



The Power of Custom, The Build of The Future

ANNUAL REPORT

2023



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Message from the Chairman

Dear Esteemed Stakeholders,

2023 has been a year, in which economic fluctuations and geopolitical risks were the important agenda items. The increase in costs and unemployment in almost every sector around the world negatively affected the global growth, and many central banks, including those in developed countries, tightened their monetary policies. In this period that was influential on a global scale, the practices put into effect in the economic management of our country were effective. Within the scope of the Medium Term Program, Türkiye recorded 4.5% growth in 2023.

The year 2023, which was spent struggling with economic difficulties and high inflation, started with indescribable difficult days that affected our country and especially the construction sector. The earthquake disaster that occurred on February 6, 2023 impacting 11 provinces deeply affected us as a country. As the VakıfBank family, we have been working with all our strength to support the process to heal the wounds from the first day. We have determined the support we can provide to the reconstruction of the earthquake zone, together with the important actors of our sector, as the first agenda item of our agenda. In this period, which underlines that the safest address for our family should be our living spaces, homes and workplaces, our most important topic in the real estate sector has been to accelerate construction activities and provide financing resources in order to meet the needs accordingly.

At the end of 2023, our Company's asset size increased to TL 14.9 billion. In the same period, it achieved a profit for the period of TL 1.4 billion.

Vakıf REIT, which continues to grow in line with its vision of becoming a reference organization that directs change in the sector with its symbolic structures, has reached the completion stage of its ongoing projects. We delivered the VakıfBank Towers, which are shown as one of the symbolic buildings in the Istanbul Finance Center, to our bank. In 2023, the construction process of our Cubes Ankara and Tablo Adalar projects was completed and people started to settle within the scope of these projects.

We left behind a successful year, during which we have been given many awards.

In 2023, we took important steps towards becoming a company, in which our shareholders, investors, customers and employees, that is, all our stakeholders, will be happy and satisfied. Our success rate in our vision and mission indicators has gone even higher. We increased our Customer Satisfaction rate to 85.9%. We achieved to be the company that increased its corporate rating the most among those in the BIST Corporate Governance Index.

With the aim of keeping our environmental footprint at a minimum level in order to leave a more livable world to future generations, we carry out studies that take care of the protection of our natural resources at every point of our projects, from the design stage to the delivery stage, ensuring energy and resource efficiency at international standards, and taking our environmental impacts into account. We are moving forward at an accelerating speed towards the goals we have set in line with our 5-year strategic plan compatible with the United Nations Development Goals. We create applications and develop systems that will be taken as reference.

We make a difference in our industry with our financial success, digital transformation investments and the point we have reached in our corporate development journey. At the 32nd Quality Congress organized by the Turkish Quality Association (KalDer) in 2023, we were awarded the Turkey Excellence Grand Prize for our Integrated Management Model, which we established within the scope of the EFQM Model recommended to organizations as a management model by the European Quality Management Foundation. We continue making efforts with the desire to make these achievements sustainable in 2023.

We will continue to add value to our country, as we have done so far, to carry out projects in line with an approach that always considers the welfare of the world we live in, and the welfare of our next generations, and to produce permanent value for all our stakeholders, who are always with us, based on the principle of sustainable growth. On behalf of our Board of Directors and myself, I would like to thank all our stakeholders, especially our main shareholder Türkiye Vakıflar Bankası T.A.O., who believe in and support a better future with the values we produce.

Yours respectfully,

Mikail HİDİR
Chairman

Message from the General Manager

Esteemed Stakeholders,

Vakıf Real Estate Investment Trust, established by VakıfBank as Türkiye's first real estate investment trust company to provide solutions to the financing needs of the real estate sector, continues to develop its portfolio and improve its service quality with the vision of becoming a reference REIT that guides changes in its sector for its customers, shareholders, investors, business partners and employees.

We have left behind another year, in which we increased the level of trust and satisfaction that you, our valued stakeholders, have in our company. In this journey illuminated by the deep-rooted knowledge and experience coming from VakıfBank's culture, our business model, based on trust, fair and transparent values, has guided us in the management of our activities. We present to you, our valued stakeholders, our annual report for 2023, in which our company achieved successful financial results and received awards with its corporate governance performance and integrated management model.

2023, where concerns about the global economy that started in 2022 continued, was a year where the impact of difficult economic conditions continued all over the world. Many central banks, especially those of developed countries, continued to implement tight monetary policies in order to reduce the pressure caused by problems such as high inflation, the risk of stagnation in economies resulting from inflation, and the Russia-Ukraine War. While this process led to an increase in global resource costs, it also caused a decline in the global growth rate.

Having spent 2022 with a strong performance, the Turkish economy started 2023 with similar deteriorations observed in the global economy. We all felt the anxiety and insecurity-based effects of the great earthquake disaster that occurred in February and shook our country deeply. As a player in the real estate sector, we tried to contribute to this difficult period by providing team, equipment and workforce support. This period that our country is going through has put pressure on the economy through budget balance, inflation and growth. If we look at it in terms of its effects on living habits, the need for reliable housing has increased even more.

In 2023, which we spent under the influence of all these developments, our company, which has a trust-based relationship with its stakeholders, focused on adapting to change with effective process and risk management, as well as cost management that considers the optimal income-expense balance. We aimed to grow our company and increase our corporate competencies in order to contribute to the Turkish economy and construction industry. We continued both the construction and sales activities of our real estate projects with a total construction area of 675 thousand square meters in 3 major cities with our agile management approach. As a result, we left 2023 behind as a successful year in terms of our performance indicators and financial indicators.

As of the end of 2023, the asset size of our company increased by 20,6 % compared to the previous year, reaching the level of TL14,9 billion.

We continued to be a safe address in real estate investment.

We delivered the Leed Gold certified VakıfBank Towers, located in the Istanbul Finance Center and, which have already become one of the symbol buildings of the city.

Our projects Tablo Adalar and Cubes Ankara, which are exemplary in their region and, the construction activities of which we carry out with high performance in 2023, have reached the delivery stage. Focusing on meeting the customer expectations and needs at the highest level, we have developed special payment alternatives for our projects, the sales process of which is ongoing in 2023.

In the first quarter of 2024, we started to deliver flats in Cubes Ankara, which is located in Ankara consisting of residences, home offices, offices, hotels, commercial and social facilities. We are currently managing the rental process of the commercial areas in Cubes Ankara, where we have also completed the sale of independent sections that have the characteristics of a hotel. We expect the commercial areas in Cubes Ankara, which has become the center of attraction of the city, to make a high contribution to our company's rental income performance once they become operational.

We reflect the experience brought to our company by the projects, where people started to settle, to our future projects and continue to invest. We obtained the building license for our project VSancaktepe Center in the last quarter of 2023. We aim to put our project, the construction process of which has started, on sale in 2024.

We were awarded the Türkiye Excellence Grand Prize.

A strong institutional structure is required to make these achievements sustainable. The high potential of our company was revealed especially with the corporate development project we initiated in 2020. The EFQM Model developed by the European Quality Foundation became our driving force in our institutionalization journey, which can be an example for our sector. Our Integrated Strategic Plan, prepared with our perspective of "managing change and improving performance with innovative approaches", was deemed worthy of the "Türkiye Excellence Grand Prize", which is among the most prestigious awards in the business world, in 2023. In 2024, we want to win the EFQM Global Award, for which we are a candidate, with the Vakıf REIT Integrated Management Model and, make our management model a registered model in international standards, as well as in Türkiye.

We became the company that increased its score the most in the Corporate Governance Index.

The rising trend in our mission indicators for the last 3 years continued in 2023. Our Corporate Reputation score was 82.8%, our Employee Satisfaction score was 83.2% and our Customer Satisfaction rate was 85.9%. Our Corporate Governance Rating Score, which is among our vision indicators, was determined as 9.33, and Vakıf REIT was the organization that increased its score the most in the BIST Corporate Governance Index compared to the previous year.

We continued to invest in our future.

We continued to pursue our corporate social responsibility projects in line with our main goal of “the Power of Custom, the Build of the Future”. We continued our support in 2023 for the Yıldız Technical University Miniature Building Competition, which was organized with the aim of instilling a culture of sustainability in university students, who are prospective architects and engineers of the future. In this process, where we encourage students and listen to their innovative ideas and projects, we have the opportunity to renew our energy and further expand our innovative perspective.

As a member of VakıfBank Finance Group, our Company has been considering the impact of its activities on society and the world since the day it was founded, with the influence of the foundation heritage in its roots. We continue to support VakıfBank women's volleyball team, which has been going on for 37 years and is considered Türkiye's most successful and longest-running social responsibility project. I would like to take this opportunity to congratulate once again our team, on their achievements of being the European champion and the world's number two in the 100th anniversary of our Republic. Vakıf REIT will continue to contribute to the development and sustainable growth of our country in the Century of Türkiye.

I would like to wholeheartedly thank all of our partners, who share our vision of realizing the symbolic projects of the future with the power of tradition, our investors, who trust us, our customers, who are increasing in number every day and joining our family, my valuable colleagues, who have contributed greatly to our success, and VakıfBank's Senior Management and Board of Directors, who have always supported us.

Yours respectfully,

Onur İNCEHASAN

General Manager

Reporting Period

01.01.2023-31.12.2023

Company Details

Registered Capital	TL 5.000.000.000
Issued Capital	TL 2.950.000.000
Registered Office	İnkılap Mah. Dr. Adnan Büyükdeniz Cad. Akyaka Park No:7A İç Kapı No:28 Ümraniye/ İSTANBUL
Establishment Date	1996
Trade Registry/No	Istanbul Chamber of Commerce/653731
Phone/Fax	0216 285 94 00 / 0216 285 94 49
Web Site	www.vakifgyo.com.tr
Mersis No	0922008334600018
E-Mail	info@vakifgyo.com.tr
KEP Address	vakifgayrimenkul@hs01.kep.tr
Customer Contact Center	0850 210 10 02

Board Resolution adopted in accordance with Article 9 of the Communiqué on Principles of Financial Reporting in the Capital Markets (II-14.1);

Meeting No : 2024/23
Meeting Date :09/05/2024
Resolution No. :2024/59
Meeting Place : Vakıf Real Estate Investment Trust

**VAKIF REAL ESTATE INVESTMENT TRUST
BOARD RESOLUTION**

AGENDA Financials and Annual Report for the accounting period 01.01.2023-31.12.2023.

RESOLUTION:

The Company's Board of Directors has examined the independently audited Financial Statements and Footnotes and the Annual Report of the Board of Directors in line with the Audit Committee's decision on the matter.

Accordingly;

a) We have reviewed and approved the Company's Financial Statements and Footnotes as well as the Board Annual Report for the accounting period of 01.01.2023-31.12.2023.

b) Within the framework of the information our Company has in its field of duty and responsibility, it has been observed that the Financial Statements and Footnotes as well as the Board's Annual Report do not contain any untrue statements on important matters or any deficiencies that may result in misleading as of the date the statement was made.

c) Within the framework of the information our Company has in its field of duty and responsibility, it has been observed that the Financial Statements and Footnotes as well as other financial information included in the Board's Annual Report accurately reflect the truth about the financial situation and operating results of our Company.

01.01.2023-31.12.2023 Financial Statements and footnotes and the Annual Report of the Board of Directors, which have been independently audited for the accounting period 01.01.2023-31.12.2023, be accepted.

Mikail HİDİR
Chairman

Assoc. Prof. Şükrü Mete TEPEGÖZ
Vice-Chairman

Onur İNCEHASAN
Board Member

Arzu SEYAN
Board Member

Tevfik ERPEK
Board Member

Korhan TURGUT
Board Member

Rifat DEMİRBAŞ
Board Member

Ömer DEMİR
Board Member

Mustafa ŞENGÜL
Board Member

State of Responsibility in accordance with Article 9 of the Communiqué on Principles of Financial Reporting in the Capital Markets (II-14.1);

BOARD'S RESOLUTION ON THE APPROVAL OF THE FINANCIAL STATEMENTS

RESOLUTION DATE: 09/05/2024

RESOLUTION NUMBER: 2024/59

OUR DECLARATION

IN ACCORDANCE WITH THE CAPITAL MARKETS BOARD'S

COMMUNIQUE NO. II-14.1, ARTICLE 9

a) We hereby declare that we have reviewed our Company's Financial Statements and the Board's Annual Report for the activity period ending on 31.12.2023 as prepared within the framework of the Communiqué No. II-14.1 published by the Capital Markets Board,

b) Within the framework of the information our Company has in its field of duty and responsibility, it has been observed that the Financial Statements and the Board Annual Report do not contain any untrue statements on important matters or any deficiencies that may result in misleading as of the date the statement was made.

c) Within the framework of the information our Company has in its field of duty and responsibility, the Financial Statements prepared in accordance with the CMB's Communiqué No. II-14.1 fairly reflect the truth about the assets, liabilities, financial position and profit & loss of the business and, the Board's Annual Report fairly reflects the development and performance of the business, the financial position of the business, including the significant risks and uncertainties we face.

Best regards,

VAKIF REAL ESTATE INVESTMENT TRUST

HEAD OFFICE

Mustafa ŞENGÜL
Board Member

Rifat DEMİRBAŞ
Board Member

Onur İNCEHASAN
General Manager

Board Members and Senior Executives

BOARD MEMBER		TERM OF OFFICE
Chairman	Mikail HİDİR	22.06.2020–Continue
Vice Chairman	Assoc. Prof. Şükrü Mete TEPEGÖZ	02.03.2020–Continue
Board Member	Onur İNCEHASAN	19.03.2020–Continue
Board Member	Arzu SEYAN	22.06.2020–Continue
Board Member	Tevfik ERPEK	22.06.2020–Continue
Board Member	Korhan TURGUT	02.04.2021–Continue
Board Member	Rifat DEMİRBAŞ	22.06.2020–Continue
Board Member	Ömer DEMİR	02.04.2021–Continue
Board Member	Mustafa ŞENGÜL	31.03.2022–Continue
SENIOR MANAGEMENT		TERM OF OFFICE
General Manager	Onur İNCEHASAN	05.03.2020–Continue
Assistant General Manager	Ahmet ŞENOCAK	01.12.2023–Continue
Assistant General Manager	Özer EROĞUZ	01.12.2023–Continue

BOARD’S COMMITTEES

Early Detection of Risk Committee

Chairman	Rifat DEMİRBAŞ
Member	Tevfik ERPEK

Audit Committee

Chairman	Mustafa ŞENGÜL
Member	Rifat DEMİRBAŞ

Corporate Governance Committee

Chairman	Ömer DEMİR
Member	Tevfik ERPEK
Member	Tülay ÖZTÜRK

Board Members Who Resigned during the Period:

None.

Duties of the members of the Board of Directors and executives outside the Company

BOARD MEMBERS AND GENERAL MANAGER		
NAME & SURNAME:	POSITION	ROLE/TITLE OUTSIDE THE COMPANY
Mikail HİDİR	Chairman	T. Vakıflar Bankası T.A.O. Assistant General Manager
Assoc. Prof. Şükrü Mete TEPEGÖZ	Vice Chairman	T. Vakıflar Bankası T.A.O. Head, Specialty Loans Management
Onur İNCEHASAN	Board Member and General Manager	General Manager, Vakıf Real Estate Investment Trust
Arzu SEYAN	Board Member	T. Vakıflar Bankası T.A.O. Head, Corporate Banking Marketing
Tevfik ERPEK	Board Member	T. Vakıflar Bankası T.A.O. Head, SME Banking Marketing
Korhan TURGUT	Board Member	T. Vakıflar Bankası T.A.O. Head, General Accounting and Financial Affairs
Rıfat DEMİRBAŞ	Board Member	Architect, PhD
Ömer DEMİR	Board Member	Freelance
Mustafa ŞENGÜL	Board Member	Lawyer

Declarations of Independence

DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUE ON DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

- 1) There has been no employment relationship in a management position assuming significant duties and responsibilities between me, my spouse and my relatives by blood or marriage up to the second degree on one hand and the company, the partnerships, over which the company has management control or significant influence, and the partners, who have management control of the company or have significant influence in the company, and the legal entities, over which these partners have management control, and I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually, or no significant commercial relationship has been established with them, within the last five years.
- 2) I have not been holding any management position assuming significant duties and responsibilities or I have not been a Board Member or a shareholder (5% and more) in such companies, from which the company has purchased or sold a significant amount of services or products within the framework of the respective agreements, especially for the company's audit (including tax audit, legal audit, internal audit), rating and consultancy, during the period when such services or products have been purchased or sold, within the last five years.
- 3) I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent member of the Board of Directors,
- 4) I will not work full-time in public institutions and organizations after being elected as a board member, except as a university faculty member, provided that it complies with the relevant legislation,
- 5) I am considered to be settled in Türkiye according to the Income Tax Law (Income Tax Law),
- 6) I have strong ethical standards, professional reputation and experience to make positive contributions to the company's activities, to maintain my impartiality in conflicts of interest between the company and its shareholders, and to make decisions freely by taking into account the rights of stakeholders,
- 7) I have not served as a Board Member on the Company's Board of Directors for more than six years in the last ten years,
- 8) I am able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties I undertake,
- 9) I do not serve as an Independent Member of the Board of Directors in more than three of the companies, where the management control of the company or the partners holding the management control of the company is controlled, and in more than five of the companies traded on the stock exchange in total,
- 10) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors,
- 11) In case any situation arises that eliminates my independence, I will immediately convey this situation and its justification to the board of directors to be disclosed on the Public Disclosure Platform, and simultaneously convey this situation and its justification to the Board in writing, and resign in principle,

I hereby declare, agree and undertake accordingly.

Rifat DEMİRBAŞ

Kurum İçi Sınırsız Kullanım / Kişisel Veri Değil

DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUE ON DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

- 1) There has been no employment relationship in a management position assuming significant duties and responsibilities between me, my spouse and my relatives by blood or marriage up to the second degree on one hand and the company, the partnerships, over which the company has management control or significant influence, and the partners, who have management control of the company or have significant influence in the company, and the legal entities, over which these partners have management control, and I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually, or no significant commercial relationship has been established with them, within the last five years.
- 2) I have not been holding any management position assuming significant duties and responsibilities or I have not been a Board Member or a shareholder (5% and more) in such companies, from which the company has purchased or sold a significant amount of services or products within the framework of the respective agreements, especially for the company's audit (including tax audit, legal audit, internal audit), rating and consultancy, during the period when such services or products have been purchased or sold, within the last five years.
- 3) I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent member of the Board of Directors,
- 4) I will not work full-time in public institutions and organizations after being elected as a board member, except as a university faculty member, provided that it complies with the relevant legislation,
- 5) I am considered to be settled in Türkiye according to the Income Tax Law (Income Tax Law),
- 6) I have strong ethical standards, professional reputation and experience to make positive contributions to the company's activities, to maintain my impartiality in conflicts of interest between the company and its shareholders, and to make decisions freely by taking into account the rights of stakeholders,
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- 11) In case any situation arises that eliminates my independence, I will immediately convey this situation and its justification to the board of directors to be disclosed on the Public Disclosure Platform, and simultaneously convey this situation and its justification to the Board in writing, and resign in principle,

I hereby declare, agree and undertake accordingly.

Ömer DEMİR

DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUE ON DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

1) There has been no employment relationship in a management position assuming significant duties and responsibilities between me, my spouse and my relatives by blood or marriage up to the second degree on one hand and the company, the partnerships, over which the company has management control or significant influence, and the partners, who have management control of the company or have significant influence in the company, and the legal entities, over which these partners have management control, and I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually, or no significant commercial relationship has been established with them, within the last five years.

2) I have not been holding any management position assuming significant duties and responsibilities or I have not been a Board Member or a shareholder (5% and more) in such companies, from which the company has purchased or sold a significant amount of services or products within the framework of the respective agreements, especially for the company's audit (including tax audit, legal audit, internal audit), rating and consultancy, during the period when such services or products have been purchased or sold, within the last five years.

3) I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent member of the Board of Directors,

4) I will not work full-time in public institutions and organizations after being elected as a board member, except as a university faculty member, provided that it complies with the relevant legislation,

5) I am considered to be settled in Türkiye according to the Income Tax Law (Income Tax Law),

6) I have strong ethical standards, professional reputation and experience to make positive contributions to the company's activities, to maintain my impartiality in conflicts of interest between the company and its shareholders, and to make decisions freely by taking into account the rights of stakeholders,

7) I have not served as a Board Member on the Company's Board of Directors for more than six years in the last ten years,

8) I am able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties I undertake,

9) I do not serve as an Independent Member of the Board of Directors in more than three of the companies, where the management control of the company or the partners holding the management control of the company is controlled, and in more than five of the companies traded on the stock exchange in total,

10) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors,

11) In case any situation arises that eliminates my independence, I will immediately convey this situation and its justification to the board of directors to be disclosed on the Public Disclosure Platform, and simultaneously convey this situation and its justification to the Board in writing, and resign in principle,

I hereby declare, agree and undertake accordingly.

Mustafa ŞENGÜL

Benefits and Rights Granted to the Board Members and Senior Executives

No payments are made to the members of the Company's Board of Directors other than their monthly remunerations. The remunerations of the Board Members are determined at the Ordinary General Assembly held every year. The General Assembly determined the monthly remunerations of the Board of Directors for 2023 as the net amount of TL 16.000.

The total gross remuneration paid in 2023 is as follows:

Board's remunerations and expenses
TL 2.756.494

Payments to the other senior executives
TL 8.747.803

There are no transactions that the Members of the Board of Directors appointed by the General Assembly of our Company carry out with the Company on behalf of themselves or third parties and that fall within the scope of the prohibition of competition. Members of the Board of Directors do not have any shares on their own behalf. Members of the Board of Directors do not have any commercial relationship with the Company. There is no lawsuit filed or ongoing against any Board Member regarding matters concerning the Company's activities.

Members of the Board of Directors are not restricted from taking on other duties or tasks outside the company, and the provisions of the Turkish Commercial Code regarding non-competition are complied with. Members of the Board of Directors are able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties they undertake,

Activities of the Board Committees in 2023

Audit Committee

The committee responsible for auditing is formed and authorized by the Board of Directors. The committee responsible for the audit, which was established by the decision of our Company's Board of Directors, is chaired by Mr. Mustafa ŞENGÜL and its member is Mr. Rifat DEMİRBAŞ. The Committee acts under its own authority and responsibility, makes recommendations to the Board of Directors and, when necessary, prepares a report and presents its opinion to the Board of Directors. However, the final decision responsibility always belongs to the Board of Directors.

The Audit Committee reviewed the Financial Statements and Footnotes as well as the Board's Annual Reports for the accounting period of 01.01.2022-31.12.2022, 01.01.2023-31.03.2023, 01.01.2023-30.06.2023, 01.01.2023-30.09.2023 and 01.01.2023-31.12.2023, and presented a report thereon to the Board of Directors. In addition, the 4th Term Committee report for the accounting period of 2023 was also presented to the Board of Directors.

The Committee met 10 times and prepared 5 reports during this period. The Committee also reviewed the functioning of the company's internal audit system, contributed to the identification of processes open to improvement, and ensured that audit activities were carried out effectively.

Early Detection of Risk Committee

Mr. Rifat DEMİRBAŞ is the chairman of the Early Detection of Risk Committee, which was established by our Company's Board of Directors in accordance with the Turkish Commercial Code and the capital markets legislation, for the purpose of early diagnosis of the reasons that endanger the existence, development and continuation of the company, implementation of the necessary measures and remedies for this, and management of the risk, and Mr. Tevfik ERPEK is the committee member.

During this period, the Committee made efforts to ensure early diagnosis of risk, take necessary precautions regarding risks that may endanger the existence, development and continuity of the Company, and manage the risk, and within the scope of bimonthly routine review of risk management systems, reviewed the Internal Control Reports prepared by the Internal Control Commission and presented a report thereon to the Board of Directors.

During this period, the Committee prepared 6 reports.

Corporate Governance Committee

The Corporate Governance Committee established by the Board of Directors is chaired by Mr. Ömer DEMİR and its members are Mr. Tevfik ERPEK and Investor Relations Manager Ms. Tülay ÖZTÜRK. During this period, the Committee responsible for corporate governance made efforts to provide an agenda for the Board of Directors to ensure that the Corporate Governance Principles are developed and implemented within the Company, to make recommendations to the Board of Directors in order to improve the corporate governance practices, to oversee the procedures of the Investor Relations Unit, to make suggestions regarding the number and election of the Board Members, the functioning structure and effectiveness of the Board of Directors and its committees, taking into account the Corporate Governance Principles, and to predict such risks that may affect the Company's operations in the areas, where the company operates, and to take measures to eliminate and/or reduce the possible negative effects of these risks. In addition, the Corporate Governance Committee also assumed the duties of the Nomination Committee and the Remuneration Committee. The Committee also prepared and submitted to the Board of Directors the Corporate Compliance Report and the Sustainability Principles Compliance Report for the accounting period of 2023, and the section Investors Relations on the Annual Report for the 1st, 2nd, 3rd and 4th terms in 2023. In addition, the Committee prepared the 2023 1st, 2nd, 3rd and 4th Term committee reports and presented them to the Board of Directors.

The Committee met 11 times and prepared 11 reports during this period.

Meeting of the Board of Directors

The meetings of the Board of Directors are planned and held in an efficient and productive manner. Each member of the Board of Directors is entitled to 1 vote to cast. The Board of Directors meets regularly and as planned in advance, at least once a month, and when deemed necessary, without being bound by this period and without delay. It is a principle that a member of the Board of Directors attend every meetings. The chairman of the Board of Directors talks to the General Manager to identify the agenda items of a meeting of the Board of Directors.

Our Company's Board of Directors met 75 times in 2023, adopted 198 resolutions, and the participation rate of the members was 100%.

Shareholding Structure

	December 31, 2023		December 31, 2022	
	Share Percentage (%)	Share Amount	Share Percentage (%)	Share Amount
T. Vakıflar Bankası Türk Anonim Ortaklığı	53,77	1.586.226.736	49,65	568.490.095
VakıfBank Employees Private Social Security Services Foundation	7,33	216.266.547	7,51	86.039.911
VakıfBank Civil Servants and Services Retirement Fund	6,48	191.016.704	6,88	78.801.208
Republic of Türkiye Ministry of Environment, Urbanization and Climate Change Housing Development Administration	--	--	3,66	41.864.755
Other	32,42	956.490.013	32,3	369.804.031
Total	100.00	2,950,000,000	100.00	1,145,000,000

The Company's shares are of two types: Group A, which are of registered shares, and Group B, which are of bearer shares. In the election of the members of the Board of Directors, each Group A share has 15 (fifteen) voting rights, and each Group B share has 1 (one) voting right.

The application submitted to the Capital Markets Board regarding the increase of the Company's registered capital ceiling from TL 1,750,000,000 to TL 5,000,000,000 was approved by the Board's letter no. E-12233903-340.08-39318 dated July 7, 2023, then accepted by the General Assembly held on 09.08.2023 and, registered on August 14, 2023.

The Company's Board of Directors has decided, on March 16, 2023, to increase the registered capital ceiling from TL 1,750,000,000 to TL 5,000,000,000 and, distribute as bonus shares the portion of the net distributable period profit in the amount of TL 788,106,823, corresponding to 34.4247% of the registered capital ceiling by means of a capital increase through rights issues of TL 572,500,000 at 50%, all of which will be met in cash, and increase the capital to TL 2,950,000,000 as a result of capital increase through bonus issues of TL 1,232,500,000 by means of adding to the capital the internal resource of TL 444,393,177, which is the sum of the "Capital Adjustment Differences" amounting to TL 21,599,008, the "Premiums related to Shares" amounting to TL 301,118,336, and the "Retained Earnings" amounting to TL 121,675,833, which decision will be submitted to the General Assembly for approval at the next meeting, and the procedures for this capital increase through bonus issues have been completed.

VakıfBank has control over the Company as the controlling shareholder.

Main Factors Affecting Business Performance

General Economic Outlook and the Real Estate Sector

2023 was a year characterized by inflationary pressures on a global scale and the tight monetary policies adopted in response to them. Many developed and developing countries, particularly the US Federal Reserve (Fed) and the European Central Bank (ECB), raised policy rates and implemented tight monetary policies due to concerns of economic stagnation and recession. Although seen as an indirect risk factor from an economic point of view, the increasing geopolitical risks, which affect all economic processes,

continued to adversely affect the global outlook. The Russo-Ukrainian war, on the one hand, and the very unfavorable developments in the Middle East, on the other, had a negative impact on trade, mainly through commodity prices such as oil, and attracted attention as an inflationary pressure factor. Despite the decline in energy and commodity prices during the year, the inflation problem persisted.

Despite all the negative developments, according to the IMF Economic Outlook Report, the world economy grew by 3.2 percent as a result of the economic measures taken, and growth is expected to continue at the same pace in 2024 and 2025. Overcoming regional and global challenges, the Turkish economy grew by 4.5 percent in 2023, the highest growth rate among EU countries.

The underlying trend of inflation in Turkey slowed down significantly in the last quarter of the year as monetary tightening started to take effect and the cost pressures that intensified in the third quarter were largely reflected in prices. According to data released by the Turkish Statistical Institute, consumer inflation occurred at 64.8 percent in 2023, in line with the year-end inflation expectations. The most significant contribution to consumer inflation came from the service sector, with price increases in the food, transportation and accommodation subgroups exceeding the annual average increase, while those in sectors such as housing, household goods and clothing remained below it. The producer price index, on the other hand, increased by 44.2 percent by the end of the year, and cost increases in main industrial groups such as durable consumer goods, capital goods, manufacturing and nondurable consumer goods were above the PPI average.

Macprudential measures, particularly the increase in the policy rate, quantitative tightening to strengthen monetary transmission and the selective credit policy, are aimed at achieving a gradual improvement in domestic demand and the current account balance.

Looking at the 2023 figures of housing sales, which is one of the leading indicators of the construction and real estate sector; a total of 1 million 225 thousand houses were sold in Turkey. In 2022, the sales figure was 1 million 485 thousand units. This indicates a 17.5 percent decrease in sales compared to the previous year. According to the types of sales, the difference was observed in mortgaged sales. While 280 thousand mortgaged housing units were sold in 2022, the figure was 177 thousand in 2023 with a decrease of 36.6 percent. The decline in mortgaged sales seems to have been driven by the increase in housing loan interest rates and house prices. The decline in first-hand sales also became more pronounced in 2023 and was capped off at 379 thousand units with a decrease of 17.5 percent compared to the previous year.

Housing sales to foreigners, on the other hand, witnessed a sharp decline. In 2023, 35 thousand units were sold, down 48.1 percent compared to the previous year. The decline in foreign demand is believed to be the stabilization of the excess demand in purchases of foreign origin in the previous year.

According to the TurkStat data, the building construction cost index (December-2023) increased by 66.42 percent year-on-year. Looking at the breakdown of the index, it can be seen that material prices and labor costs increased by 52.72 percent and 111.62 percent, respectively.

The demand for housing following the earthquake disaster of February 6th, 2023 indicates that reconstruction activities in the construction sector will increase and may push up new housing prices. Although an increase in demand is expected for the types of real estate that households consider as investment instruments for saving purposes, rising loan costs and changing conditions suggest that the demand for housing for saving purposes is likely to gradually decline in the second half of 2023.

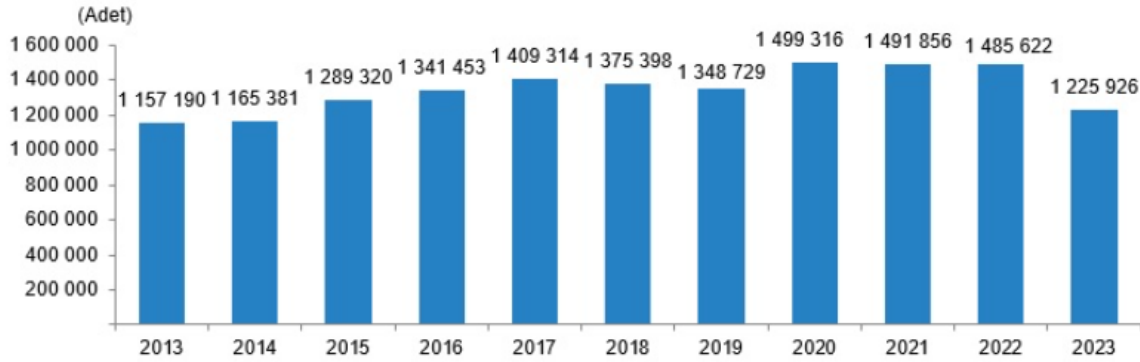
With the impact of economic measures and monetary policies introduced to reduce inflationary pressures, financial costs have increased, encouraging savers in search of real returns to invest in instruments such as deposits. This will help stabilize prices in the real estate market.

Housing Market

According to the house sales figures announced by TurkStat, house sales in Turkey decreased by 33.4 percent in December compared to the same month of the previous year, totaling to 138 thousand 577. Istanbul had the highest share in house sales with 198 thousand 739 units sold at 16.2 percent. According to the number of sales, Istanbul was followed by Ankara with 114 thousand 432 units sold and a 9.3 percent share, and Izmir with 65 thousand 465 units sold with a 5.3 percent share.

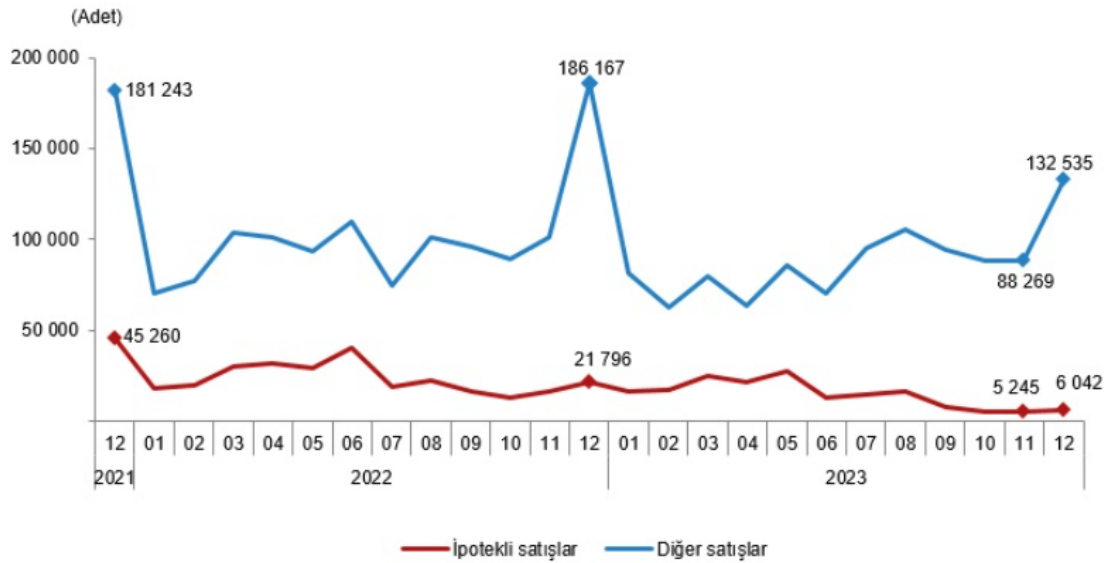
Thus, house sales decreased by 17.5 percent in the January-December period compared to the previous year and amounted to 1 million 225 thousand 926 units.

House sales, 2013-2023



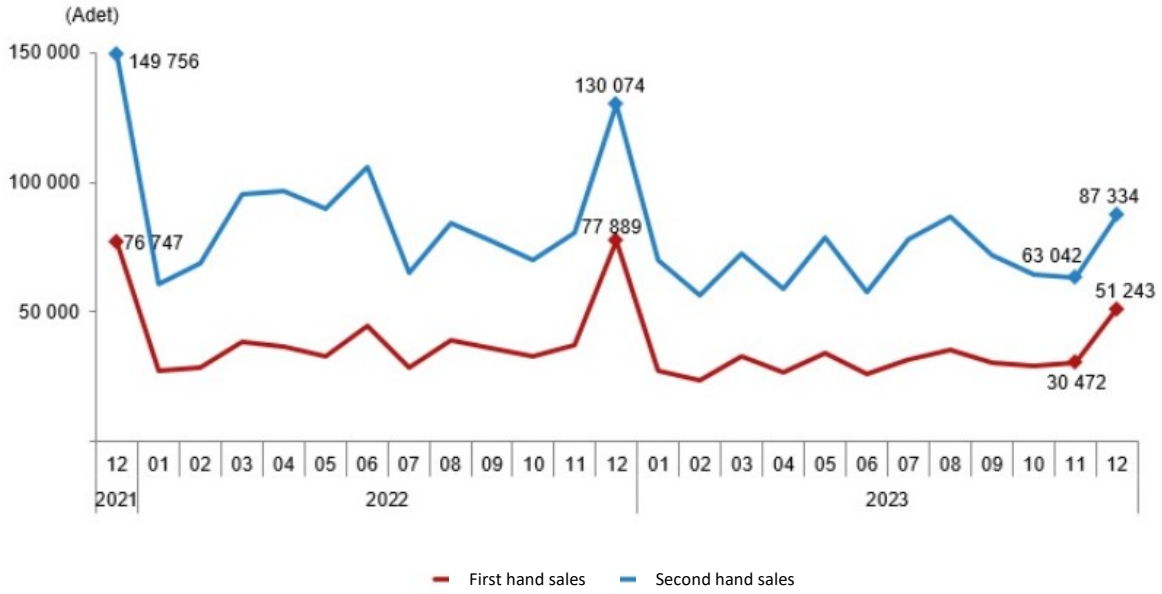
In 2023, mortgaged house sales decreased by 36.6 percent compared to the previous year with a figure of 177 thousand 748. Other house sales decreased by 13.0 percent compared to the previous year with 1 million 48 thousand 178.

House sales by method of sale, December 2023



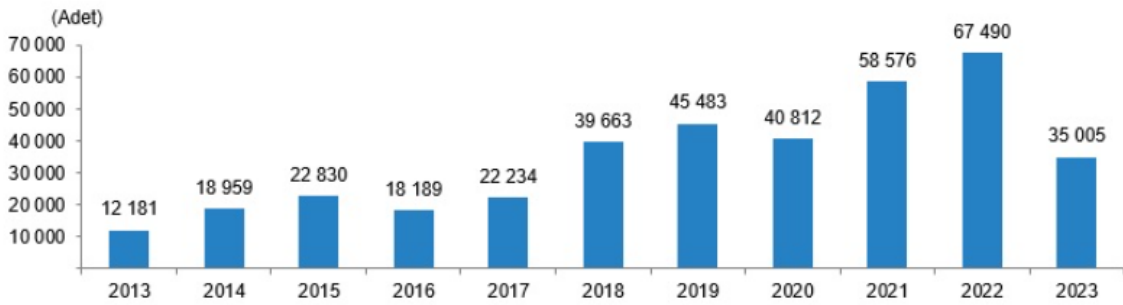
compared to the same period of the previous year with 846 thousand 384.

House sales by sale status, December 2023



House sales to foreigners decreased by 48.1 percent in 2023 compared to the previous year with 35 thousand 5. In 2023, the share of house sales to foreigners in total house sales was 2.9 percent. In 2023, Antalya ranked first in house sales to foreigners with 12 thousand 702 units sold. Antalya was followed by İstanbul with 11 thousand 229 units sold and Mersin with 3 thousand 16 units sold.

House sales to foreigners, 2013-2023



Office Market

2023 was a year of economic stagnation both in the world and in Turkey. On February 6, the earthquake disaster that shook 11 provinces in Turkey made earthquake resistance reports, soil surveys and foundation surveys for commercial properties the most important demands of occupants and investors. As a consequence of this development, the deepening difficulties in obtaining financing due to the tightening of monetary policy in the second half of the year further increased the pressure on investment demand

for the supply of office units. However, ongoing inflation and exchange rate fluctuations caused primary rental prices to continue to rise against both TL and USD. As businesses continued to return to office space and demand for Class A offices and business centers increased, occupancy reached a nine-year high. The growth measured in dollars in the Levent area was 8.6 percent compared to the same period of last year. In this case, base rent rates continued to rise in dollars due to continued demand and limited supply.

With part of the Istanbul International Finance Center opening in Q3 of the year, the total supply of the Istanbul office market increased to 7.14 million square meters. A total of 315,473 square meters were sold/leased in 2023, which is 40 percent less than in 2022. In addition, 32 percent of all lease agreements were signed in the first half and 68 percent in the second half of the year.

In 2023, despite the lack of major office building investments, investments are expected to gain momentum in the medium and long term. The vacancy of buildings not resistant against earthquakes and the transformation of offices into different buildings increase the supply deficit in the market. Demand and occupancy growth are expected to continue in the coming period, and the upward trend in first-hand rents is expected to continue.

Logistics Market

The Turkish logistics market continued to grow in 2023, but supply pressure in the market remains high as development activities struggle to meet the larger space needs of logistics warehouse users.

According to the World Bank's Logistics Performance Index, which measures the international competitiveness of countries and the efficiency of trade and supply chains and logistics services, Turkey ranked 38th among 138 countries in the Grouped ranking, increasing its score from 3.2 in 2018 to 3.4 in 2023. Issues such as the quality of customs, trade and transportation infrastructure and the ease of handling international shipments are areas of improvement that can further increase the progress made in the short term.

In the Istanbul - Kocaeli region, which is the main logistics market area, there is a total warehouse stock of approximately 11.1 million m2 and a logistics supply for commercial use of 7.3 million m2 according to current data. The volume of projects under construction has been determined as approximately 480 thousand m2, almost all of which are for commercial use.

In 2023, the total supply of completed logistics warehouses increased slightly, but the vacancy rate remained stable compared to the same period last year as the completed warehouses entered the market fully leased before construction. A total of 135 thousand m2 of logistics warehouses were leased in 2023. Although the area of warehouse leasing transactions showed a significant increase of 137 percent compared to last year, the transactions remained 26 percent below the five-year average leasing transaction volume due to supply constraints. Due to limited supply in the Asian market in Istanbul, transactions are concentrated in European regions such as Kocaeli and Istanbul. The shares of the most active sectors in leasing were white goods with 32 percent, retail with 30 percent, e-commerce with 25 percent and 3PL with 12 percent.

Primary rents of logistics warehouses increased by 25 percent annually to \$8.75/m²/month in 2023. They increased by 108 percent in TL compared to the same period of the previous year and reached 260 TL/m²/month. The upward pressure on rental prices in the primary market is expected to continue in the coming periods.

In 2023, efforts towards a green transformation in Turkey's industrial and logistics market have gained pace. Some of the organized industrial zones have started their activities by publishing action plans for 2053 within the scope of net emissions and green development targets. On the other hand, incentives for logistics facilities to obtain green building certificates have begun to be seen in the primary market.

In the coming years, global companies are expected make decisions to move closer to production and logistics centers (close to transportation) and shift to on-site production (relocation). In this context, it is expected that Turkey will be a focal point for foreign users with its close proximity to production corridors, offering advantages in terms of accessibility.

It is believed that the decisions made by Europe, one of Turkey's most important export markets, within the framework of the Green Deal, along with the digital transformation of last-mile logistics, guidelines on electronic exports and the expansion of the e-commerce network will lead to important structural trends in Turkey in the long term.

Compiled from GYODER, TurkStat, IMF and the Presidency of Turkey, Presidency of Strategy and Budget reports

Business Financing Sources and Risk Management Policies

As of December 31, 2023, there are letters of guarantee given amounting to TL 85.066.469, the details are as follows:

Location Given	Project	Amount
İller Bank Inc.	Istanbul International Finance Center Project	82.104.182 TL
Ankara 25th Civil Court of First Instance	Cubes Ankara Project	270.000 TL
Ankara 28th Directorate of Execution	Cubes Ankara Project	275.699 TL
Istanbul 23rd Execution Office	Bizimtepe Aydos Project	121.076 TL
Istanbul 7th Execution Office	Bizimtepe Aydos Project	77.500 TL
Istanbul 6th Execution Office	Bizimtepe Aydos Project	116.500 TL
Istanbul 18th Directorate of Execution	Bizimtepe Aydos Project	340.000 TL
Istanbul 8th Directorate of Execution	Bizimtepe Aydos Project	332.000 TL
Istanbul 17th Directorate of Execution	Bizimtepe Aydos Project	109.512 TL
Istanbul Metropolitan Municipality	Sancaktepe Mixed Project	1.145.000 TL
Istanbul 21st Directorate of Execution	Bizimtepe Aydos Project	75.000 TL
Istanbul 25th Directorate of Execution	Bizimtepe Aydos Project	100.000 TL
Total		85.066.469 TL

In the event that the buyers of residences and offices in the Company's ongoing projects purchase residences/offices from the banks with which the Company has an agreement within the scope of the related projects by using loans, it represents the guarantee amount given to the banks in return for the loan amount. The ratio of other GPMs given by the Company in this context to the Company's equity is 7,58%. (December 31, 2022: 19,82%).The details as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023		December 31, 2022	
	Under		Under	
	Guarantorship		Guarantorship	
	Sales Made	Company Share	Sales Made	Company Share
Cubes Ankara Project (%100)	94.612.053	94.612.053	105.950.082	105.950.082
Tablo Adalar Project (%99)	410.029.502	405.929.207	421.469.175	417.254.484
Total	504.641.555	500.541.260	527.419.257	523.204.566

On July 6, 2020, "Cubes Ankara Project" with 15% construction progress level was transferred to the Company. As of December 31, 2023, the total amount of GPMs given in favor of third parties in relation to this transfer is TL 161.154.991. The Company monitors the amounts of the independent sections for which a sales promise agreement has been signed and collections have been made by the owner of the project before the transfer under contingent liabilities. The related independent sections will be delivered to the customers when the construction is completed.

As of December 31, 2023, the Company has short and long term loans from banks amounting to TL 113,765,045. As of the current situation of our Company, the risks foreseen in this context are under control

Effectiveness of the Internal Control System, Risks and Assessments of the Management Body

Early Detection of Risk Committee consists of two members elected by the Company's Board of Directors from among its own members, and the chairman of the committee is an independent Board Member. It prepared 6 reports in 2023 and presented them to the Board of Directors.

The purpose of the Audit Committee is to ensure that the Company's business and transactions are carried out in an orderly, efficient and effective manner, in accordance with the management strategy and policies, within the framework of legislation and rules, and to ensure the integrity and reliability of the account and record order, the timely and accurate availability of information in the data system, errors, and to prevent and detect fraud and irregularities.

In 2023, the Audit Committee convened 4 times and 2 reports were prepared, and taking into account the Corporate Governance Principles and Standards, an environment of trust has been established that the Company's activities are carried out in line with the Company's objectives and that the financial statements and relevant laws and legislation are complied with. It has been observed that the main risks are identified, constantly observed and minimized in line with the determined targets, and existing internal control activities are evaluated frequently and continuously.

In addition, an Internal Control Committee consisting of managers covering all the respective processes was established in order to organize and manage our Company's Internal Control System effectively and efficiently.

The Internal Control is managed within the scope of "Y1.4 Enterprise Risk Management Process" and "PR-Y1-08 Enterprise Risk Management Procedure". The process was developed in accordance with the requirements of the Public Financial Management and Control Law No. 5018, COSO Internal Control Model, and ISO 31000 Risk Management standard.

In this context, the risks are determined under three groups: Strategy, Process and Project risks, and four categories for each group (strategic, operational, financial, reputation risks).

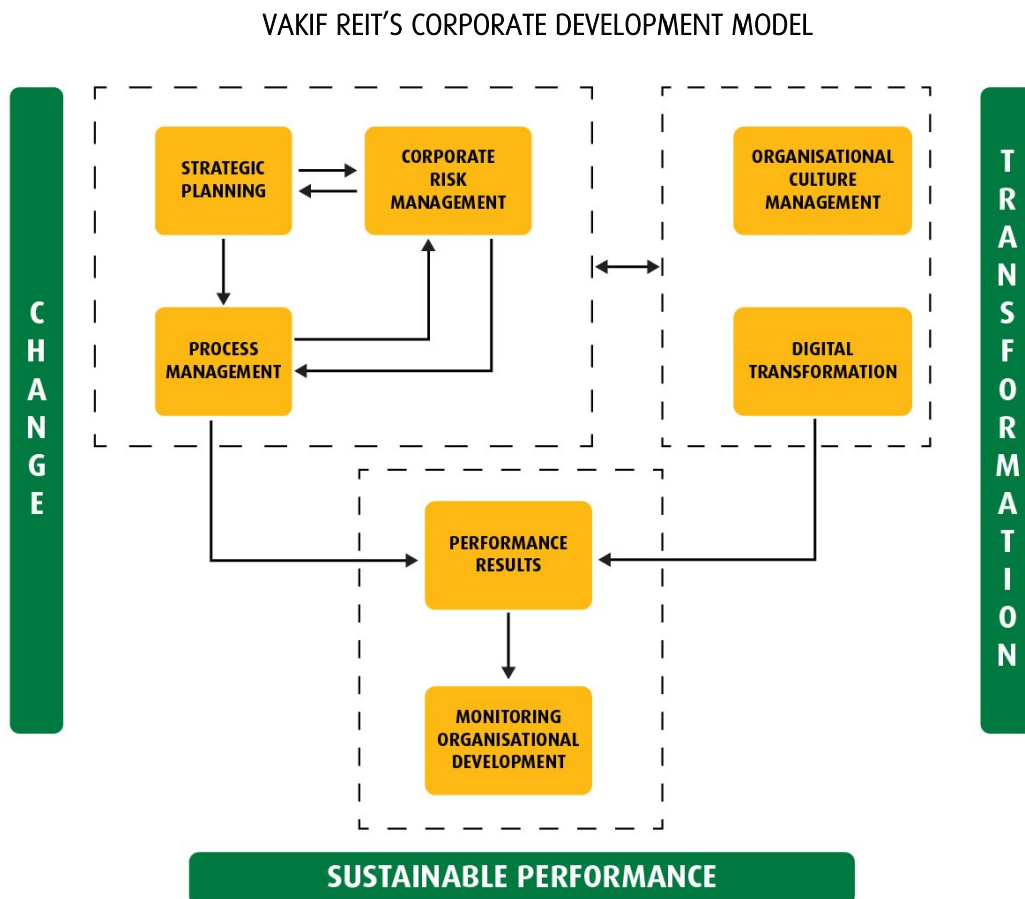
In determining each risk, internal control deficiencies are questioned in 6 aspects (*Policy and Procedure, Documentation, Security, Assignment, Systematicity, Monitoring*). Risks are evaluated in the aspects of Probability and Impact and are leveled as " *high, medium and low* " risks out of 25 points with a 5X5 matrix. An Internal Control Plan is created by planning risk response actions for medium and high risk levels. As of 2021, risks and actions are monitored through the Corporate Risk Management Module on Vakıf REIT's Integrated Management System Platform.

Risks are monitored at three levels:

- Strategic risks are determined by the senior management by taking into consideration the needs and expectations of the relevant parties through SWOT, PESTEL, STAKEHOLDER and other analyzes conducted on internal and external issues within the scope of the Strategic Plan, and actions are taken accordingly.
- In addition to the Internal Control Committee, in determining the risks and opportunities for the processes; all the units evaluate their own processes, identify risks and take necessary precautions accordingly.
- And the real estate project risks are not strategic level or process risks, but are project-specific risks/opportunities that affect the project progress rates, and the necessary actions are taken within the work schedule.

The risk/opportunity management process (risk identification, evaluation and control) is evaluated by the Committee and the senior management at Management Review meetings, at the end of each year and/or whenever necessary, and the necessary measures are taken according to the evaluation results.

Our Journey of Corporate Development



As Türkiye's first Real Estate Investment Partnership, our goal is to maximize the corporate development of our Company, befitting its experience, and make our Company the pioneer and representative of the sector in this field. For this purpose, the Corporate Development Project, which is Vakıf REIT's vision project, has been initiated in order to effectively manage change and transformation. To briefly summarize the Corporate Development Project; In today's world, where change and destructive transformation are experienced, very important steps have been taken in terms of institutionalization with the change-transformation program we have implemented, and many necessary functional systems such as strategic planning, process management, corporate risk management have been established with a well-founded approach and are constantly being developed. By taking into account the factors of change in the ecosystem, our differentiation strategies that will provide competitive advantage are such strategies that cover the expectations of our five basic stakeholders and are integrated with the United Nations sustainable development goals. In this respect, Vakıf REIT's Strategic Plan is a long-term "Integrated Strategic Plan", which is the first application of the sector.

On the other hand, our transformation projects have been initiated to keep up with this change. With the digital transformation, which is the first of our transformation projects, the need for digital change was determined and the necessary technological infrastructure was provided.

Another important transformation program contributing to the success of change is "Corporate Culture Management". By measuring the current corporate culture, information and motivation training organizations were provided in line with the determined cultural and social change needs, and the integration and holistic management of the Vakıf REIT' health and well-being program into the Human Resources system was aimed by measuring the health of the organization. With our transformation projects, the resilience and agility of the organization is increased. To summarize our journey of corporate development over the years; with the systems that started with **the ISO 9001 Quality Management System in 2020** and are developed day by day, the understanding of sustainable development has turned into a way of life in our company. Our management system was created by adopting the EFQM Management Model, which is referenced by the EU, and with the participation in the recognition program organized by KalDer in 2021, the "**2021 Türkiye Excellence Awards - Competence in Superior Performance - 4 Stars**" certificate was received in our first year.

- In 2022, the Integrated Quality Management System was developed by obtaining documents for **the ISO 27001 Information Security Management System, ISO 10002 Customer Complaints Management System and ISO 14064 Greenhouse gas inventory calculation** standards, integrated with our ISO 9001 Quality Management System.
- Our Integrated Management Model, which has been continuously developed within the scope of the Corporate Development Project and reached its current maturity level, was crowned with the "**2022 Türkiye Excellence Award** " and the "**Turkish Excellence Grand Award in 2023**", which were evaluated within the scope of the EFQM Model, and in particular, our integrated management approach was recognized as a good practice.

**We are Crowned with the
Grand Prize for
our Corporate Excellence**



Sustainability

With the change-transformation program implemented in our company, important steps have been taken towards the corporate development and all necessary functional systems have been established accordingly. With these systems, which are developed day by day, it is aimed to transform the understanding of sustainable development into a way of life in our company.

On the other hand, digital transformation is carried out to keep up with this change and the agility and durability of the organization is increased through corporate culture studies.

While putting into practice the principles of change and transformation, we focus on the provision of sustainable development considering the needs of the next generations. Beyond the three aspects of sustainability: economic, social and environmental sustainability, we adopt the product responsibility resulting in the total four aspects of sustainability in our organization.

Our strategies were associated with the 17 Development Goals and 169 Development Aims of the United Nations Sustainability Program and the first integrated strategic plan of the sector was published. In addition, the focus is on meeting the expectations of all five basic stakeholder groups in a balanced manner and managing the experience of our stakeholders.

Our sustainability efforts are being managed through the process "Y3.3. Sustainability Management" and under the coordination of our Corporate Development and Sustainability Directorate, which was established in 2022. The process includes the sub-processes of Sustainable Building Management, Environmental Sustainability Management and Social Sustainability Management:

There are many ISO and EN standards within the scope of quality assurance systems regarding sustainable building management. In addition, many rating and certification systems for green buildings have been developed, such as the American LEED certificate, the UK BREEAM certificate and others developed by European countries. In our country, the YeS-TR Regulation has been published by our Ministry of Environment, Urbanization and Climate Change.

In this context, we attach importance to green building rating studies in order to control carbon emissions resulting from building construction works. Out of our current projects, our Istanbul International Finance Center is the first building within the IUFM Campus to receive the Leed GOLD Certificate, and we are a candidate for the Leed GOLD certificate in our project, Izmir Konak. In addition, compliance with many green building criteria such as Energy Efficiency, Natural Lighting, Healthy Indoor Environment, Responsible Production and Consumption, Reducing Water Footprint, Increasing Biodiversity, Green Parking Lots and Bicycle Parks is taken into account for our other projects without a certification target.

- Product Sustainability Product Sustainability There are many ISO and EN standards within the scope of quality assurance systems. In addition, many rating and certification systems for green buildings are developed, such as the American LEED certificate, the UK BREEAM certificate and others developed by European countries. In our country, the YeS-TR Regulation (Certificate for Buildings and Premises) has been published by our Ministry of Environment, Urbanization and Climate Change. In this context, we attach importance to green building rating studies in order to control carbon emissions resulting from building construction works. Out of our current projects; Istanbul Financial Center Project has the Leed GOLD Certificate, and our Izmir Project is a Leed GOLD Certificate candidate. In addition, compliance with many green building criteria such as Energy Efficiency, Natural Lighting, Healthy Indoor Environment, Responsible Production and Consumption, Reducing Water Footprint, Increasing Biodiversity, Green Parking Lots and Bicycle Parks is taken into account for our other projects without a certification target.
- Environmental Sustainability Management: The carbon emissions of all our projects were calculated and reported to the CDP, the world's most prestigious environmental reporting agency, and the targets were determined to reduce carbon emissions.

With the report issued within the scope of the CDP Climate Change program, a C+ level performance score was achieved in our first year.

- Social Sustainability: A member of VakıfBank Finance Group, Vakıf REIT has been considering the impact of its activities on society and the world since the day it was founded, with the influence of the foundation heritage in its roots.

In this direction, as Vakıf REIT, our priority social responsibility projects cover the aspects of:

- Sustainable Cities and Communities
- Industry, Innovation and Infrastructure
- Quality Education
- Reduced Inequality

Gender Equality.



Strategic Management and Goals

Starting from 2020, Vakıf REIT determines its short and long-term goals with its 5-year strategic plan and annual performance program and, manages both its current and future performance in line with these goals. Vakıf REIT Strategic Plan was associated with the United Nations Sustainable Development Goals (17 SDGs) and Targets (169 SDTs) at every stage, from the Current Situation analysis stage to the determination of the annual performance program, and an Integrated Strategic Plan was prepared for the first time in Türkiye. By adopting the **4P Model** (Economic, Social, Environmental and Product sustainability) beyond the generally accepted **3P Model** (Economic, Social, Environmental sustainability) defined in the United Nations Sustainability Program, it has been ensured that our Strategic Plan covers the sustainability program in four aspects.

In addition, the focus is on meeting the change and transformation strategies and the expectations of all five basic stakeholder groups in a balanced manner and managing the experience of our stakeholders. In addition, the continuity of progressive improvement towards corporate development is aimed at creating a corporate culture of "We are Vakıf REIT" in line with our main purpose, managing the health and well-being of the organization, which is considered a global reference, and keeping the values alive.

Our main strategy is to continuously grow and provide value to its stakeholders with innovative and sustainable solutions, with the vision of becoming a reference organization that directs change in the sector with its symbolic structures. In order to implement this main strategy, our company has determined 7 strategies and key performance indicators (KPIs), including operational and financial targets. Our strategies and major KPIs are presented below:

- Business Development with Innovative and Concept Projects (KPI : number of business developments, real estate portfolio size, total portfolio size)
- Effective Growth with Effective Marketing and Sales (KPI: Asset Size Ranking, Asset Size Market Share)
- Effective and Efficient Management of Project Portfolio (KPI: Project progress rates (Cubes Ankara, Tablo Adalar, İzmir Konak, Sancaktepe Merkez)
- Managing Customer Experience Effectively (KPI: Customer Satisfaction Rate, Net Promoter Score)
- Managing Organizational Climate (Health) (KPI: Employee Satisfaction Rate, Employee Loyalty Rate)
- Managing Corporate Development (KPI: EFQM Self-Assessment Score, Strategy Realization Score, Digitalization Level)
- Strengthening Our Reputable Position by Effectively Managing Reputation (Corporate Reputation Rate, Net Promoter Score)

In order to achieve the targets determined by the study Strategic Planning, in the categories such as human resources, investment costs, service procurement, effectiveness, etc., the resource requirements required for the strategic activities are determined and based thereon, a 5-year financial plan and annual budget are prepared.

The 5-year Strategic Plan and financial plan, as well as the annual performance program and budget, come into force with the approval of the Board of Directors.

Real Estate Portfolio and Related Activities

Completed Projects

BİZİMTEPE AYDOS

Province	Istanbul
District	Sancaktepe
Block/Parcel	8085/36

Together with Halk REIT, our company has completed a project consisting of 17 residential blocks within a site on a residential zoned land of 95,221.84 m² located in Istanbul province, Sancaktepe district, Samandıra neighborhood, Karapınar location, adjacent to the Metro Istanbul M5 Çekmeköy-Sultanbeyli extension line, which is under construction. In this project, which includes social reinforcement areas, indoor and outdoor swimming pools and a landscape area of approximately 80 decares, the construction activities have been completed and people started to settle. 100% of the residential and commercial stock (1037 Housing + 47 Commercial Units) has been sold and, the sales and marketing activities have been completed.



TABLO ADALAR

Province	Istanbul
District	Maltepe
Block/Parcel	15646/44
Purchase Date	17.05.2016
Appraisal Date	29.12.2023
Appraisal Value	TL 2.625.371.694

The land with an area of 15.268.61 m² and a residential zoning of E:1,25 and TAKS:0,20-0,40 registered in Istanbul Province, Maltepe District, Zümrütevler Neighborhood, block 15646, parcel 44, was purchased by the ordinary partnership established with Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret AŞ, 50% of which is to be paid by Vakıf REIT and 50% by Obaköy.

On January 31, 2018, Obaköy, the 50% shareholder of the ordinary partnership, transferred 49% of its shares to our Company for a total consideration of TL 76,111,607, including the land and development expenses incurred until that date and the share transfer fee. After this transfer, our share in the ordinary partnership increased to 99%. In order to find the most appropriate and correct design for the project to be realized on the land, a preliminary concept was requested from 5 companies with high references and recognition, and a contract was signed with Tabanlıoğlu Architecture as a result of the concept presentations.

It was thought that the project, which will be realized under the coordination of Tabanlıoğlu Architecture and Vakıf REIT, would have a high brand value and increase the projected sales figures and speed. Currently, Building Licenses have been renewed by Maltepe Municipality on October 14, 2021, and the project tenders: "Main Contractor Service" and "Project Management Service" have been concluded. The completion rate of the project is 99.18% as of December 31, 2023. The provisional acceptance process started on 03.08.2023, the process was completed on 03.10.2023, and the building use permit (occupancy) process continues. On 03.08.2023, the provisional acceptance process started. On December 01, 2021, the launch meeting of the project was held and the sales process was initiated, and as of 31.12.2023, sales promise contracts have been signed for 264 independent units.

The turnkey delivery process started on November 29, 2023. According to the completion rate in the 2023 year-end appraiser's report, the year-end value is TL 2,625,371,694, and the total value of the project in case of 100% completion is TL 2,649,327,271.



Ongoing Projects

VYENIKONAK - İZMİR KONAK MIXED PROJECT

Province	İzmir
District	Konak
Block/Parcel	8601/2
Purchase Date	19.08.2015
Appraisal Date	29.12.2023
Project Current Appraisal Value	TL 1.886.779.444

The land located in İzmir Province, Konak District, Mersinli Neighborhood, Block 8601, Parcel 1 with an area of 17,673.63 m² and located in CBD (Central Business Area) was purchased on August 19, 2015.

Aiming to create a mixed-use project on the block/parcel no. 8601/1, a main contractor tender was held under the name "İzmir Konak Mixed Project" and with the method "Revenue Sharing in Return for Land Sale", and ilk İnşaat and Kaf Teknik Business Venture with the best offer committed a Company Share Income of TL 185,100,000 based on a Company Share Income of 30% to Vakıf REIT in return for the land sales. It is considered that the project to be carried out in İzmir, one of the important metropolises of the country, will be extremely beneficial in terms of both continuing the growth vision of the Company and increasing its profitability.

The TEIAS land, located in the northern neighborhood of our land, was purchased by the company on April 04, 2019, based on the unification condition in the zoning status document received from the relevant Municipality, and due to the changes arising from the "Unification and Abandonment to the Public Without Charge" transaction, it was registered with the title deed as a land of 17,703.70 m² under block no. 8601 and parcel no. 2, and then subsequently qualified as "Land" by means of demolishing the risky buildings on the parcel.



The project design studies based on the license have been completed by the contractor company and the building license was obtained on April 16, 2020. The procedures for the implementation project are in progress. The respective site construction activities were started by the Main Contractor in October 2020. In line with the needs in the region, certain arrangements were made in the license project by the main contractor and the renovation license dated December 31, 2021 was obtained accordingly.

In addition to the fact that construction implementation activities have been started as of 2021, while the project progress level is still at ~ 4.81%, it was decided to terminate the service contract based on the Board's Decision dated/13.09.2022/108 due to the contractor's failure to fulfill its obligations in the contract.

The "İzmir Konak Mixed Project Revenue Sharing in Return for Land Sale" to be realized on Block 8601, Parcel 2, Mersinli Neighborhood, Konak District, İzmir Province, which is included in the Company's portfolio, was put out to tender and the main contractor agreement was signed with Rec Uluslararası İnşaat Yatırım San. ve Tic. A.Ş. on 09.03.2023 with a 35% company share income rate over the total income in return for land sale. A building license was obtained for the project on 12.05.2023 and on 16.06.2023 Rec Uluslararası İnşaat Yatırım San. ve Tic. A.Ş. on 16.06.2023, the legal processes with the previous contractor and the legal permission processes regarding the modifications realized in the project are still ongoing.

The project to be realized in İzmir, one of the most important metropolises of the country, is expected to be extremely beneficial for the Company in terms of maintaining its growth vision and increasing its profitability.

According to the appraisal report of the real estate dated December 29, 2023, the "current status of the project" appraisal value was estimated at TL 1,886,779,444.

CUBES ANKARA

Province	Ankara
District	Çankaya
Block/Parcel	16124/5 ve 16125/4
Purchase Date	06.07.2020
Appraisal Date	29.12.2023
Appraisal Value	TL 4.473.360.173

On May 13, 2020, a contract was signed with T. Vakıflar Bankası T.A.O. for the inclusion of the Cubes Ankara Project, which is being constructed in 2 separate blocks with a total closed construction area of 207,853 m² together with residential, office, commercial and social facilities areas on lands with a total area of 16,778.93 m² with block/parcel numbers 16124/5 and 16125/4 in Çukurambar Neighborhood, Çankaya District, Ankara Province, in our Company's portfolio. On July 06, 2020, the title deed transfer of "Cubes Ankara Project" to our Company was realized. The renovation license was obtained on April 20, 2021 and according to the renovation license, the project has a closed construction area of 215.984,66,15 m².

The project's tenders for "Main Contractor Service" and "Project Management Service" were finalized and, the construction activities were initiated by means of signing contracts with the relevant companies. The completion rate of the Cubes project is 88.97% as of December 31, 2023.

On October 13, 2021, the launch meeting of the project was held and the sales process was initiated, and as of 31.12.2023, sales promise contracts were signed for 402 independent units.

In the appraisal report dated December 29, 2023; according to the year-end completion rate of the project, the total value was estimated at TL 4,473,360,173.



VSANCAKTEPE CENTER

Province	Istanbul
District	Sancaktepe
Block/Parcel	6770/2
Purchase Date	09.12.2016
Appraisal Date	26.12.2023
Appraisal Value	TL 641.090.794

17.518,17 m² of land zoned for commerce + housing, located in Samandıra Neighborhood, Sancaktepe District, Sancaktepe District, Istanbul Province and registered in the title deed on parcel 243EE4D, block 6770, parcel 2, was purchased on 09.12.2016.

Aiming to develop a mixed-use project on the parcel, the "Sancaktepe Mixed Project Design Tender" was held on 16.02.2022. Mental Tasarım Proje Geliştirme ve Yapı San. Tic. Ltd. Şti. was awarded the contract, the Building Licenses were obtained on 14.03.2023, and the Building Licenses were renewed on 22.12.2023. The procedures for the design and implementation project have been completed. The "Main Contractor Service" tender under the project was finalized and the construction activities were initiated by signing the contract .

According to the completion rate in the 2023 year-end appraiser's report, the year-end value is TL 641,090,794, and the total value of the project in case of 100% completion is TL 2,248,565,000.



IFM VAKIFBANK TOWERS

Province	Istanbul
District	Ümraniye
Block/Parcel	3328 / 12
Purchase Date	07.06.2011
Appraisal Date	29.12.2023
Appraisal Value Based on 100% Completion Rate	TL 3.951.584.210

The land plot of 8.774,05 m² located on block 3328, parcel 5 in Ümraniye District, Istanbul Province, and the land plot of 7.225,80 m² located on block 3328, parcel 12 in Ümraniye District, Istanbul Province, are located in the Istanbul International Finance Center. Parcel 5 is facing the ring road in the direction of 15 July Martyrs Bridge and parcel 12 is facing Şenol Güneş Boulevard. It was purchased by our Company in 2011.

According to the report dated December 29, 2023 by Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş., which is authorized by the CMB to provide valuation services, the fair value of the Istanbul Finance Center located on block 3328, parcel 12 is TL 3,938,422,300 excluding VAT, determined according to the market and cost comparison method.

Lands located in Ümraniye were purchased with the aim of developing a mixed project consisting of office and commercial areas in the Istanbul International Finance Center, which will be the capital of finance in

the national and international arena and, will provide ease of transportation due to its proximity to the city's business center-dense districts.

The concept project studies have been completed to carry out the "T. Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project" on a land of 8,774.05 m² located in Istanbul province, Ümraniye district, Küçükbakkalköy neighborhood, registered under block no. 3328, parcel no. 5 and a land of 7,225.80 m² located in Istanbul province, Ümraniye district, Küçükbakkalköy neighborhood, under block no. 3328, parcel no. 12 within the Istanbul International Finance Center, and this project has been approved under the Ministry of Environment and Urbanization Aesthetics Board Decision dated 22.05.2014. Following the approval, license projects were completed and prepared, and the construction licenses for both parcels were obtained from the Municipality of Ümraniye on June 22, 2015.



Due to the metro construction adjacent to the relevant parcels, which is being carried out within the scope of the Istanbul International Finance Center project, it was necessary to add 3 additional basement floors in both parcels of the project, and thus the excavation and shoring works, which started in 2016, were completed in 2017. Following the completion of the tender process for the main contractor of the T. Vakıflar Bankası T.A.O. Headquarters Service Building and Facilities Project, which will be constructed by our Company in the Istanbul International Finance Center, a contract was signed with REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş. for the construction of the T.Vakıflar Bankası T.A.O. Headquarters Service Building and Facilities Project.

At the meeting of the Company's Board of Directors dated 15.11.2018, it was decided to sell a total of 22,900 m² of area in the 52-storey block of the "T Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project" as included in the portfolio of our Company, which is planned to be used as our Bank's Head Office Service Building, to T. Vakıflar Bankası T.A.O., and a "Real Estate Sales Promise Agreement" was signed with T. Vakıflar Bankası T.A.O. on 23.11.2018.

At the meeting of the Company's Board of Directors dated 26.10.2020, it was decided to sell a total of 28,001.20 m² of area in the 52-storey block of the "T Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project" as included in the portfolio of our Company, which is planned to be used as Bank's Head Office Service Building, to T. Vakıflar Bankası T.A.O.

At the meeting of the Company's Board of Directors dated 06.01.2021, it has been decided to realize the sale of 4.785,68 m² area located in the 52-storey block planned to be used as VakıfBank Head Office service building.

At the meeting of the Company's Board of Directors dated 07.04.2022, it was decided to sell the 25,718.12 m² area located in the 52-storey block planned to be used as VakıfBank Head Office service building. In order to comply with the revision made in the Master Work Program of the Istanbul International Finance

Center Project, additional protocols were signed with the contractor company, project management company and professional supervision services company.

The provisional acceptance process of the project, which is planned to be completed in 2023, has started and the Contractor company continues to complete the deficiencies related to the manufacturing. The testing and commissioning process continues.

The provisional acceptance process of the project, which is planned to be completed in 2023, was completed on 15.09.2023 and the building use permit (occupancy) process continues.

Investments

REAL ESTATE BASED ON PROPERTY ACQUISITION

TRANSFORM FIKIRTEPE PROJECT INDEPENDENT SECTIONS

Province	Istanbul
District	Kadıköy
Block/Parcel	3412/3
Purchase Date	9.05.2018
Appraisal Date	28.12.2023
Appraisal Value	TL 165.015.000

On May 09, 2018, our Company invested in 30 independent units with a total saleable area of 2.728,92 m² on the 13th, 14th and 15th floors of Block C in the Transform Fikirtepe Project, which is located on a 7.813,31 m² land registered on block 3412, parcel 3 in Merdivenköy Neighborhood, Kadıköy District, Istanbul Province.



In the appraisal report dated December 28, 2023, the completion rate of the project was determined as 75%, and it was estimated that if the independent sections in our Company's portfolio are completed 100%, the fair value will be TL 165,015,000 + VAT, according to the betterment study within the framework of the market approach method. After Our company received the title deeds, the independent sections were transferred to the investment properties.

NIDAPARK KÜÇÜKYALI PROJECT INDEPENDENT SECTIONS

Province	Istanbul
District	Maltepe
Block/Parcel	16772/1
Purchase Date	30.11.2018
Appraisal Date	29.12.2023
Appraisal Value	TL 238.230.000

On November 30, 2018, our Company invested in a total of 102 independent units with a gross sales area of 20,439.61 m² in the office towers of blocks B10 and B11 of the Nidapark Küçükyalı Project, registered with block number 16772, parcel number 1 in Küçükyalı Neighborhood, Maltepe District, Istanbul Province. According to the additional protocol signed on October 13, 2020, the gross sales area has been adjusted as 20,427.73 m² and the number of independent units as 106 units.

According to the valuation report dated December 29, 2023, the revenue value of the 12 independent units owned by our Company in today's market conditions will be TL 238,230,000 + VAT.

REAL ESTATE INVESTMENTS WITH RENTAL INCOME

IFM – VAKIFBANK HEAD OFFICE SERVICE BUILDING AND FACILITIES

Province	Istanbul
District	Ümraniye
Block/Parcel	3328 / 12
Appraisal Date	29.12.2023
Appraisal Value Based on 100% Completion Rate	TL 3.951.584.210

Information on Rental Income

The Company has decided to use the remaining 51.563,30 m² of the remaining 51.563,30 m² area, excluding the shops allocated as shop-mix area, for the entire remaining 51.563,30 m² area, excluding the shops allocated as shop-mix area, of Tower B block, which has a total saleable/rentable area of 54.582,90 m² and a construction area of 112. 603,97 m² construction area, excluding the shops allocated as shop-mix area, the remaining 51.563,30 m² of the B Tower block has been leased to Türkiye Vakıflar Bankası T.A.O. as Shell&Core for a period of 5 + 5 years starting from 05.08.2022. The monthly rent is TL 21.491.925 + VAT as of December 31, 2023.

KAVAKLIDERE SHOP

This real estate is located in Ankara province, Çankaya district, Tunalı Hilmi avenue registered under block no. 2537, parcel no. 6. The surroundings of the property, which is centrally located and conveniently located in terms of transportation, consist mainly of shops, stores, commercial buildings, office floors and residences.

The building consists of a total of 8 floors and 12 independent sections, including 1 Basement floor + Ground floor + 6 Normal floors. Our Company owns the independent section number 1, located on the 1st Basement floor, Ground floor and 1st Normal floor, with a total gross area of 1,062 m² and a warehouse shop.

In determining the value of the immovable, the ease of transportation by private and public transportation, the building's frontage to Tunalı Hilmi Street, one of the main arteries of the city, and its size were taken into consideration. On December 30, 2004, the property was included in the portfolio. According to the Appraisal Report dated December 26, 2023, the fair value of the real estate, which was determined according to the market approach method, was valued at TL 108.220.000 + VAT including the land share.

Province	Ankara
District	Çankaya
Block/Parcel	2537/6
Purchase Appraisal Date	30.12.2004
Appraisal Date	26.12.2023
Appraisal Value	TL108.220.000

Information on Rental Income

On 01.01.2020, it was leased as VakıfBank Kavaklıdere branch with a 10-year contract. The current monthly rent is 222.134,13 TL + VAT.

KÜTAHYA BUSINESS CENTER

Real Estate Details

Province	Kütahya
District	Merkez
Block/Parcel	63/224
Purchase Date	31.01.2011
Appraisal Date	08.11.2023
Appraisal Value	52.765.633 TL

Kütahya Business Center is located in Kütahya province, Merkez district, Alipaşa neighborhood, Cumhuriyet avenue, at the corner of its intersection with Karagöz Street, registered under block no. 63, parcel no. 224. It was included into the portfolio of the Company in January, 2011. Historical buildings on the avenue, the

small bathhouse under protection and the Karagöz Ahmed Pasha Mosque are in the immediate vicinity of the property.

Most of the banks are located on Cumhuriyet avenue, where our building is also located.

The gross usage area of the building, which consists of a total of 9 floors, 1 basement + ground floor + 7 normal floors, and 9 independent sections, is 2,060 m².

The fact that it is located in a corner location on Cumhuriyet avenue, one of the most lively places of Kütahya market center, where commercial activity is intense, that its surroundings are open due to its view of the square, that its visibility from the surroundings is high, that it has been recently renovated, and in this context, its workmanship and construction quality are better than the surrounding buildings are the factors that positively affect its value.

Kütahya Business Center was included in the portfolio on January 31, 2011. According to the November 8, 2023 dated Expertise Report, the fair value of the real estate determined according to the market approach method is TL 52.765.633 +VAT including the land share.

Information on Rental Income

It was rented to be used as VakıfBank Kütahya branch on 01.02.2021 with a 10-year contract.

The current monthly rental fee is - TL 141,999.23 + VAT.

(*) In accordance with the requirement that the rental fee appraisal be renewed every five years and the rental fee determined accordingly, the rental fee appraisal dated December 31, 2020 was determined as TL 60,000.

ALIAĞA BUSINESS CENTER

Real Estate Details

Province	İzmir
District	Aliağa
Block/Parcel	-/5637
Purchase Date	31.01.2011
Appraisal Date	26.12.2023
Appraisal Value	40.735.000 TL

Aliağa Business Center is located in İzmir province, Aliağa district, Aliağa neighborhood, İstiklal Avenue, on parcel no. 5637. In the immediate vicinity of the property, there are Democracy Square, Çarşı Mosque and City Park. The buildings in the area have 6-7 floors.

The building, which consists of a total of 7 floors, including 1 basement floor + ground floor + 5 normal floors, is registered in the title deed as 9 separate independent sections with a gross area of 1,323 m².

In determining the value, the fact that the real estate is located in an area with easy transportation facilities, that the commercial activity of the surrounding area is high, that it is suitable for workplace purposes and that its infrastructure is trouble-free are the factors that have a positive impact.

The real estate with a value determined as 3,000,000 TL according to the Appraisal Report dated, December 14, 2010 was included in the portfolio on January 31, 2011 for a total of TL 3,049,500, including fees. According to the Appraisal Report dated December 26, 2023, a total of TL 40,735,000 + VAT, including the land share, was assessed for the fair value of the real estate, which was determined according to the market method.

Information on Rental Income

The current monthly rent is 87.183,-TL+VAT.

The 1st basement, ground and 1st floors of the building, totaling 448 m², were leased as VakıfBank Aliğa branch on 01.01.2020 with a 10-year contract. The current monthly rent is 65.173,22 TL + VAT. In addition, 8 independent properties in the building were rented for TL 20,974.58 + VAT.

FATİH BUSINESS CENTER

Real Estate Details

Province	Istanbul
District	Fatih
Block/Parcel	2123/9
Purchase Date	08.02.2011
Appraisal Date	26.12.2023
Appraisal Value	42.800.000 TL

Fatih Business Center is located in Istanbul Province, Fatih District, on Macar Kardeşler avenue, at the corner of the intersection of the avenue and Hulusi Noyan Avenue, registered under block no. 2123, parcel no. 9. There are adjacent buildings around it, with shops and stores on the ground floors and workplaces and residences on the normal floors.

The gross usage area of the building, which consists of a total of 4 floors, 2 basement + ground floor + 2 normal floors, and 1 independent section, is 509 m². In order for the real estate to be subject to sale and rental as separate independent sections in the future, the title deed records of the real estate were updated as 3 separate independent sections on April 20, 2021.

The fact that it is located on Macar Kardeşler avenue, where many bank branches are located, that the workmanship and construction quality is better than the surrounding buildings, that it is located in a corner location and that the shop fronts are wide, are the factors that have a positive impact on the value of the real estate.

Fatih Business Center was included in the portfolio through leasing from Vakıf Finansal Kiralama AŞ on February 08, 2011. According to the Appraisal Report dated December 26, 2023, the fair value of the real estate, which was determined according to the market and income approach method, was valued at TL 42.800.000 + VAT including the land share.

Information on Rental Income

The current monthly rent is 91.707,8 TL + VAT.

On 01.02.2021, it was leased as VakıfBank Fatih branch with a 10-year contract.

BİZİMTEPE AYDOS COMMERCIAL UNITS

Istanbul / Bizimtepe Aydos project, Istanbul Province, Sancaktepe District, Samandıra Neighborhood, 8085 island, It is located on 36 parcels. The Company has sold all of the commercial units and there are no commercial units as of December 31, 2023.

Lands

İZMİR - KONAK LANDS

	Section no. 8603, parcel no. 1	Section no. 8604, parcel no. 1	Section no. 8604, parcel no. 4
Province	İzmir	İzmir	İzmir
District	Konak	Konak	Konak
Purchase Date	19.08.2015	19.08.2015	19.08.2015
Appraisal Date	27.10.2023	05.10.2023	27.10.2023
Appraisal Value	TL 396.669.363	TL 505.105.115	TL 476.084.027

Lands zoned CBD (Central Business Area) with an area of 5.183,53 m² on block 8603, parcel 1, with an area of 6.600,52 m² on block 8604, parcel 1 and with an area of 6.221,25 m² on block 8604, parcel 4 have been included in our portfolio in Mersinli Neighborhood, Konak District, İzmir Province. The fair value of our land according to the market approach method in the 2023 year-end expertise report is TL 1,377,858,505.

ANKARA - ETİMESGUT LANDS

Province	Ankara
District	Etimesgut
Block/Parcel	48750/1 and 48744/5
Purchase Date	12.04.2000
Appraisal Date	31.10.2023
Appraisal Value	TL 9,686,004

The real estate properties are registered lands located in Ankara province, Etimesgut district, Erler neighborhood registered under no. 48750, parcel no. 1 parcel and block no. 48744, parcel no. 5. Since the lands are located in the Energy Transmission Line area, there is no construction on them. The parceling plan no. 85170/1, which includes the immovable properties of our company, was canceled by the decision of Ankara 5th Administrative Court dated 04 December 2018 and numbered 2018/2472, and the legal process continues. The surface area of the land registered under block no. 48750, parcel no. 1 is 19,023 m² and Vakıf REIT's shares thereon are 2,111/19,023. The land registered under block no. 48744, parcel no. 5 is 2,399 m².

The fair value of our land according to the market approach method in the 2023 year-end appraisal report is TL 9,686,004.

ISTANBUL SANCAKTEPE -SAMANDIRA LAND

Province	Istanbul
District	Sancaktepe
Block/Parcel	100
Purchase Date	12.08.2022
Appraisal Date	12.12.2023
Appraisal Value	TL 469,649,000

Located in Istanbul Province, Sancaktepe District, Samandıra Neighborhood, Parcel 100, the 21.000m² land has a split layout, H (max): 12,50 meters, TAKS: 0.40 KAKS: 1.00 construction conditions. According to the valuation report dated 12.12.2023, the value of the land has been appraised as 469.649.000,-TL.

KOCAELİ GEBZE - ÇAYIROVA LAND

Province	Kocaeli
District	Gebze
Block/Parcel	6365/8
Purchase Date	02.09.2022
Appraisal Date	29.12.2023
Appraisal Value	TL 479,894,497

As a result of a appraisal report dated 18.08.2022, the estimated for the land 28.414 m² located in Kocaeli province, Gebze district, Çayırova neighborhood, parcel no. 6365/8, within the "Commercial Area" suitable for construction with storage function in the 1/1000 Scale Gebze Revision Implementation Zoning Plan, separate layout, floor 12 H(max): 36,50 meters, KAKS: 1.98, and this land was purchased ON 02.09.2022 included to our portfolio. The land's value was estimated as TL 479,894,497 according to the appraisal report dated 29.12.2023.

Real Estate Portfolio Development

Our company attaches importance to the fact that its real estate portfolio consists of properties that have been qualitatively and financially analyzed and, the risk impact of which has been reduced. Feasibility studies and real estate appraisal studies are carried out on all real estate included in the portfolio to determine the correct target groups, and these studies based on scientific data are taken as basis in purchasing and leasing transactions.

In order to achieve its investment goals, our company has adopted the principle of including in its portfolio real estate with different features that are safe, efficient, stable, high in income-generating factors and free of risk parameters, by keeping up to date with the global and national real estate market and taking new investment actions. In this direction, our company's Business Development and Planning Directorate was established. It is carried out in accordance with the performance criteria of the strategy "Business development with innovative and conceptual projects", which is the first of our 7 main strategies.

Significant events occurring after the Reporting Period

Not Available.

Predictions About The Development Of The Business

Our Company, which always aims to go further in the field of Real Estate Investment Trust, will continue to research new investment projects with its expert staff.

Report of Compliance with the Corporate Governance Principles

Statement of Compliance with the Corporate Governance Principles

Our company has complied with and implemented all of the mandatory Corporate Governance Principles and most of the non-mandatory principles. Efforts are being made to comply with other principles.

In accordance with the decision of the Capital Markets Board dated 10/01/2019 and numbered 2/49; our Company's Corporate Governance Compliance Reporting for 2022, prepared in accordance with the

Corporate Governance Communiqué No. II-17.1, was published on the PDP Platform on 21.02.2023, using the templates of Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF). Additionally, the Sustainability Principles Compliance Report was announced on the PDP on the same date.

These reports are available on the PDP with the following links:

[PDP Corporate Governance Information Form](#),

[PDP URF Corporate Governance Compliance Report](#) and

[Sustainability Principles Compliance Report 2022](#).

Research And Development Activities Carried Out

Our company constantly carries out feasibility studies for the developments of lands and projects.

The Nature And Amount Of Capital Market Instruments Issued, If Any

Our company has no capital market instruments issued in 2023.

Information About The Sector, In Which The Business Operates And Its Place Within This Sector

The company operates in the field of Real Estate Investment Trust. Since its establishment in 1996, Vakıf REIT has maintained its reputation as a reliable, successful and stable company in the real estate sector.

Developments In Investments, The Status Of Benefiting From Incentives, And If So, To What Extent They Were Realized

No incentives were used in the projects carried out by our company.

Descriptions Including The Characteristics Of The Production Units Of The Enterprise, Capacity Utilization Rates And Developments In Them, General Capacity Utilization Rate, Developments In The Production Of Goods And Services Subject To Activity, Comparisons Of Quantity, Quality, Version And Prices With Previous Period Figures.

Comparative notes are included in the explanatory footnotes of the financial statements for the accounting period ending as of December 31, 2024.

Prices Of The Goods And Services Subject To Activity, Sales Revenues, Sales Conditions And Developments In These During The Year, Developments In Efficiency And Productivity Coefficients, And Reasons For Significant Changes In These Compared To The Previous Years

As can be seen from the table below, the rental income was obtained regularly within the framework of the lease agreements for the real estate in our Company's portfolio during the period.

Basic Ratios Regarding Financial Situation, Profitability And Debt Payment Situations Calculated On The Basis Of Financial Statements And Information Prepared Within The Framework Of The Provisions Of This Communiqué

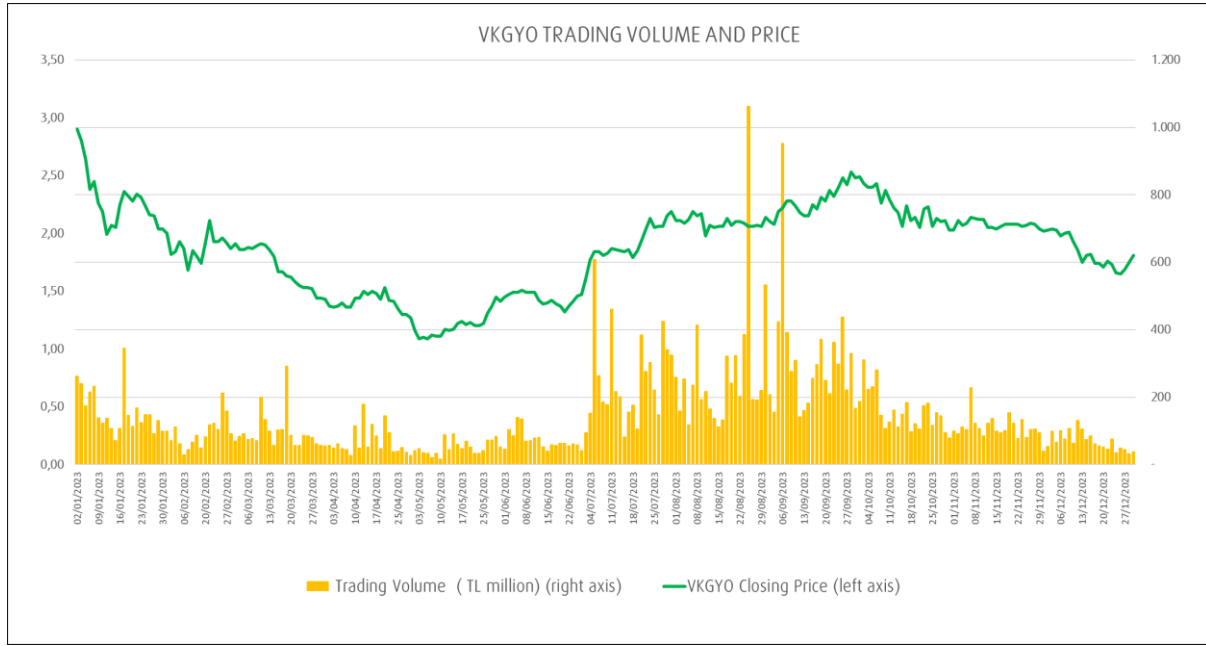
Ratios	Percentage
Current Percentage	1.69
Liquid Ratio	0.35
Cash Ratio	0.23

2023	KAVAKLIDERE SHOP	ALİ AGA BUSINESS CENTER	ALİAĞA HOUSING	KÜTAHYA BUSINESS CENTER	FATİH BUSINESS CENTER	İSTANBUL FINANCIAL CENTER	SANCAKTEPE LAND	TOTAL
January	343.198 ₺	100.693 ₺	27.525 ₺	127.500 ₺	82.344 ₺	-	-	681.260 ₺
February	332.733 ₺	97.623 ₺	27.086 ₺	212.700 ₺	137.369 ₺	20.446.245 ₺	-	21.253.756 ₺
March	325.286 ₺	95.438 ₺	27.800 ₺	207.939 ₺	134.294 ₺	19.988.610 ₺	-	20.779.367 ₺
April	317.707 ₺	93.214 ₺	27.878 ₺	203.094 ₺	131.165 ₺	19.522.889 ₺	-	20.295.947 ₺
May	317.570 ₺	93.174 ₺	28.573 ₺	203.007 ₺	131.108 ₺	19.514.483 ₺	-	20.287.915 ₺
June	305.590 ₺	89.659 ₺	28.855 ₺	195.348 ₺	126.162 ₺	18.778.281 ₺	-	19.523.895 ₺
July	279.106 ₺	81.888 ₺	26.354 ₺	178.418 ₺	115.228 ₺	17.150.866 ₺	-	17.831.860 ₺
August	255.857 ₺	75.067 ₺	23.756 ₺	163.556 ₺	105.630 ₺	24.754.635 ₺	-	25.378.501 ₺
September	244.247 ₺	71.661 ₺	22.678 ₺	156.135 ₺	100.837 ₺	23.631.408 ₺	-	24.226.966 ₺
October	236.138 ₺	69.282 ₺	21.925 ₺	150.951 ₺	97.489 ₺	22.846.851 ₺	-	23.422.636 ₺
November	228.636 ₺	67.081 ₺	21.229 ₺	146.156 ₺	94.392 ₺	22.121.038 ₺	270.184 ₺	22.948.716 ₺
December	222.134 ₺	65.173 ₺	21.325 ₺	141.999 ₺	91.708 ₺	21.491.925 ₺	315.000 ₺	22.349.264 ₺
Total	3.408.202 ₺	999.953 ₺	304.984 ₺	2.086.803 ₺	1.347.726 ₺	230.247.231 ₺	585.184 ₺	238.980.083 ₺

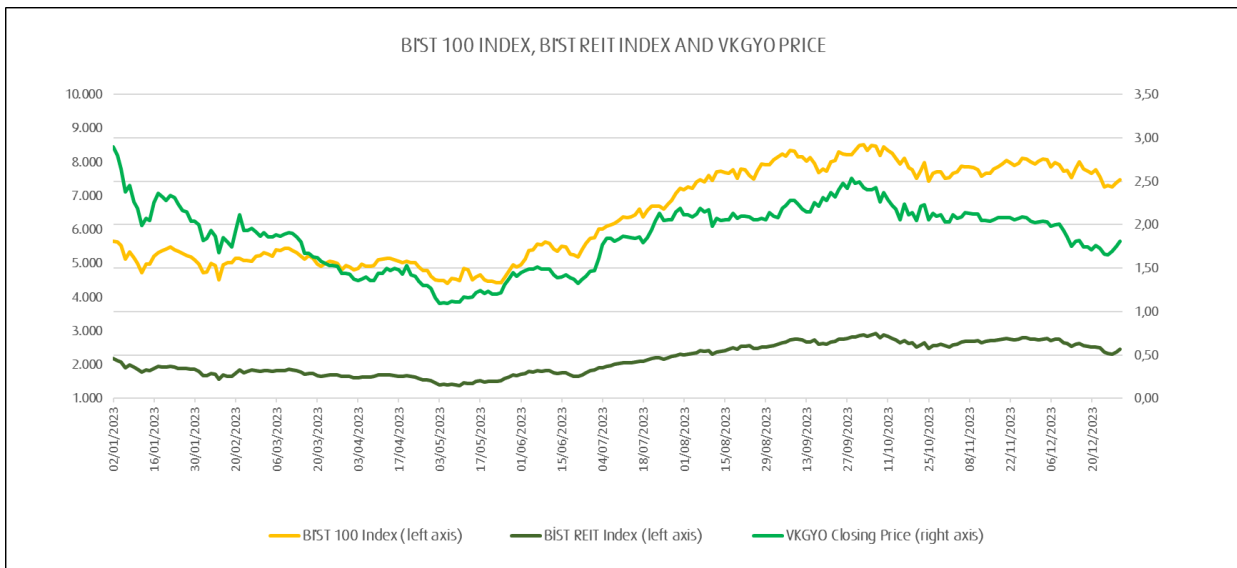
Stock Performance

The development of Vakıf REIT's stock in 2023 is presented in the graphs below. The graphs show the price change of our Company's stock and the volume of transactions between the period of 01.01.2023 - 31.12.2023 , and the comparison of our Company's stock with BIST 100 and REIT indices.

VKGYO PRICE CHART



VKGYO-XGMYO- XU100 COMPARATIVE MONTHLY CHANGE CHART



Changes Made in the Articles of Association During the Period and Their Reasons

At the meeting of our Company's Board of Directors dated March 16, 2023, it was decided to increase the Registered Capital Ceiling from TL 1,750,000,000 to TL 5,000,000,000, and as a result of the application made to the Capital Markets Board to obtain the necessary permission for the amendment of the articles of association, the amendment of the articles of association was approved by the Board's letter no. E-12233903-340.08-39318 on July 7, 2023. Regarding the amendment in question, as a result of the permit application made to the General Directorate of Domestic Trade of the Ministry of Commerce of the Republic of Türkiye, the amendment text was approved with the letter no. E-50035491-431.02-00087523687.

Regarding the increase of our company's issued capital of TL 1,145,000,000 by 50% to TL 1,717,500,000, all in cash, As a result of the application made by our Board of Directors to the Capital Markets Board in order to obtain an opinion in accordance with the new version of Article 7 of our Company's articles of association titled "Capital and Shares", the amendment was approved with Board's letter no. E-12233903-340.05.05-40091 on July 26, 2023.

The "Stock Exchange Issuance Certificate" for the Group A and B shares to be issued due to an increase the issued capital from TL 1,717,500,000 by an amount of TL 1,232,500,000 to TL 2,950,000,000 within the registered capital ceiling of TL 5,000,000,000 – TL 788,106,823 from the period profit for 2022 and TL 444,393,177 from the internal resourced – was approved during the meeting no. 53/1146 of the Capital Markets Board held on September 14, 2023, and the new form of the article 7 of the Articles of Association of the Company indicating the new issued capital was with the Board's letter no. E-12233903-340.05.05-42470 on September 22, 2023.

The amendment texts were shared on the PDP platform and our website.

Result of the Board of Directors' Affiliation Report for 2023

All the legal transactions made by our company with the parent company and affiliated companies in 2023 were carried out in accordance with precedents. According to the circumstances and conditions known to our Company at the time these legal transactions were carried out, an appropriate counter-performance was provided in each legal transaction. There are no measures taken or avoided that could cause damage to the company. For this reason, there is no right of counterclaim equivalent to a subsidiary company regarding the material damage/loss suffered by our Company due to intra-group transactions during the activity period, the transaction subject to equalization by the dominant company, or the benefits provided by our Company.

Balance Sheet

VAKIF REAL ESTATE INVESTMENT TRUST

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND DECEMBER 31, 2022 (*)

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power as of December 31, 2023 unless otherwise stated).

	Notes	Audited 31.Ara.23	Audited 31.Ara.22
ASSETS			
CURRENT ASSETS		6.519.447.512	1.925.847.137
Cash and cash equivalents	4	897.670.393	1.424.696.083
Financial Investments	5	--	186.516.170
Trade receivables			
- Trade receivables from third parties	7	89.747.900	271.297.442
Other receivables			
- Other receivables from third parties	8	4.044.058	13.044.564
Inventories	12	5.163.063.442	183.101
Prepaid expenses	9	75.006.855	13.817.723
Current income tax assets	10	18.502.872	16.287.824
Other current assets	10	271.411.992	4.230
NON-CURRENT ASSETS		8.418.795.260	10.461.910.621
Trade receivables			
- Trade receivables from third parties	7	--	50.092.808
Other receivables			
- Other receivables from third parties	8	1.073.809	81.355
Inventories	12	1.293.277.106	4.042.860.285
Investment properties	11	6.675.359.935	5.691.130.624
Tangible assets	13	9.711.572	5.163.680
Intangible assets			
- Other intangible assets	14	2.266.003	4.144.695
Prepaid expenses	9	288.659.531	441.898.468
Other non-current assets	10	148.447.304	226.538.706
TOTAL ASSETS		14.938.242.772	12.387.757.758

		Audited 31.Ara.23	Audited 31.Ara.22
LIABILITIES	Notes		
CURRENT LIABILITIES		3.847.225.792	973.853.693
Short-term portion of long-term borrowings			
- Short-term portion of long-term borrowings from related parties	3,6	103.625.930	170.789.425
- Short-term portion of long-term borrowings from third parties	6	--	18.760.698
Trade payables			
- Trade payables to related parties	3,7	177.910	239.377
- Trade payables to third parties	7	609.344.921	511.021.126
Payables for employee benefits		2.283.077	1.462.302
Other payables			
- Other payables to third parties	8	13.655.735	41.448.156
Deferred revenue (Other than contract liabilities)			
- Deferred revenue to related parties	3,17	187.876.235	157.364.387
- Deferred revenue to third parties	17	2.886.047.452	17.785.500
Short term provisions			
- Short-term provisions for employee benefits	16	3.876.596	3.160.882
Other current liabilities	17	40.337.936	51.821.840
NON-CURRENT LIABILITIES		286.438.130	2.731.743.579
Long term borrowings			
- Long term borrowings from related parties	3,6	10.139.115	168.154.789
Other Payables			
- Other payables to third parties	8	25.054.567	73.253.909
Deferred revenue (Other than contract liabilities)			
- Deferred revenue from third parties	17	227.562.631	2.486.370.476
Long term provisions			
- Long-term provisions for employee benefits	16	3.214.981	3.964.405
- Other long-term provisions	16	20.466.836	--
TOTAL LIABILITIES		4.133.663.922	3.705.597.272
EQUITY		10.804.578.850	8.682.160.486
Paid-in capital	18	2.950.000.000	1.145.000.000
Adjustment to share capital	18	6.603.303.653	4.413.435.184
Share premiums	18	23.027.353	2.182.307.247
Other comprehensive income not to be reclassified to profit or loss			
- (Loss) / gain on remeasurement of employee benefits	18	-1.658.103	-918.082
Restricted reserves appropriated from profit		145.648.453	96.408.521
Retained earnings		-251.313.643	-900.681.627
Net profit for the year		1.335.571.137	1.746.609.243
TOTAL LIABILITIES AND EQUITY		14.938.242.772	12.387.757.758

Income Statement

VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2023 AND JANUARY 1 - DECEMBER 31, 2022 (*)
(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power as of December 31, 2023 unless otherwise stated).

		Audited 1 January - 31.Ara 2023	Audited 1 January - 31.Ara 2022
	Notes		
Profit/loss			
Revenue	19	1.418.174.227	6.733.685.660
Cost of sales (-)	19	(648.551.185)	(5.827.325.653)
Gross Profit		769.623.042	906.360.007
General administrative expenses (-)	20	(154.349.748)	(64.294.582)
Marketing expenses (-)	20	(67.332.385)	(94.686.084)
Other operating income from operating activities	21	1.389.869.991	792.679.923
Other operating expenses from operating activities (-)	21	(308.314.609)	(64.170.617)
Operating Profit		1.629.496.291	1.475.888.647
Operating Profit Before Financial Income		1.629.496.291	1.475.888.647
-Financial expenses (-)	23	(93.053.441)	(40.984.925)
Profit from continuing operations before tax		(93.053.441)	(40.984.925)
Profit/Loss Before Taxes From Continuing Operations		1.536.442.850	1.434.903.722
Monetary Gain / (Loss)		(200.871.713)	311.705.521
Net Profit for the Year		1.335.571.137	1.746.609.243
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive income not to be reclassified to profit or loss			
- Gain or loss from the remeasurement of employee benefits	16	(740.021)	(918.082)
TOTAL OTHER COMPREHENSIVE INCOME		(740.021)	(918.082)
TOTAL COMPREHENSIVE INCOME		1.334.831.116	1.745.691.161
Earnings per share (in full TRY)	25	0,514	1,525

(*) Notes to the Balance Sheet and Income Statement are available at www.kap.org.tr and www.vakifgyo.com.tr.

Measures, if any, planned to improve the financial structure of the company

During this period, Vakıf REIT strived to maintain its strong and stable financial structure and continued its sustainable growth. In accordance with the decision taken at the Company's Board of Directors Meeting dated March 16, 2023, to increase the Company's capital from TL 1,145,000,000 TL to TL 2,950,000,000, with 50% paid and 107.64% as bonus, an application was made on March 21, 2023 to the Capital Markets Board for the public offering of the shares representing the increased capital amount. An application was made on 10.04.2023 to the Capital Markets Board for the approval of the prospectus prepared for the public offering of the shares representing the increased capital amount due to the increase of the issued capital of TL 1,145,000,000 by 50% to TL 1,717,500,000, all in cash, within the registered capital ceiling of TL 1,750,000,000 based on the power granted by the article 7 of the articles of association of the Company concerning the discussion of the bonus capital increase after the approval by the General Assembly, and this application was approved at the meeting no. 31/339 on June 8, 2023, and announced on the Capital Markets Bulletin, issue no. 2023/32. In this context, the prospectus for the shares to be issued was also approved with the Board's letter no E-12233903-340.05.05-38543 on June 12, 2023. The new share purchase rights issued were used for a period of 15 days between 13.06.2023 and 27.06.2023 in accordance with the principles specified in the prospectus, and as a result of the fact that the Group B shares with a nominal value of TL 1,055,213.84 corresponding to the right to get new shares not used in due time are offered for sale at the price determined in the Primary Market at Istanbul Stock Exchange, with the price of each share with a nominal value of TL 1 not being less than TL 1, through Vakıf Yatırım Menkul Değerler A.Ş. for 2 business days between 05 July 2023, all of the relevant shares were sold and the average price for these transactions was TL 3.03 per share with a nominal value of TL 1.

As a result of the sale of the Group A privileged shares with a nominal value of TL 7,974,236.85, which are not in circulation and not traded on the Stock Exchange, by the book building method at the headquarters of Vakıf Yatırım Menkul Değerler A.Ş. for 2 business days between 04-05 July 2023, all the Group A privileged shares was sold to T. Vakıflar Bankası T.A.O., which submitted a single request, at a price of TL 3.03 per share.

As a result of the transactions, a total cash inflow of TL 590,827,078 was provided to our Company, and an emission premium of TL 18,326,968.39 was obtained from this transaction. The issuance of shares with a nominal value of TL 572,500,000, which were increased in cash, was completed within the framework of the conditions specified in the prospectus and their prices were paid in cash and in full. An application was made to the Trade Registry Office for registration to increase the paid-in capital of the company to TL 1,717,500,000.

Our Company's Board of Directors, at its meeting dated March 16, 2023 on the same date, decided to increase the Registered Capital Ceiling from TL 1,750,000,000 to TL 5,000,000,000 and, increase the capital to TL 2,950,000,000 – the amount of TL 788,106,823 from the 2022 period profit and the amount of TL 444,393,177 from the internal resources –, and the process was completed by obtaining the necessary approvals from the Capital Markets Board.

Changes made in the senior management during the year and the names, surnames and professional experience of those currently on duty

Our Company's Assistant General Managers, Mr. Hasan Gürsel ÖZTAMUR and Mr. Esat HOROZ, resigned from their duties as Assistant General Managers as of 30.11.2023, and Mr. Özer EROĞUZ was appointed as the Financial and Commercial Assistant General Manager, and Mr. Ahmet ŞENOCAK was appointed as the Technical - Operational Assistant General Manager as of 01.12.2023.

All the information and resumes of our Company's Senior Management and Board Members are available at: [Vakıf REIT: Senior Management and Board of Directors \(vakifgyo.com.tr\)](https://vakifgyo.com.tr).

Personnel and worker movements, collective bargaining practices, rights and benefits provided to personnel and workers

As of 31.12.2023, the number of personnel of our company is 42 people . There is no collective agreement practice. Additional benefits are provided to the personnel such as private health insurance, life insurance and private pension insurance.

Information about the donations made during the year

Due to the major earthquake disaster that occurred on February 6, 2023 and deeply affected our country; within the scope of the Urban Development Move initiated under the coordination of the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye and under the leadership of TOKİ and Emlak Konut REIT, a cash donation of 2 million 500 thousand Turkish Liras was made to GYODER (Real Estate Investors Association), of which our Company is a member, in order to be used for the revival of the regions affected by the disaster.

Information about whether they have organizations outside their head office

Our company has no organization outside its head office.

Other Information Regarding Activities

CONSULTANCY SERVICES

Our company receives the service for Independent Audit for 2023 from Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Our company receives full certification services for 2023 from HSY Bağımsız Denetim ve YMM A.Ş.

A one-year Corporate Governance Rating Agreement was signed between our company and DRC Derecelendirme Hizmetleri A.Ş., effective as of June 23, 2023.

In order to measure the creditworthiness of our company, a one-year contract was signed with JCR Avrasya Derecelendirme A.Ş.

We receive services from Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş. to carry out the appraisal studies of our existing properties in our portfolio, and from Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş. ve Etik Gayrimenkul Değerleme ve Danışmanlık A.Ş. to obtain appraisal services for real estate that are not included in our portfolio and are subject to appraisal.

Within the scope of the Istanbul International Financial Center Project, our company receives project management services from Entegre Proje Yönetimi Dan. Müh. Ticaret A.Ş. and professional supervision services from Tabanlıoğlu Mimarlık A.Ş.

Within the scope of 1.2, it receives project management services from Erya Mühendislik Proje Yönetimi Ticaret A.Ş. and professional supervision services from Tabanlıoğlu Mimarlık A.Ş.

Within the scope of the Sancaktepe Mixed Project, it receives ground consultancy services from Geotech İstanbul Müşavirlik Mühendislik Limited Şirketi as of 2023.

Within the scope of the Cubes Ankara Project, it receives project management services from Erya Mühendislik Proje Yönetimi Ticaret A.Ş., professional supervision services from Lejant Mimarlık İnşaat Ltd. Şti., facade consultancy services from Innobuild Cephe Dan. Ve Müh. Ltd. Şti., fire consultancy services from Alara Pro Müh. Prod. İnş. Taah. Tic Ve San. Ltd. Şti., and elevator consultancy services from Bylift Elevator Automation Dan. San. Ve Tic. Ltd. Şti.

Our company received IT support services from Türkiye Vakıflar Bankası T.A.O. to ensure the infrastructure supply and operation of information systems components.

Our company receives application and consultancy services in accordance with the electronic document management system communiqué from C.B.K.Soft Yazılım ve Donanım Elek.ve Bilgi Sist.SanTic.A.Ş for internal and external correspondence and central management of previous period documents.

It receives Integrated Management System and Consultancy and Support Service from BİMSER ÇÖZÜM YAZILIM A.Ş .

Our company has established its own Enterprise Resource Management system in accordance with the growing market and corporate structure in the real estate sector in which it operates, and received from Agc Erp Hizm. Yaz. Ltd. Şti. the Consultancy and Support Services for ERP purchased to increase competitiveness in the short, medium and long term, support its growth policy, provide fast, accurate and reliable data flow in the decision support process, increase the efficiency of its organization and its employees, consolidate all the information resources and business processes of the company on an integrated and manageable system without being dependent on individuals, manage the operations on a process basis, use the information technologies in a strong and efficient manner yielding high efficient and flexibility for cost management

Within the scope of the "Corporate Development Project", which was initiated to manage change and transformation effectively and to raise Vakıf REIT's corporate performance to a distinctive and sustainable superior performance level, our company receives consultancy services from Seçkin Danışmanlık, Eğitim ve Tic. Ltd. Şti. concerning Strategic Planning, Corporate Risk Management, Process Management, Corporate Culture Management and Corporate Development Monitoring.

Our company receives consultancy services from ESG Strateji Danışmanlığı ve Eğitim Limited Şti. within the scope of Carbon Footprint Measurement and Reporting & CDP Reporting.

During the corporate development process of our company, we received consultancy services for Management Systems Analysis and Business Analysis from Organik HR Consultancy in order to organize the activities carried out within the Human Resources Department more efficiently and to determine the improvement needs accordingly.

Legal consultancy service is provided from Author Egemen Law Firm.

There was no conflict of interest with the persons and institutions mentioned above.

LEGISLATIVE CHANGES THAT WILL SIGNIFICANTLY AFFECT ACTIVITIES

There are no significant changes that will affect our company's activities. Further, there is no administrative and/or judicial sanction imposed on the company and the members of the management body due to applications contrary to the applicable legislations.

CASES TO WHICH THE COMPANY IS A PARTY

Kurum İçi Sınırsız Kullanım / Kişisel Veri Değil

As of December 31, 2023, there are 56 cases in which the Company is a party, and the subject of 34 cases is consumer cases, 11 enforcement proceedings, 9 cases of receivables proceedings, and 2 cases are related to labor cases.

DIRECT OR INDIRECT AFFILIATES OF THE COMPANY

Joint Activities

Joint operations occur when parties with joint control of an arrangement have rights to the assets and obligations regarding the debts related to the arrangement. A joint operation participant is evaluated based on its assets, liabilities, revenues and costs. The assets, liabilities, equity items, income and expense accounts and cash flow movements belonging to the joint activities are included in the financial statements with the proportional consolidation method, and intra-group transactions, balances and unrealized profits/losses realized with these joint activities are eliminated from the financial statements.

Joint Activities	Subject of Operations	Enterprising Partners
Halk REIT - Vakıf REIT Ordinary Partnership ("Halk - Vakıf")	Housing Project	Halk REIT.
Vakıf REIT - Obaköy Ordinary Partnership ("Vakıf - Obaköy")	Housing Project	Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret A.Ş. ("Obaköy")

Halk REIT – Vakıf REIT

Halk GYO - Vakıf GYO was established as an ordinary partnership with the project partnership agreement signed on August 29, 2014 and became operational on October 16, 2014. Halk GYO - Vakıf GYO was established with a capital of TL 100.000 and 50% and 50% shares and the purpose of the partnership is to develop a housing project in Sancaktepe Istanbul. The Company has purchased a land plot with a surface area of 95.221,84 m2 in Sancaktepe district of Istanbul province, 50% of which is to be paid by Vakıf GYO and 50% by Halk GYO.

Vakıf REIT – Obaköy

Vakıf-Obaköy was established as an ordinary partnership with the project partnership agreement signed on 29 April 2016 and started its operations on 29 April 2016. Vakıf-Obaköy was established with a capital of TL 100.000 and 50% and 50% shares and the purpose of the partnership is to develop a residential project in Maltepe Istanbul. The Company has purchased the land with a surface area of 15.268 m2 located in Maltepe district of Istanbul. According to the decision of the Board of Directors numbered 2018/4 taken on 31 January 2018, the Company has decided to increase its share in the Ordinary Partnership established with Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret A.Ş. (Obaköy) to develop a project on a 15.268 m2 residential zoned land located in Maltepe district of Istanbul province, which the Company has 50% share, to 99% by signing a protocol. Vakıf REIT has paid to Obaköy 49% of the investment amount (investment amount consists of the land purchased and development expenditures made on the land) shared by the two Partners and the transfer fee determined by Obaköy until 31 January 2018.

Corporate Social Responsibility

A member of VakıfBank Finance Group, Vakıf REIT has been considering the impact of its activities on society and the world since the day it was founded, with the influence of the foundation heritage in its roots.

In this direction, as Vakıf REIT, we attach priority to:

- Sustainable Cities and Communities
 - Industry, Innovation and Infrastructure
 - Quality Education
 - Reduced Inequality
 - Gender Equality
- Our Corporate Social Responsibility Projects:

Miniature Building Competition – MDC'23 (Miniature Design Competition)

In line with Vakıf REIT's main purpose of "the Power of Custom, the Build of the Future", we aim to instill a culture of sustainability in university students through Miniature Building Competition organized in cooperation with Yıldız Technical University in order to enable young people, who are the architects and engineers of the future, to generate ideas, encourage them, listen to their innovative ideas and projects, work on them and reward the projects and students at the end of the process.



Climate Defenders Workshop

In line with Vakıf REIT's main purpose of "the Power of Custom, the Build of the Future", we aim to increase the awareness of children who will build the future, about the effects of climate change and, instill a culture of sustainability in our students aged 8-12.



VakıfBank Sports Club Sponsorship

As a member of the VakıfBank Finance Group family, we believe that sports are one of the parts that shape a society's lifestyle and form its social capital, and we have been supporting VakıfBank Sports Club since 2018. With this support we provide for VakıfBank Sports Club volleyball schools and infrastructure investments, we aim to both enable our little girls to meet sports and contribute to the national and international success of the club.



Portfolio Table

Controlling Compliance with Portfolio Restrictions

As of December 31, 2023, the information given in the footnote titled "Control of Compliance with Portfolio Restrictions" is summary information derived from the financial statements in accordance with Article 16 of the CMB Communiqué Serial: II, No: 14.1 "Communiqué on Principles Regarding Financial Reporting in Capital Markets" and is in the nature of summary information derived from the financial statements in accordance with the Communiqué Serial: III, No: 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette numbered 28660 on May 28, 2013: III, No: 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette numbered 28660 on May 28, 2013 and Serial: III, No: 48.1a published in the Official Gazette numbered 28891 on January 23, 2014: III, No: 48.1a "Communiqué on Amendments to the Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette dated January 23, 2014 and numbered 28891. In this context, information on total assets, total portfolio and portfolio limitations as of December 31, 2023 and December 31, 2022 are as follows and the ratios related to these limitations are shown in the table:

Financial Statement Main Account Items	Related Regulation	Current Period	Prior Period
Money and capital market instruments	III-48.1 Communiqué Art.24/(b)	897.670.393	1.611.212.253
Real estate, real estate based projects, real estate based rights	III-48.1 Communiqué Art. 24/(a)	13.131.700.483	9.734.174.010
Subsidiaries	III-48.1 Communiqué Art. 24/(b)	--	--
Due from related parties (Non-trade)	III-48.1 Communiqué Art. 23/(f)	--	--
Other assets		908.871.896	1.042.371.495
Total Assets (Total Assets)	III-48.1 Communiqué Art.3/(p)	14.938.242.772	12.387.757.758
Financial liabilities	III-48.1 Communiqué Art. 31	113.765.045	357.704.912
Other financial liabilities	III-48.1 Communiqué Art. 31	--	--
Finance lease payables	III-48.1 Communiqué Art. 31	--	--
Due to related parties (Non-trade)	III-48.1 Communiqué Art. 23/(f)	--	--
Shareholders' Equity	III-48.1 Communiqué Art. 31	10.804.578.850	8.682.160.486
Other sources		4.019.898.877	3.347.892.360
Total Resources	III-48.1 Communiqué Art. 3/(p)	14.938.242.772	12.387.757.758
Other Financial Information	Relevant Regulation	Current Period	Prior Period
3-year infrastructure investment and services of money and capital market instruments			
the portion held for payments	III-48.1 Communiqué Art. 24/(b)	895.566.252	1.609.263.177
Foreign currency denominated time and demand deposits/special current and participation accounts and TL denominated time deposit / participation account	III-48.1 Communiqué Art. 24/(b)	2.104.141	1.949.076
Foreign capital market instruments	III-48.1 Communiqué Art. 24/(d)	--	--
Foreign real estate, real estate based projects, real estate based rights	III-48.1 Communiqué Art. 24/(d)	--	--
Idle land/plots of land	III-48.1 Communiqué Art. 24/(c)	3.434.829	3.434.829
Foreign subsidiaries	III-48.1 Communiqué Art. 24/(d)	--	--
Participation in the operating company	III-48.1 Communiqué Art. 28/1 (a)	--	--
Non-cash loans	III-48.1 Communiqué Art. 31	746.762.720	945.768.944
Costs of mortgages on which the project will be developed, the ownership of which does not belong to the partnership	III-48.1 Communiqué Art. 22/(e)	--	--
Total of money and capital market instruments investments in a single company	III-48.1 Communiqué Art. 22/(1)	2.104.141	1.949.076

Portfolio Limitations		III-48.1 Related Regulation	31/12/2023	31/12/2022	Minimum/M aximum Rate
1 Mortgage costs of mortgaged lands on which the project will be developed, the ownership of which does not belong to the partnership	e)	Art.22/(	0,00%	0,00%	≤ %10
2 Properties, projects based on real estate, rights based on real estate (*)	(a) , (b)	Art.24 /	93,90%	91,57%	≥ %51
3 Money and Capital Market Instruments and Associates	b)	Art.24/(	0,01%	0,02%	≤ %49
4 Foreign Properties, Real Estate Based Projects, Real Estate Based Rights, Subsidiaries, Capital Market Instruments	d)	Art.24/(	0,00%	0,00%	≤ %49
5 Idle Land/Land Plots	(c)	Art..24/	0,02%	0,03%	≤ %20
6 Participation in the Operating Company	1(a)	Art.28/	0,00%	0,00%	≤ %10
7 Borrowing Limit		Art..31	7,96%	15,01%	≤ %500
8 Foreign currency denominated time and demand deposits/special current and participation accounts and					
TL denominated time deposit / participation account	(b)	Art..24/	0,01%	0,02%	≤ %10
9 Total of Money and Capital Market Instruments Investments in a Single Company	(1)	Art..22/	0,01%	0,02%	≤ %10

(*) Pursuant to subparagraph (b) of the first paragraph of Article 24 of the Capital Markets Board Communiqué on Real Estate Investment Trusts No. III-48.1, the Company has notified the Capital Markets Board of the planned expenditure amounts for the projects whose cost payments are made in return for certain progress payments or in installments. The cash surpluses corresponding to these expenditures were utilized through the assets mentioned in subparagraph (k) of the first paragraph of Article 22 and presented under the main account item "Part of Money and Capital Market Instruments Held for 3-Year Real Estate Payments" in the Control of Compliance with Portfolio Restrictions table. In addition, as a result of the Company's application to the Capital Markets Board on March 8, 2016, at the meeting of the Board Decision Making Body dated March 23, 2016 and numbered 10/305, it was decided that the cash amounts invested in time deposits/participation accounts would not be considered within the scope of the 10% issuer limit stated in subparagraph (l) of the first paragraph of Article 22 of the Communiqué, so the cash surpluses subject to these expenditures were not included in the calculation. Considering these issues, as of December 31, 2023 and December 31, 2022, there is no non-compliance within the scope of the maximum limit in terms of Article 24/(b) of Communiqué III-48.1 and Article 22/(l) of Communiqué III-48.1.

List of Real Estate Valuation Reports

Real Estate	Konak, İzmir; 8604/1 Parcel; Land
Contract Date	02.10.2023
Valuation Agency	Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
Report Date and No.	05.10.2023 / 2023_VAKIF_GYO_4
Valuation Date	03.10.2023
Valuation Method	Land Value Based on Market Approach
TKGM Qualification	Agricultural Equipment Buildings and Warehouses, Nursery
Final Value	TL 505.105.115
Real Estate	Konak, İzmir; 8603/1 Parcel; Land
Contract Date	02.10.2023
Valuation Agency	Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
Report Date and No.	27.10.2023 / 2023_VAKIF_GYO_6
Valuation Date	20.10.2023
Valuation Method	Land Value Based on Market Approach
TKGM Qualification	Agricultural Equipment Buildings and Warehouses, Nursery
Final Value	TL 396.669.363
Real Estate	Konak, İzmir; 8604/4 Parcel; Land
Contract Date	02.10.2023
Valuation Agency	Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
Report Date and No.	27.10.2023 / 2023_VAKIF_GYO_7
Valuation Date	20.10.2023
Valuation Method	Land Value Based on Market Approach
TKGM Qualification	Altındağ Factory with Six Houses and Well Garden
Final Value	TL 476.084.027
Real Estate	Etimesgut, Ankara; ENH; Lands
Contract Date	02.10.2023
Valuation Agency	Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
Report Date and No.	31.10.2023 / 2023_VAKIF_GYO_5
Valuation Date	24.10.2023
Valuation Method	Land Value Based on Market Approach
TKGM Qualification	Land
Final Value	TL 9,686,004
Real Estate	Kütahya Head Office Building
Contract Date	02.10.2023
Valuation Agency	Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
Report Date and No.	08.11.2023 / 2023_VAKIF_GYO_8
Valuation Date	02.11.2023
Valuation Method	Building Value Based on Market Approach and Income Capitalization Approach
TKGM Qualification	Reinforced Concrete Building with a Total of Nine Floors, Eight Above It At Road Level, and One Below It, and Containing a Bank Branch and Eight Lodgings.
Final Value	TL 52.765.633

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Fatih, Istanbul, Building
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
26.12.2023 / 2023_VAKIF_GYO_10
21.12.2023
Building Value Based on Market Approach and Income Capitalization Approach
4 Storey Reinforced Concrete Business Place
TL 42,800,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Aliağa, Istanbul, Building
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
26.12.2023 / 2023_VAKIF_GYO_11
21.12.2023
Building Value Based on Market Approach and Income Capitalization Approach
Five-Storey Service Building and Lodging
TL 40,735,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Kavaklıdere, Çankaya, Ankara; Shop
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
26.12.2023 / 2023_VAKIF_GYO_9
21.12.2023
Value of Independent Section Number One on the Ground Floor Based on Market Approach and Income Capitalization Approach
Apartment Block with 2 Shops and 12 Residential Apartments
TL 108,220,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Sancaktepe, Istanbul; 6770/2 Parcel; Project
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
26.12.2023 / 2023_VAKIF_GYO_13
21.12.2023
Land+Building Value Based on Market Approach and Cost Approach (Building Licensed Project with 312 Residences and 20 Shops)
Land
TL 641,090,794

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Kadıköy, Istanbul; Transform Fikirtepe
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
28.12.2023 / 2023_VAKIF_GYO_14
25.12.2023
Completion Status Value, Based on Market Approach (30 Residential Independent Sections)
Land
TL 165,015,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Istanbul Maltepe Nidapark Küçükyalı
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_15
26.12.2023
Completion Status Value, Based on Market Approach (12 Office Independent Sections)
Land, 29 Storey B1 Block, 27 Storey B2 Block, 24 Storey B3 Block, 21 Storey B4 Block, 30 Storey B5 Block, 6 Storey B6 Block, 5 Storey B7 Block, 6 Storey B8 Block, 1 Storey B12, B13, B14, B15 Blocks.
TL 238,230,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Konak, İzmir; 8601/2 Parcel; Project
01.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_12
26.12.2023
Land+Building Value Based on Market Approach and Cost Approach (Building Licensed Project with 174 Residences, 350 Offices and 52 Shops)
Land
TL 1,886,779,444

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Sancaktepe, İstanbul; 100 Parcel; Land
10.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
12.12.2023 / 2023_VAKIF_GYO_2
07.12.2023
Land Value Based on Market Approach
Land
TL 469,649,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Çankaya, Ankara; Cubes Ankara; Project
10.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_17
27.12.23
Land+Building Value Based on Market Approach and Cost Approach (Building Licensed Project with 288 Residences, 557 Offices, 19 Shops, 1 Hotel and 1 Multi-Angled Hall)
Land
TL 4,473,360,173

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Ümraniye, İstanbul, Finance Center; 12 Parcel; Office Tower
10.11.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_16
26.12.2023
Land+Building Value Based on Market Approach and Cost Approach
Land, B Block 36 Storey Reinforced Concrete Office, Workplace and Land
TL 3,951,584,210

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Sancaktepe, İstanbul, Bizimtepe Aydos; Housing
01.12.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_18
25.12.2023
Independent Section Value, Based on Market Approach
Blocks A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,R,S, 16 Storeys Each; P,T 2 Storeys Each U,V 1Er Storey and Commercial 3 Storeys Reinforced Concrete Apartment Building and Land
TL 14,270,000

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Maltepe, İstanbul, Tablo Adalar; Project
01.12.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_19
26.12.2023
Land+Building Value Based on Market Approach and Cost Approach (Building Licensed Project with 316 Residences and 1 Shop)
Land
TL 2,625,371,694

Real Estate
Contract Date
Valuation Agency
Report Date and No.
Valuation Date
Valuation Method
TKGM Qualification
Final Value

Gebze, Kocaeli; 6365/8 Parcel; Land
01.12.2023
Arge Gayrimenkul Değerleme ve Danışmanlık AŞ
29.12.2023 / 2023_VAKIF_GYO_20
26.12.2023
Land Value Based on Market Approach
Land
TL 479,894,497



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Vakıf Real Estate Investment Trust is a subsidiary of VakıfBank Finance Group.