

**RÖNESANS GAYRİMENKUL YATIRIM
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
1 JANUARY - 31 DECEMBER 2024
INDEPENDENT AUDITOR'S REPORT**

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	<i>(Audited current period)</i> 31 December 2024	<i>(Audited prior period)</i> 31 December 2023
ASSETS			
Current Assets		4,968,963	3,701,254
Cash and cash equivalents	32	3,587,051	2,306,624
Financial investments	27	44,965	67,765
Trade receivables		659,934	584,892
- Trade receivables from related parties	5-6	177,241	132,606
- Trade receivables from third parties	6	482,693	452,286
Other receivables		2,857	3,119
- Other receivables from related parties	5-7	45	465
- Other receivables from third parties	7	2,812	2,654
Derivative instruments	25	-	127,659
Inventories	8	1,837	1,845
Prepaid expenses		472,018	534,327
-Prepaid expenses to related parties	5-9	362,859	468,148
-Prepaid expenses to third parties	9	109,159	66,179
Current income tax assets		1,920	3,825
Other current assets	15	198,381	71,198
Non-Current Assets		118,002,469	117,206,829
Other receivables		1,888	3,228
- Other receivables from third parties	7	1,888	3,228
Investments accounted through equity method	3	16,233,459	16,099,580
Inventories	8	2,813,574	1,812,593
Investment properties	10	98,320,162	97,668,421
Property, plant and equipment	11	144,409	118,986
Right of use assets		255,329	259,209
Intangible assets		1,572	2,121
- Other intangible assets	12	1,572	2,121
Prepaid expenses	9	7,476	11,576
Deferred tax assets	22	212,354	1,217,116
Other non-current assets	15	12,246	13,999
TOTAL ASSETS		122,971,432	120,908,083

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

		<i>(Audited current period)</i>	<i>(Audited prior period)</i>
	Notes	31 December 2024	31 December 2023
LIABILITIES			
Current Liabilities		5,984,571	7,668,468
Short-term financial debts	26	191,366	766,212
Short-term portion of long term financial debts		3,360,257	3,725,469
- <i>Short-term portion of long term financial debts from related parties</i>	5-26	-	43,489
- <i>Short-term portion of long term financial debts from third parties</i>	26	3,360,257	3,681,980
Trade payables		1,027,073	654,936
- <i>Trade payables to related parties</i>	5-6	575,228	192,090
- <i>Trade payables to third parties</i>	6	451,845	462,846
Payables related to employee benefits	14	13,931	23,931
Other payables		959,360	1,836,060
- <i>Other payables to related parties</i>	5-7	723,926	1,568,378
- <i>Other payables to third parties</i>	7	235,434	267,682
Derivative instruments	25	116,296	195,112
Deferred revenue	9	56,197	315,786
Current tax liabilities	22	220,560	113,272
Short term provisions		39,531	37,690
- <i>Short-term provision for employee benefits</i>	14	20,204	21,876
- <i>Other short-term provisions</i>	23	19,327	15,814
Non-Current Liabilities		27,420,810	32,830,086
Long term borrowings		14,761,710	23,212,454
- <i>Long term borrowings from related parties</i>	5-26	-	5,837,745
- <i>Long term borrowings from third parties</i>	26	14,761,710	17,374,709
Trade payables		-	58,419
- <i>Trade payables to related parties</i>	5-6	-	58,419
Other payables		2,208,463	2,615,332
- <i>Other payables to related parties</i>	5-7	2,180,617	2,576,022
- <i>Other payables to third parties</i>	7	27,846	39,310
Deferred revenue	9	1,125	7,376
Long term provisions		117,278	122,563
- <i>Long term provision for employee benefits</i>	14	117,278	122,563
Deferred tax liabilities	22	10,332,234	6,813,942
TOTAL LIABILITIES		33,405,381	40,498,554
SHAREHOLDERS' EQUITY			
Equity attributable to the parent		89,566,051	80,409,529
Share capital	16	331,000	303,717
Adjustment to share capital	16	4,379,457	4,375,161
Other comprehensive income not to be reclassified to profit or loss		(20,386)	(13,179)
- <i>Loss on remeasurement of defined benefit obligations</i>		(20,386)	(13,179)
Share premium	16	12,538,711	8,092,729
Restricted profit reserve	16	650,920	650,920
Retained earnings		67,000,181	40,600,938
Net profit for the period		4,686,168	26,399,243
Total equity		89,566,051	80,409,529
TOTAL EQUITY AND LIABILITIES		122,971,432	120,908,083

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	<i>(Audited current period)</i>	<i>(Audited prior period)</i>
		1 January - 31 December 2024	1 January - 31 December 2023
PROFIT OR LOSS			
Revenue	17	8,222,930	7,234,684
Cost of sales (-)	17	(2,509,683)	(2,659,576)
Gross profit		5,713,247	4,575,108
Marketing expenses (-)	18	(106,223)	(56,203)
General administrative expenses (-)	18	(275,681)	(234,747)
Other operating income	20	4,167,394	14,488,797
Other operating expense (-)	20	(2,385,567)	(1,246,875)
OPERATING PROFIT		7,113,170	17,526,080
Income from investing activities		3,821	541
Expenses from investing activities (-)		-	(10,258)
Share of profit of investments accounted for using the equity method	3	132,998	3,203,879
OPERATING PROFIT BEFORE FINANCIAL INCOME		7,249,989	20,720,242
Financial income	21	228,900	1,260,575
Financial expenses (-)	21	(6,516,510)	(19,042,384)
Monetary gain	33	8,714,603	17,430,496
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		9,676,982	20,368,929
Tax expense from continuing operations		(4,990,814)	6,030,314
Current tax expense	22	(465,357)	(174,789)
Deferred tax expense	22	(4,525,457)	6,205,103
PROFIT FOR THE PERIOD		4,686,168	26,399,243
Earnings per share	24	14.66	86.92

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPERHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	<i>(Audited current period)</i> 1 January - 31 December 2024	<i>(Audited prior period)</i> 1 January - 31 December 2023
Notes		
PROFIT FOR THE YEAR	4,686,168	26,399,243
Other comprehensive income / (expense)		
Items that will be reclassified to profit or loss		
-Gain / (Loss) on remeasurement of defined benefit obligations	14 (9,610)	3,020
Accumulated other comprehensive income or loss that will not be reclassified in profit or loss		
-Gain / (Loss) on remeasurement of defined benefit obligations	22 2,403	(756)
OTHER COMPREHENSIVE INCOME/ (EXPENSE)	(7,207)	2,264
TOTAL COMPREHENSIVE INCOME	4,678,961	26,401,507

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Share capital	Adjustment to share capital (*)	Share premium (**)	Other comprehensive income not to be reclassified to profit or loss		Restricted profit reserve (**)	Retained earnings	Net profit for the period	Total
				Loss on remeasurement of defined benefit obligations					
Balance at 1 January 2023	303,717	4,375,161	8,092,729		(15,443)	650,920	19,565,361	21,035,577	54,008,022
<i>Net income for the period</i>	-	-	-		-	-	-	26,399,243	26,399,243
<i>Total other comprehensive income, net</i>	-	-	-		2,264	-	-	-	2,264
Total comprehensive income	-	-	-		2,264	-	-	26,399,243	26,401,507
<i>Transfers</i>	-	-	-		-	-	21,035,577	(21,035,577)	-
Balance at 31 December 2023	303,717	4,375,161	8,092,729		(13,179)	650,920	40,600,938	26,399,243	80,409,529
Balance at 1 January 2024	303,717	4,375,161	8,092,729		(13,179)	650,920	40,600,938	26,399,243	80,409,529
<i>Net income for the period</i>	-	-	-		-	-	-	4,686,168	4,686,168
<i>Total other comprehensive income, net</i>	-	-	-		(7,207)	-	-	-	(7,207)
Total comprehensive income	-	-	-		(7,207)	-	-	4,686,168	4,678,961
<i>Capital increase (***)</i>	27,283	4,296	-		-	-	-	-	31,579
<i>Transfers</i>	-	-	-		-	-	26,399,243	(26,399,243)	-
<i>Increase due to share-based transactions</i>	-	-	4,445,982		-	-	-	-	4,445,982
Balance at 31 December 2024	331,000	4,379,457	12,538,711		(20,386)	650,920	67,000,181	4,686,168	89,566,051

(*) Share capital is adjusted in accordance with inflation accounting to the purchasing power of 31 December 2024. The inflation effect is recognized in the adjustment to share capital account. As of 31 December 2024, the effect of inflation accounting on share capital is TRY 4,379,457 thousand.

(**) Share premium and restricted reserves have been adjusted to the purchasing power as of 31 December 2024 in accordance with inflation accounting. The effect of inflation on these items is TRY 8,251,930 thousand and TRY 587,318 thousand, respectively.

(***) The Company started to be traded on Borsa Istanbul on 26 April 2024. Through the capital increase method, the Company's issued capital of TRY 303,716,888 was increased to TRY 331,000,000.

As stated in the Capital Markets Board's bulletin numbered 2024/14 published on March 7, 2024, the index difference between the amounts of share premiums and restricted reserves adjusted to the purchasing power of 31 December 2024 using the Domestic Producer Price Index (D-PPI) in the statutory records and the amounts adjusted to the purchasing power of 31 December 2024 using the Consumer Price Index is reflected in retained earnings. The effect of the related indexations and changes are disclosed in Note 16.

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	(Audited current period) 1 January - 31 December 2024	(Audited prior period) 1 January - 31 December 2023
A. Cash flows from operating activities			
Profit for the Period		4,686,168	26,399,243
Adjustments to reconcile net profit			
Adjustments related to depreciation and amortization expenses	19	19,264	17,310
Provision for doubtful receivables	6	33,970	9,006
Adjustments related to provisions		20,770	182,915
<i>Provision for employee termination benefits</i>	14	11,166	167,759
<i>Provision for lawsuits</i>	23	9,604	15,156
Adjustments related to interest income	20	(601,350)	(176,154)
Adjustments related to interest expenses	21	3,129,995	3,856,591
Adjustments related to foreign currency losses		2,943,062	14,062,040
Adjustments related to fair value gains		(253,024)	(11,125,907)
<i>Changes in the fair value of investment properties</i>	10	(191,603)	(10,861,310)
<i>Changes in the fair value of financial assets</i>		-	4,562
<i>Changes in the fair value of derivative instruments</i>	21	(61,421)	(269,159)
Adjustments related to Group's share on net assets of investments in accounted for using the equity method	3	(132,998)	(3,203,879)
Adjustments related to tax expense	22	4,990,814	(6,030,314)
Adjustments related to gain on disposal of property, plant and equipment		(65)	(3,210)
Changes in net working capital		14,836,606	23,987,641
Adjustments for increase in trade receivables		(109,012)	(348,275)
Adjustments for (increase)/ decrease in other receivables related with operations		(121,923)	227,631
Adjustments for increase in inventories		(1,479,971)	(2,359)
Adjustments for (increase)/ decrease in prepaid expenses		66,409	(549,128)
Adjustments for increase in trade payables		313,718	409,410
Adjustments for (decrease)/ increase in other payables related with operations		(1,283,480)	325,594
Adjustments for (increase)/ decrease in deferred revenue		(265,840)	296,719
Cash flows from operating activities		11,956,507	24,347,233
Employee benefits paid	14	(8,732)	(12,925)
Taxes paid	22	(244,602)	(23,111)
Cash outflow related to other provisions	23	(2,455)	(3,219)
Net cash provided by operating activities		11,700,718	24,307,978

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

		<i>(Audited current period)</i>	<i>(Audited prior period)</i>
		1 January - 31 December 2024	1 January - 31 December 2023
B. Cash flows from investing activities			
Cash outflows from the purchase of tangible and intangible assets		(25.581)	(4.732)
<i>Cash outflows from the purchase of tangible assets</i>		(24.329)	(7.821)
<i>Cash outflows from the purchase of intangible assets</i>		(1.252)	3.089
Cash inflows from the sales of tangible and intangible assets		75	4.104
<i>Cash inflows from the sales of tangible assets</i>		75	4.104
Cash inflows from sales of investment properties		308.968	84.088
Cash outflows from sales of investment properties		(336.006)	(332.451)
Cash inflows from sales of financial asset		50.265	817.608
Cash outflows from purchase of financial assets		(44.353)	(86.645)
Interest received		601.350	213.954
Net cash flow from investing activities		554.718	695.926
C. Cash flows from financing activities			
Proceeds from borrowings	26	12.219.473	10.547.393
Repayment of borrowings	26	(16.387.476)	(7.399.237)
Change in non-trade payables to related parties		(493.501)	(220.785)
Change in non-trade receivables from related parties		(324.237)	18.891
Cash inflows from derivative instruments		167.417	781.359
Cash outflows from derivative instruments		-	(134.690)
Interest paid		(2.444.360)	(3.030.316)
Cash inflows from share issuance		4.445.982	-
Other cash outflow		(2.640)	(272)
Net cash provided by financing activities		(2.819.342)	562.343
D. Effect of inflation on cash and cash equivalents		(8.158.122)	(25.842.162)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1.280.427	(275.915)
E. Cash and cash equivalents at the beginning of the year	32	2.306.624	2.582.539
Cash and cash equivalents at the end of the year (A+B+C+D+E)	32	3.587.051	2.306.624

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Rönesans Gayrimenkul Yatırım Anonim Şirketi (“the Company”) was founded on 2 June 2006 in Ankara/Turkey. The registered address of the Company is Aziziye Mahallesi Portakal Çiçeği Sok. No: 33 Yukarı Ayrancı Çankaya/Ankara, Turkey.

The ultimate controlling party and the major shareholder of Rönesans Holding A.Ş. is Erman Ilıcak with a shareholder 90,01%. The remaining outstanding shares in Rönesans Holding A.Ş. are held by other members of Ilıcak Family and International Finance Corporation (“IFC”). From hereinafter Erman Ilıcak and other members of Ilıcak Family will be referred to as “Ilıcak Family”. The details of the Company’s shareholders are disclosed in Note 16. As at 12 January 2024, trade name of Rönesans Emlak Geliştirme Holding A.Ş. was changed as Rönesans Varlık ve Proje Yatırımları A.Ş.

The principal activities of the Company and its subsidiaries (“the Group”) consist of developing and management of shopping malls, office buildings and other commercial real estate projects.

As of 9 December 2014, Euro Efes S.a.r.l acquired 9,8% shares of Rönesans Gayrimenkul by capital increase for a total consideration for TRY 3,558,188. Amounting to TRY 282,263 has been classified as nominal capital increase and the remaining amounting to TRY 3,275,925 has been classified as share premium.

Euro Efes S.a.r.l is a Company which is under indirect control GIC’s real estate department GIC Real Estate Pte. Ltd. of Singapore’s government fund. As of 25 February 2015, Euro Efes S.a.r.l acquired 11,6% shares of Rönesans Gayrimenkul by way of capital increase for a total consideration for TRY 5,232,611. Amounting to TRY 415,807 has been classified as nominal capital increase and the remaining amounting to TRY 4,816,804 has been classified as share premium (Note 16). As a result of this transaction, partnership ratio of Euro Efes S.a.r.l. has increased from 9,8% to 21,4%.

As of 13 July 2023, Euro Efes S.a.r.l. has transferred all its rights and shares to Euro Cube Private Limited and the ultimate shareholder has not changed.

As at 31 December 2024, the Group has 318 employees (31 December 2023: 316).

The subsidiaries of the Group, place of incorporation, the nature of business together with geographical segments are as follows:

Registered name of subsidiary	Short name	Place of incorporation and operation	Nature of business	Geographic segment
Akaretler Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Akaretler	Turkey, Ankara	Real Estate Development	Turkey
Altunizade Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Altunizade	Turkey, Ankara	Real Estate Development	Turkey
Ayazağa Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Ayazağa	Turkey, Ankara	Real Estate Development	Turkey
Bakırköy Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Bakırköy	Turkey, Ankara	Real Estate Development	Turkey
Bahariye Gayrimenkul Yatırım İnş. Turizm San. ve Tic. A.Ş.	Bahariye	Turkey, Ankara	Real Estate Development	Turkey
Bostancı Gayrimenkul Yatırım İnşaat Turizm Eğitim San. ve Tic. A.Ş.	Bostancı	Turkey, Ankara	Real Estate Development	Turkey
Cevizli Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Cevizli	Turkey, Ankara	Real Estate Development	Turkey
Göksu Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Göksu	Turkey, Ankara	Real Estate Development	Turkey
Kabataş Gayrimenkul Yatırım İnş. Turizm San. ve Tic. A.Ş.	Kabataş	Turkey, Ankara	Real Estate Development	Turkey
Kozyatağı Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Kozyatağı	Turkey, Ankara	Real Estate Development	Turkey
Mel2 Gayrimenkul Geliştirme Yatırım İnş. ve Tic. A.Ş.	Mel2	Turkey, Ankara	Real Estate Development	Turkey
Mel3 Gayrimenkul Geliştirme Yatırım İnş. ve Tic. A.Ş.	Mel3	Turkey, Ankara	Real Estate Development	Turkey
Mel4 Gayrimenkul Geliştirme Yatırım İnş. ve Tic. A.Ş.	Mel4	Turkey, Ankara	Real Estate Development	Turkey
Rönesans Yönetim A.Ş.	ROY	Turkey, Ankara	Asset management	Turkey
Salacak Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Salacak	Turkey, Ankara	Real Estate Development	Turkey
Selimiye Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Selimiye	Turkey, Ankara	Real Estate Development	Turkey
Tarabya Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Tarabya	Turkey, Ankara	Real Estate Development	Turkey
Salacak Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.- Rönesans Gayrimenkul Yatırım A.Ş. İş Ortaklığı	Salacak-RGY	Turkey, Ankara	Real Estate Development	Turkey
Kabataş Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.- Rönesans Gayrimenkul Yatırım A.Ş. Adi Ortaklığı	Kabataş-RGY	Turkey, Ankara	Real Estate Development	Turkey
Yakacık Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Yakacık	Turkey, Ankara	Real Estate Development	Turkey

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Joint Ventures:

The Company's joint ventures, center, main business activities and geographic segments is as follows:

Registered name of joint ventures	Short name	Place of incorporation and operation	Nature of business	Geographic segment
Esentepe Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Esentepe	Turkey, Ankara	Real Estate Development	Turkey
Feriköy Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Feriköy	Turkey, Ankara	Real Estate Development	Turkey
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş.	Kandilli	Turkey, Ankara	Real Estate Development	Turkey
Kurtköy Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş.	Kurtköy	Turkey, Ankara	Real Estate Development	Turkey

Approval of consolidated financial statements:

These consolidated financial statements have been approved for issue by the Board of Directors on 24 February 2025.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Adoption of New and Revised International Financial Reporting Standards

The following new and revised standards and interpretations are presented below.

a) *Standards, amendments, and interpretations applicable as of 31 December 2024:*

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The aforementioned standard changes did not have any significant impact on the financial status and performance of the Group.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

These changes are not expected to have a significant impact on the financial status and performance of the Group.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of representation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Reporting and measurement currency

Reporting currency

For the purpose of the consolidated financial statements, the results and the consolidated financial position of the Group is expressed in TRY.

Functional currency

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira (“TRY”), which is the functional and presentation currency of the Group.

The exchange rates used for the preparation of consolidated financial statements as at 31 December 2024
1 US Dollars = TRY 35.2233 1 EUR= TRY 36.7429. (31 December 2023 1 US Dollars= TRY 29.4382
1 EUR= TRY 32.5739)

Restatement for the effects of hyperinflation

The financial statements at 31 December 2024 are expressed in terms of the purchasing power of TRY at 31 December 2024.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. The restatement of the comparative amounts was calculated by means of conversion factors derived from the Turkish nationwide wholesale price index (“WPI”) published by the State Institute of Statistics (“SIS”). Indices and conversion factors used to restate the comparative amounts until 31 December 2024 are given below:

<u>Date</u>	<u>Index</u>	<u>Conversion factor</u>	<u>Cumulative three-year inflation rate</u>
31.12.2024	2,684.55	1.0000	291%
31.12.2023	1,859.38	1.4438	268%
31.12.2022	1,128.45	2.3789	156%

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of representation (Continued)

Comparative information and adjustment effect on previous financial statement

The financial statement of the Group includes comparative financial information to enable determination of financial position and performance. Comparative figures are reclassified where necessary to conform to changes in the presentation in the current period financial statements.

Basis of consolidation:

Subsidiaries included in consolidation as at 31 December 2024 and 2023 are as follows:

Registered name of subsidiary	Effective ownership rate (%)		Proportion of voting rights (%)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Akaretler	100.00	100.00	100.00	100.00
Altunizade	100.00	100.00	100.00	100.00
Ayazağa	100.00	100.00	100.00	100.00
Bahariye	100.00	100.00	100.00	100.00
Bakırköy	100.00	100.00	100.00	100.00
Bostancı	100.00	100.00	100.00	100.00
Cevizli	100.00	100.00	100.00	100.00
Göksu	100.00	100.00	100.00	100.00
Kabataş	100.00	100.00	100.00	100.00
Kozyatağı	100.00	100.00	100.00	100.00
Me12	100.00	100.00	100.00	100.00
Me13	100.00	100.00	100.00	100.00
Me14	100.00	100.00	100.00	100.00
Salacak	100.00	100.00	100.00	100.00
Selimiye	100.00	100.00	100.00	100.00
ROY	100.00	100.00	100.00	100.00
Tarabya	100.00	100.00	100.00	100.00
Yakacık	100.00	100.00	100.00	100.00
Kabataş-RGY	100.00	100.00	100.00	100.00
Salacak-RGY	100.00	100.00	100.00	100.00

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

- 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 Company 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.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of representation (Continued)

When the Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company 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 Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, 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 Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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.

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 IFRS). 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, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of representation (Continued)

Investments in joint ventures

Joint ventures	Main activities	Place of incorporation and operation	31 December	31 December
			2024	2023
Esentepe	Real estate development	Türkiye, Ankara	50.00	50.00
Feriköy	Real estate development	Türkiye, Ankara	50.00	50.00
Kandilli	Real estate development	Türkiye, Ankara	50.00	50.00
Kurtköy	Real estate development	Türkiye, Ankara	50.00	50.00

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 joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of a joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture.

Gains and losses resulting from transactions between the Group and its joint ventures are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint venture. The Group's share in the joint venture's gains or losses resulting from these transactions is eliminated on consolidation.

The Group has adopted IFRS 16 “Leases” as at 1 January 2019 for the first time, in line with the transition provisions of the standard.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group; and

The Group re-measure the right of use asset:

- After netting-off depreciation and reducing impairment losses from right of use asset,
- Adjusted for certain re-measurements of the lease liability recognized at the present value

The Group applies IAS 16 “Property, Plant and Equipment” to amortize the right of use asset and to asses for any impairment. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group’s incremental borrowing rate.

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

- a) Fixed payments, including in-substance fixed payments;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- c) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- d) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

- a) Increasing the carrying amount to reflect interest on lease liability
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee’s incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee’s incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

The Group account for a lease modification as a separate lease if both:

The Group determines its revised lease payments related to the remaining leasing period considering its payments related to the revised agreement. Under these circumstances, the Group uses an unadjusted interest rate.

The Group recognises the restructuring of the lease as a separate leasing if both of the following are met:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

Short term lease agreements with a duration of 12 months or less and the lease agreements for office rent and equipment determined by the Group as low value have been evaluated within the scope of the exemption recognized by the standard and the payments related to these agreements continue to be recorded as expense in the period they occur.

Related parties

Related parties are individuals or entities that are related to the entity that is preparing its financial statements (“reporting entity”).

- a) An individual or a close family member is considered related party of the reporting entity when the following criteria are met: If a certain individual,
 - (i) Has control or joint control over the reporting entity,
 - (ii) Has significant influence over the reporting entity,
 - (iii) Is a key management personnel of the reporting entity or a parent company of the reporting entity.
- b) An entity is considered related party of the reporting entity when the following criteria are met:
 - (i) If the entity and the reporting entity is within the same group. (meaning every parent company, subsidiary and other subsidiaries are considered related parties of others).
 - (ii) If the reporting entity is a subsidiary or a joint venture of another entity (or of another entity that the entity is within the same group).
 - (iii) If both of the entities are a joint venture of a third party.
 - (iv) If one of the entities are a joint venture of a third party while the other entity is a subsidiary of this third party.
 - (v) If entity has plans of post employment benefits for employees of reporting entity or a related party of a reporting entity.
 - (vi) If the reporting entity has its own plans, sponsor employers are also considered as related parties.
 - (vii) If the entity is controlled or jointly controlled by an individual defined in the article (a).
 - (viii) If an individual defined in the clause (i) of article (a) has significant influence over the reporting entity or is a key management personnel of this certain entity (or a parent company of the entity).

Related party transactions are transfers of resources, services or liabilities between related parties and the reporting entity, regardless of whether or not against remuneration.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Revenue

Rental income from real estate properties

Rental income generated from real estate development projects is recognized on an accrual basis. Revenue is recognised if it is probable that the economic benefit associated with these transactions will flow to the entity or the amount of revenue can be measured reliably.

Revenue generated from electricity, water and shared area expense reflecting

Electricity, water and shared area expense invoices related to shopping malls and offices owned by the Group, are reflected to the tenants as accrual basis according to the rental agreements between Group companies and tenants.

Revenues generated from sale flats or residential units

The Group sells flats or residential units. Revenue from the sale of these flats or residential units is measured at the fair value of the consideration received or receivable.

Revenue from sale of flats or residential units is recognized when all the following conditions are satisfied in accordance with IFRS 15 Revenue from Contract with Customers.

- The Group has transferred to the buyer the control of the goods,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Transfers of control depending on the individual terms of the contract of sale. Revenues from the sale of flats or residential units are recognised when the Group turnover the ownership of the flats or residential units to the buyer and upon acceptance of such by the buyer.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued with weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Inventories

Residential projects under construction; costs comprise direct costs, attributable direct costs, attributable indirect costs, raw materials related to projects. These inventories are stated at the lower of cost or net realizable value.

Lands to be developed for projects consist of lands for sale of residential real estates.

In accordance with hyperinflation accounting, inventory items are indexed as of the date of entry into the inventory and are booked in the financial statements by bringing them to the purchasing power of the relevant reporting period.

In line with the hyperinflation accounting, the inventories are adjusted according to the price indexes at their inventory entry date and recognised in the financial statements after adjustment to the purchasing power level of the relevant reporting period.

Property, plant and equipment

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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

In line with the hyperinflation accounting, the property plant and equipment are adjusted according to the price indexes at their capitalisation date and recognised in the financial statements after adjustment to the purchasing power level of the relevant reporting period. Fixed assets adjusted according to the Producer Price Index in the statutory records are adjusted according to the Consumer Price Index in the financial statements prepared according to the IFRS.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Intangible assets

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-15 years).

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding 3 years).

Intangible assets acquired separately

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

In line with the inflation accounting principles, intangible assets are adjusted according to the price indexes at their capitalisation date and recognised in the financial statements after adjustment to the purchasing power level of the relevant reporting period. Fixed assets adjusted according to the Producer Price Index in the statutory records are adjusted according to the Consumer Price Index in the financial statements prepared according to the IFRS.

Bonds

Bonds are recognized initially at their proceeds net of transaction costs incurred at the date of purchase or issue. Bonds are subsequently stated at amortised cost using the effective yield method in the consolidated financial statements. Any difference between the proceeds and redemption value (net of transaction costs) is recognized in the consolidated income statement over the period of the bonds.

Borrowing costs

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

The amount of borrowing costs eligible for capitalization for funds borrowed for the purpose of specific qualifying assets is the actual borrowing costs incurred during the period on such borrowed funds less any investment income on any amount of the borrowing that is temporary invested.

All other borrowing costs are recognized in the consolidated statement of income in the period in which they are incurred.

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Financial Instruments

Financial assets

Financial assets purchased or sold are recognised or derecognised on the settlement date.

“Financial assets” measured at their amortised costs are the non-derivative financial assets that include cash flows from interest payments due from only the principal and principal balance at certain dates as per the contract terms and that are held for collection of the contractual cash flows within the scope of the relevant business model. The relevant assets are measured at their fair values at initial recognition in the financial statements, and afterwards, at their values discounted via effective interest rate method. The profits and losses from valuation of non-derivative financial assets measured at their amortised costs are recognised in the consolidated income statement.

Classification of financial assets

The financial assets that meet the following requirements are measured at their amortised costs:

- The financial asset is held within the scope of a business model that aims to collect the contractual cash flows.
- Contract terms related to the financial asset cause cash flows including interest payments due from the principal amount and the principal balance on certain dates.

The financial assets that meet the following requirements are measured at their fair values through other comprehensive income:

- The financial asset is held within the scope of a business model that aims to collect the contractual cash flows and to sell the financial asset,
- Contract terms related to the financial asset cause cash flows including interest payments due from only the principal amount and the principal balance on certain dates.

If a financial asset is not measured at its amortised cost or fair value through other comprehensive income, the change in its fair value is measured through profit or loss.

At initial recognition in the consolidated financial statements, the Group has right to choose to present the future changes in the fair value of an investment in an equity instrument, which is not held for commercial purposes, in other comprehensive income.

Impairment in financial assets

The group used the “simplified approach” described in the TFRS 9 standard for the impairment calculations of its trade receivables that were recognised at their amortised cost in the consolidated financial statements and that do not contain any material financing component (those with a maturity period of less than 1 year). With this approach, the group measures the loss provisions related to its trade receivables at a value equal to the “expected lifetime credit losses” when trade receivables are not impaired for certain reasons (except for impairment losses realised).

The group uses a provision matrix which considers previous experiences and future expectations in measurement of expected credit losses. Provision rates are calculated using the matrix based on the number of days that a trade receivable is past due. These rates are reviewed each reporting period and revised when necessary. As of the reporting date, the provision impact is insignificant.

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Measurement and accounting of the expected credit losses

Expected credit losses is measured using the probability of default, losses in the event of a default (i.e., size of the loss if there is any default) and the amount of default risk. The probability of default and losses in the event of a default are evaluated based on past data adjusted with prospective information. Default risk exposure amounts of financial assets are recognised at their gross book value at the reporting date.

Expected credit losses of the financial assets mean the current value of the difference between all future contractual cash flows of the group to arise on the maturity date and all cash flows the group expects to collect (all cash deficits). This value is calculated using the initial effective interest rate (or the effective interest rate adjusted according to the credit for the financial assets with credit impairment on the date of acquisition or recognition).

Derecognition of financial assets from consolidated financial statements

The group derecognises a financial asset from the consolidated financial statements only when the term of the contractual rights to the cash flows from that financial asset has expired or all types of risks and rewards from that financial asset or the ownership of that financial asset are mainly transferred to another entity.

When a financial asset measured at its amortised cost is derecognised from consolidated financial statements, the difference between that asset’s book value and the value which has been and will be collected is recognised in the profit or loss. When derecognising a debt instrument whose fair value difference is recognised in the other comprehensive income from the consolidated financial statements, total sum of the gains and losses accumulated in the revaluation fund of the relevant instrument is reclassified in the profit or loss. If an equity instrument the group preferred to measure at fair value through the other comprehensive income at the initial recognition is derecognised from the consolidated financial statements, total gains or losses accumulated in the revaluation fund is not recognised in profit or loss; but is transferred directly to accumulated profits.

Amortised cost and effective interest method

The interest income from the financial assets recognised at their amortised costs is calculated using the effective interest method. Effective interest method is a method for calculating a debt instrument’s amortised cost and distributing its interest income to the relevant period.

During subsequent recognitions, the interest income is recognised by using the effective interest method for the debt instruments at amortised cost and fair value through other comprehensive income.

Interest income is recognised in profit or loss and presented under “financing income-interest income”.

Financial assets whose fair value difference is recognised through profit or loss

The financial assets that do not meet the criteria of being measured at fair value through other comprehensive income or at amortised cost are measured at fair value through profit or loss.

The financial assets whose fair value differences are recognised in profit or loss are measured at their fair values at the end of every period and all fair value changes are recognised in profit or loss unless the relevant financial assets are included in financial hedging transactions (see hedging accounting policy).

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Foreign currency transactions

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

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Earnings per share

Earnings per share disclosed in the consolidated income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Events after balance sheet date

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) will be explained in the relevant note.

The Group restates its consolidated financial statements if such subsequent events arise.

Provisions

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

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

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Provisions (Continued)

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

Advances that are not defined as monetary assets or liabilities are presented according to the purchasing power parity while advances defined as monetary assets or liabilities are adjusted according to inflation accounting principles. Prepaid expenses consist of the advances given for construction works and classified as non-monetary items.

Segmental reporting

In accordance with IFRS 8 “Operating Segments”, an operating segment is a component of an entity: (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available. The Group’s chief operating decision maker (“CODM”) receives financial information and reviews assets, liabilities, deferred tax liabilities, value added tax, net operating income, operating expense, interest income from time deposit, interest expense, income tax expense and capital expenditures of its real estate projects on an individual basis for the purpose of determining resources to be allocated to segments and assessing the performance of each segment (Note 4).

Investment properties

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

The fair value of the Group’s investment properties has been arrived at on the basis of a valuation carried out at that date by valuers independent of the Group generally on sixth and twelfth months. The valuation, which conforms to International Valuation Standards and Capital Market Board Legislation, was arrived at by reference to market evidence of transaction prices for similar properties and discounted cash flows and income capitalization approach. The fair values represent the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Reclassification to or from investment property are only made when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of transfer. If an owner-occupied property is reclassified as investment property, the Group accounts for such property in accordance with the policy stated under Property and Equipment up to the date of the reclassification.

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Investment properties under development

Property that is being constructed for future use as investment property is accounted for as investment property under development until construction or development is complete, at which time it is reclassified as investment property. Any gain or loss arising on remeasurement is recognised in the income statement.

Investment property under construction is measured at fair value (where that fair value is reliably determinable), with changes in fair value recognised in profit or loss.

The fair value of the Group’s investment properties under development has been arrived at on the basis of a valuation carried out at that date by valuers independent of the Group semi annually and annually. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties and discounted cash flows, income capitalization and comparison approach. The fair values are based on the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in arm’s length transaction.

The Group values its investment properties with the discounted cash flow after obtaining the approval of the building permit and construction.

Income Taxes

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 according to the tax legislation of the country the entity operates.

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 period. Taxable profit differs from profit as reported in the income statement 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.

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 generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such 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.

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. 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.

Deferred tax

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

In calculation of the deferred tax assets and liabilities in relation with the investment properties measured by fair value method, it is assumed that the net book values of the buildings have been totally recovered through sale unless there is a contrary assumption. In addition, as lands are not subject to depreciation, a contrary assumption about recovery through sale cannot be certified.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Employee benefits

Termination and retirement benefits

The Group has operated in different countries and the local regulations and practices of the countries in question are applied in determination of defined benefit plan.

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) “Employee Benefits” (“IAS 19”).

The retirement benefit liability recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses through statement of other comprehensive income.

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Policies (Continued)

Statements of Cash Flows

Current period statements of cash flows are categorized and reported as operating, investing and financing.

Capital and Dividends

Common stocks are classified as equity. Dividends paid are recorded at the Board’s payment decision date retained earnings balance less the dividend amount paid.

2.4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

2.4.1 Critical judgments in applying the entity’s accounting policies

In the process of applying the entity’s accounting policies, which are described in note 2.3, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt with below under notes).

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. In the subsidiaries of the Group, there are deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies (such as disposal of asset and company) that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the assessment made, the Group has recognized deferred tax assets in certain Group because it is probable that taxable profit will be available sufficient to recognize deferred tax assets in the Group. The Group has provided an allowance for deferred tax assets from carry forward tax losses because it is probable that taxable profit will not be available sufficient to recognize deferred tax assets in the Group. Deferred tax assets amounting to TRY 1,223,845 thousand (2023:TRY 3,622,705 thousand) is related to the carry forward tax losses of the Group. The Group concluded that the deferred tax asset will able to be utilized before its expiration date by the way of taxable income, based on approved tax plannings and planned asset and company sales. These assets will be expired in a maximum of 5 years to be deducted from the taxable profit that will occur in the coming years.

2.4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

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

The fair value of investment property is based on valuations, performed by independent valuers, who hold recognized and relevant professional qualifications and who have recent experience in the location and category of the investment properties being valued. The valuations are based primarily on comparable rents, discount rates, yields and sales prices from recent market transactions on an arm’s lengths basis, using the Discounted Cash Flow technique, Market comparison and income capitalization approach for investment properties. Key estimates used in valuation is disclosed in Note 10.

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

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3. INTERESTS IN OTHER ENTITIES

The details of Group’s associates and joint ventures valued by using equity method as at 31 December 2024 and 31 December 2023 are as follows:

<u>Investment accounted for using the equity method</u>	Group's share on net asset of investments accounted for using the equity method	
	31 December 2024	31 December 2023
Joint ventures	16,233,459	16,099,580
	16,233,459	16,099,580

<u>Investment accounted for using the equity method</u>	Group's share on net income of investments accounted for using the equity method	
	1 January- 31 December 2024	1 January- 31 December 2023
Joint ventures	132,998	3,203,879
	132,998	3,203,879

The fair values of investment properties under development and investment property are given below:

<u>Joint ventures</u>	<u>Project</u>	<u>Investment location</u>	31 December 2024	31 December 2023
Esentepe	Optimum İzmir SHC ⁽¹⁾⁽²⁾	İzmir, Turkey	11,116,265	11,611,718
Feriköy	Optimum İstanbul SHC ⁽¹⁾⁽²⁾	İstanbul, Turkey	5,338,068	5,840,926
Kandilli	Ümraniye Tepeüstü ⁽¹⁾	İstanbul, Turkey	1,124,707	1,150,229
Kurtköy	Optimum Ankara SHC ⁽¹⁾⁽²⁾	Ankara, Turkey	4,375,338	4,186,944
			21,954,378	22,789,817

(1) Amount presents the value of the projects multiplied with the Company’s share.

(2) Assets are secured with mortgage, pledge, lien or other security interest to secure borrowings.

Movements of investments accounted for using the equity method are as follows:

	1 Ocak - 31 December 2024	1 Ocak - 31 December 2023
Opening balance	16,099,580	12,895,701
Share on net profit of joint ventures	132,998	3,203,879
Increase in capital	881	-
Closing balance	16,233,459	16,099,580

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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3. INTERESTS IN OTHER ENTITIES (Continued)

31 December 2024	Esentepe	Feriköy	Kandilli	Kurtköy	Total
Cash	557,719	195,188	55	212,964	965,926
Other current assets	1,361,296	124,705	-	26,707	1,512,708
Current assets	1,919,015	319,893	55	239,671	2,478,634
Investment property	22,232,530	10,676,135	2,249,416	8,750,675	43,908,756
Deductible VAT	-	-	17,138	-	17,138
Other non-current assets	387	3,651,415	-	582,022	4,233,824
Non-current assets	22,232,917	14,327,550	2,266,554	9,332,697	48,159,718
Total assets (*)	24,151,932	14,647,443	2,266,609	9,572,368	50,638,352
Financial liabilities	3,725,139	176,188	-	172,102	4,073,429
Other current liabilities	125,350	147,864	124	119,235	392,573
Current liabilities	3,850,489	324,052	124	291,337	4,466,002
Financial liabilities	-	3,527,318	-	2,216,773	5,744,091
Deferred tax liabilities	3,922,047	2,007,692	135,039	1,831,913	7,896,691
Other non-current liabilities	22,802	21,287	-	20,561	64,650
Non-Current Liabilities	3,944,849	5,556,297	135,039	4,069,247	13,705,432
Total liabilities (*)	7,795,338	5,880,349	135,163	4,360,584	18,171,434
Net assets of subsidiaries	16,356,594	8,767,094	2,131,446	5,211,784	32,466,918
Group's share in subsidiaries	50%	50%	50%	50%	50%
Carrying amount of the Group's interest in subsidiaries	8,178,297	4,383,547	1,065,723	2,605,892	16,233,459
Group's share in VAT deductible	-	-	8,569	-	8,569
Group's share in investment properties	11,116,265	5,338,068	1,124,707	4,375,338	21,954,378
Group's share in total assets	12,075,966	7,323,721	1,133,305	4,786,184	25,319,176
Group's share in deferred tax liabilities	1,961,024	1,003,845	67,520	915,957	3,948,346
Group's share in total liabilities	3,897,669	2,940,174	67,582	2,180,292	9,085,717

(*) Non trade receivables and non-trade payables disclosed in related party notes are shown in total asset and total liability.

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3. INTERESTS IN OTHER ENTITIES (Continued)

31 December 2023	Esentepe	Feriköy	Kandilli	Kurtköy	Total
Cash	535,289	306,958	90	126,821	969,158
Other current assets	110,636	89,298	-	31,546	231,480
Current assets	645,925	396,256	90	158,367	1,200,638
Investment property	23,223,436	11,681,851	2,300,457	8,373,888	45,579,632
Deductible VAT	-	-	24,660	-	24,660
Other non-current assets	1,862,303	4,215,365	-	710,009	6,787,677
Non-current assets	25,085,739	15,897,216	2,325,117	9,083,897	52,391,969
Total assets (*)	25,731,664	16,293,472	2,325,207	9,242,264	53,592,607
Financial liabilities	1,027,846	4,981,572	-	220,975	6,230,393
Other current liabilities	103,493	54,905	20	121,975	280,393
Current liabilities	1,131,339	5,036,477	20	342,950	6,510,786
Financial liabilities	4,703,020	-	-	3,050,233	7,753,253
Deferred tax liabilities	3,518,614	2,179,122	35,881	1,336,485	7,070,102
Other non-current liabilities	23,674	16,786	-	18,846	59,306
Non-Current Liabilities	8,245,308	2,195,908	35,881	4,405,564	14,882,661
Total liabilities (*)	9,376,647	7,232,385	35,901	4,748,514	21,393,447
Net assets of subsidiaries	16,355,017	9,061,087	2,289,306	4,493,750	32,199,160
Group's share in subsidiaries	50%	50%	50%	50%	50%
Carrying amount of the Group's interest in subsidiaries	8,177,509	4,530,544	1,144,653	2,246,875	16,099,580
Group's share in VAT deductible	-	-	12,330	-	12,330
Group's share in investment properties	11,611,718	5,840,926	1,150,229	4,186,944	22,789,817
Group's share in total assets	12,865,832	8,146,736	1,162,604	4,621,132	26,796,304
Group's share in deferred tax liabilities	1,759,307	1,089,561	17,941	668,243	3,535,051
Group's share in total liabilities	4,688,324	3,616,193	17,951	2,374,257	10,696,724

(*) Non-trade receivables and non-trade payables disclosed in related party notes are shown in total asset and total liability.

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3. INTERESTS IN OTHER ENTITIES (Continued)

31 December 2024	Esentepe	Feriköy	Kandıllı	Kurtköy	Total
Revenue	1,506,147	733,058	-	592,400	2,831,605
Cost of sales	(387,288)	(231,245)	-	(202,469)	(821,002)
Operating expenses	(63,870)	(33,451)	(1,813)	(27,221)	(126,355)
Interest income from deposits	18,698	19,158	-	24,758	62,614
Interest expense on bank borrowings	(377,172)	(275,823)	-	(188,415)	(841,410)
Tax income/ (expense)	(403,433)	171,430	(99,157)	(495,428)	(826,588)
Other income	(291,505)	(677,120)	(58,649)	1,014,415	(12,859)
Net Profit for the period	1,577	(293,993)	(159,619)	718,040	266,005
Group's share in subsidiaries	50%	50%	50%	50%	50%
Group's share in revenue	753,074	366,529	-	296,200	1,415,803
Group's share in cost of sales	(193,644)	(115,623)	-	(101,235)	(410,502)
Group's share in operating expenses	(31,935)	(16,726)	(907)	(13,611)	(63,179)
Group's share in interest income from deposits	9,349	9,579	-	12,379	31,307
Group's share in interest expense on bank borrowings	(188,586)	(137,912)	-	(94,208)	(420,706)
Group's share in tax expense	(201,717)	85,715	(49,579)	(247,714)	(413,295)
Group's share in other income	(145,753)	(338,560)	(29,325)	507,208	(6,430)
Group's share in profit for the period	788	(146,998)	(79,811)	359,019	132,998

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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3. INTERESTS IN OTHER ENTITIES (Continued)

31 December 2023	Esentepe	Feriköy	Kandıllı	Kurtköy	Total
Revenue	1,493,998	740,630	-	581,401	2,816,029
Cost of sales	(370,476)	(227,801)	-	(222,826)	(821,103)
Operating expenses	(57,624)	(23,003)	(120)	(27,006)	(107,753)
Interest income from deposits	8,844	2,793	4	3,681	15,322
Interest expense on bank borrowings	(329,173)	(308,341)	-	(216,581)	(854,095)
Tax expense	(1,599,185)	(936,228)	199,839	(665,160)	(3,000,734)
Other income	4,952,516	1,797,840	235,285	1,374,451	8,360,092
Net Profit for the period	4,098,900	1,045,890	435,008	827,960	6,407,758
Group's share in subsidiaries	50%	50%	50%	50%	50%
Group's share in revenue	746,999	370,315	-	290,701	1,408,015
Group's share in cost of sales	(185,238)	(113,901)	-	(111,413)	(410,552)
Group's share in operating expenses	(28,812)	(11,502)	(60)	(13,503)	(53,877)
Group's share in interest income from deposits	4,422	1,397	2	1,841	7,662
Group's share in interest expense on bank borrowings	(164,587)	(154,171)	-	(108,291)	(427,049)
Group's share in tax expense	(799,593)	(468,114)	99,920	(332,580)	(1,500,367)
Group's share in other income	2,476,258	898,920	117,643	687,226	4,180,047
Group's share in profit for the period	2,049,449	522,944	217,505	413,981	3,203,879

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4. SEGMENTAL REPORTING

The Group identifies and presents segment reporting in accordance with IFRS 8, Operating Segments. The information on operating segments is based on internal reports which are periodically reviewed by the management of the Company.

The management of the Company reviews assets, liabilities, deferred tax liabilities, value added tax, net operating income, operating expense, interest income from time deposit, interest expense, income tax expense and capital expenditures real estate projects for the purpose of determining resources to be allocated to segments and assessing the performance of each segment.

The assets, liabilities, deferred tax assets and liabilities, net operating income, operating expense, value added tax, interest income from time deposit, interest expense, income tax expense, realised derivative and capital expenditures of the Group’s real estate projects are as follows:

a) Total Assets (*)

Company	Project	31 December 2024	31 December 2023
Tarabya	Hilltown SHC ve Office	12,724,413	12,884,867
Mel3	Kahramanmaraş Piazza SHC	8,116,305	6,406,783
Altunizade	Hilltown Karşıyaka SHC	22,613,111	21,344,391
Salacak	Maltepe Piazza SHC and Office	16,407,340	17,501,072
Bakırköy	Maltepe Park SHC and Office	14,232,307	16,410,634
Göksu	Optimum Adana SHC	13,855,146	10,828,968
Kurtköy	Optimum Ankara SHC	4,786,184	4,621,132
Feriköy	Optimum İstanbul SHC	7,323,721	8,146,736
Esentepe	Optimum İzmir SHC	12,075,966	12,865,832
Mel2	Samsun Piazza SHC and Hotel	14,060,857	11,545,046
Mel4	Şanlıurfa Piazza SHC	5,454,179	4,904,105
Kandilli	Ümraniye Tepeüstü	1,133,305	1,162,604
Other	Combined eliminations	(2,251,895)	1,159,774
	Combined	130,530,939	129,781,944
	Less : Joint ventures (Note 3)	(25,319,176)	(26,796,304)
	Less : Consolidation eliminations and adjustments	17,759,669	17,922,443
	Consolidated	122,971,432	120,908,083

(*) Total Asset includes related party receivables.

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4. SEGMENTAL REPORTING (Continued)

b) Total Liabilities (*)

Company	Project	31 December 2024	31 December 2023
Tarabya	Hilltown SHC ve Office	3,610,241	4,007,577
Mel3	Kahramanmaraş Piazza SHC	2,123,045	1,128,431
Altunizade	Hilltown Karşıyaka SHC	6,180,875	7,979,663
Kozyatağı	Kozzy SHC	349,937	669,139
Bostancı	Küçükyalı Office and School	890,023	941,501
Salacak	Maltepe Piazza SHC and Office	5,871,930	7,249,736
Bakırköy	Maltepe Park SHC and Office	4,492,753	7,907,999
Göksu	Optimum Adana SHC	4,568,833	2,527,418
Kurtköy	Optimum Ankara SHC	2,180,292	2,374,257
Feriköy	Optimum İstanbul SHC	2,940,174	3,616,193
Esentepe	Optimum İzmir SHC	3,897,669	4,688,324
Mel2	Samsun Piazza SHC and Hotel	4,021,395	2,225,759
Kandilli	Ümraniye Tepeüstü	67,582	17,951
Other	Combined eliminations	(229,856)	4,042,706
	Combined	40,964,893	49,376,654
	Less : Joint ventures (Note 3)	(9,085,717)	(10,696,724)
	Less : Consolidation eliminations and adjustments	1,526,205	1,818,624
	Consolidated	33,405,381	40,498,554

(*) Total Liability includes related party payables.

(*) Other projects include combined elimination and adjustments.

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4. SEGMENTAL REPORTING (Continued)

c) Deferred Tax Assets

<u>Company</u>	<u>Project</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Rönesans Gayrimenkul Yatırım	Rönesans Gayrimenkul Yatırım	132,622	348,790
Salacak	Maltepe Piazza SHC and Office	-	537,548
Bakırköy	Maltepe Park SHC and Office	55,925	294,619
Other	Other	23,807	36,159
	Combined	212,354	1,217,116
	Less : Joint ventures (Note 3)	-	-
	Consolidated	212,354	1,217,116

d) Deferred Tax Liabilities

<u>Company</u>	<u>Project</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Tarabya	Hilltown SHC ve Office	729,460	125,257
Mel3	Kahramanmaraş Piazza SHC	881,775	751,076
Altunizade	Hilltown Karşıyaka SHC	3,073,845	1,925,332
Kozyatağı	Kozzy SHC	2,283	22,255
Bostancı	Küçükyalı Office and School	562,517	502,068
Salacak	Maltepe Piazza SHC and Office	839,208	-
Göksu	Optimum Adana SHC	2,039,685	1,624,858
Kurtköy	Optimum Ankara SHC	915,957	668,243
Feriköy	Optimum İstanbul SHC	1,003,845	1,089,561
Esentepe	Optimum İzmir SHC	1,961,024	1,759,307
Mel2	Samsun Piazza SHC and Hotel	1,608,415	1,409,605
Mel4	Şanlıurfa Piazza SHC	595,046	453,490
Kandilli	Ümraniye Tepeüstü	67,520	17,941
	Combined	14,280,580	10,348,993
	Less : Joint ventures (Note 3)	(3,948,346)	(3,535,051)
	Consolidated	10,332,234	6,813,942

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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4. SEGMENTAL REPORTING (Continued)

e) Gross Profit

Company	Project	31 December 2024			31 December 2023		
		Sales	Cost	Gross profit	Sales	Cost	Gross profit
Tarabya	Hilltown SHC ve Office	1,295,387	(427,779)	867,608	1,173,926	(414,685)	759,241
Me13	Kahramanmaraş Piazza SHC	557,541	(180,118)	377,423	279,469	(301,727)	(22,258)
Altunizade	Hilltown Karşıyaka SHC	1,534,633	(333,576)	1,201,057	1,378,188	(312,035)	1,066,153
Kozyatağı	Kozzy SHC	143,030	(80,720)	62,310	136,326	(80,184)	56,142
Bostancı	Küçükyah Office and School	347,763	(130,752)	217,011	309,213	(131,416)	177,797
Salacak	Maltepe Piazza SHC and Office	1,164,784	(424,857)	739,927	1,099,371	(419,049)	680,322
Bakırköy	Maltepe Park SHC and Office	561,037	(227,068)	333,969	511,046	(195,056)	315,990
Göksu	Optimum Adana SHC	832,275	(267,839)	564,436	787,590	(267,025)	520,565
Kurtköy	Optimum Ankara SHC	296,200	(101,235)	194,965	290,701	(111,413)	179,288
Feriköy	Optimum İstanbul SHC	366,529	(115,623)	250,906	370,315	(113,901)	256,414
Esentepe	Optimum İzmir SHC	753,074	(193,644)	559,430	746,999	(185,238)	561,761
Me12	Samsun Piazza SHC and Hotel	928,357	(238,388)	689,969	883,630	(232,049)	651,581
Me14	Şanlıurfa Piazza SHC	444,347	(167,442)	276,905	316,033	(246,936)	69,097
Diğer	Diğer	374,638	(32,181)	342,457	296,678	(38,230)	258,448
	Other	9,599,595	(2,921,222)	6,678,373	8,579,485	(3,048,944)	5,530,541
	Less : Joint ventures (Note 3)	(1,415,803)	410,502	(1,005,301)	(1,408,015)	410,552	(997,463)
	Less : Consolidation eliminations and adjustments	39,138	1,037	40,175	63,214	(21,184)	42,030
	Consolidated	8,222,930	(2,509,683)	5,713,247	7,234,684	(2,659,576)	4,575,108

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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4. SEGMENTAL REPORTING (Continued)

f) Operating Expenses

Company	Project	31 December 2024	31 December 2023
Tarabya	Hilltown SHC ve Office	44,714	5,150
Mel3	Kahramanmaraş Piazza SHC	30,888	6,657
Altunizade	Hilltown Karşıyaka SHC	54,217	59,834
Kozyatağı	Kozzy SHC	8,071	3,419
Salacak	Maltepe Piazza SHC and Office	39,488	10,261
Bakırköy	Maltepe Park SHC and Office	60,913	19,675
Göksu	Optimum Adana SHC	63,961	19,618
Kurtköy	Optimum Ankara SHC	13,611	13,502
Feriköy	Optimum İstanbul SHC	16,726	11,501
Esentepe	Optimum İzmir SHC	31,935	28,811
Mel2	Samsun Piazza SHC and Hotel	36,323	22,165
Mel4	Şanlıurfa Piazza SHC	22,089	8,390
Rönesans Gayrimenkul Yatırım	Rönesans Gayrimenkul Yatırım	(18,028)	94,970
	Combined	404,908	303,953
	Less : Joint ventures (Note 3)	(63,179)	(53,877)
	Less : Consolidation eliminations and adjustments	40,175	40,874
	Consolidated	381,904	290,950

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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5. RELATED PARTY DISCLOSURES

The ultimate controlling party of the Group is Rönesans Holding A.Ş. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

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

	31 December 2024						
	Receivables		Payables		Borrowings		Advances
	Short-term	Long-term	Long-term	Short-term	Long-term	Short-term	
	Trade	Non-trade	Trade	Non-trade (*)	Trade	Non-trade (*)	
Balances with related parties							
<i>Subsidiaries and Joint Ventures</i>							
Esentepe Gayrimenkul Yatırım İnşaat Turizm San.ve Tic.A.Ş. ⁽¹⁾	45,468	2	311	667,528	-	-	-
Kurtköy Gayrimenkul Yatırım İnşaat Turizm San.ve Tic.A.Ş. ⁽¹⁾	63,435	32	134	-	-	318,972	-
Feriköy Gayrimenkul Yatırım İnşaat Turizm San.ve Tic.A.Ş. ⁽¹⁾	43,695	-	133	50,774	-	1,861,645	-
Kandilli Gayrimenkul Yatırım Yönetim İnşaat ve Ticaret A.Ş.	103	10	-	-	-	-	-
<i>Shareholders</i>							
Euro Cube Private Limited	128	-	-	-	-	-	-
Rönesans Varlık ve Proje Yatırımları A.Ş.	3	-	1,153	-	-	-	-
<i>Other companies controlled by the parent company</i>							
RMI Uluslararası İnşaat ve Taahhüt A.Ş. ⁽²⁾	-	-	469,241	-	-	-	359,445
Rönesans Holding A.Ş. ⁽³⁾	244	-	25,404	68	-	-	-
Rönesans Elektrik Enerji Toptan Satış A.Ş. ⁽⁴⁾	-	-	67,642	-	-	-	-
RSY Sağlık Ticari Yatırım A.Ş.	20,450	-	-	-	-	-	-
Other	3,715	1	11,210	5,556	-	-	3,414
	177,241	45	575,228	723,926	-	2,180,617	-
							362,859

⁽¹⁾ Current trade receivables consist of asset, property management leasing services provided. Non-trade payables represent the reverse shareholder loans provided by the relevant joint ventures to Rönesans Gayrimenkul Yatırım A.Ş.

⁽²⁾ The payables and advances given to RMI Uluslararası İnşaat ve Taahhüt A.Ş. is related to the construction services provided for the Maltepe Park residential project.

⁽³⁾ Rönesans Holding A.Ş. provides services to its group companies. The payables are related with such services rendered to Rönesans Gayrimenkul Yatırım A.Ş.

⁽⁴⁾ Rönesans Elektrik Enerji Toptan Satış A.Ş. provides electric energy to the Group's shopping centers and offices. The related charges are related to electricity supply amounts.

⁽⁵⁾ Non-trade payables to associates and shareholders consist of shareholder loans and reverse shareholder loans given to Rönesans Gayrimenkul Yatırım with interest rates between 4,35%-50% and maturities of 1-2 years.

RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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5. RELATED PARTY DISCLOSURES (Continued)

	31 December 2023									
	Receivables		Payables			Borrowings		Advances		
	Short-term		Short-term		Long-term	Short-term	Long-term	Short-term		
	Trade	Non-trade	Trade	Non-trade (*)	Trade	Non-trade (*)				
Balances with related parties										
<i>Subsidiaries and Joint Ventures</i>										
Esentepe Gayrimenkul Yatırım İnşaat Turizm San.ve Tic.A.Ş. ⁽¹⁾	24,422	-	329	123,424	-	847,986	-	-	-	
Kurtköy Gayrimenkul Yatırım İnşaat Turizm San.ve Tic.A.Ş. ⁽¹⁾	75,623	1	-	-	-	370,970	-	-	-	
Feriköy Gayrimenkul Yatırım İnşaat Turizm San.ve Tic.A.Ş. ⁽¹⁾	18,073	-	-	1,435,598	-	725,623	-	-	-	
<i>Shareholders</i>										
Euro Cube Private Limited ⁽²⁾	-	163	-	-	-	140,300	-	-	-	
Rönesans Varlık ve Proje Yatırımları A.Ş. ⁽²⁾	-	-	3	-	-	491,143	-	-	-	
<i>Other companies controlled by the parent company</i>										
IVF Investment and Credit Pte.Ltd. ⁽⁶⁾	-	-	-	-	-	-	30,096	4,040,015	-	
Gamstar Pte. Ltd. ⁽⁶⁾	-	-	-	-	-	-	13,393	1,797,730	-	
Rönesans Altyapı Sistemleri A.Ş. ⁽³⁾	3,126	296	58,418	6,874	58,418	-	-	-	-	
RMI Uluslararası İnşaat ve Taahhüt A.Ş. ⁽⁷⁾	3,328	-	-	2,456	-	-	-	-	468,148	
Rönesans Holding A.Ş. ⁽⁴⁾	1,148	-	2,469	26	1	-	-	-	-	
REC Uluslararası İnşaat Yatırım San.ve Tic. A.Ş. ⁽⁸⁾	38	-	52,389	-	-	-	-	-	-	
Rönesans Elektrik Enerji Toptan Satış A.Ş. ⁽⁵⁾	-	-	78,352	-	-	-	-	-	-	
Other	6,848	5	130	-	-	-	-	-	-	
	132,606	465	192,090	1,568,378	58,419	2,576,022	43,489	5,837,745	468,148	

(1) Current trade receivables consist of asset, property management leasing services provided. Non-trade payables represent the reverse shareholder loans provided by the relevant joint ventures to Rönesans Gayrimenkul Yatırım A.Ş.

(2) Non-trade payables to Euro Cube Private Limited and Rönesans Varlık ve Proje Yatırımları A.Ş. consist of shareholder loan provided to Rönesans Gayrimenkul Yatırım.

(3) Trade payables to Rönesans Altyapı Sistemleri A.Ş. are related with deposits and guarantees remaining balances in relation to construction works.

(4) Rönesans Holding A.Ş. provides services to its group companies. The payables are related with such services rendered to Rönesans Gayrimenkul Yatırım A.Ş.

(5) Rönesans Elektrik Enerji Toptan Satış A.Ş. provides electric energy to the Group's shopping centers and offices. The related charges are related to electricity supply amounts.

(6) IVF Investment and Credit Pte. Ltd. and Gamstar Pte Ltd. were used to redeem the bond issued.

(7) The advances given to RMI Uluslararası İnşaat Yat. San. Ve Tic. A.Ş. is related to the construction services provided for the Maltepe Park residential project.

(8) REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş. is related to the construction services provided for Maltepepark Shopping Mall, Maraş Piazza Shopping Mall and Urfa Piazza Shopping Mall.

(*) Non-trade payables to associates and shareholders consist of shareholder loans and reverse shareholder loans given to Rönesans Gayrimenkul Yatırım with interest rates between 2.65%-30% and maturities of 1-2 years.

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5. RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties	1 January -31 December 2024		
	Purchases	Sales	Interest paid
<u>Joint ventures & Subsidiaries</u> ⁽¹⁾	-	379,934	444,704
<u>Shareholders</u>			
Euro Cube Private Limited ⁽²⁾	-	-	18,978
Rönesans Varlık ve Proje Yatırımları A.Ş. ⁽²⁾	3,360	-	88,489
<u>Other companies controlled by the parent company</u>			
Rönesans Holding A.Ş. ⁽³⁾	94,912	20,069	-
IVF Investment and Credit Pte.Ltd. ⁽⁴⁾	-	-	276,907
Gamstar Pte. Ltd. ⁽⁴⁾	-	-	111,891
Rönesans Elektrik Enerji Toptan Satış A.Ş. ⁽⁵⁾	770,411	-	-
RMI Uluslararası İnşaat ve Taahhüt A.Ş. ⁽⁶⁾	592,177	6,849	-
Rönesans Merkezi Hizmetler Danışmanlık ve Tic. A.Ş. ⁽⁷⁾	28,534	10,996	-
RSY Sağlık Ticari Yatırım A.Ş.	-	19,994	-
Rönesans Özel Okulları Eğitim Öğretim Hizmetleri A.Ş. ⁽⁸⁾	-	18,343	-
Other	7,297	26,250	-
	1,496,691	482,435	940,969

(1) Sales to joint ventures consists of the services provided to investments accounted for using the equity method from Rönesans Gayrimenkul Yatırım A.Ş.

(2) Interest paid represents accrued interest of reverse shareholder loans received from joint ventures and shareholder loans received from Euro Cube Private Limited and Rönesans Varlık ve Proje Yatırımları A.Ş.

(3) Rönesans Holding A.Ş. provides services to group companies. Purchases are related to direct and indirect services provided to Rönesans Gayrimenkul Yatırım. TL 75.779 of the purchases amounting to TL 94.912 mainly consist of services such as licence usage, IT and technology consultancy etc. and are reflected to Rönesans Gayrimenkul through Rönesans Holding.

(4) Interest paid represents accrued interest loans received from IVF Investment and Credit Pte.Ltd. and Gamstar Pte.Ltd.

(5) Purchases from Rönesans Elektrik Enerji Toptan Satış A.Ş. are composed of energy services provided to the Group.

(6) Purchases from RMI Uluslararası İnşaat ve Taahhüt A.Ş. are related to the construction services provided for Maltepe Park residential project.

(7) Rönesans Merkezi Hizmetler Danışmanlık ve Tic. A.Ş. provide consulting regarding to administrative services to Rönesans Gayrimenkul Yatırım A.Ş.

(8) Sales to Rönesans Özel Okulları Eğitim Öğretim Hizmetleri A.Ş. are related to with rent of Küçükyalı School which is the project of Bostancı Gayrimenkul.

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5. RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties	1 January -31 December 2023		
	Purchases	Sales	Interest paid
<u>Joint ventures & Subsidiaries</u> ⁽¹⁾	-	245,778	364,914
<u>Shareholders</u>			
Euro Cube Private Limited ⁽²⁾	-	-	50,040
Rönesans Varlık ve Proje Yatırımları A.Ş. ⁽²⁾	-	-	145,979
<u>Other companies controlled by the parent company</u>			
IVF Investment and Credit Pte.Ltd. ⁽⁶⁾	-	-	461,189
Gamstar Pte. Ltd. ⁽⁶⁾	-	-	209,020
Rönesans Holding A.Ş. ⁽³⁾	35,051	15,635	-
Rönesans Elektrik Enerji Toptan Satış A.Ş. ⁽⁴⁾	934,617	-	-
REC Uluslararası İnşaat Yatırım San. Ve Tic. A.Ş. ⁽⁵⁾	331,443	2,138	-
RMI Uluslararası İnşaat ve Taahhüt A.Ş. ⁽⁷⁾	61,961	-	-
Rönesans Özel Okulları Eğitim Öğretim Hizmetleri A.Ş. ⁽⁸⁾	-	19,174	-
Diğer	10,608	13,287	-
	1,363,072	282,725	1,231,142

(1) Sales to joint ventures consists of the services provided to investments accounted for using the equity method from Rönesans Gayrimenkul Yatırım A.Ş.

(2) Interest paid represents accrued interest of reverse shareholder loans received from joint ventures and shareholder loans received from Euro Cube Private Limited and Rönesans Varlık ve Proje Yatırımları A.Ş.

(3) Rönesans Holding A.Ş. provide services to its group companies. The purchases are related with such services rendered to Rönesans Gayrimenkul Yatırım A.Ş. Sales are related to offices leased by Rönesans Gayrimenkul Yatırım to Rönesans Holding A.Ş.

(4) Purchases from Rönesans Elektrik Enerji Toptan Satış A.Ş. are composed of energy services provided to the Group.

(5) Purchases are related to fit out expense invoices in relation to Maltepe Piazza office. Sales are related to offices leased by Rönesans Gayrimenkul Yatırım to REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş.

(6) Interest paid represents accrued interest loans received from IVF Investment and Credit Pte.Ltd. and Gamstar Pte.Ltd.

(7) Purchases from RMI Uluslararası İnşaat ve Taahhüt A.Ş. are related to the construction services provided for Maltepe Park residential project.

(8) Sales to Rönesans Özel Okulları Eğitim Öğretim Hizmetleri A.Ş. are related to with rent of Küçükyalı School which is the project of Bostancı Gayrimenkul.

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5. RELATED PARTY DISCLOSURES (Continued)

Key management personnel consists of members of Board of Directors and other members. The compensation of key management personnel includes salaries, bonus, health insurance, communication and transportation and total amount of compensation is explained below. The remuneration of key management personnel during the year were as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Salaries and other short-term benefits	89,816	43,504

6. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables:

As at balance sheet date, details of trade receivables of the Group are as follows:

	31 December 2024	31 December 2023
Current trade receivables		
Trade receivables	568,477	519,922
Notes receivables	220	8,513
Trade receivables from related parties (Note 5)	177,241	132,606
Expected credit loss (-)	(86,004)	(76,149)
	659,934	584,892

Average maturity for receivables is approximately 30 days (2023: 30 days).

The movement of the Group’s provision for expected credit loss as at 31 December 2024 and 2023 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Movement of allowance for credit loss		
Opening	(76,149)	(113,867)
Charge for the period (Note 20)	(122,138)	(76,283)
Provision released (Note 20)	88,168	67,277
Monetary gain	24,115	46,724
Closing	(86,004)	(76,149)

The provision for trade receivables is provided based on expected credit loss amounts from the sale of services, determined by reference to past default experience and current financial condition of customers.

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6. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Trade payables

As at balance sheet date, details of trade payables of the Group are as follows:

	31 December 2024	31 December 2023
Current trade payables		
Trade payables	451,845	462,846
Trade payables to related parties (Note 5)	575,228	192,090
	1,027,073	654,936
Non-current trade payables		
Trade payables to related parties (Note 5)	-	58,419
	-	58,419

Average maturity for payables is approximately 30 days. (2023: 30 days).

Risk characteristics and levels in trade receivables and trade payables have been disclosed in Note 28.

7. OTHER RECEIVABLES AND PAYABLES

a) Other receivables:

	31 December 2024	31 December 2023
Other short term receivables		
Non-trade receivables from related parties (Note 5)	45	465
Other receivables	2,812	2,654
	2,857	3,119
Other long term receivables		
Deposits and guarantees given	1,888	2,538
Other	-	690
	1,888	3,228

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7. OTHER RECEIVABLES AND PAYABLES (Continued)

b) Other payables:

Other short term payables	31 December 2024	31 December 2023
Non-trade payables to related parties (Note 5)	723,926	1,568,378
Taxes due and payables	223,029	259,634
Deposits and guarantees received	12,269	7,274
Other	136	774
	959,360	1,836,060
	31 December 2024	31 December 2023
Other long term payables	31 December 2024	31 December 2023
Non-trade payables to related parties (Note 5)	2,180,617	2,576,022
Deposits and guarantees received	27,846	39,310
	2,208,463	2,615,332

8. INVENTORIES

Short term inventory

	31 December 2024	31 December 2023
Inventories	1,837	1,845
	1,837	1,845

Long term inventory

	31 December 2024	31 December 2023
Inventories (*)	2,813,574	1,812,593
	2,813,574	1,812,593

(*) The amount represents the cost of the land on which the residential project of Bakırköy Gayrimenkul, whose preliminary preparation and license process has been completed and whose construction will start in 2024, is located and the construction expenditures made until December 31, 2024 in addition to this cost.

9. PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses	31 December 2024	31 December 2023
Advances given to related parties (*) (Note 5)	362,859	468,148
Prepaid expenses	77,918	41,054
Order advances given	30,478	24,885
Other	763	240
	472,018	534,327

(*) 359.445 of the advances given to related parties is related to RMI Uluslararası İnşaat ve Taahhüt A.Ş. for the construction of the residential project. (2023: All)

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9. PREPAID EXPENSES AND DEFERRED INCOME (Continued)

	31 December 2024	31 December 2023
Long-term prepaid expenses		
Prepaid expenses	7,476	11,576
	7,476	11,576
Short-term deferred income		
Order advances received (*)	56,197	315,786
	56,197	315,786
Long-term deferred income		
Order advances received (*)	1,125	7,376
	1,125	7,376

(**) Order advances received related to prepaid annual rents paid by office tenants and order advances received for shopping centres.

10. INVESTMENT PROPERTIES

	31 December 2024	31 December 2023
Investment properties	98,298,637	97,645,941
Investment properties under development	21,525	22,480
	98,320,162	97,668,421

a) Investment properties:

	1 January- 31 December 2024	1 January- 31 December 2023
Investment properties		
Opening balance	97,645,941	86,267,721
Additions through subsequent expenditure	336,006	318,940
Land rental	433,100	270,866
Disposal	(308,968)	(75,213)
Net gain from fair value adjustments (Note 20)	192,558	10,863,627
Closing balance	98,298,637	97,645,941

The fair value of the Group’s investment properties is TRY 98,298,637 as of 31 December 2024 (31 December 2023: TRY 97,645,941).

The fair values of the Group’s investment properties have been arrived at on the basis of a valuation carried out at that date by TSKB Gayrimenkul Değerleme A.Ş. which is independent valuers not connected with the Group. The valuation, which conforms to International Valuation Standards, was arrived at by reference to discounted cash flows approach, capitalization approach and market approach.

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10. INVESTMENT PROPERTIES (Continued)

The valuation reports of the investment properties prepared by reference to discounted cash flows approach are primarily based on the following key assumptions:

	31 December 2024	31 December 2023
Currency	TRY	TRY
Discount rate (%)	22,50	22 - 22,50
Occupancy rate (%)	90-100	95-100
Rent increase rate (%)	9-22,75	7,50-34,50
Capitalization rate (%)	6,75-8,0	7-8,5

The Group mortgages some real estates as collateral of the bank loans. The details of mortgages are disclosed in Note 13.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to TRY 7,766,960 (31 December 2023: TRY 6,851,422). Direct operating expenses arising on the investment property in the year include maintenance and repair costs which amounted to TRY 2,396,933 thousand (31 December 2023: TRY 2,536,258 thousand) (Note 17).

As at 31 December 2024 and 2023 investment properties and their values are as follows:

Project	Company	Place of property	31 December 2024	31 December 2023
Hilltown SHC Karşıyaka ⁽¹⁾	Altunizade	İzmir,Türkiye	22,082,390	21,013,737
Maltepe Piazza ⁽¹⁾	Salacak	İstanbul,Türkiye	15,881,660	16,431,137
Hilltown SHC and Office ⁽¹⁾⁽³⁾	Tarabya	İstanbul,Türkiye	12,538,853	12,560,316
Adana Optimum SHC ⁽¹⁾	Göksu	Adana,Türkiye	11,365,702	10,406,658
Samsun Piazza SHC and Hotel ⁽¹⁾	Mel 2	Samsun,Türkiye	11,266,330	11,005,459
Maltepe Park ⁽¹⁾⁽⁵⁾	Bakırköy	İstanbul,Türkiye	8,686,496	9,810,224
Kahramanmaraş Piazza SHC ⁽¹⁾	Mel 3	Kahramanmaraş,Türkiye	6,275,410	6,266,951
Şanlıurfa Piazza SHC ⁽¹⁾	Mel 4	Şanlıurfa,Türkiye	4,889,650	4,775,347
Küçükyalı Office & Ted Röneseans College ⁽¹⁾⁽²⁾	Bostancı	İstanbul,Türkiye	4,425,233	4,325,322
Kozzy SHC ⁽¹⁾⁽⁴⁾	Kozyatağı	İstanbul,Türkiye	886,913	1,050,790
			98,298,637	97,645,941

- (1) The consolidated financial statements as of 31 December 2024 and 31 December 2023 are based on the valuation report of TSKB Gayrimenkul Değerleme A.Ş., an independent valuation company licensed by the Capital Markets Board of Turkey.
- (2) Land lease payables, which were deducted while calculating the fair values of Küçükyalı Office and School project, have been added to the fair value of the project as TRY 322,200 thousand (2023: TRY 265,161 thousand) due to the obligation to present such lease payables as financial liabilities in the balance sheet in accordance with TFRS. The details of the lease agreements are disclosed in Note 13.
- (3) Land lease payables, which were deducted while calculating the fair values of Hilltown Shopping Mall and Office project, have been added to the fair value of the project as TRY 1,297,118,796 thousand (2023: TRY 937,322 thousand) due to the obligation to present such lease payables as financial liabilities in the balance sheet in accordance with TFRS. The details of the lease agreements are disclosed in Note 13.
- (4) Land lease payables deducted while calculating the fair value of Kozzy Shopping Center project, due to the obligation to present such lease payables as financial liabilities in the balance sheet within the framework of TFRS TRY 86,074 thousand (2023: TRY 69,808 thousand) has been added to the fair value of the project. The details of the lease agreements are disclosed in Note 13.
- (5) Maltepe Park Konut, a project of 478 residential units, is planned to be developed on the parcel where Maltepe Park Shopping Mall and Office functions are located. The construction license required for the realization of Maltepe Park Konut has been obtained from Maltepe Municipality and preliminary preparations have been completed and the project has been started in 2024.

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10. INVESTMENT PROPERTIES (Continued)

b) Investment properties under development

	1 January- 31 December 2024	1 January- 31 December 2023
<u>Investment properties under development</u>		
Opening balance	22,480	20,161
Additions through subsequent expenditure	-	13,511
Disposal	-	(8,875)
Net gain from fair value adjustments (Note 20)	(955)	(2,317)
Closing balance	<u>21,525</u>	<u>22,480</u>

Investment properties under development consist of two components: land and costs capitalized in connection with the development of the site. Costs capitalized related to development carried out on sites owned or partly owned by the Group or sites to which the Group holds lease titles and which will be acquired on completion of the development. Land and buildings that are being constructed for future use as investment property are classified under investment properties under development account until construction or development is complete, at which time they are reclassified as investment.

As of 31 December 2024 and 2023 the fair value of the Group’s investment properties under development has been arrived at based on a valuation carried out at that date by independent valuers not connected with the Group. The valuation, which conforms to Capital Market Board legislation, was arrived at by reference to market evidence of transaction prices for similar properties and discounted cash flows and income capitalization approach. The fair values are based on the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction.

The fair value of the investment properties under development prepared by reference to sale comparison approach are primarily based on the following key assumptions:

	31 December 2024	31 December 2023
Market comparable sqm value in TRY	47,000	34,000

Investment properties under development comprise of the following projects:

Project	Company	Place of property	31 December 2024	31 December 2023
Ataşehir (*)	RGY	Istanbul, Türkiye	21,525	22,480
			<u>21,525</u>	<u>22,480</u>

(*) In the consolidated financial statements as of 31 December 2024 and 31 December 2023, based on the valuation reports issued by TSKB Gayrimenkul Değerleme A.Ş. an independent accredited valuer licenced by the Capital Market Board of Turkey.

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10. INVESTMENT PROPERTIES (Continued)

Details of the Group’s investment properties and information about the fair value hierarchy as at 31 December 2024 and 2023 are as follows:

	31 December 2024	Fair value as at 31 December 2024		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Investment properties	98,298,637	-	-	98,298,637
Investment properties under development	21,525	-	21,525	-

	31 December 2023	Fair value as at 31 December 2023		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Investment properties	97,645,941	-	-	97,645,941
Investment properties under development	22,480	-	22,480	-

Sensitivity analysis of investment properties is as follow:

	Change in fair value as at 31 December 2024	Change in fair value as at 31 December 2023
	Investment properties	Investment properties
Rent Increase Rate		
increases 1%	6,870,080	6,728,455
decreases 1%	(6,288,185)	(6,221,724)
Discount Rate		
increases 1%	(5,022,515)	(5,902,644)
decreases 1%	5,507,955	6,459,554
Occupancy Rate		
increases 1%	871,575	1,006,314
decreases 1%	(880,665)	(1,054,703)
Capitalization rate		
increases 1%	(3,975,020)	(4,559,751)
decreases 1%	5,262,160	5,942,378

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11. PROPERTY, PLANT AND EQUIPMENT

<u>Cost value</u>	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Construction in progress (*)</u>	<u>Total</u>
Opening balance as of 1 January 2024	19,322	1,688	14,735	68,267	92,898	196,910
Addition	-	-	25,686	9,874	3,048	38,608
Disposal	-	(1,688)	(242)	-	-	(1,930)
Transfer	-	-	-	-	-	-
Closing balance as of 31 December 2024	19,322	-	40,179	78,141	95,946	233,588
<u>Accumulated depreciation</u>						
Opening balance as of 1 January 2024	(14,921)	(1,669)	(13,355)	(47,979)	-	(77,924)
Charge for the year	(1,118)	-	(5,023)	(7,026)	-	(13,167)
Disposal	-	1,669	242	-	-	1,911
Closing balance as of 31 December 2024	(16,039)	-	(18,136)	(55,005)	-	(89,180)
Net book value as of 31 December 2024	3,283	-	22,043	23,136	95,946	144,409

(*) As of 31 December 2024, construction in progress amounting to TRY 87,814 thousand is the construction costs spent for the Beachtown project in Antalya. The Group has a construction license for the related project. The Group has the right to use the land where the investment will be made from Antalya Metropolitan Municipality under an operational lease agreement for 30 years with the right of renewable utilization at the end of the contract date. As of December 31, 2024, the lease agreement will expire in 2047 and is recognized as the right of use asset in the financial statements. There are no restrictions on these lease agreements of the Group.

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11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost value	Buildings	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress (*)	Total
Opening balance as of 1 January 2023	19,322	2,482	13,703	53,514	100,466	189,487
Addition	-	-	1,033	-	11,430	12,463
Disposal	-	(794)	(1)	(4,245)	-	(5,040)
Transfer	-	-	-	18,998	(18,998)	-
Closing balance as of 31 December 2023	19,322	1,688	14,735	68,267	92,898	196,910
Accumulated depreciation						
Opening balance as of 1 January 2023	(9,755)	(2,317)	(11,857)	(13,938)	(1,437)	(39,304)
Charge for the year	(5,166)	-	(1,500)	(35,472)	-	(42,138)
Disposal	-	648	2	1,431	1,437	3,518
Closing balance as of 31 December 2023	(14,921)	(1,669)	(13,355)	(47,979)	-	(77,924)
Net book value as of 31 December 2023	4,401	19	1,380	20,288	92,898	118,986

(*) As of 31 December 2023, construction in progress amounting to TRY 87,814 thousand is the construction costs spent for the Beachtown project in Antalya. The Group has a construction license for the related project. The Group has the right to use the land where the investment will be made from Antalya Metropolitan Municipality under an operational lease agreement for 30 years with the right of renewable utilization at the end of the contract date. As of 31 December 2023 the lease agreement will expire in 2047 and is recognized as the right of use asset in the financial statements. There are no restrictions on these lease agreements of the Group.

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12. INTANGIBLE ASSETS

Cost value	2024	2023
Opening balance as of 1 January	17,183	14,983
Additions	1,252	2,200
Closing balance as of 31 December	18,435	17,183
Accumulated amortization		
Opening balance as of 1 January	(15,062)	(13,137)
Charge for the year	(1,801)	(1,925)
Closing balance as of 31 December	(16,863)	(15,062)
Net book value as of 31 December	1,572	2,121

Intangible assets consist of computer software.

The following useful lives are used in the calculation of amortization:

	<u>Useful life</u>
Computer Software	3-15 years

13. COMMITMENTS AND CONTINGENCIES

The Group’s guarantee given, pledges and mortgages (“GPM”) position as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Mortgage	13,784,042	16,189,969
Letters of guarantees given	181,845	219,274
Surety and guarantees given	4,866,901	6,928,983
	18,832,788	23,338,226

TRY 18,649,847 of total amount in 2024 is already reflected in the consolidated statement of financial position and related with the guarantees given for the loans utilized by the Group. The remaining TRY 182,541 is for the guarantees provided by the Group for the third or related parties (31 December 2023: TRY 16,008,839 remaining amount: TRY 155,606).

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13. COMMITMENTS AND CONTINGENCIES (Continued)

Lease commitments – Company as lessee

The Group has leasing contracts for the projects of Hilltown SHC and office, Küçükyalı School & Office on land belonging to Atik Valide Sultan Vakfı in İstanbul, Maltepe and the Group has the usage right with a renewal option at the end of the lease period for 49 years. There are no restrictions placed upon the Group by entering into these leases.

The Group has a leasing contract for the projects of Antalya Konyaaltı project on land belonging to Antalya Metropolitan Municipality in Antalya, Konyaaltı. The Group has the usage right with a renewal option at the end of the lease period for 30 years. There are no restrictions placed upon the Group by entering into these leases.

The Group has a leasing contract for the projects of Kozzy SHC on land belonging to İstanbul Metropolitan Municipality in İstanbul, Kozyatağı. The Group has the usage right with a renewal option at the end of the lease period for 30 years. There are no restrictions placed upon the Group by entering into these leases.

The minimum usufruct right rental payables under non-cancellable operating leases at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Within one year	19,254	11,262
After one year but no more than five years	78,755	45,047
More than five years	548,900	333,655
	646,909	389,964

The Group consider these leasing contracts as non-cancellable contract and accounted in accordance with IFRS 16. Leasing assets arising from these contracts are accounted under investment properties.

14. EMPLOYEE BENEFITS

Payables related to employee benefits:

	31 December 2024	31 December 2023
Social security premiums payables	13,931	23,807
Payables to personnel	-	124
	13,931	23,931

Short-term provisions for employee benefits:

	31 December 2024	31 December 2023
Unused vacation liability	20,204	21,876
	20,204	21,876

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14. EMPLOYEE BENEFITS (Continued)

The movement of the Group’s liability for unused vacation as at 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Provision at 1 January	21,876	11,098
Charge for the year	7,250	18,498
Disposal	(1,451)	(1,022)
Monetary gain	(7,471)	(6,698)
Provision at 31 December	20,204	21,876

Long-term provisions for employee benefits:

	31 December 2024	31 December 2023
Retirement pay provision	117,278	122,563
	117,278	122,563

Provision for employment termination benefits for Turkish employees working in Turkey:

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

The amount payable consists of one month’s salary limited to a maximum of TRY 41,828.42 for each period of service at 31 December 2024 (31 December 2023: TRY 23,489.83).

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 2.50% real discount rate (31 December 2023: 0.04%) calculated by using 26.17% annual inflation rate and 29.32% discount rate. The maximum amount of TL 46,655.43 effective from 1 January 2024 has been taken into consideration in the calculation of the Group's provision for employment termination benefits (1 January 2023: TL 35,058.58).

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16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 31 December 2024 and 2023 the share capital held is as follows:

<u>Shareholders</u>	<u>%</u>	<u>31 December 2024</u>	<u>%</u>	<u>31 December 2023</u>
Rönesans Varlık ve Proje Yatırımları A.Ş. (*)	68.12	225,477	74.24	225,477
Euro Cube Private Limited	17.84	59,043	21.44	65,117
Kamil Yanıkömeroğlu	2.16	7,158	2.36	7,158
Murat Özgümüş	1.80	5,965	1.96	5,965
Other (Public quotation)	10.08	33,357	-	-
Nominal share capital in TRY	100	331,000	100	303,717
Adjustment to share capital		4,379,457		4,375,161
Capital		4,710,457		4,678,878

(*) As of 13 July 2023, Euro Efes S.a.r.l. has transferred all its rights and shares to Euro Cube Private Limited and the ultimate shareholder has not changed.

The total number of ordinary shares is 331,000 thousand (31 December 2023: 303,717) with a par value of TRY 1 (31 December 2023: per share TRY 1).

b) Restricted Reserves

	<u>31 December</u> <u>2024</u>	<u>31 December</u> <u>2023</u>
Legal reserves	650,920	650,920
	650,920	650,920

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

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16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

As stated in the Capital Markets Board's bulletin numbered 024/14 published on March 7, 2024, the index difference between the amounts of share premiums and restricted reserves adjusted to the purchasing power of 31 December 2024 using the Domestic Producer Price Index (D-PPI) in the statutory records and the amounts adjusted to the purchasing power of 31 December 2024 using the Consumer Price Index is reflected in retained earnings. The differences reflected in retained earnings are summarized in the table below. The related differences arise from the difference between the domestic producer price index and the consumer price index.

31 December 2024

Shareholders' equity items	PPI indexed legal amounts	CPI indexed amounts	Amounts recognised in retained earnings
Share premium	13,994,913	12,538,711	1,456,202
Restricted profit reserve	950,224	650,920	299,304

31 December 2023

Shareholders' equity items	PPI indexed legal amounts	CPI indexed amounts	Amounts recognised in retained earnings
Share premium	9,930,292	8,092,729	1,837,563
Restricted profit reserve	950,201	650,920	299,281

c) Share premium

	31 December 2024	31 December 2023
Share premium	12,538,711	8,092,729
	12,538,711	8,092,729

17. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2024	1 January - 31 December 2023
Rental revenue from investment properties ⁽¹⁾	7,766,960	6,851,422
Management and consulting revenue	318,256	303,506
Other	137,714	79,756
	8,222,930	7,234,684

(*) This includes electricity, water and other common utility charges of the shopping malls and offices owned by the Group and charged to the tenants on an accrual basis in accordance with lease agreements. As at 31 December 2024 above mentioned charged revenues amount to TRY 1,553,710 (31 December 2023: TRY 1,583,564)

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17. REVENUE AND COST OF SALES (Continued)

b) Cost of revenue

	1 January - 31 December 2024	1 January - 31 December 2023
Utilities expenses	(776,178)	(949,246)
Personel expenses	(580,753)	(563,411)
Office management expenses	(499,774)	(427,804)
Maintenance expenses	(167,589)	(223,080)
Rent expenses	(113,337)	(86,769)
Consultancy expenses	(113,024)	(129,215)
Taxes and fees	(68,730)	(33,795)
Depreciation expenses	(19,264)	(17,310)
Other	(171,034)	(228,946)
	(2,509,683)	(2,659,576)
	1 January - 31 December 2024	1 January - 31 December 2023
Cost of revenue related to investment properties	(2,396,659)	(2,530,361)
Cost of revenue related to management and consulting and other	(113,024)	(129,215)
	(2,509,683)	(2,659,576)

18. GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Marketing expenses	(106,223)	(56,203)
General administrative expenses	(275,681)	(234,747)
	(381,904)	(290,950)

a) Detail of marketing expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Advertising expenses	(106,223)	(56,203)
	(106,223)	(56,203)

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18. GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES (Continued)

b) Detail of general administrative expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Consultancy expenses	(111,419)	(35,900)
Employee benefit expenses	(158,518)	(181,689)
Other	(5,744)	(17,158)
	<u>(275,681)</u>	<u>(234,747)</u>

19. EXPENSES BY NATURE

	1 January - 31 December 2024	1 January - 31 December 2023
Utilities expenses	(776,178)	(949,246)
Personel expenses	(739,271)	(745,100)
Office management expenses	(499,774)	(427,804)
Consultancy expenses	(224,443)	(165,115)
Maintenance expenses	(167,589)	(223,080)
Rent expenses	(113,337)	(86,769)
Advertising expenses	(106,223)	(56,203)
Taxes and fees	(68,730)	(33,795)
Depreciation and amortisation expenses	(19,264)	(17,310)
Other	(176,778)	(246,104)
	<u>(2,891,587)</u>	<u>(2,950,526)</u>

20. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January - 31 December 2024	1 January - 31 December 2023
Other operating income		
Change in fair value of investment properties (Note 10.a)	2,404,496	11,964,877
Interest income (*)	601,350	176,154
Income from sale of investment property	320,888	1,201,731
Insurance income	305,054	-
Foreign exchange gain from operations, net	289,487	911,684
Reversal of provision (Note 6)	88,168	67,277
Other	157,951	167,074
	<u>4,167,394</u>	<u>14,488,797</u>

(*) Interest income consists of interest income from time deposits and at 31 December 2024 TRY 601,350 thousand (2023: TRY 176,154 thousand)

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20. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

	1 January - 31 December 2024	1 January - 31 December 2023
Other operating expense		
Change in fair value of investment properties (Note 10.a)	(2,211,938)	(1,101,250)
Provision for expected credit losses (Note 6)	(122,138)	(76,283)
Change in fair value of investment properties under development (Note 10.b)	(955)	(2,317)
Other	(50,536)	(67,025)
	(2,385,567)	(1,246,875)

21. FINANCIAL INCOME AND EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Financial income		
Derivative financial instruments at fair value through profit or loss realized profit on instruments	228,900	1,162,455
Derivative financial instruments at fair value through profit or loss unrealized gain on instruments (*)	-	98,120
	228,900	1,260,575

(*)Represents the change in fair value of derivative instruments.

	1 January - 31 December 2024	1 January - 31 December 2023
Financial expenses		
Foreign exchange loss of bank loans	(2,897,275)	(14,061,737)
Interest expense of bank loans	(2,577,824)	(3,295,658)
Interest expense to related parties	(552,171)	(560,933)
Bank commission expenses	(311,435)	(127,018)
Derivative financial instruments at fair value through profit or loss realized loss on instruments	(118,636)	(161,135)
Derivative financial instruments at fair value through profit or loss unrealized loss on instruments (*)	(48,843)	(830,281)
Other	(10,326)	(5,622)
	(6,516,510)	(19,042,384)

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2024	31 December 2023
<i>Current tax liability</i>		
Current corporate tax provision	465,162	136,383
Less: prepaid taxes and funds	<u>(244,602)</u>	<u>(23,111)</u>
	<u>220,560</u>	<u>113,272</u>
	1 January - 31 December 2024	1 January - 31 December 2023
<i>Income tax recognized in profit or loss</i>		
Current tax expense	(465,357)	(174,789)
Deferred tax income/ (expense)	<u>(4,525,457)</u>	<u>6,205,103</u>
	<u>(4,990,814)</u>	<u>6,030,314</u>

Corporate Tax

The Group 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 investment incentives utilized.

The effective tax rate in 2024 is 25% (2023: 25%) for the Group.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2024 is 25%. (2023: 25%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporate Tax (Continued)

“Law No. 7456 on Amending the Application of Additional Motor Vehicle Tax, on Certain Laws and on Provision No. 375 to Compensate for the Economic Losses Arising From Earthquakes on 6 February 2023” was published in Official Gazette No. 32249 dated 15 July 2023. The corporate income tax rate is defined in article 21 of this law, as well as in this provision of the first paragraph of the 32nd article of Corporate Income Tax Law No. 5520: “Corporate tax is 20% of the corporate earnings. The corporate tax rate was increased to 25% for banks, companies in the scope of Law No. 6361, electronic payment and currency institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.”

Deferred Tax:

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

In Turkey, the companies cannot declare a consolidated 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	31 December
	2024	2023
<u>Temporary differences subject to deferred tax:</u>		
Change in fair values of investment properties under development	21,524	22,480
Change in fair values of investment properties	47,106,472	39,406,524
Adjustments related to inventories	(1,545,848)	(2,231,892)
Tax losses carried forward	(4,895,380)	(14,650,820)
Provision for retirement pay and unused vacation	(40,520)	(64,200)
Other temporary differences	(166,728)	(94,788)
	<u>40,479,520</u>	<u>22,387,304</u>
	31 December	31 December
	2024	2023
<u>Deferred tax (assets)/ liabilities:</u>		
Change in fair values of investment properties under development	5,381	5,620
Change in fair values of investment properties	11,776,618	9,851,631
Adjustments related to inventories	(386,462)	(557,973)
Tax losses carried forward	(1,223,845)	(3,662,705)
Provision for retirement pay and unused vacation	(10,130)	(16,050)
Other temporary differences	(41,682)	(23,697)
	<u>10,119,880</u>	<u>5,596,826</u>

At the balance sheet date, the Group has unused tax losses of TRY 4,895,380 thousand (2023: TRY 14,650,820 thousand) available for offset against future profits and deferred tax asset have been recognized in respect of TRY 1,223,845 (2023: TRY 3,622,705) of such losses.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

	<u>31 December 2024</u>	<u>31 December 2023</u>
Deferred tax assets	(212,354)	(1,217,116)
Deferred tax liabilities	<u>10,332,234</u>	<u>6,813,942</u>
Net deferred tax liabilities	<u>10,119,880</u>	<u>5,596,826</u>

The movement of deferred tax assets for years ended 31 December 2024 and 2023 as follows:

	<u>1 January - 31 December 2024</u>	<u>1 January - 31 December 2023</u>
<u>Movement of deferred tax liability:</u>		
Opening balance	5,596,826	11,801,173
Charged to statement of profit or loss	4,525,457	(6,205,103)
Charged to equity	<u>(2,403)</u>	<u>756</u>
Closing balance	<u>10,122,283</u>	<u>5,596,070</u>
	<u>1 January - 31 December 2024</u>	<u>1 January - 31 December 2023</u>
<u>Reconciliation of tax provision:</u>		
Profit before tax	9,676,982	20,368,929
Corporate tax rate	% 25	% 25
Calculated tax	2,419,246	5,092,232
Tax effect of:		
- exemptions and discounts	(36,112)	-
- expenses that are not deductible in determining taxable profit	55,829	393,542
- effect of indexation on statutory financial statements in accordance to IAS29 (*)	(2,502,602)	(12,534,288)
- share in profit of associates	33,250	800,970
- accumulated losses on which deferred tax is not recognized	1,063,080	1,962,491
- non-taxable inflation adjustments	6,472,365	3,821,632
- effect of increase in corporate tax rate in Turkey (from 23% to 25%)	-	(934,051)
- monetary loss	(2,600,661)	(4,641,515)
- other	<u>86,419</u>	<u>8,672</u>
Income tax (income)/ expense recognised in profit or loss	<u>4,990,814</u>	<u>(6,030,314)</u>

(*) Taxable statutory financial statements are restated by using PPI rates.

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23. PROVISIONS

	31 December 2024	31 December 2023
Short term provision		
Lawsuit provision	19,327	15,814
	19,327	15,814
	1 January - 31 December 2024	1 January - 31 December 2023
Provision at 1 January	15,814	11,286
Charge for the year	14,258	15,640
Disposal	(2,199)	(484)
Payments	(2,455)	(3,219)
Foreign exchange loss	8,202	386
Monetary gain	(14,293)	(7,795)
Provision at 31 December	19,327	15,814

This amount represents the provisions set aside for certain lawsuits filed by the employees against the Group. Provision is recognized in the consolidated statement of profit or loss as general administrative expense. According to the Group management, with the adoption of appropriate legal opinions, such lawsuits will not lead to any significant loss beyond 31 December 2024.

24. EARNING PER SHARE

	1 January - 31 December 2024	1 January - 31 December 2023
Net profit for the year	4,686,168	26,399,243
Average number of ordinary share outstanding during the year	319,632	303,717
Earning per share from operations (TRY)	14.66	86.92

25. DERIVATIVE INSTRUMENTS

	31 December 2024		31 December 2023	
	Assets	Liabilities	Assets	Liabilities
Interest rate swap	-	52,007	-	68,276
Forward	-	64,289	127,659	126,836
	-	116,296	127,659	195,112
Short term	-	116,296	127,659	195,112
	-	116,296	127,659	195,112

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25. DERIVATIVE INSTRUMENTS (Continued)

Cross currency swaps

The Group has entered into cross currency swap agreements to hedge the foreign currency risk arising from the fixed rate debt instruments with a nominal amount of USD 175.000.000. The contracts expire in April 2023.

	31 December 2024	31 December 2023
Interest rate swap	(52,007)	(68,276)
Forward	(64,289)	823
	(116,296)	(67,453)

26. FINANCIAL INSTRUMENTS

Financial Debts

	31 December 2024	31 December 2023
Short- term bank loans	191,366	765,483
Short term portion of long term borrowings from related parties	-	43,489
Short term portion of long term borrowings from third parties	3,337,081	3,661,783
Total short term borrowing	3,528,447	4,470,755
Short term financial lease	-	729
Current portion of long-term financial lease	23,176	20,197
Total short term financial debt	23,176	20,926
Long-term bank loan from third parties	14,118,272	16,924,769
Long-term bank loan from third parties from related parties	-	5,837,745
Total non-current financial debt	14,118,272	22,762,514
Long-term leases	643,438	449,940
Total long-term financial liabilities	643,438	449,940
Total current and non current financial debt	18,313,333	27,704,135

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26. FINANCIAL INSTRUMENTS (Continued)

On 26 April 2018, the Group has issued fixed interest coupon corporate bonds with a nominal amount of USD 300,000 and with a maturity of 5 years. Details of issued corporate bonds are as follows:

The bank loans are repayable as follows:

	31 December 2024	31 December 2023
Payable within 1 year	3,528,447	4,470,755
Payable between 1-2 years	2,535,198	4,352,249
Payable between 2-3 years	2,451,050	8,098,432
Payable between 3-4 years	2,316,914	2,234,743
Payable between 4-5 years	4,109,894	2,511,717
Payable after 5+ years	2,705,216	5,565,373
	17,646,719	27,233,269

The Group’s major bank loans are as follows:

- a) Tarabya’s loan balance as of 31 December 2024 is TRY 157,451 and EUR 22,490. The maturity of these loans March 2025.
- b) Salacak’s loan balance as of 31 December 2024 is EUR 129,419. The maturity of this loan is June 2029.
- c) Altunizade’s loan balance as of 31 December 2024 is EUR 80,590. The maturity of this loan is April 2030.
- d) Mel2’s loan balance as of 31 December 2024 is EUR 53,500 and TRY 225,605. The maturity of these loans are April 2032 and January 2025.
- e) Bakırköy’s loan balance as of 31 December 2024 is EUR 56,500. The maturity of this loan January 2030.
- f) Mel3’s loan balance as of 31 December 2024 is EUR 29,500. The maturity of this loan is June 2031.
- g) Bostancı’s loan balance as of 31 December 2024 is TRY 146,650. The maturity of this loan is February 2027.
- h) Rönesans Gayrimenkul Yatırım’s total corporate loan balance as of 31 December 2024 is equivalent of TRY 918,405. The maturity of these loans are May 2025, and August 2027.

Covenants:

The Group, in a number of its bank loans, are subject to a number of covenant whereby the Group is required to meet certain key performance indicators. The terms of these loans allows the lender to terminate the loan agreement, unless this circumstance is cured by equity injection which means Debt Service Coverage Ratio (“DSCR”) and Loan to Value (“LTV”) brought to required level, under the following situations:

- a) For the loan drawn by Tarabya for the Hilltown SHC and Office, the LTV falls below 60%.
- b) For the loan drawn by Salacak for the Maltepe Piazza SHC, the LTV falls below 65%
- c) For the loan drawn by Mel2 for the Samsun Piazza SHC and Hotel, the DSCR falls below 110%
- d) For the loan drawn by Bostancı for the Küçükyalı Office&School, the DSCR falls below 100%.
- e) For the loan drawn by Mel3 for the Şanlıurfa Piazza SHC, the LTV falls below 45%

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26. FINANCIAL INSTRUMENTS (Continued)

The Group's principal bank borrowings are as follows:

<u>Currency type</u>	<u>Interest rate range (%)</u>	<u>Original Amount</u>	<u>TRY equivalent</u>
EUR	3 - 7,30	465,859	17,117,013
TRY	3,45 - 12,50	529,706	529,706

The risk characteristics and levels in financial debts are disclosed in Note 28.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<u>1 January 2024</u>	<u>Financing cash inflows</u>	<u>Financing cash outflows</u>	<u>Foreign exchange loss</u>	<u>Other changes</u>	<u>Monetary gain</u>	<u>31 December 2024</u>
Bank loans	27,233,269	12,219,473	(16,387,476)	2,604,945	167,911	(8,191,403)	17,646,719

	<u>1 January 2023</u>	<u>Financing cash inflows</u>	<u>Financing cash outflows</u>	<u>Foreign exchange loss</u>	<u>Other changes</u>	<u>Monetary gain</u>	<u>31 December 2023</u>
Bank loans	24,764,902	10,547,393	(7,399,237)	11,889,363	565,602	(13,134,754)	27,233,269

27. FINANCIAL INVESTMENTS

<u>Short term financial investments</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Financial assets at fair value through profit or loss	44,965	67,765
	<u>44,965</u>	<u>67,765</u>

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management:

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes bank loans disclosed in Note 27 and equity attributable to equity holders of the parent, premiums in capital stock, restricted profit reserves and retained earnings.

Within the framework of risk management activities, Group defines the undertaken risks, estimates the loss amounts caused by these risks and defines the capital base amount related to these loss amounts. Thus, Group aims to minimize its capital risk.

After the capital base is defined, the steadily management of funding structure is aimed by obtaining new debts, repayment of existing debts, and dividend payments.

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

a) Capital risk management (Continued):

The Group has to comply the ratios about bank loans covenant. As of 31 December 2024, the Group has comply the ratios.

Details of net debt for years ended 31 December 2024 and 2023 as follows:

	31 December 2024	31 December 2023
Financial debts	18,313,333	27,704,135
Less: Cash and cash equivalents and financial investments	(3,587,051)	(2,306,624)
Net debt	14,726,282	25,397,511
Total equity	89,566,051	80,409,529
Total capital	<u>104,292,333</u>	<u>105,807,040</u>
Gearing ratio	14%	24%

b) Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under policies approved by the management of the Company. Financial risks are identified, evaluated and hedged in close co-operation with the group’s operating units. The management of the Company provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial risk factors

b.1) Credit risk management

Credit risk exposures by types of financial instruments

31 December 2024	Trade receivables		Other receivables		Bank deposits	Derivative instruments
	Related party	Third party	Related party	Third party		
Maximum credit risk exposure at balance sheet date (A+B+C) ⁽¹⁾	177,241	482,693	45	4,700	3,586,951	-
-Secured portion of maximum credit risk by guarantee or etc. ⁽²⁾	-	-	-	-	-	-
A. Net book value of nor due or nor impaired financial assets	177,241	393,487	45	4,700	3,586,951	-
B. Net book value of assets that are due but not impaired	-	89,206	-	-	-	-
- Secured portion by guarantees, collaterals, etc.	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	86,004	-	-	-	-
-Impairment (-)	-	(86,004)	-	-	-	-
-Secured net value via guarentee or etc	-	-	-	-	-	-

(1) In determining the amounts, elements providing increase in loan credibility such as warrants received are not considered.

(2) Guarantees consist of collateral bills and letters of guarantees.

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial risk factors

b.1) Credit risk management

Credit risk exposures by types of financial instruments

31 December 2023	Trade receivables		Other receivables		Bank deposits	Derivative instruments
	Related party	Third party	Related party	Third party		
Maximum credit risk exposure at balance sheet date (A+B+C) ⁽¹⁾	132,606	452,286	465	5,882	2,305,848	127,659
-Secured portion of maximum credit risk by guarantee or etc. ⁽²⁾	-	251,968	-	-	-	-
A. Net book value of nor due or nor impaired financial assets	132,606	438,121	465	5,882	2,305,848	127,659
B. Net book value of assets that are due but not impaired	-	14,165	-	-	-	-
- Secured portion by guarantees, collaterals, etc.	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Over due (gross book value)	-	76,149	-	-	-	-
-Impairment (-)	-	(76,149)	-	-	-	-
-Secured net value via guarentee or etc	-	-	-	-	-	-

(1) In determining the amounts, elements providing increase in loan credibility such as warrants received are not considered.

(2) Guarantees consist of collateral bills and letters of guarantees.

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial risk factors

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Aging of overdue receivables is as follows:

31 December 2024	Trade receivables	Total
Overdue by 1-30 days	20,429	20,429
Overdue by 1-3 months	15,583	15,583
Overdue by 3-12 months	70,071	70,071
Overdue by 1-5 years	3,760	3,760
Total overdue receivables	109,843	109,843
Secured portion via guarantee or etc.	109,843	199,257
31 December 2023	Trade receivables	Total
Overdue by 1-30 days	5,092	5,092
Overdue by 1-3 months	3,115	3,115
Overdue by 3-12 months	2,902	2,902
Overdue by 1-5 years	4,367	4,367
Total overdue receivables	15,476	15,476
Secured portion via guarantee or etc.	15,476	15,476
	31 December	31 December
	2024	2023
Guarantee received	285,996	251,968
	285,996	251,968

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.2) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group’s short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group’s liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/ (outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

Liquidity risk table:

31 December 2024

<u>Due date on agreement</u>	<u>Carrying value</u>	<u>Cash outflows according to agreements (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>	<u>More than 5 year (IV)</u>
Financial liabilities						
Bank loans	17,646,719	22,684,989	1,762,343	2,790,805	14,390,452	3,741,389
Trade payables (due to related parties included)	1,027,073	1,027,073	30	1,027,043	-	-
Payables related to employee benefits	13,931	13,931	-	13,931	-	-
Other payables (due to related parties included)	3,167,823	3,167,823	1,456	957,904	2,208,463	-
Total liabilities	21,855,546	26,893,816	1,763,829	4,789,683	16,598,915	3,741,389

31 December 2023

<u>Due date on agreement</u>	<u>Carrying value</u>	<u>Cash outflows according to agreements (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>	<u>More than 5 year (IV)</u>
Financial liabilities						
Bank loans	27,233,269	37,813,067	1,959,889	3,458,011	24,041,753	8,353,414
Trade payables (due to related parties included)	713,355	713,354	12	713,342	-	-
Payables related to employee benefits	23,931	23,931	23,931	-	-	-
Other payables (due to related parties included)	4,451,392	4,451,392	-	1,843,400	2,607,992	-
Total liabilities	32,421,947	43,001,744	1,983,832	6,014,753	26,649,745	8,353,414

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28.NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.3) Market risk management

There has been no change to the Group’s exposure to market risks or the manner in which these risks are managed and measured.

b.3.1) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. The Group is exposed to currency risk (in the form of transaction risk) from receivables, liabilities, cash and cash equivalents and pending transactions other than functional currency of the Group companies concerned in each case. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group’s foreign currency denominated monetary assets and liabilities at the reporting period are as follows:

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.3.1) Foreign currency risk management (Continued)

31 December 2024	Equivalent of Thousands TRY	Thousands USD	Thousands EUR
1. Trade receivables	19,731	15	522
2. Monetary financial assets	2,666,193	201	72,371
3. Non monetary financial assets	362,227	109	9,754
4. CURRENT ASSETS	3,048,151	325	82,647
5. Monetary financial assets	-	-	-
6. Non monetary financial assets	-	-	-
7. NON CURRENT ASSETS	-	-	-
8. TOTAL ASSETS	3,048,151	325	82,647
9. Trade payables	(94,154)	(682)	(1,855)
10. Financial liabilities	(3,087,391)	-	(84,027)
11. Non monetary financial liabilities	(659,059)	-	(17,937)
12. Non monetary other liabilities	(36,199)	(51)	(936)
13. CURRENT LIABILITIES	(3,876,803)	(733)	(104,755)
14. Trade payables	-	-	-
15. Financial liabilities	(14,029,622)	-	(381,832)
16. Non monetary financial liabilities	(1,675,637)	(5,063)	(40,750)
17. Non monetary other liabilities	(14,472)	(162)	(238)
18. NON CURRENT LIABILITIES	(15,719,731)	(5,226)	(422,821)
19. TOTAL LIABILITIES	(19,596,534)	(5,959)	(527,576)
20. Net foreign currency assets/ (liabilities) position	(16,548,383)	(5,634)	(444,929)
21. Monetary items net foreign currency assets/(liabilities) position (1+2+5+9+10+11+14+15+16)	(16,859,939)	(5,530)	(453,509)

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.3.1) Foreign currency risk management (Continued)

31 December 2023	Thousands TRY	Thousands USD	Thousands EUR
1. Trade receivables	37,884	20	788
2. Monetary financial assets	1,767,347	3,229	34,661
3. Non monetary financial assets	465,117	18	9,873
4. CURRENT ASSETS	2,270,348	3,267	45,322
5. Monetary financial assets	-	-	-
6. Non monetary financial assets	-	-	-
7. NON CURRENT ASSETS	-	-	-
8. TOTAL ASSETS	2,270,348	3,267	45,322
9. Trade payables	(233,172)	(951)	(4,098)
10. Financial liabilities	(3,065,356)	(1,023)	(64,254)
11. Non monetary financial liabilities	(1,417,351)	(30,468)	(2,602)
12. Non monetary other liabilities	(4,183)	(4)	(86)
13. CURRENT LIABILITIES	(4,720,062)	(32,446)	(71,040)
14. Trade payables	(5,793)	(5)	(118)
15. Financial liabilities	(21,412,687)	(137,349)	(331,169)
16. Non monetary financial liabilities	(1,546,775)	-	(32,889)
17. Non monetary other liabilities	(12,824)	(127)	(158)
18. NON CURRENT LIABILITIES	(22,978,079)	(137,476)	(364,334)
19. TOTAL LIABILITIES	(27,698,141)	(169,922)	(435,374)
20. Net foreign currency assets/ (liabilities) position	(25,427,793)	(166,655)	(390,052)
21. Monetary items net foreign currency assets/(liabilities) position (1+2+5+9+10+11+14+15+16)	(25,875,903)	(166,542)	(399,681)

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.3.1) Foreign currency risk management (Continued)

Foreign currency sensitivity

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

The following table details the Group’s sensitivity to a 20% (2023:20%) increase and decrease in the US Dollars and Euro. 20% (2023: %20) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% (2023: 20%) change in foreign currency rates. The sensitivity analysis includes external loans within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

A positive number indicates an increase in profit or loss.

	31 December 2024	
	Profit / (Loss)	
	Appreciation of foreign currencies	Depreciation of foreign currencies
If US Dollars 20% appreciated vs TRY		
US Dollars net assets/ (liabilities)	(38,955)	38,955
If EUR 20% appreciated vs TRY		
Euro net assets/ (liabilities)	(3,332,648)	3,332,648
TOTAL	(3,371,603)	3,371,603
	31 December 2023	
	Profit / (Loss)	
	Appreciation of foreign currencies	Depreciation of foreign currencies
If US Dollars 20% appreciated vs TRY		
US Dollars net assets/ (liabilities)	(980,569)	980,569
If EUR 20% appreciated vs TRY		
Euro net assets/ (liabilities)	(2,603,834)	2,603,834
TOTAL	(3,584,403)	3,584,403

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial risk factors (continued)

b.3.2) Interest rate risk management

Interest rate sensitivity

Detail of the Group’s financial instruments exposed to interest rate sensitivity is as follows:

Interest rate position table

Floating rate financial instruments	31 December 2024	31 December 2023
Financial liabilities	17,543,736	19,443,696

Interest rate position table

Fixed rate financial instruments	31 December 2024	31 December 2023
Financial liabilities	769,598	7,315,438

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate, interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the start of the financial year.

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29. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

Categories of financial instruments and fair values

31 December 2024	Loans and receivables	Fair value through profit and loss	Financial liabilities at amortized cost	Carrying value (*)	Notes
Financial assets					
Cash and cash equivalents	3,587,051	-	-	3,587,051	32
Trade receivables (due to related parties included)	659,934	-	-	659,934	5-6
Other current and non current receivables (due from related parties included)	4,745	-	-	4,745	5-7
Financial instruments	-	44,965	-	44,965	27
Derivative instruments	-	-	-	-	25
Financial liabilities					
Financial debts	-	-	18,313,333	18,313,333	26
Trade payables (due to related parties included)	-	-	1,027,073	1,027,073	5-6
Payables related to employee benefits	-	-	13,931	13,931	14
Other short and long term payables	-	-	3,167,823	3,167,823	5-7
Derivative instruments	-	116,296	-	116,296	25

(*) The Group believes that the carrying values of its financial asset and liabilities reflect their fair values.

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29. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Categories of financial instruments and fair values

31 Aralık 2023	Loans and receivables	Fair value through profit and loss	Financial liabilities at amortized cost	Carrying value (*)	Notes
Financial assets					
Cash and cash equivalents	2,306,624	-	-	2,306,624	32
Trade receivables (due to related	584,892	-	-	584,892	5-6
Other current and non current receivables (due from related parties included)	6,347	-	-	6,347	5-7
Financial instruments	-	67,765	-	67,765	27
Derivative instruments	-	127,659	-	127,659	25
Financial liabilities					
Financial debts	-	-	27,704,135	27,704,135	26
Trade payables (due to related parties included)	-	-	713,355	713,355	5-6
Payables related to employee benefits	-	-	23,931	23,931	14
Other short and long term payables	-	-	4,451,392	4,451,392	5-7
Derivative instruments	-	195,112	-	195,112	25

(*) The Group believes that the carrying values of its financial asset and liabilities reflect their fair values.

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29. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Fair value of financial instruments

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

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

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

Financial Assets / Financial Liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 December 2024	31 December 2023				
	44,965	67,765	Level 1	Observable market price of Eurobonds	-	-
Financial instruments						
Interest rate swap, forward, cross currency	(116,296)	(67,453)	Level 2	Future cash flows estimated by using term interest rate (yield curves observable at the end of the reporting period resulting from interest rate) and contractual interest rates, are discounted by using a rate that reflects the credit risk of various parties.	-	-
Investment properties	98,320,162	97,668,421	Level 3	Income approach method		

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30. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRMS

	31 December 2024	31 December 2023
Audit fee for the reporting period	10,220	21,092
Tax consulting services fee	41	173
Other assurance services fee	917	926
Total	11,178	22,191

31. EVENTS AFTER THE REPORTING PERIOD

None.

32. DISCLOSURES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2024	31 December 2023
Cash on hand	100	79
Demand deposits	899,541	850,069
Time deposits	2,687,410	1,455,779
Other cash equivalents	-	697
	3,587,051	2,306,624

Explanations about the nature and level of risks related to cash and cash equivalents are provided in Note 30.

The details of time deposits as at 31 December 2024 and 2023 are as follows:

Currency type	Range of interest rate %	Maturity date	Currency amount	30 December 2024
EUR	0-4,55	January 2025	51,102	1,877,627
TRY	40-50	January 2025	806,188	806,188
USD	0-0,05	January 2025	102	3,595
				2,687,410

Currency type	Range of interest rate %	Maturity date	Currency amount	31 December 2023
TRY	20-46	January 2024	323,491	467,058
USD	4.10	January 2024	139	5,909
EUR	0.01-2.70	January 2024	20,897	982,812
				1,455,779

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

33. EXPLANATIONS ON NET MONETARY POSITION GAINS (LOSSES)

Non-Monetary Items

Statement of Financial Position Items	31 December 2024
Inventories	795,807
Investments Accounted for Using the Equity Method	1,019,394
Investments in associates	37,569,241
Property, Plant and Equipment	1,737
Intangible Assets	25,010
Other liabilities	585,267
Deferred Tax Liability	(1,723,843)
Paid-in capital	(9,187,064)
Share premiums	(3,276,705)
Restricted reserves	(201,551)
Prior years' losses	(16,817,802)
Profit or Loss Statement Items	
Revenue	(1,169,436)
Cost of sales	403,444
Marketing expenses	13,936
General and administrative expenses	67,895
Income from investment activities	(8,087)
Other income from main operations	(212,554)
Financing expenses	829,914
NET MONETARY POSITION GAINS	8,714,603