

2019 ANNUAL REPORT



EMLAK KONUT

— GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. —

T.C. ÇEVRE VE ŞEHİRCİLİK BAKANLIĞI TOKİ İSTİRAKİDİR



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T.C. ÇEVRE VE ŞEHİRCİLİK BAKANLIĞI TOKİ İŞTİRAKİDİR

We set out on this journey 67 years ago to meet our citizens' housing needs. Today, we undertake Turkey's most prestigious projects. We are pleased to share that we pride ourselves on becoming the leading actor of the national economy.



**Planned And
Quality Modern
Urban Life**



**Peaceful And
Safe Warmth Of
A House**



**Awareness Of
Green And
Environment**

Vision

Maintaining and enhancing its position in the domestic real estate industry by improving management approach and quality standards,
Becoming one of the world's top real estate investment trusts by improving its planned, quality, and environment-friendly city approach according to international criteria,
Increasing the number of residential and commercial units to 250,000 by the end of 2023.

Mission

Following real estate developments and innovations closely as one of the leading organizations shaping the domestic industry,
Caring about the social value and customer satisfaction and producing planned, quality and environment-friendly establishment centers that offer peaceful and safe living places,
Caring about employees' and shareholders' material and spiritual satisfaction.

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Your happiness on the foundation of every project we have produced since 1953.

Since 1953, we have been leading the planned urbanization of our country, we are building living spaces for your happiness.





EMLAK KONUT REIC MILESTONES

1953-54

A company called Ankara İmar and Türkiye İnşaat Malzemeleri (TIMLO) gets established for real estate development in the country

1990

Türkiye Emlak Bankası merges with Emlak Yapı A.Ş., its subsidiary The institution changes its name into Emlak Konut A.Ş.

2002

The company acquires a REIC status after the transfer of Emlak Bank shares to TOKİ

1987

Later on, Company merges with Ankara İmar and changing its name into «İnşaat ve İmar A.Ş.»

2001

Transfer of the shares that are under control of Emlak Bank to TOKİ (Housing Development Adm.)

67

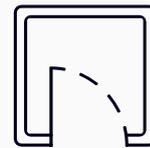
YEARS
OF EXPERIENCE



135
PROJECT



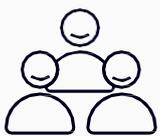
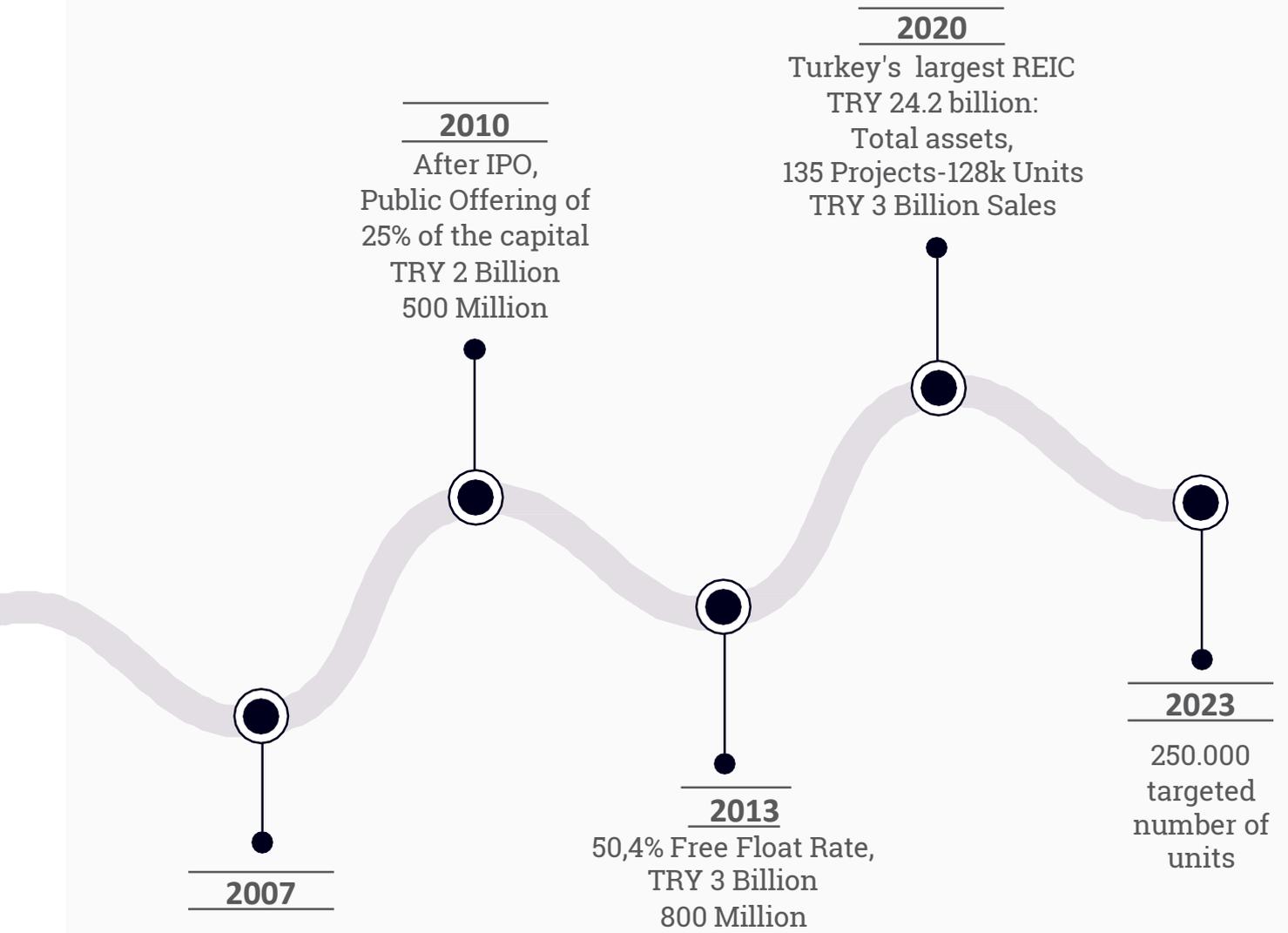
SUPPORT TO 256
DIFFERENT SECTOR



128.000
UNITS



TRY 24.2 Bn
TOTAL ASSET



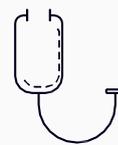
15.000
EMPLOYMENT



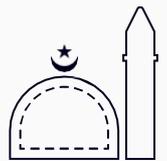
43
SCHOOL



4
PRE-SCHOOL



5
HEALTH FACILITY



26
MOSQUE

EMLAK KONUT REIC SCOPE OF BUSINESS

Founded in 1953, Emlak Konut REIC one of Turkey's oldest enterprises whose main field of expertise is residential production.

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. was established under the title Emlak Konut A.Ş. as a subsidiary of Türkiye Emlak Bankası A.Ş. and started its operations after its registration and announcement on March 6, 1991. The company's Articles of Association was amended in 2001.

Our Company was transformed into a Real Estate Investment Company with the the amendment bill for the Articles of Association and it was submitted to the General Assembly for its approval. The amendment bill was adopted by the Extraordinary General Assembly on July, 22, 2002.

The Articles of Association was registered at İstanbul Trade Registry Office on July 29, 2002, and entered into force after their publication in the Trade Registry Gazette on August 1, 2002. (Our Company's Trade Registration No. is 273488-221070, Central

Registration System (MERSİS) No. is 5669-3333-4423-6524). The Company's name was changed from Emlak Gayrimenkul Yatırım Ortaklığı A.Ş. to Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. following the General Assembly on February 28, 2006. No time limit was set on the legal entity of the Company. This value, which has been obtained in years and through many projects, was transformed to Real Estate Company in 2002 and has been continuing its operations since then.

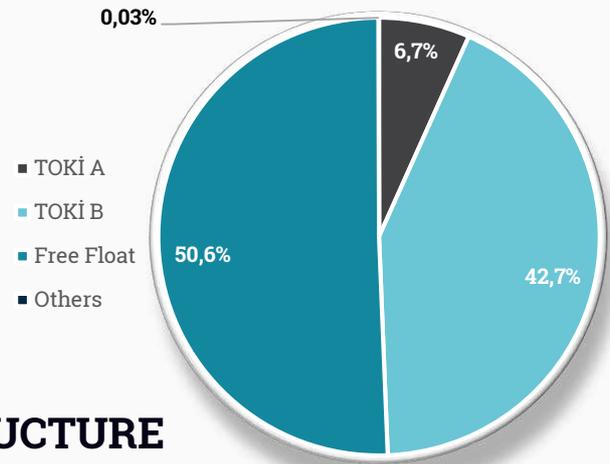
Our activities include purchasing land in Turkey, developing real estate for the middle and upper-middle class, and marketing and selling real estate. Our Company considers producing value for our country as one of the most important aspects. Emlak Konut REIC conducted its initial public offering in 2010 and secondary public offering in 2013 to sustain its rapid growth. These public offerings

achieved a significant success by attracting record individual investor demand and turning out to be 5th biggest public offering in the history of Republic. Taking place in November 2013, the secondary public offering oversubscribed 2.3 times. It attracted over 100 international investors from 20 countries becoming the biggest public offering in the form of raising capital in Central and Eastern Europe, the Middle East and Africa.

Emlak Konut REIC., whose main shareholder is TOKİ, is the biggest real estate investment company in Turkey in terms of market value, real estate portfolio and land inventory. Our 3,800,000,000 TL paid capital and 4,000,000,000 TL registered capital demonstrate the Company's leading role in the sector.

Emlak Konut REIC's goal and area of activity:

- (a) developing real estate projects majority of them consisting of residential, as well as commercial units, education units, social facilities, infrastructure, highways, and all kinds of landscapes;
- (b) Supervision of construction in developed projects;
- (c) Marketing and sales of completed units.



CAPITAL AND PARTNERSHIP STRUCTURE

	GROUP	TYPE	SHARE AMOUNT	NUMBER OF SHARES	%
Housing Development Adm. (TOKI)	A	Registered (Privileged)	253,369,919	25,336,991,900	6.67
Housing Development Adm. (TOKI)	B	Bearer	1,621,460,838.35	162,146,083,835	42.7
Free Float	B	Bearer	1,925,118,787.49	19,511,878,749	50.6
Others	B	Bearer	50,455.16	5,045,516	<1
		Total	3,800,000,000.00	380,000,000,000	100

BUSINESS MODELS

Emlak Konut REIC applies two different business models effectively to achieve its administrative goals and strategies. The first business model is "Revenue Sharing Model (RSM)", and second is Turn-Key Model.

- One of the most important values of Emlak Konut REIC is the models it executes and develops.
- Emlak Konut REIC procures lands for project development majorly from TOKİ, and partially from third parties.
- By virtue of the construction and real estate sector accounting, sales and costs are added to the income statement only when it is confirmed that the project has been completed by Emlak Konut REIC.
- Our Company has a conscientiously developed 65- year brand value. It proves effective in the relevant models contributing positively to the construction, marketing and sales stages.

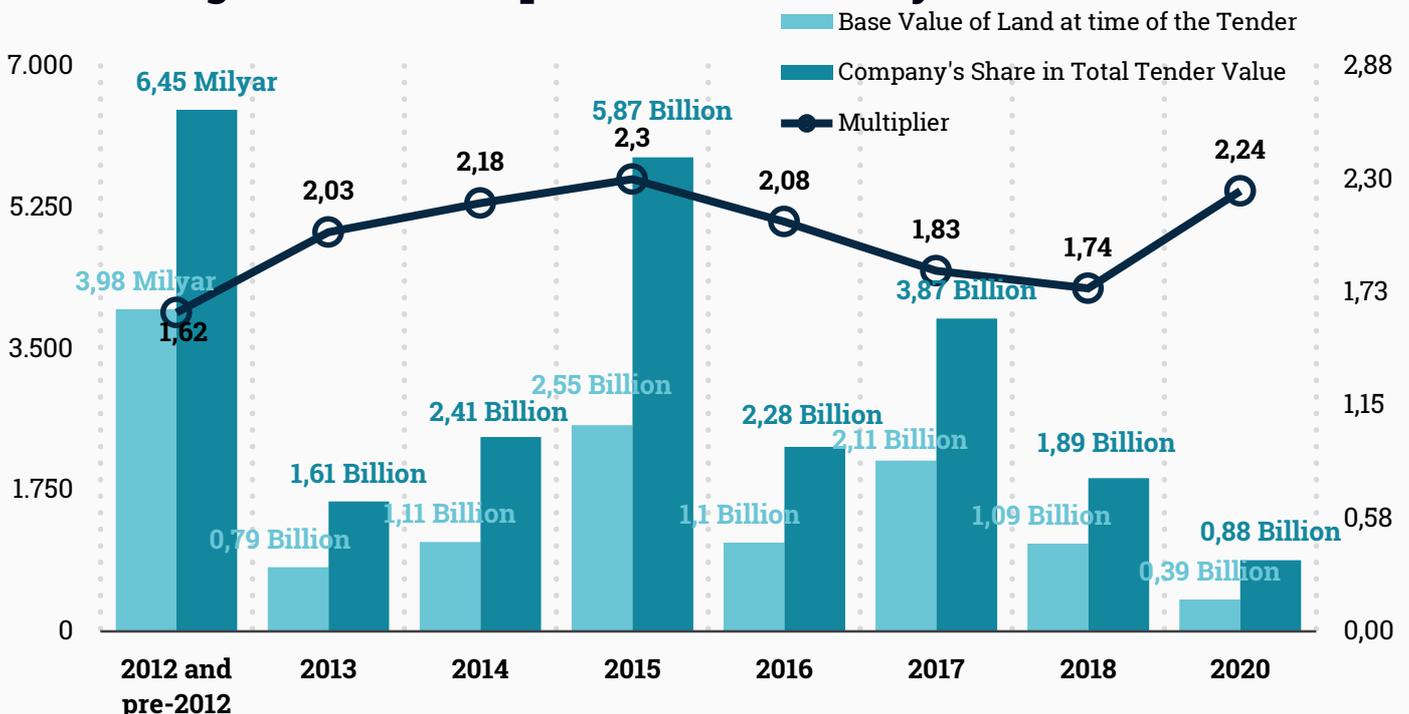
REVENUE SHARING MODEL

This is the primary income creation model of the Company. This is an original model used especially for projects intended for the upper- middle and upper income groups and provides profitability and fund flow for the Company. When it is deemed necessary, our Company purchase units in revenue sharing model- based projects throughout or after the completion of a project or may share such units with the contractor at the end of a project. "Company Share in Total Revenue" given in the charts is the amount that contractors committed to pay to our company in tenders or after with protocols; Emlak Konut's share of the bank commissions that have been paid to decrease the interest rate for mortgage loans in unit sales will be added to related project cost along with the completion.

TURN-KEY MODEL

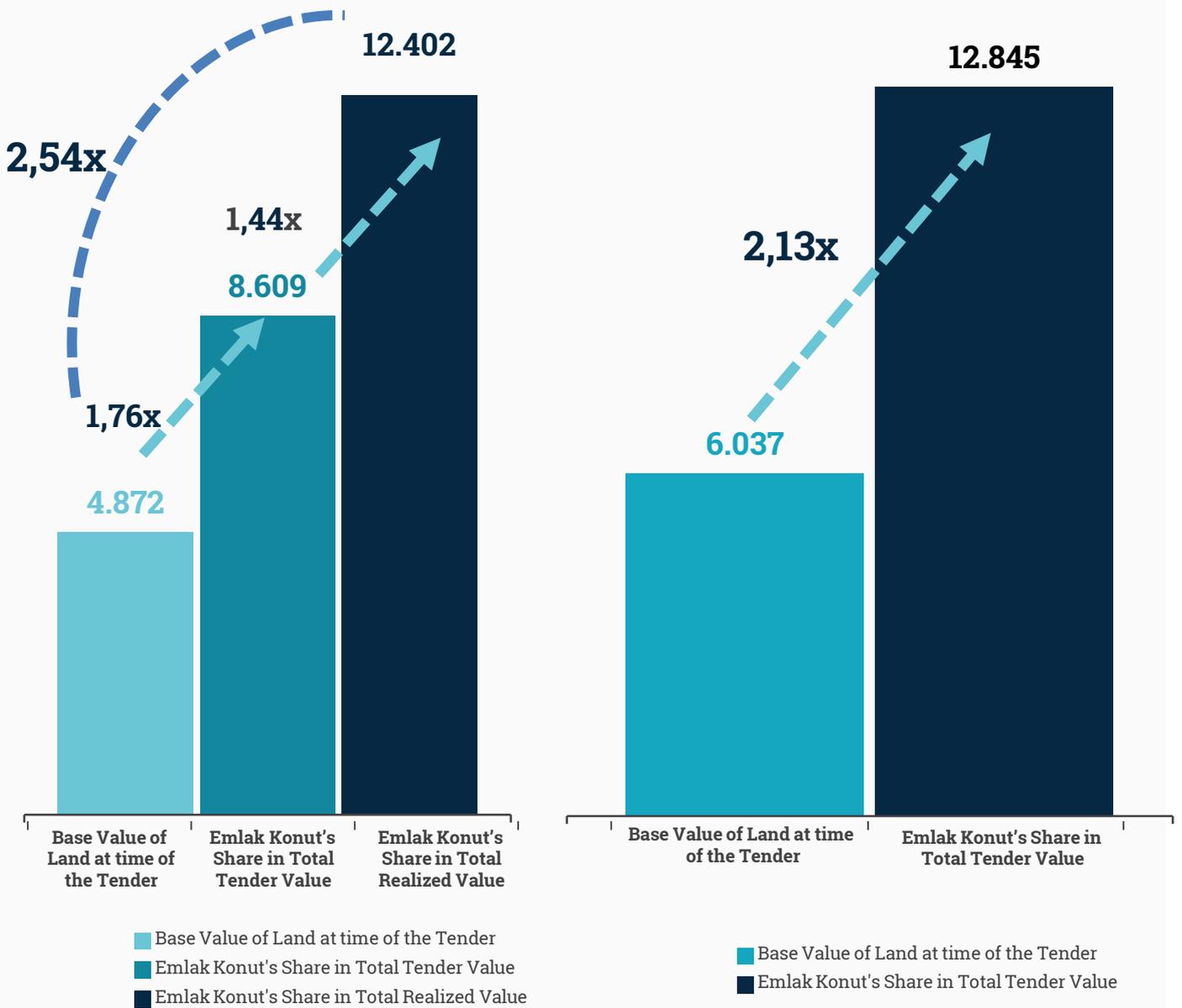
The contractor is selected via a tender process pursuant to some criterias among the most appropriate and the lowest bid. Emlak Konut assumes all risks and responsibilities for the project development. All income earned from the sales of the units belong to Emlak Konut.

The Progress of Multiplier for RSM Projects



MULTIPLIER FOR REVENUE SHARING MODEL*

Emlak Konut REIC expects to maintain high multiplier on ongoing projects...



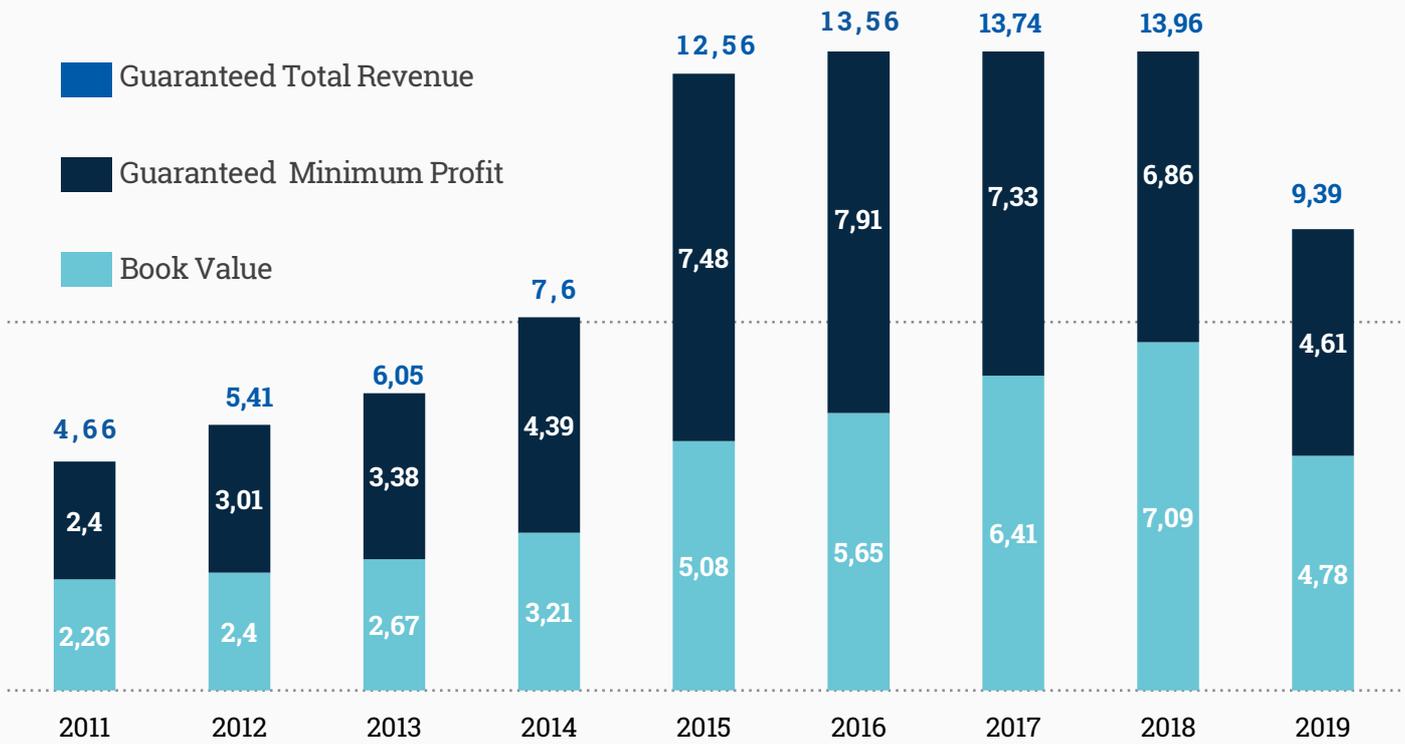
*

The figures are in billion TRY. Please note that, the past performance is not necessarily an indicator of future performance.

PROGRESS OF GUARANTEED PROFIT IN RSM PROJECTS (BILLION TRY)



Strong earnings visibility ahead from RSM projects...



Emlak REIC expects to recognize 4.61 Billion TRY of profit over the next 5 years.

Emlak REIC Min. Guaranteed Revenue recognition depends on completion of construction. Abovementioned values will be recognized when we complete our projects.

THE POSITION OF EMLAK KONUT REIC

Global
115.

No	Global Market REIT	Total Assets* (Billion USD)
110	ACADIA REALTY TRUST	4,31
111	WASHINGTON PRIME GROUP INC	4,25
112	COLUMBIA PROPERTY TRUST INC	4,24
113	LIFE STORAGE INC	4,23
114	OFFICE PROPERTIES INCOME TRU	4,19
115	EMLAK KONUT GYO	4,17
116	AMERICOLD REALTY TRUST	4,17
117	STAG INDUSTRIAL INC	4,16
118	EQUITY LIFESTYLE PROPERTIES	4,15
119	ARTIS REAL ESTATE INVESTMENT	4,11
120	SITE CENTERS CORP	4,09

EMEA
8.

No	Global Market REIT	Total Assets* (Billion USD)
3	BRITISH LAND CO PLC	13,05
4	ALSTRIA OFFICE REIT-AG	5,65
5	COFINIMMO	5,12
6	WAREHOUSES DE PAUW SCA	4,74
7	EUROCOMMERCIAL PROPRTIE-CV	4,62
8	EMLAK KONUT GYO	4,17
9	BEFIMMO	3,27
10	MERCIALYS	3,19
11	IMMOBILIARE GRANDE DISTRIBUZ	2,93
12	PRODEA REAL ESTATE INVESTMEN	2,73
13	TORUNLAR GAYRIMENKUL YATIRIM	2,26

Turkey
1.

No	Global Market REIT	Total Assets* (Billion USD)
1	EMLAK KONUT GYO	4,17
2	TORUNLAR GAYRIMENKUL YATIRIM	2,26
3	AKIS GAYRIMENKUL YATIRIMI AS	1,06
4	IS GAYRIMENKUL YATIRIM ORTAK	0,96
5	SINPAS GAYRIMENKUL YATIRIM O	0,93
6	OZAK GAYRIMENKUL YATIRIM ORT	0,69
7	HALK GAYRIMENKUL YATRM ORTAK	0,51
8	REYSAS GAYRIMENKUL YATIRIM O	0,47
9	AKFEN GAYRIMENKUL YATIRIM OR	0,45
10	YESIL YAGRIMENKUL YATIRIM OR	0,42

* As of 3rd Quarter 2019

Source: BLOOMBERG / GICS / All REITS



EMLAK KONUT WITH NUMBERS



The leading developer company in Turkey..



Strategic partnership with TOKİ..



The pre-sales ratio of the Project to be completed in 2020 is 52%..



Delivery of more than 7 thousand units in 2019

Total Sales Revenue In Revenue Sharing Model

74 Billion TRY

Turnkey Model Agreement Value

8.3 Billion TRY

Successfully Driving Or Delivered

86 Revenue Sharing Model Projects

Successfully Driving Or Delivered

49 Turn-Key Model Projects

Total Profit Target In 5 Years

4.61 Billion TRY

Strong Launch To Sales Ratio

52% in 2020

40% in 2021

Completed And Tendered Units

128 k units

SUMMARY TABLE OF SIGNIFICANT FIGURES

TOTAL ASSETS

TRY 24,185,242,000

Appraisal Value of Land Stock

TRY 4,936,862,935

Appraisal Value of Buildings

TRY 4,005,933,220

Company Share of Total Revenue for RSM Projects

TRY 9,412,706,411

Cost of Purchase + Progress Payments (Turn Key)

TRY 3,022,541,073

Cost of Land and Residential Unit Inventories

TRY 15,123,518,263

Cost of Investment Property

TRY 480,145,000

Liabilities

TRY 10,442,200,000

TOTAL

TRY 19,517,422,375



In 2019, we delivered more than 7,000 units. We completed the pre-sale of 63% of our eight revenue sharing projects with partial provisional acceptance.

Dear stakeholders,

Esteemed investors, shareholders of Emlak Konut REIC,

Valuable business partners and colleagues,

Evaluation of 2019 clearly shows the effects of trade wars between countries and global economic fluctuations. When we look at the same period in terms of the Turkish economy, we can say that consumer trends gained momentum especially in the second half of 2019 with ongoing improvement in macroeconomic variables. The successive interest rate cuts within the framework of economic programs implemented by our government has enabled our economy to follow a growth trend again. For this reason, after contracting in the first half of 2019, the economy showed growth potential in many industries and ended the year with nearly 1% growth thanks to a 6% growth performance in the last quarter.

The real estate industry also followed a parallel course with macroeconomic variables starting to rise in the second half of 2019. With housing loans declining to a monthly interest rate of 0.79%, housing sales rose by 54% and 48% in November 2019 and December 2019, respectively. We can also observe positive activity, especially in the last 4-5-month period, from our pre-sales figures, our busy communication channels and the number of visitors to our sales offices.

People under 30 years of age constitute 46% of Turkey's entire population, which is expected to reach 87 million and 100 million in 2023 and 2040, respectively.

We anticipate a need for approximately 750,000 new houses on an annual basis in our country due to four main reasons: urban transformation, renewal, urbanization and population increase.

We have strived to achieve our targets to a large extent by taking into account macroeconomic forecasts in early 2019. Exchange rate fluctuations and especially high-interest rates led our customers to postpone their housing purchases. However, we completed 2019 with a pre-sales revenue of 3.22 billion TRY with 345,000 m² and 2,056 units.

We made 754 million TRY with the pre-sale of 505 units to our foreign customers corresponding to 25% of our 2019 sales thanks to a call center infrastructure serving in eight languages. In 2020, we aim to increase the number of units sold to foreign customers to 1,500 and generate a pre-sales income of 2 billion TRY.

In 2019, we delivered more than 7,000 units. We completed the pre-sale of 65% of our eight revenue sharing projects with partial provisional acceptance. The construction progress rate reached 73% in these projects. As of today, we have closed the sales of 43% of projects planned for completion by 2023.

In our ongoing revenue sharing projects, the minimum guaranteed Emlak Konut profit adds up to 4.6 billion TRY.

We obtained a 2.24x multiplier value for the appraisal value forming a basis for the last two tenders worth 393,682,000 TRY. Also, we completed the sales of five lands with a size of 73,271 square meters at a value-added price of 392,259,000 TRY. This demand in our lands reflected the dynamism of the real estate industry and renewed our confidence in other tenders in 2020.

We continued our steady growth since the public offering day. Our net asset size rose from 6.5 billion TRY to 20 billion TRY today. Our private equity rose from 3.5 billion TRY to 13.7 billion TRY.

We completed 2019 with a net profit of 778 million TRY. Project finance and sales discounts, whose average cost reached 24%, reduced our company's profitability average in the 2018-2019 period.

We will receive 6.9 billion TRY from the units we will sell with a maturity of 2-10 years over the next 4-5 years within the scope of the campaigns we undertake in order to keep customer housing demand alive and to bring mobility to the industry. The average term of our receivables is 3.5 years with approximately 30% of them to be collected within the first year.

Emlak Konut has an 11% average return on equity with a total dividend payment of 2.5 billion TRY, which we have shared with our investors to date. Our cash dividend policy is still in place to be submitted to the approval of the General Assembly.

Currently, our priority is to strengthen our company's cash position through sales and new projects. With the net cash position of our company reaching the desired level, we target a period whereby we will generate further added value.

Our company has a non-tendered land stock portfolio of 3.11 million square meters with an appraisal value of approximately 4.87 billion TRY.

In 2020, we continue to work devotedly for the sustainable profitable growth of Emlak Konut.

Accordingly, we aim to complete 2020 with pre-sales revenue of 5 billion TRY for 640,000 square meters, tender our lands with an appraised value of 1 billion TRY for the total tender with an average 1.5-2 multiplier, and net profitability of 1.12 billion TRY.

We believe that the growth trend in all industries will continue and commercial activities will accelerate with lower interest rates in the coming period. Therefore, the real estate and construction industry will continue its development in 2020 thanks to higher demand, consumer confidence, and investment appetite.

As Emlak Konut's General Manager, I would like to greet our esteemed partners on behalf of our Board of Directors, extend our thanks to the entire country for its contributions to our activities. I wish a very successful year for everyone who toils for our achievements.

Sincerely,

Hakan Gedikli

2019 ACTIVITY RESULTS



Solid net profit results and balance land portfolio..

2019 Figures

778 Million TRY

2019 Net Profit

4.9 Billion TRY

Land Portfolio Value

2019 Pre-Sales Figures

3.02 Billion TRY

2019 Pre-Sales Revenue

754 Million TRY

Sold to Foreigners

345 k sqm

Sold Area

2.056

2019 Number of Units Sold

2018 Completed Tender Results

3 Tenders

Completed

1.74x

Average Multiplier

1.89 Billion TRY

Total Min.
Emlak Konut's Share

5.1 Billion TRY

Total Sales Revenue
In Tenders

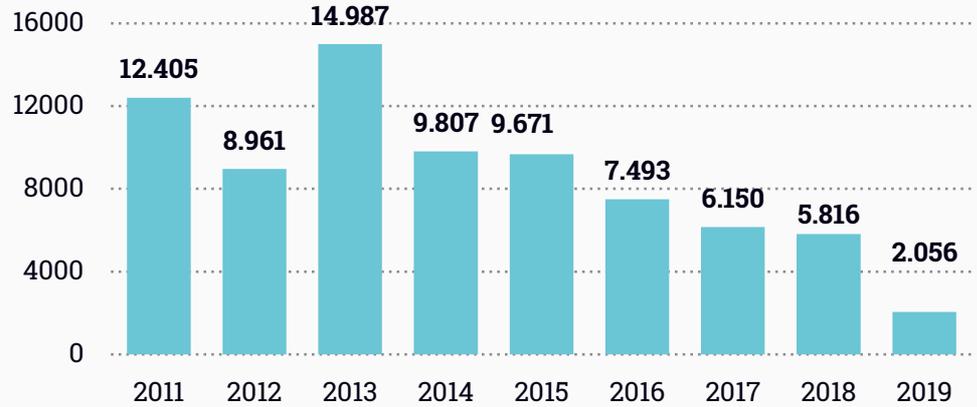
2019 COMPANY SALES DATA

Exchange rate fluctuations and high interest rates in the currency caused a delay in housing demands.

Call center infrastructure serving in 8 languages was established

Sales ratio to foreign customers in 2019 is 25%

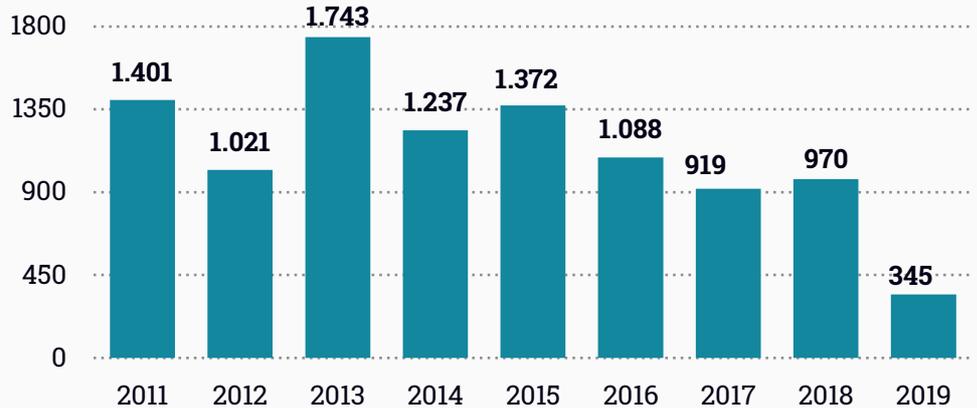
Unit Sales (Number)



Total Value Of Sales Million TRY



Total Unit Size Sold sqm'000

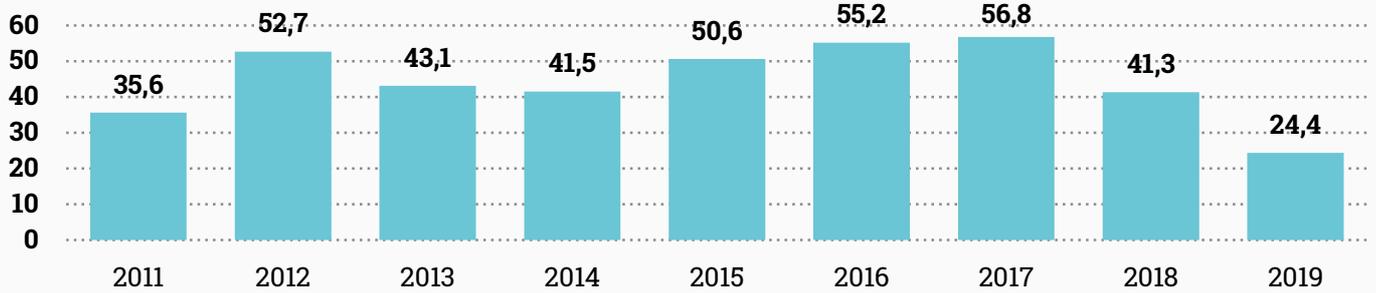


Sales To Foreigners Million TRY



KEY FINANCIAL RESULTS

Ebitda Margin %



Key Financials Million TRY

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Sales	716,6	1.004,6	2.331,1	1.804,5	1.786,8	3.455,9	3.900,6	3.927,6	5.667,6
EBITDA ⁽¹⁾	255,6	530,4	1.005,8	750,8	907,4	1.914,6	2.215,9	1.621,3	1.384,6
EBITDA Margin (%) ⁽²⁾	35,7	52,8	43,1	41,6	50,8	55,4	56,8	41,3	24,4
Profit for Period	228,3	523,4	1.060,5	954,4	952,6	1.761,3	1.756,1	1.268	778,4
Total Assets	7.698,8	8.578,9	13.471,0	14.490,6	16.736,0	18.702,4	20.623,7	23.319	24.185
Shareholder's Equity	3.987,5	4.392,3	8.353,6	8.751,3	9.325,4	10.730,2	12.465,5	13.083,1	13.743
Dividend Per Share (TRY)	0,0474	0,0800	0,1231	0,0965	0,0968	0,0000	0,1755	0,0035	0,0021
Return on Equity (%)	0,06	0,12	0,13	0,11	0,10	0,16	0,14	0,096	0,057
Cash Flow	470	1.171,1	4.298	1.453,4	759	956	385	494	432
Dividend Payout	118,5	200,0	467,7	366,7	367,8	0,0	666,9	123	

1: EBITDA: Profit Before Income Tax -Financial Expenses +Financial Income -Income From Investing Activities -Amortizations.

2: EBITDA Margin: Margin calculated as EBITDA /Net sales.

Receivables '000 TL

	Trade Receivables	Off-Balance Sheet Deferred Revenue	TOTAL
1 Year	927.520	868.216	1.795.736
2 Year	527.251	530.401	1.057.652
3 Year	467.415	332.068	799.483
4 Year	395.261	231.264	626.525
5 Year and Above	2.111.414	569.847	2.681.261
TOTAL	4.428.861	2.531.796	6.960.657

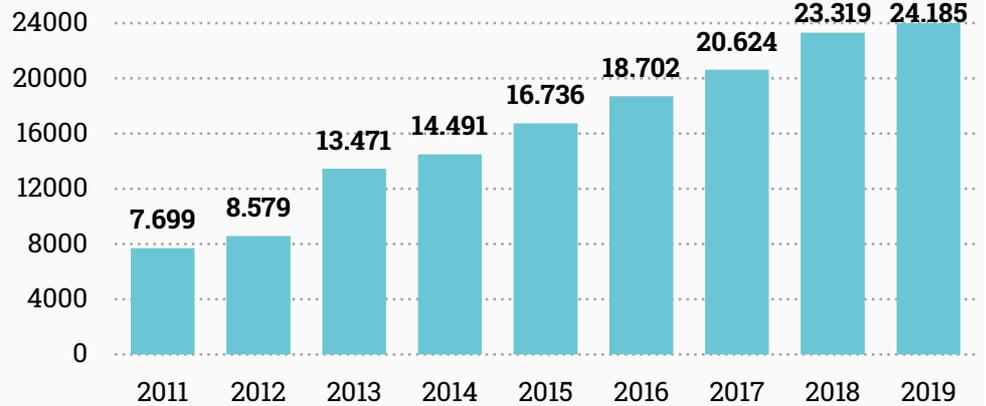
Please see Independent Audit's Report for details Note.15, pp. 47

FINANCIAL TRACK RECORD



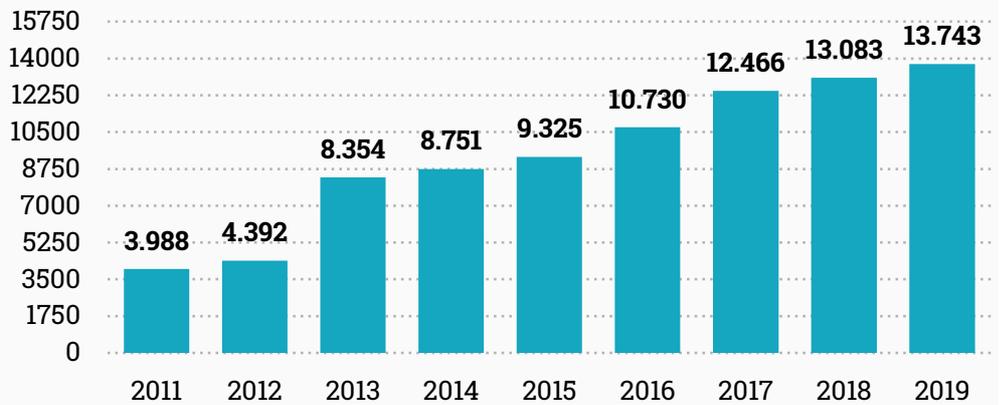
We have increased our total assets by 215% in 8 years

Total Assets Million TRY



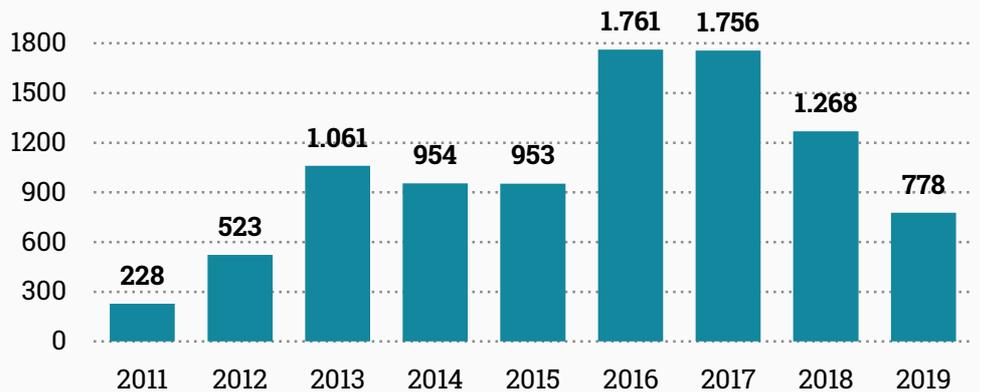
Significant increase in our equity in 8 years turned into a strong source of funding source ...

Equity Million TRY

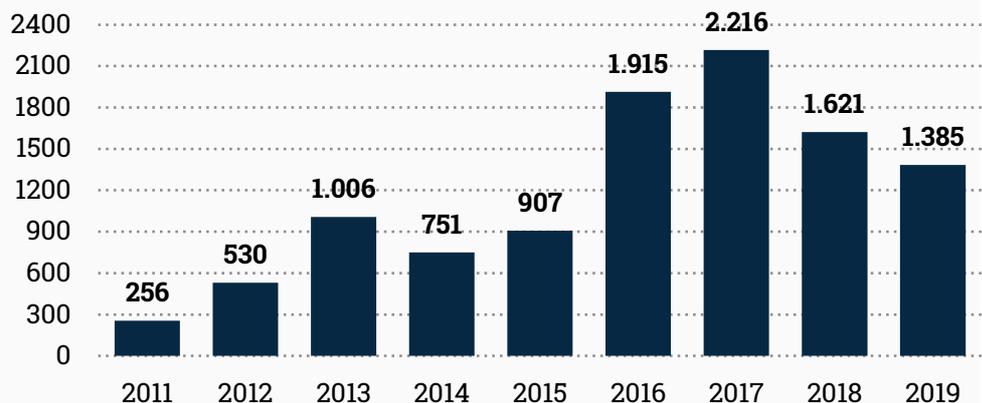


Sustainable high profitability

Profit For The Period Million TRY



Ebitda For Period Million TRY



FINANCIAL RATIOS

Liquidity Ratios

Current Ratio
2,338

Cash Ratio
0,065

Acid-Test Ratio
0,758

Financial Structure Ratios

F. Leverage Ratio
0,431

Debt Ratio
0,759

Equity Total Assets
0,568

Self-Financing Ratio
1,316

Operating Ratios

Assets Turnover Ratio
0,234

Equity Turnover Ratio
0,412

Net Working Capital
0,485

Profitability Ratios

Return on Equity
0,057

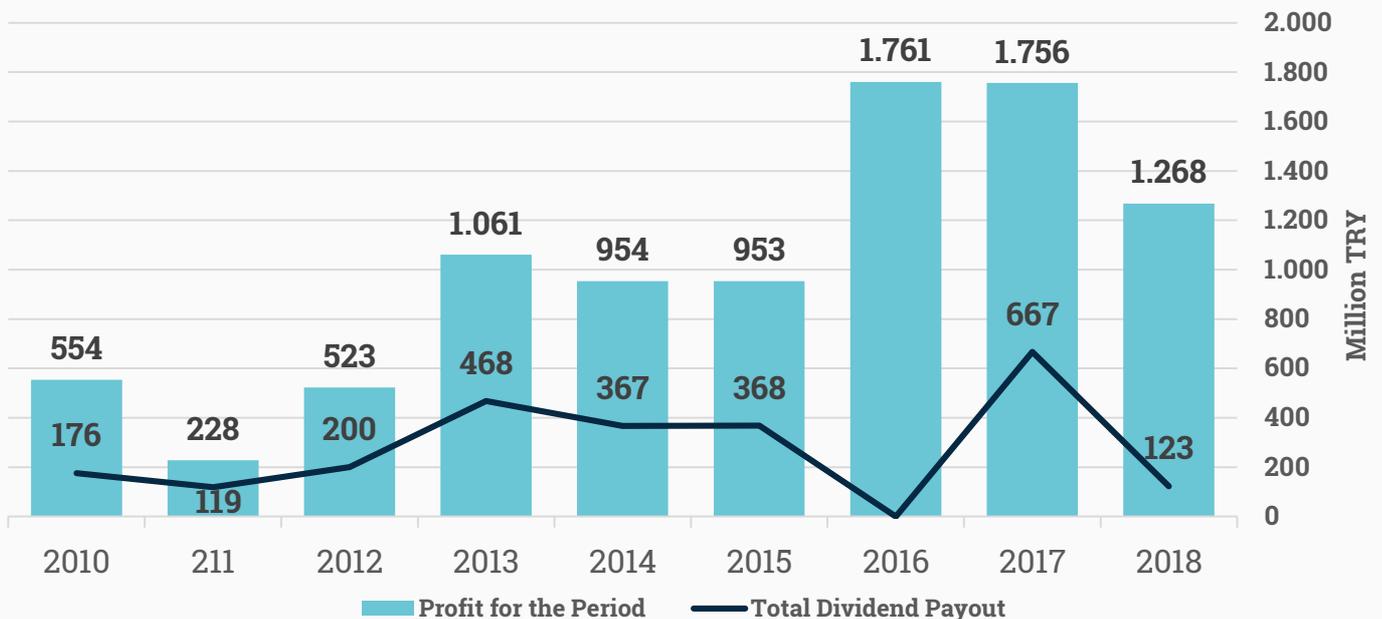
Return on Assets
0,032

Return on Sales
0,137

Gross Profit Margin
0,273

Operating Profit Margin
0,239

Profit-Dividend Progress



It will be submitted to the approval of the General Assembly.

2020 TARGETS

2020 TENDER SCHEDULE '000

Revenue Sharing Model	Appraisal Value	Total Sales Revenue	Min. Emlak Konut's Share	Multiplier
1 Bakırköy Şevketiye	330,000			
2 Beşiktaş Ortaköy	256,965			
3 Küçükçekmece Bizim Mahalle 1st Stage	183,994			
4 Başakşehir Kayabaşı 7th Stage	136,611	800,000	256,000	1.87
5 Başakşehir İkitelli 2nd Stage	257,070	1,690,000	625,300	2.43
Total	770,959	2,490,000	881,300	2.24

Turn-Key Model	Appraisal Value
1 Sarıyer Zekeriyaköy	158,337
2 Ümraniye Çakmak	
3 Ankara Çankaya Saraçoğlu	
Total	158,337

2020 SALES AND PROFIT TARGET

FIRST QUARTER	Sales Value 707 Million TRY	Gross Saleable Area 88 k sqm
SECOND QUARTER	Sales Value 903 Million TRY	Gross Saleable Area 113 k sqm
THIRD QUARTER	Sales Value 1.6 Billion TRY	Gross Saleable Area 199 k sqm
FOURTH QUARTER	Sales Value 1.9 Billion TRY	Gross Saleable Area 238 k sqm
Total Pre-Sales Target	Sales Value 5.1 Billion TRY	Gross Saleable Area 640 k sqm

2020
Profit Target

Net Profit
1.12 Billion TRY

KUZEY YAKASI





LAND PORTFOLIO

Untendered Land Plots

Line	City/ District	Site Area (sqm)	Book Value (TRY)	Appraisal Value (TRY)
1	ÇANKAYA MÜHYE	38.434	45.643.790	60.329.780
	Ankara	38.434	45.643.790	60.329.780
2	ARNAVUTKÖY	1.457.499	170.580.920	331.219.421
3	ATAŞEHİR	25.144	40.238.127	81.853.177
4	BAKIRKÖY YEŞİLKÖY ŞEVKETİYE	45.941	364.226.958	330.000.000
5	BAŞAKŞEHİR HOŞDERE	312.784	112.033.445	165.414.373
6	BAŞAKŞEHİR İKİTELLİ	183.144	298.329.070	427.644.457
7	BAŞAKŞEHİR KAYABAŞI	87.083	217.311.411	215.787.686
8	TAŞDELEN – ÇEKMEKÖY	6.346	-	2.221.062
9	ESENYURT HOŞDERE	57.836	50.577.481	97.675.465
10	KARTAL PARSELLERİ	60.343	109.182.521	121.642.390
11	KÜÇÜKÇEKMECE HALKALI	484.090	1.942.498.772	2.179.695.881
12	MALTEPE	306	3.010.214	3.012.524
13	SARIYER İSTİNYE	1.373	7.733.585	7.003.940
14	ZEKERİYAKÖY	992	677.397	719.000
15	TUZLA	10.644	20.016.360	25.996.423
16	ÜMRANIYE	10.680	1.843.977	-
17	BEŞİKTAŞ	17.131	256.965.000	256.965.000
18	AVCILAR	20.315	19.307.276	30.471.800
19	FLORYA ŞENLİK	40.723	262.556.275	315.000.000
	Istanbul	2.822.374	3.877.088.789	4.592.322.599
20	İZMİR KONAK	7.033	12.258.000	13.148.320
21	KASTAMONU CİDE	9.110	52.663	60.000
22	KOCAELİ GEBZE GÜZELLER	7.482	728.901	2.601.192
23	KOCAELİ KÖRFEZ	16.610	1.528.023	8.974.700
24	NEVŞEHİR	26	8.088	8.232
25	TEKİRDAĞ KAPAKLI	75.127	1.664.820	23.528.311
26	TEKİRDAĞ ÇORLU	35.923	6.152.734	8.965.011
27	SAMSUN CANIK	51.698	111.915.633	122.006.543
	Other Cities	203.009	134.308.862	179.292.309
TOTAL		3.063.817	4.057.041.441	4.831.944.688

INVESTMENT Properties

Line	City/ District	Site Area (sqm)	Book Value (TRY)	Appraisal Value (TRY)
1	BAŞAKŞEHİR HOŞDERE	25.306	8.140.964	10.755.152
2	BAŞAKŞEHİR İKİTELLİ	8.731	4.466.027	6.104.422
3	KARTAL	13.595	24.457.405	23.260.675
TOTAL		47.632	37.064.397	40.120.249

ONGOING REVENUE SHARING MODEL PROJECTS



Contractor
TORKAM

Land Area
72.727 m²

Total Sales Revenue
705.000.00 TL

Min. Company Share
211.500.00 TL

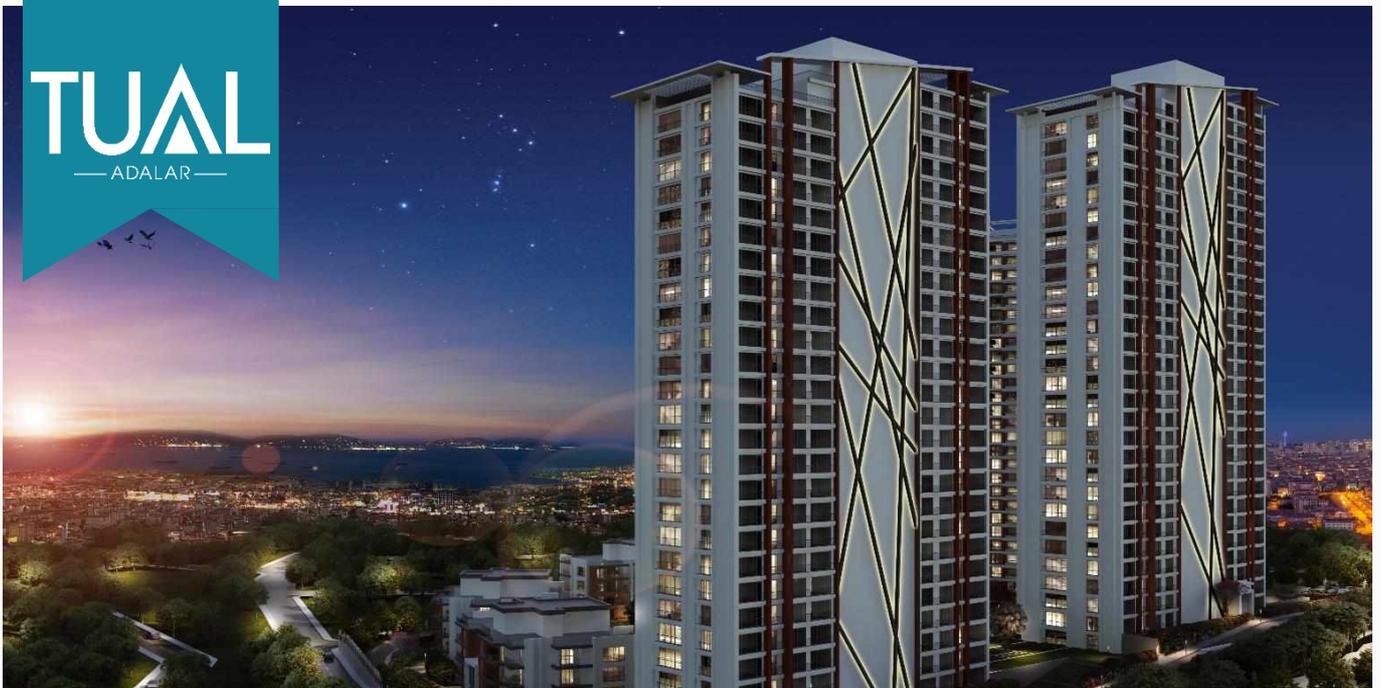
Completion Date
30.06.2021

Number of Units
905

Company Share Ratio
%30,00

Progress Level
%88,31

TUAL
— ADALAR —



Contractor
DAĞ

Land Area
47.565 m²

Total Sales Revenue
420.000.000 TL

Min. Company Share
123.900.000 TL

Completion Date
31.12.2020

Number of Units
542

Company Share Ratio
%29,50

Progress Level
%92.76

ONGOING REVENUE SHARING MODEL PROJECTS



Contractor KELİF İŞ ORTAKLIĞI	Land Area 36.175 m2	Total Sales Revenue 440.000.000 TL	Min. Company Share 171.600.000 TL
Completion Date 28.05.2020	Number of Units 592	Company Share Ratio %39,00	Progress Level %92,31



Contractor DAĞ	Land Area 47.565 m2	Total Sales Revenue 1.090.000.000 TL	Min. Company Share 275.334.000 TL
Completion Date 01.11.2020	Number of Units 1.914	Company Share Ratio %25,00	Progress Level %89,96

ONGOING REVENUE SHARING MODEL PROJECTS



OFIS
KARAT
BAKIRKÖY

Contractor BAŞYAPI & GÜNEY & ELİT VİZYON	Land Area 5.250 m ²	Total Sales Revenue 200.000.000 TL	Min. Company Share 62.000.000 TL
Completion Date 30.04.2020	Number of Units 90	Company Share Ratio %31,00	Progress Level %72,68



VALİDEBAĞ
KONAKLARI

Contractor ELTES & İSTLIFE	Land Area 17.237 m ²	Total Sales Revenue 810.000.000 TL	Min. Company Share 406.215.000 TL
Completion Date 01.03.2020	Number of Units 366	Company Share Ratio %50,15	Progress Level %60,13

ONGOING REVENUE SHARING MODEL PROJECTS

AVRUPARK
HAYAT



Contractor CİHAN İNŞ. & KONUT YAPI	Land Area 42.020 m2	Total Sales Revenue 626.000.000 TL	Min. Company Share 156.500.000 TL
Completion Date 30.06.2021	Number of Units 1.184	Company Share Ratio %25.00	Progress Level %27,53

tem 34
TAHTAKALE



Contractor AKYAPI & EŞBAH	Land Area 24.511 m2	Total Sales Revenue 342.400.000 TL	Min. Company Share 85.600.000 TL
Completion Date 31.01.2021	Number of Units 197	Company Share Ratio %25,00	Progress Level %37,91

ONGOING REVENUE SHARING MODEL PROJECTS



IDEALIST
CADDE

Contractor IDEALIST İNŞAAT & IDEALIST GYO	Land Area 17.933 m2	Total Sales Revenue 68.500.000 TL	Min. Company Share 15.070.000 TL
Completion Date 03.12.2020	Number of Units 69*	Company Share Ratio %22,00	Progress Level %12,90



AVANGART
istanbul

Contractor GÜL İNŞAAT	Land Area 36.750 m2	Total Sales Revenue 1.300.000.000 TL	Min. Company Share 637.000.000 TL
Completion Date 31.05.2020	Number of Units 959	Company Share Ratio %49,00	Progress Level %51,45

ONGOING REVENUE SHARING MODEL PROJECTS

KÖY



Proje sonraki dönem Anahtar Teslim projeler portföyüne dahil olacaktır

Contractor	Land Area	Total Sales Revenue	Min. Company Share
SİYAHKALEM	348.807 m ²	1.475.000.000 TL	475.687.500 TL
Completion Date	Number of Units	Company Share Ratio	Progress Level
05.10.2022	497	%32,25	%51,87

CER
İSTANBUL



Contractor	Land Area	Total Sales Revenue	Min. Company Share
EGE & YEDİ KULE	41.162 m ²	302.680.000 TL	105.968.270 TL
Completion Date	Number of Units	Company Share Ratio	Progress Level
24.06.2021	169	%35,01	%28,99

ONGOING REVENUE SHARING MODEL PROJECTS



NIDAPARK
KÜÇÜKYALI

Contractor TAHİNCİOĞLU KÜÇÜKYALI ORT. GRŞ	Land Area 110. 023m2	Total Sales Revenue 3.635.715.000 TL	Min. Company Share 1.527.000.300 TL
Completion Date 16.09.2021	Number of Units 2.048	Company Share Ratio %42,00	Progress Level %37,39



ebruli
İSPARTAKÜLE

Contractor EBRULİ İNŞAAT	Land Area 47.168 m2	Total Sales Revenue 600.000.000 TL	Min. Company Share 132.000.000 TL
Completion Date 30.06.2020	Number of Units 776	Company Share Ratio %22,00	Progress Level %26,06

ONGOING REVENUE SHARING MODEL PROJECTS



BÜYÜKYALI
İSTANBUL



Contractor ÖZAK & YENİGÜN & ZİYLAN	Land Area 108.619 m2	Total Sales Revenue 4.240.000.000 TL	Min. Company Share 1.568.800.000 TL
Completion Date 02.11.2022	Number of Units 1.642	Company Share Ratio %37,00	Progress Level %87,63



MERKEZ
ANKARA



Contractor PASİFİK & ÇİFTAY	Land Area 137.249 m2	Total Sales Revenue 4.194.550.000 TL	Min. Company Share 1.258.365.000 TL
Completion Date 24.03.2020	Number of Units 3.060	Company Share Ratio %30,00	Progress Level %24,15

ONGOING REVENUE SHARING MODEL PROJECTS



ELORA
DENİZLİ

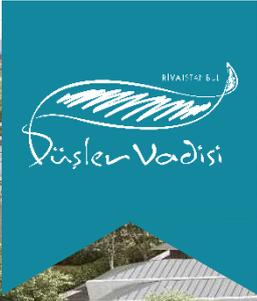
Contractor TEKNİK YAPI & UCD	Land Area 115.291 m ²	Total Sales Revenue 514.727.778 TL	Min. Company Share 92.651.000 TL
Completion Date 28.08.2020	Number of Units 1.558	Company Share Ratio %18,00	Progress Level %52,24



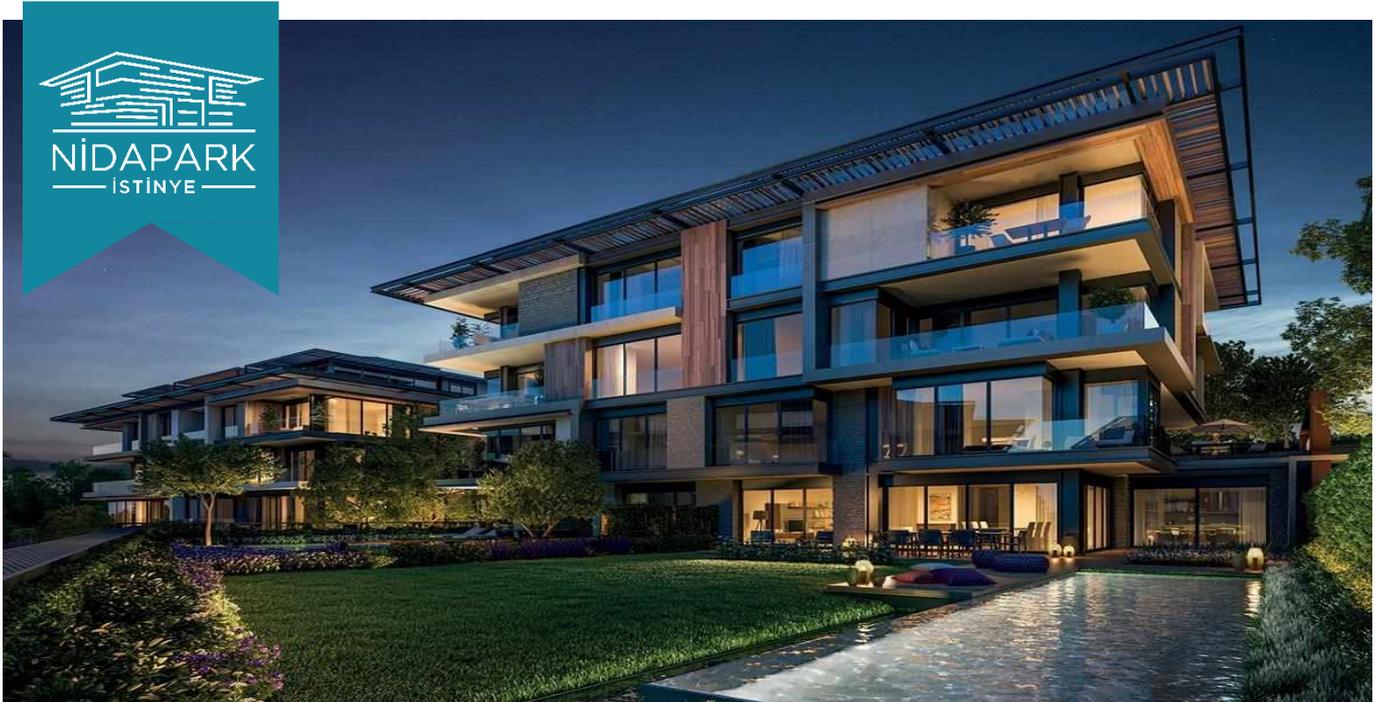
NİDAPARK
KAYAŞEHİR

Contractor TAHİNCİOĞLU KAYABAŞI	Land Area 103.277 m ²	Total Sales Revenue 1.072.600.000 TL	Min. Company Share 407.588.000 TL
Completion Date 23.10.2020	Number of Units 1.142	Company Share Ratio %38,00	Progress Level %87,19

ONGOING REVENUE SHARING MODEL PROJECTS



Contractor YILMAZ İNŞAAT	Land Area 1.157.004 m2	Total Sales Revenue 3.808.000.000 TL	Min. Company Share 952.000.000 TL
Completion Date 22.09.2021	Number of Units 509*	Company Share Ratio %25,00	Progress Level %2,90



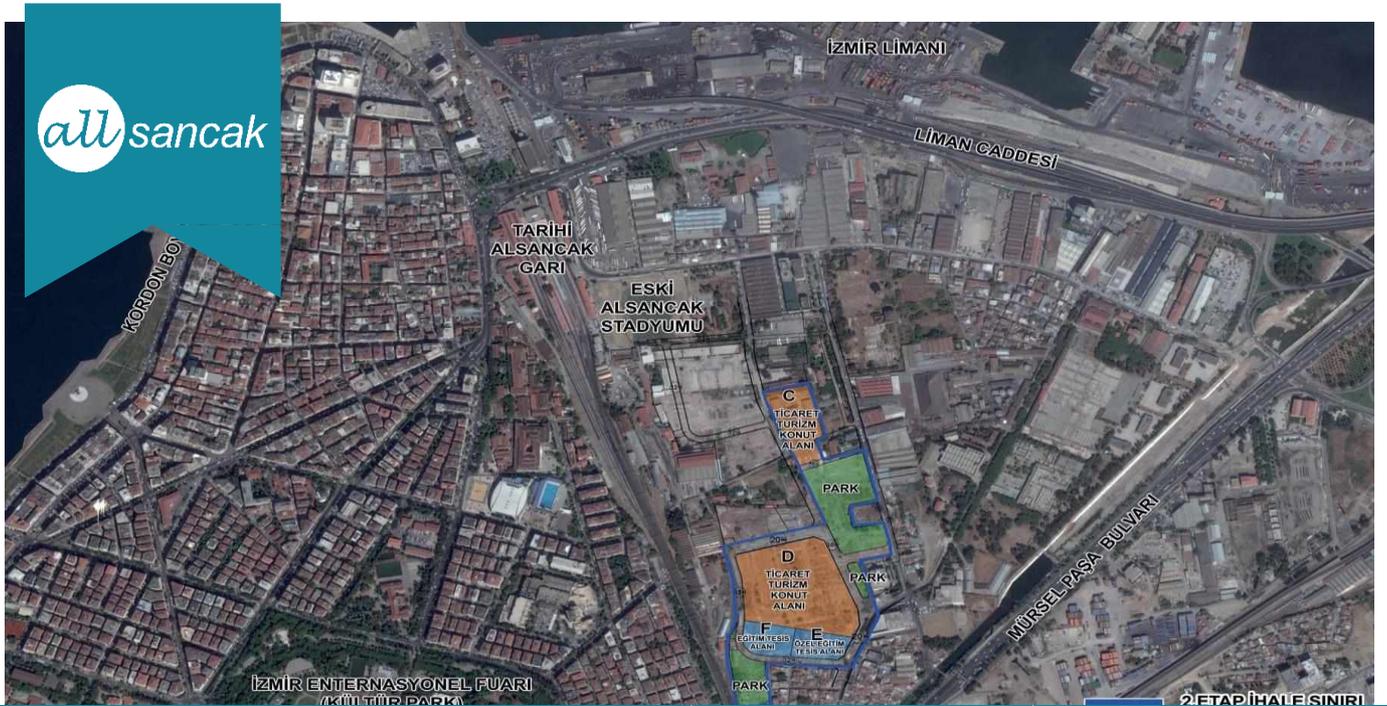
Contractor TAHİNCİOĞLU İSTİNYE ORTAK GİRİŞİMİ	Land Area 158.498 m2	Total Sales Revenue 3.672.000.000 TL	Min. Company Share 1.876.392.000 TL
Completion Date 07.11.2021	Number of Units 555	Company Share Ratio %51,01	Progress Level %24,50

ONGOING REVENUE SHARING MODEL PROJECTS



EVOORA
İZMİR

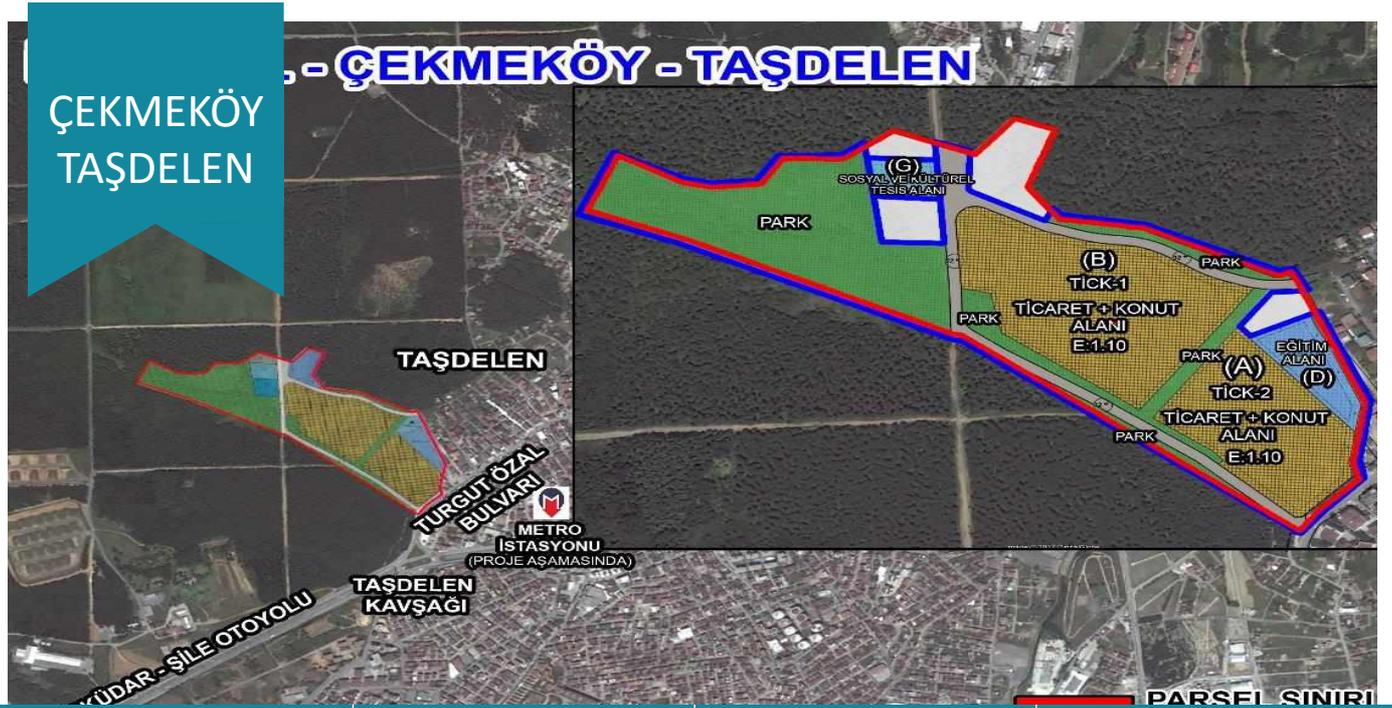
Contractor TEKNİK YAPI & HALK GYO	Land Area 47.070 m2	Total Sales Revenue 1.672.000.000 TL	Min. Company Share 585.200.000 TL
Completion Date 16.09.2021	Number of Units 772*	Company Share Ratio %35,00	Progress Level %1,59



all sancak

Contractor PEKİNTAŞ & BURAKCAN	Land Area 78.558 m2	Total Sales Revenue 2.200.000.000 TL	Min. Company Share 726.000.000 TL
Completion Date 21.08.2021	Number of Units 1104*	Company Share Ratio %33,00	Progress Level %0,0

ONGOING REVENUE SHARING MODEL PROJECTS



Contractor	Land Area	Total Sales Revenue	Min. Company Share
ELTES & ISTLIFE	155.368 m2	1.111.100.000 TL	355.552.000 TL
Completion Date	Number of Units	Company Share Ratio	Progress Level
06.06.2022	*	%32,00	%0,0



Contractor	Land Area	Total Sales Revenue	Min. Company Share
ELTES & ISTLIFE	20.677 m2	1.763.750.000 TL	705.500.000 TL
Completion Date	Number of Units	Company Share Ratio	Progress Level
06.05.2022	*	%40,00	%0,0

ONGOING REVENUE SHARING MODEL PROJECTS

TABLE 31.12.2019

PROJECT NAME	EMLAK KONUT MIN. GUARANTEED REVENUE	MIN. PROFIT	TOTAL NUMBER OF UNITS	UNITS SOLD	(%) SOLD
1 KARAT 34	8.482.315	2.809.616	592	418	71
2 TEMAŞEHİR KONYA	198.759.060	111.270.109	905	632	70
3 TUAL ADALAR	21.252.794	9.424.624	542	293	54
4 TUAL BAĞÇEKENT	130.529.584	90.682.856	1.914	1.537	80
5 KÖY*	300.525.555	147.471.670	497	544	109
6 EVORA DENİZLİ*	67.128.879	3.510.405	1.558	816	52
7 NİDAPARK KAYAŞEHİR*	107.950.125	72.583.093	1.142	1.127	99
8 BÜYÜKYALI İSTANBUL*	436.709.638	173.217.736	1.642	636	39
9 VALİDEBAĞ KONAKLARI	439.887.380	284.958.519	366	266	73
10 OFİS KARAT BAKIRKÖY	62.000.000	31.044.506	90	12	13
11 AVANGART İSTANBUL	637.000.000	516.608.617	959	214	22
12 MERKEZ ANKARA	1.258.365.000	616.311.256	3.060	360	12
2020 TOTAL	3.668.590.330	2.059.893.007	13.267	6.855	52
13 CER İSTANBUL	105.968.270	38.565.323	169	42	25
14 EBRULİ İSPARTAKULE	132.000.000	73.799.757	776	179	23
15 AVRUPARK HAYAT	156.500.000	102.443.299	1.184	462	39
16 TEM 34 TAHTAKALE**	40.086.059	8.445.397	197	109	55
17 İDEALİSTKORU/İDEALİST CADDE	15.070.000	5.256.866	69*	23	33
18 NİDAPARK KÜÇÜKYALI	1.527.000.300	848.147.970	2.048	1.017	50
19 NİDAPARK İSTİNYE	1.876.392.000	882.612.315	555	119	21
2021 TOTAL	3.853.016.629	1.959.270.927	4.929	1.951	40
20 ŞİŞLİ TEŞVİKİYE	705.500.000	133.463.454	*	not on sale	-
21 ÇEKMEKÖY TAŞDELEN	355.552.000	41.579.618	*	not on sale	-
2022 TOTAL	1.061.052.000	175.043.072	0	-	-
22 ALLSANCAK	145.200.000	145.054.606	1104*	not on sale	-
23 EVORA İZMİR	117.040.000	115.820.389	772*	66	8
24 DÜŞLER VADİSİ	542.892.221	154.699.505	509*	100	19
2023 TOTAL	805.132.221	415.574.500	2.385	166	7
TOTAL	9.387.791.180	4.609.781.506	20.650	8.972	43

*Partial provisional acceptance of the Project will be realized in 2019 and the remaining parts of the project will be finalized in following terms

**Project has been partially liquidated



MERKEZ
ANKARA





ONGOING TURN-KEY MODEL PROJECTS

KUZEYAKASI
İSTANBUL'UN YENİ YAKASI



Contractor	Land Area	Current Aggrement Value	Book Value + Progress Payment
Yapı & Yapı İnşaat	372.995 m2	575.370.541 TL	514.256.043 TL
Completion Date	Number of Units	Progress Level	
09.08.2020	370	%80,46	



BAŞKENT
— EMLAK KONUTLARI —
1



Contractor	Land Area	Current Aggrement Value	Book Value + Progress Payment
KALYON	89.502 m2	578.125.253 TL	922.881.977 TL
Completion Date	Number of Units	Progress Level	
29.11.2019	1.345	%83,51	

ONGOING TURN-KEY MODEL PROJECTS



BAŞKENT
EMLAK KONUTLARI
2



Contractor ASL İNŞAAT	Land Area 30.521 m2	Current Aggrement Value 206.658.170 TL	Book Value + Progress Payment 358.728.510 TL
Completion Date 29.05.2019	Number of Units 507	Progress Level %95,75	



Contractor At the tender process	Land Area 6.338 m2	Current Aggrement Value	Book Value + Progress Payment 9.294.852 TL
Completion Date	Number of Units 62	Progress Level	

ONGOING TURN-KEY MODEL PROJECTS



YENİKÖY
KONAKLARI
İSTANBUL

Contractor AYDUR	Land Area 35.856 m2	Current Aggrement Value 216.500.000 TL	Book Value + Progress Payment 94.501.721 TL
Bitiş Tarihi 23.02.2021	Bağımsız Bölüm 385	İlerleme Oranı %7,20	



semt
BAHÇEKENT

Contractor SİYAHKALEM	Land Area 66.656 m2	Current Aggrement Value 448.000.000 TL	Book Value + Progress Payment 101.354.891 TL
Completion Date 21.04.2020	Number of Units 832	Progress Level %5,96	

ONGOING TURN-KEY MODEL PROJECTS

Project Name	Book Value + Progress Payment (TRY)	Total Number of Units	Sold (2019)
1 Başkent Emlak Konutları 1	922.904.910	1.345	327
2 Başkent Emlak Konutları 2	358.728.510	507	-
3 Başkent Emlak Konutları 3	-	-	-
4 Gebze Emlak Konutları 3-3	9.294.852	62	-
5 Kuzey Yakası	513.302.234	370	239
6 Yeniköy Konakları	114.734.566	385	115
7 Semt Bahçekent	101.354.891	832	315
8 Ankara Saraçoğlu	5.171.770	-	-
9 Various Infrastructure Projects	293.813.980	-	-
TOTAL	2.319.305.713	3.501	996



Kuzey Yakası



Başkent Emlak Konutları



YeniKöy



Başkent Emlak Konutları



Gebze Emlak Konutları



Semt Bahçekent

RENTED AND LEASED PROPERTIES

RENTED PROPERTIES

	Tenant	Ending Date	Property Information	Duration	Lease Value*
1	EMLAK KONUT GYO A.Ş.	01.05.2020	Ankara/ Çankaya No:14	1 Year	8,150.50 TL
2	EMLAK KONUT GYO A.Ş.	01.04.2020	Niğde 3337 / 1	3 Year	1,908.00 TL
TOTAL					10,058.50 TL

LEASED PROPERTIES

	Tenant	Duration	Property Information	Rent Value	Turnover Ratio
1	UNİKONUT	8 Year	4 Shops/ Avcılar	55,114	
2	GENERAL MANAGEMENT A BLOCK	5 Year	Building/ Türkiye Halk Bankası	512,444	
3	AYAZMA EMLAK KO. 2nd STAGE	10 Year	6 Shops / Başakşehir	26,932	
4	ESENLER EMLAK KONUTLARI	7,5 Year	4 Shops and 3 Residential Units/ Esenler	13,214	
5	DUMANKAYA MİKS	5 Year	2 Shops/ Küçükçekmece	50,548	
6	KÖRFEZKENT 3th VE 4th STAGE	5 Year	4 Shops/ Kocaeli	6,955	
7	AĞAOĞLU MASLAK 1453	10 Year	24 Shops/ Sarıyer		4,75%
8	AĞAOĞLU MASLAK 1453	5 Year	4 Shops/ Sarıyer	130,000	
9	AĞAOĞLU MASLAK 1453	5 Year	1 Shop/ Sarıyer		%15
10	SARPHAN FİNANS PARK	10 Year	36 Offices/ Ümraniye	118,000	
11	NEXT LEVEL	10 Year	1 Office/ Çankaya	2,800	
12	MISCELLANEOUS LAND PLOTS	2,5 Year	4 Land Plots / İstanbul	13,355	
TOTAL			87 Shops, 3 Residential Units, 1 Building and 4 Land Plots	929,361	

İSTMARINA LEASED PROPERTIES

	Tenant	Duration	Property Information	Rent Value	Turnover Ratio
1	İSTMARINA	5 Yıl	8 Shops/ Kartal		
2	İSTMARINA	8 Yıl	51 Shops/ Kartal		%9
3	İSTMARINA	6 Yıl	66 Shops / Kartal		%9
TOTAL			145 Shops	1.200.000	

*Not included VAT, values are expressed as monthly.

** Turnover share is not included the rent value. The rent values will be shared with the contractor over the share ratios specified in the contract.



EMLAK PLANLAMA İNŞAAT PROJE YÖNETİMİ VE TİCARET A.Ş.

Emlak Planlama İnşaat Proje Yönetimi Ve Ticaret AS (Known as Emlak Planlama, EPP) was established in 1980 to operate principally in the fields of real estate project management, sales & marketing, lettings, consultancy services and developing projects via Revenue Sharing Model. Emlak Konut REIC has acquired all of 65,000,000 shares of Emlak Planlama İnşaat Proje Yönetimi Ve Ticaret AS with an amount of TRY 288,000,000. Capital increase was made in 2019 and the capital of the company was increased to TRY 150,000,000..

2019 Consultancy Services

Completion Ratio	Completion Ratio	Completion Ratio	Completion Ratio	Completion Ratio
94,36%	94,28%	100%	100%	10,47%
5,438 Building 600-bed Hospital Infrastructure and Landscaping Projects	3,202 Building Hospital & Infrastructure and Landscaping Projects	Giresun Sport Complex Giresun	Akyazı Sport & Culkture Complex Trabzon	20th Package Applications İstanbul, Kocaeli, Sakarya, Yalova
: İstanbul, Tekirdağ, Edirne, Sakarya, Kocaeli	İstanbul, Edirne, Sakarya, Kocaeli, Yalova			

Pre-Sales Value

39 Million TRY

Number of Pre-Sales

66 Units

Land Portfolio

415 k sqm

Total Area of Consultancy Services

8.2 Million sqm



2019 PROJECTS



Started in 2016 in Revenue Sharing Model but liquidated at 26,34 % progress level. Retendered as Turn-Key Model Project and the progress level is 90,98%

Completion Date:

30.06.2020

Units: 403

Emlak Termal Kent /Yalova Tendered.



Working on zoning plans..

Land Area: 118.000sqm

Sapanca/Arifiye Lands Tender will be repeated



New concept project is developed in Revenue Sharing Model. Total investment value has reached to USD 150 million.

Land Area: 477.166 sqm

İstanbul Bio City RSM Model in Return for Land Sale



Ticari Alan İhalesi Yapılacak

Units

Progress Level: %65,76

Units: 947

Area for trading: 123

Area for trading: 47*

Başakşehir Food Wholesale Area



* (* Permit will taken & tender will be done in 2019)

KÖY

The Project also enclaves an outdoor bazaar situated within a appx. 15 thousand square meter rentable site. Carsi (Bazaar) promoting the outdoor concept offers in KÖY globally trendy brands side by side with authentic restaurants presenting local cuisine, cafes, a supermarket, veterinary clinic, organic food market and state-of-the-art movie halls.





ACTIVITIES OF THE BOARD OF DIRECTORS

IMPORTANT DEVELOPMENTS - 1

Tenders were held for various units and commercial units in Kuzey Yakası, Niğde Emlak Konutları, Ağaoğlu Maslak 1453 İstanbul, Başkent Emlak Konutları and Gebze Emlak Konutları - 3rd Stage projects on May 14, May 28, June 20, July 3, September 26 and December 27, 2019, respectively, and a total offer of 290,973,689.89 TRY (VAT excluded) was received for 74 units with a total appraisal value of 254,634,814.81 TRY (VAT excluded).

In the auction tender of various immovable properties on 11.07.2019, an offer of 77,000,000 TRY (excluding VAT) was made for one property.

Kocaeli Derince, Ankara Çankaya Oran, İstanbul Zeytinburnu Beşelsiz, Tual Artı, İstanbul Bakırköy Florya and Tual Bizim Mahalle Revenue Sharing Projects were liquidated.

Semt Bahçekent, Yeniköy Konakları, and İstanbul Finance Center Revenue Sharing projects were liquidated and tendered again, respectively with the Turnkey Model.

TEM 34 Tahtakale and Tual Bahçekent Revenue Sharing Model Projects were partially liquidated on 25.04.2019 and 28.06.2019, respectively.

30 units in the Ankara Koordinat Çayyolu project were purchased on 30.01.2019 at the appraisal value of 35,434,126 TRY (excluding VAT).

The protocol for the return of immovable properties in İstanbul -Kayabaşı, Kocaeli - Derince, Antalya - Muratpaşa and Şile - Balıbey at 549,508,204 TRY was signed on 25.03.2019 with the Housing Development Administration of the Ministry of Environment and Urban Planning of the Republic of Turkey while the protocol for the purchase of two immovable properties in Başakşehir - Kayabaşı and Beşiktaş - Ortaköy by our company at the price of 290,305,000 TRY (VAT exempted)

and the sale of two immovable properties in İstanbul - Tuzla and Tekirdağ - Kapaklı at 231,663,401 TRY (excluding VAT) to the Housing Development Administration of the Ministry of Environment and Urban Planning of the Republic of Turkey was signed on 11.10.2019.

One immovable property in İstanbul - Beşelsiz was sold at 399,039,398 TRY (excluding VAT) to the Directorate General of Infrastructure and Urban Transformation Services, one immovable property was sold to İller Bankası A.Ş. at 98,000,000 TRY (excluding VAT), and 16 immovable properties in Beşiktaş, Mecidiye Neighborhood was sold at 461,911,705 TRY.

It was decided with the protocol signed by the Housing Development Administration of the Ministry of Environment and Urban Planning of the Republic of Turkey and our Company that a project was to be developed by our company through the "Land Sale-based Revenue Sharing" method and the project revenues would be allocated as 85% and 15% to TOKİ and Emlak Konut, respectively.

The protocols signed between Galatasaray Sports Club Association and our Company in 2016 was terminated on 27.09.2019, a decision was made for the exclusion of Florya land and continuation of the project developed in Riva lands, and the Protocol regulating the rights and obligations of the parties was signed on 04.12.2019.

The total revenue resulting from the Land Sale-based Company Share in Evora Denizli rose from 92,651,000.00 TRY to 134,090,518.14 TRY with the Additional Protocol No. 8 of the Contract formed together with the contracting company on 22.08.2019.

ACTIVITIES OF THE BOARD OF DIRECTORS

IMPORTANT DEVELOPMENTS - 2

2018 Ordinary General Assembly of the Company was held on April 30, 2019. Ertan Keleş was elected as the Chairman of the Board of Directors and Mustafa Levent Sungur as elected as the Vice Chairman of the Board. Hakan Gedikli and Hakan Akbulut were elected as the Board Members. Havvanur Yurtsever, Sinan Aksu and Muhterem İnce were elected as Independent Board Members.

Ercan Alioğlu was appointed as the Deputy General Manager of our company.

The issuance of lease certificates with a total value of 2,428,000,000 TRY with an average maturity period of 120 days was completed for the issuance of the lease certificates (sukuk) on 09.01.2019, 25.02.2019, 18.03.2019, 08.04.2019, 29.04.2019, 06.05.2019, 25.06.2019, 30.07.2019, 05.08.2019, 02.09.2019, 18.11.2019, 21.10.2019, 15.10.2019, 23.12.2019.

The issuance of lease certificates with a total value of 2,180,000,000 TRY with an average maturity period of 119 days was completed for the issuance of the lease certificates (sukuk) on 26.02.2019, 19.03.2019, 09.04.2019, 07.05.2019, 25.06.2019, 03.07.2019, 30.07.2019, 06.08.2019, 03.09.2019, 24.09.2019, 22.10.2019, 19.11.2019, 24.12.2019 and their payback was realized.

Loans with a total value of 1,157,918,054 TRY were taken from various banks with a maturity period of 2.5 years on March 18th, November 27th, December 4th, December 18th, December 25th, 2019.

A decision was made in the General Assembly dated 30.12.2019 to increase the capital of EMLAK PLANLAMA İNŞAAT PROJE YÖNETİMİ VE TİCARET A.Ş., our affiliate, from 65,000,000 TRY to 150,000,000 TRY all of which was to be covered in cash.

DEVELOPMENTS IN THE NEXT PERIOD

An offer of 169,000,000 TRY (excluding VAT) was made for one property in the auction tender of various immovable properties on 11.07.2020.

Loans with a total value of 2,698,600,552 TRY were taken from various banks with a maturity period of 5 years on February 6th, February 7th, February 13th, February 14th, March 3rd, March 5th, 2020

Köy project was partially liquidated on 09.01.2020.

Istanbul İkitelli 2nd Stage and Istanbul Kayabaşı 7th Stage auctions were held creating a multiplier value of 2.24 with Emlak Konut's minimum share of 881,300,000 TRY.

The issuance of lease certificates with a total value of 350,000,000 TRY with an average maturity period of 127 days was completed for the issuance of the lease certificates (sukuk) on 27.01.2020 and 10.02.2020.

The issuance of lease certificates with a total value of 350,000,000 TRY with an average maturity period of 145 days was completed for the issuance of the lease certificates (sukuk) on 28.01.2020 and 11.02.2020 and their payback was realized.

Consultancy, Audit and Appraisal Enterprises Offering Services

Independent Audit Firm

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of DELOITTE TOUCHE TOHMATSU LIMITED)

Appraisal Companies

Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. Reel Gayrimenkul Değerleme A.Ş.

Certified Public Accountant

Demiröz Yeminli Mali Müşavirlik Ltd. Şti.

Press and PR Company

Native Reklam ve Medya İletişim Hizmetleri Ticaret A.Ş.

Corporate Resource Management System Software Consultancy Company

SAP Türkiye Çözüm Ortağı olan Detay Danışmanlık Bilgisayar Hizmetleri Sanayi Dış Ticaret A.Ş.

DECLARATION FOR COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Emlak Konut REIC acknowledges its main management principle to comply with the "Corporate Governance Principles" and practices published by the Capital Markets Board (CMB). The Company aims to continuously improve corporate governance understanding.

Equality, Transparency, Accountability, and Responsibility are the principles adopted by the Company.

Emlak Konut REIC attaches importance to assigning Independent Board Members to ensure the effective operation of the Board of Directors as part of its management approach and Corporate Governance Principles.

Muhterem İnce, Sinan Aksu and Havvanur Yurtsever serve as Independent Board Members after the election of the Independent Board Members who are expected to meet the qualifications and quantities required by the legislation.

Consisting of Board Members "Corporate Governance Committee, Audit Committee, Nomination Committee, Early Risk Detection, and Risk Management Committee, Remuneration Committee" continue their activities. The Corporate Governance Committee also fulfills the responsibilities of the "Remuneration, Nomination" committees.

Detailed explanations regarding the Board of Directors and the committees can be found in Part IV.

At the Ordinary General Meeting held on 23.03.2018, the shareholders were informed on the principles related to the remuneration of the members of the Board of Directors and senior executives under the Article 1.3.6 of the Corporate Governance Principles.

Relevant detailed information is provided under "General Assembly", the fourth title, within Part I - Shareholders.

The company complies with all mandatory principles included in the Corporate Governance Communiqué No. II-17.1. Although it complies with

the vast majority of non-mandatory principles, it continues its efforts to ensure full compliance with them.

There are no conflicts of interest because of the lack of compliance with non-compulsory principles.

Regarding the principle 1.4.2, The Company has the privilege of nominating only Group A shares to nominate members of the Board of Directors because it is an affiliate of the Housing Development Administration of the Ministry of Environment and Urban Planning.

Regarding the principle 1.5.2, the minority rights are not granted to those who have less than twentieth of the capital; the rights granted to the minority are provided pursuant to the general practices.

Regarding the principle 3.1.2, the Company takes into consideration the provisions of the Labor Law No. 4857 within the scope of indemnification of the employees. The Company pursues efforts to create a compensation policy that respects the principles of equality, fairness, and impartiality.

Regarding the principle 4.2.8, the negligence of the Members of the Board of Directors and/or the damage they may cause when performing their duties were insured up to \$20 million.

Regarding the principle 4.3.9, the Company carries on its activities to set a target time to ensure that at least 25 percent of the Board of Directors consists of women. Currently, Havvanur Yurtsever (independent member) serves as a female member on the Board of Directors.

Regarding the principle 4.3.10, all resources and support are provided for the committees to fulfill their duties. But, our audit committee does not include any members with 5 years of experience in audit/accounting and finance matters because the committees have the opportunity to benefit from independent expert opinions on audit/accounting and finance matters when needed.

Regarding the principle of 4.6.5, the benefits provided to senior management are explained in parallel with the general practices as presented in the General Assembly and footnotes of the financial statements.

In 2019, no amendments were made to the Articles of Association since there was no need for any additional arrangement for compliance with the "Corporate Governance Principles"

Revisions were made to Emlak Konut REIC's "Duties, Authorities and Responsibilities and Personnel and Discipline Regulation", "Procurement and Rental Works Regulation", "Service Procurement Works Regulation", "Construction Works Tender and Contract Regulation", "Regulation on Land sale-based Revenue Sharing Tenders and Contracts" and "Real Estate Purchase, Sales, Rental and Leasing Regulations" as it was required both in terms of operation and management.

The Company's "Corporate Governance Compliance Report" and "Corporate Governance Information Form" for 2019 are made public through the Public Disclosure Platform (www.kap.org.tr) pursuant to the Capital Markets Board's decision dated 10.01.2019 and numbered 2/49. Shareholders can access the Corporate Governance Compliance Report for 2019 through the link below.

<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1531-emlak-konut-gayrimenkul-yatirim-ortakligi-a-s>



Structure and Formation of the Board of Directors

Consisting of seven members elected by the General Assembly under the TTC provisions fulfilling the conditions set out in the Turkish Commercial Code and the Capital Markets Board legislations, the Board of Directors is responsible for managing and representing the Company before the third persons.

Every year, the Board of Directors elects, in its first meeting, a chairman and at least one vice-chairman to act in the chairman's place in their absence.

Board members are elected by the General Assembly. The Board consists of seven members including the Chairman, Vice-Chairman, and five other members, The number of independent members in the Board of Directors is not less than one-third of the total number of members. In the calculation of the number of independent members, fractions are considered to be the following integer. In any case, the number of independent members is not less than two and there are three Independent Board members within the Company. Independent Members of the Board meet the independence criteria as defined in the relevant legislation. Members can be re-elected at the end of their terms by being nominated. If a member leaves his or her position for any reason, the Board of Directors shall temporarily elect a member who satisfies the requirements set forth in the TCC and capital market legislation and present them for approval at the first General Assembly. The member elected in this way shall serve until the General Assembly and complete his/her predecessor's term in case of approval. Board members can be removed at any time by the General Assembly.

The Declaration of Independence of Havvanur Ekmen, an Independent Member of the of Directors, was established with the document dated April 8, 2019, No. 16226 approved by the Kadıköy Notary Office No. 9. The Declaration of Independence of Muhterem İnce, an Independent Member of the Board of Directors, was established with the document

dated April 8, 2019, No. 16225 approved by the Kadıköy Notary Office No. 9. The Declaration of Independence of Sinan Aksu, an Independent Member of the Board of Directors, was established with the document dated April 8, 2019, No. 16224 approved by the Kadıköy Notary Office No. 9.

The Company disclosed the declarations of independence to all stakeholders under the General Assembly section of "Investor Relations" on the corporate website and corporate governance compliance report.

The Nomination Committee showed three independent member candidates (Muhterem İnce, Havvanur Yurtsever and Sinan Aksu) within the relevant period and it prepared a report on 08.04.2019 showing that Muhterem İnce, Havvanur Yurtsever met the independence criteria submitted it to the approval of the Board of Directors on the same date and it was approved by the Board of Directors on 08.04.2019. The committee's report, which showed that Sinan Aksu met the criteria for independence, was prepared on 08.04.2019 and approved by the Board on the same date. In the relevant period, no situation eliminated the independence of independent members. Members of the Board of Directors of spares sufficient time for company activities. If a board member is a manager or board member at another company or provides consultancy services to another company, it is essential that such a situation does not cause a conflict of interest or hinders that member's duties at the Company. When members can take another duty or duties outside the Company are determined or limited by the CMB communiques and the TTC provisions. The duties and transactions that can be carried out by Board members outside the Company are stated in Article 22 of the Company's Articles of Association as follows: Shareholders, Board members, senior executives and their spouses and second-degree

relatives by blood or marriage who has control of the Company management should receive the General Assembly's prior approval to be able to carry out transactions that can case conflict of interest with the Company or its subsidiaries and the Assembly should be informed about such transactions.

Financial Rights

The Remuneration Policy, which includes all rights, benefits and wages given to the Board members and senior executives as well as the criteria used to determine them and remuneration principles, is available on the corporate website for the review of all stakeholders. The Company presented the remuneration principles and criteria to the review of the shareholders with the "Disclosure Document" published on the PDP on April 5, 2019, before the General Assembly, which was held on April 30, 2019. This issue was discussed and voted as agenda item 11 and accepted with the majority of votes in the General Assembly dated 30.04.2019. All documents related to the General Assembly are also available on the corporate website. Besides, Article 16 of the Articles of Association stipulates the principles related to "Wages of the Board Members and Senior Managers". The Company presents its Articles of Association to stakeholders on the corporate website. The benefits provided to senior managers are announced to the public with references to total figures in the footnotes of financial statements and independent audit reports. In 2019, the Company did not lend or provide loans to any Board Member or senior manager Nor did the Company extend the duration of the previous debts and loans, improve their conditions, provide personal loans under through a third party or give guarantees such as sureties in their favor.

Benefits to the senior management	1 Ocak - 31 Aralık 2019	1 Ocak - 31 Aralık 2018
Wages and other short-term benefits	9.600	8.000

Structure and Formation of the Board of Directors



ERTAN KELEŞ

Chairman of the Board of Directors (Executive),

Ertan Keleş was born in 1976 in Giresun. He graduated from the Civil Engineering Department of the Middle East Technical University in 1998. He served as a Construction Engineer at Telekomünikasyon İnşaat. A.Ş. and Dky Telekomünikasyon İnşaat. A.Ş. from 1998-2000 and 2001-2002, respectively. He worked as a Project Manager at Aset Dekar İş Ortaklığı from 2002-2004, and as Deputy General Manager at Yalova Hazır Beton Ltd. Şti. and Turkuaz Kablo Taah. İnşaat. Tic. A.Ş from 2004-2005 and 2002-2005, respectively. From 2005-2014, he served as a Board Member and General Manager at Beltur A.Ş. company of Istanbul Metropolitan Municipality. He served Reform Dış Ticaret Ltd. Şti as a consultant from 2014-2016. He served as Emlak Konut REIC's Vice Chairman of the Board between 2014 and 2018. He has been serving as the Chairman of the Board since 2018.



MUSTAFA LEVENT SUNGUR

Vice-Chairman of Board of Directors (Non-executive)

Mustafa Levent Sungur was born in 1981 in Trabzon. Having completed his undergraduate education in Civil Engineering at the Civil Engineering Department of the Middle East Technical University, he graduated as a Civil Engineer in 2003. He served in various companies in Turkey and abroad in his professional life. He started to work as an expert in the Housing Development Administration in 2006. Levent Sungur was appointed as the Head of Housing Development Projects and Research Department from May 2009-December 2018 after serving as Static, Geotechnical and Infrastructure Department Managers, respectively. He has been the Vice President of the Housing Development Administration since December 2018. He speaks English fluently and a little Persian and German. Mustafa Levent Sungur is married with three children.



HAKAN GEDİKLİ

Member of the Board and General Manager/Executive

Hakan Gedikli was born in Trabzon in 1975. He graduated from Zonguldak Mehmet Çelikel High School in 1994 and Geodesy and Photogrammetry Department, Engineering Faculty from Karadeniz Technical University in 2000. He served at various levels in Sultanbeyli Municipality from 2000-2006. He served at Estate Housing REIC as Survey Project Manager, Real Estate and Planning Manager, Head of Real Estate and Planning Department and Deputy General Manager between 2006 and 2018, respectively. Having earned his master's degree in Urban Transformation at Okan University, Mr. Gedikli is a real estate appraiser. He has been serving as a Board member and General Manager at Emlak Konut REIC since 16.07.2018.



HAVVANUR YURTSEVER

Member of the Board of Directors/Non-executive/Independent

Havvanur Yurtsever was born in Ankara in 1972. She graduated from the Faculty of Law of Istanbul University in 1996. She had her law internship at Attorney Necati Ceylan's law firm between 1996 and 1997. She worked as a contracted lawyer at Halk Bankası A.Ş. and T. Telekomünikasyon A.Ş from 2008-2014 and 2003-2014, respectively. She has served Emlak Konut REIC as a member of the Board of Directors since 2014. She served as a member of the Istanbul Metropolitan Municipality's Council, Zeytinburnu Municipal Council, Chairperson of the Municipality's Law Commission and also Assistant Vice-President of Zeytinburnu Municipal Council. She is married with three children.

Structure and Formation of the Board of Directors

HAKAN AKBULUT

Member of the Board of Directors/Non-executive

Hakan Akbulut was born in Ardahan in 1966. He graduated from the Public Administration Department of Uludağ University in 1988. He completed his master's degree in Urban Transformation at the Institute of Science, Okan University in 2018. Akbulut started to work as a Finance and Portfolio Manager at Emlak Konut REIC in 2003 after working for accounting and finance in the private industry for many years. He worked as Finance and Portfolio Manager at Emlak Konut REIC from 2003-2010, as Assistant General Manager in financial from 2010-2019 April. Akbulut has experience in Management, Capital Market Legislation, Financial Legislation and Accounting Practices, Relations with National and International Banks and International Investment Funds. Following his experience in the public and private sectors, he was appointed as Vice President of TOKİ on April 29, 2019. Akbulut has Advanced Level Documents in Financial Consultancy, Real Estate Appraisal, Corporate Governance and Capital Markets Board and speaks English fluently and Arabic at the intermediate level. Hakan Akbulut is married with three children.



MUHTEREM İNCE

Member of the Board of Directors/Non-executive/Independent

He was born in 1971 in Istanbul. He graduated from the Faculty of Political Sciences of Istanbul University in 1993. In 2000, he obtained his Master's degree from the Institute of Social Sciences, Kırıkkale University. In 2017, he assumed the role of Independent Board Member of Emlak Konut REIC. He was appointed as Deputy Minister in 2018 after assuming the role of Undersecretary (Governor) in 2016. He assumed the following roles: Artvin Governor (06.2016-09.2016), General Manager - Ankara Directorate-General for Personnel (02.2014-06.2016), Deputy General Manager - Directorate-General for Personnel (08.2013-02.2014), Deputy General Manager - Ankara Directorate-General for Personnel (07.2013-08.2013), Head of Department - Directorate-General for Personnel (09.2011-07.2013), Unit Head - Directorate of Education (09.2009-09.2011), District Governor - Çanakkale Eceabat Governorship (10.2005-09.2009), District Governor - Erzurum Nayman Governorship (10.2002-10.2005), District Governor - Adıyaman Samsat Governorship (10.2000-10.2002), District Governor - Kinkale Sulakyurt Governorship (05.2000-10.2000), District Governor - Kinkale Sulakyurt Governorship (09.1997-04.2000), District Governor Candidate - Edine Governorship (07.1994-09.1997). He is married with two children.



SİNAN AKSU

Member of the Board of Directors/Non-executive/Independent

Born in Ankara in 1980, Sinan Aksu is originally from Erzincan. Aksu graduated from Ankara Tevfik İleri Imam Hatip High School and graduated from the Department of History of Gazi University in 2002. Aksu started his professional career at the Turkish Grand National Assembly in 2003. He served as an MP Consultant, Executive Assistant at the Ministry of Environment and Urban Planning and Ministry of Family Social Policies, Deputy Director General of the Youth Services within the Ministry of Youth and Sports, Deputy General Manager of Youth Services, Advisor to the Prime Ministry. He served as Director General of Youth Services from February 20, 2014. He was appointed as General Manager of Higher Education Credit and Dormitories Institution of the Ministry of Youth on March 30, 2015. He served in this post until 20.07.2018. Aksu took part in youth projects during his role as the General Manager of the Credit Dormitories Institution. He was chosen as the servant bureaucrat of the year at the Servant Leadership Summit held in 2016. He was appointed as Deputy Minister of the Ministry of Youth and Sports with the Presidential Decree published on 20.07.2018. He was elected as Member of the Supervisory Board of the Turkish Basketball Federation at the Annual General Meeting in 2016. Aksu served the chairman of the board of trustees and a board member in many non-profit foundations and associations. He is married with one child.



Operating Principles of the Board of Directors

The Board meets with the frequency that it can effectively fulfill its duties and with the majority of its members. The method for holding board meetings is written in Article 14 of the Company's Articles of Association. The Board convenes upon the invitation of the chairman or vice-chairman. Each member of the Board of Directors may apply in writing to the Chairman or Vice Chairman and request that the board be called for a meeting. Board members shall have the authority to make a meeting request if the Chairman or the Vice Chairman still does not call the Board of Directors to a meeting. Shareholders with at least 5 percent share of the Company's capital may invite the Board of Directors to hold a meeting by submitting a request to the Chairman. If the Chairman comes to a conclusion that there is no need to convene immediately, he or she can open the matter subject to the invitation up for discussion at the next Board meeting.

The Chairman of the Board of Directors meets with the other members of the Board of Directors and General Manager to determine its meeting agenda.

The Board can decide to make changes to the agenda. The members take pay attention to attending each meeting and reporting their opinions. The Board takes decisions with the majority of the members present at the meeting. So if the number of votes are equal, that topic is left to the next meeting. A proposal with equal votes in that particular meeting is considered rejected. Ever member has one voting right at meetings. The voting right can be exercised in person. Votes are cast as in favor and against during the Board meeting. The member casting a vote against writes down the reason and puts his/her signature.

The Board of Directors adopted 170 resolutions from 01.01.2019 to 31.12.2019. All resolutions were adopted unanimously and applied. The Board of Directors convened with the majority of the total number of members and adopted its

resolutions with the majority of the members present at the meeting. All Board members participated in most of the meetings. The board members did not express any opinions against the resolutions adopted by the Board in its meetings throughout 2019. Board members are not granted weighted voting rights and/or veto rights. In the board meetings, the agenda items are discussed openly in all aspects. The Board Chairman exerts efforts to ensure the active participation of the non-executive members in the board meetings. Questions from board members and their reasonable and detailed counter-vote justifications are recorded in resolution minutes. No such opposition and different opinions were stated throughout the period. It undertakes, as part of the Company organization, the duties of Directorate of Private Affairs and Board secretariat. Resolutions adopted by the Board of Directors are kept and presented to the relevant authorities when deemed necessary.

The approval of the majority of independent members is required in the Board of Directors resolutions regarding the Company's all related party transactions and the issuance of guarantees, pledges and mortgages for third parties. The failure to obtain such an approval is announced to the public under the public disclosure regulations with sufficient information on the transaction, and the transaction is presented to the General Assembly for approval. Board resolutions lacking these principles are not considered valid. In this period, the Board of Directors did not make any resolution which required the majority of independent members.

Under Article 19 of the Company's Articles of Association "A member of the Board of Directors shall not participate in negotiations where there is a conflict of interest between their personal interests outside the Company and those of the Company as well as between the interests of any of their descendants or spouses or their kinships until third degree including those by marriage and interests of the Company. Board

members who breach this provision or members who do not object knowingly to a violating member's participation in the meeting despite the objective nature of the conflict of interest and board members who take a decision to let such members to participate in the meeting shall be liable to compensate losses incurred by the Company."

In this period, the board did not present to the General Assembly any matters related to unapproved related party transactions or important transactions submitted to the approval of the independent board members. The loss that may be caused by Company's Board members and senior management due to their faults in their duties is insured up to \$20 million.

Committees Established within the Board of Directors

Number, Structure and Independence of the Committees Formed within the Board of Directors As stated in Article 17 of the Company's Articles of Association; "Board of Directors will determine and announce to the public in detail the duties and working areas of the committees and their membership composition taking into account the provisions of the Articles of Association, the Corporate Governance Principles published by the CMB and related legislation. Our company created the committees at the Board of Directors meeting following the amendment of the Articles of Association pursuant to the regulations made mandatory according to the Communiqué Serial: IV No: 56 on the Identification and Implementation of Corporate Governance Principles published by the Capital Markets Board of the Ministry of Treasury and Finance of the Republic of Turkey The Company followed the legislative and regulatory requirements and made necessary committees arrangements.

The following committees continue to carry out activities under Emlak Konut REIC: "**Corporate Governance Committee, Audit Committee, Early Risk Detection and Risk Management Committee.**"

Operating Principles of the Board of Directors

The Corporate Governance Committee also fulfills the responsibilities of the **"Remuneration and Nomination"** committees.

Committees act in accordance with the working principles prepared under Emlak Konut REIC's internal regulations and the legislation. A board member is assigned to more than one committees under current conditions (because the tasks of the Nomination Committee and Remuneration Committee are undertaken by the Corporate Governance Committee, the Company has three independent members, executive members are required to avoid taking part in committees (except for the Corporate Governance Committee), all the Audit Committee members are independent members, and the committee presidents are elected from such members).

"Duties, working principles, task fields and member composition of the committees are announced by the Board of Directors in detail taking into account the provisions of the Articles of Association, the Corporate Governance Principles published by the CMB and the relevant provisions of the legislation. The committee presidents are elected among the independent board members. All members of the Audit Committee are also independent member of the Board of Directors. The Company has not assigned or appointed any chief executive officers. General Manager does not assume duties in any of the committees.

The Board of Directors provides all the resources and support necessary for the committees to fulfill their duties. The committees may invite the persons they deem necessary to their meetings and take their opinions.

Committees may benefit from independent expert opinions on matters they consider relevant to their activities. The costs of such consultancy services are met by the Company.

The committees keep a written record of all the activities they undertake. The committees convene when necessary and as described in the working principles to ensure effectiveness of their activities. The committees present the reports on their activities and meeting results to the Board of Directors.

Corporate Governance Committee

The Corporate Governance Committee determines whether the Company implements Corporate Governance Principles and finds conflicts of interest that result from the lack of full compliance, it makes recommendations to the Board to improve corporate governance practices and works closely with the Investor Relations Department.

The committee objectives and principles under article 1 of the "Operating Principles of the Corporate Governance Committee" are as follows:

The Committee shall support and assist Board of Directors by ensuring compliance to the CMB's Communique on Determination and Implementation of Corporate Governance Principles (IV-56), ("Corporate Governance Principles"), research reasons for non-implementation, if any, and taking preventive measures by identifying the non-conformities as well as working on investor relations and public disclosures. The committee will review and assess the systems and processes in place or planned, and bring proposals in order to implement methods and practices to enhance the Company's performance. It will also perform the duties of the Nomination Committee and Remuneration Committee pursuant to the Corporate Governance Principles.

The operating principles and member information of the Corporate Governance Committee are available on the corporate website under Corporate Governance Information.

The Committee is established and authorized by the Board of Directors. It is re-established every year, at the first Board of Directors meeting that follows the Ordinary General Assembly. Thus, the working period of the Committee is in line with that of the Board.

Corporate Governance Committee (Nomination Committee)

The duties of Nomination Committee stipulated in the Corporate Governance Principles is fulfilled by the Corporate Governance Committee.

The Nomination Committee is responsible for,

a) establishing a transparent system for the determination, evaluation and training of the candidates for the Board and executive positions with managerial responsibilities as well as working to determine relevant policies and strategies,

b) making regular assessments on the structure and efficiency of the Board of Directors and presenting its recommendations on any likely changes on these matters to the Board. Following are the Nomination Committee's meeting dates and main agendas in 2019:

•05.04.2019 Determination of the Candidate for Independent Board Membership

•05.04.2019: Salaries to Be Paid to the Board Members and Managers with Administrative Responsibility in 2019.

Operating Principles of the Board of Directors

Remuneration Committee

The duties of Remuneration Committee stipulated in the Corporate Governance Principles is fulfilled by the Corporate Governance Committee.

a. It determines the principles, criteria and practices to be used for the remuneration of the members of the Board of Directors and the managers who have administrative responsibilities taking into account the Company's long-term goals and oversees them.

b. It presents proposals to the members of the Board of Directors regarding the wages to be paid to the Board members and managers with administrative responsibility taking into consideration the level of accomplishment of the remuneration criteria.

Following are the Remuneration Committee's meeting dates and main agendas in 2019:

•04.01.2019: Employee Wages in the First Half of 2019

•11.07.2019: Employee Wages in the Second Half of 2019

Audit Committee

Working under the Board of Directors, the Committee aims to monitor the operation and effectiveness of the Company's accounting system, disclosure of financial information to the public, independent audit, and the Company's internal control and internal audit system in accordance with Article 17 of the Company's Articles of Association. The selection of the independent audit firm, initiation of the independent audit process through independent audit contracts, and the activities of the independent audit institution at each takes place under the supervision of the Audit Committee.

The Audit Committee determines the independent auditing institution that will serve the Company as well as the services to be obtained and submits them to the Board of Directors for approval.

The Audit Committee determines the methods and criteria to be applied to the examination and resolution of the complaints received by the Company regarding the accounting, internal control system and independent audit as well as confidential assessment of company employees, accounting and independent audit matters.

After taking the views of the Company's responsible managers and independent auditors, the Audit Committee provides the Board of Directors with its evaluations regarding the authenticity and accuracy of the annual and interim financial statements that will be disclosed to the public in terms of accounting principles.

All resources and support are provided for the committees to fulfill their duties. But, our audit committee does not comprise any members with 5 years of experience in audit/accounting and finance matters because the committees have the opportunity to benefit from independent expert opinions on audit/accounting and finance matters when needed.

The Audit Committee convenes at least once every quarter and four times a year, and it records results of the meetings to the minutes presents them to the Board of Directors. The annual report (Corporate Governance Compliance Report) explains the activities of the Audit Committee and the results of the meetings. The Audit Committee notifies the Board of Directors of its findings and suggestions in writing immediately regarding its duties and responsibilities. Accordingly, the Audit Committee made four written notifications to the Board of Directors within the relevant accounting period.

The operating principles and member information of the Audit Committee are available on the corporate website under Corporate Governance Information.

Following are the Audit Committee's meeting dates and main agenda items in 2019:

•11.03.2019: Statement of Liability for Financial Statements

•10.05.2019: Statement of Liability for Financial Statements

•08.08.2019: Statement of Liability for Financial Statements

•07.11.2019: Statement of Liability for Financial Statements

Early Risk Detection and Risk Management Committee

Emlak Konut REIC attaches importance to risk management and pursue improving it continuously as one of the main capital market institutions. The Company strives to implement a total risk management system to institutionalize the risk management and achieve sustainable growth with effective risk management. Early Risk Detection and Risk Management Committee was formed in 2012. It plays an active role in the Company's management and decision-making mechanisms.

The important risks and uncertainties faced by Emlak Konut REIC within the industry and in its own structure can be briefly summarized as follows:

Given the Company's activities, the business model is based on purchasing lands in Turkey, developing real estate projects on purchased lands, and marketing and selling of houses produced.

However, the Company's profit from the projects depends largely on good and attractive land procurement and revenues from sales.

The Risk Management Committee acts within corporate risk management principles in parallel with legislation and internal regulations, and fulfills its duties.

Operating Principles of the Board of Directors

The committee objectives and principles are specified as follows in the relevant article of Emlak Konut REIC's Operating Principles of Early Risk Detection and Risk Management Committee: The Company reviews its management systems at least once a year to detect and assess any strategic, operational, financial and similar risks that may endanger the Company's existence, development, and continuity, to calculate the impact and probability of such risks, to manage and report them pursuant to corporate risk-taking profile, to implement necessary measures for detected risks, to ensure their consideration in decision-making mechanisms, and accordingly, to advice and make recommendations to the Board of Directors for the establishment and integration of effective internal control systems.

The operating principles and member details of the Committee are

available on our corporate website under the section Corporate Governance.

Following are the Early Risk Detection and Risk Management Committee's meeting dates and main agendas in 2019:

- 30.01.2019: Activities of the Early Risk Detection and Management Committee
- 28.02.2019: Activities of the Early Risk Detection and Management Committee
- 29.03.2019: Activities of the Early Risk Detection and Management Committee
- 26.04.2019: Activities of the Early Risk Detection and Management Committee
- 28.05.2019: Activities of the Early Risk Detection and Management Committee
- 28.06.2019: Activities of the Early

Risk Detection and Management Committee

•26.07.2019: Activities of the Early Risk Detection and Management Committee

•21.08.2019: Activities of the Early Risk Detection and Management Committee

•30.09.2019: Activities of the Early Risk Detection and Management Committee

•31.10.2019: Activities of the Early Risk Detection and Management Committee

•08.11.2019: Activities of the Early Risk Detection and Management Committee

•26.12.2019: Activities of the Early Risk Detection and Management Committee

Committee Members

Havvanur Yurtsever	Independent Board Member (Non-executive) Chair of the Audit Committee, Chair of Early Risk Detection and Management Committee
Muhterem Ince	Independent Board Member (Non-executive) Member, Audit Committee Chairman, Corporate Governance Committee (Nomination Committee and Remuneration Committee)
Sinan Aksu	Independent Board Member (Non-executive) Member of Audit Committee
Ertan Keleş	Member of the Board (executive) Members of the Early Risk Detection and Management Committee Member of the Corporate Governance Committee (Nomination Committee and Remuneration Committee)
Mustafa Levent Sungur	Board Member (non-executive), Members of the Early Risk Detection and Management Committee
Hakan Akbulut	Board Member (non-executive), Member of the Corporate Governance Committee (Nomination Committee and Remuneration Committee)

**DECLARATION OF INDEPENDENCE" PREPARED PURSUANT TO THE
"CORPORATE GOVERNANCE COMMUNIQUE" NO. II-17.1 OF THE REPUBLIC OF
TURKEY CAPITAL MARKET BOARD**

EI declare to the Company's Corporate Governance Committee and the Board of Directors that I meet the qualifications and criteria of an "independent board member", that I read and understood the above information and documents, and that I will fully undertake the duties stated in such information and documents regarding the independent board member position I will assume at Emlak Konut REIC ("Company") pursuant to;

- The provisions of the "Corporate Governance Communiqué" no. II-17.1 of the Republic of Turkey Prime Ministry Capital Markets Board, which was published and made effective in the Official Gazette dated January 3, 2014, and numbered 28871,
- The relevant provisions contained in the Company's articles of incorporation and internal procedures and
- Other relevant legislative provisions,

I declare that I hold all necessary qualifications to qualify as an independent member according to "Corporate Governance Communiqué" no. II-17.1 and that,

- a) No executive employment relation that would give important duties and responsibilities has been established within the last five years between myself, my spouse, my second degree relatives by blood or by marriage and the Company and the subsidiaries of the Company, and shareholders who control the management of the Company or who have significant influence at the Company and legal persons controlled by these shareholders; and I do not have, together or alone, more than 5% of the Company's capital or voting rights or privileged shares, and I do not have a business relationship of significant nature,
- b) Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services,
- c) I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,
- ç) I do not work full-time in public institutions and organizations,
- d) I am considered a resident in Turkey according to the Income Tax Law (n.193) dated 31/12/1960,
- e) I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company's shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
- f) I will be able to spare the sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,
- g) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,
- h) That I do not serve as a Board Member at over three companies in which partners have control over the relevant companies or the company's board of directors and over a total of five traded companies,
- i) I have not been registered and announced as a real person representative on behalf a legal person elected as member of the Board of Directors.

Similarly, I declare, pursuant to the related legislation, I would communicate to the Board of Directors any

situation prejudicing my independence should it arise so that it can be announced to the public.

08.04.2019

Sincerely,

Havvanur YURTSEVER

Muhterem İNCE

Sinan AKSU

Originally Signed

POLICIES

Dividend Distribution Policy

Following is Article 30 of the Company's Articles of Association:

Articles of Association, Article 30: Dividend Payout

The Company observes profit distribution regulations under the Turkish Commercial Code and Capital Market Legislation.

The amount remaining after the deduction of general expenses and various depreciation costs to be paid and spared and mandatory taxes and provisions for financial obligations from the income determined at the end of the accounting year in accordance with the general accounting principles the remaining amount, after deducting the net (net) profit seen in the annual balance sheet, is distributed in the following order and principles.

Primary legal reserve

a) Five percent of the balance sheet profit is set aside as primary legal reserves until the total reserve reaches 20 percent of the paid-in capital pursuant to Paragraph 1, Article 519 of the Turkish Commercial Law.

First Dividend

b) It is appropriated from the balance in the amount and proportion determined by CMB.

Second Dividend

c) Once the items in sub-paragraphs (a) and (b) are deducted from net profit, the General Assembly is authorized to distribute the remaining amount in part or as a whole as second dividend, leave it on the balance sheet as profit for the period, add it to legal or voluntary reserves, or reserve the balance as excess reserve fund.

Second legal reserve

d) Second legal reserve is set aside pursuant to Sub-paragraph (c), Paragraph 2, Article 519 of the TCC.

e) Unless the above-mentioned reserve funds and the first dividend are set aside, the

decisions on reserving additional funds or carrying forward the profit to the following year cannot be made. Unless the first dividend is paid, the decision cannot be made to distribute profit shares to members of the Board of Directors, officers, employees and workers.

f) Dividend advances may be distributed to shareholders pursuant to article 20 of the Capital Markets Law.

In accordance with CMB communiques and regulations, our Company may distribute a minimum of 10 percent of the distributable net period profit (giving cash or bonus shares or both cash and bonus shares to a certain extent) calculated at year-end based on the profit share distribution proposal of the Board of Directors that is submitted to the General Assembly for approval. In doing so, the Company takes into account any negativity in the national and global economic conditions or factors such as the circumstances of the projects and funds on the agenda."

Donations and Aid Policy

The Company can give donations and aids within the framework of Article 6 of the Capital Markets Law and the Articles of Association due to a social responsibility approach that prioritizes people, environment and public sensitivity.

Donations and aids shall be provided to public institutions and organizations, environmental foundations, associations, non-governmental organizations and the disaster areas through relief committees and people in need, without disrupting the company's own purpose and subject in cash or in kind, or by other procedures permitted by legislation.

The upper limit of the donations and aids to be made in an accounting period is determined by the resolution of the Board at the ordinary General Assembly of the relevant period. No donations shall be made in excess of the limit set by the General Assembly.

The cash value of non-cash donations is determined and deducted from the limit set by the General Assembly.

The amount of donations and aid shall be added to the distributable profit base calculated under the Capital Market Law and presented to the shareholders at the General Assembly at end of the relevant period.

It is obligatory that the donations and aids do not comply with concealed gain transfer regulations of the Capital Market Law.

Donations and payments to be made by the resolution of the Board shall be made public in accordance with the regulations of the Capital Markets Board regarding the public disclosure of special cases.

Codes of Conduct and Social Responsibility

In its construction activities, the Company works in cooperation with its contractors to create project models that are based on nature-friendly and clean energy resources. The Company also takes measures for energy savings at its projects and work places, as it believes that effective energy savings will have consequences on the environment and economy. The Company takes into consideration public interest in all its activities and shows utmost care to ensure that the project comply with renewable energy and environmental awareness aspects.

Emlak Konut REIC carries on its all construction and manufacturing activities under the Construction Inspection Law, which was accepted on 29.06.2001, published in the Official Gazette No. 24461 dated 13.07.2001 and reached its final version with the Decree No. 4708 dated 02.11.2011.

POLICIES

Since Emlak Konut REIC attaches great importance to stakeholder concept in the widest sense, as a principle it considers being conscious about the environment, humanity and nature in all its projects. In this respect, the Company issued a Quality Policy posted it on the corporate website. Quality Policy emphasizes a business management approach that contributes to sustainable and social values.

The Company transformed the aforementioned principles into what lays in the bases of Emlak Konut REIC logo. Emlak Konut REIC's logo represents planned, quality and modern urban life, peaceful and safe family warmth, sensitivity to green and environment.

Emlak Konut REIC plans its social responsibility activities with an emphasis on "sustainability" and "social value creation." It constructs not only modern and healthy buildings and areas required by the public but also units that will be used for public interest. School and mosque constructions are the most typical examples.

Donations and Aids

Also, the General Assembly accepted with the majority of votes to allocate donations of up to 20,000,000 TRY in 2019.

The donations and the relevant beneficiaries in 2019 are explained below:

- Büyük Çamlıca Mosque Education and Culture Center, 10,000,000 TRY
- Zonguldak Merkez Mosque Education and Culture Service Unit, 5,000,000 TRY
- Ankara Altındağ Mosque and Cultural Facility, 1,750,000 TRY
- Selçuklu Individuals with Autism Education Foundation, 1,000,000 TRY
- Batı Ataşehir Mosque and Service Units, 840,000 TRY
- Başakşehir Mosque Education and Culture Center, 345,000 TRY
- Darul Orphan Association, 300,000 TRY
- Turkey Environmental Protect Foundation 250,000 TRY.
- Istanbul Merkez Mosque Education and Culture Center, 225,000 TRY
- Melahat Akkutlu Anatolian High School, 100, 000 TRY
- Şehit Öğretmen Hasan Akan Primary School, 70,800 TRY
- Şehit Akın Sertçelik Anatolian İmam Hatip, 50,000 TRY
- Wheelchairs for Zeytinburnu Municipality, 38,500 TRY
- Gebze Emlak Konutları Middle School, 16,520 TRY
- Gebze Emlak Konutları Middle School, 11,480 TRY

Sponsorships

- Turkey Environmental Protection Foundation, Training Sponsorship, 28.01.2019
- 3rd World Technology Innovation and Entrepreneurship Confederation Platinum Sponsorship, 05.02.2019
- World Cities Congress, Sponsorship, 19, 07.03.2019
- 10. Energy Efficiency Forum And Fair Sponsorship, 04.04.2019
- 7. Structural Engineering World Congress (Sewc), Gold Sponsorship, 11.04.2019
- Emlak Konut Sports Club, Sponsorship, September 05, 2019
- 4. R&D Innovation Summit And Exhibition, Gold Sponsorship, 01.10.2019
- Antalya International Construction Workshop, Sponsorship, 24.10.2019
- Zero Waste Summit, Sponsorship, 25.10.2019
- Waste Imports Workshop, Sponsorship, 05.11.2019
- A Para Sohbetleri Event, Sponsorship, 15.11.2019
- Müsiad Vizyoner 19 Panel, Sponsorship, 22.11.2019
- Turkey 2023 Summit, Sponsorship, 25.11.2019
- Sign of City Awards, Sponsorship, 26.11.2019
- Digital Summit, Sponsorship, 09.12.2019
- Necip Fazıl Award Ceremony, Sponsorship, 09.12.2019

POLICIES

Remuneration Policy

The Remuneration Committee established under the Corporate Governance Principles shall provide the Board of Directors with recommendations on the principles of remuneration of the Board members and Executives by taking into account the Company's long-term targets. Based upon the proposal of the Remuneration Committee, the Board shall submit Board member salaries to the examination of the shareholders who shall approve them at the Ordinary General Assembly of the relevant accounting period. Board Members are given bonuses four times a year in the amount of monthly net salary determined at the Ordinary General Assembly. The income tax incurred due to payments to the Board Members at the end of the fiscal year shall be paid by the Company (wages received from more than one employer). Dividends, stock option plans or performance-based compensation cannot be used to determine the remuneration of independent Board Members. The salaries of these members should be at a level that can preserve their independence. The Remuneration Committee shall determine monthly net salaries to be paid to Managers by taking into account current economic market data, wage policies applicable in the market, long-term Company goals and the duties, powers and responsibilities assumed by the Managers and submit them to the Board of Directors as a recommendation. The General Manager shall determine monthly net salaries to be paid to personnel by taking into account current economic market data, wage policies applicable in the market, long-term Company goals, criteria such as educational status, talents, experience, foreign language skills, assumed by the Managers and submit them to the Board of Directors as a recommendation. Manager salaries shall be increased according to the proposal of the "Remuneration Committee" and personnel salaries according to the proposal of the

General Manager with a Board resolution in January and July of each year. In addition to the monthly net salaries of the managers and personnel, bonuses are given to the in the frequency and amount determined by the Board resolution. Performance premiums, financial awards, etc. can be given to managers and personnel at the discretion of the General Manager in line the Company's internal regulations. Social transportation, food, marriage, birth, death, health, etc. services and benefits are provided to managers and staff.

Human Resources Policy

The Company presented its Human Resources Policy to all stakeholders on the corporate website. The Company did not make any updates to this policy throughout 2018. The Company established a Staff and Human Resources Policy to keep productivity and effectiveness at the highest level by specifying, in its Organization Handbook, the methods and conditions necessary for staff selection, distribution of employment within the Company and staff training that help execution of services in the best way. The Company's Directorate of Administrative Affairs and Human Resources started to provide services with the status of Administrative Affairs and Human Resources Department starting in 2015 to provide better services. This presidency also assumes the responsibility of Human Resources Department. The company's reasons for this change include conducting a more effective HR management.

The Company takes all measures to prevent employees from being discriminated on the basis of race, religion, language or gender, and protect them against internal physical, mental and emotional maltreatment. No complaints were received from the employees regarding discrimination or other issues in 2019. The principles forming the basis of the Company's Personnel Policy are set out below.

1-To recruit competent employees, who fit the qualifications stated in

the job descriptions, for vacant positions company wide.

2-To provide all personnel with opportunities for growth and progress in line with their competence and skills.

3-To respect our employees and protect their rights and benefits.

4-To provide a work environment that motivates their desire to work and promotes better working relationships.

5-To lead our employees towards success, create equal opportunities for growth based on their knowledge and competence levels, and to reward success.

6-To train and appoint employees to vacant management positions from within the Company,

7-To avoid over-staffing and ensure employees work with maximum efficiency in their positions, which are appropriate for their knowledge and skills.

8-To meet our employees' social and cultural needs within the allocated budget and make the Company an attractive place to work by providing equal social services and benefits to all employees,

9-To provide competent, successful employees with the chance of promotion based on available positions, and to ensure job security.

10-To inform employees in a timely manner about issues that relate to them, to develop communication procedures to enable them to provide their recommendations and opinions to the management team easily.

11-To support our employees' career paths by providing effective training programs.

12-To maintain and boost the morale and motivation of all employees.

13-To protect and improve the tangible and intangible rights of employees

14-To provide a work environment that motivates employees' desire to work and strive to establish good human relations.

ORGANIZATION CHART

BOARD OF DIRECTORY

CHAIRMAN'S CONSULTANCY
Consultant : Mehmet Enes MUTLU

GENERAL MANAGER Hakan GEDİKLİ

PRIVATE SECRETARY

Manager : Halim ATAŞ
Assistant Manager : Recep DİRİM

GENERAL MANAGER CONSULTANCY
Rasim Faruk KADIOĞLU
Sadık SOYLU
İsmail ÇAKIR
İlker SIRT KAYA
Hüseyin KARACA

PRESS CONSULTANCY
Press Consultant : Fatih İBİŞ

KALİTE YÖNETİM TEMSİLCİLİĞİ
KYT : Nilgün BEZEK

LEGAL CONSULTANCY 1st Legal Consultant : Av. Nurettin ŞAM	ASSISTANT GENERAL MANAGER (TECHNICAL) Hicran ÇAKMAK	ASSISTANT GENERAL MANAGER (TENDER AND MARKETING) Sinan AYOĞLU	ASSISTANT GENERAL MANAGER (IMPLEMENTATION AND ADMINISTRATIVE AFFAIRS) Metin TEKİN	ASSISTANT GENERAL MANAGER (FINANCIAL) Ercan ALIOĞLU
Legal Consultant : Av. İsmet KUBİLAY Legal Consultant : Av. Eyyüp OCAK	PROJECTS DEPARTMENT Acting Head of Department: İlyas Fehim ÇELİK	TENDER AND ACCEPTANCE DEPARTMENT Head of Department : Hasan SAKA	IMPLEMENTATION DEPARTMENT NO:1 Acting Head of Department: Mecit ALTINER	FINANCIAL AFFAIRS DEPARTMENT Acting Head of Department: Ali ÇETİNKAYA
	NO:1 PROJECT MANAGEMENT Acting Manager : Emriye Fundağül ŞENGÖÇEL	TENDER AND PROGRESS PAYMENT MANAGEMENT Manager : Adem HACIHASANOĞLU	NO:1 IMPLEMENTATION MANAGEMENT Manager: Enver TURAN	ACCOUNTING AND FINANCIAL MANAGEMENT Manager : Salih ÇETİN
	NO:2 PROJECT MANAGEMENT Manager : Yaşar ALTUN	ACCEPTANCE AND AFTER DELIVERY SERVICES MANAGEMENT Acting Manager : Ömer YİĞİT	NO:2 IMPLEMENTATION MANAGEMENT Acting Manager : Süleyman AŞIKKUTLU	INVESTOR RELATIONS DEPARTMENT Manager : Mustafa BUĞA
	INSTALLATION PROJECT MANAGEMENT Manager : İbrahim OFLAZ	HEAD OF MARKETING AND SALES DEPARTMENT Acting Head of Department : Ahmet OĞULBALI	IMPLEMENTATION DEPARTMENT NO:2 Acting Head of Department: Yasir YILMAZ	
	HEAD OF REAL ESTATE PLANNING DEPARTMENT Head of Department : Mustafa AŞIKKUTLU	MARKETING AND SALES MANAGEMENT Manager : Mehmet Akif AYDOĞAN	NO:3 IMPLEMENTATION MANAGEMENT Manager : Alim KAPLANER	
	PLANNING AND URBAN TRANSFORMATION MANAGEMENT Acting Manager : Hakan İLÇİN		NO:4 IMPLEMENTATION MANAGEMENT Acting Manager : Mehmet Buğra ELKİRAN	
	REAL ESTATE AND EXPERTIES MANAGEMENT Manager : Hakan BAKIRDAL		ADMINISTRATIVE AFFAIRS DEPARTMENT Head of Department : Halil İbrahim ŞAHİN	
			ADMINISTRATIVE AFFAIRS AND HUMAN RESOURCES MANAGEMENT Manager : Ali Haydar YILDIRIM	
			IT MANAGEMENT Manager: Serdar BALA	

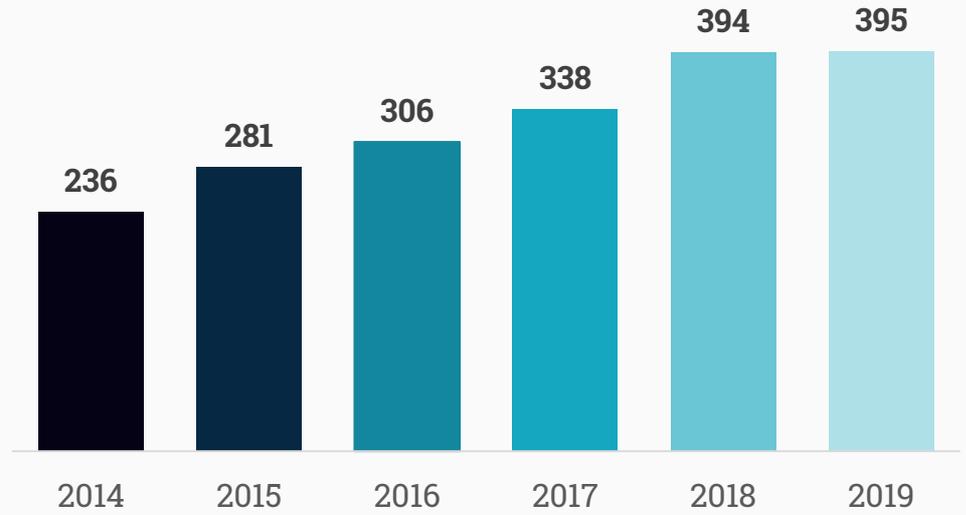
HUMAN RESOURCES 2019



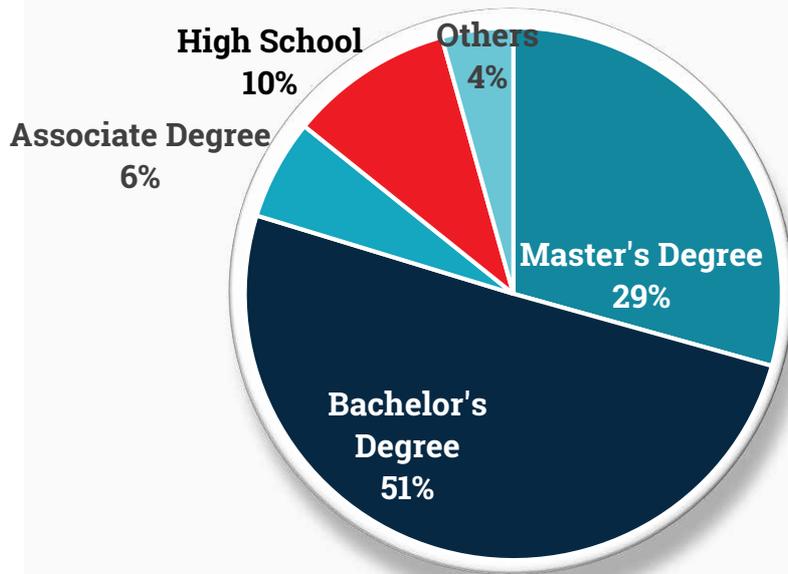
An effective and efficient human resources policy with young human resources...

- Master's Degree
- Bachelor's Degree
- Associate Degree
- High School
- Others

NUMBER OF EMPLOYEES

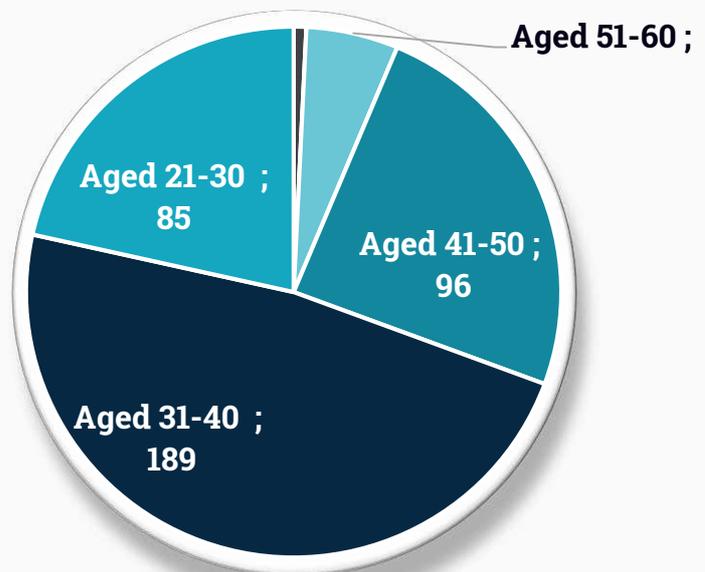


EMPLOYEES' EDUCATION STATIS



EMPLOYEE AGE RANGE

- 60 +
- Aged 51-60
- Aged 41-50
- Aged 31-40
- Aged 21-30



POLICIES

Disclosure Policy

A. Objective and Scope

Emlak Konut REIC ensures that all shareholders, investors and stakeholders are provided with timely information about the Company's past performance, future plans, forecasts, strategies, objectives and vision in a complete, accurate and efficient manner pursuant to regulations imposed by the Capital Markets Legislation, Turkish Commercial Code, Borsa Istanbul Legislation and other relevant legislation.

The Disclosure Policy includes any information, documents, digital records and data about the Company's operations that are legally permissible to disclose to the public, but excludes any trade secrets or insider information held by the Members of the Board, senior executives and employees.

B. Public Disclosure Methods and Means

The Company uses the following methods and means to inform its stakeholders in accordance with the periodic statements, reports and other means for public disclosure set forth in articles 38 and 39 of the Communiqué on Principles Regarding Real Estate Investment Companies (No: III-48.1).

- Material event disclosures,
- Financial Statements and Footnotes, and Independent Audit Report communicated to Borsa Istanbul periodically
- Quarterly Reports
- Annual Reports
- Corporate website (<http://www.emlakkonut.com.tr>)
- Investor and Analyst Meetings
- Press releases
- Press meetings

The Company's website is accessible at www.emlakkonut.com.tr/. The website provides the up-to-date version of the Articles of Association, periodical financial statements and

reports, prospectuses, public offering circulars and general assembly agendas are listed on the website.

The website is updated on a continuous basis to provide up-to-date information on the partnership and organizational structure. The company shall speedily respond to all information requests made via the corporate website.

The Directorate of Press and Public Relations prepares the releases to inform the public and/or as part of the Company's corporate communication activities by receiving support in issues requiring specialization.

I. Disclosures to the Press

The Company holds press conferences and issues press releases to disclose information about its activities such as ongoing projects and medium- and long-term strategies. The Company adheres to the content of material event disclosures when preparing for the press conferences. The Company complies with the principle of equality when inviting the press members to meetings.

- The monitoring of company-related news and rumors published by media outlets or appearing on websites and principles for making statements:

The Company monitors national and international media as well as other communication channels for news and rumors about the Company. In case of new public disclosures or inaccurate news or rumors about previously disclosed information, the Company evaluates their effects on the value and price of the Company shares as well as on the investment decisions of the investors. If deemed appropriate or necessary, the Company makes a public statement as to the accuracy or legitimacy of such news or rumors in accordance with the principles set forth by the Capital Markets Legislation.

As a principle, the Company does not deliver any opinions on market rumors and speculations. However, the Company makes a public

statement regarding unfounded news in the case of a confirmation request from the Capital Markets Board and/or Borsa Istanbul pursuant to the provisions of the Capital Markets Legislation or if the management deems giving an answer necessary or appropriate.

II. Principles regarding the disclosure for investors and access to presentations and reports announced at investor briefing meetings or press conferences

The Company's Directorate of Investor Relations manages disclosures to investors and analysts. The department assesses the meeting demands of natural or legal persons and upon receipt of 10 requests in a week, the department schedules a meeting and informs the requesters. Presentations and/or explanatory information are published at the corporate website following the presentation, teleconference or speech. The Company representatives may occasionally attend national and international conferences or meetings in order to disclose information to investors and analysts. We manage address questions through telephone or e-mail and provide replies within 10 working days at the latest.

C. Insider Information and Measures to Ensure the Confidentiality of Insider Information until Its Disclosure to the Public

Insider information is non-public knowledge about a material event, which may affect the value and price of the capital market instruments or the investment decisions of investors. Access to such information could provide unfair advantages over other investors when used for trading capital market instruments. Release of such information to the public may be detrimental to the value of the capital market instrument and influence investors' investment decisions.

POLICIES

In case of a material event, the other parties who communicate with the Company employees with access to insider information will be informed of their obligation to maintain the confidentiality of this information until it is clarified and disclosed on Borsa Istanbul.

The Company employees will not release any information that may be considered a material event with third parties under any circumstances.

If the Company determines that insider information was disclosed to the third parties unintentionally and concludes that the confidentiality of information could not be maintained, the Company will issue a material event disclosure pursuant to the capital markets legislation.

Pursuant to the CMB's Communiqué on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1), the Company prepares a list of natural or legal persons, including their subordinates, who work for or on behalf of the Company directly or indirectly and have access to insider information. The Company departments will provide the names of people with access to insider information to the Administrative Affairs and Human Resources Department, where the list is prepared and updated.

In accordance with the changing project scopes and current issues, the Company will regularly update the list of individuals with access to insider information. The list will be submitted to the relevant government agencies and organizations upon request. The Company ensures that the individuals on the list are informed in writing of their obligation to protect the confidentiality of the insider information.

In accordance with the provisions of the CMB's Communiqué on the Principles Regarding the Public Disclosure of Material Events (No: II-15.1), the Company may postpone the disclosure of the list to prevent damage to the legitimate rights and interests of the individuals on the

list.

D. Communication with Shareholders and individuals Authorized to Make Public Disclosures

The Company will determine whether any information request constitutes a trade secret and whether it can impact investment decisions or cause a fluctuation in the value of capital market instruments pursuant to CMB Communiqué No. II on the Principles Regarding 15.1 Material Event Disclosures, and

- The Chairman and Members of the Board of Directors,
- Chairman and Members of the Audit Committee,
- General Manager, and
- Directorate of Investor Relations

will answer them in a written or verbal manner. Employees other than these persons are not authorized to respond to requests. The Company employees will refer incoming questions to the Directorate of Investor Relations.

E. Authority and Responsibility

The Board of Directors of the Company develops the Disclosure Policy with its resolution, and it shall have the ultimate authority and responsibility for its implementation, supervision, and improvement. A Board resolution shall be required to amend the Disclosure Policy.

The Directorate of Investor Relations implements the provisions of this policy.

F. Principles Used for Determining Individuals with Administrative Responsibility Individuals with administrative responsibility are board members and non-members who access insider information, directly or indirectly, on a regular basis and have the authority to make administrative decisions that affects the Company's development and commercial targets. The Company identified the Board Members and Executive Management as individuals with administrative

responsibility.

G. Principles regarding the Disclosure of the Company's Assessment for the Future Only individuals who are authorized to make public disclosures may disclose the Company's assessments for the future, which include plans and projections that are considered insider information. Such disclosure is made within the principles of capital market legislation. Since the assessments for the future are based on reasonable assumptions and forecasts, they may be revised in case of deviations due to unexpected risks and developments. In case of differences between the forecast and actual results of the futuristic assessments due to risks, uncertainties and other factors.

The Company provides clarifications to the investors in a reasonable period.

In addition to the disclosures made within the principles of capital market legislation, the Company may utilize media sources, press conferences and/or releases, national and international conferences or meetings, and other means of communication in its assessments for the future.



General Assemblies

Emlak Konut REIC's 2018 Ordinary General Assembly was held on April 30, 2019 at the Company's Head Office under the supervision of Ministry Representative Mustafa Kenti. The Ordinary General Assembly was held with the participation of shareholders whose proportion represented 2,782,762,149.48 (73.2 percent) of the Company's capital of 3,800,000,000 TRY. As stated in Article 21 of the Company's Articles of Association, the Board of Directors is authorized to hold General Assemblies open to the public including stakeholders and the press without granting any participant the right to speak. The meetings can be followed by members of the press and various stakeholders.

The Board of Directors makes the General Assembly invitation in accordance with the provisions of the Turkish Commercial Code, Capital Markets Law, and the Company's Articles of Association. It was carried out in due time as stipulated in Article 414 of the Turkish Commercial Code and the Articles of Association and after the notification of its day and agenda in the Turkish Trade Registry Gazette dated April 11, 2019, and No. 9807, Diriş Postası Newspaper dated April 8, 2019, and the corporate web site www.emlakkonut.com.tr and following its communication to the shareholders with recorded addresses on April 10, 2019, through registered letter with return receipt and also on the PDP and the Electronic General Assembly System of Merkezi Kayıt Kuruluşu A.Ş.

In addition to the General Assembly announcement, the Company presented on its corporate website and on PDP the documents to be available for the review of the shareholders as well as the declarations and statements that the Company shall make in accordance with the relevant legislation (excluding announcement and meeting dates) at least three weeks prior to the General Assembly date. The Company announced the invitation letter, agenda items and information document on the PDP before the General Assembly. Also, the Company provided all the shareholders the invitation letter, agenda items and power of attorney on April 5, 2019, and the General Assembly Information Document on April 8, 2019, on the PDP. The Company also published all the General Assembly documents on its

corporate website. The Board of Directors' Annual Report for the period January 1, 2018-December 31, 2018, attached Corporate Governance Principles Compliance Report, Independent Auditor Report, detailed information note about dividend payout proposal and agenda items were made available to shareholders three weeks prior to the General Assembly and for three weeks at the Company's headquarters, branches, its corporate website, and the Central Securities Depository's Electronic General Assembly Portal. The Company organizes the General Assembly to increase the participation of shareholders to avoid inequality between shareholders and with the least possible cost to increase the participation of shareholders. Maximum care is taken to facilitate the participation of shareholders in the General Assembly. At the General Assembly, the Company paid utmost attention to conveying the agenda items in an objective and detailed manner and in a clear and understandable way giving the shareholders the opportunity to state their opinions and ask questions under equal conditions. At the General Assembly shareholders did not raise questions or express their opinions. Shareholders did not raise any agenda proposals at the General Assembly. Also, no agenda items were raised in the General Assembly due to "unfavorable" votes of Independent Board Members. At the General Assembly shareholders did not raise questions or express their opinions. Shareholders did not raise any agenda proposals at the General Assembly.

Voting Rights and Minority Rights

The Company avoids all practices that challenge the exercise of voting rights and takes utmost care to facilitate the exercise of voting rights. The Company provides every shareholder with the opportunity to use their voting right in the easiest and most convenient manner including cross-border voting.

Each share equals to one vote at General Assembly. Group A shares have the privilege of nominating candidates only in the election of members of the Board of Directors. All members of the Board of Directors excluding independent members are elected by the General Assembly among Group A candidates nominated

by shareholders. Without prejudice to the provision regarding group A shares to be issued due to capital increase stated in article 8 of the Company's Articles of Association, no privileges, including nominations for Board of Directors, may be created. Nor shall there be a right to issue any securities that provide privileges. The Company has the privilege of nominating only Group A shares to nominate members of the Board of Directors because it is an affiliate of the Prime Ministry Housing Development Administration.

If the parties to the transactions requiring the approval of the General Assembly under Article 22 of the Articles of Association are related parties, the related parties shall not have voting right related to such transactions in the General Assembly. No quorum is sought at the General Assembly to be held for such cases, and resolutions are taken by the simple majority of the voters. As stated in Article 21 of the Company's Articles of Association, at the General Assembly meetings where resolutions of the Board of Directors on transactions with related parties, the provision of collateral, pledge and mortgage for the third parties are submitted despite the lack of approval by the majority of the Independent Members of the Board of Directors; the resolution shall be made at a voting where the parties to the transaction and persons related to them cannot cast votes. Also, it is ensured that other shareholders agree to such resolutions at the General Assembly. No quorum is sought at the General Assembly to be held for such cases, and resolutions are taken by the simple majority of the voters and if such a situation occurs, the matter shall be announced in the Public Disclosure Platform (PDP) in accordance with the provisions of the relevant legislation.

Minority shares are not regulated within the capital structure, not identified less than twentieth by the Articles of Association. The Articles of Association do not contain any arrangements that posit the representation or obstruct minority rights. The Company has not received any opinions or criticism throughout 2018 and until today.

Strategic Goals of the Company

Emlak Konut REIC developed a five-year strategy plan beginning with 2020 with the Board Resolution on January 6, 2020. This strategic plan will be valid from 2020-2024. The Company pays utmost care to achieving the strategic goals and objectives with this plan. The 5-year strategy was approved and implemented at a Board of Directors meeting approved by all members. The 5-year plan were communicated to the Company's administrative staff and all the units.

The Company evaluates the progress in reaching the targets. And the results obtained within the five-year period will be subject to evaluation by the Board of Directors. The Board reviews the targets immediately in the case of a divergence, takes necessary measures and initiates the process regarding regulatory activities.

The Board of Directors is responsible for achieving the Company's operational and financial performance targets as announced to the public. In case of a failure to reach the publicly announced operational and financial performance targets, the Company announces this situation and the reasons in its annual report.

The Board of Directors evaluates its short-, medium- and long-term strategic plans as often as it deems necessary. In doing so, it takes into account all systemic and non-systematic data, particularly financial and non-financial company data. In the short term, it makes a general assessment on reaching the main objective in qualitative and quantitative terms in every quarter.

The creates its short- and medium-term plans in line with its main objective and it exerts efforts to boost total benefit in the short and long term to reach its goals.

However, it makes the short-term planning changes (if necessary) annually. Here the main objectives

If the main plan is the target,

- To ensure that full digital transformation is completed to increase the efficiency of activities and shorten business processes.
- To obtain TS ISO 10002 Customer Satisfaction Management System, TS EN ISO 14001 Environmental Management System, TS EN ISO

50001 Energy Management System and TS 18001 Occupational Health and Safety Management System Quality Certificates and act in accordance with these management systems.

- To invest in developing well-known brands and products used in various fields, especially in the sub-components of the construction industry.
- To increase the current asset size of the company by 1.5 times.
- To develop overseas activities.
- To open a promotion, marketing and sales office in at least five countries.
- To produce lands and develop real estate projects with international companies.

Right to Dividends

The Company has a specific and consistent dividend policy. This policy and the related information were presented to the shareholders with Article 6 at the Ordinary General Assembly held on April 28, 2014. The dividend policy includes minimum information clear enough to enable shareholders to foresee the dividend procedures and principles that the Company will obtain in future periods.

The Company has no privilege on dividend participation. The dividend for the related accounting period shall be distributed equally to all the existing shares. The Company observes a balance between the interests of shareholders and those of the Company in the dividend policy.

Dividend payout policy is presented to the shareholders for their review in the "Corporate Governance Information" content of the Investor Relations section on the corporate website. It is also presented to all stakeholders in the annual report. The Company reports its dividend payout principles, policies and dividend ratios for shareholders in annual reports, and informs shareholders about the relevant process with the announcements on PDP.

The Company distributed at least 40% of the net distributable profit calculated at the end of the year in cash for six financial periods starting from the first public offering in 2010. The Company did not distribute 2016 net profit

allocating it as an excess reserve referring to the justification in the related agenda item in the General Assembly. The current policy was implemented for the following 2017 and 2018 years. The policy was revised in 2019 for the distribution of minimum [10%] of the net profit for the period and adopted at the General Assembly. Within 2019, the company distributed a first dividend amount of 122,930,000 reserved for distribution from the 2018 net profit.

Public Disclosure and Transparency

It takes place in alignment with information disclosed to the public regarding the future, forecasts based on studies conducted, current market conditions and the assumptions/developments that are expected to occur in the country and the world economy during the year. In the event of unforeseen circumstances, the Company reassesses its targets. And if information previously disclosed the public comes to nothing or if the Company realizes that it will come to nothing, it shares this (realization and divergence) using mainly the PDP platform within the framework of regulations of the CMB regarding public disclosure of special cases.

The Company showed the necessary care for the material event disclosures, one of the important tools of Disclosure Policy making the disclosures required by the legislation in a complete and timely manner.

The Company presented its net profit amount, sales targets and the tender calendar to be applied throughout 2018 to all its stakeholders via the PDP on 09.01.2018. When making these estimates and assumptions, the company follows the data from official institutions (such as economic and social data, and various confidence indices) as well as on analyses from national and international organizations. The Company's projections are interpreted by analyzing our own data from the previous year such as sales, square meters, amounts, and the like.

In addition, there was no need to update and update the information about the targets because the sales targets announced in 2018 were very close to the actual data.

Investor Relations Department

The Investor Relations Department fulfills the following tasks: ensuring that domestic and international investors are informed correctly, consistently, simultaneously and timely, establishing communication with the capital market regulators and meeting all public disclosures requirements in accordance with the relevant regulation, and performing all functions of the Department.

Under Paragraph 11.1, Article 11 of the Corporate Governance Communique No.17.1, this Department directly reports to Ercan Alioğlu, Deputy General Manager - Financial Affairs.

The Investor Relations Department conducted all its activities in 2019 in compliance with the basic Corporate Governance Principles guideline, **Capital Markets Law** and all the communiqués prepared in accordance with this Law.

In line with the public disclosure principle, the Company informed the current shareholders and potential investors about the Company's activities, financial state, and strategies regularly (excluding confidential and commercially confidential information) and without causing inequality.

The Company participated in investor conferences held in Turkey and abroad representing the national real estate industry in national and international platforms.

In this context, the Company participated in six domestic and international conferences in 2019 meeting with a total of 31 investors and analysts in these events.

Except for these events, the Company made contact with 99 investors/analysts in 55 meetings.

As part of financial communications to inform domestic/international corporate and individual investors, current and potential investors and analysts and to answer their questions,

the Company shared relevant developments with a total of 25 investors/analysts at the

teleconference meeting held on February 27, 2018, for financial results of end-2018 and the teleconference meeting held on August 10, 2018, regarding the first-half financial results of 2018. Senior Management and Investor Relations Department responded verbally to the questions from the participants. In addition, a meeting for 2019 sales results and evaluation for 2020 targets was held together with 45 analysts/investors on January 15, 2019, with the participation of our General Manager Hakan Gedikli.

The Company updates its website and the investor presentation regularly to ensure that investors follow up-to-date information.

The Company managed content related to the Investor Relations Department and ensured continuous access to updated information. Also, all the disclosures made by the Company at the Public Disclosure Platform (PDP) were disclosed to the shareholders in Turkish/English on the corporate website.

In 2019, the Investor Relations Department received five written applications from the investors with the information request and responded promptly to these information requests.

Also, the Investor Relations Department received many information requests from the analysts and investors mostly by e-mail and telephone. It answered all the inquires in accordance with the legislation and parallel with information disclosed to the public.

3. Exercise of Shareholder Rights to Obtain Information

We share all information with our stakeholders providing transparency and truth as determined corporate governance principles and due to our corporate culture (excluding trade secrets). As explained in the section "9. The Company Website and its Content" of this report; (see p. 77), the corporate website shares all the information and disclosures that may affect the exercise of shareholder rights.

The Company's "Investor Relations Department" plays an active role in facilitating the protection and use of shareholder rights, in particular, the right to receive and review information. The Company's Investor Relations Department gives verbal or written replies to requests and inquiries from all stakeholders as soon as possible. The inquiries and information requests to the Company can be answered in electronic format as well as in written form with external writing. Also regular meetings took place with both the existing and/or potential investors and analysts in one-on-one and/or group meetings upon the requests received outside this informational channel. We manage address questions through telephone or e-mail and provide replies within 10 working days at the latest.

We received no request for the appointment of a special auditor to the Company throughout 2018 while the appointment of a special auditor is not regulated as a right under Emlak Konut REIC's Articles of Association. However, the Company management avoids all transactions that make it difficult to conduct special audits and pays utmost attention to this matter

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THE LIST FOR ACCESS TO INTERNAL INFORMATION

BOARD OF DIRECTORS

Name and Surname	Occupation	Position
Ertan Keleş	Civil Engineer	Chairman of the Board of Management
M. Levent Sungur	Civil Engineer	Vice-Chairman of the Board
Hakan Gedikli	Geodesy and Photogrammetry Engineer	Board Member, GM
Hakan Akbulut	Public Administration	Board Member
Muhterem İnce	Public Administration	Board Member
Havvanur Yurtsever	Attorney	Board Member
Sinan Aksu	History	Board Member

SENIOR MANAGEMENT

Name and Surname	Occupation	Position
Hakan Gedikli	Geodesy and Photogrammetry Engineer	General Manager
Hicran Çakmak	Architect	Assistant General Manager - Technical
Sinan Ayoğlu	Civil Engineer	Assistant General Manager- Tender & Marketing
Metin Tekin	Civil Engineer	Assistant General Manager - Application and Administrative Affairs
Ercan Alioğlu	Business Management	Acting Deputy General Manager
Mehmet Enes Mutlu	Civil Engineer	Advisor to the Chairman of the Board
Rasim Faruk Kadioğlu	Construction Technician	General Manager Consultant
Sadık Soylu		General Manager Consultant
İsmail Çakır	Economy	General Manager Consultant
İlker Sırtkaya	Industrial Engineer	General Manager Consultant
Hüseyin Karaca	Civil Engineer	General Manager Consultant
Nurettin Şam	Attorney	1. Legal Advisor
İsmet Kubilay	Attorney	Legal Advisor
Eyyüp Ocak	Attorney	Legal Advisor
Mustafa Aşıkcutlu	Msc. Civil Engineer	Real Estate Planning Department
İlyas Fehim Çelik	Architect	Acting Head of Projects Department
Hasan Saka	Civil Engineer	Head of Tender and Acceptance Department
Ahmet Oğulbalı	Architect	Acting Head of Marketing & Sales Department
Mecit Altınır	Civil Engineer	Acting Head of Application Department No. 1
Yasir Yılmaz	Civil Engineer	Acting Head of Application Department No. 2
Halil İbrahim Şahin	Economy	Head of Administrative Affairs Department
Ali Çetinkaya	Economy	Acting Head of the Financial Affairs Department
Halil Ataş	Business Management	Executive Assistant
Fatih İbiş	Advertising and Public Relations	Press Advisor
Hakan Bakırdal	Geomatic Engineer	Real Estate and Appraisal Manager
Hakan İlçin	City Planner	Acting Head of Planning and Urban Transformation
Emriye Fundağül Şengöçgel	MSc. Earthquake Engineer	Acting Project Manager No. 1
Yaşar Altun	Civil Engineer	Acting Project Manager No. 2
İbrahim Oflaz	MSc. Mechanical Engineer	Installation Project Manager
Adem Hacıhasanoğlu	Forest Engineer	Tender and Allowance Manager
Ömer Yiğit	Civil Engineer	Acting Head of Post-acceptance and Delivery Services
Mehmet Akif Aydoğan	Public Administration	Marketing and Sales Manager
Enver Turan	MSc. Civil Engineer	Application Manager No. 1
Süleyman Aşıkcutlu	Civil Engineer	Acting Application Manager No. 2
Alim Kaplaner	Civil Engineer	Application Manager No. 3
Mehmet Buğra Elkıran	Civil Engineer	Acting Application Manager No. 4
Ali Haydar Yıldırım	Business Management	Administrative Affairs and Human Resources Manager
Serdar Bala	Physics	Information Technology Manager
Salih Çetin	Business Management	Accounting and Financing Manager
Mustafa Buğa	Business - Finance	Investor Relations Manager
Recep Dirim	Architect	Acting Deputy Executive Assistant

DÜŞLER VADİSİ



**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2019
AND INDEPENDENT AUDITOR'S REPORT**

**(CONVENIENCE TRANSLATION OF THE REPORT
AND THE CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
Istanbul

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of 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 significant 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 2019, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) 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.

Key Audit Matter	How the matter was addressed in the audit
<p><i>Revenue recognition</i></p> <p>The Group realizes sales mostly in the form of turnkey and Land Subject to Revenue Sharing Agreements (“LSRSA”) projects.</p> <p>In turnkey projects, it is the Group’s responsibility to maintain and complete the project and the Group recognizes revenue when performance obligation is fulfilled (independent units are transferred to the customer).</p> <p>In LSRSA projects, the contractor completes the construction and regarding the project, the Group receives advance payments from the buyer and makes payments to the contractor. Revenue in LSRSA project is recognized when performance obligation is fulfilled (the earlier of the signing of the temporary acceptance protocol with the contractor and the signing of the delivery protocol with the buyer).</p> <p>As of the balance sheet date, there may be cases where the construction has been completed, but the delivery has not been realized for turnkey projects. In LSRSA projects, there may be cases where the construction has been completed as of the balance sheet date, but the delivery has not been realized and the temporary acceptance protocol has not been signed.</p> <p>Explanations regarding the Group’s revenue accounting policies and amounts are given in Note 2.4 and Note 19.</p>	<p>We performed the following procedures in relation to the revenue recognition in turnkey and LSRSA projects:</p> <p>The design and implementation of the controls on the revenue process have been evaluated. The sales and delivery procedures of the Group have been analyzed.</p> <p>For the turnkey projects, the provisions regarding the delivery of residentials in the contracts with customers have been examined and the timing of the revenue recognition in the financial statements has been evaluated. Through substantive procedures, it has been focused on the record of receivables and advances received and the evaluation of the situations where the performance obligation is not fulfilled for the independent units sold as of the balance sheet date for the turnkey projects.</p> <p>For the LSRSA projects, provisions regarding the temporary acceptance and the delivery of residentials in the projects made with contractors and timing of the revenue recognition in the financial statements has been evaluated.</p> <p>Through substantive procedures, it has been focused on the record of receivables and advances received and the evaluation of the situations where the performance obligation is not fulfilled for the independent units sold as of the balance sheet date for the LSRSA projects.</p> <p>In addition, the adequacy of the disclosures presented in Note 19 Revenue and Cost of Sales has been evaluated under TFRS.</p>



4) 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.

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

Responsibilities of independent auditors in an independent 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 the standards on auditing issued by Capital Markets Board and SIA 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 the standards on auditing issued by Capital Markets Board and SIA, 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.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Group on 9 March 2020.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and consolidated financial statements prepared for the period 1 January-31 December 2019 does not comply with TCC and the provisions of the Group's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Okan Öz.

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

Okan Öz, SMMM
Partner

İstanbul, 9 March 2020

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

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**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2019 AND 31 DECEMBER 2018**

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

	Notes	<i>Audited</i> 31 December 2019	<i>Audited</i> 31 December 2018
ASSETS			
Current assets		20,392,829	20,695,419
Cash and cash equivalents	5	546,968	674,871
Financial investments	6	22,370	54,442
Trade receivables	8	2,916,749	1,622,995
<i>Trade receivables due from related parties</i>	28	479,941	12,621
<i>Trade receivables due from third parties</i>		2,436,808	1,610,374
Other receivables	9	1,139,809	1,163,367
<i>Other receivables due from related parties</i>	28	762	5,754
<i>Other receivables due from third parties</i>		1,139,047	1,157,613
Inventories	10	13,782,778	15,407,484
Prepaid expenses	18	1,750,228	1,467,489
Other current assets	17	230,934	301,719
Current tax assets	26	2,993	3,052
Non-current assets		3,792,413	2,623,851
Trade receivables	8	3,067,809	1,895,829
<i>Trade receivables due from third parties</i>		3,067,809	1,895,829
Other receivables	9	42,035	28,829
<i>Other receivables due from third parties</i>		17,419	9,027
<i>Other receivables due from related parties</i>	28	24,616	19,802
Financial investments		836	836
Investments accounted for using equity method	4	7,331	7,866
Investment properties	11	480,145	390,340
Right-of-use assets	12	539	-
Property, plant and equipment	13	105,913	66,342
Intangible assets	14	4,393	1,984
Other non-current assets	17	75,958	231,437
Deferred tax assets	26	7,454	388
Total assets		24,185,242	23,319,270

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2019 AND 31 DECEMBER 2018**

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

Notes	<i>Audited</i> 31 December 2019	<i>Audited</i> 31 December 2018
LIABILITIES AND EQUITY		
Current liabilities	8,722,050	8,329,651
Short-term borrowings	7	1,864,938
Short-term portions of long-term borrowings	1,313,683	976,999
<i>Short-term portion of long-term borrowings from related parties</i>	2,988	-
<i>Lease liabilities</i>	28	2,988
<i>Short-term portion of long-term borrowings from third parties</i>	1,310,695	976,999
<i>Bank Loans</i>	7	1,310,695
Trade payables	8	505,768
<i>Trade payables due to related parties</i>	28	25,803
<i>Trade payables due to third parties</i>	479,965	908,362
Other payables	9	571,706
<i>Other payables to related parties</i>	397	398
<i>Other payables to third parties</i>	571,309	633,288
Deferred income	18	4,344,566
<i>Deferred income from related parties</i>	28	64,732
<i>Deferred income from third parties</i>	4,279,834	4,839,565
Short-term provisions	121,389	137,659
<i>Short-term provisions for employee benefits</i>	11,148	6,125
<i>Other short-term provisions</i>	15	110,241
Non-current liabilities	1,720,150	1,906,101
Long-term borrowings	1,590,567	1,685,943
<i>Short-term portion of long-term borrowings from related parties</i>	3,003	-
<i>Lease liabilities</i>	28	3,003
<i>Short-term portion of long-term borrowings from third parties</i>	1,587,564	1,685,943
<i>Bank Loans</i>	7	1,587,564
Trade payables	102	77,349
Other payables	48,887	68,792
Deferred income	4,591	3,175
Long-term provisions	13,846	8,685
<i>Long-term provisions for employee benefits</i>	16	13,846
Deferred tax liability	26	62,157
Shareholders' equity	13,743,042	13,083,518
Total equity attributable to equity holders of the Company	13,744,527	13,084,984
Paid-in capital	19	3,800,000
Treasury shares (-)	(284,480)	(284,480)
Share premium (discounts)	2,366,895	2,366,895
Other comprehensive income (expense) not to be reclassified to profit or loss	(42)	(42)
- <i>Gain (loss) on remeasurement of employee benefits</i>	(42)	(42)
Restricted reserves	721,385	662,853
Prior years' profits	6,362,400	5,271,709
Net profit for the year	778,369	1,268,049
Non-controlling interests	(1,485)	(1,466)
Total liabilities and equity	24,185,242	23,319,270

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEARS ENDED
31 DECEMBER 2019 AND 2018**

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

	Notes	<i>Audited</i> 1 January- 31 December 2019	<i>Audited</i> 1 January- 31 December 2018
Revenue	20	5,667,598	3,927,643
Cost of sales (-)	20	(4,122,381)	(2,259,405)
Gross profit		1,545,217	1,668,238
General administrative expenses (-)	21	(308,362)	(227,160)
Marketing expenses (-)	21	(83,188)	(71,537)
Other income from operating activities	23	506,062	512,529
Other expenses from operating activities (-)	23	(299,182)	(268,202)
Shares from loss of investments accounted for using equity method		(6,770)	-
Operating profit		1,353,777	1,613,868
Income from investing activities		174	208
Operating profit before financial income / (expense)		1,353,951	1,614,076
Financial income	25	157,269	204,449
Financial expenses (-)	25	(739,936)	(550,476)
Profit from continuing operations, before tax		771,284	1,268,049
Tax income from continuing operations		7,066	-
<i>Deferred tax income</i>	26	7,066	-
Profit for the income		778,350	1,268,049
Distribution of profit for the period			
Non-controlling Interests		(19)	-
Owners of Parent		778,369	1,268,049
Other comprehensive income		-	-
Total comprehensive income		778,350	1,268,049
Distribution of total comprehensive income:			
Non-controlling Interests		(19)	-
Owners of Parent		778,369	1,268,049
Earnings per share (in full TL)	27	0.0021	0.0035

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

	Share capital	Treasury shares (-)	Share premium/ discounts	Restricted reserves appropriated from profit	Other Comprehensive Income and Expense not to be Reclassified to Profit or Loss	Retained Earnings		Total	Non-controlling interests	Total equity
						Gain/Loss on remeasurement of employee benefits	Net profit for the period			
1 January 2018 (Previously Reported)	3.800.000	(284.480)	2.378.513	511.347	(42)	4.304.087	1.756.094	12.465.519	-	12.465.519
Accounting policy change effect (**)	-	-	-	-	-	(4.142)	-	(4.142)	-	(4.142)
1 January 2018 (Restated)	3.800.000	(284.480)	2.378.513	511.347	(42)	4.299.945	1.756.094	12.461.377	-	12.461.377
Transfers	-	-	(11.618)	151.506	-	1.616.206	(1.756.094)	-	-	-
Increase/decrease due to non-interest rate change of subsidiary purchase control power (Note:3)	-	-	-	-	-	-	-	-	139.654	139.654
Transactions with shareholders of non-controlling interests (Note 3)	-	-	-	-	-	-	-	-	(141.120)	(141.120)
Dividend payment	-	-	-	-	-	(644.442)	-	(644.442)	-	(644.442)
Total comprehensive income	-	-	-	-	-	-	1.268.049	1.268.049	-	1.268.049
31 December 2018	3.800.000	(284.480)	2.366.895	662.853	(42)	5.271.709	1.268.049	13.084.984	(1.466)	13.083.518
1 January 2019	3.800.000	(284.480)	2.366.895	662.853	(42)	5.271.709	1.268.049	13.084.984	(1.466)	13.083.518
Transfers	-	-	-	58.532	-	1.209.517	(1.268.049)	-	-	-
Dividend payment (Note 18) (*)	-	-	-	-	-	(118.826)	-	(118.826)	-	(118.826)
Total comprehensive income	-	-	-	-	-	-	778.369	778.369	(19)	778.350
31 December 2019	3.800.000	(284.480)	2.366.895	721.385	(42)	6.362.400	778.369	13.744.527	(1.485)	13.743.042

(*) At the Ordinary General Assembly Meeting held on 30 April 2019, the decision on distributing cash dividend of TL 122,980 from the 2018 fiscal year profit (28 March 2018: TL 666,976) is approved. As of 30 April 2019, the Group has own 3.38% shares with a nominal value of TL 1, is shown by netting off dividend to be distributed. Dividend payment was made on 31 May 2019.

(**) The Group has applied TFRS 9 Financial Instruments (as revised in 2017) and the related consequential amendments to other TFRS Standards that are effective for an annual period that begins on or after 1 January 2018. As a result of the transition provisions of TFRS 9, the Group has recognized the cumulative effect arising from the first-time adoption of TFRS 9 as difference adjustment in retained earnings as of 1 January 2018, and the comparatives have not been restated accordingly.

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

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEARS ENDED 31 DECEMBER 2019 AND 2018**

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

	Notes	1 January- 31 December 2019	1 January- 31 December 2018
Cash flows from operating activities			
Profit for the year		778,350	1,268,049
Adjustments related to reconcile of profit for the period			
Adjustments related to depreciation and amortization expenses	21-23	30,852	7,405
Adjustments related to impairments (reversal of) tax expense	26	(7,066)	-
Adjustments for share of loss of investments accounted for using the equity method		6,770	-
Adjustments related to impairments (reversal of)		137,706	160,525
<i>Adjustments related to impairment loss (reversal of) of inventories</i>	10	109,533	160,525
<i>Adjustments related to impairment loss (reversal of) of investment properties</i>	23	28,173	-
Adjustments related to provisions		(8,594)	86,626
<i>Adjustments related to (reversal of) provisions related with employee benefits</i>	16	10,259	4,375
<i>Adjustments related to (reversal of) lawsuit and/or penalty provisions</i>	15	(21,293)	84,587
<i>Adjustments related to (reversal of) provisions for possible risks</i>	23	2,440	(2,336)
Adjustments for interest (income) expenses		249,493	(87,509)
<i>Adjustments related to interest income</i>	23-24-25	(480,201)	(637,724)
<i>Adjustments related to interest expense</i>	25	729,694	550,215
Changes in net working capital		1,187,511	1,435,096
Adjustments related to (increase) / decrease in trade receivables		(2,339,288)	(1,070,314)
<i>Decrease (increase) in trade receivables from related parties</i>		(467,320)	17,330
<i>Decrease (Increase) in trade receivables from third parties</i>		(1,871,968)	(1,087,644)
Adjustments related to decrease/(increase) in inventories		1,413,256	(478,796)
Adjustments related to increase (decrease) in trade payables		(504,180)	(618,692)
<i>Increase (decrease) in trade payables to related parties</i>		1,464	(650,750)
<i>Increase (decrease) in trade payables to third parties</i>		(505,644)	32,058
Adjustments related to (decrease) in other receivables from operating activities		(143,161)	(47,480)
Adjustments related to increase (decrease) in other payables from operating activities		(476,451)	329,767
Other adjustments for other increase in working capital		68,637	322,765
Net cash flow from operating activities			
Interest received		146,932	131,033
Payments related with provisions for employee benefits	16	(75)	(848)
Tax payments		(132,147)	(199,466)
Cash flows from operating activities		(778,966)	(196,935)
Cash outflows used in obtaining control of subsidiaries or other businesses	3	(47,477)	-
Cash outflows arising from purchase of shares of associates		(6,381)	-
Purchases of investment properties, tangible and intangible assets	11-13-14	(41,003)	(1,998)
Interest received	24	174	208
Purchases of financial assets		(10,000)	(7,000)
Returns of financial assets		12,013	15,466
Other inflows (outflows) of cash		14,590	123,391
Cash flow from investing activities		(78,084)	251,991
Proceeds from borrowings		5,272,675	1,623,193
<i>Proceeds from loans</i>	7	2,944,675	788,034
<i>Proceeds from issue of debt instruments</i>	7	2,328,000	835,159
Repayments of borrowings, classified as financing activities		(3,864,749)	(720,163)
<i>Loan repayments</i>	7	(2,022,009)	(450,163)
<i>Payments of issued debt instruments</i>	7	(1,842,740)	-
Cash outflow from debt payments for leasing contracts		(1,153)	-
Interest paid	7	(592,597)	(317,241)
Dividends paid	19	(118,826)	(644,442)
Interest received		109,661	112,945
Other inflows (outflows) of cash		(10,149)	(203)
Cash flow from financing activities		794,862	54,089
Net (decrease) increase in cash and cash equivalents		-62,188	109,145
Cash and cash equivalents at the beginning of the period	5	494,226	385,081
Cash and cash equivalents at the end of the year	5	432,038	494,226

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

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP

Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. (“Emlak Konut GYO” or the “Company”) was established on 26 December 1990 as a subsidiary of Türkiye Emlak Bankası A.Ş. The Company is governed by its articles of association, and is also subject to the terms of the decree law about Public Finances Enterprises No. 233, in accordance with the statute of Türkiye Emlak Bankası A.Ş. The Company has been registered and started its activities on 6 March 1991. The Company’s articles of association were revised on 19 May 2001 and it became an entity subject to the Turkish Commercial Code No. 4603.

The Company was transformed into a Real Estate Investment Company with Senior Planning Committee Decree No. 99/T-29, dated 4 August 1999, and according to Statutory Decree No. 588, dated 29 December 1999. According to Permission No. 298, dated 20 June 2002, granted by the Capital Markets Board (“CMB”) regarding transformation of the Group into a Real Estate Investment Company and permission No. 5320, dated 25 June 2002, from the Republic of Turkey Ministry of Industry and Trade and amendment draft for the articles of association of the Company was submitted for the approval of the Board and the amendment draft was approved at the Ordinary General Shareholders Committee meeting of the Company convened on 22 July 2002, changing the articles of association accordingly.

The articles of association of the Group were certified by Istanbul Trade Registry Office on 29 July 2002 and entered into force after being published in Trade Registry Gazette dated 1 August 2002. As the result of the General Shareholders committee meeting of the Group convened on 28 February 2006, the title of the “Company Emlak Gayrimenkul Yatırım Ortaklığı A.Ş.” was changed to “Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.”

By the decision of the Board of Directors of Istanbul Stock Exchange Market on 26 November 2010, 25% portion of the Group’s class B shares with a nominal value of TL 625,000 has been trading on the stock exchange since 2 December 2010.

The registered address of the Group is Barbaros Mah. Mor Sümbül Sok. No: 7/2 B (Batı Ataşehir) Ataşehir – İstanbul. Group has approximately 563 employees (31 December 2018 – 533).

The objective and operating activity of the Group is coordinating and executing Real Estate Property Projects mostly housing, besides, commercial units, educational units, social facilities, and all related aspects, controlling and building audit services of the ongoing projects, marketing and selling the finished housing. Due to statutory obligation to be in compliance with the Real Estate Investment Companies decrees and related CMB communiqués, The Group cannot be a part of construction business, but only can organize it by auctioning between the contractors.

The consolidated financial statements at 31 December 2019 have been approved by the Board of Directors on 9 March 2020.

The ultimate parent and ultimate controlling party of the Group is T.C. Toplu Konut İdaresi Başkanlığı (the Housing Development Administration of Turkey, “TOKİ”). TOKİ is a state institution under the control of T.C. Ministry of Environment and Urbanisation.

Emlak Konut GYO, together with its subsidiaries and joint ventures, is referred to as “the Group”.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018**

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP (Continued)

Subsidiaries

Subsidiaries of Emlak Konut GYO operate in Turkey and their main operations are as follows:

Subsidiaries	Nature of operations			
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. (“EPP”)	Real Estate Investments			
EPP – Emay Adi Ortaklığı (“EPP-EMAY”)	Construction			
	31 December 2019		31 December 2018	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
EPP (*)	100	100	100	100
EPP-EMAY	60	60	60	60

(*) In parallel with the Group’s growing strategy, Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş. was fully owned by the Group with the decision of Board of Directors dated 09 November 2018 and numbered 62/163.

Investments valued by equity method (Affiliates)

Affiliates of Emlak Konut GYO operate in Turkey and their main operations are as follows:

Investments valued by equity method (Affiliates)	Nature of operations			
Bio İstanbul Proje Geliştirme ve Yatırım A.Ş. (“Bio”)	Consultancy ve Construction Services			
EPP-Cathay Adi Ortaklığı (“EPP-Cathay”)	Construction			
	31 December 2019		31 December 2018	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Bio	32.5	32.5	20	20

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 1 – ORGANIZATION AND OPERATION OF THE GROUP (Continued)

Shares in Joint Operations

Shares in Joint Operations of Emlak Konut GYO operate in Turkey and their main operations are as follows:

Shares in joint operations Nature of operations

Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi –
Emlak Konut GYO A.Ş. (“İstmarina AVM Adi Ortaklığı”) Shopping Mall and Office Management
Büyükyalı Tesis Yönetimi A.Ş. Shopping Mall and Office Management

	<u>31 December 2019</u>		<u>31 December 2018</u>	
	<u>Direct and indirect ownership rate (%)</u>	<u>Effective ownership rate (%)</u>	<u>Direct and indirect ownership rate (%)</u>	<u>Effective ownership rate (%)</u>
İstmarina AVM Adi Ortaklığı (*)	40	40	40	40
Büyükyalı Tesis Yönetimi A.Ş.	37	37	-	-

(*)An "Ordinary Partnership" is formed between Dap Yapı İnşaat San. and Tic. A.Ş., Eltes İnş. Tes. San. Tic. A.Ş. and the Group with the ownership rate of 59.7%, 0.3% and 40%, respectively with the purposes of the sale of one Shopping Mall (AVM) on a land of 51.000 m2 in the Istmarina project and which was constructed under "Istanbul Kartal LSRSA Project" ready to operate after being rented and the financial management of the shopping center.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with the communiqué numbered II-14,1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) (hereinafter will be referred to as “the CMB Accounting Standards”) on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Accounting Standards, companies should apply Turkish Financial Reporting Standards (“TFRS”) and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

In addition, the consolidated financial statements are presented in accordance with the formats specified in the “Communiqué on TFRS Taxonomy” published by the POA on 15 April 2019 and the Illustrations of Financial Statements and Application Guidance published by the CMB.

CMB has announced with its decision dated 17 March 2005 that it is not required for public companies operating in Turkey to apply inflation accounting as of 1 January 2005. Consolidated financial statements of the Group have been prepared in the framework of aforementioned decision.

The Group maintains its books of account and prepares its statutory financial statements in accordance with the principals issued by CMB, the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Consolidated financial statements have been prepared on the basis of historical cost, with the necessary adjustments and classifications reflected in the statutory records in accordance with TFRS.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018**

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- The size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018**

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Basis of consolidation (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with TFRS 5. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Group’s share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate) are not recognized. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Gains and losses arising from transactions between the Group and an associate of the Group are eliminated to the extent of the Group’s interest in the relevant associate or joint venture.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

**EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018**

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Preparation of financial statements in hyperinflationary periods

With the decision numbered 11/367 taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with TFRS, the application of inflation accounting is no longer required. Accordingly, the Group has not applied TAS 29 “Financial Reporting in Hyperinflationary Economies” in its financial statements for the accounting periods starting 1 January 2005.

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in thousands of TL, which is the Group’s functional and presentation currency.

Offsetting

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

Going concern

The Group’s consolidated financial statements are prepared under the going concern assumption.

2.2 Changes in accounting policies, accounting estimates and errors

Significant changes in accounting policies and significant accounting errors are applied retrospectively and the financial statements of the previous periods are restated if the financial position, performance or cash flow effects of transactions and events are presented in a more appropriate and reliable manner.

2.3 Conformity with the Portfolio Limitations

The information presented in Additional Note of this report, regarding control of conformity with the portfolio limitations, is a summary information extracted from financial statements in accordance with Article 16 of Communiqué No: II-14.1, “Principles of Financial Reporting in Capital Markets” and is prepared in accordance with the provisions of the control of portfolio limitations of Communiqué No: III-48.1, “Principles Regarding Real Estate Investment Companies”.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.4 Summary of significant accounting policies

The significant accounting policies followed in the preparation of these consolidated financial statements are summarized below:

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial. The contractors’ portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. However, since the Group does not have the right of disposition of the cash and cash equivalents used in the cash flow statements, except for keeping these amounts in time deposit accounts, these amounts are exempted from cash and cash equivalents in the cash flow statement (Note 3).

Related parties

Shareholders, key management personnel, Board of Directors, close family members, and companies which are controlled by those are regarded as related party for the purpose of preparation of these consolidated financial statements. In accordance with TAS 24 – Related party standards, the description of related parties has been restricted. The Group has also transactions with State owned banks and the Republic of Turkey Prime Ministry Undersecretariat of Treasury (the “Treasury”) however quantitative information regarding Turkish State Banks and Treasury is not disclosed in accordance with this exemption. The ultimate parent and ultimate controlling party of the Group is (“TOKİ”). TOKİ is a State institution under control of Republic of Turkey Prime Ministry. The transactions made between the Group and TOKİ and its affiliates are presented in Note 27.

Foreign currency transactions

The foreign exchange transactions during the year are translated using the prevailing exchange rates on the related transaction dates. The foreign currency exchange gain and losses that arise by the exchange rate change based on monetary assets and liabilities are presented in the comprehensive income statement.

Financial investments

Classification

The Group classifies its financial assets as “Financial assets at amortised cost”, “fair value through other comprehensive income”, “fair value through profit or loss”. The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group makes the classification of its financial assets on the date of purchase. Financial assets are not reclassified after initial recognition, except where the business model of the Group used is changed for the management of financial assets, in case of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.4 Summary of significant accounting policies (continued)

Financial investments (continued)

Recognition and Measurement

“Financial assets measured at amortized cost” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. The Group’s financial assets that are recognized at amortized cost include “cash and cash equivalents”, “trade receivables” and “other receivables”. In the initial recognition, the related assets are measured at fair value, and, in subsequent accounting, they are measured at discounted cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in profit or loss.

“Financial assets measured at FVTOCI” are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows, including cash flows that include only the interest payments on principal dates and principal balances at certain dates. Gains or losses resulting from the related financial assets are recognized in other comprehensive income, except for impairment losses or gains and foreign exchange income or expenses. In case of sale of such assets, the valuation differences classified in other comprehensive income are classified to prior years’ profits. For investments in equity-based financial assets, the Group may irrevocably choose the method of reflecting subsequent changes in the fair value of other comprehensive income to the financial statements for the first time. In the event that such preference is made, dividends received from related investments are recognized in the income statement. “Financial assets measured at fair value through profit or loss”, are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Derecognition of financial assets

The Group derecognizes financial assets when the rights related to the cash flows that occur in accordance with the contract related to the financial asset expire or when the Group transfers the ownership of all the risks and returns related to the financial asset through a trading transaction. Any rights created or retained to the financial assets transferred by the Group are recognized as a separate asset or liability.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.4 Summary of significant accounting policies (continued)

Impairment of financial assets

Impairment on financial assets and contractual assets is calculated using the "expected credit loss financial model" (ECL). Impairment model is applied to amortized cost financial assets and contractual assets. Loss provisions were measured on the following basis;

- 12-month ECLs: ECLs resulting from possible default events within 12 months of the reporting date.
- Lifetime ECLs: the ECLs resulting from all possible default events during the expected life of a financial instrument. Lifetime ECL measurement is applied at the reporting date when the credit risk associated with a financial asset increases significantly after the initial recognition. In all other cases where the related increase was not observed, the 12 month estimation of ECL was applied.

The Group may determine that the credit risk of the financial asset does not increase significantly if the credit risk of the financial asset has a low credit risk at the reporting date. Nevertheless, lifelong ECL measurement (simplified approach) is always applicable to trade receivables and contract assets without a significant financing element.

Trade receivables and payables

Trade receivables are recognized at amortized value of the amount will be received in the following periods from receivables recorded at original invoice value. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. A “simplified approach” is applied for the impairment of trade receivables, which are accounted for at amortized cost and which do not include a significant financing component (less than one year). In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses are measured by an amount equal to the “life time expected loan losses”.

In the event that all or some of the amount of the receivable that is impaired is collected following the provision for impairment, the amount collected is recognized in other income from operating activities by deducting the provision for impairment.

Income/expenses from maturity differences and foreign exchange gains/loss related to transactions are recognized under “Other Income/Expenses from Operating Activities” in the statement of profit or loss.

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(Continued)

2.4 Summary of significant accounting policies (continued)

Trade receivables and payables (continued)

Trade payables consist of payables to suppliers for purchases of goods and services. Trade payables and other liabilities are offset from unaccrued financial expenses. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts to be paid of payables recognized at original invoice cost in the subsequent periods, using effective interest method. Short-term payables without a determined interest rate stated at amortized cost if the effect of the original effective interest rate is not too significant. HAS payables are classified as short-term payables and stated at carrying value since they will be paid upon beneficiaries' request.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. Financial liabilities are recognized with their acquisition costs including transaction costs and then measured at amortized cost value using the effective interest rate method. In cases where the contractual obligations are fulfilled or canceled; The Group derecognizes the financial liability from its records (Note 7).

Employment termination benefits

Provision for employee termination benefit defines the current value of total expected provision for the liabilities due to retirement of the employees. Under Turkish labor law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of full TL 6,379.86 as of 31 December 2019 (31 December 2017: full TL 5,434.42).

The provision for the present value of the defined benefit obligation is calculated by using the projected liability method. All actuarial profits and losses are recognized in the statement of comprehensive income.

TFRS requires actuarial valuation estimates to be developed to estimate the obligation underdefined benefit plans. In the individual financial statements, the Group calculates a liability on the basis of its experience in the previous years, based on its experience in the past, and on the beneficiaries of the severance payment as of the date of termination. This provision is calculated by estimating the present value of the future probable obligation of the employees.

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(Continued)

2.4 Summary of significant accounting policies (continued)

Employment termination benefits (continued)

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of full TL 6,730.15 which is effective from 1 January 2019 has been taken into consideration when calculating the liability (1 January 2019: full TL 6,017.60) (Note 15).

Provisions, contingent assets and liabilities

Provisions are recognised 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 of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in consolidated financial statements and are treated as contingent assets or liabilities.

Land and residential unit inventories

The Group has four types of inventories in its consolidated financial statements (Note 10). These are;

1. *Vacant land and plots*

Vacant land and plots are carried at lower of cost or net realizable value and represent vacant land and plot of the Group with no ongoing or planned construction project on them. Such land and plots are classified as inventories because the Group uses such land and plots the development of residual and commercial units, as explained below, which are also classified as inventories.

2. *Turnkey Projects*

Turnkey projects are valued at lower of cost or net realizable value. Turnkey projects costs consist of construction costs of the semi-finished residential units together with the cost of land (progress payments to contractor) on which these projects are developed. Upon completion of residential units costs including the cost of land are classified under completed residential unit inventories.

3. *Land Subject to Revenue Sharing Agreements (“LSRSA”)*

The Group enters into revenue sharing agreements with construction entities to maximize sales proceeds from the sale of its vacant land and plots. Such land and plot sold subject to revenue share agreements to construction entities are accounted at cost until sale is recognized.

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(Continued)

2.4 Summary of significant accounting policies (continued)

Land and residential unit inventories (continued)

4. Completed Residential and Commercial Unit Inventories

Completed residential and commercial units comprise units build in Turnkey projects and units transferred to the Group by the contractor in order to meet minimum revenue stated in the agreements when the projects can not reach the expected revenue as stated in the agreements signed within the framework of LSRSA.

Completed residential and commercial unit inventories are valued at lower of cost or net realizable value.

The Group takes into consideration independent expert valuation reports for inventory (land, finished and semi-finished residential and commercial units) separately at least once a year and uses these reports to assess impairment if any. Impairments are recognized under other expenses from operations in the statement of profit or loss and comprehensive income in the period during which they are incurred. Impairments released are recognized under other income from operations when the relevant land or residential are sold.

Property, plant and equipment

Property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. The cost value also includes costs that can be directly attributed to the asset to perform its operation as planned.

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives (Note 12).

The expected useful lives for property, plant and equipment are stated below:

	Years
Buildings	50
Motor vehicles	5
Furniture and fixtures	4-5

The cost of major subsequent expenditures is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed of performance of the existing asset will flow to the Group and major subsequent expenditures are depreciated over the remaining useful life of the related assets. All other expenses other than these items are recognized as expense.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the provision for impairment is charged to the income statement.

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(Continued)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Gains and losses on the disposal of property and equipment are determined by comparing the carrying of the property and equipment with the collected amount and then included in the related income and expense accounts, as appropriate.

Intangible assets

Intangible assets comprise of licenses and computer software. They are initially recognized at acquisition cost and amortized on a straight-line basis over 5 years their estimated useful lives (Note 14).

Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount.

Investment properties

Investment properties are defined as land and buildings held to earn rental income or capital appreciation or both, rather than for use in the production of goods or services or for administrative purposes; or sale in the ordinary course of business. The Group uses cost model for all investment properties. Investment properties are presented in the standalone financial statements at cost less accumulated depreciation and less impairment, if any (Note 11).

Impairment of assets

The Group reviews all assets subject to amortization at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is projected. Impairment exists if the carrying value of an asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life.

Impairment losses are recorded in the comprehensive income statement. Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment. The Group takes the valuation reports for each property separately into consideration over investment property at least once a year to compare carrying value of assets with its net recoverable value and calculate the impairment if any.

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(Continued)

2.4 Summary of significant accounting policies (continued)

Taxation

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Group is exempt from Corporate Tax in accordance with the paragraph 4-d of Article 8 of the Corporate Tax Law. According to the paragraph 6-a of Article 94 of the Income Tax Law the earnings of real estate investment companies are subject to withholding and withholding tax rate is determined as "0" according to the Council of Ministers Decision, No: 93/5148.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets consist of deductible temporary differences are recognized on the condition that it is highly probable that the differences can be utilised by earning future taxable profit. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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(Continued)

Segment reporting

Operating segments shall be reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. However, since the Group operates in only one geographical segment (Turkey) and all of its operations are concentrated in one industrial department (development of residential projects on its vacant land and plot inventories), the Group does not prepare a segment report.

Chief operating decision maker of the Group is its Board of Directors. Board of Directors uses quarterly consolidated financial statements of the Group prepared in accordance with the TFRS when making decisions.

Revenue recognition

The Group recognizes revenue in the financial statements within the 5-step model below in accordance with TFRS 15 “Revenue from Contracts with Customers” standard that is effective as of 1 January 2018.

- (a) Identify the contract(s) with a customer
- (b) Identify the performance obligations in the contract
- (c) Determine the transaction price
- (d) Allocate the transaction price to the performance obligations in the contract
- (e) Recognize revenue when the entity satisfies a performance obligation

Revenue is comprises of sale of vacant land and plots, sale of residential units produced by turnkey projects and sale of land and plots by way of LSRSA.

1. *Sale of vacant land and plots*

Revenue is recognized when the unprojectized lands are transferred to the customer according to the contract and performance obligations are fulfilled. Unprojectized land are carried over when the customer takes control of the land.

2. *Sale of residential units produced by Turnkey projects*

Revenue is recognized when the independent units are transferred to according to the contract and performance obligations are fulfilled. Residential units are carried over when the customer takes control of the units.

3. *Sale of land and plots by way of LSRSA*

The Group recognizes the revenue for the sale of land by way of LSRSA when performance obligations (the one before the signing of the temporary acceptance protocol with the contractor or the signing of the delivery protocol with the buyer) are fulfilled. In cases where the temporary acceptance protocol or delivery protocol with the buyer is not signed, the Group follows-up its revenue share in the deferred revenue (Note 18) and the share of the construction entity as a liability to contractors (Note 8). The Group’s share in the Total Sales Revenue (“TSR”) is recorded as revenue from sale of land and the related cost of land is recognised as cost of land sold in the comprehensive income statement (Note 20).

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(Continued)

2.4 Summary of significant accounting policies (continued)

Interest income and expense

Interest income and expense are recognised on an accrual basis using the internal rate of return method. Interest income comprises mostly interest income from time deposits and interest income from credit sales of residences (Note 23-25).

Paid-in capital

Ordinary shares are classified in equity. Costs related to the issue of new shares are recognized in equity less the amounts discounted by tax effect.

Share premium

Share premiums represent the difference between the fair value of the shares held by the Group at a price higher than the nominal value of the Group or the difference between the fair value and the fair value of the shares of the Group that the Group has acquired. Expenses that are directly attributable to the secondary public offering, in which the shares are re-issued and provide cash inflows to the Group, are deducted from the premiums on issue of share sales.

Earnings per share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of their shares “bonus shares” to existing shareholders funded from retained earnings. For the purpose of earnings per share computations, such “bonus share” issuances are regarded as issued shares. Accordingly, the weighted average number of shares used in earnings per share computations are determined by taking into consideration the retroactive effect of aforementioned share distributions. In case of increase in issued shares after balance sheet date but before the date that consolidated financial statement is prepared due to the bonus share distribution, earning per share calculation is performed taking account of total new share amount.

Payments for Housing Acquisition Support (“HAS”)

HAS was a compulsory of saving fund, established by the state to be used by fund participants in the future for acquisition of affordable housing between 1987 and 1995. This system aimed to collect the deducted amounts in a single account, apply interest to the savings and provide the employees with these contributions at the time they wish to acquire a house/residential unit in the future. However, this project was suspended in 1996 and as per decree law No. 588, issued in 1999, the decision was taken to terminate the HAS accounts. With this decree law, real estate corresponding to the monetary value of the HAS deductions which were held by Emlak Bankası was transferred to the Group.

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(Continued)

2.4 Summary of significant accounting policies (continued)

Payments for Housing Acquisition Support (“HAS”) (continued)

Within the scope of Law No. 5664, dated 30 May 2007, and the regulation issued on 14 August 2007, the decision was taken to pay back these savings, which were still held as capital in kind in the accounts of the Group, to the HAS beneficiaries. Accordingly, the shares of HAS beneficiaries were removed from the Group’s equity capital and comprehensive income for the current period based on the ratios specified in the law and recognized as debts to HAS beneficiaries under other payables. The amount payable was determined as the share in the net asset value of the Group at 28 February 2008. The payable amount does not bear any interest or does not change with subsequent changes in the net asset value in subsequent periods and is payable on demand any date after 28 February 2008. The Group has borrowed funds from the Treasury to make such payments.

In addition, the Treasury has an interest liability against HAS beneficiaries calculated before 1999. In accordance with an agreement signed in 2008, the Group undertook this liability on behalf of the Treasury and recorded as payable to be paid together with the Group’s own payables. However, Group resources are not used for this extra liability. Since all payments are made on behalf of the Treasury, they are instantly collected by cashing the government bonds given for these payments from the Treasury to the Group beforehand.

Dividend distribution

Dividends payable are recognized as an appropriation of the profit in the period in which they are declared and reflected to Group’s financial statements as liability.

Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from its main activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

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

Events after the reporting period

Events after the reporting period cover any events that arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Group adjusts its consolidated financial statements if such events arise which require an adjustment to the consolidated financial statements (Note 32).

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2.5 Critical Accounting Judgements, Assumptions and Estimates

The preparation of financial statements requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues expenses which are reported throughout the period. Even though these assumptions and estimates rely on the best estimates of the Group management both the actual results may differ and not material for these financial statements.

Net realizable value of lands and residential inventories

When the estimated net realizable value of land and commercial units is less than the cost value, the allowance is recognized to reduce the value of inventories to their estimated net realizable value. As of 31 December 2019, valuation reports prepared by Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Yetgin Gayrimenkul Değerleme ve Danışmanlık A.Ş. have been taken into consideration when determining the net realizable value of lands and residential inventories.

Provisions for lawsuits

As of 31 December 2019, a total of TL 298,037 lawsuits have been filed against the Group. For those lawsuits in which there is a high probability of potential outflow of potential resources from these cases, a provision amounting to TL 110,241 has been provided by taking the opinion of the lawyers (Note 15). According to the legal judgment of the lawyers, there is no risk of any outflow of resources from the Group.

2.6 New and Revised Financial Reporting Standards

a) New and revised Turkish Financial Reporting Standards that are effective as of 2019

TFRS 16	<i>Leases</i>
Amendments to TAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
TFRS Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to TAS 19	<i>Amendments to Employee Benefits</i>
<i>Annual Improvements to TFRS Standards 2015–2017 Cycle</i>	<i>Amendments to TFRS 3, TFRS 11, TAS 12 and TAS 23</i>

TFRS 16 Leases

General impact of application of TFRS 16 Leases

TFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. TFRS 16 supersedes the current lease guidance including TAS 17 Leases and the related Interpretations for accounting periods beginning on or after 1 January 2019. The date of initial application of TFRS 16 for the Group is 1 January 2019 retrospectively taking into account the cumulative effect in the financial statements.

Within the scope of the simplified transition application defined in the relevant standard, it is not necessary to restate the comparative information of the financial statements and previous years' profits.

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2.6 New and Revised Financial Reporting Standards (Continued)

a) New and revised Turkish Financial Reporting Standards that are effective as of 2019 (continued)

IFRS 16 Leases (Continued)

General impact of application of IFRS 16 Leases (continued)

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in TAS 17.

Impact of the new definition of a lease

The Group made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with TAS 17 and IFRS Interpretation 4 continue to apply to those leases entered or modified before 1 January 2019.

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Group has applied the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

Impact on lessee accounting

Operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under TAS 17, which were off-balance sheet.

On initial application of IFRS 16, for all leases (except as noted below), the Group has:

- a) Recognised right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- b) Recognised depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
- c) Separated the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.6 New and Revised Financial Reporting Standards (Continued)

a) New and revised Turkish Financial Reporting Standards that are effective as of 2019 (continued)

IFRS 16 Leases (Continued)

Impact on lessee accounting (continued)

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

As at 1 January 2019, the impact of IFRS 16 on the financial statements of the Group is disclosed in “The Effects of Accounting Policy Amendments” note.

Finance leases

The main differences between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17.

Impact on Lessor Accounting

Under IFRS 16, a lessor has continued to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor has accounted for the head lease and the sublease as two separate contracts.

Effects of Accounting Policies Changed

The effects of the application of IFRS 16 Leases on the Group’s financial statements and the new accounting policies that the Group started to implement as of 1 January 2019, unlike the prior periods, are stated below.

The Group started to use IFRS 16 for the first time on 1 January 2019 by making use of the practical expedient available on transition to IFRS 16. As of 1 January 2019 the Group has calculated the right-of-use assets in the consolidated financial statements for the leases previously classified as operating leases in accordance with IAS 17 over an amount equal to the lease obligation that has been prepaid or adjusted.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.6 New and Revised Financial Reporting Standards (Continued)

IFRS 16 Leases (Continued)

Effects of Accounting Policies Changed (continued)

In this context, the application of IFRS 16 Leases Standard does not have any effect on the previous years' profits of the Group, due to the preferred expedient transition method.

	Before the accounting policy change		After the accounting policy change
	1 January 2019	IFRS 16 effect	1 January 2019
Right-of-use Assets	-	6,593	4,968
Prepaid expenses	1,467,489	(882)	1,466,607
Effect on total assets	23,319,270	5,711	23,324,981
Short-term Borrowings	1,675,662	935	1,676,476
Long-term Borrowings	1,685,943	4,776	1,690,097
Effect on total liabilities	23,319,270	5,711	23,324,981

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 15.6%.

Operational lease commitments as of 31 December 2018	21,779
Amount reduced by lessee's incremental borrowing rate of interest at the initial application date	14,602
(Less): low value leases eliminated according to straight-line method	(8,891)
Lease liability as of 1 January 2019	5,711
Short-term lease liability	935
Long-term lease liability	4,776

Amendments to TAS 28 Long-term Interests in Associates and Joint Ventures

This amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

IFRS Interpretation 23 Uncertainty over Income Tax Treatments

This interpretation addresses the determination of taxable profit or tax loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under TAS 12.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.6 New and Revised Financial Reporting Standards (Continued)

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

Amendments to TAS 19 *Employee Benefits*

The Amendments to TAS 19 *Employee Benefits* address the impact of the changes in defined benefit plans (one of the two benefits provided after employment relationship is ended defined benefit plans and defined contribution plans) to the recognition of the defined benefit plans, and TAS 19 has been amended.

Annual Improvements to TFRS Standards 2015–2017 Cycle

Annual Improvements to TFRS Standards 2015–2017 Cycle include amendments to TFRS 3 *Business Combinations* and TFRS 11 *Joint Arrangements* in when a party that participates in, but does not have joint control of, TAS 12 *Income Taxes*; income tax consequences of dividends in profit or loss, and TAS 23 *Borrowing Costs* in capitalized borrowing costs.

Except for TFRS 16, the aforementioned standards, amendments and improvements have no impact on the consolidated financial position and performance of the Group.

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 3	<i>Business Combinations</i>
Amendments to TAS 1	<i>Presentation of Financial Statements</i>
Amendments to TAS 8	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2021.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.6 New and Revised Financial Reporting Standards (continued)

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

Amendments to TFRS 3 *Business Combinations*

The definition of “business” is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of “business” in TFRS 3 Business Combinations standart has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

Amendments to TAS 1 *Presentation of Financial Statements* and TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

The amendments in Definition of Material (Amendments to TAS 1 and TAS 8) clarify the definition of ‘material’ and align the definition used in the Conceptual Framework and the standards.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 3 – BUSINESS COMBINATIONS

Subsidiaries acquired

In parallel with the Group's growth strategy, 51% of Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş. (“EPP”) shares was purchased on 09 November 2018 in order to operate in project management, real estate marketing and leasing, consultancy services, developing projects based on revenue sharing model on lands. The remaining 49% of the shares was purchased from T.C. Toplu Konut İdaresi Başkanlığı’ndan (“TOKİ”) which is the main shareholder of the Group.

	<u>Main Operation</u>	<u>Acquisition date</u>	<u>Shares acquired (%)</u>	<u>Consideration transferred</u>
EPP	Real Estate Investments	09 November 2018	100	288,000
				288,000

Assets acquired and liabilities assumed as of the acquisition date

Current assets

Cash and cash equivalents	221,327
Trade and other receivables	52,269
Inventories	664,721
Other current assets	53,593

Non-current assets

Trade and other receivables	27,815
Financial investments	8,702
Investment property	22,958
Property, plant and equipment and intangible assets	2,489
Other non-current assets	588

Current liabilities

Trade and other payables	7,836
Deferred income	681,484
Other current liabilities	7,421

Non-current liabilities

Trade and other payables	9,030
Deferred tax liability	62,157

Non-controlling interests	(1,466)
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Fair value of identifiable net assets acquired	288,000
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EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 3 – BUSINESS COMBINATIONS (Continued)

Goodwill arised during the acquisition

No goodwill arised as a result the purchase of 51% of the shares of EPP by the Group. The reconciliation of the relevant acquisition is as follows:

Consideration transferred	146,880
Plus: non-controlling interests	141,120
Less: Fair value of identifiable net assets acquired	(288,000)

Goodwill

Changes in the Group's share of EPP that do not result in loss of control is accounted for in equity. The carrying value of Group's share and the non-controlling interests are adjusted in order to reflect the changes in the shares of subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the amount received or paid is directly recognized in equity as Group's share. Since there is no difference between the fair value of the consideration transferred as a result of the acquisition of 49% EPP's shares by the Group and the non-controlling interests, no amount is recognized in equity. Reconciliation of 49% share acquisition is as follows:

Consideration transferred for %49	141,120
Derecognized non-controlling interests	141,120

Accounted for under equity

-

Cash inflows from the acquisition of subsidiaries

Consideration paid in cash	(99,403)
Plus: Cash and cash equivalent balances acquired	221,327
	121,924

The Group purchased 51% of EPP's shares for a total of TL 146,880. TL 99,403 of that amount paid in cash and TL 47,477 paid by check with a due date of 20 February 2019 and the remaining 49% of the shares was purchased for TL 141,120 on the account of receivable from Antalya Muratpaşa land which returned to T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”), the main shareholder of the Group. Therefore, transactions other than TL 99,403 cash payment did not have an impact on the consolidated statement of cash flows of the Group for the period of 1 January 2018 – 31 December 2018 in accordance with TAS 7. Additionally, the Group fulfilled its check obligation amounting to TL 47,477 in 2019.

NOTE 4 – SHARE IN OTHER AFFILIATES

a) Affiliates

As of 31 December 2019, the details of the Group's key affiliates are as follows:

In the accounting period ended on 31 December 2019, the carrying value of the Group's subsidiary Bio, valued with the equity method, is TL7,331 (31 December 2018: TL 7,866).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 5 – CASH AND CASH EQUIVALENTS

	31 December 2019	31 December 2018
Cash on hand	73	26
Banks	514,671	674,845
- Demand deposit	142,686	132,738
- Time deposits up to 3 months maturity	371,985	542,107
Other cash and cash equivalents	32,224	-
	546,968	674,871

Maturities of cash and cash equivalents are as follows:

	31 December 2019	31 December 2018
Demand	142,686	132,738
Up to 3 month	371,985	542,107
Less: Blocked deposits with maturities less than 3 months	(2,880)	(29,990)
	511,791	644,855

Average effective interest rates of in TL time deposits are as follows:

	31 December 2019	31 December 2018
	(%)	(%)
	9.58%	18.47%

The calculation of cash and cash equivalents of the Group for the use in statements of cash flows is as follows:

	31 December 2019	31 December 2018
Cash and cash equivalents	546,968	674,871
Less: Interest accruals on deposits	(758)	(1,132)
Less: LSRSA project deposits (*)	(117,489)	(169,609)
Less: Blocked deposits with maturities less than 3 months	(929)	(11,710)
Add: the effect of provisions released under TFRS 9	4,246	1,806
	432,038	494,226

(*) The contractors’ portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. TL 1,951 (31 December 2018: TL 18,280) of the deposits of the project accounts amounting TL 117,489 (31 December 2018: TL 169,609) consists of blocked deposits of the projects.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 6 - FINANCIAL INVESTMENTS

Short-term financial investments	31 December 2019	31 December 2018
Blocked deposits with maturities longer than 3 months (**)	12,316	42,375
Special issue government bonds (*)	10,054	12,067
	22,370	54,442

(*) Under the Lar No. 5664, the Group received special issued Government Debt Securities amounting to TL 429,617 on behalf of Republic of Turkey Ministry Undersecretariat of Treasury (“Treasury”) for the payments to Housing Acquisition Support (“HAS”) beneficiaries in 2010. As HAS beneficiaries are determined, the Group amortizes a certain part of GDS early and transfers to the Group accounts for payment (Note 9). Since GDS received in 2010 were issued by Treasury, and since they are interest-free and not subject to trading in the secondary market, their fair values are their nominal values.

(**) The Group keeps the credit amounts used by customers as blocked deposits at the bank in order to provide low interest rate financing to its customers who want to purchase residential from the projects that the Group has developed. The relevant amounts are ready for the use of the company at the specified terms. While the contractor portion of blocked deposits in the bank accounts which opened in the name of the related project under the control of the Group and which have maturities more than 3 months is TL 8,331 (31 December 2018: TL 17,591), the Group portion is TL 3,985 (31 December 2018: TL 24,784).

As of 31 December 2019, the Group's long-term investments comprise investments with less than 1% in capitals of Kazakhstan Ziraat International Bank and Tobaş Mass Housing Büyükşehir Belediyesi İnşaat Emlak Mimarlık ve Proje A.Ş.

NOTE 7 - FINANCIAL LIABILITIES

	31 December 2019	31 December 2018
Short-term financial liabilities		
Issued debt instruments (*)	1,065,415	587,526
Short-term bank borrowings	799,524	111,137
Short-term portion of long-term borrowings	1,310,695	976,999
Lease obligation	2,987	-
	3,178,621	1,675,662

(*) The Group issued five different lease agreements amounting to TL 150,000 TL with a profit share of 18.50% and a maturity date of 28 January 2020 on 6 August 2019, amounting to TL 200,000 with a profit share of 13.95% and a maturity date of 11 February 2020 on 16 October 2019, amounting to TL 200,000 with a profit share of 13.95% and a maturity date of 3 March 2020 on 22 October 2019 and amounting to TL 150,000 with a profit share of 10.70% and a maturity date of 9 June 2020 on 24 December 2019. Additionally, the Group issued a debt instrument with a nominal value of TL 142,896 within the scope of the issuance ceiling of TL 2,000,000 with an interest rate of 10.65% and a maturity date of 3 June 2020 on 3 July 2019.

Long-term financial liabilities	31 December 2019	31 December 2018
Long-term borrowings	1,587,564	1,685,943
Lease obligation	3,003	-
	1,590,567	1,685,943

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

All borrowings used as of 31 December 2019 are denominated in TL and their weighted average interest rate is 17.70% (31 December 2018: 17.62%).

The redemption schedules of the borrowings as of 31 December 2019 and 31 December 2018 are as follows:

	31 December 2019	31 December 2018
2020	-	999,507
2021	1,344,827	638,745
2022	131,092	47,691
2023	51,759	-
2024	59,886	-
	1,587,564	1,685,943

The interest sensitivity of the redemption schedules of the borrowings are as follows:

	31 December 2019	31 December 2018
Less than 3 months	790,900	202,373
Between 3 - 12 months	1,319,319	885,763
Between 1 - 5 years	1,587,564	1,685,943
	3,697,783	2,774,079

As of 31 December 2019 and 2018 the reconciliation of credits and issued cash flows are as follows:

	Loans		Commercial bill	
	1 January- 31 December 2019	1 January- 31 December 2018	1 January- 31 December 2019	1 January- 31 December 2018
Opening balance	2,774,079	2,414,672	587,526	-
Interest expenses	463,264	331,076	123,000	30,068
Interest paid	(462,226)	(309,540)	(130,371)	(7,701)
Cash inflow from financial borrowings	2,944,675	788,034	2,328,000	835,159
Cash outflow from financial borrowings	(2,022,009)	(450,163)	(1,842,740)	(270,000)
Closing balance	3,697,783	2,774,079	1,065,415	587,526

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 December 2019	31 December 2018
Receivables from contractors of the lands invoiced under LSRSA	1,473,299	851,820
Receivables from sale of residential and commercial units	669,109	651,294
Receivables from the sale of transferred residential and commercial units (*)	44,958	44,958
Notes of receivables	139	43,668
Receivables from land sales	258,411	24,754
Receivables from related parties (Note 28)	479,941	12,621
Receivables from lessees	10,431	9,082
Other	7,683	2,369
Unearned finance income	(27,222)	(17,571)
	2,916,749	1,622,995
Doubtful receivables	1,837	1,837
Less: Provision for doubtful receivables	(1,837)	(1,837)
	2,916,749	1,622,995

(*)The Group has transferred a certain portion of its receivables arising from forward sales as "irrevocable". This amount comprises of the receivables from the receivable financing company.

	31 December 2019	31 December 2018
Long-term trade receivables		
Receivables from sale of residential and commercial units	3,323,401	2,178,500
Receivables from land sales	177,940	-
Unearned finance income	(433,532)	(282,671)
	3,067,809	1,895,829

	31 December 2019	31 December 2018
Short term payables		
Payables to related parties (Note 28)	20,797	69,985
Payables to LSRSA contractors invoiced	191,691	361,559
Trade payables	278,536	527,061
Interest accruals on time deposits of contractors (*)	14,744	19,742
	505,768	978,347

(*) The contractors' portion of the residential unit sales from the LSRSA projects under construction and which accumulated in the bank accounts opened under the control of the Group is kept in deposits accounts in the name of the related projects under the control of the Group as stated in the agreement. The Group tracks the contractor's share of the interest obtained from the advances accumulated in these accounts in short-term payables.

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 December 2019	31 December 2018
Short-term other receivables		
Advances given to contractor firms	721,605	758,851
HAS related receivables from Turkish Treasury	402,527	390,768
Other receivables from related parties (Note 28)	762	5,754
Receivables from the authorities	14,507	6,909
Other	408	1,085
	1,139,809	1,163,367

	31 December 2019	31 December 2018
Long-term other receivables		
Other receivables from related parties (Note 28)	24,616	19,802
Other receivables	15,138	8,012
Deposits and guarantees given	2,281	1,015
	42,035	28,829

	31 December 2019	31 December 2018
Short-term other payables		
Payables to HAS beneficiaries	402,713	402,810
Payables to contractors (*)	88,752	88,752
Note payable	-	47,477
Taxes and funds payable	23,077	23,908
Other	57,164	70,739
	571,706	633,686

(*) The amount includes the unissued invoice by the contractor amount of TL 88,752 regarding to the units received as a result of revenue allocation at İzmir Mavisehir Phase 3 project, where the contractor filed a lawsuit regarding the revenue sharing percentages (31 December 2018: TL 88,752).

As of 31 December 2019 other long-term payables comprises of deposits and guarantees received.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)

The movements of HAS payments transferred from Group’s shareholder’s equity and HAS receivables and payables related to Treasury Support for the periods 31 December 2019 and 2018 are as follows:

	1 January 2019	Additions within the period	Disposals	31 December 2019
Treasury support				
Receivables from Treasury	390,768	11,759	-	402,527
Special issue Government Debt Securities	12,067	10,054	(12,067)	10,054
Cash generated from government bond redemption	(25)	12	(9,855)	(9,868)
Total consideration received or receivable from Treasury	402,810			402,713
Payables to HAS beneficiaries	(402,810)			(402,713)

	1 January 2018	Additions within the period	Disposals	31 December 2018
Treasury support				
Receivables from Treasury	390,771	-	(3)	390,768
Special issue Government Debt Securities	12,267	-	(200)	12,067
Cash generated from government bond redemption	(25)	252	(252)	(25)
Total consideration received or receivable from Treasury	403,013			402,810
Payables to HAS beneficiaries	(403,013)			(402,810)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 10 - INVENTORIES

	31 December 2019	31 December 2018
Lands	4,085,357	3,307,234
<i>Cost</i>	4,167,413	3,455,715
<i>Impairment</i>	(82,056)	(148,481)
Planned land by LSRSA	4,989,643	7,158,373
Planned land by turnkey project	3,022,541	3,689,638
Residential and commercial units ready for sale	1,685,237	1,252,239
<i>Cost</i>	1,895,068	1,286,112
<i>Impairment</i>	(209,831)	(33,873)
	13,782,778	15,407,484

As of 31 December 2019, the valuation reports prepared by Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Reel Gayrimenkul Değerleme A.Ş. have taken into consideration in the valuation of assets classified as “Inventories” and in the calculation on impairment, if any.

The movements of impairment on inventories are as follows:

	2019	2018
Opening balance at 1 January	182,354	21,829
Impairment charge for the period	185,084	171,606
Reversal of impairment	(75,551)	(11,081)
Closing balance at 31 December	291,887	182,354

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NOTE 10 – INVENTORIES (Continued)

As of 31 December 2019 and 31 December 2018 the details of land and residential inventories of the Group are as follows:

Lands	31 December 2019	31 December 2018
İstanbul Küçükçekmece Lands	1,942,494	1,420,469
İstanbul Başakşehir Lands	627,674	438,912
İstanbul Bakırköy Lands	364,227	350,673
İstanbul Florya Lands	262,556	-
İstanbul Beşiktaş Lands	256,965	360,002
İstanbul Arnavutköy Lands	170,581	166,655
Samsun Canik Lands	111,916	94,265
İstanbul Kartal Lands	109,183	109,183
İstanbul Esenyurt Lands	50,577	39,178
Ankara Çankaya Lands	45,644	17,695
İstanbul Ataşehir Lands	40,642	40,536
İstanbul Resneli Lands	20,333	20,333
İstanbul Tuzla Lands	20,016	205,917
İstanbul Avcılar Lands	19,307	-
İzmir Konak Umurbey Lands	12,258	12,258
İstanbul İstinye Lands	7,734	7,734
Sakarya-Sapanca Lands	7,027	6,302
Tekirdağ Çorlu Lands	6,153	6,153
Maltepe Küçükyalı Lands	3,010	3,010
Tekirdağ Kapaklı Lands	1,665	1,862
İstanbul Umraniye Lands	1,844	1,844
Kocaeli Gebze Lands	729	729
İstanbul Zekeriyaköy Lands	677	677
Tuzla Orhanlı Project	540	540
Kocaeli Tütünçiftliği Lands	-	618
İstanbul Kagithane Lands	-	703
Other	1,605	986
	4,085,357	3,307,234

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 10 – INVENTORIES (Continued)

Planned lands by LSRSA	31 December 2019	31 December 2018
Nidapark İstinye Project	993,780	993,433
Nidapark Kucukyali Project	678,852	677,715
Merkez Ankara Project	642,054	630,115
Nişantaşı Project	571,037	498,095
Beykoz Riva Project	386,193	366,646
İstanbul Çekmeköy Taşdelen Project	312,972	271,109
Büyükyali Project	263,492	656,805
Yalova Armutlu Project	211,633	58,276
Validebağ Konakları Project	154,929	153,764
Köy Project	153,054	153,352
Avangart İstanbul Project	120,391	120,077
Temaşehir Konya Project	87,489	96,074
Cer İstanbul Project	67,403	67,520
Evora Denizli Project	63,618	76,256
Ebruli Ispartakule Project	58,200	58,105
Avrupark Hayat Project	54,057	54,289
Tual Bahçekent Project	39,779	118,929
Nidapark Kayasehir Project	35,367	199,373
Ofis Karat Bakırköy Project	30,955	30,605
Ispartakule 6. Etap Project	31,641	48,682
Tual Adalar Project	11,828	90,842
Şile Çavuş Project	9,813	9,813
Karat 34 Project	5,673	67,480
Koordinat Çayyolu Project	2,257	97,164
Evvel İstanbul Project	612	128
Semt Bahçekent Project	341	50,154
Zeytinburnu Beştelsiz Project	107	408,029
Ankara Saraçoğlu Project	-	2,442
Tuzla İçmeler Project	-	20,016
Yeniköy Konakları İstanbul Project	-	45,368
Florya Şenlik Mahallesi Project	-	370,512
Bizim Mahalle 2. Etap Project	-	476,638
İstanbul Finans Merkezi Project	-	22,444
İstmarina Project	-	29,170
Kocaeli Derince Project	-	70,360
Maslak 1453 Project	-	35,422
Çankaya Oran Project	-	33,079
Other	2,116	92
	4,989,643	7,158,373

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 10 – INVENTORIES (Continued)

Completed units	31 December 2019	31 December 2018
Maslak 1453 Project	491,323	654,276
Gebze Emlak Konutları	590,245	-
Sarphan Finanspark Project	179,190	225,534
Niğde Emlak Konutları	57,351	-
Büyükyalı Project	74,606	-
Başakşehir Ayazma Emlak Konutları	8,745	115,630
İstmarina Project	52,831	51,728
Ispartakule Emlak Konutları	19,919	-
Göl Panorama Project	33,478	-
Koordinat Çayyolu Project	35,410	-
Nidakule Ataşehir Project	24,052	24,052
Nevşehir Emlak Konutları	3,459	-
Dumankaya Miks Project	16,686	19,330
Kocaeli Körfezkent Emlak Konutları	14,268	57,058
Batışehir Project	11,730	11,730
Başakşehir Emlak Konutları	9,123	29,228
Esenler Emlak Konutları	1,096	6,895
Unikonut Project	6,890	9,411
Bahçekent Emlak Konutları	3,578	8,445
Avrupa Konutları Başakşehir Project	1,178	8,553
Metropol İstanbul Project	3,444	7,889
Bulvar İstanbul Project	2,424	3,208
Bahçekent Flora Evleri	1,777	1,082
Park Yaşam Mavişehir Evleri	-	1,739
Other	42,434	16,451
	1,685,237	1,252,239

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 10 – INVENTORIES (Continued)

Planned lands by turnkey project	31 December 2019	31 December 2018
Başkent Emlak Konutları Project	922,882	557,844
IGTOD Rami Gıda Toptancıları Project	703,235	571,009
Kuzey Yakası Project	516,630	349,753
Ankara Başkent Project	358,729	255,532
Halkalı Emlak Konutları Project	259,306	-
Hoşdere 6.Etap Project	101,356	-
Yeniköy Konakları	114,736	-
Gebze Emlak Konutları	10,416	618,036
Hoşdere Hayat Parkı Project	30,059	-
Ankara Saraçoğlu Project	5,192	-
Nevşehir Emlak Konutları Project	-	225,771
Ispartakule 1. Etap 2. Kısım Project	-	408,117
Ispartakule 1. Etap 1. Kısım Project	-	458,732
Ayazma Emlak Konutları Project	-	1,916
Kocaeli Körfezkent Commercial Units	-	40,918
Ankara Mühye Emlak Konutları Project	-	-
Niğde Emlak Konutları	-	162,387
Başakşehir Ayazma 2. Etap Project	-	39,623
	3,022,541	3,689,638

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 11 –INVESTMENT PROPERTIES

Lease income is obtained from investment properties and the expertise used in the calculation of impairment is made through sample comparison and income deduction methods.

The movements of investment properties as of 31 December 2019 and 2018 are as follows:

	Lands, residential and commercial units	Atasehir general management building A block	Total
Cost Value			
Opening balance as of 1 January 2019	352,140	40,922	393,062
Transfers from commercial units and land inventories	111,436	-	111,436
Transfers to residential and commercial unit inventories	(1,757)	-	(1,757)
Purchases	27,905	-	27,905
Impairment (-)	(28,173)	-	(28,173)
Ending balance as of 31 December 2019	461,551	40,922	502,473
Accumulated Depreciation			
Opening balance as of 1 January 2019	-	2,722	2,722
Charge for the year	19,289	317	19,606
Ending balance as of 31 December 2019	19,289	3,039	22,328
Carrying value as of 31 December 2019	442,262	37,883	480,145

	Lands, residential and commercial units	Atasehir general management building A block	Total
Cost Value			
Opening balance as of 1 January 2018	17,608	40,922	58,530
Purchases (*)	272,179	-	272,179
Assets acquired through a business combination	22,958	-	22,958
Transfers from unplanned lands	33,021	-	33,021
Transfers from residential and commercial unit inventories	19,938	-	19,938
Transfers to unprojectized lands	(13,564)	-	(13,564)
Ending balance as of 31 December 2018	352,140	40,922	393,062
Accumulated Depreciation			
Opening balance as of 1 January 2018	-	1,247	1,247
Charge for the year	-	1,475	1,475
Ending balance as of 31 December 2018	-	2,722	2,722
Carrying value as of 31 December 2018	352,140	38,200	390,340

(*) Comprises independent commercial units purchased by the Group in 2018 in order to earn lease income from Istmarina shopping center which was completed within the scope of "Revenue Sharing Work for Istanbul Kartal Land Sale".

Lease income from investment properties as of 31 December 2019 is TL 39,541 (1 January – 31 December 2018: TL 16,656).

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 11 –INVESTMENT PROPERTIES (Continued)

Reports prepared by Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Reel Gayrimenkul Değerleme A.Ş., valuation firms authorized by CMB, have been taken into consideration when determining the fair values of investment properties as of 31 December 2019. The fair values of the investment property determined by independent valuation experts are as follows:

	31 December 2019	31 December 2018
Lands and completed units	175,630	132,223
Atasehir General Management Office A Block	98,000	83,524
Independent commercial units of Istmarina AVM	272,515	272,179
	546,145	487,926

As of 31 December 2019 and 31 December 2018 Group’s investment properties and their fair value hierarchy are as follows:

		Fair value levels as of 31 December 2019		
		Level 1	Level 2	Level 3
31 December 2019		TL	TL	TL
Lands, residential and commercial units	175,630	-	-	175,630
Atasehir general management building A block	98,000	-	-	98,000
Independent commercial units of Istmarina AVM	272,515	-	-	272,515
		Fair value levels as of 31 December 2018		
		Level 1	Level 2	Level 3
31 December 2018		TL	TL	TL
Lands, residential and commercial units	132,223	-	-	132,223
Atasehir general management building A block	83,524	-	-	83,524
Independent commercial units of Istmarina AVM	272,179	-	-	272,179

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 12 – RIGHT-OF-USE ASSETS

	Lands	Total
Cost Value		
Opening balance as of 1 January 2019	-	-
Changes in accounting policies	6,593	6,593
Additions	541	541
Disposals	(6,593)	(6,593)
Closing balance as of 31 December 2019	541	541
Accumulated Amortization		
Opening balance as of 1 January 2019	-	-
Charge for the period	(111)	(111)
Disposals	109	109
Closing balance as of 31 December 2019	(2)	(2)
Carrying value as of 31 December 2019	539	539

As of 31 December 2019 the carrying value of the right-of-use assets is TL 539. The initial recognition of right-of-use assets under TFRS 16 is detailed in Note 2.6.

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

31 December 2019	Buildings	Motor vehicles	Furniture, equipment and fixtures	Construction in progress	Total
Net carrying value as of 1 January 2019	58,803	550	6,892	97	66,342
Additions	6,102	-	1,643	-	7,745
Transfers from trading units	40,017	-	-	-	40,017
Depreciation expense(-)	(4,325)	(358)	(3,508)	-	(8,191)
Net carrying value 31 December 2019	100,597	192	5,027	97	105,913
Cost	109,880	2,160	21,868	97	134,005
Accumulated depreciation (-)	(9,283)	(1,968)	(16,841)	-	(28,092)
Net carrying value 31 December 2019	100,597	192	5,027	97	105,913
31 December 2018	Buildings	Motor vehicles	Furniture, equipment and fixtures	Construction in progress	Total
Net carrying value as of 1 January 2018	58,504	833	7,427	94	66,858
Additions	-	-	1,995	3	1,998
Depreciation expense(-)	(1,620)	(283)	(2,979)	-	(4,882)
Net carrying value 31 December 2018	58,803	550	6,892	97	66,342
Cost	63,670	2,160	20,305	97	86,232
Accumulated depreciation (-)	(4,867)	(1,610)	(13,413)	-	(19,890)
Net carrying value 31 December 2018	58,803	550	6,892	97	66,342

All of the depreciation expenses are included in the general administrative expenses.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 14 – INTANGIBLE ASSETS

31 December 2019	Licenses	Computer software	Rights	Total
Net book value, 1 January 2019	1,471	392	121	1,984
Additions	4,936	417	-	5,353
Amortization expense (-)	(2,582)	(332)	(30)	(2,944)
Net carrying value 31 December 2019	3,825	477	91	4,393
Cost	11,166	2,977	121	14,264
Accumulated amortization (-)	(7,341)	(2,500)	(30)	(9,871)
Net carrying value 31 December 2019	3,825	477	91	4,393

31 December 2018	Licenses	Computer software	Rights	Total
Net carrying value as of 1 January 2018	2,434	477	-	2,911
Assets acquired through a business	-	-	121	121
Amortization expense (-)	(963)	(85)	-	(1,048)
Net carrying value 31 December 2018	1,471	392	121	1,984
Cost	6,267	2,977	121	9,365
Accumulated amortization (-)	(4,796)	(2,585)	-	(7,381)
Net carrying value 31 December 2018	1,471	392	121	1,984

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2019	31 December 2018
Provisions		
Provision for lawsuits	110,241	131,534
	110,241	131,534

According to the opinions of the Group’s lawyers, provisions amounting to TL 110,241 have been made as of 31 December 2019 (31 December 2018: TL 131,503). As of 31 December 2019, there are 44 cases of defect, 4 cases of loss of rent, 26 cases of cancellation of title deeds and registration, 6 cases of business and 34 other cases. The amount of risk arising from the total possible cash outflow is TL 131,802 and the lawsuits are still pending. The movements of provision for lawsuits as of 31 December 2019 and 2018 are as follows:

	2019	2018
Balance at 1 January	131,534	46,916
Provision released within the current period (Note 22)	(23,329)	-
Obligations acquired through business combination	-	31
Provision added within the current period (Note 22)	2,036	84,587
Closing balance at 31 December	110,241	131,534

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

15.1 Continuing Lawsuits and Provisions

15.1.1 The LSRSA Project Agreement dated 21 December 2005 regarding 750 units in İzmir Mavisehir Upper North Area 2. Phase was abolished on 21 December 2009 since the contractor did not meet the requirements of the provisions in the agreement. Following the cancellation of the agreement, the project was transferred to the Group and the remaining part of the project was completed by another construction company which was assigned in accordance with Public Tender Law. The related units have been completed and are sold by the Group as in Turnkey projects.

The contractor filed a lawsuit against the Group claiming that the completion percentage of the project was significantly high and that the agreement between the parties was based on construction right in return for flat. İzmir Karsiyaka Commercial Court of First Instance issued an expert report and determine that the level of work was at around 83%, and that the legal relationship of the parties were not related to construction right in return of the flat. The Group and the contractor filed counter lawsuits in the following period and an additional report was decided to be issued. The additional report is about the final receivables and payables of the parties considering all the claims. As a result of the examination of the additional report at the hearing on 11 June 2014, the second expert committee was examined however, since the expert report was not received, the date of the case was not finalized. The Group filed an extra lawsuit of TL 34,100 on 7 July 2011, requesting the collection, without prejudice to surplus rights.

According to the various expert reports submitted to the file, the complainant increased the lawsuit cost by TL 65,596 with the claim that the lawsuit was terminated unfairly by Emlak Konut during the prosecution process of the compensation lawsuit filed by the contractor for the detection of invalidity of termination on condition that the surplus rights are reserved. The Group made provision amounting to TL 75,840 as of 31 December 2019.

15.1.2 Contractor firm filed a lawsuit against the Group claiming compensation because of damage caused by the Group in the agreement of The LSRSA Project regarding İstanbul Bakırköy, 51/4 section 257 zone 33 & 38 parcels. In the related case, Bakırköy 2nd Commercial Court of First Instance decided against the Group and the Supreme Court of Appeals overturned the decision in favor of the Group. The decision of the local court is expected. As of 31 December 2019, a provision amounting to TL 20,521 has been made.

15.1.3 The filed by the contractor firm is action of debt, deed cancellation and registration case. The decision of the contractor's contract was terminated unfairly, passing through degrees. Lawsuits filed by the Group and amounting to TL 6,681 have been partially accepted and the decision was appealed by the parties, the trial is ongoing at the Istanbul 16th Commercial Court of First Instance. As of 31 December 2019 a provision amounting to TL 6,860 has been made.

15.2 Contingent Liabilities of the Group

In the financial statements prepared as of 31 December 2019, the ongoing litigation liabilities were evaluated in the following matters. According to the opinion of the Group Management and its lawyers, no provision has been made in the financial statements prepared as of 31 December 2019 on the grounds that it is not probable that the outflow of resources with economic benefits will be realized in cases filed against the Group in order to fulfill its obligation.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

15.2 Contingent Liabilities of the Group (Continued)

- 15.2.1** The LSRSA project agreement regarding İzmir Mavisehir Upper North Area 3. Phase was signed on 19 December 2005 and following almost all the contractual obligations have been performed by the parties, the Contractor filed a lawsuit against the Group claiming that the agreement conditions should be revised considering the changing conditions. The contractor firm filed the case for the stay of definition of the provision concerning the income rate of Company share amounting to “TL 67,515 + VAT” which corresponds to 38.58% of total sales amounting to “TL 175,000 + VAT” and the cancellation of provisions except for “Income Rate of Group Share corresponding to 38.58% of total income” to be paid to the other party, determining the value of the immovable as a result of the appraisal assessment of all immovable properties including the land share as of the lawsuit date, distribution of 38.58% and 61.42% of the determined value to the Group and the contractor, respectively. Although the relationship between the parties was described as “ordinary partnership” in the expert report, the Group objected to the report by suggesting the existence of opposite views in the doctrine and presenting the source. In the expert report, the idea of presence of the mortgage crisis requires adaptation to changing conditions was graded.
- 15.2.2** Concerning the İzmir Mavisehir Upper North Area 2. Phase LSRSA project, a lawsuit was filed based on the assignments given by the contractor in favor of the complainant. The case is proceeding. According to the opinion of the Group lawyer, no liability is expected to born as a result of the related lawsuit.
- 15.2.3** İstanbul Ümraniye 1.Phase is the action of debt filed by the contractor with the claim that TL 34,134 remaining from the transfer of the receivable amounting to TL 46,000 which derived or will be derived before the contractor of LSRA to the bank, has not been paid unfairly to him by the bank. At the same time, the complainant requested to put as much mortgage as the amount of the lawsuit on a part of the immovable within the scope of the project in order to guarantee the receivable subject to the case. The case is proceeding. According to the opinion of the Group lawyer, no liability is expected to born as a result of the related lawsuit.

15.3 Contingent Assets of Emlak Konut GYO

- 15.3.1** As of 31 December 2019 and 31 December 2018 breakdown of nominal commercial receivables from residential and commercial unit sales by maturities and based on the residential and commercial units that are under construction or completed but not yet delivered within the scope of the sales promise contract that is not yet included in the balance sheet as it does not meet the TFRS 15 criteria, expected collection times of nominal installments that are not due or collected by maturities are as follows:

31 December 2019	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	927,520	868,216	1,795,736
2 year	527,251	530,401	1,057,652
3 year	467,415	332,068	799,483
4 year	395,261	231,264	626,525
5 year and above	2,111,414	569,847	2,681,261
	4,428,861	2,531,796	6,960,657

31 December 2018	Trade Receivables	Off-balance sheet deferred revenue	Total
1 year	676,048	1,078,613	1,754,661
2 year	397,839	913,186	1,311,025
3 year	354,604	494,918	849,522
4 year	318,761	381,373	700,134
5 year and above	1,107,296	1,576,903	2,684,199
	2,854,548	4,444,993	7,299,541

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 16 – EMPLOYEE BENEFITS

	31 December 2019	31 December 2018
Short-term provisions		
Unused vacation provision	11,148	6,125
	11,148	6,125

Long-term provisions

Provision for employment termination benefit	13,846	8,685
	13,846	8,685

TAS 19 foresees that actuarial valuation method should be in use in order to estimate the certain liabilities for defined benefit obligations of the Group. Accordingly, in the calculation of these liabilities, the following actuarial assumptions are used:

	31 December 2019	31 December 2018
Discount Rate (%)	3.90	4.23
Turnover rate to estimate probability of retirement (%)	2.47	0.65

The principal assumption is that the determined value for every working year increases proportional to inflation. Using this assumption, the existing discount ratio shows the real ratio, unaffected by inflation.

If the discount rate would have been 1% lower, provision for employee termination benefits would increase by TL 1,004.

If the anticipated turnover rate would have been 1% higher while all other variables were held constant, provision for employee termination benefits would increase by TL 207389

Movement of the provision for employment termination benefits in the current years is as follows:

	2019	2018
Balance at 1 January	8,685	6,162
Service cost	4,708	1,486
Obligations acquired through business combination	-	1,008
Interest cost	528	877
Payment within the period	(75)	(848)
Closing balance at 31 December	13,846	8,685

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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NOTE 17 – OTHER ASSETS AND LIABILITIES

	31 December 2019	31 December 2018
Other current assets		
Progress payments to contractors	115,896	160,128
Income accruals	68,349	114,049
Receivables from tax office	42,526	17,703
Deferred VAT	568	9,219
Deposits and guarantees	-	130
Other	3,595	490
	230,934	301,719
Other non-current assets		
Deferred VAT	75,958	231,222
Deposits and guarantees	-	215
	75,958	231,437

NOTE 18 – DEFERRED INCOME AND PREPAID EXPENSES

	31 December 2019	31 December 2018
Short-term deferred income		
Deferred income from LSRSA projects (*)	1,698,186	2,142,368
Advances taken from LSRSA contractors (**)	570,237	688,925
Advances taken from turnkey project sales	1,379,687	1,074,907
Transferred deferred incomes (***)	239,333	336,000
Deferred income related to sales of completed units	392,391	597,365
Advances received from related parties (Note 28)	64,732	64,732
	4,344,566	4,904,297

(*) The balance is comprised of deferred income of future land sales regarding the related residential unit’s sales under LSRSA projects.

(**) Before the contract is signed with the contractor companies in the ASKGP projects, the company collects the first payment of the total income corresponding to the share of the company from the total sales income in advance at the determined rates.

(***)The balance is comprised of cash collected by the Group as “irrevocable” by transferring a portion of off-balance sheet receivables arising from forward sales.

	31 December 2019	31 December 2018
Prepaid expenses		
Advances given for inventory (*)	1,747,573	1,466,470
Prepaid expenses	2,655	1,019
	1,750,228	1,467,489

(*) A protocol has been signed between the Group and the Tariş Cooperatives Union to develop revenue sharing project on a land, which belongs to the Tariş Cooperatives Union, located within the borders of Kuruçay/Umurbey, Konak district of İzmir and an inventory advance amounting to TL 498,580 has been made. The Group has also provided an inventory advance amounting to TL 1,106,238 to the contractors for the residential and commercial units which it will acquire based on preliminary sales contract from ongoing Ankara Yenimahalle Station, Nidapark Küçükalyalı and Büyükalyalı projects.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 19 - SHAREHOLDERS' EQUITY

The Group's authorized capital amount is TL 3,800,000 (31 December 2018: TL 3,800,000) and consists of 380,000,000,000 (31 December 2018: 380,000,000,000) authorized number of shares with a nominal value of TL 0,01 each.

The Group's shareholders and their shareholding percentages as of 31 December 2019 and 31 December 2018 is as follows:

Shareholders	31 December 2019		31 December 2018	
	Share (%)	TL	Share (%)	TL
Public offering portion	50.66	1,925,111	50.66	1,925,111
T.C. Toplu Konut İdaresi Başkanlığı "TOKİ"	49.34	1,874,831	49.34	1,874,831
HAS beneficiaries	0.00	56	0.00	56
Other	0.00	2	0.00	2
Total paid-in capital	100	3,800,000	100	3,800,000

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve balance reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with the Communiqué Serial: II, No: 14,1 which became effective as of 13 June 2013 and according to the CMB's announcements clarifying the said Communiqué, "Share Capital", "Restricted Reserves Appropriated from Profit" and "Share Premiums" need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";
- If the difference is arising from valuation of "Restricted Reserves Appropriated from Profit" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained Earnings". Other equity items should be revaluated in accordance with the CMB standards.

There is no any use of the adjustment to share capital except adding it to the share capital.

On 30 April 2019, the General Assembly decided to distribute dividends amounting to TL 122,980. This dividend amounting to TL 4,154 is related to repurchased shares and offsetted under equity.

Between 1 November 2017 and 17 November 2017, The Group has repurchased 8,309,000 numbers of shares with nominal value between full TL 2.55 and full TL 2.70 (full TL) and with the transaction cost amounting to thousand TL 21,623. The average purchase price of the repurchased shares is TL 2.60 and the ratio of total shares acquired as a result of the purchase transactions between 23 December 2013 and 17 November 2017 to total number was 3.38%.

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NOTE 20 - REVENUE AND COST OF SALES

	1 January- 31 December 2019	1 January- 31 December 2018
Sales income		
Land sales	3,653,421	2,298,169
<i>Sales of planned lands by way of LSRSA</i>	2,132,477	1,831,981
<i>Land sales income</i>	1,520,944	466,188
Residential and commercial units sales	1,982,654	1,613,690
Other income	38,265	16,656
	5,674,340	3,928,515
Sales returns	(6,457)	(516)
Sales discounts	(285)	(356)
Net sales income	5,667,598	3,927,643
Cost of sales		
Cost of lands	(2,178,417)	(928,653)
<i>Cost of lands planned by way of LSRSA</i>	(919,900)	(733,168)
<i>Cost of lands sold</i>	(1,258,517)	(195,485)
Cost of residential and commercial units sold	(1,943,964)	(1,330,752)
	(4,122,381)	(2,259,405)
Gross Profit	1,545,217	1,668,238

NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 31 December 2019	1 January- 31 December 2018
General administrative expenses		
Personnel expenses	(106,374)	(79,134)
Consultancy expenses	(45,849)	(30,626)
Taxes, duties and fees	(63,569)	(38,667)
Donations	(19,997)	(20,000)
Due and contribution expenses	(11,756)	(4,138)
Depreciation and amortisation	(11,246)	(7,405)
Information technologies expenses	(7,265)	(8,583)
Travel expenses	(8,125)	(6,415)
Lawsuit and notary expenses	(4,403)	(3,588)
Maintenance and repair expenses	(1,221)	(4,337)
Insurance expenses	(2,000)	(895)
Communication expenses	(972)	(622)
Other	(25,585)	(22,750)
	(308,362)	(227,160)

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES (Continued)

	1 January- 31 December 2019	1 January- 31 December 2018
Marketing and sales expenses		
Advertising expenses	(55,862)	(57,728)
Personnel expenses	(25,150)	(8,448)
Office expenses	(11)	(284)
Lawsuit and notary expenses	(41)	(203)
Other	(2,124)	(4,874)
	(83,188)	(71,537)

NOTE 22- EXPENSES BY NATURE

	1 January - 31 December 2019	1 January- 31 December 2018
Expenses from residential and commercial units sales	1,943,964	1,330,752
Land costs	2,178,417	928,653
Personnel expenses	131,524	87,582
Advertising expenses	55,862	57,728
Taxes,duties and fees	63,569	38,667
Consultancy expenses	45,849	30,626
Donations	19,997	20,000
Information technologies expenses	7,265	8,583
Depreciation and amortisation (Note: 12,13,14)	11,246	7,405
Due and contribution expenses	11,756	4,138
Lawsuit and notary expenses	4,444	3,771
Insurance expenses	2,000	895
Communication expenses	972	622
Other	37,066	38,680
	4,513,931	2,558,102

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NOTE 23 – OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 December 2019	1 January- 31 December 2018
Other income from operating activities		
Financial income from forward sales	180,943	330,357
Default interest income from projects	143,735	102,719
Impairment provisions released (Note 9)	75,551	11,081
Income from transfer commissions	25,038	27,107
Lawsuit provisions released (Note 15)	23,329	-
Income from natural gas and contribution expenses	13,322	5,589
Income from tender contract sales	1,026	151
Provisions released for possible risks	-	2,336
Other	43,117	33,189
	506,061	512,529

	1 January- 31 December 2019	1 January- 31 December 2018
Other expenses from operating activities		
Provision for impairment of land and residential inventories (Note 9)	(185,084)	(171,606)
Investment properties impairment provision expenses (Note 11)	(28,173)	-
Investment properties amortisation expenses	(19,606)	-
Provisions released reversed for possible risks	(2,440)	-
Provision for lawsuits (Note 15)	-	(84,587)
Other	(61,843)	(12,009)
	(299,182)	(268,202)

NOTE 24 – INCOME FROM INVESTING ACTIVITIES

	1 January- 31 December 2019	1 January- 31 December 2018
Interest income from bonds	174	208
	174	208

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NOTE 25 – FINANCIAL INCOME / EXPENSES

	1 January- 31 December 2019	1 January- 31 December 2018
Financial expenses		
Borrowings and sukuk interest expense	(586,264)	(361,144)
Interest discount on pay off debt	(142,480)	(65,138)
Assigned receivables and commission expense	(9,796)	(56,419)
Interest expenses on payables to TOKI	-	(67,514)
Foreign exchange losses	(446)	(261)
Interest expense on lease liabilities	(950)	-
	(739,936)	(550,476)
	1 January- 31 December 2019	1 January- 31 December 2018
Financial income		
Interest income from time deposits	108,687	112,945
Interest income from TOKI	45,646	91,492
Foreign exchange gains	1,920	12
Interest income related to leases	1,016	-
	157,269	204,449

NOTE 26 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2019	31 December 2018
Current tax assets		
Prepaid taxes and funds	2,993	3,052
	2,993	3,052

Corporate Tax

The Group is exempt from Corporate Tax in accordance with the paragraph 4-d of Article 8 of the Corporate Tax Law. According to the paragraph 6-a of Article 94 of the Income Tax Law the earnings of real estate investment companies are subject to withholding and withholding tax rate is determined as "0" according to the Council of Ministers Decision, No: 93/5148. The Group's subsidiaries, associates and joint operations are is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

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NOTE 26 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporate Tax (Continued)

The effective tax rate in 2019 is 22% (2018: 22%).

The Law numbered 7061 on “Amendment of Certain Taxes and Laws and Other Acts” was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from the differences between its consolidated financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

Tax rate used in the calculation of deferred tax assets and liabilities was 22% over temporary timing differences expected to be reversed in 2019 and 2020, and 20% over temporary timing differences expected to be reversed in 2021 and the following years.

In Turkey, the companies cannot declare a tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	31 December 2019	31 December 2018
<u>Deferred tax (assets)/liabilities:</u>		
Fair value adjustment to inventories due to purchase accounting	62,157	62,157
Carry forward tax loss effect	(6,604)	-
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	(361)	(160)
Provision for employment termination benefits	(489)	(222)
Provision for lawsuits	-	(6)
	<u>54,703</u>	<u>61,769</u>

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NOTE 26 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The movements of deferred tax (assets)/ liabilities for the periods ended 31 December 2019 and 2018 are as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
<u>Movement of deferred tax (assets)/liabilities:</u>		
Opening balance as of 1 January	(61,769)	-
Charged to income	7,066	-
Liabilities acquired through a business combination	-	(61,769)
Closing balance at 31 December	<u>(54,703)</u>	<u>(61,769)</u>

Total charge for the year can be reconciled to the accounting profit as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
<u>Reconciliation of tax provision</u>		
Profit from continuing operations	771,284	1,268,049
Profit from operations before tax	<u>771,284</u>	<u>1,268,049</u>
Tax at the domestic income tax rate 2019: 22% (2018: 22%)	169,682	278,971
Tax effects of:		
- revenue that is exempt from taxation	(171,711)	(278,971)
- previously unrecognised and unused tax losses and tax offsets now recognised deferred tax assets	6,604	-
- other	2,491	-
Income tax expense recognised in profit or loss	<u>7,066</u>	<u>-</u>

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NOTE 27 – EARNINGS PER SHARE

In Turkey, companies can increase their share capital by making a pro rata distribution of shares “bonus shares” to existing shareholders from retained earnings. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. Accordingly, the weighted average number of shares used in these calculations is determined by taking into consideration the retroactive effects of these share distributions. Earnings per share is calculated by considering the total number of new shares when there is an increase in issued shares because of distribution of bonus shares after the balance sheet date but before the preparation of financial statements.

The earnings per share stated in income statement are calculated by dividing net income for the period by the weighted average number of the Group’s shares for the period.

The Group can withdraw the issued shares. The weighted average number of shares taken back changes the calculation of earnings per share in line with the number of shares.

	<u>1 January- 31 December 2019</u>	<u>1 January- 31 December 2018</u>
Net income attributable to equity holders of the parent in full TL	778,369	1,268,049
Weighted average number of ordinary shares	3,663,584,506	3,663,584,506
Earnings per share in full TL	0.0021	0.0035

NOTE 28 - RELATED PARTY DISCLOSURES

The main shareholder of the Group is T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”). TOKİ is a state institution under the control of T.C. Ministry of Environment and Urbanisation. Related parties of the Group are as listed below:

1. T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)
2. Emlak Planlama, İnşaat, Proje Yönetimi ve Ticaret A.Ş. (“EPP”)
3. GEDAŞ (Gayrimenkul Değerleme A.Ş.) (an affiliate of TOKİ)
4. TOBAŞ (Toplu Konut - Büyükşehir Bel. İnş. Emlak ve Proje A.Ş.) (an affiliate of TOKİ)
5. Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (an affiliate of TOKİ)
6. Vakıf İnşaat Restorasyon ve Ticaret A.Ş. (an affiliate of TOKİ)
7. Emlak-Toplu Konut İdaresi Spor Kulübü
8. Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. Ortak Girişimi
9. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay Ortak Girişimi
10. Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Fideltus İnş-Öztaş Ortak Girişimi
11. Emlak Planlama İnşaat Proje Yönetimi ve Tic. A.Ş. - Emlak Basın Yayın A.Ş. Ortak Girişimi
12. Emlak Konut Spor Kulübü Derneği
13. Dap Yapı İnşaat Sanayi ve Ticaret A.Ş. ve Eltes İnşaat Tesisat Sanayi ve Ticaret A.Ş. Ortak Girişimi – Emlak Konut GYO A.Ş. (“İstmarina AVM Adi Ortaklığı”)
14. Türkiye Emlak Katılım Bankası A.Ş.
15. T.C. Çevre ve Şehircilik Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü
16. İller Bankası A.Ş.

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

According to the revised TAS 24 – “Related Parties Transactions Standard”, exemptions have been made to the related party disclosures of state institutions and organizations. The Group has transactions with state banks (T.C.Ziraat Bankası A.Ş., Türkiye Vakıflar Bankası T.A.O., Türkiye Halk Bankası A.Ş.) and Republic of Turkey Undersecretariat of Treasury.

- Balances and transactions with respect to Treasury are detailed in Note 5, 6 and 9.
- The company keeps its deposits predominantly in state banks in accordance with the relevant provisions. As of 31 December 2019, the Group has deposits amounting to TL 484,216 in state banks (31 December 2018: TL 219,689). Average effective interest rates of time deposits of the Group as of 31 December 2019 are explained in Note 5.

The transactions between the Group and TOKİ associates are as follows:

	31 December 2019	31 December 2018
Trade receivables from related parties		
T.C. Çevre ve Şehircilik Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü (*)	469,097	-
Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. O.G.	2,160	3,797
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Fideltus İnş-Öztaş O.G.	5,577	5,577
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay O.G.	1,338	1,337
Bio İstanbul Prj. Geliştirme ve Yatırım A.Ş.	1,769	1,002
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	-	805
Gedaş Gayrimenkul Değerleme A.Ş.	-	103
	479,941	12,621

(*) Represents the amount of receivables arising from the transfer of 3 lands according to the protocol signed with T.C. Çevre ve Şehircilik Bakanlığı Kenstsel Dönüşüm Hizmetleri Genel Müdürlüğü on 28 June 2019.

	31 December 2019	31 December 2018
Borrowings to related parties		
T.C. Toplu Konut İdaresi Başkanlığı (“TOKİ”)	5,991	-
	5,991	-

	31 December 2019	31 December 2018
Short-term other receivables from related parties		
Emlak Pazarlama Fideltus Öztaş Adi Ortaklığı	169	5,161
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Cathay O.G.	145	145
Gedaş Gayrimenkul Değerleme A.Ş.	448	448
	762	5,754

	31 December 2019	31 December 2018
Long-term other receivables from related parties		
Bio İstanbul Prj. Geliştirme ve Yatırım A.Ş.	24,616	19,802
	24,616	19,802

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2019	31 December 2018
Trade payables to related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	24,504	68,661
Ege Yapı – Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. O.G.	1,299	1,324
	25,803	69,985

	31 December 2019	31 December 2018
Advances received from related parties		
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş. – Fideltus İnş-Öztaş O.G. (*)	64,732	64,732
	64,732	64,732

(*) Represents the initial collections made from LSRSA projects, where the Group collects a predetermined portion of the total sales amount in line with the agreements.

	1 January- 31 December 2019	1 January- 31 December 2018
Purchases from related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	575,207	408,031
Emlak Planlama İnş. Prj. Yön. A.Ş. - Emlak Basın Yayın A.Ş.	-	887
Gedaş Gayrimenkul Değerleme A.Ş.	-	4
	575,207	408,918

	1 January - 31 December 2019	1 January - 31 December 2018
Finance expense from related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	949	67,514
Türkiye Emlak Katılım Bankası A.Ş.	8,905	-
	9,854	67,514

According to the protocols signed with TOKİ regarding to land purchases, the cost of lands purchased from TOKİ is kept in time deposit accounts of Emlak Konut in the name of TOKİ, until the payment date determined by TOKİ. Interest amounts on time deposits of TOKİ arising from these transactions are netted off from time deposit interest income in the financial statements. All of this accumulated interest income on time deposits will be paid to TOKİ.

	1 January- 31 December 2019	1 January- 31 December 2018
Sales to related parties		
T.C. Toplu Konut İdaresi Başkanlığı ("TOKİ")	315,693	11,621
İller Bankası A.Ş.	115,640	-
T.C. Çevre ve Şehircilik Bakanlığı Kentsel Dönüşüm Hizmetleri Genel Müdürlüğü	470,867	-
Emlak Planlama, İnşaat, Proje Yönetimi ve Tic. A.Ş.- Fideltus İnş. - Öztaş İnş. O.G.	3	18
Gedaş Gayrimenkul Değerleme A.Ş.	27	81
Bio İstanbul Prj. Geliştirme ve Yatırım A.Ş.	333	1,138
	902,563	12,858

Key management personnel are those who have the authority and responsibility to plan, manage and control the activities (administrative or other) directly or indirectly of the Group including any manager. Salaries and other short-term benefits provided to the key management personnel, General Manager of the Board of Directors, Assistant General Managers and General Manager Consultant, are as follows:

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

Compensation to key management	1 January- 31 December 2019	1 January- 31 December 2018
Salaries and other short-term benefits	8,244	6,134
	8,244	6,134

NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company’s management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Liquidity risk

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient liquidity.

The Group management monitors the undiscounted estimated cash flows arising from the financial liabilities and trade payables of the Group with special reporting methods and analysis.

The Group meets its liquidity needs arising from HAS payments with the funding guarantee it receives from the Treasury and the special issue Government Debt Securities.

The maturity distribution of financial liabilities of the Group as of 31 December 2019 and 2018 is as follows:

31 December 2019	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities (Non-derivative):					
Financial liabilities	3,178,621	3,409,206	1,531,172	1,878,034	-
Trade payables	505,768	505,768	-	505,768	-
Other payables	571,706	571,706	80,241	491,465	-
	4,256,095	4,486,680	1,611,413	2,875,267	-
Long-term financial liabilities (Non-derivative):					
Financial liabilities	1,590,567	1,796,296	-	-	1,796,296
Trade payables	102	102	-	-	102
Other payables	48,887	48,887	-	-	48,887
	1,639,556	1,845,285	-	-	1,845,285

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

31 December 2018	Carrying value	Contractual cash flows	Up to 3 months	3 months to 1 year	1 year- to 5 years
Short-term financial liabilities (Non-derivative):					
Financial liabilities	1,675,662	2,132,661	1,039,481	1,093,180	-
Trade payables	978,347	978,347	-	978,347	-
Other payables	633,686	633,686	94,647	539,039	-
	3,287,695	3,744,694	1,134,128	2,610,566	-
Long-term financial liabilities (Non-derivative):					
Financial liabilities	1,685,943	1,974,332	-	-	1,974,332
Trade payables	77,349	77,349	-	-	77,349
Other payables	68,792	68,792	-	-	68,792
	1,832,084	2,120,473	-	-	2,120,473

Interest rate risk

The Group is vulnerable to interest rate arising from the change of interest rates due to its interest-earning asset and interest-paid liabilities. This risk is managed through on-balance sheet method by balancing the amount and maturity of interest rate sensitive assets and liabilities. In this context, great importance is attached to the fact that not only the due dates of receivables and payables, but also the periods of interest renewal are similar.

The credit received from Turkish Republic Undersecretariat of Treasury which the Company has classified as financial liabilities in its financial statements is exposed to interest risk due to interest rate changes.

The variable interest rate, which is classified as financial debts in the Group balance sheet, is exposed to interest risk due to the interest rate changes used by the Treasury Undersecretariat.

Average effective annual interest rates of balance sheet items as of 31 December 2019 and 2018 are as follows:

	31 December 2018 (%)	31 December 2017 (%)
Current assets		
Cash and cash equivalents	9.16%	18.47%
Trade receivables	11.92%	19.50%
Current liabilities		
Financial liabilities	14.50%	26.00%
Non-current liabilities		
Financial liabilities	17.71%	17.62%

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Interest rate risk (Continued)

The Group’s financial instruments that are sensitive to interest rates are as follows:

	31 December 2018	31 December 2017
Financial instruments with fixed interest rate		
Time deposits	371,985	542,107
Financial liabilities	4,769,188	3,361,605
Financial instruments with floating interest rate		
Financial liabilities	-	-

If the interest denominated in TL had been 100 base point lower/higher while all other variables were held constant, the profit before tax would increase/decrease by TL 0 as of 31 December 2019 (31 December 2018: TL 0).

Credit risk disclosures

The Group is subject to credit risk arising from trade receivables related to forward sales, other receivables and deposits at banks.

The Group manages credit risk of bank deposits by working mainly with state banks established in Turkey and having long standing relations with the Group. Majority of bank deposits in this regard are with the state owned retail banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion. Methods used are as follows:

- Bank guarantees (letter of guarantee, etc.),
- Mortgage on real estate
- Retain the legal title to the goods solely to protect the collectability of the amount due.

In credit risk control, the credit quality of each customer is assessed; taking into account its financial position, past experience and other factors, individual risk limits are set in accordance and the utilisation of credit limits is regularly monitored.

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk disclosures (Continued)

Credit and receivable risks of as of 31 December 2019 are as follows:

31 December 2019	Trade Receivables		Other Receivables		Deposits at Banks	Blocked deposits with maturities more than 3 months
	Related Party	Other	Related Party	Other		
Maximum credit risks exposed as of reporting date	479,941	5,504,617	25,378	1,156,466	514,671	12,316
Secured portion of the maximum credit risk by guarantees, etc,	479,941	5,304,480	762	1,156,466	514,671	12,316
A. Net carrying value of financial assets that are neither past due nor impaired	479,941	5,304,480	762	1,156,466	514,671	12,316
Secured portion by guarantees etc.	479,941	5,304,480	762	1,156,466	-	-
B. Net carrying value of assets with negotiated terms						
Secured portion by guarantees etc.	-	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	200,137	24,616	-	-	-
Secured portion by guarantees etc.	-	200,137	24,616	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-
Past due (Gross carrying value)	-	1,837	-	-	-	-
Impairment (-)	-	(1,837)	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 28 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk disclosures (Continued)

Credit and receivable risks of as of 31 December 2018 are as follows:

31 December 2018	Trade Receivables		Other Receivables		Deposits at Banks	Blocked deposits with maturities more than 3 months
	Related Party	Other	Related Party	Other		
Maximum credit risks exposed as of reporting date	12,621	3,506,203	25,556	1,166,640	674,845	42,375
Secured portion of the maximum credit risk by guarantees, etc,	12,621	2,775,237	5,754	1,166,640	674,845	42,375
A. Net carrying value of financial assets that are neither past due nor impaired	12,621	2,775,237	5,754	1,166,640	674,845	42,375
Secured portion by guarantees etc.	12,621	2,775,237	5,754	1,166,640	-	-
B. Net carrying value of assets with negotiated terms						
Secured portion by guarantees etc.	-	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired		48,600	19,802	-	-	-
Secured portion by guarantees etc.	-	48,600	19,802	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-
Past due (Gross carrying value)		1,837				
Impairment (-)	-	(1,837)	-	-	-	-
Secured portion by guarantees etc.	-	-	-	-	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk disclosures (Continued)

Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality. There is no any impairment on the Group’s asset that subject to credit risk of financial activities. In addition, the Group does not have any items that include off-balance credit risk and assets that are overdue but not impaired.

Foreign exchange risk

The Group is subject to the foreign currency risk due to the foreign currency deposits in the bank deposit account. Since the Group does not use foreign currency in its main operations, the foreign currency risk is only originated from deposits of the Group.

Foreign currency position

Foreign currency denominated assets, liabilities and effects arising from foreign exchanges arising from having off-balance sheet items constitute exchange rate risk.

As of 31 December 2018, the Group’s foreign currency assets and liabilities did not need to be balanced with any off-balance sheet items.

The table below summarizes the Group’s foreign currency position of the Group as of 31 December 2019 and 2018. TL equivalents of carrying values of assets and liabilities denominated in foreign currencies are as follows:

	31 December 2019	
	TL Equivalent (Functional currency)	US Dollar
1a. Monetary Financial Assets	17,963	3,024
2.CURRENT ASSETS	17,963	3,024
3. TOTAL ASSETS	107	18
4a. Monetary Other Liabilities	5,090	857
5. CURRENT LIABILITIES	5,090	857
6.TOTAL LIABILITIES	5,090	857
7.Net foreign currency asset / liability position	(4,948)	(833)
8. Monetary items net foreign currency asset / liability position (1a-4a)	(4,948)	(833)

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 28 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency position (Continued)

	31 December 2018	
	TL Equivalent (Functional currency)	US Dollar
1a. Monetary Financial Assets	607	115
2.CURRENT ASSETS	-	-
3. TOTAL ASSETS	607	115
4a. Monetary Other Liabilities	4,525	856
5. CURRENT LIABILITIES	4,525	856
6.TOTAL LIABILITIES	4,525	856
7.Net foreign currency asset / liability position	(3,918)	(741)
8. Monetary items net foreign currency asset / liability position (1a-4a)	(3,918)	(741)

Capital risk management

The Group attempts to manage its capital by minimizing the investment risk with portfolio diversification. The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

While managing the capital, the Group’s objectives are to maintain the Group’s operability in order to maintain the most appropriate capital structure in order to provide benefits to its shareholders, benefit from other stakeholders and reduce the cost of capital.

Gearing ratio as of 31 December 2019 and 2018 is as follows:

	31 December 2019	31 December 2018
Financial Liabilities	4,769,188	3,361,605
Less: Cash and cash equivalents	(546,968)	(674,871)
Net Liability/(Asset)	4,222,220	2,686,734
Total Shareholder's Equity	13,743,042	13,083,518
Total Capital	17,965,262	15,770,252
Net liability (asset)/Total Capital Ratio	24%	17%

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 30 – FINANCIAL INSTRUMENTS

	Financial assets at amortized cost	Fair value through other comprehensive profit or loss	Financial liabilities at amortized cost	Carrying value	Note
31 December 2019					
<u>Financial assets</u>					
Cash and cash equivalents	546,968	-	-	546,968	5
Blocked deposits more than 3 months maturity	12,316	-	-	12,316	6
Short-term financial investments	-	10,054	-	10,054	6
Long-term financial investments	-	836	-	836	6
Trade receivables	5,504,617	-	-	5,504,617	8
Trade receivables due from related parties	479,941	-	-	479,941	28
Other financial assets	1,156,466	-	-	1,156,466	9
Other receivables due from related parties	25,378	-	-	25,378	28
<u>Financial liabilities</u>					
Borrowings	-	-	4,769,188	4,769,188	7
Trade payables	-	-	959,930	959,930	8
Due to related parties	-	-	25,803	25,803	28
Other financial liabilities	-	-	620,196	620,196	9
31 December 2018					
<u>Financial assets</u>					
Cash and cash equivalents	674,871	-	-	674,871	5
Blocked deposits more than 3 months maturity	42,375	-	-	42,375	6
Short-term financial investments	-	12,067	-	12,067	6
Long-term financial investments	-	836	-	836	6
Trade receivables	3,506,203	-	-	3,506,203	8
Trade receivables due from related parties	12,621	-	-	12,621	28
Other financial assets	1,166,640	-	-	1,166,640	9
Other receivables due from related parties	25,556	-	-	25,556	28
<u>Financial liabilities</u>					
Borrowings	-	-	3,361,605	3,361,605	7
Trade payables	-	-	1,816,724	1,816,724	8
Due to related parties	-	-	69,985	69,985	28
Other financial liabilities	-	-	702,080	702,080	9

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 30 – FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The Group has determined the estimated fair values of financial instruments using current market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgment. As a result, the estimations presented here cannot be an indication of the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments that are practically possible to estimate fair values:

Financial assets:

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade and other receivables are expected to reflect the fair value along with the relevant impairment provisions.

It is estimated that the fair values of the foreign currency balances converted with the exchange rates at the end of the period are close to their carrying values.

Special issue Government Debt Securities issued by the Treasury and given to the Group for the payments to be made to the HAS beneficiaries are not subject to trading in the secondary market and do not contain interest. They are recognized with their carrying value which is their fair value by the Group and they can be amortised at carrying value by the Group against the Treasury.

Bonds are kept at their fair values in the financial statements of the Company. Fair values of the bonds are calculated quarterly using effective interest rates.

Financial liabilities:

The Group’s borrowing from the Treasury in order to finance HAS payments are calculated at each interest payment period based on the weighted average compound interest rate of the Government Debt Securities. Therefore, the carrying value of this financial borrowing of the Group approximate their fair value.

Short-term trade payables and other liabilities with no stated interest rate are measured at original invoice amount. Since, these trade payables and other liabilities will be paid when requested they are considered as short-term.

It is anticipated that there is no significant difference between the cost values and fair values of the borrowings with floating interest rates including its accruals for the regarding period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 30 – FINANCIAL INSTRUMENTS (Continued)

Fair Values of Financial Instruments

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

- Level 1: Financial assets and financial liabilities with standard terms and conditions are valued with quoted market prices which are determined on active liquid markets.
- Level 2: Financial assets and financial liabilities are valued by directly or indirectly observable market prices rather than the quoted market prices mentioned in first level of the regarding assets or liabilities.
- Level 3: Financial assets and financial liabilities are valued by the inputs where there is no observable market data of the fair value of the regarding assets and liabilities.

The fair value classification of financial assets and liabilities measured at fair value is as follows:

Financial assets	Fair value levels as of 31 December 2019		
	Level 1 TL	Level 2 TL	Level 3 TL
Special issue government bonds	10,054	-	-
Long term financial investments	-	-	836

Financial assets	Fair value levels as of 31 December 2018		
	Level 1 TL	Level 2 TL	Level 3 TL
Bond	12,067	-	-
Special issue government bonds	-	-	836

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

NOTE 31 – COMMITMENTS

Group’s mortgage and guarantees received as of 31 December 2019 and 31 December 2018 are as follows:

	31 December 2019	31 December 2018
Guarantees received (*)	3,375,478	3,086,456
Mortgages received (**)	58,564	78,342
	3,434,042	3,164,798

(*) Guarantees received consist of letters of guarantee given by contractors for construction projects and temporary guarantee letters received during the tender process.

(**) Mortgages received consist of mortgaged independent sections and lands sold but not yet collected.

The collaterals, pledges and mortgages (“CPM”) of the Group as of 31 December 2019 and 2018 are as follows:

	31 December 2019	31 December 2018
A. CPM given on behalf of the Company's legal personality	93,065	61,802
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of majority shareholder	-	-
ii) Total amount of CPM given on behalf of other companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
	93,065	61,802

NOTE 32 – EVENTS AFTER THE REPORTING PERIOD

- 1- The Group used a total of TL 550,000 credit, with a 5-year term of TL 250,000 and a 2-year term of TL 300,000 for refinancing purposes after the reporting period. Additionally, the Group paid off the 5 credits with the 6 new credits it obtained amounting TL 1,321,592 for refinancing purposes after the reporting periods. According to the refinancing credit conditions used, the interest payment will be made every 6 months and the principal payments will start at the end of the second year and the average interest rate of the credits is 10.5%.
- 2- The Group has decided to develop the Village project which previously developed within the lands planned under LSRSA projects before 31 December 2019, within the lands planned under the turnkey projects after the reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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

ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS

	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Main Account Items	Related Regulation	31 December 2019	31 December 2018
			(TL)	(TL)
A	Money and Capital Market Instruments	Series:III-No:48, Art,24/(b)	415,030	437,372
B	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art,24/(a)	13,437,248	15,166,621
C	Affiliates	Series:III-No:48, Art,24/(b)	373,037	-
	Due from related parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
	Other Assets		9,186,182	6,767,401
D	Total Assets	Series:III-No:48, Art,3/(k)	23,411,497	22,659,394
E	Financial Liabilities	Series:III-No:48, Art,31	4,763,197	3,463,446
F	Other Financial Liabilities	Series:III-No:48, Art,31	-	-
G	Due from Financial Leases	Series:III-No:48, Art,31	-	-
H	Due to Related Parties (Non Commercial)	Series:III-No:48, Art,23/(f)	-	-
I	Shareholders' equity	Series:III-No:48, Art,31	13,748,422	13,086,742
	Other Resources		4,899,878	6,109,206
D	Total Resources	Series:III-No:48, Art,3/(k)	23,411,497	22,659,394
	Non-Consolidated (Individual) Financial Statements		Current Period	Prior Period
	Other Account Items	Related Regulation	31 December 2019	31 December 2018
			(TL)	(TL)
A1	The portion of Money and Capital Market Instruments held for Payables of Properties for the following 3 Years	Series:III-No:48, Art,24/(b)	415,030	437,372
A2	Term/ Demand/ Currency	Series:III-No:48, Art,24/(b)	475,042	371,894
A3	Foreign Capital Market Instruments	Series:III-No:48, Art,24/(d)	-	-
B1	Foreign Properties, Projects based on properties and Rights based on Properties	Series:III-No:48, Art,24/(d)	-	-
B2	Idle Lands	Series:III-No:48, Art,24/(c)	929,935	650,651
C1	Foreign Affiliates	Series:III-No:48, Art,24/(d)	-	-
C2	Affiliates for Operating Company	Series:III-No:48, Art,28	373,000	-
J	Non-cash Loans	Series:III-No:48, Art,31	53,011	56,397
K	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art,22/(e)	-	-

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

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ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH THE PORTFOLIO LIMITATIONS (Continued)

	Portfolio restrictions	Related regulation	31 December 2019 (%)	31 December 2018 (%)	Minimum/ Maximum Rate
1	Mortgage amount of Servient Lands Which Will Be Developed And Not Owned	Series:III-No:48, Art.22/(e)	-	-	<10%
2	Properties, Projects based on Properties and Rights based on Properties	Series:III-No:48, Art.24/(a)(b)	59	69	>50%
3	Money and Capital Market Instruments and Affiliates	Series:III-No:48, Art.24/(b)	1.59	1.27	<50%
4	Foreign Properties, Projects based on Properties, Rights based on Properties, Affiliates, Capital Market Instruments	Series:III-No:48, Art.24/(d)	-	-	<49%
5	Idle Lands	Series:III-No:48, Art.24/(c)	4	3	<20%
6	Affiliates to the Operating Company	Series:III-No:48, Art.28	0.02	0.01	<10%
7	Borrowing Limit	Series:III-No:48, Art.31	35	27	<500%
8	TL and Foreign Currency Time and Demand Deposits	Series:III-No:48, Art.22/(e)	-	-	<10%

The information in the table of Control of Compliance with the Portfolio Limitations is condensed information derived from financial statements as per Article 16 of Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” and is prepared within the frame of provisions related to compliance to portfolio limitations stated in the Communiqué Serial III No 48.1 “Principles Regarding Real Estate Investment Trusts” published in the Official Gazette No. 28660 on 28 May 2013.

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LAWSUITS INVOLVING OUR COMPANY

MASLAK 1453 PROJECT

1-) İsa Öztürk & Özgür Aydın

In the legal case that was initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 13 under the file no. 2019/435; it is requested for stay of execution and revoke the Istanbul Environmental Plan Change with a scale of 1/100,000, the Master Development Plan with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000 concerning the Illegal Housing Prevention Zone in Ayazağa, Sarıyer, Istanbul as approved by the Ministry of Environment and Urban Planning on 03.12.2018. It was requested for intervention in addition to the defendant on 11.04.2019. On 30.05.2019, the court decided to accept our request for intervention. UCTEA, Chamber of City Planners (Istanbul Branch) submitted a request to intervene together with the plaintiff in the case. On 25.09.2019, the court decided to accept the request for intervention next to the plaintiff of the Chamber of City Planners. The discovery was made on 13.11.2019. The expert report expressed positive results about the Istanbul Environmental Plan Change with a scale of 1/100,000, and it expressed negative results about the Master Development Plan with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000. On 03.01.2020, we submitted our objections to the report. On 14.01.2020, the court decided to reject the request to stop the execution in terms of the Istanbul Environmental Plan Change with a scale of 1/100,000, and to accept the request to stop the execution in terms of the Master Development Plan with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000. On 03.02.2020, we objected to the decision about the stay the execution, the result is being waited.

ZEKERİYAKÖY PROJECT

1-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the

Ministry of Environment and Urban Planning and Housing Development Administration at the Chamber No.6 of the Council of State with the file No. 2012/3789 for the stay of execution and cancellation of the Protective Master Zoning Plan (scale: 1:1,500) and Application Zoning Plan (scale: 1:1,000) for Zekeriyaköy Mass Housing Development Area, prepared for the third-degree natural protected area within Zekeriyaköy Neighborhood, Sarıyer District, Istanbul and

granted approval (dated: 13.03.2012, No. 1769) On 30.06.2016, the court decided to annul the transaction in dispute. An appeal was made against the decision and the parties wait for the result of the appellate review. The plaintiff requested for appeal. We have responded to the appeal on 05.04.2019 and the result is being waited.

2-) UCTEA, Chamber of Forest Engineers, Istanbul Branch

The case was brought against the Housing Development Administration (TOKİ), Ministry of National Defense, Ministry of Finance at the Istanbul Administrative Court No. 3 with the file No. 2014/268 E. for the stay of execution and cancellation of the transaction for the transfer of 34 immovables allocated to the Ministry of

National Defense in Zekeriyaköy Neighborhood, Sarıyer District, Istanbul, to Housing Development Administration (TOKİ) as well as the Ministry of Finance's transaction for the transfer of these immovables to TOKİ. Our company joined the case as an intervenor together with the defendant institutions. The court dismissed the case. The plaintiff appealed against the Administrative Court's judgment with a request for the stay of execution. On 24.02.2016, the Chamber No. 10 of the Council of State decided to suspend the execution. On 24.02.2016, the Chamber No.10 of the Council of State decided to suspend the execution. The objection of the Ministry of Finance to the decision of the YD was rejected without

being examined by the 10th Chamber of the Council of State and the appeal review is ongoing.

KUASAR PROJECT

1-) Serdar Bayraktar et al.,

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2014/260 E. for the stay of execution and cancellation of the Master Zoning Plan amendment (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed. The plaintiffs requested a revision to the decision and the parties wait for the result.

2-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought at the Istanbul Administrative Court No. 5 with the file No. 2014/260 E. for the stay of execution and cancellation of the Master Zoning Plan amendment (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) (both dated: 19.06.2013 and No. 6186) regarding the immovable in Section No. 58, Block No. 1199, and Parcel No. 230, Dikilitaş Neighborhood, Şişli District. Our company joined the case as an intervenor together with the defendant institutions. The court accepted the case and decided to cancel the plan in dispute. The Chamber No 6th of the Council of State decided that the ruling of the first instance court should be dismissed. The plaintiffs requested a revision to the decision and the parties wait for the result. After the reversal of the decision, the Istanbul Administrative Court insisted on its first decision and decided to revoke the said plan under the File No. 2017/2125 and Decision No. 2018/173. It is waited for the result of the procedures for the revision of decision.

LAWSUITS INVOLVING OUR COMPANY

İSTANBUL KAYABAŞI

1-) Serdar Bayraktar & Hakkı Sağlam

The case was brought against the Housing Development Administration at the Istanbul

Administrative Court No. 4 with the file No. 2017/245 E. for the stay of execution and cancellation of the Revision Master Zoning Plan amendment (scale: 1:5,000) and the Revision Application Zoning Plan amendment (scale: 1:1,000) approved on 15.08.2016 for the Kayabaşı Mass Housing Development Area in Başakşehir District, Istanbul. On 10.10.2017, our company submitted a request to intervene together with the defendants. On 20.10.2017, the court decided to reject the request for the stay of execution. Our objections about the expert examination were submitted to the court file. Our request for intervention was accepted by the court on 14.09.2018. The hearing was held on 18.07.2019. On 18.07.2019, the Court decided to cancel the provisions of the plan notes of the Revision Application Development Plan with a scale of 1/1000, the matter in dispute, concerning the B.7.3 Recreation Areas (R1, R2, R3, R4, R5) and, dismiss the legal case concerning the entire Revision Master Development Plan with a scale of 1/5000 and, the other parts of the Revision Application Development Plan with a scale of 1/1000. A re-quest of appeal has been submitted concerning the said decision.

İSTANBUL ZEYTİNBURNU

1-) UCTEA, Chamber of Architects, Istanbul Büyükşehir Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 5 with the file No.3.2014/1641 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:5,000) and Application Zoning Plan amendment (scale: 1:1,000) (dated:19.11.2013 and No.17978) for Block No. 774 and Parcel No. 6 and 31 within Kazlıçeşme Neighborhood, Zeytinburnu District, Istanbul as well

as the Master Zoning Plan (scale: 1:5,000) and the Application Zoning Plan amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning with the office consent (dated: 20.03.2014, No. 4446). Our company joined the case as an intervenor together with the defendant institution. The court decided to annul the disputed process. Our company made a request for appeal. The Chamber No. 4 of the Istanbul Regional Administrative Court decided to deny our appeal request. The decision was appealed against by the both parties, and the parties wait for the result of the appeal. The court decided to accept our request for intervention on 06.02.2019 and, examine the request for stay of execution after the viewing and expert examining have been completed. In addition, it was requested on 28.02.2019 to combine the legal case with the file no. 2018/1924 of the Administrative Court No. 3 and, send the file to the Administrative Court No. 3. On 08.04.2019, a viewing and an expert examining have been completed, and the expert's report expressed negative results. Our objection that's about the expert's report was submitted to the file. 3. It is waited for an Additional Expert's Report. On 25.07.2019, the court decided to obtain an additional report and the additional report expressed negative results. On 25.1.19, we submitted our objections to the additional report. On 18.12.2019, the court decided to reject the request to stop the execution.

2-) İsa Öztürk & Özgür Aydın & TMMMOB Chamber of City Planners (Intervening party in addition to the Plaintiff)

This is a legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 3 under the file no E.95989 on 30.05.2018 with a request of stay of execution and revoke the Master Development Plan with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000 concerning the area

located in Kazlıçeşme, Zeytinburnu, Istanbul, Block No. 774, Parcel No. 69-70-71-72-73-74-75 (Former: Block No. 774, Parcel No. 6 and 61) (New: Block No. 774, Parcel No. 73 and 83). The Court decided to accept our request to participate in the case as an intervenor. 25.05.2018, the court also decided to refuse the request for Stay of Execution. The viewing date is being waited. On 08.04.2019, it was decided by the Court to accept the requests for intervention by the defendant of Özak- Yenigün-Ziylan and the plaintiff of UCTEA Chamber of City Planners. In accordance with the decision dated 12.12.2019 of the Istanbul Regional Administrative Court No. 4 about that they are linked cases, the file was sent to the Istanbul Administrative Court No. 11. The case is proceeding with the file numbered 2019/2282 E. of the Istanbul Administrative Court No. 11.

KARTAL PROJECT

1-) S.S. İstanbul Anadolu Yakası Kumcular Üretim ve Paz. Kooperatifi

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 9 with the file No. 2013/2105 E. for the stay of execution and subsequent cancellation of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (scale: 1:5,000) and application zoning plan (scale: 1:1,000) conducted for the plan notes and immediate environs of Block No. 674 and Parcel No. 1, 4, 5, 6; Block No. 675 and Parcel No. 1, 2, 3; Block No. 676 and Parcel No.108; Block No. 720 and Parcel No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 27.04.2015, the court decided to dismiss the case. The relevant party appealed against the decision. The High Court decided to approve the decision upon appellate review. The plaintiff requested the revision of the decision.

LAWSUITS INVOLVING OUR COMPANY

2-) UCTEA, Chamber of City Planners, Istanbul Branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 1 with the file No. 2013/685 E. for the stay of execution and subsequent cancellation of the approval (dated: 05.11.2012 and No. 16997) of the master zoning plan (scale: 1:5,000) and application zoning plan (scale: 1:1,000) conducted for the plan notes and immediate environs of Block No.674 and Parcel No. 1, 4, 5, 6; Block No. 675 and Parcel No. 1, 2, 3; Block No. 676 and Parcel No.

108; Block No. 720 and Parcel No. 2, 4, 8, 19, 34 within Kartal District. Our company joined the case as an intervenor together with the defendant institution. On 16.04.2015, the court decided to dismiss the case. The plaintiff's request for appellate review was dismissed upon examination and the decision was upheld. The plaintiff requested the revision of the decision.

FINANCE CENTER PROJECT

1-) Uctea, Chamber of City Planners, İstanbul branch

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 7 with the file No. 2013/621 E. for the stay of execution and subsequent cancellation of the Istanbul Financial Center Master Zoning Plan (scale: 1:5,000) and Istanbul Financial Center Application Zoning Plan (scale: 1:1,000) for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The court ordered for re-discovery to overcome the contradictions in the two expert reports in the file, and the report after the viewing was positive. The court decided to reject the case on the grounds that the plan was in conformity with the law. The plaintiff applied to the appeal court against the decision.

2-) UCTEA, Chamber of Architects

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 8 with the file No. 2012/1672 E. for the stay of execution and subsequent cancellation of the Istanbul Financial Center Master Zoning Plan (scale:1:5,000) and Istanbul Financial Center Application Zoning Plan (scale: 1:1,000) for the region known as Istanbul Financial Center within Ümraniye and Ataşehir districts. Our company joined the case as an intervenor together with the defendant institution. The court decided to refer the file ruling that it was related to the file no. 2013/621 E. of the Administrative Court No. 7 and the file docket was closed. The above-cited docket was re-named 2014/1102 at Istanbul Administrative Court No. 7 and the court decided to reject the case on the grounds that the plan was in conformity with the law. The plaintiff applied to the appeal court against the decision.

3-) UCTEA, Chamber of Architects

The case was brought against the Housing Development Administration and Istanbul Metropolitan Municipality Mayorship at the Istanbul Administrative Court No. 1 with the file No. 2013/1927 E. for the cancellation of the "Ataşehir Mass Housing Development Area Revision Master Zoning Plan Amendment" (scale: 1:5,000) prepared by the Housing Development Administration and published on 14.03.2008 after its approval on 15.02.2008 by the Istanbul Metropolitan Municipality Council. The same request was made for the Ataşehir Mass Housing Development Area Revision Application Zoning Plan Amendment (scale: 1:1,000), which was published on 12.03.2008 after its approval on 15.02.2008. Our company joined the case as an intervenor together with the defendants. The court dismissed the case, and the request for appellate review was rejected. In response, the plaintiff made a request of revision of decision.

FATİH YEDİKULE

1-) Hikmet Öz et al.

The plaintiff, Hikmet Öz et al. brought the case against Istanbul Metropolitan Municipality Mayorship, Ministry of Culture and Tourism, and Fatih Municipality Mayorship at the Istanbul Administrative Court No. 2 with the file No. 2013/347 E. for the stay of execution and cancellation of the protective Application Plan and plan provisions (scale: 1:1,000) for Historic Peninsula's Urban History, Urban Archaeological, 1st Degree Archaeological Area (Turkish State Railways, TCDD Workshops and Yedikule Gashouse), accepted with the Fatih Municipality Council's decision (dated: 09.05.2012 and No. 2012/44) and approved by the Istanbul Metropolitan Municipality Mayorship on 04.10.2012. On 10.10.2016, the court ruled that a decision cannot be given with the disputed zoning plan related to Topkapı İETT Terminal area and Sirkeci Train Station area and decided to reject the case with respect to the other aspects of the plan. The plaintiff made a request for appeal. On 15.05.2017, the Chamber No. 4 of the Istanbul Regional Administrative Court made a judgment for the partial acceptance and dismissal of the appeal request. The plaintiff and the defendant authorities appealed against this ruling waiting for the outcome of the appellate review. The Council of State Chamber No. 6 issued a definite decision on 26.12.2018 to reverse the portion of the Municipal Service Areas concerning the marina area, approve the remaining portions thereof and, send the file to the Istanbul Regional Administrative Court No. 4. On 14.06.2019, the Chamber No.4 of the Istanbul Regional Administrative Court decided to reject the request of appeal. 4.A request of appeal has been submitted by the Ministry of Culture and Tourism for the litigation costs.

LAWSUITS INVOLVING OUR COMPANY

MÜHYE LAND

1-) UCTEA, Chamber of Architects, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 15 with the file No. 2017/2692 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:25,000), Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Housing Development Administration with the office consent (dated: 01.06.2017, No. 2017/2532) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. On 08.09.2017, the court considered the Ankara Metropolitan Municipality Mayor and Çankaya Municipality Mayor as adverse parties deciding to review the request for the stay of execution after taking the defendant's first defense and fulfillment of the interim judgment. On 17.11.2017, our company submitted a request to intervene. The court decided to refer the file to the Ankara Administrative Court No. 17 due to the connection. The court decided to refer the file to the Ankara Administrative Court No. 5 due to the connection. The proceedings continue with the court's file No. 2018/1125 E. On 29.05.2018, the court decided to take Ankara Metropolitan Municipality and Çankaya Metropolitan Municipality as adverse party while accepting our request for intervention. On 06.12.2018, the court also decided to reject the request for the stay of execution. In line with the decision of the Regional Administrative Court, the Court decided on 31.01.2019 to serve the expert's report in the file no. 2018/136 E. (2018/0071 KD) to the parties and, on 28.02.2019, to refuse the request of stay of execution. The objection by the plaintiff to the said decision was refused by the Ankara Regional Administrative Court No. 5. The court decided to reject the case on

09.05.2019 and the plaintiff ap-pealed against the adjudication. On 08.07.2019, we have responded to the appeal and the result is being waited.

2-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Housing Development Administration at the Ankara Administrative Court No. 17 with the file No. 2017/2706 E. for the stay of execution and cancellation of the Master Zoning Plans (scale: 1:25,000 and scale: 1:5,000) approved by the Housing Development Administration with the office consent (dated: 01.06.2017, No.

2017/2532) for the Slum Prevention Zone in Mühye Neighborhood, Çankaya District, Ankara. The court decided to refer the file to the Ankara Administrative Court No. 5 due to the connection. The trial continues with the file No. 2018/136 E. of the Ankara Administrative Court No. 5. The court accepted our intervention request. The expert report presented to the file is in favor of our company and the court decided to reject the request for the stay of execution. The plaintiff made a request of appeal. We have responded to the appeal on 20.06.2019, and the result is being waited.

ÇAYYOLU LAND

1-) UCTEA, Chamber of City Planners, Ankara Branch

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 1 with the file No. 2017/2665 E. for stay of execution and cancellation of Başkent Ankara Master Zoning Plan Amendment (Scale: 1:25000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2, 3, 4 in Block No. 29479 and Parcel No. 1 in Block No. 29622 of Çayyolu neighborhood, Çankaya district and approved ex officio by the Ministry of Environment and Urban Planning on 10.06.2017. On

20.09.2017, the court decided to review the request for the stay of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. On 17.11.2017, our company submitted a request to intervene. On 17.10.2018 the Court accepted our intervention request. The expert's report submitted for the file expressed a negative opinion in respect of the plans with a scales of 1/5000 and 1/1000. On 05.04.2019, we objected to the expert's report. On 10.05.2019, the court decided to obtain an additional report and to examine the request for stay of execution after the additional report is received. and the additional report expressed positive results. On 30.05.2019, due to the negative opinion about the facility areas in the 2015 plans, a brief statement was made by us to the file. The court decided to dismiss the case on 03.07.2019. A re-quest of appeal has been submitted by the plaintiff.

ALİBEYKÖY

1-) Istanbul Metropolitan Municipality Council Members (Özgür Aydın, İsa Öztürk),

The case was brought against the Ministry of Environment at the Istanbul Administrative Court No. 5 with the file No. 2015/2131 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan Amendment (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 08.09.2015 ex officio for the Block No. 859 and Parcel No. 6 (Block No. 2, Parcel No. 6 in the new records) within Osmanpaşa Area, Alibeyköy Neighborhood, Eyüp District, Istanbul. Our company intervened in the case. On 31.05.2017, the court decided to cancel the procedure in dispute. Our company made a request for appeal regarding the above-cited ruling. On 21.05.2018, the Administrative Chamber No. 4 of Istanbul Regional Administrative Court decided to dismiss our request for appeal based on the examination of the file No. 2017/1623 E.

LAWSUITS INVOLVING OUR COMPANY

The said decision was appealed with a request for Stay of Execution, waiting for the outcome of the appeal. On 15.08.2018, the Chamber No.6 of the Council of State decided to examine the request for Stay of

Execution after receiving the defense of the other party.

MALTEPE KÜÇÜKYALI PROJECT

1-) TMMOB Istanbul Branch

With this legal case initiated by the plaintiff TMMOB Istanbul Branch against the Ministry of Environment and Urban Planning and the Housing Development Administration of Turkey before the Istanbul Administrative Court No. 12 under the file no. 2018/586, it was requested for stay of execution and revoke the Master Development Plan with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000 on 03.01.2018 concerning the planning area consisting of a land, block no. 1396, parcels no. 2 and 3, blocks no. 2775 and 1586 and various parcels as well non-registration areas in Küçükyalı and Başbüyük, Maltepe, Istanbul, as owned by our Company. Our company participated in the legal case as an intervener in addition to the defendants. The court rejected the plaintiff's request to stop the execution in accordance with the expert report dated 08.05.2019 submitted to the file.

2) AHMET TOPÇU

With this legal case initiated by the plaintiff Ahmet TOPÇU against the Ministry of Environment and Urban Planning and the Housing Development Administration of Turkey before the Istanbul Administrative Court No. 12 under the file no. 2018/365, it was requested for stay of execution and revoke the Master Development Plan with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000 on 03.01.2018 concerning the planning area consisting of a land, block no. 1396, parcels no. 2 and 3, blocks no. 2775 and 1586 and various parcels as well non-registration areas in Küçükyalı and Başbüyük,

Maltepe, Istanbul, as owned by our Company. Our company participated in the legal case as an intervener in addition to the defendants. According to the expert report submitted to the file of the same court numbered E. 2018/586, the plaintiff's request that's about Stay of Execution was rejected.

BAKIRKÖY YENİMAHALLE

1-) İsa Öztürk & Özgür Aydın

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 12 under the file no. 2018/2186 E. against the Ministry of Environment and Urban Planning (announcement dates: 22.10.2018 and 21.11.2018) in order to stay of execution and cancel the Master Zoning Plan Amendment with a scale of 1/5000 and the Application Zoning Plan Amendment with a scale of 1/1000 approved by the Ministry of Environment and Urban Planning in connection with the land block no. 901, parcel no. 18 in Yenimahalle, Bakırköy, Istanbul. On 07.03.2019, a decision was made for Stay of Execution based on the decision of the Istanbul Administrative Court No. 4 under the file no. 2015/1853 for the reversal of decision and, the decision of Istanbul Regional Administrative Court No. 4 for the refusal of appeal. It was requested for intervention on 11.04.2019. The Istanbul Regional Administrative Court No. 4 decided on 11.04.2019 to refuse the objection of the Ministry for Stay of Execution.

2-) Bakırköy Municipality

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 11 under the file no. 2019/383 E. against the Ministry of Environment and Urban Planning in order to stay of execution and cancel the Master Zoning Plan Amendment with a scale of 1/5000 and the Application Zoning Plan Amendment with a scale of 1/1000 approved by the Ministry of Environment and Urban Planning in connection with the land block no. 901, parcel no. 18 in Yenimahalle, Bakırköy, Istanbul.

(The legal case was initiated against the Istanbul Metropolitan Municipality, but the court issued a decision on 21.02.2019 for the correction of the defendant and, removed the Istanbul Metropolitan Municipality from the position of defendant and, included the Ministry of Environment and Urban Planning to the position of defendant.) It was requested for intervention on 11.04.2019. On 21.05.2019 The court decided to accept our request for intervention and to reject the request to stop the execution. The plaintiff rejected the decision to suspend the execution and the Administrative Chamber No.4 of Istanbul Regional Administrative Court decided to accept the appeal request and decided to suspend the execution on 09.07.2019. On 19.09.2019, the court decided to cancel the procedures in dispute. The defendant the Ministry of Environment and Urban Planning requested an appeal on 01.11.2019, the result is being waited. On 14.11.2019, we requested an appeal with a request to stop execution. The Istanbul Regional Administrative Court No. 4 decided to reject our request for stop execution on 05.12.2019, and our request for appeal on 03.01.2020.

BAKIRKÖY ŞEVKETİYE

1-) Hakkı Sağlam & Özgür Aydın,

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 4 under the file no. 2017/2268 E. against the Ministry of Environment and Urban Planning in order to stay of execution and cancel the Master Zoning Plan amendment (scale: 1/5000) and the Application Zoning Plan amendment (scale: 1/1000) approved by the Ministry of Environment and Urban Planning in connection with the land block no. 1221, parcel no. 2012 in Şevketiye, Bakırköy, Istanbul. The court decided to refuse the request for Stay of Execution. A request was submitted on 19.07.2018 to participate in the case as an intervener together with the defendant administration.

LAWSUITS INVOLVING OUR COMPANY

On 26.09.2018, the court decided to accept our company's request to intervene, notify TOKİ of the case and expert examination. The expert's report expressed negative results and, necessary objections have been submitted. The date of the hearing was given to 25.04.2019 and the hearing was not held because the plaintiffs and the defendant ministry did not come, but our statements were still asked. We repeated the declarations in the dossier and repeated our request for an additional report, which we mentioned in the objection to the report. On 25.04.2019, The court decided to annul the transaction in dispute. On 24.05.2019, we requested an appeal with a request to stop the execution and the result is being waited. On 27.06.2019, the Chamber No.4 of the Istanbul Regional Administrative Court decided to reject our request for stay of execution. repeated the declarations in the dossier and repeated our request for an additional report, which we mentioned in the objection to the report. On 25.04.2019, The court decided to annul the transaction in dispute. On 24.05.2019, we requested an appeal with a request to stop the execution and the result is being waited. On 27.06.2019, the Chamber No.4 of the Istanbul Regional Administrative Court decided to reject our request for stay of execution. The Istanbul Regional Administrative Court No. 4 decided to reject our request for stop execution on 27.06.2019, and our request for appeal on 16.12.2019.

2-) Bakırköy Municipality Mayorship

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 7 under the file no. 2018/37 E. against the Ministry of Environment and Urban Planning in order to stay of execution and cancel the Master Zoning Plan amendment (scale: 1/5000) and the Application Zoning Plan amendment (scale: 1/1000) approved by the Ministry of Environment and Urban Planning in connection with the land block no. 1221, parcel no. 212 in Şevketiye, Bakırköy, Istanbul. The file was sent

to the Istanbul Regional Administrative Court, the Chamber No. 4 due to the connection. The hearing continues on the file no. 2018/1020 of the Istanbul Regional Administrative Court, the Chamber No. 4. On 25.05.2018, the court decided to refuse the request for Stay of Execution. Our request to participate in the case as an intervenor has also been accepted. On 02.05.2019, the court decided to annul the transaction in dispute. It is waited for the outcome of our request of appeal. On 30.07.2019, we requested an appeal with a request to stop execution. The Istanbul Regional Administrative Court No. 4 decided to reject our request for stop execution on 07.08.2019, and our request for appeal on 16.12.2019. On 13.01.2020, we made an appeal, the result is being waited.

BAKIRKÖY ŞENLİK FLORYA

1-) UCTEA, Chamber of City Planners- UCTEA, Chamber of Architects

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 7 under the file no. 2018/1251 E. against the Ministry of Environment and Urban Planning and TOKİ in order to stay of execution and cancel the the land block no. 292, parcel no. 220&232, block no. 1032, parcel no. 6, block no. 292 and a part of parcel no. 231 in Şenlik, Bakırköy, Istanbul. On 24.09.2018, the court decided to reject the request for the stay of execution. Our company submitted a request to intervene. Our request for intervention was accepted by the court on 22.01.2019. The Court has decided that there is no reason for making a decision for the respective legal case because a decision of there is no reason for making a decision has been made for the legal file no. 2018/1506 E with the same court concerning the development plan of 17.01.2019.

2-) Bakırköy Municipality Mayorship

A legal action was initiated before the Istanbul Regional Administrative Court, the Chamber No. 13 under the file no. 2018/1106 E. against the Ministry of Environment and Urban

Planning in order to stay of execution and cancel the Master Zoning Plan amendment (scale: 1/5000) and the Application Zoning Plan amendment (scale: 1/1000) approved by the Ministry of Environment and Urban Planning in connection with the land block no. 292, parcel no. 220&232, block no. 1032, parcel no. 6 and block no. 292, part of parcel no.231 in Şenlik, Bakırköy, Istanbul. Our company

submitted a request to intervene. The expert report issued on the viewing dated 06.12.2018 expressed negative results and the report has not been notified to us. On 12.07.2019, the court decided to accept our request for intervention and to suspend the execution of the transaction in dispute. Our objections against this decision have been refused.

3-) UCTEA, Chamber of City Planners- UCTEA, Chamber of Architects

In the legal case initiated against the Ministry of Environment and Urbanization before the Istanbul Administrative Court No. 4 with the legal file no. 2019/876 E, it has been requested and a legal case has been initiated for the suspension of execution and cancellation of the Master Development Plan with a scale of 1/5000 for 4 map sections and of the Application Development Plan with a scale of 1/1000 for 4 map sections as well as the plan reports thereof concerning a certain portion of the Section 292, Parcels 220 and 232, the Section 1032, Parcel 6 and, Section 292, Parcel 231 on Şenlik, Bakırköy, Istanbul as approved by the Ministry of Environment and Urbanization on 17.01.2019. It has been decided to close the basis of the file due to a connection and, send it to the Istanbul Administrative Court No. 7 The legal procedures are currently carried out under the legal file no. 2019/1182 E before the Istanbul Administrative Court No. 7. The Court has decided to accept our request for intervention. The discovery was made on 11.10.2019, and the expert report expressed negative results

LAWSUITS INVOLVING OUR COMPANY

On 24.12.2019, we submitted our objections to the report. On 17.01.2020, the court decided to reject the request to stop the execution.

İZMİR KONAK

1-) Izmir Branch of the UCTEA Chamber of City Planners, General Presidency of the UCTEA Chamber of Architects

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2017/1124 E. for the stay of execution and cancellation of the Master Zoning Plan Amendment (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 10.05.2017 for the various panels within Kuruçay and Umurbey Neighborhoods, Konak District, Izmir. On 26.07.2017, the court decided to examine the request for the stay of execution after taking the defendant's statement. Our company submitted a request to join the case with the defendant institution. On 08.11.2017, the court decided to dismiss the request for the stay of execution and accepted our company's request to intervene. The court waits for the expert report. The expert's report was submitted to the file and, necessary objections have been filed in respect of negative portions of the expert's report submitted to the file. No amendment was made the opinion of the experts in the additional report issued after these objections. On 26.07.2017, the court decided to examine the request for the stay of execution after taking the defendant administration's first defense. Our company submitted a request to join the case with the defendant institution. On 08.11.2017, the court decided to dismiss the request for the stay of execution and accepted our company's request to intervene. The expert's report was submitted to the file and, necessary objections have been filed in respect of negative portions of the expert's report submitted to the file. No amendment was made the opinion of the experts in the additional report issued after these objections. On 26.06.2019, the

court decided to cancel the changes to the plan that is matter in dispute, and the results of the appeal is being waited. On 26.06.2019, the Court decided to cancel the changes to the plan, the matter in dispute and, it is waited for the results of the appeal.

2-) İzmir Municipality

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 1 with the file No. 2019/1085 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 17.06.2019 for the various panels within Kuruçay and Umurbey Neighborhoods, Konak District, Izmir. On 19.09.2019, the court decided to examine the request for the stay of execution after taking the defendant administration's first defense. On 21.10.2019, we submitted a request to join the case through communication.

3-) İzmir Branch of General Presidency of the UCTEA Chamber of Architects

The case was brought against the Ministry of Environment at the Izmir Administrative Court No. 3 with the file No. 2019/1130 E. for the stay of execution and cancellation of the Master Zoning Plan Revision (scale: 1:5,000) and the Application Zoning Plan (scale: 1:1,000) approved by the Ministry of Environment and Urban Planning on 17.06.2019 for the various panels within Kuruçay and Umurbey Neighborhoods, Konak District, Izmir. On 02.10.2019, the court decided to examine the request for the stay of execution after taking the defendant administration's first defense and fulfillment of the interim judgment. On 03.12.2019, the court decided to make an onsite exploration and expert examination, and to make a decision after the discovery about the stay of execution. On 05.12.2019, the court decided to notify our company of the case. On 26.12.2019, we submitted a request to join the case through communication. On 06.02.2020, the

exploration shall be made.

KÜÇÜKÇEKMECE HALKALI BİZİM MAHALLE

1-) Bekir Güler, Erhan Aslaner, Enis Koçak, Nurettin Aydın

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 5 with the file No. 2017/2034 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene. The court decided to refer the file to the Istanbul Administrative Court No. 12 due to the connection. The proceedings continue with the file No.2018/523 E. On 12.09.2018, the court accepted our request to participate in the case as an intervenor but refused the request for Stay of Execution.2018/523 E. The Court decided on 12.12.2018 for the refusal of the legal case, and it was appealed by the Plaintiff. On 06.09.2019, the Istanbul District Administrative Court Chamber No. 4 decided to partially accept the request of appeal, remove the parts of the decision concerning the Master Development Plan and the Application Development Plan, cancel these plans and, refuse the request of appeal for the part thereof concerning the Environmental Plan Amendment. On 15.10.2019, we requested an appeal with a request to stop execution, the result is being waited. On 11.11.2019, the Council of State Chamber No. 6 decided to reject our request for stop execution.

2-) UCTEA, Chamber of City Planners (Istanbul branch), UCTEA, Chamber of Architects (Istanbul Büyükkent Branch)

LAWSUITS INVOLVING OUR COMPANY

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 2 with the file No. 2017/2087 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene. The court decided to refer the file to the Istanbul Administrative Court No. 12 due to the connection. The proceedings continue with the file No. 2018/381 E. On 06.04.2018, the court decided to accept TOKİ's and our company's request to intervene. On 12.09.2018, the court decided to refuse the request for Stay of Execution. The Court decided on 12.12.2018 for the refusal of the legal case. The plaintiff has applied to the appeal on 11.03.2019 and we have responded to the appeal on 16.05.2019 and the result is being waited.

3-) Hakkı SAĞLAM – Özgür AYDIN

The case was brought against the Ministry of Environment and Urban Planning at Istanbul Administrative Court No. 12 with the file No. 2017/2087 E. for stay of execution and cancellation of Environmental Plan Amendment (Scale: 1:100,000), Master Zoning Plan Amendment (scale: 1:5,000), and Application Zoning Plan Amendment (scale: 1:1,000) prepared for Parcel No. 1, 2 in Block No. 808 and Parcel No. 6, 7, 8 and immediate vicinity in Block No. 853 in Halkalı Neighborhood, Küçükçekmece district, Istanbul approved by the Ministry of Environment and Urban Planning on 15.08.2017. Our company submitted a request to intervene. On 25.04.2018, a viewing and expert examination were conducted in the vicinity. On 25.04.2015, a viewing and an expert

examination were carried out and, the expert report came out in our favor. On 12.09.2018, the court accepted our request and the request of TOKİ to participate in the case as an intervenor but refused the request for Stay of Execution. The Court decided on 12.12.2018 for the refusal of the legal case.

ŞİŞLİ TEŞVİKİYE

1-) TMMOB Chamber of City Planners (Istanbul Branch) & TMMOB Chamber of Architects (Büyükkent Branch)

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 13 under the file no. 218/903, it is requested for stay of execution and re-voke the Protection Purpose Master Development Plan with a scale of 1/500 and the Protection Purpose Application Development Plan with a scale of 1/1000 concerning the Historical Protected Area in Teşvikiye, Şişli, Istanbul and the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000 concerning the neighboring area in Block No. 405, Parcel No. 9 and 102 and, a part of the Parcel No. 14 as approved by Ministry of Environment and Urban Planning on 16.02.2018. It was requested for intervention on 04.01.2019. The expert's report partially expressed negative results and, necessary objections have been submitted. The court decided on 15.03.2019 to accept our request for intervention and, refuse the request for stay of execution. The plaintiff objected to the rejection decision to stay of execution and the Administrative Chamber No.4 of Istanbul Regional Administrative Court decided to reject the request of appeal on 17.04.2019. The court decided on 16.05.2019 to accept TOKİ's request for intervention. On 11.10.2019, the court decided to dismiss the legal case. On 13.01.2020, the plaintiff requested an appeal, the result is being waited.

2-) Şişli Municipality

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 7 under the file no. 2018/1187, it was requested for stay of execution and revoke the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan with a scale of 1/1000 concerning the Block No. 405 and, the parcel no. 14, 9 and 102 in Teşvikiye, Şişli, Istanbul as approved by the Ministry of Environment and Urban Planning on 16.02.2018. The expert's report expressed negative results and, necessary objections have been submitted. On 17.01.2019, it was requested for the amalgamation of the file with the file no. 2018/908 E. (K.D.2019/2) of the Istanbul Administrative Court No. 13. Further, the Court decided to accept our request to participate in the case as an intervenor. It is waited for the Expert's Report. On 29.11.2019, the court decided to dismiss the legal case.

3-) İbrahim Yılmaz Poda & Mehmet Edib Poda & Aliye Nükhet Göfer

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 3 under the file no. 2018/974, it was requested for stay of execution and re-voke the Protection Purpose Application Development Plan with a scale of 1/1000 concerning the Block No. 405 and, the parcel no. 9, 102 in Teşvikiye, Şişli, Istanbul as approved by the Ministry of Environment and Urban Planning on 16.02.2018. The Court decided on 22.10.2018 for the refusal of the legal case since it is pending. Legal proceedings are in progress over the file no. 2018/908 E. of the Istanbul Administrative Court No. 13 On 24.10.2018, the court decided to refuse the request for Stay of Execution. A request was submitted for intervention with the file. The Court decided to dismiss the legal case on 31.12.2018 and, it is waited for the result of the appeal procedures

LAWSUITS INVOLVING OUR COMPANY

ÇEKMEKÖY TAŞDELEN

1-) Hakkı Sağlam & Özgür Aydın

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 3 under the file no. 2018/536, it was requested for stay of execution and revoke the Environmental Plan Amendment with a scale of 1/100,000, the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the parcel no. in Taşdelen, Çekmeköy, Istanbul as approved by the Ministry of Environment and Urban Planning on 26.12.2017. On 11.01.2019, a request for intervention was submitted, which was accepted by the Court. Since the postal fee was not covered by the plaintiff, on 16.09.2019, the Court decided the legal case be considered not have been initiated.

2-) TMMOB Chamber of City Planners (Istanbul Branch) & TMMOB Chamber of Architects (Istanbul, Büyükkent Branch) In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 6 under the file no. 2018/648, it was requested for stay of execution and revoke the Environmental Plan Amendment with a scale of 1/100,000, the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the parcel no. in Taşdelen, Çekmeköy, Istanbul as approved by the Ministry of Environment and Urban Planning on 26.12.2017. On 17.09.2019, the Court decided to cancel the plans, the matter in dispute. On 21.10.2019, we requested an appeal with a request to stop execution. On 03.01.2020, the Istanbul Regional Administrative Court No. 4 decided to reject our request for appeal.

3-) TMMOB Chamber of Architects Büyükkent Branch

In the legal case initiated against the Municipality of Çekmeköy before the Istanbul Administrative Court No. 9

under the legal file no. 2019/9 E, it has been requested and a legal case has been initiated for the suspension of execution and cancellation of the Çekmeköy Revision Additional Application Development Plan with a scale of 1/000 as approved by the Municipality of Çekmeköy on 12.02.2010. The Court decided to cancel the procedures, the matter in dispute and, this decision was reversed by the Council of State Chamber No. 6 on 21.09.2017. A request has been submitted for intervention in the file. On 15.11.2019, the court decided to accept our company's request to intervene. The discovery was made on 12.12.2019, and we didn't attend.

4-) TMMOB Chamber of Architects Büyükkent Branch

In the legal case initiated against the Istanbul Metropolitan Municipality before the Istanbul Administrative Court No. 9 under the legal file no. 2018/2097 E, it has been requested and a legal case has been initiated for the suspension of execution and cancellation of the Çekmeköy Master Development Plan with a scale of 1/5000 as approved by the Istanbul Metropolitan Municipality on 23.10.2009. The Court decided to dismiss the legal case on 19.02.2016 and, this decision was reversed by the Council of State Chamber No. 6 on 21.09.2017. Thereupon, the Court decided on 28.02.2019 that the legal file to be suspended until a further decision is made concerning the new Master Development Plan. A request has been submitted for intervention in the file. On 15.11.2019, the court decided to accept our company's request to intervene. The discovery was made on 12.12.2019, and we didn't attend.

BEŞİKTAŞ MECİDİYE1-) TMMOB Chamber of City Planners (Istanbul Branch)

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 6 under the file no. 2019/336, it was requested for stay of execution and revoke the Master Development Plan Amendment with a scale of 1/5000

and the Application Development Plan Amendment with a scale of 1/1000 concerning the non-registraton area under the Block No. 637 and, the parcel no. 3, 5, 55-68 in Mecidiye, Beşiktaş, Istanbul as approved by the Ministry of Environment and Urban Planning on 03.09.2018. It was requested for intervention on 25.02.2019. On 07.05.2019, the court decided that the request for stay of execution would be examined after the exploration and expert examination was made at the scene. The expert's report expressed negative results.

2-) İsa Öztürk & Özgür Aydın

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 10 under the file no. 2018/1936, it was requested for stay of execution and revoke the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the cadastral road under the Block No. 637 and, the parcel no. 3, 5, 55-68 in Mecidiye, Beşiktaş, Istanbul as approved by the Ministry of Environment and Urban Planning on 03.09.2018. On 27.02.2019, the court decided to refuse the request for Stay of Execution. It was requested for intervention on 12.04.2019. On 26.09.2019, the Court decided to dismiss the legal case. On 11.11.2019, the plaintiff requested an appeal, the result is being waited.

1-) İsa Öztürk & Özgür Aydın

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 6 under the file no. 2019/498, it was requested for stay of execution and re-voke the Environmental Plan Amendment with a scale of , 1/100,000, the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the various parcels in Dursunköy, Arnavutköy, Istanbul as approved by the Ministry of Environment and Urban Planning on 19.11.2018

LAWSUITS INVOLVING OUR COMPANY

. It was requested for intervention on 11.04.2019. On 23.05.2019, the court decided that a viewing and TOKİ intervene. The documents have been returned by TOKİ and correction and viewing days are being waited. On 11.07.2019, the court decided to accept our request for intervention. On 06.02.2020, the onside exploration shall be made.

2-) TEMA The Turkish Foundation for Combating Erosion Reforestation and the Protection of Natural Habitats

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 11 under the file no. 2019/613, it was requested for stay of execution and revoke the Environmental Plan Amendment with a scale of 1/100,000 announced on 14.12.2018 to 14.01.2019 as approved by the Ministry of Environment and Urban Planning. It was requested for intervention on 25.04.2019. The court decided to accept our request for intervention on 26.06.2019 and to reject the request for the stay of execution on 10.07.2019. The plaintiff has submitted an objection to the decision of dismissal concerning the suspension of execution. The Istanbul District Administrative Court Chamber No. 4 decision to refuse the objection on 10.09.2019. On 26.12.2019, the onside exploration was made, the expert report is being waited.

ANKARA YENİMAHALLE

TMMOB Chamber of City Planners Ankara Branch

In this legal case initiated against Ankara Metropolitan Municipality and Yenimahalle Municipality before the Ankara Administrative Court No. 1 under the file no. 2018/1279, it is requested for stay of execution and revoke the "Master Plan Amendment with a scale of 1/5000 and 1/1000 in the Former ASOT Urban Transformation Project

Area in Yenimahalle" approved by the Ankara Metropolitan Council under the decision no. 817 of 14.05.2012 and, the "Master Plan Amendment with a scale of 1/5000 and 1/1000" approved by the Ankara Metropolitan Council under the decision no. 1985 of 16.11.2013 as regulatory procedures and, the construction permits no. 4-1, 4-2, 4-3, 4-23 (23 permits in total) of 06.02.2017 granted thereto as application administrative procedures. The expert report submitted to file expressed a negative opinion. A request was submitted for intervention with the file. On 01.03.2019, the court decided to remove the Yenimahalle Municipality from its adverse party position and to accept the intervention request of UCTEA Chamber of Architects (Ankara Branch) along with the plaintiff, and to decide upon the request for the stay of execution. The additional report expressed negative results and on 04.07.2019, our objections to the additional report have been filed by us. The additional report indicated negative opinion and, our objections against the additional report were submitted in the file on 04.07.2019. On 13.09.2019 the Court decided to accept our request for intervention, that the plaintiff be asked if the respective building licenses are currently valid, and that it be examined after the request for suspension of execution has been fulfilled as per the interim decision. On 25.11.2019, the court decided to obtain an additional report and to examine the request for stay of execution after the additional report is received. The second additional report expressed negative results. On 14.01.2020, we submitted our objections to the second additional report.

BAŞAKŞEHİR

Selman Ata

In the legal case initiated against the Housing Development Administration of Turkey before the

Istanbul Administrative Court No. 7 under the legal file no. 2019/1541 E, it has been requested and a legal case has been initiated for the suspension of execution and cancellation of the Plan Amendment with a scale of 1/1000 concerning the Section 1537 and the Section 1358 located in Başakşehir, Istanbul as approved by Housing Development Administration of Turkey on 21.05.2019. On 17.07.2019, it was decided to examine the request for suspension of execution after the interim decision response has been received or the time granted has expired. On 06.08.2019, we have requested for intervention. On 18.09.2019, the Court decided to accept our request for intervention, that a survey be made on the location and, that the request for suspension for execution be examined once the survey has been completed. On 21.11.2019, the discovery was made, and the expert report partially expressed negative results in terms of plan note 3. On 13.01.2020, we submitted our objections to the report.

ATAŞEHİR KÜÇÜKBAKKALKÖY

Ağır Haddecilik A.Ş.

The case was brought against the Ministry of Environment and Urban Planning at the Istanbul Administrative Court No. 2 with the file No. 2019/2148 E. for the stay of execution and cancellation of the Master Zoning Plan (scale: 1:1,000) that was approved by the Ministry of Environment and Urban Planning on 02.05.2019 for the area includes Istanbul Province, Ataşehir District, Küçükbakkalköy Neighborhood, 235 section, 1992 block, 1 parcel. On 14.11.2019, the court decided to examine the request for the stay of execution after taking the defense and fulfillment of the interim judgment. On 24.12.2019, we submitted a request to join the case.

LAWSUITS INVOLVING OUR COMPANY

ÇEKMEKÖY TAŞDELEN

1-) Hakkı Sağlam & Özgür Aydın

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 3 under the file no. 2018/536, it was requested for stay of execution and revoke the Environmental Plan Amendment with a scale of 1/100,000, the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the parcel no. in Taşdelen, Çekmeköy, Istanbul as approved by the Ministry of Environment and Urban Planning on 26.12.2017. On 11.01.2019, a request for intervention was submitted, which was accepted by the Court. Since the postal fee was not covered by the plaintiff, on 16.09.2019, the Court decided the legal case be considered not have been initiated.

2-) TMMOB Chamber of City Planners (Istanbul Branch) & TMMOB Chamber of Architects (Istanbul, Büyükkent Branch) In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 6 under the file no. 2018/648, it was requested for stay of execution and revoke the Environmental Plan Amendment with a scale of 1/100,000, the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the parcel no. in Taşdelen, Çekmeköy, Istanbul as approved by the Ministry of Environment and Urban Planning on 26.12.2017. On 17.09.2019, the Court decided to cancel the plans, the matter in dispute. On 21.10.2019, we requested an appeal with a request to stop execution. On 03.01.2020, the Istanbul Regional Administrative Court No. 4 decided to reject our request for appeal.

3-) TMMOB Chamber of Architects Büyükkent Branch

In the legal case initiated against the Municipality of Çekmeköy before the Istanbul Administrative Court No. 9

under the legal file no. 2019/9 E, it has been requested and a legal case has been initiated for the suspension of execution and cancellation of the Çekmeköy Revision Additional Application Development Plan with a scale of 1/000 as approved by the Municipality of Çekmeköy on 12.02.2010. The Court decided to cancel the procedures, the matter in dispute and, this decision was reversed by the Council of State Chamber No. 6 on 21.09.2017. A request has been submitted for intervention in the file. On 15.11.2019, the court decided to accept our company's request to intervene. The discovery was made on 12.12.2019, and we didn't attend.

4-) TMMOB Chamber of Architects Büyükkent Branch

In the legal case initiated against the Istanbul Metropolitan Municipality before the Istanbul Administrative Court No. 9 under the legal file no. 2018/2097 E, it has been requested and a legal case has been initiated for the suspension of execution and cancellation of the Çekmeköy Master Development Plan with a scale of 1/5000 as approved by the Istanbul Metropolitan Municipality on 23.10.2009. The Court decided to dismiss the legal case on 19.02.2016 and, this decision was reversed by the Council of State Chamber No. 6 on 21.09.2017. Thereupon, the Court decided on 28.02.2019 that the legal file to be suspended until a further decision is made concerning the new Master Development Plan. A request has been submitted for intervention in the file. On 15.11.2019, the court decided to accept our company's request to intervene. The discovery was made on 12.12.2019, and we didn't attend.

BEŞİKTAŞ MECİDİYE1-) TMMOB Chamber of City Planners (Istanbul Branch)

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 6 under the file no. 2019/336, it was requested for stay of execution and revoke the Master Development Plan Amendment with a scale of 1/5000

and the Application Development Plan Amendment with a scale of 1/1000 concerning the non-registraton area under the Block No. 637 and, the parcel no. 3, 5, 55-68 in Mecidiye, Beşiktaş, Istanbul as approved by the Ministry of Environment and Urban Planning on 03.09.2018. It was requested for intervention on 25.02.2019. On 07.05.2019, the court decided that the request for stay of execution would be examined after the exploration and expert examination was made at the scene. The expert's report expressed negative results.

2-) İsa Öztürk & Özgür Aydın

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 10 under the file no. 2018/1936, it was requested for stay of execution and revoke the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the cadastral road under the Block No. 637 and, the parcel no. 3, 5, 55-68 in Mecidiye, Beşiktaş, Istanbul as approved by the Ministry of Environment and Urban Planning on 03.09.2018. On 27.02.2019, the court decided to refuse the request for Stay of Execution. It was requested for intervention on 12.04.2019. On 26.09.2019, the Court decided to dismiss the legal case. On 11.11.2019, the plaintiff requested an appeal, the result is being waited.

1-) İsa Öztürk & Özgür Aydın

In this legal case initiated against the Ministry of Environment and Urban Planning before the Istanbul Administrative Court No. 6 under the file no. 2019/498, it was requested for stay of execution and re-voke the Environmental Plan Amendment with a scale of , 1/100,000, the Master Development Plan Amendment with a scale of 1/5000 and the Application Development Plan Amendment with a scale of 1/1000 concerning the various parcels in Dursunköy, Arnavutköy, Istanbul as approved by the Ministry of Environment and Urban Planning on 19.11.2018



TABLE OF TENDERED LAND PLOTS (31.12.2019)

Revenue Sharing Model in Return for Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)
AVANGART İSTANBUL	36.750	05.03.2015	120.391.383	637.000.000
AVRUPARK HAYAT	42.020	14.06.2011-30.07.2012	54.056.701	156.500.000
BÜYÜKYALI	97.590	24.04.2013	263.491.902	436.709.638
EBRULİ ISPARTAKULE	41.168	01.06.2007	58.200.243	132.000.000
EVORA DENİZLİ	78.215	05.03.2015	63.618.474	67.128.879
TEM 34 TAHTAKALE / TEM 34 BAĞÇETEPE	18.215	03.04.2015	31.640.662	40.086.059
İSTANBUL BEYKOZ RİVA ARSA	1.075.860	-	390.260.622	542.892.221
İSTANBUL FATİH YEDİKULE ARSA	40.946	30.07.2012	67.402.947	105.968.270
EVORA İZMİR	-	-	1.219.611	117.040.000
ALL SANCAK	-	-	145.394	145.200.000
KARAT 34	4.236	28.05.2014	5.672.699	8.482.315
KÖY	332.909	02.03.2011	153.053.885	300.525.555
MERKEZ ANKARA	124.476	03.04.2014	642.053.744	1.258.365.000
NİDAPARK İSTİNYE	129.487	28.05.2014	993.779.685	1.876.392.000
NİDAPARK KAYAŞEHİR	12.028	03.04.2014	35.367.032	107.950.125

TABLE OF TENDERED LAND PLOTS (31.12.2019)

Revenue Sharing Model in Return for Land Sale	SQM	Date of Purchase	Book Value (TRY)	Current Company Share in Total Revenue (TRY)
NİDAPARK KÜÇÜKYALI	67.317	14.06.2011	678.852.330	1.527.000.300
OFİS KARAT BAKIRKÖY	5.164	05.03.2015	30.955.494	62.000.000
ŞİLE ÇAVUŞ ARSA SATIŞI KAR.	18.502	05.03.2015	9.813.134	15.070.000
TEMAŞEHİR	60.675	05.03.2015	87.488.951	198.759.060
TUAL ADALAR	3.763	28.05.2014	11.828.170	21.252.794
TUAL BAĞÇEKENT	44.254	14.06.2011-30.07.2012	39.778.822	130.529.584
VALİDEBAĞ KONAKLARI	17.529	05.03.2015	154.928.861	439.887.380
ÇEKMEKÖY TAŞDELEN	83.739	05.03.2015	312.972.382	355.552.000
İSTANBUL ŞİŞLİ TEŞVİKİYE ARSA	13.726	05.03.2015	571.036.546	705.500.000
Total	2.348.569		4.778.009.674	9.387.791.181

TABLE OF TENDERED LAND PLOTS (31.12.2019)

Turn-Key Model Projects	SQM	Book Value + Progress Payments (TRY)
ANKARA BAŞKENT E.K. 2.ET	30.521	358.728.510
BAŞKENT EMLAK KONUTLARI	89.502	922.904.910
GEBZE EMLAK K. 3.ETAP 3.KISIM	6.338	9.294.852
KUZEY YAKASI	363.979	513.302.234
İSTANBUL KÜÇÜKÇEKMECE HALKALI	40.187	205.177.798
HOŞDERE GENEL ALTYAPI ZEMİN İ.	0	2.346.675
HOŞDERE HAYAT CAMİ	0	953.809
GÜNEY AYAZMA,KAYABAŞI,KAPADIK	0	31.207.855
HALKALI GENEL ALTYAPI,SANAT YA	0	54.127.843
İSTANBUL EYÜP ALİBEYKÖY İKMAL	22.237	114.734.566
İSTANBUL HOŞDERE 6.ETAP İKMAL	23.264	101.354.891
ANKARA SARAÇOĞLU	0	5.171.770
Total	576.028	2.319.305.713

TABLE OF LAND STOCKS (31.12.2019)

Appraisal Report Name	# of Parcels	SQM	Date of Purchase	Book Value	Appraisal Value
ANKARA ÇANKAYA MÜHYE PARSELLERİ	12	38.434	03.04.2014	45.643.790	60.329.780
İSTANBUL ARNAVUTKÖY PARSELLERİ	64	1.457.499	05.06.2013	170.580.920	331.219.421
İSTANBUL, ATAŞEHİR PARSELLERİ	11	25.144	24.04.2013 - 22.04.2012	40.238.127	81.853.177
İSTANBUL BAKIRKÖY YEŞİLKÖY ŞEVKETİYE PARSELLERİ	1	45.941	30.05.2017	364.226.958	330.000.000
İSTANBUL BAŞAKŞEHİR HOŞDERE PARSELLERİ	21	312.784	14.06.2011 - 06.10.2011 - 30.07.2012 - 07.08.2012	112.033.445	165.414.373
İSTANBUL BAŞAKŞEHİR İKİTELLİ PARSELLERİ	33	183.144	01.12.2010 - 07.03.2012 - 25.09.2012 - 01.10.2012 - 05.03.2015	298.329.070	427.644.457
İSTANBUL BAŞAKŞEHİR KAYABAŞI PARSELLERİ	3	87.083	30.05.2017-25.03.2019	217.311.411	215.787.686
İSTANBUL TAŞDELEN - ÇEKMEKÖY PARSELLERİ	2	6.346	30.05.2017	0	2.221.062
İSTANBUL ESENYURT HOŞDERE PARSELLERİ	3	57.836	14.06.2011 - 30.07.2012	50.577.481	97.675.465
İSTANBUL KARTAL PARSELLERİ	17	60.343	24.04.2013 - 22.04.2012	109.182.521	121.642.390
İSTANBUL KÜÇÜKÇEKMECE HALKALI PARSELLERİ	24	484.090	03.04.2014	1.942.498.771	2.179.695.881
İSTANBUL MALTEPE PARSELLERİ	1	306	28.05.2014	3.010.214	3.012.524
İSTANBUL SARIYER İSTİNYE PARSELLERİ	4	1.373	28.05.2014	7.733.585	7.003.940
İSTANBUL ZEKERİYAKÖY PARSELİ	1	992	02.03.2011	677.397	719.000
İSTANBUL TUZLA PARSELLERİ	4	10.644	30.12.2005 - 05.03.2015 - 01.06.2007	20.016.360	25.996.423
İSTANBUL ÜMRANİYE PARSELLERİ	2	10.680	31.12.2012	1.843.977	0

TABLE OF LAND STOCKS (31.12.2019)

Appraisal Report Name	# of Parcels	SQM	Date of Purchase	Book Value	Appraisal Value
İSTANBUL BEŞİKTAŞ PARSELLERİ	6	17.131	-	256.965.000	256.965.000
İSTANBUL AVCILAR PARSELLERİ	1	20.315	-	19.307.276	30.471.800
İZMİR KONAK PARSELİ	4	7.033	31.05.2000	12.258.000	13.148.320
KASTAMONU CİDE PARSELLERİ	1	9.110	06.10.2011 - 07.08.2012 - 14.06.2011 - 30.07.2012	52.663	60.000
KOCAELİ GEBZE GÜZELLER PARSELLERİ	14	7.482	NA	728.901	2.601.192
KOCAELİ KÖRFEZ PARSELLERİ	4	16.610	25.02.2008	1.528.023	8.974.700
NEVŞEHİR PARSELLERİ	2	26	03.04.2014	8.088	8.232
TEKİRDAĞ KAPAKLI PARSELLERİ	5	75.127	NA	1.664.820	23.528.311
TEKİRDAĞ ÇORLU PARSELLERİ	4	35.923	24.03.2006 - 30.09.2010	6.152.734	8.965.011
BAKIRKÖY FLORYA ŞENLİK MAHLLES	1	40.723	-	262.556.275	315.000.000
SAMSUN CANİK PARSELLERİ	3	51.698	30.05.2017	111.915.633	122.006.543
Total	248	3.063.815		4.057.041.439	4.831.944.686
Investment Properties	# of Parcels	SQM	Date of Purchase	Book Value	Appraisal Value
İSTANBUL BAŞAKŞEHİR HOŞDERE PARSELLERİ	1	25.306	Ok	8.140.964	10.755.152
İSTANBUL BAŞAKŞEHİR İKİTELLİ PARSELLERİ	1	8.731	Ok	4.466.027	6.104.422
İSTANBUL KARTAL PARSELLERİ	1	13.595	Ok	24.457.405	23.260.675
Total	3	47.632		37.064.397	40.120.249

TABLE OF BUILDING INVENTORY (31.12.2019)

Building Inventory	# of Units in Inventory	SQM	Date of Purchase	Book Value	Appraisal Value
AYAZMA EMLAK KONUTLARI 2. ETAP	68	9.159	NA	3.422.516	43.721.151
BAHÇEKENT EMLAK KONUTLARI 1-3	12	1.259	NA	3.577.824	3.807.300
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-2	8	1.179	NA	2.519.855	7.880.000
EMLAK KONUT BAŞAKŞEHİR EVLERİ 1-4	2	269	NA	534.037	1.758.000
EMLAK KONUT BAŞAKŞEHİR EVLERİ 2.ETAP	19	2.788	NA	9.123.128	9.225.410
EMLAK KONUT ISPARTAKULE EVLERİ	14	3.600	-	10.987.313	14.998.000
EMLAK KONUT ISPARTAKULE EVLERİ -2	20	3.310	-	8.931.682	10.040.000
ESENLER EMLAK KONUTLARI	2	435	30.12.2016	1.096.273	2.191.811
GEBZE EMLAK KONUTLARI 2	3	368	-	473.267	751.735
GEBZE EMLAK KONUTLARI 3. ETAP 1. KISIM	696	105.257	-	311.399.261	314.010.310
GEBZE EMLAK KONUTLARI 3. ETAP 2. KISIM	626	99.866	-	278.846.000	284.380.000
AYAZMA EMLAK KONUTLARI	21	3.441	NA	5.322.510	12.661.400
KÖRFEZKENT 3. ETAP	2	534	31.12.2015	934.593	1.135.000
KÖRFEZKENT 4.ETAP	64	9.545	NA	13.333.136	20.368.000
KÖRFEZKENT ÇARŞI	54	15.582	-	34.510.609	35.199.000

TABLE OF BUILDING INVENTORY (31.12.2019)

Building Inventory	# of Units in Inventory	SQM	Date of Purchase	Book Value	Appraisal Value
NEVŞEHİR EMLAK KONUTLARI	13	2.411	-	3.459.491	6.473.300
NİĞDE EMLAK KONUTLARI	153	28.249	-	57.350.722	63.248.100
İSTANBUL	3	468	-	1.075.298	1.463.000
AĞAOĞLU MASLAK 1453 İSTANBUL	125	33.271	29.12.2017	491.323.000	491.323.000
AVRUPA KONUTLARI BAŞAKŞEHİR	1	278	NA	1.178.400	1.178.400
BAHÇEKENT FLORA	2	677	NA	1.777.400	1.786.200
BATIŞEHİR	8	861	31.12.2015	11.729.689	8.170.051
BULVAR İSTANBUL	3	552	30.12.2016	2.424.074	2.505.000
DUMANKAYA MIKS	19	1.962	22.09.2016	16.685.779	17.463.000
EVORA DENİZLİ	34	6.576	-	0	19.554.560
EVORA İSTANBUL 2.BÖLGE	1	81	28.07.2015	422.305	480.000
GÖL PANORAMA EVLERİ	45	7.978	-	33.478.040	32.295.600
İSTMARİNA	60	4.703	29.12.2017	52.369.874	58.444.678
KOORDİNAT ÇAYYOLU	30	7.071	-	35.409.836	35.434.127
METROPOL İSTANBUL	1	507	30.12.2016	3.444.170	3.444.170
NİDAKULE ATAŞEHİR	4	1.573	30.12.2016	24.051.600	24.229.000

TABLE OF BUILDING INVENTORY (31.12.2019)

Building Inventory	# of Units in Inventory	SQM	Date of Purchase	Book Value	Appraisal Value
SARPHAN FİNANS PARK	140	9.402	30.12.2016	179.189.924	181.719.232
SOFALOCA	2	386	NA	1.568.879	1.599.000
SPRADON QUARTZ	2	140	NA	842.525	492.000
STÜDYO 24	1	64	30.04.2014	142.574	162.000
BÜYÜKYALI İSTANBUL	31	5.967	NA	74.606.102	76.948.320
UNİKONUT	5	1.327	28.02.2015	6.889.971	8.134.288
VARYAP MERİDİAN	2	138	07.05.2013	805.413	1.090.000
Total	2.296	371.232		1.685.237.071	1.799.764.142

Building Inventory (Stocks from Projects)	# of Units in Inventory	SQM	Date of Purchase	Book Value	Appraisal Value
MERKEZ ANKARA	144	145.622	30.12.2016	738.110.545	828.904.760
NİDAPARK İSTİNYE	24	7.202	-	159.927.300	181.197.631
NİDAPARK KAYAŞEHİR	97	9.324	-	44.167.697	45.102.178
NİDAPARK KÜÇÜKYALI	154	30.217	-	326.338.308	348.767.508
TEMAŞEHİR	64	14.665	NA	37.384.500	37.384.500
TUAL BAĞÇEKENT	75	11.360	NA	34.811.913	35.692.240
Total	558	218.390		1.340.740.263	1.477.048.816

TABLE OF BUILDING INVENTORY (31.12.2019)

Buildings in Non-Current Assets	# of Units in Inventory	SQM	Date of Purchase	Book Value	Appraisal Value
ANKARA ÇANKAYA NEXT LEVEL	4	989	-	6.810.900	9.182.000
RESMİ KURUM BİNASI	2	24.886	-	45.755.719	135.000.000
Total	6	25.875		52.566.619	144.182.000

Investment Property	# of Units in Inventory	SQM	Date of Purchase	Book Value	Appraisal Value
UNİKONUT	4	2.406	-	12.543.564	12.545.000
AĞAOĞLU MASLAK 1453 İSTANBUL	30	7.559	-	111.373.200	111.373.200
İSTMARİNA	238	60.879	-	299.459.333	272.179.309
SARPHAN FİNANS PARK	36	2.065	-	40.017.000	41.177.161
ESENLER EMLAK KONUTLARI	7	625	-	2.744.538	3.279.189
DUMANKAYA MIKS	2	750	-	5.409.910	5.381.000
AYAZMA EMLAK KONUTLARI 2. ETAP	5	862	-	-	5.171.628
KÖRFEZKENT 3. ETAP	2	253	-	277.946	502.000
KÖRFEZKENT 4.ETAP	2	210	-	300.620	666.000
Total	326	75.608		472.126.111	452.274.487

EPP PORTFOLIO TABLE (31.12.2019)

Subsidiaries Revenue Sharing Projects (EPP)	SQM	Date of Purchase	Book Value	Company Share	Explanation
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YALOVA ARMUTLU PROJESİ	211.330,95	01.11.2016	59.296.728	30.968.000	
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Subsidiaries TurnKey Projects(EPP)	SQM	Date of Purchase	Book Value + progress Payment	Explanation
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RAMİ GIDA TOPTANCILARI PROJESİ	321.827		596.080.335	
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Subsidiaries TurnKey Projects(EPP)	SQM	Date of Purchase	Book Value	Appraisal Value
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TUZLA ORHANLI PARSELLERİ	1.453	02.05.2013	540.086	900.000
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İSTANBUL RESNELİ PARSELLERİ	79.413	15.11.2017	20.333.314	55.780.000,00
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İSTANBUL RESNELİ PARSELLERİ	154	24.09.2019		93.000,00
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İSTANBUL ATAŞEHİR PARSELLERİ	251	28.03.2016	404.029	1.080.000
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GEBZE AKVİRAN PARSELLERİ	1.120	29.04.2014	11.216	680.000
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SAKARYA SAPANCA PARSELLERİ	118.100	12.06.2013	6.302.333	6.265.000
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Total	200.491		27.590.978	64.798.000
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Buildings Total (Investment)	# of Units in Inventory	SQM	Appraisal Value	Book Value
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PAPİRUS PLAZA	7	1.695	9.048.466	13.290.775
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BATIŞEHİR	7	706	8.107.647	7.820.000
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SARPHAN FİNANSPARK	2	131		1.825.000
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DOĞA PARKI EVLERİ	34	3.191	5.802.071	11.320.000
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Total	50	5.723	22.958.184	34.255.775
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SUMMARIES OF APPRAISAL REPORTS

REAL ESTATE VALUATION REPORT SUMMARY SUMMARIES OF APPRAISAL REPORTS (PROJECTS)

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	TEMAŞEHİR KONYA
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Project
CURRENT USAGE	Project construction is still ongoing.
LAND DEED INFORMATION	5 numbered PARCEL with 29.459,11 m2 area under 37594 BLOCK and 3 numbered PARCEL with 31.216,37 m2 area under 37595 BLOCK located at Konya City, Meram District, Yenice quarter
CURRENT VALUE OF THE PROJECT	358.476.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	102.700.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	598.135.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	198.759.060,00
NAME OF VALUE ASSESSED WORK:	TEM 34 TAHTAKALE PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Project
CURRENT USAGE	Activities of construction is still ongoing.
LAND DEED INFORMATION	İstanbul city, Avcılar district, Firüzköy quarter, 670 BLOCK, 1 numbered parcel
CURRENT VALUE OF THE PROJECT	51.530.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	32.969.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	155.240.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	40.086.059,39
NAME OF VALUE ASSESSED WORK:	MERKEZ ANKARA PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are still ongoing.
LAND DEED INFORMATION	Ankara city, Yenimahalle district, İstasyon quarter, Orman Çiftliği Mevkii, 63865 BLOCK, 124.475,80 m2 yüzölçümlü 2 numbered PARCEL
CURRENT VALUE OF THE PROJECT	1.389.788.479,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	796.645.120,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	3.274.853.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	1.258.000.000,00
NAME OF VALUE ASSESSED WORK:	KÖRFEZKENT ÇARŞI PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing.
LAND DEED INFORMATION	1 numbered parcel with "Land" nature and 11.922,37 m ² area within G23B21B3B layout, 1917 BLOCK located at Kocaeli city, Körfez district, Yarımca (Şuyulandırma) quarter
CURRENT VALUE OF THE PROJECT	62.475.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	73.802.000,00

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	EVORA İZMİR PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	İzmir city, Konak district, Umurbey quarter, Umurbey Region 8110/1, 8115/3 and 8115/4 parcels
CURRENT VALUE OF THE PROJECT	241.646.812,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	238.289.812,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	693.657.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	585.200.000,00
NAME OF VALUE ASSESSED WORK:	ALLSANCAK İZMİR PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	İzmir city, Konak district, Umurbey quarter, 8111/1, 8113/1 and 8113/2 numbered parcels
CURRENT VALUE OF THE PROJECT	319.240.535,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	314.505.535,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	1.713.775.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	726.000.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL MALTEPE KÜÇÜKYALI PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS NİDAPARK KÜÇÜKYALI PROJECT THAT ITS CONSTRUCTION IS STILL ONGOING ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY MALTEPE DISTRICT KÜÇÜKYALI QUARTER BLOCK 16771 parcel:1, BLOCK 16772 parcel:1, BLOCK 16773 parcel:2, PARCELS' AREA 67.317,05 m ² , 16772 BLOCK 2-3 PARCELS' OWNER STATE TREASURY
CURRENT VALUE OF THE PROJECT	1.216.729.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	770.396.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	2.470.036.796,81
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	1.527.000.300,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL SARIYER İSTİNYE PROFIT SHARING WORK AGAINST LAND SALES (NİDAPARK İSTİNYE PROJECT)
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS NİDAPARK İSTİNYE PROJECT THAT ITS CONSTRUCTION IS STILL ONGOING ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, SARIYER DISTRICT, İSTİNYE QUARTER, BLOCK-parcel: 360-3, 360-64, 380-84, 380-18, 380-38, 1352-11, 1352-12, 1353-4, NATURE: LAND,
CURRENT VALUE OF THE PROJECT	1.410.240.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	1.323.880.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	3.594.740.762,74
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	1.876.392.000,00

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	AVANGART İSTANBUL
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	Project
CURRENT USAGE	Project's construction works are ongoing.
LAND DEED INFORMATION	İstanbul city, Kağıthane district 7752 BLOCK, 4 PARCEL and Sarıyer district 7752 BLOCK 2 numbered PARCEL
CURRENT VALUE OF THE PROJECT	487.185.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	262.220.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	749.215.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	637.000.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL BAKIRKÖY YENİMAHALLE PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS OFFICE KARAT PROJECT THAT ITS CONSTRUCTION ONGOING ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, BAKIRKÖY DISTRICT, YENİMAHALLE QUARTER, BLOCK: 901 parcel:18 parcel, AREA 5.164,46 m ² , NATURE: LAND,
CURRENT VALUE OF THE PROJECT	74.573.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	39.431.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	123.734.001,43
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	62.000.000,00
NAME OF VALUE ASSESSED WORK:	SOCIAL CULTURAL FACILITY AREA, SPORT FACILITY AREA AND PARK CONSTRUCTIONS, AND WITHIN BLOCK INFRASTRUCTURE, ROAD AND LANDSCAPING WORK ON 859 BLOCK 2 AND 879 BLOCK 1 PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE ARE NO PROJECTS THAT THEIR CONSTRUCTIONS ARE ONGOING ON THE PARCELS
LAND DEED INFORMATION	İSTANBUL CITY KÜÇÜKÇEKMECE DISTRICT HALKALI QUARTER 853 BLOCK 2 PARCEL ve 879 BLOCK 1 parcel
TOTAL VALUE OF 859 BLOCK 2 parcel, 879 BLOCK 1 PARCEL (TL)	21.098.070,00
CURRENT VALUE OF THE PROJECTS ON 859 BLOCK 2 PARCEL, 879 BLOCK 1 PARCEL (TL)	116.750.000,00
VALUE OF THE PROJECT ON 859 BLOCK 2 PARCEL, 879 BLOCK 1 PARCEL IN CASE OF PROJECT COMPLETION (TL)	294.388.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL BAĞÇELİEVLER YENİBOSNA PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS KARAT 34 PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, BAĞÇELİEVLER DISTRICT, YENİBOSNA QUARTER, BLOCK: 1542 parcel:37, PARCEL'S AREA:21.438,07 m ² , NATURE: LAND
CURRENT VALUE OF THE PROJECT	375.893.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	146.598.270,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	408.348.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	171.600.000,00

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	İSTANBUL AVCILAR İSPARTAKULE 5. STAGE PROFIT SHARING WORK AGAINST LAND SALES (EBRULİ İSPARTAKULE)
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS NO STRUCTURE AND CONSTRUCTION ACTIVITY ON 633 BLOCK 2 PARCEL, BUT THERE IS EBRULİ PROJECT THAT ITS CONSTRUCTION ONGOING ON 678 BLOCK 11 PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, AVCLAR DISTRICT, FİRÜZKÖY QUARTER, BLOCK: 633 parcel:2, PARCEL'S AREA:19.915,64 m ² , NATURE: LAND, BLOCK: 678 parcel:11, PARCEL'S AREA:21.252,85 m ² , NATURE: LAND
CURRENT VALUE OF THE PROJECT	167.959.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	86.454.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	475.560.593,65
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	132.000.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL BEYKOZ RİVA PROFIT SHARING WORK AGAINST LAND SALES (DÜŞLER VADİSİ PROJECT)
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS DÜŞLER VADİSİ PROJECT THAT ITS CONSTRUCTION LEVEL IS %1,86 ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, BEYKOZ DISTRICT, RİVA QUARTER, BLOCK: 0 parcel: 3201 - 3202 2 PARCEL'S AREA: 1.075.860,42 m ² , NATURE: 3201 PARCEL PRIVATE FOREST - 3202 PARCEL LAND
CURRENT VALUE OF THE PROJECT	412.050.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	407.733.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	2.013.860.505,02
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	190.400.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL KARTAL YAKACIK LAND SALES PROFIT SHARING WORK
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.10.2019
REPORT TYPE	PROJE ASSESSMENT REPORT
CURRENT USAGE	THERE IS TUAL BLOKLAR PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, KARTAL DISTRICT, YAKACIK QUARTER, BLOCK: 12624 parcel:4, BLOCK: 12626 parcel:1, BLOCK: 12341 parcel:69
CURRENT VALUE OF THE PROJECT	207.593.800,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	93.159.400,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	364.065.389,85
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	116.961.600,00
NAME OF VALUE ASSESSED WORK:	BAŞAKŞEHİR KAYABAŞI RECREATION AREA TRADE AND REGION PARK CONSTRUCTIONS WITH INFRASTRUCTURE AND LANDSCAPING WORK
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.10.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS KUZEY YAKASI PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL
LAND DEED INFORMATION	İSTANBUL CITY, BAŞAKŞEHİR DISTRICT, KAYABAŞI QUARTER, BLOCK: 982 parcel:1-2-3-4,NATURE: LAND,
CURRENT VALUE OF THE PROJECT	446.133.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	617.226.639,87

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	İSTANBUL ZEYTİNBURNU KAZLIÇEŞME PROFIT SHARING WORK AGAINST LAND SALES (BÜYÜK YALI İSTANBUL)
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	29.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	There is büyük yali project that its construction is ongoing on the parcel
LAND DEED INFORMATION	İSTANBUL CITY, ZEYTİNBURNU DISTRICT, ZEYTİNBURNU QUARTER, BLOCK: 774 parcel:70-71-73-83 , 4 PARCEL'S AREA:108.210,12 m ² , NATURE: LAND (73 PARCEL NATURE:1.Ordu zeytinburnu heavy repair factory),
CURRENT VALUE OF THE PROJECT	2.532.031.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	1.076.559.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	5.348.513.753,85
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	1.978.950.088,93
NAME OF VALUE ASSESSED WORK:	KOORDİNAT ÇAYYOLU
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	Ankara City, Çankaya District, Çayyolu quarter, 29479 BLOCK, 1,3 ve 4 parcels and 29622 BLOCK 1 parcel
CURRENT VALUE OF THE PROJECT	290.774.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	108.598.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	452.268.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	180.000.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL ÜSKÜDAR BARBAROS PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	There is no validebağ konakları project that its construction is ongoing on the parcel.
LAND DEED INFORMATION	İSTANBUL CITY, ÜSKÜDAR DISTRICT, ALTUNİZADE QUARTER, BLOCK:
CURRENT VALUE OF THE PROJECT	344.051.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	239.265.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	815.548.801,89
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	439.887.380,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL BAŞAKŞEHİR KAYABAŞI 5. STAGE PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	There is nidapark kayışehir project that its construction is ongoing on the parcel.
LAND DEED INFORMATION	İSTANBUL CITY, BAŞAKŞEHİR DISTRICT, KAYABAŞI QUARTER, BLOCK: 443 parcel:69, BLOCK: 443 parcel: 71, BLOCK: 458 parcel: 24, BLOCK: 976 BLOCK parcel: 3, SUM OF 4 PARCELS
CURRENT VALUE OF THE PROJECT	196.830.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	74.795.400,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	266.742.475,95
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	74.795.400,00

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	İSTANBUL SARIYER ZEKERİYAKÖY PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	Market value and rental price determination report
CURRENT USAGE	There is köy project that its construction is ongoing on the parcel.
LAND DEED INFORMATION	İSTANBUL CITY, SARIYER DISTRICT, ZEKERİYAKÖY QUARTER, block-parcel: 1789 / 2-3-4, 1790/1-3-4, 1791/2-3-4, NATURE: LAND,
CURRENT VALUE OF THE PROJECT	856.112.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	557.246.897,50
VALUE OF THE PROJECT IN CASE OF COMPLETION	2.064.677.167,04
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	665.858.386,37
NAME OF VALUE ASSESSED WORK:	İSTANBUL ESENYURT HOŞDERE 5. STAGE PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	There is avrupark hayat project that its construction is ongoing on the parcels.
LAND DEED INFORMATION	İSTANBUL CITY, ESENYURT DISTRICT, HOŞDERE QUARTER, BLOCK: 701 parcel:4, OWNER: EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.,BLOCK: 702 parcel:3
CURRENT VALUE OF THE PROJECT	211.955.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	102.161.815,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	553.331.017,32
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	156.500.000,00
NAME OF VALUE ASSESSED WORK:	İSPARTAKULE 1. STAGE 2. SECTION PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	26.11.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	İstanbul city, Avcılar district, Firüzköy quarter, 616 BLOCK 15 parcel
CURRENT VALUE OF THE PROJECT	2.236.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	2.281.000,00
NAME OF VALUE ASSESSED WORK:	İSPARTAKULE 1. STAGE 1. SECTION PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	26.11.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	İstanbul city, Avcılar district, Firüzköy quarter, 622 BLOCK 1 parcel
CURRENT VALUE OF THE PROJECT	9.496.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	9.689.000,00
NAME OF VALUE ASSESSED WORK:	GEBZE EMLAK KONUTLARI 3. STAGE 2. SECTION PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	25.11.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	Kocaeli city, Gebze district, Güzeller quarter, 6438 BLOCK 3 parcel, 6471 BLOCK 1-2-3-4 parcels
CURRENT VALUE OF THE PROJECT	410.755.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	424.291.000,00

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	GEBZE EMLAK KONUTLARI 3. STAGE 1. SECTION PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	25.11.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	Kocaeli city, Gebze district, Güzeller quarter, 634 BLOCK 1-2 parcel, 6435 BLOCK 1 parcel, 6436 BLOCK 1 parcel
CURRENT VALUE OF THE PROJECT	404.029.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	447.837.000,00
NAME OF VALUE ASSESSED WORK:	EVORA DENİZLİ
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	24.10.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	Denizli City, Merkezefendi District, Çakmak quarter, 716 BLOCK, 1 numbered parcel, 717 BLOCK 1 numbered parcel, 718 BLOCK 1 numbered parcel, 719 BLOCK 1 numbered parcel, 720 BLOCK 1 numbered parcel, 721 BLOCK 1 and 2 numbered parcels, 722 BLOCK 1 numbered parcel, 723 BLOCK 1 numbered PARCEL and 724 BLOCK 1 numbered parcel
CURRENT VALUE OF THE PROJECT	257.833.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	87.737.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	627.467.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	134.090.518,14
NAME OF VALUE ASSESSED WORK:	İSTANBUL BAŞAKŞEHİR HOŞDERE 4. STAGE PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	PROJECT ASSESSMENT REPORT
CURRENT USAGE	THERE IS TUAL BAHÇEKENT PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL.
LAND DEED INFORMATION	İSTANBUL CITY, BAŞAKŞEHİR DISTRICT, HOŞDERE QUARTER, BLOCK: 647 parcel:2, BLOCK: 648 parcel:1-6-7, BLOCK: 649 parcel:1, BLOCK: 658 BLOCK parcel:1-6, SUM OF 7 PARCELS' AREA: 117.754,34 m ² , NATURE: LAND (658 BLOCK 1 PARCEL NATURE Land-Primary School Area) OWNER: EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ (658 BLOCK 1 PARCEL OWNER: STATE TREASURY)
CURRENT VALUE OF THE PROJECT	626.250.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	171.028.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	816.290.664,40
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	205.245.779,20
NAME OF VALUE ASSESSED WORK:	BAŞKENT EMLAK KONUTLARI 1. STAGE PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	12.07.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	Ankara city, Çankaya district, Mühye quarter, 29396 BLOCK, 11 numbered parcel
CURRENT VALUE OF THE PROJECT	722.338.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	722.338.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	906.295.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	906.295.000,00

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	BAŞKENT EMLAK KONUTLARI 2. STAGE PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	11.10.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	Ankara city, Çankaya district, Mühye quarter, 29397 BLOCK, 10 and 11 numbered parcels with 29401 BLOCK 10 numbered parcel
CURRENT VALUE OF THE PROJECT	340.194.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	340.194.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	344.013.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	344.013.000,00
NAME OF VALUE ASSESSED WORK:	KOCAELİ GEBZE EMLAK KONUTLARI 3. STAGE 2. SECTION RESIDENCE CONSTRUCTIONS WITH INFRASTRUCTURE AND LANDSCAPING WORK
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	08.10.2019
REPORT TYPE	PROJECT ASSESSMENT REPORT
CURRENT USAGE	THERE IS GEBZE EMLAK KONUTLARI 3. STAGE 2. SECTION PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL.
LAND DEED INFORMATION	KOCAELİ CITY, GEBZE DISTRICT, GÜZELLER QUARTER, BLOCK: 6741 parcel:1-2-3-4 SUM OF 4 PARCELS' AREA: 90.773,82 m², BLOCK: 6438 parcel: 3 AREA 5.003,30 m²NATURE: LAND,
CURRENT VALUE OF THE PROJECT	407.660.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	421.409.507,92
NAME OF VALUE ASSESSED WORK:	KOCAELİ GEBZE EMLAK KONUTLARI 3. STAGE 1. SECTION RESIDENCE AND COMMERCIAL CONSTRUCTIONS WITH INFRASTRUCTURE AND LANDSCAPING WORK
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	08.10.2019
REPORT TYPE	PROJECT ASSESSMENT REPORT
CURRENT USAGE	THERE IS NO GEBZE EMLAK KONUTLARI 3. STAGE 1. SECTION PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL.
LAND DEED INFORMATION	KOCAELİ CITY, GEBZE DISTRICT, GÜZELLER QUARTER, BLOCK: 6434 parcel:1-2, BLOCK:6435 parcel:1, BLOCK: 6436 parcel:1 4 PARCELS' AREA: 101.780,21 m², NATURE: LAND,
CURRENT VALUE OF THE PROJECT	402.230.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	446.563.118,51
NAME OF VALUE ASSESSED WORK:	YENİKÖY KONA KLARI
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	06.12.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	129 numbered Parcel with 22.352,56 m2 area under 859 BLOCK that is located at İstanbul city, Eyüpsultan district, Alibeyköy quarter, Osman Paşa Region.
CURRENT VALUE OF THE PROJECT	107.090.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	299.190.000,00
NAME OF VALUE ASSESSED WORK:	İSTANBUL ESENYURT HOŞDERE 6. STAGE PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Reel Gayrimenkul Değerleme A.Ş.
REPORT DATE	04.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE IS SEMT BAÇEKENT PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL.
LAND DEED INFORMATION	İSTANBUL CITY, ESENYURT DISTRICT, HOŞDERE QUARTER, BLOCK: 707 parcel:1, AREA: 23.264,07 M² OWNER: EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
CURRENT VALUE OF THE PROJECT	89.478.000,00
PROJECT'S VALUE TODAY IN CASE OF COMPLETION	294.827.067,18

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	DUMANKAYA MİKS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	03.12.2019
REPORT TYPE	Project
CURRENT USAGE	As constructions works have been completed, yet flat ownership were not initiated.
LAND DEED INFORMATION	İstanbul city, Küçükçekmece district, Halkalı quarter, 800 BLOCK 11 parcel
CURRENT VALUE OF THE PROJECT	22.615.560,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	22.844.000,00

NAME OF VALUE ASSESSED WORK:	İDEALİST CADDE ŞİLE
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	01.11.2019
REPORT TYPE	Project
CURRENT USAGE	Construction works are ongoing..
LAND DEED INFORMATION	"Land" natured 205 Parcel with 3.521,69 m2 area under 91 BLOCK that is located at İstanbul city, Şile district, Çavuş quarter and "Land" natured 82 numbered Parcel with 14.980,76 m2 area under 70 BLOCK that is located at Mehmet Ali Deresi Region
CURRENT VALUE OF THE PROJECT	13.015.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	11.750.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	67.120.000,00
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	15.070.000,00

NAME OF VALUE ASSESSED WORK:	İSTANBUL FATİH YEDİKULE PROFIT SHARING WORK AGAINST LAND SALES
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	01.11.2019
REPORT TYPE	PROJECT ASSESSMENT REPORT
CURRENT USAGE	THERE IS NO CER İSTANBUL PROJECT THAT ITS CONSTRUCTION IS ONGOING ON THE PARCEL.
LAND DEED INFORMATION	İSTANBUL CITY, FATİH DISTRICT, YEDİKULE QUARTER, BLOCK: 2384 parcel:7, AREA 40945,86 M ² , NATURE: YEDİKULE STATION AND ITS EQUIPMENT,
CURRENT VALUE OF THE PROJECT	174.311.000,00
VALUE OF EMLAK KONUT GYO'S SHARE WITH THE CURRENT SITUATION OF THE PROJECT	143.311.000,00
VALUE OF THE PROJECT IN CASE OF COMPLETION	454.722.347,51
VALUE OF EMLAK KONUT GYO'S SHARE IN CASE OF PROJECT COMPLETION	159.198.293,86

REAL ESTATE VALUATION REPORT SUMMARY SUMMARIES OF APPRAISAL REPORTS (BUILDINGS)

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	YALI ATAKÖY PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	FLAT
CURRENT USAGE	IT IS EMPTY.
LAND DEED INFORMATION	İstanbul city, Bakırköy district, Zeytinlik quarter, 564 BLOCK, 186 PARCEL B2 Block, 4. Floor, 22 numbered Independent Section
MARKET VALUE OF 1 INDEPENDENT SECTION	4.740.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	155 INDEPENDENT SECTIONS AT MASLAK 1453 PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	SALES AND RENT VALUATION
CURRENT USAGE	REPORT SUBJECT MATTER 155 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:SARIYER QUARTER: M.A.YAZAĞA BLOCK/parcel: 10622/2 BLOCK NO: ON THE LIST INDEPENDENT SECTION NO: ON THE LIST IND.SEC. NATURE: ON THE LIST
MARKET VALUE OF 155 INDEPENDENT SECTIONS	604.154.100,00 TL
MARKET VALUE DETERMINATION OF 184 INDEPENDENT SECTIONS UNDER SARPHAN FİNANSPARK PROJECT ON 3317 BLOCK 5 PARCEL LOCATED AT İSTANBUL CITY ÜMRANIYE DISTRICT	
NAME OF VALUE ASSESSED WORK:	MARKET VALUE DETERMINATION OF 184 INDEPENDENT SECTIONS UNDER SARPHAN FİNANSPARK PROJECT ON 3317 BLOCK 5 PARCEL LOCATED AT İSTANBUL CITY ÜMRANIYE DISTRICT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.10.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 184 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:ÜMRANIYE QUARTER: FİNANSKENT BLOCK/parcel: 3317/5 BLOCK NO: A, B, D, E Unit NO: ON THE LIST IND. SEC. NATURE: WORKPLACE/OFFICE, WORKPLACE, SHOP
MARKET VALUE OF 184 INDEPENDENT SECTIONS	228.292.237,67 TL
Başakşehir Evleri 2. STAGE	
NAME OF VALUE ASSESSED WORK:	Başakşehir Evleri 2. STAGE
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	Building
CURRENT USAGE	They are empty
LAND DEED INFORMATION	A2 Block 1 numbered Independent Section and A4 Block 9 numbered Independent Section that registered at 458 BLOCK, 26 numbered parcel in İstanbul city, Başakşehir district, Kayabaşı quarter
TOTAL VALUE OF IMMOVABLE PROPERTIES	1.025.000,00 TL
Sofa Loca Projesi	
NAME OF VALUE ASSESSED WORK:	Sofa Loca Projesi
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	20.12.2018
REPORT TYPE	Building
CURRENT USAGE	They are empty
LAND DEED INFORMATION	B2 Block 25 numbered Independent Section and B4 Block 1 numbered Independent Section that are registered at 48758 BLOCK, 2 numbered parcel with 18.228 m2 area in Ankara, Etimesgut
TOTAL VALUE OF IMMOVABLE PROPERTIES	1.599.000,00 TL
NİĞDE EMLAK KONTLARI 138 INDEPENDENT SECTION	
NAME OF VALUE ASSESSED WORK:	NİĞDE EMLAK KONTLARI 138 INDEPENDENT SECTION
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
LAND DEED INFORMATION	CITY: NİĞDE DISTRICT:MERKEZ QUARTER: TEPE BLOCK/parcel: 3337/2 Block NO: A1, A2, A3, A4, B1, B2, B3, B4 IND. SEC. NATURE: FLAT SHOP
MARKET VALUE OF 138 INDEPENDENT SECTIONS	52.488.600,00 TL
NEVŞEHİR EMLAK KONUTLARI 9 INDEPENDENT SECTIONS	
NAME OF VALUE ASSESSED WORK:	NEVŞEHİR EMLAK KONUTLARI 9 INDEPENDENT SECTIONS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
LAND DEED INFORMATION	CITY: NEVŞEHİR DISTRICT:MERKEZ QUARTER: EMEK BLOCK/parcel: 3430/771 Block NO: A2, A4, A5, B1, B2 INDEPENDENT SECTION NO: 2, 1, 3, 45, 3, 45, 49, 56, 2 IND. SEC. NATURE: FLAT, SHOP
MARKET VALUE OF 9 INDEPENDENT SECTIONS	5.265.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	İSTMARİNA 301 INDEPENDENT SECTIONS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	A part of immovable properties are empty, another part of them are used by the tenant for the purpose of residence&Shop
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:KARTAL QUARTER: ÇAVUŞOĞLU BLOCK/parcel: 9051/1 - 9048/2 Block NO: A, B, C, D, E, Shopping Mall COMMERCIAL INDEPENDENT SECTION NO: In the attachment IND. SEC. NATURE: FLAT, OFFICE, SHOP, SHOP with warehouse
MARKET VALUE OF 301 INDEPENDENT SECTIONS	739.733.408,00 TL
NAME OF VALUE ASSESSED WORK:	EVORA 2. STAGE
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	25.12.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status
LAND DEED INFORMATION	İstanbul city, Tuzla district, Aydınlı quarter, 102 BLOCK, 1 parcel, BT1 Block, 12 numbered Independent Section
MARKET VALUE OF 1 INDEPENDENT SECTION	480.000,00 TL
NAME OF VALUE ASSESSED WORK:	İSTANBUL PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	23.12.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status.
LAND DEED INFORMATION	İstanbul city, Avcılar district, Firuzköy quarter, 662 BLOCK, 1 parcel, 2A Block, 75 numbered Independent Section
MARKET VALUE OF 1 INDEPENDENT SECTION	541.000,00 TL
NAME OF VALUE ASSESSED WORK:	UNİKONUT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	22.10.2019
REPORT TYPE	Building
CURRENT USAGE	Office
LAND DEED INFORMATION	9 Independent Sections that are registered at İstanbul city, Avcılar district, Firuzköy quarter, 639 BLOCK, 2 parcel
MARKET VALUE OF 9 INDEPENDENT SECTIONS	20.473.800,00 TL
NAME OF VALUE ASSESSED WORK:	VARYAP MERIDIAN
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	21.10.2019
REPORT TYPE	Building
CURRENT USAGE	Office
LAND DEED INFORMATION	İstanbul city, Ataşehir district, Küçükbakkalköy quarter, 3346 BLOCK, 1 PARCEL A Block, 337 and 344 numbered Independent Sections
MARKET VALUE OF 2 INDEPENDENT SECTIONS	1.090.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	STÜDYO 24
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	21.10.2019
REPORT TYPE	Building
CURRENT USAGE	Office
LAND DEED INFORMATION	İstanbul city, Avcılar district, Firuzköy quarter
MARKET VALUE OF 2 INDEPENDENT SECTIONS	368.000,00 TL
NAME OF VALUE ASSESSED WORK:	AYAZMA EMLAK KONUTLARI 1. STAGE
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	19.12.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status.
LAND DEED INFORMATION	A total of 6 independent sections as their location is at İstanbul city, Başakşehir district, İkitelli
MARKET VALUE OF 6 INDEPENDENT SECTIONS	4.212.600,00 TL
NAME OF VALUE ASSESSED WORK:	İSTANBUL BAŞAKŞEHİR AYAZMA EMLAK KONUTLARI 2. STAGE RESIDENCE AND COMMERCIAL CONSTRUCTIONS WITH INFRASTRUCTURE AND LANDSCAPING CONSTRUCTION WORK AT (AYAZMA EMLAK KONUTLARI 2) PROJECT 26 INDEPENDENT SECTIONS'
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	19.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 26 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER: İKİTELLİ
MARKET VALUE OF 26 INDEPENDENT SECTIONS	32.935.750,00 TL
NAME OF VALUE ASSESSED WORK:	İSTANBUL BAŞAKŞEHİR AYAZMA EMLAK KONUTLARI 1. STAGE RESIDENCE WITH INFRASTRUCTURE AND LANDSCAPING CONSTRUCTIONS WORK AT (AYAZMA EMLAK KONUTLARI 1) PROJECT 11 INDEPENDENT SECTIONS' MARKET VALUE DETERMINATION
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	19.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 11 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER:
MARKET VALUE OF 11 INDEPENDENT SECTIONS	6.282.000,00 TL
NAME OF VALUE ASSESSED WORK:	İSTANBUL HOŞDERE EMLAK KONUTLARI 1.STAGE 3.SECTION COMMERCIAL, SCHOOL, SPORTS HALL, NURSERY AND MOSQUE WITH GENERAL INFRASTRUCTURE, WITHIN BLOCK INFRASTRUCTURE AND LANDSCAPING CONSTRUCTIONS WORKS AT (BAHÇEKENT EMLAK KONUTLARI 1-3) PROJECT 18 INDEPENDENT SECTIONS' MARKET VALUE DETERMINATION
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	18.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 18 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER: HOŞDERE
MARKET VALUE OF 18 INDEPENDENT SECTIONS	7.507.000,00 TL
NAME OF VALUE ASSESSED WORK:	KOCAELİ GEBZE 2. STAGE EMLAK KONUTLARI CONSTRUCTIONS WITH INFRASTRUCTURE AND LANDSCAPING WORK
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	18.10.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
LAND DEED INFORMATION	CITY: KOCAELİ DISTRICT: GEBZE QUARTER: GÜZELLER BLOCK/parcel:
MARKET VALUE OF 1 INDEPENDENT SECTION	300.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	BATIŞEHİR
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	15.11.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status.
LAND DEED INFORMATION	İstanbul city, Bağcılar district, Mahmutbey quarter
MARKET VALUE OF 2 INDEPENDENT SECTIONS	11.366.000,00 TL
NAME OF VALUE ASSESSED WORK:	3 INDEPENDENT SECTIONS' MARKET VALUE DETERMINATION AT İSTANBUL BAŞAKŞEHİR AYAZMA 3. STAGE PROFIT SHARING WORK AGAINST LAND SALES (BULVAR İSTANBUL EVLERİ) PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	15.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 3 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER: İKİTELLİ
MARKET VALUE OF 3 INDEPENDENT SECTIONS	2.505.000,00 TL
NAME OF VALUE ASSESSED WORK:	5 INDEPENDENT SECTIONS' MARKET VALUE DETERMINATION AT İSTANBUL CITY BAŞAKŞEHİR DISTRICT BAHÇETEPE İSTANBUL PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	15.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 5 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER: KAYABAŞI
MARKET VALUE OF 5 INDEPENDENT SECTIONS	2.877.000,00 TL
NAME OF VALUE ASSESSED WORK:	Ataşehir Governmental Agency Buildings 2 Independent Sections' market value
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	14.11.2019
REPORT TYPE	Building
CURRENT USAGE	Office
LAND DEED INFORMATION	See Report 4.1. Ownership Status
MARKET VALUE OF 2 INDEPENDENT SECTIONS	233.000.000,-TL
NAME OF VALUE ASSESSED WORK:	Nidakule Ataşehir 4 Independent Sections' Market Value
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.12.2019
REPORT TYPE	Building
CURRENT USAGE	SHOP
LAND DEED INFORMATION	4 Independent Sections that are registered at 5 numbered parcel with 13.020,03 m2 are on 3334 BLOCK in İstanbul city, Ataşehir district, Küçükbakkalköy quarter
MARKET VALUE OF 4 INDEPENDENT SECTIONS	24.229.000,00 TL
NAME OF VALUE ASSESSED WORK:	BAHÇEKENT FLORA / CADDE FLORA
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.11.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status.
LAND DEED INFORMATION	İstanbul city, Başakşehir district, Hoşdere quarter
MARKET VALUE OF 2 INDEPENDENT SECTIONS	1.091.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	İSTANBUL PROJECT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	13.11.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status.
LAND DEED INFORMATION	İstanbul city, Avcılar district, Firüzköy quarter
MARKET VALUE OF 2 INDEPENDENT SECTIONS	665.000,00 TL
NAME OF VALUE ASSESSED WORK:	EMLAK KONUTLARI BAŞAKŞEHİR EVLERİ 1-4 PROJECT 2 INDEPENDENT SECTIONS' MARKET VALUE DETERMINATION
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	13.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 60 NUMBERED INDEPENDENT SECTION IS CURRENTLY BEING USED AS WAREHOUSE BY EMLAK KONUT, 64 NUMBERED INDEPENDENT SECTION IS EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER: KAYABAŞI
MARKET VALUE OF 2 INDEPENDENT SECTIONS	1.758.000,00 TL
NAME OF VALUE ASSESSED WORK:	EMLAK KONUTLARI BAŞAKŞEHİR EVLERİ 1-2 PROJECT 8 INDEPENDENT SECTIONS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	13.11.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	REPORT SUBJECT MATTER 6 INDEPENDENT SECTIONS ARE CURRENTLY EMPTY.
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT:BAŞAKŞEHİR QUARTER: KAYABAŞI
MARKET VALUE OF 8 INDEPENDENT SECTIONS	7.880.000,00 TL
NAME OF VALUE ASSESSED WORK:	Körfezkent 3. STAGE
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	Building
CURRENT USAGE	SHOP
LAND DEED INFORMATION	2, 3, 4 and 8 numbered Independent Sections in Kocaeli city, Körfez district Yarımcı
MARKET VALUE OF 4 INDEPENDENT SECTIONS	1.637.000,-TL
NAME OF VALUE ASSESSED WORK:	Körfezkent 4. STAGE 14 Independent Sections' market value
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	Building
CURRENT USAGE	SHOP
LAND DEED INFORMATION	10 Independent Sections that are in Kocaeli city, Körfez district, Yarımcı (Şuyulandırma) quarter
MARKET VALUE OF 14 INDEPENDENT SECTIONS	7.846.000,00 TL
NAME OF VALUE ASSESSED WORK:	AVRUPA KONUTLARI BAŞAKŞEHİR
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	Building
CURRENT USAGE	EMPTY status.
LAND DEED INFORMATION	İstanbul city, Başakşehir district, Kayabaşı quarter, 443 BLOCK, 62 parcel, 2 - (A Entrance) Block, 1 numbered Independent Section
MARKET VALUE OF 1 INDEPENDENT SECTION	1.177.800,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	Spradon Quartz Project
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	06.12.2019
REPORT TYPE	Building
CURRENT USAGE	Flat
LAND DEED INFORMATION	103 numbered Independent Section that is registered at İstanbul city, Başakşehir district, Hoşdere Quarter 217 BLOCK 1 parcel
MARKET VALUE OF 1 INDEPENDENT SECTION	285.000,00 TL
NAME OF VALUE ASSESSED WORK:	ESENLER EMLAK KONUTLARI
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	03.12.2019
REPORT TYPE	Building
CURRENT USAGE	SHOP and Residence
LAND DEED INFORMATION	10 Independent Sections that are registered at İstanbul city, Esenler district, Atışalanı quarter, 1095 BLOCK, 16 parcel
MARKET VALUE OF 10 INDEPENDENT SECTIONS	5.999.200,00 TL
NAME OF VALUE ASSESSED WORK:	NEXT LEVEL
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	03.10.2019
REPORT TYPE	Building
CURRENT USAGE	Office
LAND DEED INFORMATION	Ankara city, Çankaya district, Karakusunlar quarter, 27457 BLOCK, 4 PARCEL A Block, 18. Floor, 88, 89, 90 and 91 numbered Independent Sections
MARKET VALUE OF 4 INDEPENDENT SECTIONS	9.182.000,00 TL
NAME OF VALUE ASSESSED WORK:	İSTANBUL SCITYVRİ SELİMPAŞA, RESIDENCE, BAZAAR AND SOCIAL FACILITY CONSTRUCTIONS WITH INFRASTRUCTURE AND LANDSCAPING WORKS AT (SELİMPAŞA KONUTLARI) PROJECT 1 INDEPENDENT SECTION' MARKET VALUE DETERMINATION
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	02.10.2019
REPORT TYPE	1 IMMOVABLE PROPERTY'S MARKET VALUE DETERMINATION
CURRENT USAGE	EMPTY FLAT
LAND DEED INFORMATION	CITY: İSTANBUL DISTRICT: SİLİVRİ QUARTER: SELİMPAŞA BLOCK/parcel: 675/1 Block NO: A5 INDEPENDENT SECTION NO: 8 IND. SEC. NATURE: RESIDENCE
MARKET VALUE OF 1 INDEPENDENT SECTION	285.000,00 TL
NAME OF VALUE ASSESSED WORK:	GÖL PANORAMA EVLERİ
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	01.11.2019
REPORT TYPE	55 Independent Sections Market Value Determination
CURRENT USAGE	Immovable properties are on EMPTY status.
LAND DEED INFORMATION	İstanbul city, Avcılar district, Kapadık quarter, 386 BLOCK, 7 parcel
MARKET VALUE OF 55 INDEPENDENT SECTIONS	37.223.811,13 TL

SUMMARIES OF APPRAISAL REPORTS

REAL ESTATE VALUATION REPORT SUMMARY SUMMARIES OF APPRAISAL REPORTS (LANDS)

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	TUZLA PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status
TOTAL MARKET VALUE	361.017,58 TL
NAME OF VALUE ASSESSED WORK:	TUZLA İÇMELER PARCEL
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status
TOTAL MARKET VALUE	25.635.405,00 TL
NAME OF VALUE ASSESSED WORK:	KÖRFEZ PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status
TOTAL MARKET VALUE	8.974.700,00 TL
NAME OF VALUE ASSESSED WORK:	İZMİR KONAK PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status
TOTAL MARKET VALUE	13.148.320,00 TL
NAME OF VALUE ASSESSED WORK:	AVCILAR PARCEL
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status.
TOTAL MARKET VALUE	30.471.800,00 TL
NAME OF VALUE ASSESSED WORK:	ARNAVUTKÖY PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status
TOTAL MARKET VALUE	331.219.421,35 TL
NAME OF VALUE ASSESSED WORK:	Ankara Mühye Parcels
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Land
CURRENT USAGE	Partially EMPTY, there are partially shanty-type structures and derelict buildings.
TOTAL MARKET VALUE	60.329.780,07 TL
NAME OF VALUE ASSESSED WORK:	Şenlik parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	There is Galatasaray Florya Metin Oktay Facility on a part of the parcel.
TOTAL MARKET VALUE	315.000.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	ŞEVKETİYE parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE ARE IDLE BUILDINGS ON THE PARCEL
TOTAL MARKET VALUE	330.000.000,00 TL
NAME OF VALUE ASSESSED WORK:	Ankara Mühye parcels
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	31.12.2019
REPORT TYPE	Land
CURRENT USAGE	Partially EMPTY, there are partially shanty-type structures and derelict buildings.
TOTAL MARKET VALUE	60.329.780,07 TL
NAME OF VALUE ASSESSED WORK:	İstinye parcels
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	7.003.940,00 TL
NAME OF VALUE ASSESSED WORK:	FİNANSKENT PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	30.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	0,00 TL
NAME OF VALUE ASSESSED WORK:	İstanbul Çekmeköy Taşdelen Market Value of 5 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	Land
CURRENT USAGE	EMPTY LAND
LAND DEED INFORMATION	İstanbul city, Çekmeköy district, Taşdelen quarter, 5 parcel
MARKET VALUE OF 5 PARCELS	258.186.986,00 TL
NAME OF VALUE ASSESSED WORK:	ŞİŞLİ TEŞVİKİYE PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	AS THERE ARE CURRENTLY RISKY STRUCTURES ON 110 AND 111 PARCEL, THERE IS CURRENTLY PREFAB ON 112 PARCEL
TOTAL MARKET VALUE	462.326.020,00 TL
NAME OF VALUE ASSESSED WORK:	Zekeriya köy parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	719.000,00 TL
NAME OF VALUE ASSESSED WORK:	Kastamonu Cide parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	01.11.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	EMPTY status.
TOTAL MARKET VALUE	60.000,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	NEVŞEHİR 2 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	8.232,25 TL
NAME OF VALUE ASSESSED WORK:	KAPAKLI 5 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	23.528.310,80 TL
NAME OF VALUE ASSESSED WORK:	Çorlu 4 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Reel Gayrimenkul Değerleme A.Ş.
REPORT DATE	27.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	8.965.010,70 TL
NAME OF VALUE ASSESSED WORK:	Market Value of Emlak Konut GYO A.Ş.'s Share on İstanbul Kartal 18 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	16.12.2019
REPORT TYPE	Land
CURRENT USAGE	EMPTY LAND
LAND DEED INFORMATION	İstanbul city, Kartal district, Çavuşoğlu quarter, 9 parcel, Soğanlık quarter, 7 parcel, Yakacık quarter,
VALUE OF EMLAK KONUT GYO'S SHARE ON 18 PARCELS	150.541.306,-TL
Total monthly market value of shares of Emlak Konut GYO A.Ş. and Republic of Turkey Ministry of Environment and Urbanization	197.386,-TL
NAME OF VALUE ASSESSED WORK:	ATAŞEHİR PARCELS
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	16.12.2019
REPORT TYPE	Market Value Determination
CURRENT USAGE	PARTIALLY EMPTY, PARTIALLY USED BY SHAREHOLDERS.
TOTAL MARKET VALUE	81.853.177,00 TL
NAME OF VALUE ASSESSED WORK:	Maltepe 1 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Reel Gayrimenkul Değerleme A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	There is a single-floored prefab on the parcel that is used by Nidapark Küçükyalı Project Construction
TOTAL MARKET VALUE	3.012.524,00 TL

SUMMARIES OF APPRAISAL REPORTS

Real Estate Value Assessment Report Summary	
NAME OF VALUE ASSESSED WORK:	ESENYURT HOŞDERE 4 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY LAND
TOTAL MARKET VALUE	114.110.141,60 TL
NAME OF VALUE ASSESSED WORK:	Kayabaşı 2 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY LAND
TOTAL MARKET VALUE	182.459.000,00 TL
NAME OF VALUE ASSESSED WORK:	İKİTELLİ 34 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY LAND
TOTAL MARKET VALUE	433.748.879,26 TL
NAME OF VALUE ASSESSED WORK:	BAŞAKŞEHİR HOŞDERE 22 parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	12.12.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY LAND
TOTAL MARKET VALUE	176.169.525,63 TL
NAME OF VALUE ASSESSED WORK:	14 parcels in KOCAELİ CITY GEBZE DISTRICT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	11.10.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE ARE NO STRUCTURE ON THE PARCELS.
TOTAL MARKET VALUE	2.601.192,00 TL
NAME OF VALUE ASSESSED WORK:	Tuzla Orhanlı 120 BLOCK 1 numbered parcel
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
REPORT DATE	10.10.2019
REPORT TYPE	Market Value
CURRENT USAGE	EMPTY status.
TOTAL MARKET VALUE	219.462.400,00 TL
NAME OF VALUE ASSESSED WORK:	BAŞAKŞEHİR, KAYABAŞI 1 LAND
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	10.10.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	EMPTY
TOTAL MARKET VALUE	33.340.000,00 TL
NAME OF VALUE ASSESSED WORK:	6 parcels in İSTANBUL CITY BEŞİKTAŞ DISTRICT
INSTITUTION THAT REQUESTED THE ASSESSMENT	Emlak Konut GYO A.Ş.
INSTITUTION THAT PREPARED THE REPORT	REEL GAYRİMENKUL DEĞERLEME A.Ş.
REPORT DATE	10.10.2019
REPORT TYPE	ASSESSMENT REPORT
CURRENT USAGE	THERE ARE CURRENTLY BUILDINGS ON THE PARCEL.
TOTAL MARKET VALUE	256.965.000,00 TL

LEGAL NOTICE

This interim report includes information about the Company's operations and accounts for the period from January 1 to December 31, 2019.

It was prepared in accordance with legal regulations and based on the Board of Directors Report, and Financial Statements. The report was prepared to inform shareholders and does not constitute the basis for any investment decision.

The views and estimated figures in the report reflect the Company management's opinions about the future; however, they may take place differently depending on the variables and estimates that constitute such prospective and estimated figures. Accordingly, Emlak Konut GYO A.Ş. (Emlak Konut REIC) or members of the Board of Directors, its advisors or employees shall not be responsible for any direct or indirect losses or damages suffered by any person due to any information or communication conducted through this report or any when such results are based on any information covered in this report or deemed to have resulted from the lack of thereof.

All the information provided in this report is considered to be correct as of its publication date; Emlak Konut GYO A.Ş. shall not assume any responsibility for any errors that may occur in writing and printing stages.



EMLAK KONUT

— GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. —

T.C. ÇEVRE VE ŞEHİRCİLİK BAKANLIĞI TOKİ İSTİRAKİDİR



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