committee and it was determined that they reflected the financial status of the company correctly, and were in accordance with the records and that the results of 2025 were in compliance with the relevant laws and the Articles of Association.

3) Direct participations and share ratios of are company are as follows. The company has no mutual participation exceeding 5%.

Subsidiaries	**Declared Capital (TL)**	**Share (TL)**	**Share (%)**
Alarko Holding A.Ş.	435.000.000	1.183.962	0,27
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	3.988.750.235	12.451	0,00
Mosalarko A.O.	30.000.000 (Ruble)	30.000.000 (Ruble)	100,00

Information regarding our partnership ratios in our shareholdings as of 31 December 2025 and the dividends we have accumulated in 2024 and 2025 are given in note numbers 4 and 20 to the Financial Statements.

4) As of 31 December 2025, the total number of share repurchases provided from the Company's internal resources is 14.539.680 shares and its ratio in the Company's capital is 5.017%. Information on this issue is given in footnote 15.

5) As there is no practice by the Company and the members of the Board of Directors against to the applicable laws and regulations, there is neither any administrative nor judicial litigation against the Company and the members of the Board of Directors.

6) Objectives determined in former terms have been attained and there are no matters that have not been implemented in the decisions taken at the General Assemblies of the Company.

7) No extraordinary General Assembly was held during the term.

8) Social contributions are made through the education foundation established by the GYO (Real Estate Invesment) Association, of which we are a member, and the group of companies that are the main shareholders.

9) Our company is a dependent company of Alarko Holding A.Ş. as defined in Turkish Commercial Code Article 195 Paragraph 1. Our company has carried out some transactions of goods and services with the parent company and its affiliates. All aforesaid transactions are conducted in accordance with arm's length principle.

No legal action was taken by our Company in favor of the parent company or its affiliates under directives of the parent company. Therefore, no measures were taken or avoided to be taken in favor of the parent company or its affiliates during the past year.

All business activities of our Company performed with the parent company and its affiliates are in total conformity with law and regulations and also with the arm's length principle, and therefore no compensation is needed for aforesaid transactions according to Turkish Commercial Code Article 199 whatsoever.

10) There have been no legislative amendments that can seriously affect the Company's activities within the term.

11) Conflict of interest does not exist between the Company and investment consulting institutions as well as rating institutions which render services to the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND JUSTIFICATION OF SUCH AMENDMENTS

It has been decided to increase the Company's issued capital of TL 289.800.000 by TL 1.738.800.000, through the issuance of 173.880.000.000 bearer C group shares with a nominal value of 1 Kr each, bringing the total capital to TL 2.028.600.000. The entire increased capital will be covered from Capital Adjustment Differences according to both the Tax Procedure Law (VUK) records and the financial statements prepared under Turkish Financial Reporting Standards (TFRS). The newly issued bearer C group shares, representing the increased capital of TL 1.738.800.000 and corresponding to 600% of the existing capital, will be distributed free of charge to the shareholders in accordance with proper procedures. An application was filed with the Capital Markets Board on 29.08.2025.

The issuance certificate for the capital increase and the amendments to Articles 6 and 7 of the Company's Articles of Association have received the necessary approvals with the Capital Markets Board's decision dated 05.01.2026, numbered E-12233903-340.05.05-83742, and were registered with the Istanbul Trade Registry Office on 13.01.2026.

FINANCIAL RIGHTS GRANTED TO BOARD MEMBERS AND TOP EXECUTIVES

Except for the Independent Members of the Board, no financial rights such as honorariums, fees, bonuses, premiums, profit share are granted to Board Members. The gross total of fees and similar financial rights provided to the Independet Board Members and top executives in 2025 was TL 37.317.482.

There are no allowances, travel, accommodation and representation expenses and real and financial means, insurances and any similar collaterals given to the Members of the Board of Directors.

INFORMATION ABOUT HUMAN RESOURCES

The average number of employees on the 01.01.2025 - 31.12.2025 term is 20.

As of 31.12.2025, the company has calculated TL 2.118.143 employment termination indemnities with full provision.

All employees are treated fairly and equally in terms of training and promotion opportunities, training plans and policies aiming at improving the knowledge, skills and experience of the employees are developed. The employees receive training regularly during the year.

Job descriptions are developed for every position. Performance and reward criteria are determined on a yearly basis and are then implemented upon agreement with the employees.

Health insurance, transportation, lunch facilities are provided to employees by company.

A safe working environment is provided to the personnel and it is improved continuously.

CURRENT CAPITAL AND PARTNERSHIP STRUCTURE

Shareholders	Share Amount (TL)	Number of shares and votes	Ratio (%)	Number of (*) A Group shares and votes	Number of (**) B Group shares and votes	Number of C Group shares and votes
Alarko Holding A.Ş.	47.568.791	4.756.879.128	16.42	16.467.000	–	4.740.412.128
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	100.800.459	10.080.045.944	34.78	–	23.500.000	10.056.545.944
Other	93.946	9.394.612	0.03	33.000	–	9.361.612
Public Offering	141.336.804	14.133.680.316	48.77	–	–	14.133.680.316
Total	**289.800.000**	**28.980.000.000**	**100**	**16.500.000**	**23.500.000**	**28.940.000.000**

(*) A Group Shareholders have right of nomination of 4 candidates at election of members of Board.
(**) B Group Shareholders have right of nomination of 3 candidates at election of members of Board.

There are no other concessions except for that of "Nomination to the Board" as stated above.

PROFIT DISTRIBUTION POLICY

Our Company distributes its profits within the frame of Capital Market Legislation, Turkish Commercial Code, Tax Legislation, other concerned legislation and the provisions stipulated under the Articles of Association of the Company.

The amount of profit to be distributed is determined by taking into consideration the funds that may be needed in line with the investment policy and other cash needs of the company.

In principle, our company will distribute every year at least 5% of its distributable profit for the term to its shareholders in cash as dividend or as non-paid by adding it to the capital. In case of occurrence of extraordinary economic circumstances, a dividend at a lower rate than the above indicated one may be distributed or no dividend may be distributed. Such a case is announced to the public with a special case announcement containing a justification by passing a resolution from the Board of Directors.

The Board of Directors passes a resolution containing its proposal for the distribution of profit every year within the frame of profit distribution policy of the company and presents same to the approval of the General Assembly.

It is essential that the distribution of dividend is started on 31st of May every year in case the proposal of the Board of Directors related to the distribution of profit is approved by General Assembly. General Assembly of Shareholders may determine the date of distribution of profit provided that such date shall not be later than the last day of current accounting period during which the meeting is held.

There is no privileges in profit distribution.

RISK MANAGEMENT AND INTERNAL AUDIT MECHANISM

A risk governance and internal audit mechanism is established by the Board of Directors. Managerial risks are reviewed periodically by the Auditing Committee constituted by the Board members. The Committee has decided to establish, audit and update an internal control mechanism. The Auditing Group has been appointed to supervise the constitution of the internal control mechanism and to oversee its operability. The Auditing Group inspects the internal control mechanism regularly through the approved annual audit plans and communicates its opinions and findings to top management.

Pursuant to this decision, the Auditing Group has been appointed to oversee the setting up of the internal control mechanism and supervise its operability. The Auditing Group supervises the internal control mechanism at predetermined periods in accordance with the approved annual plans and reports its views on matters determined to top management. Furthermore, the Auditing Committee and Early Detection of Risk Committee review related matters and advise the Board accordingly. The Auditing Committee and the Board determine the measures to be taken and instruction the managers of the company by way of the General Manager.

An Early Detection of Risk Committee consisting of three members has been established to determine risks likely to be encountered and to make recommendations to the Board in order to set up an effective risk management system and their operation principles have been approved by the Board. The Early Detection of Risk Committee convened 1 times in 2025 and the 6 reports of Committee were presented to the Board.

BOARD OF DIRECTORS

Structure and Composition of Board of Directors

Board of Directors

Mehmet Ahkemoğlu	Chairman
Harun Hanne Moreno	Vice Chairman
Ümit Nuri Yıldız	Member
Alpaslan Serpen	Member
Bedriye Banu Köker	Member (Independent)
Neslihan Tonbul	Member (Independent)
Nergis Ayvaz Bumedian	Member (Independent)

Except for General Manager, Harun Hanne Moreno, the other members of the Board of Directors have no executive duties in the Company’s management.

There are 3 independent members on the Board of Directors.

For election to the Independent Membership, a Nomination Committee has not been constituted among the members of our company’s Board of Directors. Hence, the Corporate Governance Committee undertook the duty of the Nomination Committee in accordance with the Corporate Governance Communiqué of the Capital Market Board. There was no situation to rule out their independence in the relevant term of activity of the Independent Members of the Board.

Their independence declaration is as follows:

Declaration of Independence

I declare to the Board, the partners and all the related parties that I meet all the independence criteria specified in clauses 4.3.6 and 4.3.7 of the Corporate Governance Announcement number II-17.1 published by the Capital Markets Board, have the qualifications stipulated in the related legislation and the Articles of Association and in case there are any changes affecting my independence, I will duly inform the Board of the Alarko Real Estate Investment Partnership Co.

Name Surname : Bedriye Banu KÖKER
Tarih : 09.02.2024

Declaration of Independence

I declare to the Board, the partners and all the related parties that I meet all the independence criteria specified in clauses 4.3.6 and 4.3.7 of the Corporate Governance Announcement number II-17.1 published by the Capital Markets Board, have the qualifications stipulated in the related legislation and the Articles of Association and in case there are any changes affecting my independence, I will duly inform the Board of the Alarko Real Estate Investment Partnership Co.

Name Surname : Neslihan TONBUL
Date : 09.02.2024

Declaration of Independence

I declare to the Board, the partners and all the related parties that I meet all the independence criteria specified in clauses 4.3.6 and 4.3.7 of the Corporate Governance Announcement number II-17.1 published by the Capital Markets Board, have the qualifications stipulated in the related legislation and the Articles of Association and in case there are any changes affecting my independence, I will duly inform the Board of the Alarko Real Estate Investment Partnership Co.

Name Surname : Nergis Ayvaz BUMEDİAN
Date : 09.02.2024

The CV's of the members of the Board of Directors, their term in office and their duties outside the company are published in the previous parts of the Annual Report and the web-site of the Company. They are not included here to avoid repetition.

Our Board of Directors has three female member, and the nomination process is determined in consideration of inclusion and competency criteria.Works are ongoing for the development of a policy to increase compliance with diversity and inclusion criteria, which will also consider the members' competency.

Board members are in no way restricted in assuming position in other organizations or entitles other than the company.

General Manager
Harun Hanne Moreno

Moreno was born in Istanbul in 1960. In 1982, he graduated from the Industrial Engineering Department of the Faculty of Engineering of Boğaziçi University. Moreno completed his MBA at the Social Studies Institute of the Faculty of Business Administration of the same university in 2002.

Harun Moreno started to work at the Alarko Group of Companies in1986. Following various middle and top management positions in the various units of the group, he was appointed general manager of the Alarko Real Estate Investment Partnership Co. in 2001. He is still holding this position.

Harun Hanne Moreno speaks English and Spanish. He is married and has two children.

Operational Principles of the Board of Directors

The Board of Directors convenes when it is deemed necessary from the point of view of the company's operations upon the invitation of the chairman or deputy chairman. However, meeting once a month is compulsory. The chairman of the Board confers with the other members of the Board and the General Manager and determines the agenda of the Board meetings and sends it to all members 3 days prior to the meeting. Members make a point of attending every meeting and expressing their opinions. Participation in the Board meeting can be done by any technological means that allows remote access. Remarks of members who are unable to attend the meeting but report them to the Board in writing are presented to the other members. No weighed voting right is granted to the Board members. Each member of the Board has one vote. In Board meetings related to related party transaction, the member of the relevant Board does not have a voting right. The meeting and resolution quorum of the Board meeting is stated in the Articles of Association. Decisions that present characteristics stated in the Communiqué of the Capital Markets Board the articles of the communiqué are applied. The powers and responsibilities of the Board members are given in the Articles of Corporation.

The Board of Directors convened 17 times during the term. All members have attended to the meetings held during the period. Board decisions have been taken unanimously. Therefore, there is no record of dissenting votes. In 2025 there were no related party transactions and transactions of important character to be presented to the approval of the independent members of the Board.

ASSESSMENT OF THE OPERATING PRINCIPLES AND EFFECTIVENESS OF COMMITTEES OF THE BOARD OF DIRECTORS

Our Company's Board of Directors has established new committees and laid down their operating principles pursuant to the Capital Markets Board's Communiqué No. II-17.1 on Corporate Governance and the provisions of the Turkish Commercial Code.

All committee members are non-executive members.

Information on the purviews and operating principles of the committees and on their members is disclosed on the Public Disclosure Platform (PDP) and published on our corporate web site for investors for information purposes. Decisions taken as a result of independent studies conducted by committees are proposed to the Board of Directors, and the final decision is made by the Board of Directors.

For this purpose;

- A Corporate Governance Committee consisting of 4 members is established in order to develop corporate management practices, and Independent Member Bedriye Banu KÖKER, is elected as the chairman of the Committee, Members Mehmet AHKEMOĞLU, Alpaslan SERPEN and Investor Relations Department manager Metin FRANKO are elected as Committee members. Corporate Governance Committee met 3 times in 2025 with full attendance of all members and submitted a report to the Board of Directors about its activities.

The Corporate Governance Committee;

- has supervised the works of Investor Relations department.
- has reviewed Company's performance evaluation system.
- has evaluated the implementation of corporate governance principles. In the evaluation, information has been obtained on Corporate Governance Principles Compliance Report prepared pursuant to the CMB's Communiqué No. II-17.1 on Corporate Governance.

• For the purpose of early detection of risks that may be encountered by our Company and establishment of an effective risk management system, an Early Risk Detection Committee consisting of 4 members has been established to give advices to the Board of Directors, and Independent Member Bedriye Banu KÖKER has been elected as the Chairman of the Committee, Ümit Nuri YILDIZ, Mehmet AHKEMOĞLU and Alpaslan SERPEN were elected as member of the committee. Early Risk Detection Committee has 1 times in 2025 with the attendance of all members and the 6 reports of Committee were submitted to the Board of Directors.

Early Risk Detection Committee has carried out studies on early detection of the risks that may endanger the existence, development and continuation of the Company under the regulations and legal legislation, and on the implementation of appropriate measures related to determined risks and management of the risk.

• Independent Member Bedriye Banu KÖKER has been elected as the Chairman and Independent Member Neslihan TONBUL has been elected as the member of the Audit Committee which exists under the Board of Directors. The Audit Committee has met 5 times in 2025 with the attendance of all members and the results of meeting have been submitted to the Board of Directors in a report.

The Audit Committee;

- has supervised the operation and effectiveness of the internal control system by evaluating the reports issued by the Company management, independent audit firm and internal auditors.
- has submitted to the board of directors, for approval, its proposal for the independent audit firm following appointment of independent audit firm which will provide services to the Company and prior approval by the committee of the services to be obtained from this company.
- has submitted to the board of directors, for approval, the annual and interim financial statements to be disclosed to the public, together with its own evaluations, after taking the opinions of the company's chief operating officers and independent auditors on their truthfulness, accuracy and compliance with the accounting principles observed by the company.
- has reviewed the activities of the independent audit firm.

Nomination Committee and Remuneration Committee have not been established among Members of the Board of Directors, and pursuant to the CMB's Communiqué on Corporate Governance, the Corporate Governance Committee has performed the duties of the Nomination Committee and Remuneration Committee.

According to the organization of the Board of Directors, the Board has three independent members. As the chairmen of the committees and all members of the Audit Committee must be independent members, some independent members serve in several committees.

HUMAN RESOURCES POLICY

The Human resources policy of the company is defined in the manual “Our Policy” issued annually and announced to the employees in annual meetings.

Recruitment criteria are determined in writing and are complied with. The physiological, psychological and intellectual characteristics required by each job are taken into consideration in the recruitment process. These characteristics are measured and evaluated by a written test. Following the initial evaluation by the human resources department, the candidate is interviewed by the manager of the particular unit to employ him/her.

All employees are treated fairly and equally in terms of training and promotion opportunities, training plans and policies aiming at improving the knowledge, skills and experience of the employees are developed. Employees receive training regularly every year.

Job descriptions are developed for every position. Performance and reward criteria are determined on a yearly basis and are then implemented upon agreement with the employees. The performance and evaluation system used in measuring and evaluating individual performance is taken into account during wage and career planning.

On the other hand, a certain number of personnel are granted “Golden Badge” as a reward of their outstanding performance. And employees winning the “Invention Prize” competition are also awarded. Thus, the creative personnel are motivated.

A safe working environment is provided to the personnel and improvements are made continuously.

RULES OF ETHICS AND SOCIAL RESPONSIBILITY

Rules of ethics approved by the Company’s Board of Directors, agreed by all Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. personnel and managers and defined in the Alarko Group of Companies Philosophy are summarized here below.

These rules are integrated to the policies, objectives, procedures and principles of Alarko.

- Act honestly in all business activities towards the government, clients, shareholders, personnel, partners and sub- and by- industries,
- Protect the environment and maintain the inter-company social balance,
- Orient the customers without forcing and give priority to their needs,
- Maintain high-quality; try to supply the best at the lowest price even when the customers are satisfied and contented with what is given already,
- Achieve the profits deserved by the shareholders under the current conditions,
- Give priority to teamwork as a corporation performing systematically on the basis of pre-defined procedures; share profit, loss and success and failure.

Our policies are shaped by this philosophy. And this philosophy is affixed at easily visible points in various units of our Company. In addition, all employees are informed through annual Policy Meetings and Our Policy Book published. Our existing and newly recruited personnel are trained on this philosophy and related rules regularly.

Our philosophy comprising these rules of ethics is also published in the in-company intranet system and the **www.alarkoyatirim.com.tr** web-site. All Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. employees are obliged to conform to these rules. Rules of ethics are followed-up by the superiors of all employees in the hierarchical order. Employees are obliged to notify the management of any act or behavior contrary to the rules of ethics immediately. The rules of ethics are published in the Report on Compliance with Corporate Governance Principles link of the website.

Any infraction of rules noticed, notified or suspected by the Board of Auditors, General Manager or other managers are reviewed by the Board of Directors or instructed to be reviewed by the Board of Auditors to ensure compliance therewith. Disciplinary sanctions are applied to doers of actually proven infractions.

Social contributions are made through the education foundation established by the GYO Association of which we are a member and the group of companies that our our main shareholders.

There is no litigation or warning filed against our Company either during the current year or in the past for damages on the environment.

FINANCIAL INDEXES

According to the independently audited financial statements prepared as of 31 December 2025 financial indexes are as follows.

Financial Indexes	Year 2025	Year 2024
Net Sales	TL 554.616.277	TL 484.409.921
Net Profit for the Period	TL (2.032.343.878)	TL 704.352.496
Current Ratio	0,37	3,34
Liquidity Ratio	0,37	3,34
Debt Equity Ratio	55,83%	35,24%
Total Assets	TL 24.241.859.104	TL 23.583.541.234

Analysis of the basic ratios regarding the term of 2025 shows that our Company's net working capital is adequate, that it can pay all its short term liabilities in cash or with economic assets that can be liquidated in a short period and also that its operating activities are financed with its equities. The Company's paid-in capital is TL 289.800.000, and it is in a position to pay its debts. The financial structure of the company is propitious to maintaining its activities. Hence, there are no precautions taken concerning this issue.

As of 31.12.2025, the number of shares at par value of TL 1,00 is 289.800.000 and the current value per share is TL 84.

Information regarding assets in our portfolio is summarized below :

i – Real Estates

Gayrimenkuller, Gayrimenkul Projeleri, Gayrimenkule Dayalı Haklar		Ekspertiz Tarihi	Taşınmazın Ekspertiz Değeri (TL)		Taşınmazın Kira Ekspertiz Değeri (TL)	
			KDV Hariç	KDV Dahil	KDV Hariç	KDV Dahil
- Land in Büyükçekmece Eskice Village	Büyükçekmece / İstanbul, 3 parcels 622.477,84 m².	31.12.2025	1.266.090.000	1.392.699.000	-	-
- Maslak Land	Sarıyer / İstanbul, 2 parcels, in Maslak, on the Şişli - İstinye Büyükdere motorway 18.961,90 m².	31.12.2025	1.122.930.000	1.235.223.000	-	-
- İstanbul Karaköy Business Center	Karaköy / İstanbul, gross 1.730 m², single block, elevator, air conditioning heating, ½ bought in 1997, ½ bought in 1999.	31.12.2025	224.270.000	269.124.000	917.000	1.100.400
- Ankara Çankaya Business Center	Çankaya / Ankara, gross 1.887 m², single block, 6 storeys, elevator, chiller air conditioning, natural gas heating.	31.12.2025	91.280.000	109.536.000	470.000	564.000
- Fethiye Hillside Beach Club Holiday Village	10.128,09 m², in Fethiye / Muğla, Parcel 3 with 1. Class Holiday Village in Kaya Village, Kalemya Bay.	31.12.2025	820.380.000	984.456.000	-	-
- Fethiye Hillside Beach Club Holiday Village (usufruct)	Fethiye / Muğla, 2 parcels, 84.762 m², usufruct for parcel 1 in Kaya Village, Kalemya Bay.	31.12.2025	9.209.620.000	11.051.544.000	344.910.000	413.892.000
- Factory and land in Eyüp - Topçular	Eyüp / İstanbul, 15.675 m² , facilities located in Topçular neighborhood. Door no. 8, block 247, parcel 56.	31.12.2025	822.000.000	986.400.000	1.310.000	1.572.000
- 39 shops in Etiler Alkent Housing Estate	39 shops in Etiler Alkent Shopping Center in Beşiktaş, İstanbul.	31.12.2025	708.233.000	849.879.600	3.069.000	3.682.800
- 10 shops in Büyükçekmece Alkent 2000 Yeditepe Housing Estate	10 shops in Büyükçekmece Alkent 2000 Shopping Center in Büyükçekmece, İstanbul.	31.12.2025	135.840.000	163.008.000	566.000	679.200
- Bodrum Hillside Hotel	Hotel facility in Gündoğan township in Bodrum, Muğla, which is registered with the land registry under Block No.363 and Lot No.10 and which has an area of 41.829,84 m²,	31.12.2025	7.873.542.000	9.448.250.400	-	-
- Mosalarko Ofis Binası	Business center at 16 Marksistskaya Street, Moscow	26.12.2025	1.048.924.067	-	-	-
TOPLAM			**23.323.109.067**	**26.490.120.000**	**351.242.000**	**421.490.400**

ii – Money and Capital Market Instruments

Type	Total (TL)	Ratio (%)
Share Certificates	120.645.728	46,09
Mutual Funds	81.628.860	31,18
Foreign Currency Time Deposits	42.922.283	16,40
Foreign Currency Deposits	15.587.405	5,95
TL Deposits	965.990	0,37
Cash	16.581	0,01
TOTAL	**261.766.847**	**100**

iii – Participations

Type	Total (TL)	Ratio (%)
Participations	38.363	0,03

INFORMATION REGARDING PORTFOLIO ASSETS LEASED

Information Regarding Portfolio Assets Leased	Insurance Value (TL)	Rent Appraisal Date	Rent Appraisal Value (TL)	Monthly Rent (TL)	Açıklama
- İstanbul Karaköy Business Center	35.000.000	31.12.2024	680.000	166.000	As of 31 December 2025, three stores are not leased.
- 39 shops in Etiler Alkent Shopping Center	50.000.000	31.12.2024	2.132.700	3.131.385	
- 10 shops in Büyükçekmece Alkent 2000	18.000.000	31.12.2024	432.100	697.666	
- Factory in Eyüp - Topçular	2.300.000	31.12.2024	966.000	1.000.000	
- Ankara Çankaya Business Center	31.000.000	31.12.2024	362.000	523.520	
- Fethiye Hillside Beach Club Holiday Village (*)	2.175.261.725	31.12.2024	291.240.000	321.413.925	

Note:

(*) The main operator of Hillside Beach Club Holiday Resort in Fethiye is Attaş Alarko Turistik Tesisler A.Ş. According to the operation contract, the annual rent income is minimum USD 2.582.000. Hillside Beach Club Holiday Resort in Fethiye has been rented for Turkish Lira equivalent of US Dollar. Turkish lira value of the rent changes according to the change in the exchange rate. In addition to the annual fixed rent of USD 2.582.000, if the amount of land allocation fee paid in TL to the Ministry of Forestry for the facility, the rent for land paid in TL at 2% of the operation income, and the annual gross operation profit of the operator exceed USD 3.500.000, 50% of the sum in excess is added to the annual rent.

PROPOSAL FOR PROFIT DISTRIBUTION

- In accordance with the dividend distribution proposal submitted for approval by our General Assembly, which has been prepared in compliance with the Capital Markets Board Regulations, the Company's Articles of Association, and the Company's Dividend Distribution Policy; we propose the distribution of a cash dividend of 101.430.000 TL to shareholders, to be funded from prior years' profits in the Capital Markets Board financial statements and from the period's profit in the legal records,
- We propose that the cash dividend distribution commence on 12 May 2026,

Board of Directors

Accordingly, in accordance with the Capital Markets Legislation, the Company's Articles of Association, and other applicable regulations, the distribution of profits is as follows.

	According to the Capital Markets Board (TL)	**According to Legal Records (TL)**
Period Profit / (Loss)	(2.032.343.878)	320.574.225,92
Taxes (-)	90.489.248	16.730.968,55
Net Profit (=)	(2.122.833.126)	303.843.257,37
General Legal Reserves (-)	15.192.163	15.192.162,87
Net Distributable Profit (=)	(2.138.025.289)	288.651.094,50
Donations Within the Year (+)	3.750	-
Net Distributable Profit Including the Donations	(2.138.021.539)	288.651.094,50
First Dividend to Shareholders	-	-
Second Dividend to Shareholders	-	101.430.000,00
General Legal Reserves	10.143.000	10.143.000,00
Extraordinary Reserves	-	177.078.094,50
Distributable Other Sources	101.430.000	-

REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Our company has taken due care in the observation of Corporate Governance Principles published by the Capital Markets Board. All of the obligatory principles defined in the Communiqué on Corporate Governance have been observed by our Company. Most of the non-obligatory Corporate Governance Principles have also been complied with, while those that could not be complied with have been explained in the relevant section. Please find the details on the issue in the following sections. The Corporate Governance Committee continues to perform its activities.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There is no action within the scope of this article.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	The Company does not have any corporation with which it has cross shareholding that also brings along a domination relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twenthieth of the outstanding shares, and expand the scope of the minority rights.			X			The articles of association stipulates that minority rights are not less than one-twentieth of the capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.			X			The rights of stakeholders are protected under the legislation.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.			X			No special model is designed for employee participation in management.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.			X			No insurance has been made.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					Our Board of Directors has three female members, and the nomination process is determined in consideration of inclusion and competency criteria. Works are ongoing for the development of a policy to increase compliance with diversity and inclusion criteria, which will also consider the members' competency.

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3.10 - At least one member of the audit committee has 5 years of experience in audit / accounting and finance	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member physically or electronically attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			No rules or restrictions have been laid down for preventing members of the board of directors from serving outside the company, and their services in this scope are presented to the shareholders in the general assembly meeting for information.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			As the chairmen of the Committees and all members of the Audit Committee must be independent members, some independent members serve in several committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees have not procured consulting services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The wages paid to members of the board of directors and managers with administrative responsibilities are explained in the annual report; however no explanation has been provided on an individual basis.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	49 physical and 72 virtual meetings were held.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim//1403665
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	-
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	-
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II17.1)	-
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.alarkoyatirim.com.tr/en/investor-relations/corporate-governance/articles-of-association.pdf
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/1426725
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	https://www.alarkoyatirim.com.tr/en/investor-relations/corporate-governance/articles-of-association.pdf, article no: 20,21,22,23,24
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	-
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	34.78%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/profit-distribution-policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	The Board of Directors proposal on profit distribution was read. Following the recommendation in the Board of Directors' Annual Report and the submitted motion, it was decided by majority vote, with TL 162.054.430.296 in favor and TL 76.419.214 against -to set aside TL 5.888.812 from the net profit of TL 445.950.916 reported in the Company's 2024 financial statements, as primary statutory reserves in compliance with the Capital Markets Legislation, the Company's Articles of Association, and other applicable regulations. - not to distribute the net distributable profit of TL 441.062.104 after including donations amounting to TL 1.000.000 during the year in order to reinforce the Company's financial position and to provide additional funding for investments, and - to transfer the undistributed amount to extraordinary reserves.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends.	https://www.kap.org.tr/tr/Bildirim/1426725

General Assembly Meetings

General Meeting Date	Meeting Date The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders› Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
09.04.2025	0	55,95%	0,62%	55,33%	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/general-assembly-participation-and-minutes	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/general-assembly-participation-and-minutes	-	0	https://www.kap.org.tr/en/Bildirim/1403665

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/shareholder-structure
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Information Regarding Members of the Board pages 5 Board of Directors - page 13
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Operational Principles of the Board of Directors page 15
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Additional Information Regarding Our Activities page 9
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report of the Board of Directors - page 8
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	-

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Additional Information Regarding Our Activities page 9
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Information About Human Resources - page 11, Human Resources Policy - page 17, Rules of Ethics and Social Responsibility page 17
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Investor Relations Department Manager
The contact detail of the company alert mechanism	Metin Franko Tel: 0212 310 34 14 metin.franko@alarko.com.tr Fatma Acar Tel: (0212) 310 34 63 fatma.acar@alarko.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	-
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Succession plan is being conducted by the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/Human Resources Policy
Whether the company provides an employee stock ownership programme	There is no employee share ownership plan.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resources policy.	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/Human Resources Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	-
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/ Rules of Ethics and Social Responsibility
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/ Rules of Ethics and Social Responsibility

Any measures combating any kind of corruption including embezzlement and bribery	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/ Risk Management and Internal Audit Mechanism
4. BOARD OF DIRECTORS - I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	09.04.2025
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	-
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Audit Mechanism page 13
Name of the Chairman	Mehmet Ahkemoğlu
Name of the CEO	General Manager - Harun Hanne Moreno
If the CEO and Chair functions are combined: provide the link to the relevant PDP annoucement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	3 - 42.86%

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/ Or Finance Or Not
Mehmet AHKEMOĞLU	Non-executive	Not independent director	29.03.2006	-	-	-	-
Harun Hanne MORENO	Executive	Not independent director	29.03.2022	-	-	-	-
Ümit Nuri YILDIZ	Non-executive	Not independent director	27.03.2009	-	-	-	-
Alpaslan SERPEN	Non-executive	Not independent director	08.07.2020	-	-	-	-
Bedriye Banu KÖKER	Non-executive	Independent director	29.03.2022	-	Considered	No	Yes
Neslihan TONBUL	Non-executive	Independent director	04.05.2023	-	Considered	No	Yes
Nergis Ayvaz BUMEDİAN	Non-executive	Independent director	14.05.2024	-	Considered	No	Yes

4. BOARD OF DIRECTORS - II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period (meetings in person)	17
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3
The name of the section on the corporate website that demonstrates information about the board charter	http://www.alarkoyatirim.com.tr/index.php/en/investor-relations/annual-reports/ Operational Principles of the Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/229158 https://www.kap.org.tr/en/Bildirim/198295

Composition of Board Committees - I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	Bedriye Banu KÖKER	Yes	Board Member
Audit Committee	-	Neslihan TONBUL	No	Board Member
Corporate Governance Committee	-	Bedriye Banu KÖKER	Yes	Board Member
Corporate Governance Committee	-	Mehmet AHKEMOĞLU	No	Board Member
Corporate Governance Committee	-	Alpaslan SERPEN	No	Board Member
Corporate Governance Committee	-	Metin FRANKO	No	Not Board Member
Committee of Early Detection of Risk	-	Bedriye Banu KÖKER	Yes	Board Member
Committee of Early Detection of Risk	-	Ümit Nuri YILDIZ	No	Board Member
Committee of Early Detection of Risk	-	Mehmet AHKEMOĞLU	No	Board Member
Committee of Early Detection of Risk	-	Alpaslan SERPEN	No	Board Member

4. BOARD OF DIRECTORS - III	
4.5. Board Committees - II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Govemance Committee carries out the duties of the Nomination Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Assessment of The Operating Principles and Effectiveness of Committees of The Board of Directors - page 15
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Govemance Committee carries out the duties of the Remuneration Committee.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report of the Board of Directors page 8, General Information Regarding Our Activities page 9
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.alarkoyatirim.com.tr/index.php/en/investor-relations/corporate-governance/significant-management-board-resolutions
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Financial Rights Granted to Board Members And Top Executives - page 11

Composition of Board Committees - II

Names Of The Board Committees	Name of committees defined as “Other” in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	100%	100%	5	5
Corporate Governance Committee	-	100%	25%	3	3
Committee of Early Detection of Risk	-	100%	25%	1	6

SUSTAINABILITY PRINCIPLES COMPLIANCE DECLARATION

Alarko Gayrimenkul Yatırım Ortaklığı A.Ş. regards the conduct of its operations in accordance with Environmental, Social and Governance (ESG) principles as an integral component of its core strategy. During the 2025 reporting period, we maintained our commitment to complying with the core principles set out in the Sustainability Principles Compliance Framework published by the Capital Markets Board of Türkiye (CMB) and to integrating these principles into our business models.

Practices regarding the principles under the CMB Sustainability Principles Compliance Framework are included in the "Sustainability" section of the Annual Report.

A. General Principles

At Alarko Gayrimenkul Yatırım Ortaklığı A.Ş., we view sustainability not merely as a reporting obligation but as a process for creating long-term value. As of 2025, in line with our sustainability approach, through which we integrate the sustainability policies and targets approved by our Board of Directors into our strategic decision-making, we have been diligently continuing our efforts to identify and monitor environmental and social Key Performance Indicators (KPIs). During this period, we strengthened internal awareness through various training sessions on emissions management, corporate social responsibility, and digital transformation, while systematically gathering data from construction sites and tenants to have the emissions inventory ready ahead of regulatory requirements.

B. Environmental Principles

In 2025, our investments focused on "Green Buildings" and "Sustainable Tourism" gained momentum as part of our efforts to minimize environmental impacts.

- **Bodrum Hillside Hotel Project and LEED Gold Target:** Our Bodrum Hillside Hotel project, currently under construction and scheduled to open in 2026, is being built in accordance with LEED Gold (Leadership in Energy and Environmental Design) certification criteria, one of the highest standards in sustainable architecture. Accordingly, the construction process prioritizes waste management, the deployment of high-tech energy-efficient systems, and landscape design focused on water conservation.
- **Energy and Emissions Management:** We continue to work on reducing greenhouse gas emissions (Scope 1 and Scope 2) at our operational facilities, such as Fethiye Hillside Beach Club. As part of our 2025 renewable energy transition strategy, we targeted sourcing a significant share of our energy from solar power and continued to invest accordingly. Furthermore, details regarding emissions arising from Alarko Real Estate Investment Company's operations are presented in the Alarko Group of Companies' 2024 GRI-compliant Sustainability Report.
- **Certification and Standards:** At our facilities, we diligently adhere to ISO 14001 Environmental Management System requirements, along with Blue Flag, Travelife Gold, and Sustainable Tourism Certification standards.

C. Social Principles

Guided by our people-focused approach, we maintain high standards in areas such as employee rights, equal opportunity, and contributions to society.

- **Human Resources and Equal Opportunity:** We ensure equal opportunities in recruitment and career development, without any discrimination based on gender, religion, or language. Alarko Holding supports initiatives designed to promote the employment of women.
- **Occupational Health and Safety:** Throughout 2025, we continuously carried out occupational health and safety (OHS) training sessions and inspections across all operations, including the Bodrum construction site, aiming to achieve “Zero Workplace Accidents.”
- **Social Investment:** In order to promote local development in our areas of operation, we actively encourage the use of local supply chains.

D. Corporate Governance Principles

Our Company upholds transparency, accountability, and ethical principles as the foundation of its corporate governance.

- **Ethical Principles:** Anti-corruption and anti-bribery policies are binding for all our employees and business partners.
- **Stakeholder Engagement:** In defining our sustainability strategies, the perspectives and expectations of stakeholders (such as investors, employees, and public authorities) are regularly included in our Investor Relations Activity Reports.
- **Compliance Status:** Our Company ensures maximum compliance with the Corporate Governance Principles and the Sustainability Principles Compliance Framework in line with the “Comply or Explain” approach.

Our compliance with sustainability principles has been disclosed on the Public Disclosure Platform (KAP).

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INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of
Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Opinion

We have audited the annual report of Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (the "Company") and its subsidiary (together will be referred as "the Group") for the period between 1 January 2025 and 31 December 2025, since we have audited the complete set consolidated financial statements for this period.

In our opinion, the consolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent, in all material respects, with the audited complete set of consolidated financial statements and information obtained during the audit and provides a fair presentation.

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 Annual Report section of our report. We declare that we are independent of the Company 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 public interest entities, and the ethical requirements in the CMB regulations and other regulations that are relevant to audits of the public interest entities. We have also fulfilled our other ethical principles regarding independent audit of financial statements in the CMB legislation and other relevant legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The annual report of the Group for the period between 1 January 2024 and 31 December 2024 was audited by another auditor who expressed an unmodified opinion on the annual report on 8 March 2025.

As explained in our auditor's report dated 5 March February 2026 on the complete set of consolidated financial statements for the accounting period 1 January 2025 to 31 December 2025, the Group's comparative consolidated financial statements as of 31 December 2024 have been restated.

Auditor's Opinion on Complete Set of Consolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Group for the period between 1 January 2025 and 31 December 2025 on 5 March 2026.

Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Communiqué on the Principles of Financial Reporting in Capital Markets numbered II – 14.1 (the "Communiqué"), the Group's management is responsible for the following regarding the annual report:

a) The Group's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b) The Group's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Group accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Group's consolidated financial statements. The annual report shall also clearly indicates the details about the Group's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:

- Significant events occurred in the Group after the reporting period,
- The Group's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibilities for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual report in accordance with the TCC and the Communiqué and analysis of the Board of Directors by using the information included in the audited consolidated financial statements regarding the position of the Group are consistent with the audited consolidated financial statements of the Group and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

We conducted our audit in accordance with Standards on Auditing issued by POA. These standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited consolidated financial statements regarding the position of the Group are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Hakan Ölekli, SMMM
Partner
5 March 2026
İstanbul, Türkiye

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INDEPENDENT AUDITOR'S REPORT

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.

The Key Audit Matter	**How the Matter was Addressed in our Audit**
As of 31 December 2025, investment properties amounting to TRY 23.323.109.067 constitute 96% of the Group's total assets. The Group's investment properties consist of hotels, offices, factory buildings, and land. The fair values of the Group's investment properties are determined by an independent valuation company. 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." 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.	Our audit procedures for testing fair value measurement of investment property included below: - 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. 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.

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 repor.

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

CONSOLIDATED FINANCIAL STATEMENTS AUDITED BY INDEPENDENT AUDITORS

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2025 (TL)

ASSETS	Notes	Audited 31 December 2025	Restated (*) Audited 31 December 2024	Restated (*) Audited 1 January 2024
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
NON-CURRENT ASSETS		**23.454.002.507**	**21.142.741.993**	**18.479.123.073**
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 financial statements.

LIABILITIES	Notes	Audited 31 December 2025	Restated (*) Audited 31 December 2024	Restated (*) Audited 1 January 2024
CURRENT LIABILITIES		**2.148.877.523**	**731.538.215**	**488.788.498**
Short-Term Borrowings	5	1.010.626.58	-	-
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	15	61.737.006	(111.092.070)	135.453.290
Restricted Reserves Appropriated from Profit		606.714.825	599.915.300	575.682.312
Retaired 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**

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2025 (TL)

	Notes	Current Period 1 January 2025 31 December 2025	Prior Period 1 January 2024 31 December 2024
PROFIT AND LOSS			
Revenue	16	554.616.277	484.409.921
Cost of Sales (-)	16	(115.733.267)	(30.117.471)
GROSS PROFIT		**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 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 financial statements.

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMETS OF CHANGES IN EQUITY
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2025 (TL)

						Accumulated Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		Other Comprehensive Income and Expenses Accumulated That Will Be Reclassified in Profit or Loss		Retained Earnings		
	Notes	Share Capital	Adjustments to Share Capital	Treasury Shares (-)	Effect of Mergers Involving Enterprises or Businesses Under Common Control	Gain/Loss from Investments in Equity Based Financial Instruments	Accumulated Gain / Loss on Remeasurement of Defined Benefit Plans	Currency Translation Differences	Restricted Reserves Appropriated from Profit	Retained Earnings / (Losses)	Net Profit / (Loss) for the Year	Total Equity
Balances as of January 1, 2024 (Opening Balance)		**144.900.000**	**2.036.401.492**	**(215.870.407)**	**(796.977.295)**	**165.422.327**	**(383.820)**	**736.264.732**	**575.682.312**	**15.244.632.239**	**2.436.684.889**	**20.326.756.469**
Correction of Errors (*)	2,3	–	–	–	–	–	–	(600.811.442)	–	395.662.986	205.148.456	–
Balances as of January 1, 2024 After Restatements		144.900.000	2.036.401.492	(215.870.407)	(796.977.295)	165.422.327	(383.820)	135.453.290	575.682.312	15.640.295.225	2.641.833.345	20.326.756.469
Transfers		–	–	–	–	–	–	–	24.792.737	2.605.883.876	(2.630.676.613)	–
Total Comprehensive Income / (Expense)		–	–	–	–	(60.032.586)	(10.034)	(246.545.360)	–	–	704.352.496	397.764.516
Capital Increase		144.900.000	67.772.722	–	–	–	–	–	–	(212.672.722)	–	–
Dividends	15	–	–	559.749	–	–	–	–	(559.749)	559.749	(11.156.732)	(10.596.983)
Increase / Decrease) Due to Other	23	–	–	–	–	–	–	–	–	(3.275.393.969)	–	(3.275.393.969)
Balances as of December 31, 2024 (Closing Balances)		**289.800.000**	**2.104.174.214**	**(215.310.658)**	**(796.977.295)**	**105.389.741**	**(393.854)**	**(111.092.070)**	**599.915.300**	**14.758.672.159**	**704.352.496**	**17.438.530.033**
Balances as of January 1, 2025 (Opening Balance)		**289.800.000**	**2.104.174.214**	**(215.310.658)**	**(796.977.295)**	**105.389.741**	**(393.854)**	**(111.092.070)**	**599.915.300**	**14.758.672.159**	**704.352.496**	**17.438.530.033**
Transfers		–	–	–	–	–	–	–	6.799.525	697.552.971	(704.352.496)	–
Total Comprehensive Income / (Expense)		–	–	–	–	(21.928.093)	(96.687)	172.829.076	–	–	(2.032.343.878)	(1.881.539.582)
Balances as of December 31, 2025 (Closing Balances)		**289.800.000**	**2.104.174.214**	**(215.310.658)**	**(796.977.295)**	**83.461.648**	**(490.541)**	**61.737.006**	**606.714.825**	**15.456.225.130**	**(2.032.343.878)**	**15.556.990.451**

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

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

ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2025 (TL)

	Notes	Audited 1 January 2025 31 December 2025	Restated (*) Audited 31 January 2024 31 December 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		**1.564.307.933**	**817.274.912**
Profit / Loss for the Year		**(2.032.343.878)**	**704.352.496**
Adjustments to Reconcile Profit / (Loss) for the Year		**3.194.554.660**	**139.612.236**
- Adjustments Related to Depreciation And Amortization Expenses	9, 10	1.645.297	1.891.698
- Adjustments Related to Provisions	12	2.558.382	2.528.848
- Adjustments Related to Interest Income		(21.303.507)	(85.674.418)
- Adjustments Related to Interest Expenses		367.705.424	324.809.938
- Adjustments Related to Unrealized Currency Translation Differences		561.188.235	65.251.920
- Adjustments Related to Gain / Loss on Fair Value	8	2.528.884.275	(1.011.021.237)
- Adjustments Related to Tax (Income) / Expense	23	81.869.867	496.583.071
- Adjustments Related to Monetary Loss / Gain		(327.993.313)	345.242.416
Changes in Working Capital		**401.244.905**	**(105.471.854)**
- Adjustments Related to Increase / Decrease in Trade Receivables		284.247.276	(15.181.432)
- Adjustments Related to Increase / Decrease in Other Receivables From Operations		(2.008.807)	(1.531.024)
- Adjustments Related to Increase / Decrease in Inventories		617	(4.923)
- Adjustments Related to Increase / Decrease in Trade Payables		275.068.828	1.196.436
- Adjustments Related to Increase / Decrease in Other Payables From Operations		85.385.055	(9.914.359)
- Adjustments Related to Other Increase / Decrease in Working Capital		(241.448.064)	(80.036.552)
Cash Generated From Operations		**1.563.455.687**	**738.492.878**
Interest Received		21.303.507	85.674.418
Payments Related with Provisions for Employee Benefits	12	(1.198.731)	-
Tax Return / (Payments)	23	(19.252.529)	(6.892.384)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(3.663.441.970)**	**(1.404.519.112)**
Cash Outflows for Acquisition of Debt Instruments		-	(1.354.763.412)
Cash Inflows from Sale of Debt Instruments		990.338.545	1.860.956.585
Payments for Purchase of Property, Plant and Equipment and Intangible Assets	9	(205.440)	(141.686)
Payments for Investment Properties	8	(4.653.690.148)	(1.910.570.599)
Cash Inflows from Sales of Assets Held For Sale		115.073	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		**1.848.447.787**	**1.021.695.670**
Cash Inflows From Borrowing	5	2.554.638.363	1.596.324.707
Cash Outflows From Borrowing	5	(706.190.576)	(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)		**(250.686.249)**	**434.451.470**
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**1.389.779**	**-**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(249.296.470)**	**434.451.470**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**455.063.635**	**327.729.879**
F. MONETARY LOSS / GAIN ON CASH AND CASH EQUIVALENTS	**3**	**(64.646.046)**	**(307.117.714)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	**3**	**141.121.119**	**455.063.635**

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

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

(Amounts expressed in Turkish Lira (TL))

1- ORGANIZATION AND OPERATIONS OF THE GROUP

The 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 Company) upon being published in the Turkish Trade Register Gazette dated 6 August 1996 nr 4096. The Company 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 Company operates as a real estate partnership in accordance with the statements and regulations of the CMB. In this context, the Company invests in real estate, real estate projects, and capital market instruments. Accordingly, the Company acts in accordance with the regulations and legislation of the CMB in its principal activities, investment portfolio policies, and administrative limits.

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

	31 December 2025		31 December 2024	
Shareholders	**Share Rate (%)**	**Share Amount (TL)**	**Share Rate (%)**	**Share Amount (TL)**
Alarko Holding A.Ş.	16.42	47.568.791	16.42	47.568.791
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş.	34.78	100.800.460	34.78	100.800.460
Public Offering	48.77	141.336.803	48.77	141.336.803
Other (*)	0.03	93.946	0.03	93.946
Total	**100.00**	**289.800.000**	**100.00**	**144.900.000**

(*) Represents the total share amount of shareholders holding less than 10% of the capital.

The Company applied to the Capital Markets Board on 29 August 2025 to increase its issued share capital by TL1.738.800.000, corresponding to 173.880.000.000 bearer shares with a nominal value of TL 0,01 each in group C, raising the total issued share capital to TL 2.028.600.000, 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 31 December 2025 and 31 December 2024, the difference arising from the adjustment of the nominal capital is at the amount of TL 2.104.174.214 and TL 2.104.174.214 (Note 15 (b)).

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

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

The share certificates constituting the Company'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, have been consolidated according to the full consolidation method with 100% ownership as of 31 December 2025 and 31 December 2024. The Company and its subsidiary will hereinafter be referred to as the Group.

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 instruments with fair value through other comprehensive income ,
- 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 TAS 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 TL 787.856.597 and current liabilities amount to TL 2.148.877.523; accordingly, current liabilities exceed current assets by TL 1.361.020.926. During the period, cash flows generated from operating activities amounted to TL 1.564.307.933. The Group's short-term interest-bearing liabilities amount to TL 1.690.382.967. 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.

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

Changes in accounting estimates are reflected in the financial statements prospectively by including them in the profit or loss of the period in which the change is made if the change affects only that period, or in the profit or loss of both the period in which the change is made and future periods if the change affects both the current and future periods.

Significant prior period errors that are identified are corrected retrospectively. When making a retrospective correction, the comparative amounts presented for the prior period in which the error occurred are restated. If the error occurred before the earliest period presented, the opening balances of assets, liabilities, and equity for the earliest period presented 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 TAS 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 TL 820,700,923. This reclassification has no impact on operating profit.

As of 31 December 2024, TL 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 TL 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.

Statement of Financial Position

	Previously Reported	Stated in terms of the purchasing power of TL as of 31 December, 2025		Restated
	31 December 2023	31 December 2023	Adjustments	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

	Previously Reported 31 December 2024	Stated in terms of the purchasing power of TL as of 31 December, 2025 31 December 2024	Adjustments	Restated 31 December 2024
Other Accumulated Comprehensive Income				
That Will Be Reclassified to Profit or Loss				
- Currency Translation Difference	466.304.128	610.356.331	(721.448.401)	(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

	Previously Reported 31 December 2024	Stated in terms of the purchasing power of TL as of 31 December, 2025 31 December 2024	Adjustments	Restated 31 December 2024
Profit and Loss				
Net Monetary Position Gains / (Losses)				
Other Comprehensive Income	(365.800.249)	(478.804.463)	120.636.959	(358.167.504)
Items that will be Reclassified				
- Foreign Currency Translation Differences	(96.192.347)	(125.908.401)	(120.636.959)	(246.545.360)

	Previously Reported 2024	Stated in terms of the purchasing power of TL as of 31 December, 2025 2024	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)	-

	Previously Reported 2024	Stated in terms of the purchasing power of TL as of 31 December, 2025 2024	Adjustments	Restated 2024
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.

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 profit or loss 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 TAS 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.

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.

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.

TFRS 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."

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 TFRS 9 and TFRS 7 related to contracts for electricity produced from renewable resources on its consolidated financial statements.

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 ("POA"):

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.

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

d) Revenue

(i) General Model for Revenue Recognition

Under TFRS 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 TFRS 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.

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 TAS 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

Revenue is recognized in the consolidated financial statements when the performance obligation specified in the contract is satisfied by transferring the real estate promised under the contract to the customer. The real estate is considered as transferred when control of the real estate passes to the customer.

Rental Income from Real Estate Leases

Rental income from real estates is accounted on an accrual basis linearly throughout the relevant lease agreement. Incentives and similar benefits provided by the Group to tenants are accounted for as a deduction from rental income over the lease term.

Under the agreements related to the hotel 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.

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, as 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 to be reported under the tax income/(expense) item in the profit or loss in the next accounting period.

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 POA 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 retained earnings under equity for 2023 and before, and its effect for 2024 is reflected in the profit or loss.

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;
  - o That is not a business combination, and
  - o 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.

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. Any impairment loss in a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, provided that no impairment loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties, or biological assets that are measured in accordance with the Group's accounting policies.

Impairment losses recognized at the date of initial classification as non-current assets held for sale or distribution, as well as any subsequent gains or losses arising from remeasurement, 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.

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:

Type	Useful Life
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:

Type	Useful Life
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.

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.

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.

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.
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.

(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.

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 TAS 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) at an amount equal to the lifetime expected credit losses (ECLs).

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 assumes that the credit risk on a financial asset has increased significantly when the asset is more than 30 days past due. The Group considers a financial asset to be in default when:

- The borrower is unlikely to fully meet its credit obligations to the Group without the Group resorting to actions such as realizing any collateral (if any), or
- The financial instrument is more than 90 days past due.

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. For debt instruments measured at fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income rather than reducing the carrying amount of the financial asset in the consolidated statement of financial position.

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 investment properties) 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.

p) 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.

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 (Loss) 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.

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).

For the purposes of this report, the Company's shareholders, Alarko Holding A.Ş. and Alarko Holding Group Companies, their executives, as well as other companies controlled by or related to these entities, are considered related parties.

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, including the assumptions and estimates used in the valuation
- 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.

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 31 December 2025 and 31 December 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.

3- CASH AND CASH EQUIVALENTS

The details of the cash and cash equivalents as at 31 December 2025 and 31 December 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 31 December 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 buy and sell rights at the current fund price and whose returns are similar to average market deposit interest rates.

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

4- FINANCIAL ASSETS

As of 31 December 2025 and 31 December 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

	31 December 2025			31 December 2024		
Currency	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 of 31 December 2024, financial assets measured at fair value consist of Eurobonds with coupon payments maturing on 13 March 2025.

(**) Repo in foreign currency.

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 31 December 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 TL 21.928.093 in the year ended 31 December 2025 (2024: TL 60.140.097 decrease) resulted in a total fair value gain of TL 83.354.166 as of 31 December 2025 (31 December 2024: TL 105.282.259). The gain by TL 107.482 arising from the sale of investments in Alarko Konut Projeleri Geliştirme A.Ş. and Alarko Enerji A.Ş. has been classified under "Accumulated Other Comprehensive Income or Expenses Not to Be Reclassified to Profit or Loss" (Note 15(c)).

5- BORROWINGS

As of 31 December 2025 and 31 December 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 31 December 2025 and 31 December 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**

As of 31 December 2025 and 31 December 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	Euro	5,73%	26.06.2026 - 28.12.2026	6.849.171	345.037.252
Unsecured Bank Loan	Euro	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	Euro	6,21%	27.06.2025 - 26.12.2025	7.270.970	350.253.661
Total					**615.516.282**

As of December 31 December 2025 and 31 December 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	Euro	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	Euro	6,21%	26.06.2026 - 28.06.2029	19.747.433	951.263.827
Total					**1.501.835.219**

As of 31 December 2025 and 31 December 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 31 December 2025 and 31 December 2024 are as follows :

	1 January 2025 31 December 2025	1 January 2024 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 31 December 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 31 December 2024, sureties provided by one of the major shareholders and subsidiaries of this major shareholder to financial institutions, securing the Group's bank loans, amount to TL 1.537.878.853 (31 December 2024: TL 2.012.965.437).

Pledges, mortgages, and sureties 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.

6- TRADE RECEIVABLES AND PAYABLES

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

	31 December 2025	31 December 2024
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))	**28.176.150**	**406.345.356**

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

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

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

	31 December 2025	31 December 2024
Trade payables	72.358.750	36.019.796
Trade payables to related parties (Note 25 (a))	241.601.256	14.885.773
Total (Note 26 (ii))	**313.960.006**	**50.905.569**

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 RECEIVABLES AND PAYABLE

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

	31 December 2025	31 December 2024
Other receivables	1.629.228	2.134.583
Total (Note 26 (i))	**1.629.228**	**2.134.583**

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

	31 December 2025	31 December 2024
Deposits and guarantees given	650.407	812.851
Total (Note 26 (i))	**650.407**	**812.851**

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

	31 December 2025	31 December 2024
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))	**18.636.974**	**43.910.706**

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

	31 December 2025	31 December 2024
Deposits and guarantees received	125.489.599	32.977.434
Total (Note 26 (ii))	**125.489.599**	**32.977.434**

8- INVESTMENT PROPERTIES

The movements in investment properties for the periods ended 31 December 2025 and 31 December 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 TL 643.583.617 have been capitalized on investment properties (31 December 2024: TL 93.734.366).

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

	31 December 2025	
Name of Real Estate	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 Sitesi – 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.

As of 31 December 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 Sitesi – 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 31 December 2024, the total insurance amount on investment properties amounts to TL 5.609.274.557 and TL 6.602.797.301, respectively (Note 31).

As of 31 December 2025, mortgages on investment properties amount to TL 5.392.510.650 (2024: TL 5.118.556.279).

As of 31 December 2025 and 31 December 2024, the fair value of the Company'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.

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

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:

Hillside Beach Club Holiday Village	31 December 2025	31 December 2024
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 :

Bodrum Hotel	31 December 2025	31 December 2024
Construction unit cost per m²	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 :

Comparable Price per Square Meter	31 December 2025	31 December 2024
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 31 December 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 TL 7.72.

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.

9- PROPERTY, PLANT AND EQUIPMENTS

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

Cost ;

	Opening 1 January 2025	Addition	Foreign Currency Translation Differences	Closing 31 December 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**

Accumulated Depreciation;

	Opening 1 January 2025	Addition	Foreign Currency Translation Differences	Closing 31 December 2025
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 31 December 2024, property, plant and equipment's are as follows :

Cost ;

	Opening 1 January 2024	Addition	Foreign Currency Translation Differences	Closing 31 December 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**

Accumulated Depreciation ;

	Opening 1 January 2024	Addition	Foreign Currency Translation Differences	Closing 31 December 2024
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 31 December 2025 and 31 December 2024, the total insurance amount on property, plant and equipment is respectively, TL 103.268.724 and TL 83.260.076 (Note 31).

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

10- INTANGIBLE ASSETS

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

Cost

	Opening 1 January 2025	Addition	Disposal	Closing 31 December 2025
Rights	935.671	-	-	935.671
Other Intangible Assets	8.747.313	-	-	8.747.313
Subtotal	**9.682.984**	**-**	**-**	**9.682.984**

Accumulated Amortization;

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 31 December 2024, intangible assets are as follows :

Cost

	Opening 1 January 2024	Addition	Disposal	Closing 31 December 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**

Accumulated Amortization;

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.

11- PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES

a) Contingent Asset and Liabilities

As of 31 December 2025, the Group has no contingent assets and liabilities (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 or CPMG) 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. TCPMG Provided on Behalf of Other Companies Not Covered Under B and C	-	-
iii. TC 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, TL 3.280.427 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: TL 5.194.945).

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 31 December 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 provided in the accompanying 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 TL 64.948.77 per service year as of 31 December 2025 (31 December 2024: TL 46.655.43).

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**

Retirement Pay Provision ;

	1 January 2025 31 December 2025	1 January 2024 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 2025 31 December 2025	1 January 2024 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 31 December 2025.

15- EQUITY

a) Paid-in Capital

As at 31 December 2025 and 31 December 2024, the Company'authorized share capital is TL 500.000.000, 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 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 TL 1.738.800.000, through the issuance of 173.880.000.000 C-group bearer shares with a nominal value of 1 Kr each, raising the capital to TL 2.028.600.000, 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 31 December 2025 and 31 December 2024, the difference arising from the adjustment of nominal capital for inflation amounts to TL 2.104.174.214.

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 31 December 2025 and 31 December 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 31 December 2025 and 31 December 2024, the decreases in value resulting from fair value measurements are recorded as a decrease of TL 21.928.093 and TL 60.032.586, respectively, in the “Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss” account. Additionally, the income of TL 107.482 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).

d) Restricted Profit Reserves

Restricted reserves set aside from equity are as follows :

	31 December 2025	31 December 2024
Legal Reserves	111.126.998	105.238.186
Inflation Difference of Legal Reserves	495.587.827	494.677.114
Total	**606.714.825**	**599.915.300**

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 :

	31 December 2025	31 December 2024
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	**15.456.225.130**	**14.758.672.159**

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 31 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 31 December 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 31 December 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 TAS/TFRS.

31 December 2025

	Adjustment to Share Capital	Legal Reserves	Reserve for Repurchased Shares	Special Fund	Extraordinary Reserves
According to TAS/TFRS 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

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	Adjustment to Share Capital	Legal Reserves	Reserve for Repurchased Shares	Special Fund	Extraordinary Reserves
According to TAS/TFRS 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.

g) Treasury Shares

As of 31 December 2025, the total purchases made from the Group's internal resources amount to 14,539,680 shares, corresponding to TL 287.818.314, 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 TL 287.818.314 paid for the repurchase of shares under the "Treasury Shares (-)" account.

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

16- SALES AND COST OF SALES

Sales revenues are as follows :

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

General administrative expenses consist of the following :

	1 January 2025 31 December 2025	1 January 2024 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 2025 31 December 2025	1 January 2024 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 2025 31 December 2025	1 January 2024 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**

19- OTHER OPERATING INCOME / (EXPENSES)

Other operating income consists of the following :

	1 January 2025 31 December 2025	1 January 2024 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 2025 31 December 2025	1 January 2024 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 İnterest 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 2025 31 December 2025	1 January 2024 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 2025 31 December 2025	1 January 2024 31 December 2024
Financing Expenses	286.699.821	296.327.492
Total	**286.699.821**	**296.327.492**

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 2025 31 December 2025	1 January 2024 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
Investments	214.853.873	282.028.272
Investment Properties	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
Other Comprehensive Income or Expenses Not To Be Reclassified To Profit or Loss	(26.843.769)	(50.729.107)
- Gains (Losses) on Investments in Equity Instruments	(26.936.724)	(50.847.085)
- Gains (Losses) on Defined Benefit Plans	92.955	117.978
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	112.397.867	68.550.645
- Currency Translation Difference	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 Operating Income	(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)**

23- TAX ASSETS AND LIABILITIES

Current Income Tax

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(REIFs) have 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 earnings 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 31 December 2025, the deferred tax assets and liabilities of the Group are calculated using the 30% tax rate applicable to undistributed earnings (As of 31 December 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 31 December 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 31 December 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 profit or loss.

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 31 December 2025, deferred tax calculations for companies located in Russia have been made using a 25% tax rate (31 December 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 Company’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 Company’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.

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 Company (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.

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 Company 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.

In addition, under the provisions of the Tax Procedure Law, inflation adjustment differences arising from the application of tax inflation accounting to investments in progress are monitored under equity in a special reserve account. These amounts are subject to taxation by being associated with profit or loss accounts in equal installments over the period in which the investment is completed and the related asset is required to be capitalized, and over the following four fiscal periods. The amounts tracked in this reserve are revalued each year based on the revaluation rate specified in the Tax Procedure Law in accordance with the relevant legislation. The effect of this practice on the Group's TFRS consolidated financial statements has been taken into account within the scope of deferred tax calculations.

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 2025 and 31 December 2024, tax income / (expense) is as follows :

	1 January 2025 31 December 2025	1 January 2024 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 2025 and 31 December 2024 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 2025 and 31 December 2024, 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 2025 31 December 2025	%	1 January 2024 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.

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				
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 belows :

	1 January 2025 31 December 2025	1 January 2024 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).

24- EARNINGS / (LOSS) PER SHARE

For the year ended 31 December 2025, basic and diluted earnings / (loss) per share of TL (2.032.343.878) and TL 704.352.496, respectively, were calculated by dividing the net profit/ (loss) attributable to the 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 shareholders is as follows.

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

	1 January 2025 31 December 2025	1 January 2024 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 1 TL Share	(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 the calculation of earnings/(loss) per share is obtained by applying the issuance of bonus shares retrospectively. 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	
Balances with related parties	Receivables Current Trading	Payables Current Trading
Attaş Alarko Turistik Tesisler A.Ş.(3)	22.713.422	280.013.320
Less: unearned interest	(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**

Balances with related parties	31 December 2024 Receivables Current Trading	Payables Current Trading
Attaş Alarko Turistik Tesisler A.Ş.(3)	402.508.576	11.521.436
Less: unearned interest	(775.894)	-
Alarko Holding A.Ş.(1)	-	1.425.784
Alarko Konut Projeleri Geliştirme A.S. (3)	4.702	-
Aldem Alarko Konut Inşaat Ticaret A.S.(3)	34.656	-
Al-Riva Proje.Ar.Değ.Konut Inş.Tic.A.S. (3)	1.298	-
Al-Riva Arazi Değ.Konut Inş.ve Tic. A.S.(3)	509	-
Al-Riva Ar.Değ.Kon.Inş.Tur.Tes.Golf A.S. (3)	656	-
Alarko Digital Teknoloji Cözümleri A.Ş. (3)	-	1.154.301
Alarko Tarım San.ve Tic.A.S.-Iştirakler (3)	-	12.351
Alsim Alarko San. Tes. ve Tic A.Ş.(2)	-	771.901
Total (Note 6)	**401.774.503**	**14.885.773**

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

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

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

As of 31 December 2025, the Group has sureties received from related parties amounting to TL 7.957.630.750 (31 December 2024: TL 5.335.922.624).

(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, Deputy General Managers and Directors. 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 TL 37.317.482 (31 December 2024: TL 25.786.283).

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

26- NATURE AND LEVEL OF RISKS ARISING 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.

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

	Receivables				
	Trade Receivables		Other Receivables		
31 December 2025	Related Parties	Other	Related Parties	Other	Cash and Cash Equivalents
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- Net book value of financial assets whose terms are re-negotiated, otherwise accepted as overdue or impaired	–	–	–	–	–
C- Net book value of financial assets that are overdue but not impaired (3)	–	–	–	–	–
- Secured portion of the net book value by guarantees, etc	–	–	–	–	–
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.

As of 31 December 2024, overdue and guarantee structure of the Group's receivables and cash and cash equivalents consist of the followin :

	Receivables				
	Trade Receivables		Other Receivables		
31 December 2024	Related Parties	Other	Related Parties	Other	Cash and Cash Equivalents
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- Net book value of financial assets whose terms are re-negotiated, otherwise accepted as overdue or impaired	–	–	–	–	–
C- Net book value of financial assets that are overdue but not impaired (3)	–	–	–	–	–
- Secured portion of the net book value by guarantees, etc	–	–	–	–	–
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.

As of 31 December 2025 and 31 December 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 exceed / (fall short of) its short-term liabilities amounts to TL (1.361.020.926), while as of 31 December 2024 it amounts to TL 1.709.261.026.

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

31 December 2025

Contractual Maturities	Carrying Value	Total Contracted Cash Outflows (I+II+III+IV)	Less than 3 Months (I)	3 to 12 Months (II)	1 to 5 Years (III)	More than 5 Years (IV)
Non-derivative Financial Liabilities						
Bank Loans (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 toThird 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

Contractual Maturities	Carrying Value	Total Contracted Cash Outflows (I+II+III+IV)	Less than 3 Months (I)	3 to 12 Months (II)	1 to 5 Years (III)	More than 5 Years (IV)
Non-derivative Financial Liabilities						
Bank Loans (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

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 main 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 risk and takes the necessary precautions. The main foreign currencies constituting the risk are USD and EUR.

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

Foreign Currency Position

On totals basis;

	31 December 2025	31 December 2024
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)	**(3.392.173.325)**	**145.991.623**

Breakdown on foreign currency basis;

	31 December 2025		
	TL Equivalent (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)**

Breakdown on foreign currency basis;

	31 December 2024		
	TL Equivalent (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)**

Foreign currency position sensitivity analysis as of 31 December 2025 and 31 December 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)**

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 31 December 2024, the interest rate position is as follows

Fixed Interest Financial Instruments	31 December 2025	31 December 2024
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 31December 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.

	Profit or Loss		Equity	
	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

vi. Share Price Risk

The Group is exposed to the stock price risk caused by the price changes that may occur in the securities in its portfolio. As of 31 December 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 remain constant, the Group would have a direct net effect on equity without affecting profit/loss by TL 12.064.573 lower / higher (31 December 2024: TL 14.257.382) (Note: 4).

vii. Capital Risk Management

For proper management of capital risk, the Company 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 equity. 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 borrowings stated in the statement of financial position). The total equity 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 31 December 2025 and 31 December 2024, the ratio of the net debt to the total equity to is as follows :

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

27-FINANCIAL INSTRUMENTS (Fair Value Disclosures and Explanations)

31 December 2025	Financial Measured at Amortized Cost	Fair Value Through Profit or Loss	Fair Value Through OCI	Financial Liabilities Measured at Amortized Cost	Fair Value
Financial Assets					
Cash and Cash Equivalents (Note 3)	141.121.119	-	-	-	141.121.119
Trade Receivables from Third Parties (Note 6)	5.473.043	-	-	-	5.473.043
Trade Receivables from Related Parties (Note 6)	22.703.107	-	-	-	22.703.107
Other Receivables from Third Parties (Note 7)	2.279.635	-	-	-	2.279.635
Other Financial Assets (Note 4)	-	-	120.684.091	-	120.684.091
Financial Liabilities					
Bank Loans (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 Measured at Amortized Cost	Fair Value Through Profit or Loss	Fair Value Through OCI	Financial Liabilities Measured at Amortized Cost	Fair Value
Financial Assets					
Cash and Cash Equivalents Note 3)	455.063.635	-	-	-	455.063.635
Trade Receivables from Third Parties (Note 6)	4.570.853	-	-	-	4.570.853
Trade Receivables from Related Parties (Note 6)	401.774.503	-	-	-	401.774.503
Other Receivables from Third Parties (Note 7)	2.947.434	-	-	-	2.947.434
Other Financial Assets (Note 4)	-	1.122.656.673	142.612.184	-	1.265.268.857
Financial Liabilities					
Bank Loans (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)

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

Since variable interest-bearing loans are repriced at variable rates and close to the year-end, their carrying amounts are assumed to approximate their fair values. Fixed interest-bearing loans are presented by recalculating them using the interest rates of loans with similar maturities and amounts.

Trade payables are assumed to reflect their fair values due to their short-term nature.

The valuation methods of financial instruments measured at fair value are presented in the table below.Valuation methods according to the levels are defined 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: Financial assets and liabilities are valued using inputs other than the quoted market prices specified in Level 1, which are directly or indirectly observable in the market for the relevant asset or liability.

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

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**	**Level 2**	**Level 3**
Financial Assets				
Publicly Traded Shares	120.645.728	120.645.728	-	-
Investment Properties	-	-	-	23.323.109.067

		Fair Value Level as of Reporting Period		
	31 December 2024	**Level 1**	**Level 2**	**Level 3**
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 Properties	-	-	-	20.986.876.161

Investment Properties – Sensitivity Analys

Hillside Beach Club Hotel

31 December 2025	Sensitivity Rate	Effect on Fair Value on 31 December 2025	Effect on Fair Value 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 Factory

31 December 2025	Sensitivity Rate	Effect on Fair Value on 31 December 2025	Effect on Fair Value 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 Shops

31 December 2025	Sensitivity Rate	Effect on Fair Value on 31 December 2025	Effect on Fair Value on 31 December 2024
Capitalization Rate	0.5% Increase	(74.472.000)	(55.959.273)
	0.5% Decrease	90.441.000	68.394.667

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 Fair Value on 31 December 2025	Effect on Fair Value 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	Russia 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	**(2.008.110.376)**	**(24.233.502)**	**(2.032.343.878)**
PROFIT 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

	Türkiye 31 December 2024	Russia 31 December 2024	Total 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	**932.179.065**	**268.756.502**	**1.200.935.567**
- Current Tax (Expense) / Income	-	(6.904.453)	(6.904.453)
- Deferred Tax (Expense) / Income	(440.893.030)	(48.785.588)	(489.678.618)
Tax (Expense) / Income from Continuing Operations	**(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	Total 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

29- EVENTS AFTER THE REPORTING PERIOD

a) It was previously disclosed to the public that the Group, whose registered capital ceiling is TL 500.000.000 and issued capital is TL 289.800.000, applied to the Capital Markets Board (CMB) on 29 August 2025 to increase its issued capital by TL 1.738.800.000, 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 TL 2.028.600.000, 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 CMB to obtain approval for increasing the Group's registered capital ceiling from TL 500.000.000 to TL 10.000.000.000 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 SERVİCES RECEİVED 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 30 March 2021, by the Public Oversight Accounting and Auditing Standards Authority (POA), and based on the POA letter dated 19 August 2021, which was announced by the POA on 4 October 2024, is as follows :

	31 December 2025	31 December 2024
Independent Audit Fee for the Reporting Period	3.406.222	2.617.867
Fees for Tax Advisory Services	No Service	No Service
Fees for Other Non-Audit Services	No Service	No Service
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	83.260.07
Total	**5.712.543.281**	**6.686.057.377**

32- SUPPLEMENTARY NOTES: MONITORING COMPLIANCE WITH PORTFOLIO RESTRICTIONS

As of 31 December 2025 and 31 December 2024, compliance with portfolio restrictions is monitored as follows:

	Main Account Items of Unconsolidated / Separate Financial Statements	Related Regulation	Current Year (TL) 31 December 2025	Prior Year (TL) 31 December 2024
A	Money Market and Capital Market Instruments	Article 24/(b)	211.035.569	1.693.844.889
B	Real estates, real estate projects and rights supported by real estates	Article 24/(a)	22.274.185.000	20.131.657.643
C	Affiliates	Article 24/(b)	837.464.084	713.370.058
	Due from Related Parties (Non-Trade)	Article 23/(f)	-	-
	Other Assets		617.294.974	847.250.458
D	**Total Assets**	Article 3/(p)	**23.939.979.627**	**23.386.123.048**
E	Financial Liabilities	Article 31	4.193.993.449	2.117.351.501
F	Other Financial Liabilities	Article 31	-	-
G	Lease Obligations	Article 31	-	-
H	Due to Related Parties (Non-Trade)	Article 23/(f)	-	-
İ	Equity	Article 31	15.552.421.208	17.439.679.290
	Other Liabilities		4.193.564.970	3.829.092.257
D	**Total Liabilities and Equity**	Article 3/(p)	**23.939.979.627**	**23.386.123.048**

	Other Financial Informations Related with Unconsolidated Financial Statements	Related Regulation	Current Year (TL) 31 December 2025	Prior Year (TL) 31 December 2024
A1	Part of Money Market Instruments and Capital Market Instruments Held for Real Estates (3 Years)	Article 24/(b)	-	-
A2	Time and Demand Deposits in TL / Foreign Currency	Article 24/(b)	8.760.981	4.500.024
A3	Foreign Capital Market Instruments	Article 24/(d)	-	-
B1	Real estates, real estate projects and rights supported by real estates	Article 24/(d)	-	-
B2	Lands Held Idle	Article 24/(c)	2.389.020.000	2.347.523.803
C1	Foreign Investments	Article 24/(d)	837.425.721	713.331.695
C2	Participation in the Operating Company	Article 28/1(a)	38.363	38.363
J	Non-cash Loans	Article 31	6.933.669.930	7.136.716.661
K	Mortgage lien on lands to be administrated for projects and the property of which does not belong to the Group	Article 22/(e)	-	-
L	All of the money and capital markets in a single investment company tools	Article 22/(l)	120.645.728	142.573.821

	Portfolio Limitations	Related Regulation	Current Year 31 December 2025	Prior Year 31 December 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	Article 22/(e)	0,00%	0,00%	≤ 10%
2	Real Estate–Based Rights, Real Estate Investment Fund Participation Shares, and companies within the scope of subparagraph (ç) of the first paragraph of Article 28 in which they hold a 100% ownership interest.	Article 24/(a),(b)	93,04%	86,08%	≥ 51%
3	Money Market and Capital Market Instruments and Subsidiaries	Article 24/(b)	4,38%	10,29%	≤ 49%
4	Real estates, real estate projects and rights supported by real estates, Subsidiaries, Capital Market Instruments	Article 24/(d)	3,50%	3,05%	≤ 49%
5	Lands Held Idle	Article 24/(c)	9.98%	10,04%	≤ 20%
6	Participation in the Operating Company	Article 28/1 (a)	0,00%	0,00%	≤ 10%
7	Borrowing Limit	Article 31	71,55%	53,06%	≤ 500%
8	Time and Demand Deposits in TL / Foreign Currency	Article 24/(b)	0,04%	0,02%	≤ 10%
9	All of the money and capital markets in a single investment company Tools	Article 22/(l)	0,50%	0,61%	≤ 10%

According to the communiqué of the Capital Markets Board published in the Official Gazette dated 28 May 2013 and numbered 28660 (Series: III, No: 48.1) titled “Communiqué on Principles Regarding Real Estate Investment Trusts”, subparagraph (c) of Article 24 states that “the ratio of lands and plots held in the portfolio on which no development activity has been undertaken for five years from the date of acquisition cannot exceed 20% of total assets.” According to the financial statements as of 31 December 2025, the ratio of such lands and plots to total assets is 9.98%, which is within the limits specified in the Communiqué.

In the same Communiqué, subparagraph (a) of Article 24 of the “Communiqué on Principles Regarding Real Estate Investment Trusts” (Series: III, No: 48.1) states that “at least 51% of total assets must be invested in real estates, real estate-based rights, and real estate-based projects.” According to the financial statements as of 31 December 2025, this ratio is 93.04%, which is within the limits specified in the Communiqué.

In addition, the same Communiqué states in subparagraph (b) of Article 24 that “a maximum of 49% of total assets may be invested in the assets listed in subparagraph (k) of the first paragraph of Article 22 of this Communiqué and in the subsidiaries specified in Article 28.” According to the financial statements as of 31 December 2025, this ratio is 4.38%, which is within the limits specified in the Communiqué.

Furthermore, subparagraph (b) of Article 24 of the Communiqué states that “investments in demand and time deposits denominated in Turkish Lira or foreign currency may not exceed 10% of total assets.” According to the financial statements as of 31 December 2025, this ratio is 0.04%, which is within the limits specified in the Communiqué. Borrowing limits, participation ratios in the operating company, investments in foreign real estate, real estate-based projects, real estate-based rights, subsidiaries, capital market instruments, and investments in monetary and capital market instruments of a single company comply with the portfolio limitations. There are no other portfolio limitation matters.

The information provided under the note titled “Compliance with Portfolio Limitations” as of 31 December 2025 and 31 December 2024 represents summarized information derived from the financial statements in accordance with Article 16 of the CMB Communiqué Series: II, No: 14.1 titled “Communiqué on Principles of Financial Reporting in the Capital Markets.” It has been prepared within the framework of the provisions regarding the control of compliance with portfolio limitations set out in the Communiqué Series: III, No: 48.1 titled “Communiqué on Principles Regarding Real Estate Investment Trusts” published in the Official Gazette dated 28 May 2013 and numbered 28660, and the Communiqué Series: III, No: 48.1a titled “Communiqué on Amendments to the Communiqué on Principles Regarding Real Estate Investment Trusts” published in the Official Gazette dated 23 January 2014 and numbered 28891. Since the information in the table is based on non-consolidated data, it may not correspond to the information presented in the consolidated financial statements.

NOTES

NOTES

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