



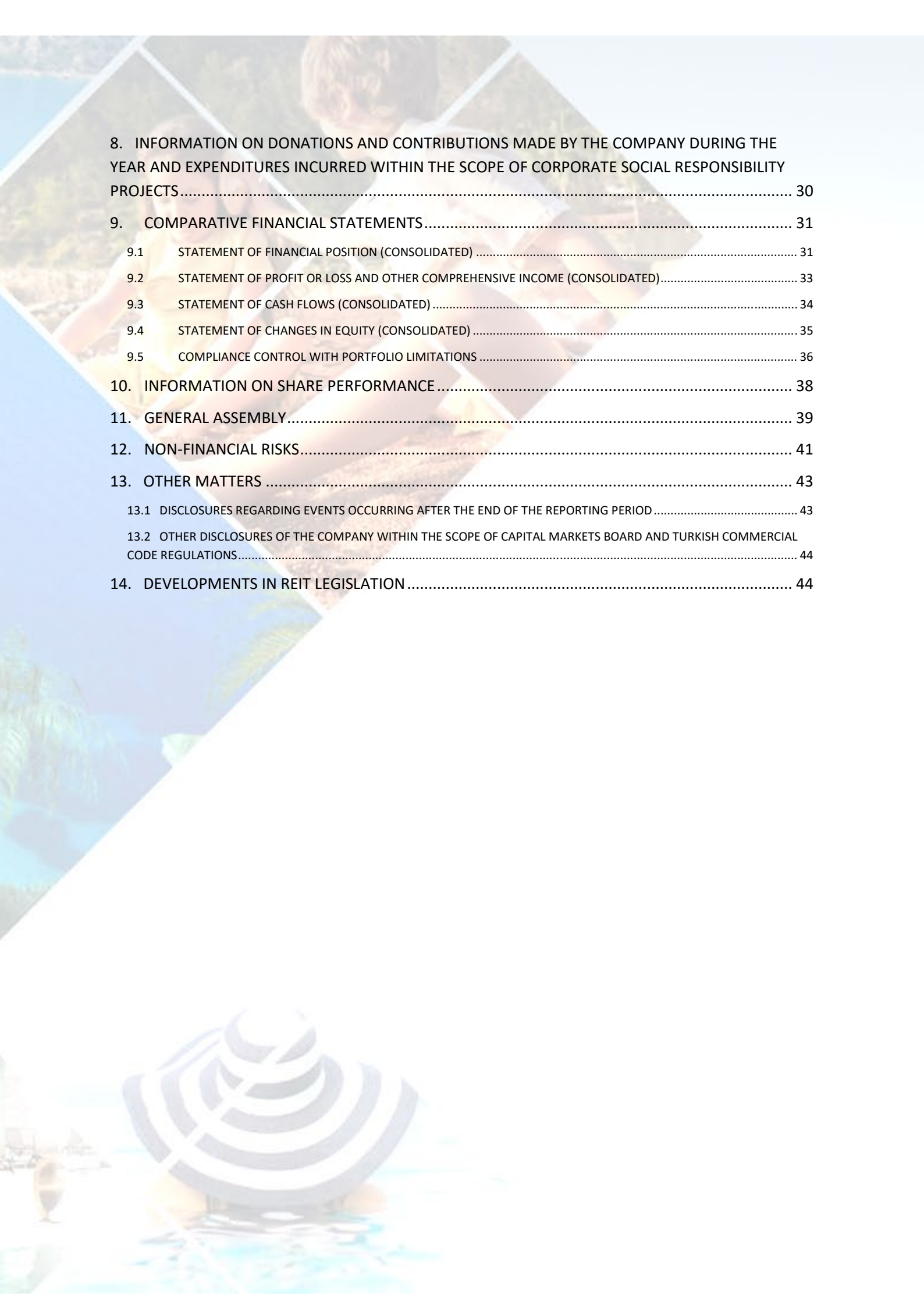
KIZILBÜK GYO

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF
BOARD OF DIRECTORS' ANNUAL REPORT FOR
THE PERIOD 01.01.2026 – 31.03.2026
(ORIGINALLY ISSUED IN TURKISH)**

TABLE OF CONTENTS

1.	CORPORATE PROFILE.....	1
1.1	COMPANY INFORMATION.....	1
1.2	CORPORATE HISTORY.....	2
1.3	CAPITAL AND SHAREHOLDING STRUCTURE.....	3
1.4	INFORMATION ON THE COMPANY'S DIRECT AND INDIRECT SUBSIDIARIES AND SHAREHOLDING RATIOS, AND TREASURY SHARES ACQUIRED BY THE COMPANY.....	3
1.5	BOARD OF DIRECTORS.....	4
1.5.1	BOARD COMMITTEES.....	6
1.5.2	INDEPENDENCE DECLARATIONS OF THE INDEPENDENT BOARD MEMBERS.....	6
1.6	COMMITTEES AND WORKING PRINCIPLES.....	7
1.6.1	DUTIES AND WORKING PRINCIPLES OF THE CORPORATE GOVERNANCE COMMITTEE.....	7
1.6.2	AUDIT COMMITTEE DUTIES AND WORKING PRINCIPLES.....	10
1.6.3	EARLY DETECTION OF RISK COMMITTEE DUTIES AND WORKING PRINCIPLES.....	12
1.6.4	SUSTAINABILITY COMMITTEE DUTIES, WORKING PROCEDURES AND PRINCIPLES.....	13
1.7	CODE OF ETHICS.....	15
1.8	COMPLIANCE REPORT ON CORPORATE GOVERNANCE PRINCIPLES.....	17
1.9	SUSTAINABILITY.....	18
1.10	DIVIDEND DISTRIBUTION POLICY.....	18
1.11	REMUNERATION PRINCIPLES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES.....	19
1.12	DONATION POLICY.....	19
1.13	INVESTMENT STRATEGY.....	20
2	ECONOMIC DATA.....	21
2.1	ECONOMY of TURKIYE – ECONOMIC INDICATORS.....	21
3	ASSETS IN THE PORTFOLIO.....	22
3.1	SINPAŞ KIZILBUK THERMAL WELLNESS RESORT PROJECT.....	23
4	INVENTORIES AND INFORMATION ON INVESTMENT PROPERTIES.....	25
4.1	SINPAŞ KIZILBUK THERMAL WELLNESS RESORT PROJECT.....	25
4.2	SINPAŞ KASABA THERMAL WELLNESS RESORT PROJECT.....	25
5	INFORMATION ON THE COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES AND THEIR RESULTS.....	25
6	INFORMATION ON THE COMPANY'S INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES.....	25
7	INFORMATION ON LAWSUITS FILED AGAINST THE COMPANY THAT MAY AFFECT ITS FINANCIAL POSITION AND OPERATIONS AND THEIR POSSIBLE OUTCOMES.....	25



8. INFORMATION ON DONATIONS AND CONTRIBUTIONS MADE BY THE COMPANY DURING THE YEAR AND EXPENDITURES INCURRED WITHIN THE SCOPE OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS.....	30
9. COMPARATIVE FINANCIAL STATEMENTS.....	31
9.1 STATEMENT OF FINANCIAL POSITION (CONSOLIDATED)	31
9.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONSOLIDATED).....	33
9.3 STATEMENT OF CASH FLOWS (CONSOLIDATED)	34
9.4 STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)	35
9.5 COMPLIANCE CONTROL WITH PORTFOLIO LIMITATIONS	36
10. INFORMATION ON SHARE PERFORMANCE	38
11. GENERAL ASSEMBLY.....	39
12. NON-FINANCIAL RISKS.....	41
13. OTHER MATTERS	43
13.1 DISCLOSURES REGARDING EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD.....	43
13.2 OTHER DISCLOSURES OF THE COMPANY WITHIN THE SCOPE OF CAPITAL MARKETS BOARD AND TURKISH COMMERCIAL CODE REGULATIONS.....	44
14. DEVELOPMENTS IN REIT LEGISLATION.....	44

This Annual Report (the "Report") has been prepared in accordance with Article 516 of the Turkish Commercial Code, the Regulation on the Determination of the Minimum Content of Annual Reports of Companies published in the Official Gazette dated 28 August 2012 and numbered 28395 by the Ministry of Customs and Trade, Article 8 of the Capital Markets Board ("CMB") Communiqué (II-14.1) on Principles Regarding Financial Reporting in the Capital Markets, Article 39 of the CMB Communiqué (III-48.1) on Principles Regarding Real Estate Investment Trusts, and the relevant provisions of the CMB Communiqué (II-17.1) on Corporate Governance.

The Report aims to present an assessment of the Company's operations for the period between 1 January 2026 and 31 March 2026 and to provide transparent, comprehensive and comparable information to our shareholders and investors in line with applicable regulatory requirements and international reporting standards.

1. CORPORATE PROFILE

1.1 COMPANY INFORMATION

Trade Name of the Company	KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
Registered Office Address	Dikilitaş Mahallesi, Yenidoğan Sokak, Sinpaş Plaza, No: 36 Beşiktaş – İstanbul
Date of Incorporation	30 March 2021
Corporate E-mail Address	ir@kizilbukgyo.com
Telephone / Fax Number	(0212) 310 27 03 / (0212) 259 87 18
Corporate Website	kizilbukgyo.com – kizilbukgyo.com/en/
MERSIS Number	0771030543200013
Registered Electronic Mail (KEP) Address	kizilbuk@hs02.kep.tr
Sector of Operation	Financial Institutions / Real Estate Investment Trusts
Principal Activity	To Invest In Real Estate, Real Estate-Backed Capital Market Instruments, Real Estate Projects, And Rights Based On Real Estate.
Independent Audit Firm	Arsen Bağımsız Denetim Hizmetleri A.Ş.
Valuation Firms	Focus Global Gayrimenkul Değerleme ve Danışmanlık A.Ş.
Stock Exchange Indices Included	BIST YILDIZ / BIST KATILIM 50 / BIST KATILIM 100 / BIST TÜM-100 / BIST 500 / BIST MALİ / BIST TÜM / BIST KATILIM TUM / BIST GAYRİMENKUL YAT. ORT.
Trading Market of the Capital Market Instrument	Yıldız Pazar
Listing / Initial Trading Date of the Shares	12 August 2021
Trade Registry Number	302819-5
Tax Identification Number / Tax Office	5601237288 / İSTANBUL – Mecidiyeköy Tax Office Directorate
Paid-in / Issued Share Capital	4,000,000,000 TL
Registered Capital Ceiling	6,000,000,000 TL
Reporting Period of the Board of Directors' Annual Report	01.01.2026 – 31.03.2026 / First Quarter Interim Disclosure

Kızılıbük Real Estate Investment Trust Inc. (“Kızılıbük REIT” or the “Company”) was incorporated on 30 March 2021 through a partial spin-off from Sinpaş Real Estate Investment Trust Inc., in accordance with the Capital Markets Board (“CMB”) regulations, with the purpose of investing in real estate, real estate-backed capital market instruments, real estate projects and rights based on real estate.

Leveraging Sinpaş’s nearly half a century of expertise and track record in real estate development, Kızılıbük REIT aims to establish a branded chain in Türkiye and internationally, focusing on a niche segment that integrates thermal tourism, timeshare property residential units, hotel operations and thermal SPA facilities within a single mixed-use investment model.

The Company’s first portfolio investment is the Kızılıbük Thermal Wellness Resort project, located in Marmaris İçmeler — one of Türkiye’s leading tourism destinations — positioned at the intersection of the Aegean and Mediterranean regions.

Developed on approximately 173,000 square meters of land, the mixed-use project comprises timeshare property units of various sizes, a five-star resort hotel, an apart hotel, two private-use restaurants and one main restaurant, a Thermal SPA facility, retail areas, indoor and outdoor aquaparks, an adventure park, conference and meeting halls, and a healthcare center. The project has been designed to operate year-round without seasonal interruption.

The timeshare property units within the project are offered for sale in 48-week intervals throughout the year. The underlying land plots on which the project is being developed are owned by Kızılıbük REIT, and purchasers of timeshare property units receive freehold title deeds specific to their timeshare property rights. The Company plans to lease unsold inventory timeshare property units on a daily, weekly or longer-term basis to generate additional operating income.

The hotel, apart hotel, retail areas, Thermal SPA, aquapark and other commercial facilities developed within the scope of the project are not intended for sale. These assets will be retained within the Company’s portfolio to generate recurring rental and operating income in line with its long-term investment strategy.

Organizationally, the Company directly manages its core functions — including executive management, project development, budgeting and planning, procurement, sales and marketing, and finance — through its own personnel, while certain auxiliary functions are outsourced in order to ensure operational efficiency and cost optimization.

1.2 CORPORATE HISTORY

Kızılıbük Real Estate Investment Trust Inc. (“Kızılıbük REIT” or the “Company”) was incorporated on 30 March 2021 through a partial spin-off from Sinpaş Real Estate Investment Trust Inc. (“Sinpaş REIT”).

Within the scope of this spin-off, the land plots located in Muğla Province, Marmaris District, İçmeler Neighborhood — on which the “Marmaris Kızılıbük Thermal Wellness Resort” project is being developed — together with the related assets and liabilities, were transferred from Sinpaş REIT to Kızılıbük REIT.

The net book value of the assets and liabilities transferred through the partial spin-off amounted to 230,498,169.32 TL. In addition, Sinpaş REIT contributed 9,501,830.68 TL in cash capital to Kızılıbük REIT. Accordingly, the Company was incorporated with a paid-in capital of 240,000,000 TL, all of which was initially owned by Sinpaş REIT.

Following its incorporation, Kızılıbük REIT completed the necessary preparations for its initial public offering (“IPO”). On 28 May 2021, the Company applied to the Capital Markets Board of Türkiye (“CMB”) for the public offering of 60,000,000 shares, representing 25% of its total issued share capital of 240,000,000 shares, all of which were held by Sinpaş REIT at the time.

Following the CMB’s review process, the approval for the IPO was announced in the CMB Bulletin dated 14 July 2021 and numbered 2021/36.

The demand collection (book-building) process for the offered shares was conducted between 4–6 August 2021. Subsequently, Kızılıbük REIT commenced trading on Borsa Istanbul on 12 August 2021 with a free float ratio of 25%.

1.3 CAPITAL AND SHAREHOLDING STRUCTURE

The Company has a registered capital ceiling of 6,000,000,000 TL. As of 31 March 2026, the Company's issued and paid-in share capital amounts to 4,000,000,000 TL.

Following its initial public offering in August 2021, the Company increased its share capital from 240,000,000 TL to 300,000,000 TL through a share capital increase by way of capitalization of internal resources.

In 2025, the Company executed a further share capital increase by way of capitalization of internal resources, raising its issued capital by 900,000,000 TL from 300,000,000 TL to 1,200,000,000 TL.

In 2026, through another share capital increase by way of capitalization of internal resources, the Company increased its share capital by 2,800,000,000 TL, from 1,200,000,000 TL to 4,000,000,000 TL.

As of the reporting period covered by this Annual Report, the Company's shareholding structure is as follows:

Shareholder	Share Class	Capital Contribution (TL)	Ownership (%)
Sinpaş Real Estate Investment Trust Inc.	A	16,666,666.67	65.2%
	B	2,591,333,309.74	
Other Shareholders (Free Float)	B	1,392,000,023.59	65.2%
TOTAL		4,000,000,000.00	100.00%

Group A shares grant the privilege to nominate candidates for membership of the Board of Directors. All Board member candidates are nominated by the holders of Group A shares and are elected by the General Assembly in accordance with applicable legislation and the Company's Articles of Association.

1.4 INFORMATION ON THE COMPANY'S DIRECT AND INDIRECT SUBSIDIARIES AND SHAREHOLDING RATIOS, AND TREASURY SHARES ACQUIRED BY THE COMPANY

On March 24, 2026, our Company acquired 100% of the shares of Güney Ege Hotel Operations and Management Services Inc., thereby establishing a wholly owned subsidiary.

Legal Entity	Principal Activity	Paid in / Issued Capital	Company's Capital Contribution	Currency	Ownership (%)	Nature of Relationship
Beyazkum Sales, Marketing and Operations Services Inc.	Activities of Real Estate Agencies	50,000	50,000	TRY	100	Wholly Owned Subsidiary
Güney Marmara Real Estate Investments Inc.	Acquisition and Disposal of Own Real Estate	500,000	245,000	TRY	49	Associate
Kızılıbük Kuşgölü Real Estate Investments Inc.	Development of Timeshare Vacation Projects	50,000	24,500	TRY	49	Associate
Güney Ege Hotel Operations and Management Services Inc.	Activities of Hotels and Similar Accommodation Facilities	250,000	250,000	TRY	100	Wholly Owned Subsidiary

* See Section 13.1 – Events Occurring After the End of the Reporting Period

1.5 BOARD OF DIRECTORS

Kızılıbük REIT's Board of Directors consists of a total of five members*, including one Independent Director. Mr. Mahmut Sefa Çelik, a member of the Board of Directors, also serves as the Chief Executive Officer (General Manager) of the Company. The members of the Board of Directors and their biographies are presented below:

Board Member	Position	Independent	Term of Office Expiry
Avni Çelik	Chair of the Board	No	14 August 2028
Ahmet Çelik	Vice Chair of the Board	No	14 August 2028
Mahmut Sefa Çelik	Board Member / Chief Executive Officer	No	14 August 2028
Mehmet Yavaş	Board Member	No	14 August 2028
Akif Gülle	Board Member	Yes	14 August 2028

* See Section 13.1 – Events Occurring After the End of the Reporting Period

Dr. Avni Çelik, Chair of the Board



Avni Çelik was born in Çorum in 1950 and graduated from the Department of Civil Engineering at the Ankara State Academy of Engineering and Architecture. Having been actively engaged in professional life since his university years, Çelik became a founding partner of Sinpaş Yapı Endüstrisi A.Ş. in 1974. In addition to the residential real estate sector, Avni Çelik has made investments in the industrial, services, finance and energy sectors. With nearly half a century of experience, he currently serves as Chair of the Board of Sinpaş Holding, one of Türkiye's leading corporate groups, which operates 52 companies across six sectors and employs more than 2,000 professionals. Dr. Avni Çelik also serves as Chair of the High Advisory Board of the Real Estate and Real Estate Investment Companies Association (GYODER), Member of the Assembly of the Istanbul Chamber of Commerce, and Member of the Board of Trustees of Istanbul Commerce University. In addition, he holds chair and trustee positions in various professional associations and foundations.

Ahmet Çelik, Vice Chair of the Board



Ahmet Çelik was born in 1962 in Alaca, Çorum. He graduated in 1988 from the Department of Public Administration at the Faculty of Economics and Administrative Sciences of Gazi University. Çelik began his professional career at Sinpaş Yapı A.Ş., serving in the accounting department between 1987 and 1990. Between 1992 and 2001, he held senior positions within the procurement division, including Chief and Assistant General Manager. From 2001 to 2007, in addition to his role as Assistant General Manager, he also served as a Board Member in various group companies. In 2007, Ahmet Çelik was appointed as General Manager of Sinpaş Yapı A.Ş. Since 2013, he has continued his career as Vice Chair of the Board across the Group companies. In addition to his responsibilities within the Group, Ahmet Çelik has been a Member of the Assembly of the Istanbul Chamber of Commerce since 2009. He has also served as Chair and Member of the Soil Sector Committee and as a member of the Construction Specialized Committee of the Istanbul Chamber of Commerce. Between 2008 and 2014, he served as Chair of the Board of the Boğaziçi Foundation and continues to serve as a Member of its Board of Trustees. Since 2011, he has been actively serving as Chair of the Board of the Alaca Education and Culture Foundation and as Vice Chair of the Board of KONUTDER (Association of Housing Developers and Investors). He is also a Congress Member of Fenerbahçe Sports Club.

Mahmut Sefa Çelik, Board Member / Chief Executive Officer



Mahmut Sefa Çelik was born in Ankara in 1975. He graduated from Kabataş Erkek High School in 1993 and earned his degree from the Faculty of Civil Engineering at Yıldız Technical University in 1998. Between 1999 and 2001, he served as Site Manager for the Sinpaş Aqua City Project. From 2002 to 2004, he held the position of Deputy Foreign Trade Manager at Seranit Granit Seramik Sanayi A.Ş., and between 2004 and 2005, he managed various distribution investments at Seranit's Bilecik manufacturing facility. In 2005, Mahmut Sefa Çelik was appointed as Assistant General Manager responsible for Project Planning and Administrative Permitting Processes at Sinpaş Headquarters in Istanbul. Throughout his career within Sinpaş Holding and its affiliated companies, he has held various senior executive and board-level positions, including Board Member at Saf Gayrimenkul Yatırım Ortaklığı A.Ş., Chief Executive Officer at Servet Gayrimenkul Yatırım Ortaklığı A.Ş., Board Member at Batı Ege Gayrimenkul A.Ş., Chief Executive Officer at OSWE Real Estate GmbH, Executive Committee Member at Kat Gayrimenkul Geliştirme A.Ş., Board Member at Ottoman Gayrimenkul Yatırımları A.Ş., and Board Member at Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.

Since February 2021, Mahmut Sefa Çelik has been serving as Board Member and Chief Executive Officer of Kızılıbük Real Estate Investment Trust Inc.

In addition, Çelik holds various positions in some of the leading non-governmental organizations in our country. He serves as a Member of the Board of Trustees at Alaca Education Foundation, a Member of the Board of Directors at Boğaziçi Foundation, Vice Chairman of the Shopping Center Investors Association (AYD), Vice Chairman of the Real Estate Investment Trust Association (GYODER), and a Member of the Board of Directors at MÜSİAD.

Mehmet Yavaş, Board Member



Mehmet Yavaş was born in Eskişehir in 1968 and graduated from the Department of Civil Engineering at the Faculty of Engineering and Architecture of Anadolu University. He began his professional career in 1990 as a Civil Engineer at Alsim-Alarko Sanayi ve Ticaret A.Ş. In 1996, he joined Sinpaş Yapı Endüstrisi ve Ticaret A.Ş. as a Site Engineer. Throughout his tenure at Sinpaş, he has held progressively senior positions, including Section Chief, Site Manager, Project Director, Deputy General Manager responsible for Production, and currently serves as Group President of Production. Mehmet Yavaş managed the incorporation process of Sinpaş Real Estate Investment Trust Inc. and led its initial public offering in 2007. Following the merger of Sinpaş Yapı Endüstrisi A.Ş. under the umbrella of Sinpaş Real Estate Investment Trust Inc. in 2018, he continued to serve as Group President of Production and was appointed as a Member of the Board of Directors of Sinpaş REIT.

Akif Gülle, Independent Board Member



Born in 1958 in Aksungur Village of Merzifon, Amasya, Akif Gülle completed his higher education at Samsun Higher Islamic Institute. He held various senior public sector positions, including Branch Manager at the Ministry of National Education, Head of the Personnel Training Department at the Istanbul Metropolitan Municipality, and Deputy Director General at the Directorate General of Personnel and Principles under the Prime Ministry of the Republic of Türkiye. Gülle was among the founding members of the Justice and Development Party (AK Party). He was elected as a Member of Parliament representing Amasya from the Justice and Development Party list during the 21st, 22nd and 23rd legislative terms, beginning with the general elections held on 3 November 2002. He also served as Deputy Chair and Advisor within the Justice and Development Party. Akif Gülle is fluent in English and is married with four children.

1.5.1 BOARD COMMITTEES

Committee	Chair	Members
Audit Committee*	Akif Gülle	*
Corporate Governance Committee	Akif Gülle	Mehmet Yavaş, Mehmet Mert Eren
Early Detection of Risk Committee	Akif Gülle	Mehmet Yavaş

* See Section 13.1 – Events Occurring After the End of the Reporting Period.

1.5.2 INDEPENDENCE DECLARATIONS OF THE INDEPENDENT BOARD MEMBERS

Pursuant to Article 4.3.6 of the Annex to the Capital Markets Board (“CMB”) Communiqué (II-17.1) on Corporate Governance, I hereby declare that I satisfy the independence criteria set forth below and, within this scope, that I am a candidate for Independent Board Membership at the Ordinary General Assembly of Kızılıbük Real Estate Investment Trust Inc. to be held in 2021.

In this context, I declare that:

Within the last five years, neither I, nor my spouse, nor my relatives by blood or marriage up to the second degree, have been employed in an executive position assuming significant duties and responsibilities, or have held more than 10% of the capital or voting rights, or have established a material commercial relationship (it being sufficient that such relationship is material for either the candidate or the Company) with the Company; its subsidiaries over which it exercises control; legal entities controlled by shareholders holding directly or indirectly 10% or more of the Company’s capital or privileged shares; or entities over which such shareholders exercise control.

Within the last five years, I have not been employed by, nor served as a board member of, companies that, under contractual arrangements, have carried out all or a substantial portion of the Company’s operations and organization, including but not limited to those providing audit services (including tax audit, statutory audit and internal audit), rating services or consultancy services to the Company.

Within the last five years, I have not been a shareholder (holding 10% or more), nor served in an executive position with significant duties and responsibilities, nor served as a board member of any entity that provides significant services or products to the Company.

I possess the professional education, knowledge and experience necessary to duly perform the duties to be undertaken as an Independent Board Member.

Subject to compliance with the applicable legislation, and except for university faculty members, I do not work full-time in any public institution or organization after being elected as a Board Member.

I am deemed to be resident in Türkiye in accordance with the provisions of the Income Tax Law.

I possess strong ethical standards, professional reputation and experience that will enable me to contribute positively to the Company’s operations, maintain impartiality in conflicts of interest among shareholders, and make independent decisions by duly considering the rights of stakeholders.

I am able to allocate sufficient time to follow the Company’s activities and to duly fulfill the requirements of the duties undertaken.

Within the last ten years, no judicial or administrative sanctions have been imposed on me by the decision-making body of the CMB following any investigation conducted by the CMB in relation to decisions taken in my capacity as a Board Member.

Within the last ten years, I have not served as an executive Board Member of the Company for more than six years. It is permissible for the same individual to serve as an Independent Board Member in companies under the same holding structure without limitation as to the number of companies; however, such Independent Board Member must not have served in that capacity within the group for more than six years in total during the last ten years.

Akif Gülle

1.6 COMMITTEES AND WORKING PRINCIPLES

1.6.1 DUTIES AND WORKING PRINCIPLES OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee of the Company was established on 3 April 2021. The Committee is chaired by Independent Board Member Mr. Akif Glle. The other members of the Committee are Board Member Mr. Mehmet Yavař and Investor Relations Manager Mr. Mehmet Mert Eren.

The working principles of the Corporate Governance Committee are set out below:

Corporate Governance Committee Charter

PURPOSE

This Charter has been prepared in order to define the formation and operational structure of the Corporate Governance Committee, which is established and authorized by the Board of Directors to assist the Board in monitoring the Company's compliance with the Corporate Governance Principles set forth under the Capital Markets legislation and the Corporate Governance Principles issued by the Capital Markets Board ("CMB"), and, where necessary, to carry out improvement activities in this regard.

AUTHORITY AND SCOPE

The Corporate Governance Committee:

- Develops and ensures the implementation of Corporate Governance Principles within the Company;
- Submits recommendations to the Board of Directors aimed at enhancing corporate governance practices;
- Oversees the activities of the Investor Relations Department;
- Taking into consideration the Corporate Governance Principles, provides recommendations to the Board of Directors regarding the number and selection of Board members, as well as the structure, functioning and effectiveness of the Board and its committees;
- Prepares the agenda for the Board of Directors with respect to the identification of potential risks that may affect the Company's operations and the adoption of measures to eliminate and/or mitigate the possible adverse effects of such risks;
- In consideration of the Company's long-term objectives, determines the principles and criteria governing the remuneration of Board members and senior executives, establishes a human resources and remuneration policy applicable to all employees of the Company, and monitors the implementation of such policies;
- Submits its proposals to the Board of Directors regarding the remuneration of Board members and senior executives within the framework of the remuneration policy;
- Conducts the annual corporate governance evaluation and submits the Corporate Governance Compliance Statement to the approval of the Board of Directors.

The Committee is established and authorized by the Board of Directors and acts within the scope of its delegated authority and responsibilities. The Committee provides advisory opinions to the Board and, where necessary, submits reports reflecting its assessments. However, the ultimate responsibility for decision-making at all times rests with the Board of Directors.

ORGANIZATION

The duties, areas of responsibility, working principles and composition of the Committee are determined by the Board of Directors and disclosed to the public.

The Committee responsible for Corporate Governance consists of at least two members. The Chair of the Committee is elected from among the Independent Board Members. The Executive Committee Chair and the Chief Executive Officer shall not serve on the Committee. Where the Committee consists of two members, both members must be non-executive Board Members. Where the Committee consists of more than two members, the majority of its members must be Board Members who do not assume executive functions.

The Corporate Governance Committee convenes upon the invitation of the Committee Chair, in accordance with the principles set forth by the Capital Markets Board and with such frequency as required by its activities.

During Committee meetings, the Company's risk management systems are reviewed at least once per year.

The Committee submits reports to the Board of Directors containing the necessary information regarding its activities and the outcomes of its meetings.

The Committee may invite any executive it deems necessary to attend its meetings, even if such executive is not a member of the Committee and may obtain their views within the scope of its work.

DUTIES AND RESPONSIBILITIES

Compliance with Corporate Governance Principles

- The Committee ensures that the significance and benefits of the Corporate Governance Principles are duly recognized and internalized within the Company. It evaluates whether an efficient and effective "corporate governance culture" has been established throughout the organization.
- The Committee submits recommendations to the Board of Directors regarding the effective functioning of the infrastructure supporting management practices aimed at enhancing corporate performance, and regarding the understanding, adoption and endorsement of such practices by employees and senior management.
- The Committee performs any other duties within the scope of corporate governance as may be requested by the Board of Directors.
- Within the framework of the Corporate Governance Principles, the Committee identifies matters that would be in the best interests of the Company and its shareholders and that have not yet been implemented and submits recommendations to the Board of Directors for their implementation.
- The Committee evaluates whether the Corporate Governance Principles are being implemented; if not, it assesses the reasons for non-compliance and identifies any conflicts of interest arising from failure to fully comply with such principles. The Committee submits recommendations to the Board of Directors aimed at improving governance practices.

Managerial Oversight

- The Committee obtains the views of management and relevant parties regarding the identification of areas that may give rise to managerial risk and the action plans developed to address identified deficiencies.
- The Committee reviews significant complaints received by the Company concerning management matters, ensures that such matters are duly resolved, and facilitates the confidential communication of employee notifications to management within the framework of applicable policies and procedures.

Public Disclosures

- The Committee reviews the Annual Report to be disclosed to the public and the Company's website and assesses whether the information contained therein is accurate and consistent.

- The Committee develops recommendations to ensure that public disclosures are made in compliance with Capital Markets legislation and in accordance with the Company's Disclosure Policy.

Compliance with Internal Regulations

- The Committee ensures that internal regulations are documented in writing and duly communicated to all employees.
- The Committee assesses whether internal regulations and acceptable standards of conduct (Code of Ethics) are effectively communicated to employees by Company Management through appropriate communication channels.
- The Committee evaluates the actions taken by Company Management to monitor and ensure compliance with internal regulations.
- The Committee oversees compliance with internal regulations designed to prevent conflicts of interest among Board Members, executives and other employees, as well as the misuse of confidential and proprietary information.

Nomination of Candidates to be Elected to the Board of Directors

- The Committee undertakes activities to establish a transparent system for the identification of suitable candidates for the Board of Directors and Senior Management and develops policies and strategies in this regard.

Investor and Shareholder Relations

- The Investor Relations and Shareholder Relations Department has been established to monitor all relations between the Company and its shareholders and investors, and to ensure the full and proper fulfillment of their rights to obtain information.
- The Investor Relations and Shareholder Relations Department:
 - 1- Responds to information requests from shareholders and investors within the framework of applicable legislation, the Articles of Association, the Corporate Governance Principles and the Disclosure Policy;
 - 2- Organizes or participates in periodic investor briefings and meetings, both domestically and internationally, in accordance with applicable legislation, the Articles of Association, the Corporate Governance Principles and the Disclosure Policy;
 - 3- Undertakes the necessary initiatives to ensure that the Company's website functions as an active communication platform for both domestic and international investors;
 - 4- Oversees and monitors the public disclosure process to ensure compliance with applicable legislation;
 - 5- Ensures that records relating to shareholders are maintained in an accurate, secure and up-to-date manner;
 - 6- Ensures that the Annual Reports are prepared in accordance with applicable legislation and the Corporate Governance Principles of the Capital Markets Board;
 - 7- Monitors that General Assembly meetings are conducted in compliance with procedural requirements;
 - 8- Prepares the documentation to be presented to shareholders at General Assembly meetings;
 - 9- Undertakes the necessary actions to ensure that meeting minutes are properly recorded in accordance with applicable procedures.

Risk Management

- In addition to monitoring the management of operational and financial risks by the relevant departments within the Company, the Corporate Governance Committee conducts studies concerning other potential risks and provides guidance to the relevant Department Heads and internal control functions. It identifies, measures, analyzes, monitors and reports the risks faced by the Company, and issues recommendations where necessary in order to mitigate controllable and non-controllable risks.

- Based on risk management strategies and in line with the views of the Board of Directors, the Committee determines the risk management policy and implementation procedures, and ensures their effective application and compliance.
- As part of the risk management process, the Committee participates in the design, selection, implementation and preliminary approval of risk measurement models, which constitute a fundamental tool of risk management. It regularly reviews such models, performs scenario analyses and makes necessary adjustments.
- In order to effectively perform the risk monitoring function, the Committee may request information, opinions and reports from the relevant departments whenever deemed necessary.
- The Committee reviews the risks disclosed in the Company's financial statements and annual reports prepared in accordance with the financial reporting standards accepted by the Capital Markets Board.

Other Responsibilities

- The Committee monitors developments in corporate governance literature and evaluates their potential impact on the Company's management practices.
- The Committee performs any other duties within the scope of corporate governance as may be requested by the Board of Directors.
- The Committee may initiate special reviews where deemed necessary and may appoint external experts or consultants to assist in such reviews.
- The Committee develops recommendations regarding the number of Board Members and senior executives.

1.6.2 AUDIT COMMITTEE DUTIES AND WORKING PRINCIPLES

The Audit Committee of the Company was established on 3 April 2021. The Committee is chaired by Independent Board Member Mr. Akif Güllü.*

The working principles of the Audit Committee are set out below:

Audit Committee Charter

PURPOSE

This Charter has been prepared to define the formation and operational structure of the Audit Committee, which is established by the Board of Directors from among its members to assist the Board in the performance of its oversight and supervisory responsibilities, in accordance with the provisions, regulations and principles set forth under the Capital Markets legislation and the Corporate Governance Principles issued by the Capital Markets Board.

AUTHORITY AND SCOPE

The Audit Committee is established and authorized by the Board of Directors. The Committee acts within the scope of its delegated authority and responsibilities, submits recommendations to the Board of Directors, and, where necessary, prepares reports and presents its opinions to the Board. However, the ultimate responsibility for decision-making at all times rests with the Board of Directors.

** See Section 13.1 – Events Occurring After the End of the Reporting Period.*

ORGANIZATION

The Audit Committee consists of at least two members. Where the Committee is composed of two members, both must be Independent Board Members. Where the Committee consists of more than two members, the majority of its members must be Board Members who do not assume executive functions, such as the Chief Executive Officer or members of the Executive Committee.

The Audit Committee convenes at least once every three months and no fewer than four times per year. The Committee documents all of its activities in writing and maintains proper records thereof. It submits reports to the Board of Directors containing information regarding its activities and the outcomes of its meetings.

DUTIES AND RESPONSIBILITIES

Financial Statements and Public Disclosure

- The Committee reviews the periodic financial statements and related notes to be publicly disclosed and assesses their compliance with applicable legislation and International Financial Reporting Standards (IFRS).
- Together with the independent audit firm, the Committee reviews accounting policies that may have a material impact on the financial statements, developments in International Financial Reporting Standards, and legislative changes that may significantly affect the Company's operations.
- The Audit Committee reviews the Annual Report to be publicly disclosed and verifies whether the information contained therein is accurate and consistent with the information available to the Committee.

Independent Audit Firm and Rating Agency

- The selection or replacement of the independent audit firm, the preparation of the audit engagement agreement, the initiation of the independent audit process, and the oversight of the independent audit firm's activities at every stage are conducted under the supervision of the Committee.
- The Audit Committee evaluates whether any circumstances exist that may impair the independence of the external independent audit firm and assesses the performance of the auditors.
- The Committee ensures that significant findings identified by the independent audit firm during or as a result of the audit, together with the auditor's recommendations for their resolution, are communicated to the Audit Committee in a timely manner and duly discussed.
- The selection of Corporate Governance Rating and Credit Rating agencies, as well as the preparation of related agreements and the initiation of the relevant processes, are carried out under the supervision of the Committee.

Internal Audit

- The Audit Committee ensures that the necessary measures are taken to enable the internal audit function to perform its duties in a transparent and effective manner.
- The Committee informs the Board of Directors and submits recommendations regarding the effectiveness of the internal audit framework and any matters that may limit or hinder the performance of internal auditors.
- The Committee ensures that significant findings identified during or as a result of internal audit activities, together with recommendations for their resolution, are communicated to the Audit Committee in a timely manner and duly discussed.

Compliance with Legal and Regulatory Requirements

- The Committee monitors whether the Company's operations, financial statements and related notes are conducted and prepared in compliance with applicable legislation and internal regulations.

- The Audit Committee reviews the results of audits and investigations carried out by regulatory authorities, provides information to the Board of Directors, and submits its recommendations where appropriate.
- The Audit Committee oversees compliance with internal regulations and policies designed to prevent conflicts of interest among Board Members, executives and other employees, as well as the misuse of confidential and proprietary information.

1.6.3 EARLY DETECTION OF RISK COMMITTEE DUTIES AND WORKING PRINCIPLES

The Early Detection of Risk Committee of the Company was established on 3 April 2021. The Committee is chaired by Independent Board Member Mr. Akif Gülle, and its member is Board Member Mr. Mehmet Yavaş.*

The working principles of the Early Detection of Risk Committee are set out below:

Early Detection of Risk Committee Charter

PURPOSE

This Charter has been prepared to define the formation and operational structure of the Early Detection of Risk Committee, which is established by the Board of Directors from among its members to assist the Board, within the framework of the provisions, regulations and principles set forth under the Capital Markets legislation and the Corporate Governance Principles issued by the Capital Markets Board, in carrying out activities aimed at the early identification of risks that may jeopardize the existence, development and continuity of Kızılbük Real Estate Investment Trust Inc., the implementation of necessary measures in relation to identified risks, and the effective management of such risks.

AUTHORITY AND SCOPE

Within the scope of its duties and responsibilities, the Committee submits its evaluations and recommendations on matters falling within its area of authority to the Board of Directors in writing. The Committee may invite any Company employee it deems necessary to attend its meetings and obtain their views. Where deemed appropriate, the Committee may seek independent expert opinions in relation to matters within the scope of its activities. All resources and support required for the Committee to fulfill its duties are provided by the Board of Directors.

** See Section 13.1 – Events Occurring After the End of the Reporting Period.*

ORGANIZATION

The Early Detection of Risk Committee consists of at least two members. The Chair of the Committee is elected from among the Independent Board Members. The Chair of the Board of Directors or the Chief Executive Officer may not serve on the Committee. Where the Committee consists of two members, both must be non-executive Board Members. Where the Committee consists of more than two members, the majority of its members must be selected from among Board Members who do not perform executive functions. Where deemed necessary, individuals with relevant expertise who are not members of the Board of Directors may also be appointed to the Committee.

The Early Detection of Risk Committee convenes at least once every three months and no fewer than six times per year. The Committee documents all of its activities in writing and maintains proper records thereof. It submits reports to the Board of Directors containing information regarding its activities and the outcomes of its meetings.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

- To carry out activities aimed at the early identification of risks that may jeopardize the Company's existence, development and continuity, to ensure the implementation of necessary measures in relation to identified risks, and to support the effective management of such risks;
- To identify opportunities that may enhance the Company's profitability and operational efficiency, to ensure that necessary actions are taken with respect to identified opportunities, and to report such matters to the Board of Directors in a timely manner;
- Based on risk management strategies and in line with the views of the Board of Directors, to determine risk management policies and implementation procedures, and to ensure their effective application and compliance;
- To request information, opinions and reports from the relevant departments where deemed necessary in order to effectively perform the risk monitoring function;
- To review and report on the risks disclosed in the Company's financial statements and annual reports prepared in accordance with the financial reporting standards accepted by the Capital Markets Board;
- To establish effective internal control systems in order to identify, assess, monitor and manage risk factors and opportunities that may affect the achievement of the Company's objectives, based on impact and likelihood within the framework of an Enterprise Risk Management approach;
- To integrate risk management and internal control systems into the Company's corporate structure and to monitor their effectiveness;
- To measure, subject to appropriate controls, the risk factors and opportunities identified by the Company's risk management and internal control systems, and to report such matters to the Board of Directors for use in decision-making processes;
- To perform any other duties within the scope of risk identification and management as may be requested by the Board of Directors.

The Committee shall also perform any other duties assigned or to be assigned to it under the regulations of the Capital Markets Board and the Turkish Commercial Code.

1.6.4 SUSTAINABILITY COMMITTEE DUTIES, WORKING PROCEDURES AND PRINCIPLES

The Sustainability Committee of the Company was established on 2 May 2024. The Committee is chaired by Board Member / Chief Executive Officer Mr. Mahmut Sefa Çelik. The members of the Committee are Vice Chair Mr. Ahmet Çelik, Board Member Mr. Mehmet Yavaş, Finance Manager Mr. Mehmet Köşek, and Investor Relations Manager Mr. Mehmet Mert Eren.

The working principles of the Sustainability Committee are set out below:

PURPOSE AND SCOPE

This document sets forth the duties, working procedures and principles of the Sustainability Committee (the "Committee") of Kızılbük Real Estate Investment Trust Inc. (the "Company"). The Committee has been established to develop, oversee and enhance the Company's sustainability strategies and practices. Within this framework, it aims to improve sustainability performance across environmental, social and economic dimensions.

The Committee has been formed to ensure that the concept of sustainability is integrated into the Company's business models and processes across all areas of operation, in alignment with the United Nations Sustainable Development Goals. It is responsible for defining sustainability strategies within an environmental, social and

governance (ESG) framework, establishing, implementing and monitoring the Company's sustainability roadmap, designating responsible parties where necessary, and reporting to the Board of Directors accordingly.

STRUCTURE OF THE COMMITTEE

The Committee is composed of at least two members of the Board of Directors and is established subject to the approval of the Board. The Chair of the Committee is appointed by the Board of Directors. Committee members are selected from among individuals with expertise in sustainability matters. The coordination of the Committee is carried out by the Investor Relations Manager.

The Committee consists of five members: Vice Chair Ahmet Çelik; Board Member / Chief Executive Officer Mahmut Sefa Çelik; Board Member Mehmet Yavaş; Finance Manager Mehmet Köşek and Investor Relations Manager Mehmet Mert Eren.

WORKING PROCEDURES AND PRINCIPLES

The Committee convenes at predetermined intervals, at least twice per year. Meetings are held in accordance with the agenda determined by the Chair of the Committee. Meeting dates and agendas are communicated to the members at least one week in advance.

A meeting is held with the participation of at least the absolute majority of the Committee members. Decisions concerning sustainability objectives affecting the Company as a whole are adopted by a simple majority of votes.

Resolutions adopted at meetings are recorded in minutes and approved by the signatures of the members.

DUTIES AND RESPONSIBILITIES

The principal duties and responsibilities of the Committee are as follows:

- To determine and further develop the Company's sustainability strategies and objectives;
- To monitor applicable sustainability-related legislation and standards, ensure compliance therewith, and review and enhance the Company's sustainability policies and practices;
- To maintain the "Sustainability Principles Compliance Framework" published by the Capital Markets Board in an up-to-date manner and to oversee all necessary actions to ensure compliance with such principles;
- To identify and manage sustainability-related risks and opportunities of the Company;
- To monitor, evaluate and report on the Company's sustainability performance;
- To undertake initiatives aimed at increasing awareness of sustainability among employees and stakeholders, and to support training and awareness activities in the field of sustainability;
- To collaborate with employees, suppliers and stakeholders to share and promote best practices in sustainability.

EFFECTIVE DATE

This Charter shall enter into force upon its approval by the Board of Directors and shall remain in effect until amended or repealed by a subsequent Board resolution.

Any amendments to this Charter shall be subject to the approval of the Board of Directors.

1.7 CODE OF ETHICS

The “Code of Ethics” of Kızılıbük Real Estate Investment Trust Inc., which is binding upon all executives and employees, has been established with the objective of enhancing the Company’s corporate value.

All members of the Board of Directors, executives and employees are expected to comply with these ethical principles. The purpose of these rules is to ensure that employees act with full awareness of the corporate impact of their conduct and attitudes, and to foster a transparent, honest and reliable communication environment in all decision-making and business processes relating to the Company, in the achievement of established strategic objectives, and in the management of relationships with shareholders as a publicly traded company.

Shareholders

- The primary objective of Kızılıbük REIT is to create added value by ensuring that shareholders’ investments are managed and enhanced in the most effective manner.
- Equal importance is attributed to each shareholder, regardless of the number of shares held.
- Shareholders are informed and guided in compliance with the applicable regulations issued by the Capital Markets Board.
- An appropriate communication environment is established to enable shareholders to communicate through various channels conveniently and effectively.

Operational Standards

- It is fundamental that the Company’s operations are conducted in accordance with the principles of transparency, integrity and accuracy.
- Compliance with all applicable legal rules and restrictions related to the Company’s activities is essential.
- The rights and freedoms of employees, as well as those of individuals, institutions and organizations with whom the Company engages in the course of its activities, are respected.

Employees

- Employees are required to act in compliance with applicable laws, regulations and internal Company policies.
- The Company ensures the protection of all rights granted to employees under applicable legislation. Employees’ personnel rights and benefits are provided fully, accurately and in a timely manner. The necessary conditions are established to ensure a safe and healthy working environment.
- Employees are treated fairly, and equal opportunities are provided under equal conditions.
- Any form of discrimination, exclusion, intimidation or psychological harassment (mobbing) against employees, or conduct causing similar distress, is unacceptable.
- Any form of sexual, social or physical harassment, or conduct causing similar distress, is strictly prohibited.
- Employees are expected to uphold and protect the name and reputation of Kızılıbük REIT.
- Employees are required to work harmoniously with colleagues and managers, to establish respectful and professional relationships with private or public individuals and institutions with whom the Company engages, and to perform their duties diligently and efficiently. In the event that conduct contrary to business ethics principles is identified, such matters must be reported to Management together with supporting documentation.
- Employees are obliged to protect the Company’s business interests and to refrain from any conduct that may cause harm to such interests. In this context, employees may not use Company resources for personal gain, may not engage in any unlawful conduct, and are required to report to Management any offers that may result in personal benefit.

- Employees may not accept any official or private position, whether permanent or temporary, paid or unpaid, nor engage in commercial activities, without the prior approval of the Company.
- Employees are obliged to maintain the confidentiality of any information and trade secrets learned in connection with their duties and the Company's activities. Such information and related documents may not be disclosed or provided to unauthorized persons or authorities. This obligation continues even after the termination of employment.
- Employees are required to promptly notify and submit to the Human Resources Department any changes in personal status, including marital status and address, as well as any personal or family-related information that forms the basis of rights and obligations regulated under contracts and/or internal policies.
- Personal information of employees and job applicants is kept confidential and protected.
- Suggestions from employees aimed at improving organizational structures and processes are considered valuable opportunities and are communicated to the relevant department managers for evaluation.

Giving and Receiving Gifts

- Gifts that go beyond customary business courtesy — including those that may compromise the objectivity of the receiving party or that are of significant monetary value — and that may place either party in a difficult position, shall neither be offered to nor accepted from companies or individuals with whom the Company maintains business relations.

Customers – Competitors – Suppliers

- Relations with customers and suppliers are conducted on a professional basis aimed at fostering long-term, trust-based relationships that generate value for the Company.
- The Company seeks to collaborate with business partners who embrace and adhere to Kızılbük REIT's ethical values.
- No goods or services that may harm or mislead customers are offered.
- No agreements or arrangements are entered into with competitors for the purpose of boycotting customers or suppliers.
- The Company is committed to acting in accordance with the principles of fair competition within its field of activity and expects the same level of diligence from other companies operating in the sector.
- No negative public statements are made in the media regarding competitors or their executives by name.
- No agreements or arrangements are entered into with competitors concerning the prevention of new market entrants, price-fixing of goods or services, or the allocation of regions, markets or customers.
- No unethical or unlawful methods are used to obtain information about other companies, and employees are prohibited from engaging in such practices. However, the use of publicly available information (such as information published on websites, price lists, advertisements or publicly released materials) is deemed acceptable.
- Commercial, personal and other confidential information belonging to suppliers and customers is kept confidential and duly protected.

Public Disclosure

- Except for the departments expressly authorized for this purpose, no employee may make any oral or written statement on behalf of the Company.
- The disclosure instruments set forth in the Company's Disclosure Policy are utilized in a manner that enables shareholders and stakeholders to benefit from them to the maximum extent and in the most efficient and accessible way.

- Information that the Company is required to disclose to the public, as well as information needed by shareholders and stakeholders, is made available in an easily accessible, up-to-date and equitable manner.

Board of Directors

- Members of the Board of Directors shall not yield to any pressure that may result in adverse consequences for shareholders, shall not accept any material benefit, and shall not conceal any act of misconduct or corruption.
- Members of the Board of Directors shall not disclose confidential information or trade secrets relating to the Company to the public.

Social Responsibility

- Kızılıbük REIT conducts its operations within its sector with a strong sense of social responsibility.
- Kızılıbük REIT supports its employees in voluntarily participating in social and community initiatives in order to foster awareness of social responsibility.
- Kızılıbük REIT exercises the utmost care in protecting the environment both in its own operations and in the activities of its business partners.
- Kızılıbük REIT uses natural and energy resources efficiently and takes measures to prevent waste.

Compliance with the Rules

- All employees of Kızılıbük REIT are expected to fully comply with these principles without exception. In the event that any conduct inconsistent with the Code of Ethics is identified, employees are obliged to promptly inform Management. Any potential loss of business arising from adherence to these rules shall not be regarded as a negative outcome.
- The Code of Ethics is defined, updated and amended by the Corporate Governance Committee. Following the approval of the Board of Directors, the Code is submitted for the information of the General Assembly and is published on the Company's website and in the Annual Report.

1.8 COMPLIANCE REPORT ON CORPORATE GOVERNANCE PRINCIPLES

The Company exercises the utmost diligence in implementing the Corporate Governance Principles issued by the Capital Markets Board. The principles that are mandatory under the Corporate Governance Communiqué are fully complied with by the Company. A substantial portion of the non-mandatory Corporate Governance Principles is also implemented, and necessary actions are being undertaken with respect to those not yet fully adopted.

The Corporate Governance Compliance Report is publicly available on the Public Disclosure Platform (KAP) at the following link: <https://www.kap.org.tr/en/Bildirim/1570544>

1.9 SUSTAINABILITY

As Kızılıbük Real Estate Investment Trust Inc., we are committed to working towards a sustainable future by fulfilling our environmental, social and economic responsibilities.

The Sustainability Compliance Report is publicly available on the Public Disclosure Platform (KAP) at the following link: <https://www.kap.org.tr/en/Bildirim/1570549>

Energy Efficiency Investments	Waste Management and Recycling Programs	Water Conservation Practices	Energy Management and Smart Building Technologies
LED lighting systems will be utilized throughout the project.	In accordance with the Zero Waste Plan included in the Environmental Impact Assessment (EIA) Report approved on 10 March 2024, recycling measures are implemented during both the construction and operational phases. Waste is segregated by type and collected separately.	In line with the project approved on 28 March 2024, two rainwater storage tanks are planned to collect and reuse rainwater within the facility.	Automation systems will be implemented to ensure that electricity consumption and heating-cooling systems operate at optimal energy efficiency levels.
Energy-efficient electrical and mechanical systems (including full automation systems such as occupancy sensors) will be utilized.		Wastewater generated at the planned treatment facilities will be recycled and converted into grey water for reuse.	Reverse osmosis technology is planned to be used to desalinate seawater, both for freshwater production and for use in the building's heating and cooling systems.

1.10 DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is set out below:

General Principles

Sinpaş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (the "Company") has established its dividend distribution policy in accordance with the Turkish Commercial Code No. 6102 ("TCC"), the Capital Markets Law No. 6362 ("CML"), the Capital Markets Board ("CMB") Communiqué on Dividends (II-19.1), the relevant capital markets legislation, and the provisions of the Company's Articles of Association. This policy is based on the Company's objective of establishing a sustainable dividend distribution practice.

Dividend Distribution Principles

At the end of each financial year, in order to benefit from the corporate income tax exemption provided under Article 5, paragraph 1(d) of the Corporate Income Tax Law No. 5520, the Company distributes at least 50% of the gains derived from its real estate assets as dividends by the end of the second month following the month in which the corporate tax return for the relevant fiscal year must be submitted.

The provisions and limitations of the capital markets legislation regarding dividend distribution are reserved. If the net distributable profit for the period calculated in accordance with capital markets legislation is lower than the amount required to be distributed under tax legislation in order to benefit from the corporate income tax exemption, the difference shall, to the extent possible, be covered by distributing other distributable internal

resources.

Dividends shall be distributed within the statutory time limits, on the date determined by the General Assembly, equally to all existing shares, irrespective of their issuance or acquisition dates.

The date (provided that it does not exceed the end of the second month following the month in which the corporate income tax return for the relevant fiscal year must be submitted) and method of distribution of the annual profit to shareholders shall be determined by the General Assembly upon the proposal of the Board of Directors, taking into account the relevant regulations of the Capital Markets Board (CMB).

Dividends distributed in accordance with the Articles of Association may not be reclaimed, and distributed dividends cannot be reversed. The General Assembly may resolve to distribute dividend advances to shareholders, subject to the regulations of the CMB and other applicable legislation. The calculation and distribution of such advances shall be carried out in accordance with the provisions of the applicable legislation.

If the Board of Directors proposes to distribute dividends below the aforementioned ratio or not to distribute dividends at all, the grounds for such proposal shall be disclosed to the shareholders.

1.11 REMUNERATION PRINCIPLES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Board of Directors

Members of the Board of Directors are paid attendance fees. The amount of such attendance fees is determined in a manner sensitive to market conditions, taking into account macroeconomic developments and the Company's performance and achievements. The proposed remuneration is submitted for approval to the General Assembly, implemented upon approval, and may be revised by resolution of the General Assembly.

Senior Executives

The Company applies a competitive and market-based remuneration policy for its senior executives. It observes internal equity among comparable roles and position holders. In determining salary increases, the performance of senior executives, their professional development efforts, sectoral benchmarks and the inflation rate are taken into consideration. Senior executives receive twelve months' salary per year, and salary adjustments are made once annually.

1.12 DONATION POLICY

The Company may make donations and contributions to public-benefit foundations, foundations and associations, public institutions and organizations, municipalities, villages, universities, institutions and organizations engaged in scientific research and development activities, educational institutions, students, and similar persons and entities. The Company may also provide donations and assistance, particularly in the event of natural disasters such as earthquakes, floods or avalanches, to the relevant public authorities in the affected region, provincial administrations, the Turkish Red Crescent and similar organizations.

For each financial year, the Board of Directors submits to the General Assembly, at the ordinary general meeting, its proposal regarding the upper limit for donations and contributions. The upper limit is determined by resolution of the General Assembly.

At the ordinary general meetings convened to discuss the results of the preceding financial year, the General Assembly is informed about the donations and contributions made during the relevant financial year.

1.13 INVESTMENT STRATEGY

The Company's primary strategy is to complete the development of its flagship project, Kızılıbük Thermal Wellness Resort, and to open the project for use and operation in line with the planned timetable by achieving the targeted levels of timeshare property sales and leasable area performance. In order to ensure the successful and sustainable operation of the project, the Company intends to appoint either one of its subsidiaries or a specialized professional management and operating company to undertake the operation and management of the project.

In the medium and long term, the Company aims to develop the proprietary "Kızılıbük" concept into a chain structure. It believes that, through this concept, it will build a significant nationwide timeshare property customer base not limited to a single region. Building on the niche market position achieved through the Kızılıbük project, the Company plans to expand the integrated concept consisting of thermal facilities, timeshare property units, hotel and thermal SPA functions, particularly by investing in other thermal destinations across Türkiye. Priority locations include provinces distinguished by their thermal resources, such as Balıkesir, Bursa, Denizli, Bolu and Afyon.

Through the addition of new facilities to the chain, the Company intends to offer exchange programs to members of the "Kızılıbük World," thereby providing customers with the opportunity to stay at different facilities each year. The chain expansion strategy aims both to maximize customer satisfaction and to support the sustainable growth of Kızılıbük REIT.

In the long term, subject to the domestic chain expansion potential of the "Kızılıbük" concept, the Company may evaluate investment opportunities in various regions of the world by leveraging its existing expertise and replicating the same integrated concept internationally.

2 ECONOMIC DATA

2.1 ECONOMY of TURKIYE – ECONOMIC INDICATORS

Growth

- Gross Domestic Product GDP recorded a year-on-year growth of 3.4% in the fourth quarter of 2025.
- Seasonally and calendar-adjusted GDP increased by 0.4% in the fourth quarter of the year compared to the previous quarter.
- In the fourth quarter, the industrial sector grew by 0.9% and the services sector (including construction) expanded by 3.7%, while the agricultural sector contracted by 7.2%.
- During the same period, total fixed capital investments increased by 5.4%, while private consumption rose by 5.2%; meanwhile, public consumption expenditure declined by 0.9%.
- Net exports made a negative contribution of 1.4 percentage points to growth.
- Within total gross fixed capital formation, construction investments increased by 8.7% in the fourth quarter of 2025, while machinery and equipment investments rose by 2.8%.
- During this period, private consumption contributed 3.7 percentage points to growth, whereas public consumption had a negative contribution of 0.1 percentage points to growth.

Employment

- According to the labor force statistics announced on March 31, 2026, the unemployment rate stood at 8.5% in February 2026.
- The number of employed people was recorded at 32.158 million, while the employment rate was 48.2%.
- The labor force amounted to 35.139 million people, with the labor force participation rate standing at 55.6%.

Based on non-seasonally adjusted data;

- The labor force amounted to 34.596 million people, while the labor force participation rate stood at 51.8%.
- The number of employed people was recorded at 31.479 million, with the employment rate standing at 47.2%.
- As a result of these developments, the unadjusted unemployment rate was realized at 9.0%.

Inflation

- CPI increased by 1.94% in March 2026. Following the developments in December, annual inflation declined by 0.67 percentage points compared to the previous month and stood at 30.87%.
- Prices in the Transportation Group, which increased by 4.52%, were the main driver of March inflation. The group's contribution to inflation was recorded at 0.75 percentage points.
- Another key contributor to March inflation was the Food and Non-Alcoholic Beverages Group, where prices increased by 1.80%, contributing 0.46 percentage points to inflation.
- Prices in the Housing, Water, Electricity, Gas and Other Fuels Group rose by 1.91%, making another significant contribution to March inflation, with an impact of 0.22 percentage points.
- The largest contributions to annual inflation came from the Food and Non-Alcoholic Beverages Group with 8.25 percentage points, the Housing, Water, Electricity, Gas and Other Fuels Group with 6.04 percentage points, and the Transportation Group with 5.45 percentage points.
- The C index (CPI excluding energy, food, beverages, tobacco and gold) increased by 1.64% in March. Among the main sub-components of core inflation, prices in the Core Goods Group increased by

0.44%, while prices in the Services Group rose by 2.39%.

- The annual rate of core inflation stood at 29.68%. Annual price increases were recorded at 16.06% for the Core Goods Group and 40.26% for the Services Group.
- The 12-month average change in core inflation declined by 0.62 percentage points to 32.46%.
- Domestic Producer Price Index (D-PPI) increased by 2.30% in March, bringing the annual D-PPI inflation rate to 28.08%.
- Among the four main industrial sectors, the Manufacturing Index increased by 3.28% in March, resulting in an annual increase of 29.43%.
- Prices for electricity, gas and steam, which are among the four main industrial sectors, declined by 7.51% in March. Accordingly, the annual rate of increase was realized at 14.32%.
- Among the main industrial groupings, intermediate goods prices increased by 2.07% in March. Compared to the same month of the previous year, intermediate goods prices rose by 25.84%.
- Energy prices, on the other hand, declined by 4.65% in March. Compared to the same month of the previous year, energy prices increased by 27.78%.

Housing Sales Statistics

- Across Türkiye, the number of first-hand housing sales increased by 1.3% year-on-year in March, reaching 35,725 units. Second-hand housing sales, on the other hand, declined by 3.6% compared to the same month of the previous year, totaling 77,642 units. Within total housing sales, first-hand housing sales accounted for 31.5%, while second-hand housing sales represented 68.5%.
- In calendar-adjusted series, first-hand housing sales decreased by 1.8% year-on-year, while second-hand housing sales declined by 6.2%. In seasonally and calendar-adjusted series, first-hand housing sales fell by 9.6% month-on-month, while second-hand housing sales decreased by 5.5%.

Source: Turkish Statistical Institute (TURKSTAT), Central Bank of the Republic of Türkiye (CBRT), Ministry of Treasury and Finance of the Republic of Türkiye.

3 ASSETS IN THE PORTFOLIO

The most significant and primary asset currently in the Company's portfolio is the Kızılbük Thermal Wellness Resort project, located in Marmaris İçmeler, one of Türkiye's most prominent holiday destinations, situated at the intersection of the Aegean and Mediterranean seas.

The valuation report for the real estate asset included in the Company's portfolio has been prepared by Focus Global Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent real estate valuation firm. Focus Global Gayrimenkul Değerleme ve Danışmanlık A.Ş. has also been selected to provide valuation services in connection with potential new asset acquisitions during 2026.

A summary of the valuation report for the Kızılbük Thermal Wellness Resort project included in the Company's portfolio is presented below:

Asset	City	Valuation Firm	Report Date	Appraised Value
Marmaris Hotel and Timeshare Property Project (Phases 1, 2 and 3)	Muğla	Focus Global Real Estate Valuation and Consultancy Inc.	8 January 2026	39,881,376,000 TL

The valuation report prepared for the Project is available on the Public Disclosure Platform (KAP) at the following link: <https://www.kap.org.tr/en/Bildirim/1543409>

3.1 SINPAŞ KIZILBÜK THERMAL WELLNESS RESORT PROJECT

The first project of Kızılıbük REIT is located in İçmeler Kızılkum, one of the most unique bays of Marmaris.

Kızılıbük REIT's flagship development comprises 1,309 luxury timeshare property units, a five-star hotel with a capacity of 206 rooms, an apart hotel with 10 rooms, a Thermal SPA, a Wellness Park, a Convention Center, retail areas, a large-scale Aquapark and comprehensive healthy living facilities. The project has been designed to operate 365 days a year and incorporates numerous pioneering features within its integrated concept.

Bringing together the timeshare property holiday model with a thermal wellness concept, the Sinpaş Kızılıbük Thermal Wellness Resort Project offers a lifetime vacation opportunity. With its healing thermal waters and unique natural setting in Marmaris İçmeler, the project provides a year-round holiday experience in a distinctive bay, combining five-star hotel comfort with a tranquil, healthy and refined lifestyle concept designed to meet the expectations of a new-generation conservative hospitality approach. The residences, designed in inspiration from a yacht concept and harmoniously integrated into the overall architectural vision, are furnished with high-end furniture, built-in appliances, fully equipped kitchens and bathrooms, and all essential amenities. Offering a high standard of living environment, the project delivers a next-generation holiday experience aligned with cultural and religious sensitivities while maintaining premium comfort and quality standards.



Located in İçmeler Neighborhood, Marmaris District, Muğla Province, the Kızılıbük Project is being developed in three phases and comprises a total of 1,309 independent units (timeshare property units), corresponding to 65,848 timeshare property intervals. The project includes a hotel with an approximate gross area of 26,327 m² and an apart hotel with an area of 7,604 m². In addition, there are two main restaurants with a combined area of approximately 1,620 m², as well as approximately 7,612 m² of private restaurant and café areas. The facility features a total thermal spa area of 8,180 m² and conference and meeting halls covering approximately 2,000 m². In addition to these areas, the project includes retail spaces, indoor recreation areas and common facilities such as prayer rooms.



The Kızılıbük Project is situated on parcels numbered 2587, 2588 and 1598, with a total land area of 173,486.72 m². The project is being developed as a mixed-use development and currently consists of three phases under ongoing construction. Although originally planned as a four-phase project, it was revised due to technical considerations arising from the physical characteristics of the land, and the fourth phase was subsequently cancelled. New construction permits have been obtained for Phase 3 on parcels numbered 1598 and 2588.



Phase 1:

Comprises independent sections subject to 555 timeshare property ownership rights, corresponding to 26,640 timeshare property intervals, with a total construction area of 130,118 m². This phase includes the hotel, Thermal SPA, Aquapark & Adventure Park, retail areas and other commercial spaces.

Phase 2:

Comprises 692 independent sections subject to timeshare property ownership rights, corresponding to 35,984 timeshare intervals, with a total construction area of 97,444.84 m². The section branded as “Sinpaş Reserve” is located within this phase.

Phase 3:

With a total construction area of 45,928 m², Phase 3 will consist of 62 independent sections subject to timeshare property ownership rights, corresponding to 3,224 timeshare property intervals, as well as a 10-room apart hotel.

At the Sinpaş Kızılıbük Thermal Wellness Resort project, a total of 751 timeshare property sales agreements were executed between 1 January 2026 and 31 March 2026, with an aggregate contract value of 697,185,904 TL, excluding VAT.

Within the scope of the project, construction works for Phase 1 (in full) and Phase 2 (limited to the first five blocks), including timeshare property units, the hotel, thermal facilities and indoor recreational components (excluding Phase 3), have been completed. In addition, all movable furniture, in-unit white goods and accessories have been procured and installed in the residences. In outdoor areas, landscaping works have progressed substantially, including the completion of pedestrian and vehicle road pavements and the planting of tens of thousands of trees and plants. Despite force majeure circumstances beyond our control, we commenced hosting our customers in the Phase 1 timeshare property units as of April 2025. A significant portion of the service and retail areas under ongoing construction has also been opened for use. The Sinpaş Reserve, located in Phase 2, is planned to be delivered gradually by the end of 2028.



4. INVENTORIES AND INFORMATION ON INVESTMENT PROPERTIES

4.1 SINPAŞ KIZILBUK THERMAL WELLNESS RESORT PROJECT

Inventories related to the Sinpaş Kızılıbük Thermal Wellness Resort Project are carried at cost. The Company classifies 70% of the timeshare property units as inventory and 30% as investment property. The inventory balance will represent 70% of the timeshare property units within the Sinpaş Kızılıbük Thermal Wellness Resort Project intended for sale. The inventory amount consists of the accumulated cost (expenditure) of the timeshare property units developed under the project.

4.2 SINPAŞ KASABA THERMAL WELLNESS RESORT PROJECT

Pursuant to the Company's material event disclosure dated 28 November 2023, a "Real Estate Sales Promise and Construction Agreement in Return for Land Share and Revenue Sharing" was executed between the landowner and Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş., a wholly owned subsidiary of Güney Marmara Gayrimenkul Yatırımları A.Ş., in respect of land parcels totaling 343,151.54 m² located in Okçuğöl Neighborhood, Muradiye Road area, Susurluk District, Balıkesir Province.

In accordance with the agreement, a timeshare vacation project will be developed on the land by Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş. Under the land share construction model, 12% of the revenue generated from the sale of the timeshare vacation units constructed on the land will be allocated to the landowner, while the remaining 88% will belong to Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş.

The hotel component of the Sinpaş Kasaba Thermal Wellness Resort Project was granted its construction permit on 22 December 2022 and has a total construction area of 33,244 m².

5. INFORMATION ON THE COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES AND THEIR RESULTS

As the Company operates as a real estate investment trust, it does not conduct research and development (R&D) activities. Market research and other required analyses are carried out through professional advisory firms.

6. INFORMATION ON THE COMPANY'S INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

The Company's existing internal control system is reviewed within the framework of the annual internal audit plan by the Company's Internal Audit Department, with a primary focus on enhancing operational effectiveness and efficiency, ensuring the reliability of financial reporting, and achieving full compliance with applicable laws and regulations. The results of internal audit activities are reported to the Audit Committee. The Audit Committee evaluates the effectiveness of internal audit activities during its meetings held throughout the year. Where deemed necessary, the Committee may also obtain the views of the internal auditor, the external auditor and other members of the Company's management.

7. INFORMATION ON LAWSUITS FILED AGAINST THE COMPANY THAT MAY AFFECT ITS FINANCIAL POSITION AND OPERATIONS AND THEIR POSSIBLE OUTCOMES

A total of 18 lawsuits have been filed against the Company, which have been classified as material cases.

The lawsuits are presented below under separate headings based on their subject matter:

I. Lawsuits Filed for the Annulment of the Administrative Act Concerning the Environmental Impact Assessment (EIA) Positive Decision Issued by the Relevant Authority within the Scope of the Company's Timeshare Property Project in Marmaris, Muğla:

1- Muğla 3rd Administrative Court – File No: 2024/697 (Former File No: 2023/643)

Plaintiff: Muğla Metropolitan Municipality - Defendant: Ministry of Environment, Urbanization and Climate Change

Intervenor: Kızılbük REIT

Davanın Son Aşaması: Davanın reddine dair karar kesinleşti. Current Status of the Case: The dismissal decision has become final.

The lawsuit was filed seeking the suspension of execution and annulment of the "EIA Positive" decision dated 10 March 2023 and numbered 7031. The Administrative Court rejected the claim. The plaintiff appealed the decision. The 4th Chamber of the Council of State (File No: 2024/223 E., 2023/2467 K.) rejected the request for stay of execution. The decision was subsequently appealed before the Council of State. The Council of State overturned the initial ruling on the grounds that a new expert examination should be conducted. Following the expert review, the Administrative Court again ruled in favor of dismissal. Upon further appeal, the Council of State rejected the appeal request and upheld the dismissal decision. The ruling has become final.

2- File No: 2024/847 (Former File No: 2023/796) of the Muğla 3rd Administrative Court;

Defendant: Ministry of Environment, Urbanization and Climate Change – Intervening Party: Kızılbük REIT

Latest Status of the Case: The decision dismissing the case has become final.

The Court dismissed the lawsuit filed for the stay of execution and annulment of the Environmental Impact Assessment (EIA) Positive Decision dated 10 March 2023 and numbered 7031. The decision was appealed by the plaintiffs and the file was submitted to the Council of State. The Council of State overturned the decision on the grounds that a new expert examination should be conducted. Following the renewed proceedings, the Court again ruled for the dismissal of the case. The plaintiffs appealed this decision. Within the scope of the appeal file, the plaintiffs' request for a stay of execution was rejected. Subsequently, the Council of State rejected the appeal request and upheld the decision. The decision has become final.

3- File No: 2023/792 of the Muğla 3rd Administrative Court;

Plaintiff: Chamber of Architects - Defendant: Ministry of Environment, Urbanization and Climate Change – Intervening Party: Kızılbük REIT

Latest Status of the Case: The decision dismissing the case has become final.

The Court dismissed the lawsuit filed for the stay of execution and annulment of the Environmental Impact Assessment (EIA) Positive Decision dated 10 March 2023 and numbered 7031. The decision has become final.

4- File No: 2024/534 (Former File No: 2023/767) of the Muğla 2nd Administrative Court;

Defendant: Ministry of Environment, Urbanization and Climate Change

Intervening Parties: Kızılbük REIT, TMMOB Chamber of City Planners Economic Enterprise

Latest Status of the Case: The decision dismissing the case has become final.

The Court dismissed the case by taking as precedent its dismissal decision regarding the annulment of the same administrative act rendered in its File No: 2023/643. The decision was appealed by the plaintiff with a request for a stay of execution. Upon review, the Council of State concluded that a new on-site inspection and examination should be conducted by a new panel of experts and that the report to be prepared together with the information and documents in the file should be reassessed. Accordingly, the Council of State overturned the aforementioned decision and remanded the case to the relevant Administrative Court for a new judgment. Following the renewed proceedings, the Court again ruled for the dismissal of the case. The plaintiffs appealed this decision. Within the scope of the appeal file, the plaintiffs' request for a stay of execution was rejected. Subsequently, the Council of State rejected the appeal request and upheld the decision. Accordingly, the decision has become final.

I. In addition to the aforementioned cases, two lawsuits filed in 2022 concerning the annulment of previous construction permits that are no longer valid are also considered significant in terms of their content. The details of these cases are provided below:

5- File No: 2022/27 of the Muğla 2nd Administrative Court;

**Plaintiffs: Muğla Environment and Ecological Policies Association – Defendant: Marmaris Municipality
Intervening Party: Kızılbük REIT**

Latest Status of the Case: The decision dismissing the case has become final.

This lawsuit was filed for the annulment of outdated construction permits and the zoning status certificate related to the Kızılbük Project. The Court initially rejected the plaintiffs' request for a stay of execution. Subsequently, the Court ruled that there was no need to render a decision with respect to the construction permits and dismissed the case regarding the zoning status certificate on the grounds that the administrative act was not unlawful. The decision was appealed by the plaintiffs on 5 April 2024. The Regional Administrative Court also rejected the plaintiffs' request for a stay of execution. The appeal file was registered before the İzmir 3rd Administrative Court of Appeal under File No: 2024/1105. In its File No: 2024/1105, the İzmir 3rd Administrative Court of Appeal rendered a final decision rejecting the plaintiffs' appeal.

6- File No: 2022/1131 of the Muğla 3rd Administrative Court;

Plaintiffs: Muğla Environment and Ecological Policies Association – Defendant: Ministry of Environment, Urbanization and Climate Change Intervening Party: Kızılbük REIT

Latest Status of the Case: The case has been dismissed; the decision is under appeal review.

This lawsuit was filed for the annulment of outdated construction permits and the zoning status certificate related to the Kızılbük Project. On 3 December 2024, the Court ruled for the annulment of the zoning status certificate and 17 construction permits subject to the case. An appeal was filed against the decision, and a request for a stay of execution was submitted. The file was referred to the İzmir 3rd Administrative Court of Appeal and registered under File No: 2024/2787 for appellate review. The Regional Administrative Court rejected the request for a stay of execution. Following the appellate review, in its File No: 2024/2787, the İzmir 3rd Administrative Court of Appeal decided to accept the appeal application, set aside the decision of the Muğla 3rd Administrative Court dated 19 November 2024 and numbered E:2022/1131, K:2024/2282, and ruled for the dismissal of the case. The decision was appealed by the plaintiffs and a response to the appeal was submitted. The file has been referred to the 6th Chamber of the Council of State and registered under File No: 2025/7572.

II. In addition to the cases described above, certain administrative acts in the form of Municipal Council (Encümen) Decisions of the Marmaris Municipality, penalty notices and payment orders have been issued and duly served. New lawsuits have been filed against these administrative acts. These cases are also considered significant in terms of their content. The details of these cases are set out below:

7- File No: 2024/823 of the Muğla 1st Administrative Court;

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed for the annulment of the Municipal Council (Encümen) Decision dated 13 June 2024 and numbered 2024/748 of the Marmaris Municipality, issued pursuant to Article 42, the penalty notice dated 8 July 2024 and numbered 324 imposing an administrative fine of 59,645,982.86 TL, and the Building Suspension Report dated 12 June 2024 which constitutes the basis of these administrative acts. The Court ruled for the annulment of the part of the encümen decision concerning the administrative fine (amounting to 59,645,982.86 TL in total) and the penalty notice dated 8 July 2024 and numbered 324 issued for the accrual of such fine. However, the Court dismissed the case with respect to the part of the encümen decision granting the plaintiff a 30-day period to remedy the zoning violations and with respect to the Building Suspension Report dated 12 June 2024. The decision has been appealed. The file has been registered for appellate review before the İzmir 8th Administrative Court of Appeal under File No: 2025/973. Within the scope of the appeal file, the request for a stay of execution was evaluated and definitively rejected. The appellate review is ongoing.

8- File No: 2024/953 of the Muğla 1st Administrative Court (Fine: 59,645,982.86 TL);

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

This lawsuit was filed for the annulment of the Payment Order dated 28 August 2024 and numbered 690493 issued by the Marmaris Municipality for the amount of 59,645,982.86 TL based on the Municipal Council (Encümen) Decision dated 13 June 2024 and numbered 748. A stay of execution has been granted with respect to the payment order (administrative fine). Subsequently, the Court ruled for the annulment of the administrative act subject to the case.

9- File No: 2024/980 of the Muğla 1st Administrative Court (Fine: 29,917.28 TL);

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed for the annulment of the Municipal Council (Encümen) Decision dated 17 July 2024 and numbered 2024/1283, the demolition decision, and the penalty notice dated 30 July 2024 and numbered 388 imposing an administrative fine of 29,917.28 TL. The Court ruled for the dismissal of the case. The decision has been appealed and the file is currently under appellate review before the İzmir 8th Administrative Court of Appeal under File No: 2025/1132.

10- File No: 2025/57 of the Muğla 1st Administrative Court (Fine: 104,757,908.50 TL);

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed for the annulment of the Municipal Council (Encümen) Decision dated 11 December 2024 and numbered 2024/5510 of the Marmaris Municipality and the administrative fine amounting to 104,757,908.50 TL imposed through the penalty notice dated 26 December 2024 and numbered 525. The Court ruled for the annulment of the administrative fine and the penalty notice with respect to the portion amounting to 90,122,511.88 TL. The Court dismissed the case regarding the remaining portion amounting to 14,635,396.62 TL and the part of the encümen decision granting a 30-day period for the remedy of the violations. An appeal was filed with respect to the dismissed portion, while the defendant Municipality also filed an appeal regarding the portion accepted by the Court. Responses to the appeals have been submitted. The file has been registered for appellate review before the İzmir 8th Administrative Court of Appeal under File No: 2025/1923.

11- File No: 2025/214 of the Muğla 4th Administrative Court (Fine: 104,757,908.50 TL);

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed for the annulment of the Payment Order dated 12 February 2025 and numbered 693395 (Serial No: 1) issued by the Marmaris Municipality for the amount of 104,757,908.50 TL. With respect to the request for a stay of execution, the Court ruled for the stay of execution, without requiring security, regarding the portion of the payment order dated 12 February 2025 and numbered 693395 related to the collection of the administrative fine amounting to 90,122,511.88 TL. However, the Court rejected the request for a stay of execution regarding the portion related to the collection of 14,635,396.62 TL. An objection was filed against this rejection; however, the objection was dismissed. In its decision on the merits, the Court ruled for the dismissal of the case with respect to the 14,635,396.62 TL portion of the payment order and for the annulment of the remaining 90,122,511.88 TL portion. An appeal was filed regarding the dismissed portion, while the defendant filed an appeal regarding the portion accepted by the Court. The file has been registered before the İzmir Regional Administrative Court, 8th Administrative Litigation Chamber under File No: 2026/13. The request for a stay of execution within the scope of the appellate review has been rejected.

III. Due to the Building Suspension Reports issued by the Marmaris Municipality and the administrative acts concerning the annulment of new construction permits, the following lawsuits for annulment of administrative acts have been filed. The details of these cases are set out below:

12- File No: 2024/1387 of the Muğla 2nd Administrative Court;

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: A decision has been rendered regarding the administrative act in dispute.

This lawsuit was filed for the annulment of the Building Suspension Report dated 11 December 2024 issued by the Marmaris Municipality and the related sealing administrative acts. A request for a stay of execution was submitted. The Court granted the request for a stay of execution and subsequently ruled for the annulment of the administrative acts subject to the case.

13- File No: 2024/1391 of the Muğla 2nd Administrative Court;

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed for the annulment of the administrative act of the Marmaris Municipality concerning the revocation of 17 construction permits dated 8 January 2024. A request for a stay of execution was submitted. The Court granted the request for a stay of execution and subsequently ruled for the annulment of the administrative acts subject to the case. The defendant administration has filed an appeal, and a response to the appeal has been submitted. **The case has been recorded under file number 2026/607 by the İzmir 3rd Administrative Litigation Chamber.**

14- File No: 2025/198 of the Muğla 2nd Administrative Court;

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed with a request for the annulment and stay of execution of the administrative act regarding the cancellation of the Building Use Permit dated 29 March 2024 and numbered 15/1 (Bulletin No: 118787928) through the Spatial Address Registration System (MAKS), which was notified to the Company on 16 January 2025 by the letter of the Marmaris Municipality dated 10 January 2025 and numbered E-4182350-115.02.11.99-99146, concerning the cancellation of the Building Use Permit, as well as any other administrative acts, if any, related to the cancellation of such Building Use Permit. The Court granted the request for a stay of execution and subsequently ruled for the annulment of the administrative acts subject to the case. The defendant administration has filed an appeal, and a response to the appeal has been submitted. **The case has been recorded under file number 2026/606 by the İzmir 3rd Administrative Litigation Chamber.**

15- File No: 2025/134 of the Muğla 2nd Administrative Court (Fine: 2,677,149,516 TL);

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed with a request for the annulment and stay of execution of the Municipal Council (Encümen) Decision dated 19 December 2024 and numbered 2024/6028, issued pursuant to Article 42, which imposed an administrative fine of 2,677,149,516 TL on Kızılbük REIT. The Court granted the request for a stay of execution and subsequently ruled for the annulment of the administrative act subject to the case. The defendant administration has filed an appeal, and a response to the appeal has been submitted. **The case has been recorded under file number 2026/503 by the İzmir 8th Administrative Litigation Chamber.**

16- File No: 2025/215 of the Muğla 4th Administrative Court (Fine: 2,677,149,516.58 TL);

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

This lawsuit was filed for the annulment of the penalty notice dated 16 January 2025, serial number 1, amounting to **2,677,149,516.58 TL**, which was issued based on the Municipal Council (Encümen) Decision dated 19 December 2024 and numbered 2024/6028 concerning the implementation of Article 42, and notified to the Company on 14 February 2025. The defendant has submitted its initial statement of defense. The Court has ruled for the **stay of execution of the administrative act subject to the case without requiring security.**

17- File No: 2025/305 of the Muğla 2nd Administrative Court;

Plaintiffs: Kızılbük REIT – Anadolu Sinerji Construction Contracting and Trade Joint Stock Company

Defendant: Marmaris Municipality

Latest Status of the Case: The decision is under appellate review.

This lawsuit was filed for the annulment of the administrative act of the Marmaris Municipality concerning the revocation of 25 construction permits (Phase 3) dated 27 March 2024. The Court granted the request for a stay of execution and subsequently ruled for the annulment of the administrative acts subject to the case. The defendant administration has filed an appeal, and a response to the appeal has been submitted. **The case has been recorded under file number 2026/605 by the İzmir 3rd Administrative Litigation Chamber.**

18- File No: 2025/350 of the Muğla 3rd Administrative Court;

Plaintiff: Kızılbük REIT – Defendant: Marmaris Municipality

This lawsuit was filed with a request for the **annulment and stay of execution** of the Municipal Council (Encümen) Decision of the Marmaris Municipality dated **22 January 2025** and numbered **2025/177**, which ordered demolition pursuant to **Article 32 of the Zoning Law No. 3194** and imposed an administrative fine of **43,059.91 TL** on the plaintiff company pursuant to **Article 42/3 of the same Law**, as well as the **penalty notice dated 18 February 2025 and numbered 71** issued for the collection of such administrative fine. The plaintiff asserted that the administrative acts were unjust and unlawful. The Court has ruled for the **stay of execution of the administrative act subject to the case**. A hearing date has been scheduled for May 12, 2026, at 10:33.

CONCLUSION: When all of the above-mentioned case files are evaluated together, it is our opinion that, under the ordinary course of law, these cases should result in decisions in favor of the Company. Should these cases be concluded in favor of the Company, the Marmaris Municipality would be required to revoke all administrative acts adversely affecting the Project and the process would be expected to proceed within the previous legal framework.

8. INFORMATION ON DONATIONS AND CONTRIBUTIONS MADE BY THE COMPANY DURING THE YEAR AND EXPENDITURES INCURRED WITHIN THE SCOPE OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS

In line with its corporate social responsibility approach and in accordance with its approved Donation Policy, the Company made total donations amounting to 1,410,000 TL during the period between 1 January 2026 and 31 March 2026.

9. COMPARATIVE FINANCIAL STATEMENTS

9.1 STATEMENT OF FINANCIAL POSITION (CONSOLIDATED)

The Company's Consolidated Statement of Financial Position as of 31 March 2026 is presented below on a comparative basis: (Currency – Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and have been adjusted for inflation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies," reflecting the purchasing power as of 31 March 2026.)

		Not Audited March 31, 2026	Audited December 31, 2025
ASSETS			
Current Assets	Footnote	7,396,215,216	6,873,674,115
Cash and Cash Equivalents	3	15,657,324	9,619,356
Financial Investments		248,086,158	51,722,044
Trade Receivables		790,280,411	835,580,521
- Due from Third Parties		4,349,420	91,644,544
- Due from Related Parties	9	785,930,991	743,935,977
Other Receivables		22,588	24,937
- Due from Third Parties		22,588	24,937
- Due from Related Parties		-	-
Inventories	3	4,442,299,762	3,957,493,538
Prepaid Expenses	3	896,052,259	985,105,538
- Due from Third Parties		853,297,266	832,463,610
- Due from Related Parties		42,754,993	152,641,928
Current Tax Assets		251	-
Other Current Assets		1,003,816,463	1,034,128,181
Non-Current Assets		31,884,357,925	31,536,235,477
Long-Term Trade Receivables		-	-
- Due from Third Parties		-	-
- Due from Related Parties		-	-
Long-Term Other Receivables		177,621	167,944
- Due from Third Parties		177,621	167,944
- Due from Related Parties		-	-
Inventories		392,492,649	364,323,610
Investments Valued Using the Equity Method		-	-
Investments in Subsidiaries, Joint Ventures and Associates		-	-
Right-of-Use Assets	4	22,737,800	13,576,002
Investment Property	5	31,371,951,924	31,093,124,671
Tangible Fixed Assets		60,973,518	38,276,394
Intangible Fixed Assets		14,312,361	6,266,954
Long-Term Prepaid Expenses		1,480,713	1,589,765
Deferred Tax Asset		20,231,339	18,910,137
TOTAL ASSETS		39,280,573,141	38,409,909,592

SOURCES		Not Audited March 31, 2026	Audited December 31, 2025
Current Liabilities	Footnote	3,972,218,502	3,740,434,590
Short-Term Borrowings	3	726,962,021	816,678,682
- Due to Third Parties		-	-
- Due to Related Parties		726,962,021	816,678,682
Short-Term Portions of Long-Term Borrowings	3	1,798,603,161	1,623,050,892
- Due to Third Parties		1,646,829,211	1,468,031,800
- Due to Related Parties	9	151,773,950	155,019,092
Trade Payables		744,870,472	885,186,709
- Due to Third Parties		639,665,194	812,750,561
- Due to Related Parties	9	105,205,278	72,436,148
Employee Benefit Obligations		22,278,455	16,577,977
Other Liabilities	3	1,008	-
- Due to Third Parties		1,008	-
- Due to Related Parties		-	-
Deferred Revenues	3	615,251,799	211,342,201
- Due to Third Parties		326,581,960	211,342,201
- Due to Related Parties	9	288,669,839	-
Current Provisions		23,983,761	24,295,797
- Current Provisions for Employee Benefits		9,318,447	8,158,061
- Other Current Provisions		14,665,314	16,137,736
Other Current Liabilities		40,267,825	163,302,332
Non-Current Liabilities		11,254,247,156	10,535,600,874
Long-Term Borrowings	3	1,847,375,055	1,670,363,965
- Due to Third Parties		1,847,375,055	1,661,412,437
- Due to Related Parties		-	8,951,528
Trade Payables		20,878,546	31,190,340
- Trade Payables to Third Parties		-	-
- Trade Payables to Related Parties		20,878,546	31,190,340
Non-current Provisions		9,768,295	9,119,350
- Provisions for Employee Benefits		9,768,295	9,119,350
Other Liabilities	3	173,521,900	186,377,435
- Due to Third Parties		173,521,900	186,377,435
- Due to Related Parties		-	-
Deferred Revenues	3	670,551,850	703,473,094
- Due to Third Parties	3	11,416,120	25,648,291
- Due to Related Parties	9	659,135,730	677,824,803
Deferred Tax Liability		8,532,151,510	7,935,076,690
EQUITY		24,054,107,483	24,133,874,128
Equity Attributable to the Parent Company		24,059,880,510	24,138,115,035
Issued Capital		4,000,000,000	1,200,000,000
Positive Differences in Capital Adjustment		748,799,177	2,011,107,090
Other Accumulated Comprehensive Income That Will Not Be Reclassified			
In Profit Or Loss		(2,129,160)	(1,099,543)
- Revaluation and Measurement Gains (Losses)		-	-
- Gains (Losses) on Remeasurements of Defined Benefit Plans		(2,129,160)	(1,099,543)
Accumulated Other Comprehensive Income (or Expense) to Be Reclassified to Profit or Loss		-	-
Restricted Reserves Appropriated from Profits		312,475,109	312,475,109
Effects of Business Combinations Under Common Control		(399,177,640)	(399,348,889)
Retained Earnings / (Losses) from Previous Years		19,318,168,414	20,075,922,327
Net Period Profit / (Loss)		81,744,610	939,058,941
Non-Controlling Interests		(5,773,027)	(4,240,907)
TOTAL EQUITY AND LIABILITIES		39,280,573,141	38,409,909,592

9.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONSOLIDATED)

The Company's Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period 1 January 2026 – 31 March 2026 is presented below on a comparative basis: (Currency – Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and have been adjusted for inflation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies," reflecting the purchasing power as of 31 March 2026.)

	Note	Not Audited Current Period January 1, 2026 March 31, 2026	Not Audited Previous Period January 1, 2025 March 31, 2025
CONTINUING OPERATIONS			
Revenue		487,336,171	801,190,965
Cost of Sales (-)		(85,303,764)	(351,569,171)
GROSS PROFIT / (LOSS)		402,032,407	449,621,794
Marketing, Sales, and Distribution Expenses (-)		(138,919,532)	(103,235,875)
Administrative Expenses		(49,099,298)	(196,260,081)
Increases (Decreases) on Revaluation of Investment Properties		-	-
Other Operating Income		49,386,134	85,822,796
Other Operating Expenses		(59,517,596)	(62,022,628)
PROFIT / (LOSS) FROM OPERATING ACTIVITIES		203,882,115	173,926,006
Investment Activity Income		14,794,867	-
Investment Activity Expenses		-	-
Share of Profit (loss) from Investments Accounted for Using Equity Method		-	-
PROFIT / (LOSS) BEFORE FINANCING INCOME / (EXPENSE)		218,676,982	173,926,006
Finance Income		10,105,994	27,333,052
Finance Expenses		(235,498,508)	(313,040,308)
Gains (Losses) on Net Monetary Position		681,304,498	35,071,562
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		674,588,966	(76,709,688)
Tax Income / (Expense)		(594,376,476)	222,276,026
Current Period Tax Income / (Expense)		-	-
Deferred Tax Income / (Expense)		(594,376,476)	222,276,026
INCOME / (LOSS) FROM CONTINUING OPERATIONS		80,212,490	145,566,338
PERIOD PROFIT / (LOSS)		80,212,490	145,566,338
Distribution of Period Profit / Loss			
Non-Controlling Interests		(1,532,120)	(1,990,054)
Parent Company Shares		81,744,610	147,556,392
Earnings Per Share			
Earnings (Loss) Per Share from Continuing Operations	7	0.0204	0.0369
OTHER COMPREHENSIVE INCOME COMPONENT			
Items will not Reclassified in Profit or Loss		(1,029,617)	578,526
Remeasurement Gains (Losses) on Defined Benefit Plans		(1,029,617)	578,526
Items Not Reclassified in Profit or Loss		-	-
OTHER COMPREHENSIVE INCOME		(1,029,617)	578,526
TOTAL COMPREHENSIVE INCOME		79,182,873	146,144,864
Distribution of Total Comprehensive Income			
Non-Controlling Interests		(1,532,120)	(1,990,054)
Parent Company Shares		80,714,993	148,134,918

9.3 STATEMENT OF CASH FLOWS (CONSOLIDATED)

The Company's Consolidated Statement of Cash Flows for the period 1 January 2026 – 31 March 2026 is presented below on a comparative basis: (Currency – Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and have been adjusted for inflation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies," reflecting the purchasing power as of 31 March 2026.)

	Footnote	Not Audited Current Period January 1 - March 31, 2026	Not Audited Current Period January 1 - March 31, 2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		16,712,974	(201,162,056)
Profit (Loss)		80,212,490	145,566,338
Adjustments to Reconcile Profit (Loss)		194,537,400	67,094,863
Adjustments related to unrealized foreign exchange differences		-	-
Adjustments for interest income and expenses		166,692,676	285,707,256
Adjustments for depreciation and amortization expenses		6,888,894	4,508,637
Adjustments for provisions		648,945	(1,703,208)
- <i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>		648,945	(1,674,933)
- <i>Adjustments for (Reversal of) Other Provisions</i>		-	(28,275)
Adjustments for fair value losses (gains)		-	-
- <i>Adjustments for fair value gains on investment property</i>		-	-
Net monetary gain/loss effect		(574,069,591)	858,204
Adjustments for tax income and expenses		594,376,476	(222,276,026)
Changes in working capital		(258,036,916)	(413,526,509)
Adjustments for increases/decreases in trade receivables		45,300,110	61,908,614
Adjustments for increases/decreases in trade payables		(150,628,031)	285,356,727
Adjustments for increases/decreases in inventory		(512,975,263)	(489,195,866)
Adjustments for increases/decreases in prepaid expenses		89,162,331	(579,087,774)
Increase/decrease in deferred income		370,988,354	426,015,548
Adjustments for other increases/decreases in working capital		(99,884,417)	(118,523,758)
Cash Flows From (Used in) Operations		16,712,974	(200,865,308)
Employee Termination Benefit Paid		-	(296,748)
Dividends received		-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(480,960,148)	(499,213,845)
Dividends received		-	-
Cash outflows related to acquisitions aimed at obtaining control of subsidiaries		-	-
Cash outflows from the purchase of tangible and intangible fixed assets		(5,768,782)	(22,235,919)
Cash outflows arising from the acquisition of investment property, net		(278,827,252)	(476,977,926)
Cash Outflows from Profit Sharing and Other Financial Instruments		(196,364,114)	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		471,162,821	735,632,057
Cash inflows from borrowing		962,678,877	1,021,339,313
Cash outflows related to debt payments		(324,823,380)	-
Interest paid		(166,692,676)	(285,707,256)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		6,915,647	35,256,156
EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH AND CASH EQUIVALENTS INFLATION EFFECT		(877,679)	(690,298)
NET CHANGE IN CASH AND CASH EQUIVALENTS		6,037,968	34,565,858
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		9,619,356	7,550,223
END OF PERIOD CASH AND CASH EQUIVALENTS		15,657,324	42,116,084

9.4 STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

The Company's Consolidated Statement of Changes in Equity for the period 1 January 2026 – 31 March 2026 is presented below on a comparative basis: (Currency – Unless otherwise stated, amounts are expressed in Turkish Lira (“TL”) and have been adjusted for inflation in accordance with IAS 29 “Financial Reporting in Hyperinflationary Economies,” reflecting the purchasing power as of 31 March 2026.)

	Paid-in Capital	Capital Adjustment Differences	Restricted Reserves Appropriated From Profits	Effects of Transactions Between Entities Under Common Control	Gains (Losses) on Remeasurements of Defined Benefit Plans	Retained Earnings/Losses from Previous Years	Net Period (Loss)/Profit	Total Equity Attributable to the Parent Company	Non-Controlling Interests	Total Equity	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss
											Accumulated Earnings
January 1, 2026	1,200,000,000	2,011,107,090	312,475,109	(399,348,889)	(1,099,543)	20,075,922,327	939,058,941	24,138,115,035	(4,240,907)	24,133,874,128	
Transfers	2,800,000,000	(1,262,307,913)	-	-	-	(598,633,146)	(939,058,941)	-	-	-	
Capital Commitment	-	-	-	-	-	-	-	-	-	-	
Merger/Divestiture/Liquidation Impact	-	-	-	171,249	-	(159,120,767)	-	(158,949,518)	-	(158,949,518)	
Other	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (expense)	-	-	-	-	(1,029,617)	-	81,744,610	80,714,993	(1,532,120)	79,182,873	
- Other comprehensive income (expense)	-	-	-	-	(1,029,617)	-	-	(1,029,617)	-	(1,029,617)	
- Net Profit/(loss)	-	-	-	-	-	-	81,744,610	81,744,610	(1,532,120)	80,212,490	
March 31, 2026	4,000,000,000	748,799,177	312,475,109	(399,177,640)	(2,129,160)	19,318,168,414	81,744,610	24,059,880,510	(5,773,027)	24,054,107,483	

	Paid-in Capital	Capital Adjustment Differences	Restricted Reserves Appropriated From Profits	Effects of Transactions Between Entities Under Common Control	Gains (Losses) on Remeasurements of Defined Benefit Plans	Retained Earnings/Losses from Previous Years	Net Period (Loss)/Profit	Total Equity Attributable to the Parent Company	Non-Controlling Interests	Total Equity	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss
											Accumulated Earnings
January 1, 2025	300,000,000	1,704,344,505	160,643,648	(399,348,892)	(538,148)	10,957,522,276	10,476,994,171	23,199,617,560	(1,230,089)	23,198,387,471	
Transfers	900,000,000	306,762,595	-	-	-	9,270,231,576	(10,476,994,171)	-	-	-	
Capital Commitment	-	-	-	-	-	-	-	-	-	-	
Merger/Divestiture/Liquidation Impact	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (expense)	-	-	-	-	578,526	-	147,556,392	148,134,918	(1,990,054)	146,144,864	
- Other comprehensive income (expense)	-	-	-	-	578,526	-	-	578,526	-	578,526	
- Net Profit/(loss)	-	-	-	-	-	-	147,556,392	147,556,392	(1,990,054)	145,566,338	
March 31, 2025	1,200,000,000	2,011,107,100	160,643,648	(399,348,892)	40,378	20,227,753,852	147,556,392	23,347,752,478	(3,220,143)	23,344,532,335	

9.5 COMPLIANCE CONTROL WITH PORTFOLIO LIMITATIONS

The Company's Compliance with Portfolio Limitations Table for the period 1 January 2026 – 31 March 2026 is presented below on a comparative basis: (Unless otherwise stated, amounts are expressed in Turkish Lira ("TL").)

Calculation	Non-Consolidated / Individual Financial Statement Main Account Items	Related Regulation	March 31, 2026 (TL)	December 31, 2025 (TL)
A	Money and Capital Market Instruments	Art. 24(b)	154,611,679	2,306,691
B	(Amendment: Official Gazette - 10/9/2020 - 31269) Real Estate, Real Estate-Based Projects, Real Estate-Related Rights, Real Estate Investment Fund Participation Shares and Capital in Which They Hold a 100% Stake, 28th Companies Covered by Subparagraph (c) of Paragraph 1 of Article 24	Section 24(a)	36,050,882,616	35,303,684,205
C	Affiliates	Section 24(b)	694,368,903	694,368,902
	Receivables from Related Parties (Non-Trade)	Section 23(f)	-	-
	Other Assets		2,879,126,891	3,038,630,426
D	Total Assets	Section 3(p)	39,778,990,089	39,038,990,224
E	Financial Liabilities	Article 31	4,221,166,287	3,946,122,919
F	Other Financial Liabilities	Article 31	-	-
G	Lease Liabilities	Article 31	151,773,950	163,970,620
H	Liabilities to Related Parties (Non-Trade)	Section 23(f)	-	-
I	Equity	Article 31	25,119,375,153	25,047,428,904
	Other Sources		10,286,674,699	9,881,467,781
D	Total Resources	Article 3(p)	39,778,990,089	39,038,990,224

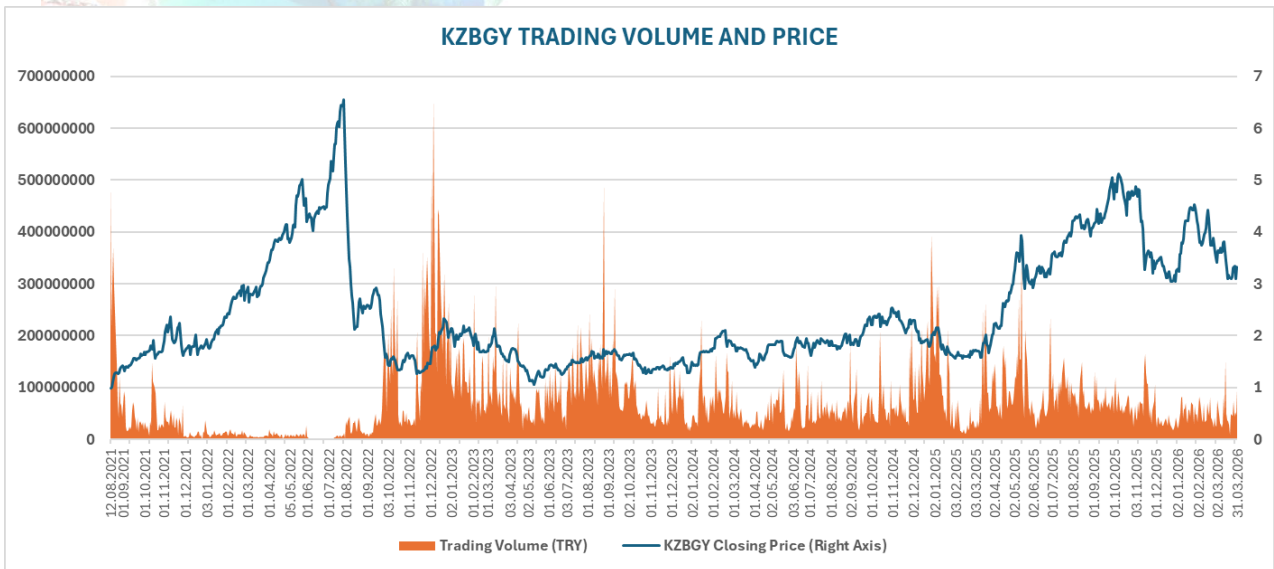
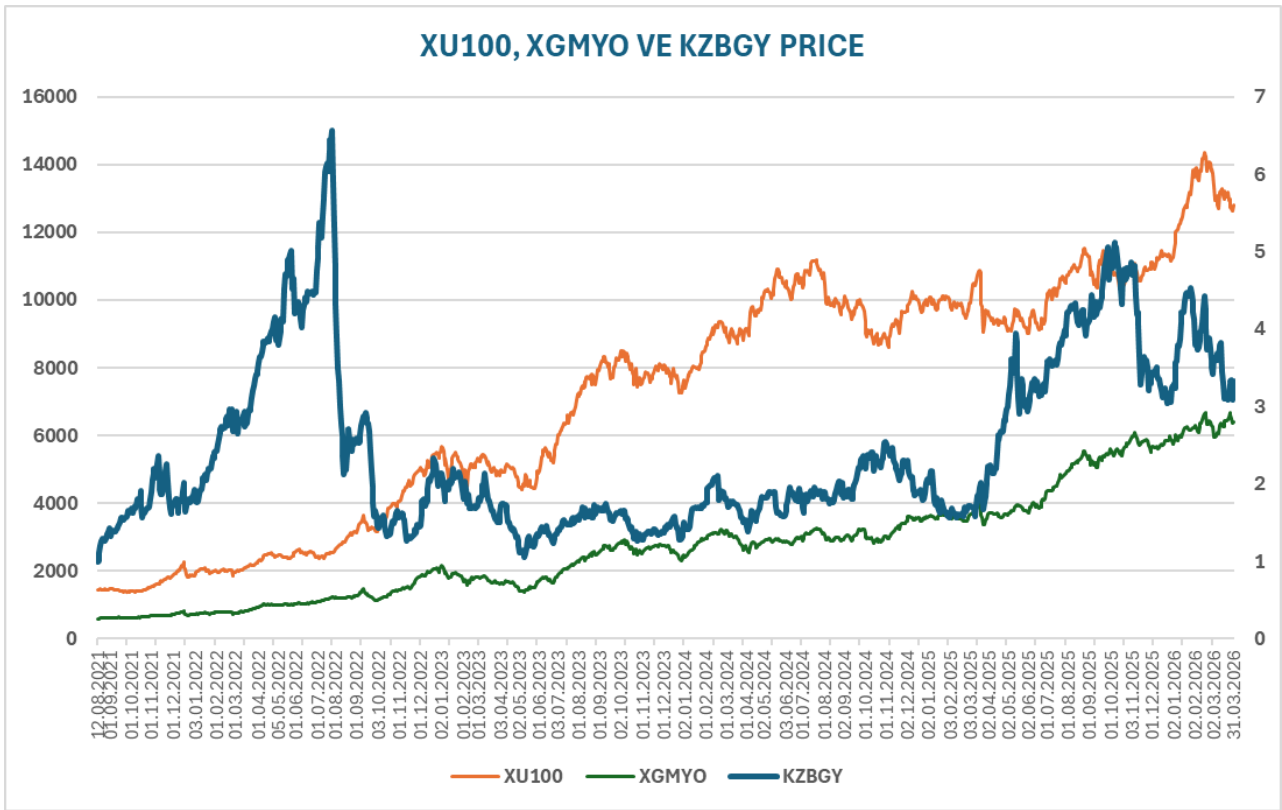
Calculation	Non-Consolidated / Individual Financial Statement Main Account Items	Related Regulation	March 31, 2026 (TL)	December 31, 2025 (TL)
A1	3-Year Money and Capital Market Instruments Portion Held for Real Estate Payments	Section 24(b)	-	-
A2	Foreign Currency Time Deposits - Demand Deposits / Special Current Participation Account and Turkish Lira-Denominated Term Deposits/Participation Accounts	Section 24(b)	131,051	2,269,861
A3	Foreign Capital Market Instruments	Section 24(d)	-	-
B1	Foreign Real Estate, Real Estate-Backed Projects, Real Estate-Related Rights	Section 24(d)	-	-
B2	Idle Land / Plots	Section 24(c)	-	-
C1	Foreign Subsidiaries	Section 24(d)	-	-
C2	Investments in the Operating Company	Section 28(1)(a)	-	-
J	Non-Cash Loans	Article 31	1,001,622,717	1,102,187,325
K	Property owned by the partnership on which a project will be developed the mortgage amounts of mortgaged plots	Section 22(e)	-	-
L	Total Investments in Cash and Capital Market Instruments in a Single Company	Section 22(1)	154,351,349	4,455,498

Calculation	Minimum/ Maximum Rate	Art.	Portfolio Limitations	Related Regulation	Calculation	Minimum / Maximum Rate	March 31, 2026	12/31/ 2025
K/D	Maximum 10%	1	Property to be developed under the partnership Mortgage amounts for non-owned mortgaged plots	Art, 22/e	K/D	≤10%	0,00%	0,00%
(B + A1) / D	At least 51%	2	(Amendment: Official Gazette - 10/9/2020 - 31269) Real estate, real estate-based projects, real estate-based rights, Real Estate Investment Fund Participation Shares, and Companies in Which They Hold a 100% Stake Under Article 28, Paragraph 1, Subparagraph (c)	Art, 24/(a), (b)	(B+A1)/D	≥51%	90,63%	90,43 %
(A+C- A1)/D	Maximum 49%	3	Money and capital market instruments and investments	Section 24(b)	(A+C-A1)/D	≤49%	2,13%	1,78%
(A3+B1+C 1)/D	Maximum 49%	4	Foreign real estate, real estate-backed projects, real estate-related rights, equity interests, capital market instruments	Section 24(d)	(A3+B1+C1) /D	≤49%	0,00%	0,00%
B2/D	Maximum 20%	5	Idle land	Section 24(c)	B2/D	≤20%	0,00%	0,00%
C2/D	Maximum 10%	6	Operator's Participation in the Company	Section 28/1(a)	C2/D	≤10%	0,00%	0,00%
(E+F+G+H +J)/I	Up to 500%	7	Borrowing limit	Art, 31	(E+F+G+H+ J)/I	≤500%	21,40%	20,81 %
(A2-A1)/D	Maximum 10%	8	Foreign Currency Time and Demand Deposits / Private Current and Participation Accounts Account and Term Deposit/Participation Account in Turkish Lira	Art, 24(b)	(A2-A1)/D	≤10%	0,00%	0,01%
(L/D)	Maximum 10%	9	Total of Cash and Capital Market Instrument Investments in a Single Company	Art, 22(1)	(L/D)	≤10%	0,39%	0,01%

The information provided in the footnote titled "Control of Compliance with Portfolio Restrictions" is derived from financial statements in accordance with Article 16 of CMB Series: II, No: 14.1 "Communiqué on Principles of Financial Reporting in the Capital Market" and are derived from the financial statements. and the "Communication on Amendments to the Principles Regarding Real Estate Investment Trusts" (Series: III, No: 48.1a), published in the Official Gazette No. 28891 on January 23, 2014, regarding the control of compliance with portfolio restrictions.

10. INFORMATION ON SHARE PERFORMANCE

The share price performance of the Company from the date of its initial public offering through 31 March 2026 is presented below.



11. GENERAL ASSEMBLY

KIZILBÜK REAL ESTATE INVESTMENT TRUST INC. MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING FOR THE FISCAL YEAR 2024 HELD ON 14 AUGUST 2025 AT 10:00 AM

The Ordinary General Assembly Meeting of Kızılıbük Real Estate Investment Trust Inc. for the fiscal year 2024 was held on 14 August 2025 at 10:00 AM at the Company's headquarters located at Dikilitaş Mahallesi, Yenidoğan Sokak, No: 36 Sinpaş Plaza, Beşiktaş/İstanbul, under the supervision of the Ministry Representative Mr. Mücahit Güngör, appointed by the İstanbul Provincial Directorate of Trade of the Governorship of the Republic of Türkiye pursuant to its letter dated 12 August 2025 and numbered E-90726394-431.03-00112379078.

The invitation to the meeting was made within the statutory period in compliance with the Turkish Commercial Code, the Capital Markets legislation and the Company's Articles of Association, including the date, time, venue and agenda of the meeting, and was announced on 21 July 2025 on the Public Disclosure Platform (KAP), on the Company's website at www.kizilbukgyo.com, on the Electronic General Assembly System of the Central Securities Depository (MKK A.Ş.), and in the Turkish Trade Registry Gazette dated 23 July 2025 and numbered 11377.

Upon examination of the list of attendees, it was determined that out of the Company's issued share capital of 1.200.000.000 TL, divided into 1.200.000.000 shares each with a nominal value of 1 TL, shares corresponding to 23.519 TL of capital (23.519 shares) were represented in person, shares corresponding to 782.400.000,748 TL of capital (782.400.000,748 shares) were represented by proxy, and shares corresponding to 20.794.661 TL of capital (20.794.661 shares) were represented by depositary representatives, and thus a total of 803.218.180,748 TL of capital (803.218.180,748 shares) was represented at the meeting.

It was determined that, pursuant to paragraphs five and six of Article 1527 of the Turkish Commercial Code, the Company had duly fulfilled the necessary preparations for the Electronic General Assembly in compliance with the applicable legal regulations. Mr. Ali Kızıltepe, who holds the "Central Securities Depository Electronic General Assembly System Expertise Certificate," was appointed by Mr. Mahmut Sefa Çelik, acting by proxy for the Vice Chair of the Board of Directors Mr. Ahmet Çelik, to operate the Electronic General Assembly System. Upon confirmation that the minimum meeting quorum required under both the law and the Articles of Association was present, the Ministry Representative granted permission to commence the meeting. The meeting was opened simultaneously in both physical and electronic environments, and the discussion of the agenda items was initiated.

1) The election of Mr. Murat Parmakçı (Turkish ID No. ...) as Chair of the Meeting, Mr. Mehmet Köşek (Turkish ID No. ...) as Vote Collector, and Mr. Mehmet Mert Eren (Turkish ID No. ...) as Minutes Clerk, and the authorization of the Meeting Chair to sign the General Assembly minutes were submitted to vote. The proposal was approved by majority vote with 803.218.179,748 affirmative votes against 1 dissenting vote.

The Chair of the Meeting, Mr. Murat Parmakçı, provided information regarding the voting procedure. As stipulated under both the applicable legislation and the Company's Articles of Association, and without prejudice to the electronic vote counting procedures, it was stated that shareholders attending the meeting physically in the meeting hall would cast their votes by open show of hands, and that shareholders voting against a proposal should verbally declare their dissenting vote.

2) The proposal to deem the Board of Directors' Annual Activity Report for the fiscal year 2024 as read was submitted to the approval of the General Assembly and was approved by majority vote with 803.218.179,748 affirmative votes against 1 dissenting vote. The discussion of the report was then opened. No shareholder took the floor.

3) The Independent Auditor's Report for the fiscal year 2024 was read. The discussion of the report was opened and no shareholder took the floor. The report was approved unanimously with 803.218.180,748 affirmative votes.

4) The proposal to deem the financial statements for the fiscal year 2024 as read and to approve them was submitted to the General Assembly. The proposal was approved unanimously with 803.218.180,748 affirmative votes.

5) The revised Dividend Distribution Policy, which was updated by the Board of Directors in order to ensure compliance with recently enacted legislation and disclosed on the Public Disclosure Platform (KAP) and the Investor Relations website on 13 March 2025, was submitted to the approval of the General Assembly. The proposal was approved unanimously with 803.218.180,748 affirmative votes.

6) The proposal of the Board of Directors not to distribute dividends for the fiscal year 2024, in order to manage risks arising from the current economic environment and uncertainties in exchange rates and raw material prices and to maintain a strong funding base for the Company's projects and new investments, and to transfer the remaining amount to the extraordinary reserves account after allocation of the statutory legal reserves, was opened for discussion. No shareholder took the floor. The proposal was submitted to the approval of the General Assembly and was approved unanimously with 803.218.180,748 affirmative votes.

7) The release of the members of the Board of Directors who served during the fiscal year 2024 was submitted separately to the approval of the General Assembly. The members of the Board of Directors did not vote on their own release. The proposal was approved unanimously with 803.218.180,748 affirmative votes.

8) The election of Mr. Avni Çelik (Turkish ID No. ...), Mr. Ahmet Çelik (Turkish ID No. ...), Mr. Mahmut Sefa Çelik (Turkish ID No. ...), Mr. Mehmet Yavaş (Turkish ID No. ...), Mr. Akif Gülle (Turkish ID No. ...) and Mr. Kamil Özkan (Turkish ID No. ...) as members of the Board of Directors representing the Class A shareholders, to serve for a term of three (3) years, was submitted to the approval of the General Assembly. The proposal was approved by majority vote with 802.191.282,748 affirmative votes against 1.026.898 dissenting votes.

9) The proposal to pay a monthly net attendance fee of 300.000 TL to the Chair of the Board of Directors Mr. Avni Çelik, 150.000 TL to the Vice Chair of the Board of Directors Mr. Ahmet Çelik, 250.000 TL to Board Member Mr. Mahmut Sefa Çelik, 150.000 TL to Board Member Mr. Mehmet Yavaş, 15.000 TL to Independent Board Member Mr. Kamil Özkan and 15.000 TL to Independent Board Member Mr. Akif Gülle was submitted to the approval of the General Assembly. The proposal was approved by majority vote with 784.446.932,748 affirmative votes against 18.771.248 dissenting votes.

10) The granting of authorization to the members of the Board of Directors pursuant to Articles 395 and 396 of the Turkish Commercial Code, allowing them to carry out transactions falling within the Company's scope of activity on their own behalf or on behalf of others, to become shareholders in companies engaged in such activities, and to perform other related transactions, was opened for discussion. No shareholder took the floor. The proposal to grant such authorization pursuant to Articles 395 and 396 of the Turkish Commercial Code was submitted to the approval of the General Assembly and was approved unanimously with 803.218.180,748 affirmative votes.

11) The General Assembly was informed about the donations made in 2024. It was disclosed that the total amount of cash and in-kind donations and contributions made by the Company in 2024, entirely consisting of donations to foundations and associations, amounted to 21.258.700,50 TL. The proposal to determine the upper limit for donations to be made in 2025 as 1% of the Company's total assets as stated in the consolidated financial statements dated 31 December 2024 was submitted to the approval of the General Assembly and was approved by majority vote with 784.446.932,748 affirmative votes against 18.771.248 dissenting votes.

12) The General Assembly was informed that no transaction had been carried out within the scope of Article 37 of the Communiqué on Principles Regarding Real Estate Investment Trusts (III-48.1) issued by the Capital Markets Board.

13) The General Assembly was informed about the transactions specified under Article 1.3.6 of the Corporate Governance Principles annexed to the Corporate Governance Communiqué (II-17.1) issued by the Capital Markets Board.

14) The amendment of Article 8 of the Company's Articles of Association titled "Capital and Shares," in the form attached to the minutes, was submitted to the approval of the General Assembly and was approved by majority vote with 784.446.932,748 affirmative votes against 18.771.248 dissenting votes.

15) The General Assembly was informed, pursuant to paragraph 4 of Article 12 of the Corporate Governance Communiqué (II-17.1) issued by the Capital Markets Board, regarding the guarantees, pledges, mortgages and sureties granted in favor of third parties and the income or benefits derived therefrom.

16) The proposal to appoint Arsen Independent Audit Services Inc., registered with the İstanbul Trade Registry Directorate under registry number 165218 and MERSİS number 0080070234500001, as the independent audit firm for the audit of the Company's 2025 financial reports for a term of one year, as recommended by the Board of Directors, was submitted to the approval of the General Assembly and was approved unanimously with 803.218.180,748 affirmative votes.

17) Wishes and suggestions were shared. Mr. Mahmut Sefa Çelik, acting by proxy for the Vice Chair of the Board of Directors Mr. Ahmet Çelik, took the floor and thanked the participants on behalf of the Board of Directors.

As there were no further items to be discussed on the agenda, the Chair of the Meeting adjourned the meeting at 10:32 AM. These minutes were prepared in four copies at the meeting venue in the presence of the General Assembly, read aloud and duly signed on **Thursday, 14 August 2025**.

Ministry Representative

Mücahit Güngör

Chair of the Meeting

Murat Parmakçı

Vote Collector

Mehmet Köşek

Minutes Clerk

Mehmet Mert Eren

12. NON-FINANCIAL RISKS

As Kızılbük Real Estate Investment Trust Inc., we carefully assess not only our financial performance but also non-financial risks that may affect our operations, long-term value creation and sustainability. The principal non-financial risks considered and the corresponding mitigation measures are summarized below.

Regulatory and Legal Compliance Risks

- **Zoning and Construction Legislation:** Our real estate projects are subject to zoning, construction and related regulatory frameworks. Amendments to applicable legislation may lead to delays in project development and implementation and may result in increased costs. To mitigate these risks, we continuously update our compliance processes and maintain close coordination with relevant public authorities.
- **Environmental Regulations:** Increasing environmental protection requirements may impose additional obligations in project planning and execution. Through comprehensive environmental impact assessment processes and sustainability strategies, we aim to minimize such risks.

Environmental Risks

- Climate Change: Increased frequency and severity of natural events such as floods, droughts and other climate-related risks may affect the sustainability and safety of our projects. These risks are incorporated into project planning and risk assessment processes, and appropriate preventive measures are implemented.
- Environmental Impact Assessment (EIA): We conduct Environmental Impact Assessment processes with due diligence in order to minimize the environmental footprint of our projects and ensure compliance with applicable environmental regulations.

Social Risks

- Community Acceptance: Lack of local community acceptance may result in objections, protests or legal challenges. To enhance social acceptance, we organize public information meetings and adopt a participatory and transparent stakeholder engagement approach.
- Workforce and Employee Satisfaction: The ability to attract qualified personnel and maintain employee satisfaction directly affects operational efficiency. We support employee development and motivation through training programs and career development opportunities.

Operational Risks

- Project Management: Operational risks such as delays in delivery, budget overruns and supply chain disruptions may adversely affect profitability and corporate reputation. We mitigate these risks through robust project management practices and structured risk assessment mechanisms.
- Technological Risks: Technical disruptions during digital transformation processes and potential data security breaches may impact operations. We manage these risks through a strong information technology infrastructure and comprehensive cybersecurity measures.

Sustainability Risks

- ESG (Environmental, Social and Governance) Performance: Failure to meet sustainability expectations may reduce investor interest and limit access to financing. We continuously enhance our sustainability strategy and ESG performance in line with evolving regulatory and investor expectations.
- Energy Efficiency: We invest in improving the energy efficiency of our buildings, aiming to achieve long-term operational savings and reduce environmental impact.

Market and Competitive Risks

- Market Demand: Macroeconomic fluctuations, changes in consumer preferences and demographic trends may affect the real estate market. We manage these risks through ongoing market research and flexible strategic planning.
- Competition: Intensifying competition in the sector may impact pricing strategies and profit margins. We focus on innovation and customer satisfaction to maintain and strengthen our competitive advantage.

In light of the above, effective management of non-financial risks is critical to the Company's long-term performance and sustainable growth. The measures and strategies implemented in this context contribute to making our operations more resilient, secure and sustainable.

13. OTHER MATTERS

13.1 DISCLOSURES REGARDING EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

- At the General Assembly Meeting held on 14 August 2025, Mr. Akif Gülle and Mr. Kamil Özkan, who were submitted to the approval of our shareholders as independent board member nominees, were elected as Independent Members of the Board of Directors. Mr. Kamil Özkan subsequently resigned from his position due to workload considerations. Following the determination of new independent board member candidates and receipt of the Capital Markets Board's favorable opinion, the necessary appointments, including the reconstitution of the Board committees, will be completed in accordance with applicable legislation and corporate governance requirements.
- The Board of Directors of Kızılıbük Real Estate Investment Trust Inc. convened at the Company's headquarters on 8 October 2025 and unanimously resolved to increase the Company's issued share capital, within the registered capital ceiling of 6.000.000.000 TL, from 1.200.000.000 TL to 4.000.000.000 TL by way of a capital increase of 2.800.000.000 TL, corresponding to 2.800.000.000 shares each with a nominal value of 1 TL. The capital increase was resolved to be covered by 1.291.550.265,90 TL from positive inflation adjustment differences on equity and 1.508.449.734,10 TL from extraordinary reserves. Following the approval of the Capital Markets Board, the amended version of Article 8 of the Company's Articles of Association titled "Capital" was registered and published in the Turkish Trade Registry Gazette dated 23 February 2026 and numbered 11528.
- By decision of the Muğla 3rd Administrative Court dated 19 November 2024 and numbered 2024/2282, our Phase 1 amendment construction permit dated 28 October 2021, our Phase 1 name change permit dated 4 January 2022 and 16 new construction permits dated 28 October 2021 were annulled. These permits relate to our former permits. The construction activities of our Phase 1 project have been completed, and occupancy permits (habitation permits) have been duly obtained. There are no lawsuits filed against our occupancy permits or against the updated permits obtained in 2024 for Phase 2. Notwithstanding the foregoing, the following legal processes have been publicly disclosed:
 - Citing the decision of the Muğla 3rd Administrative Court as grounds, the amendment construction permits obtained on 8 January 2024 from the Marmaris Municipality for the 206-room hotel block and 1,247 timeshare property units located in Phases 1 and 2 on parcel no. 2518 were ex officio revoked by the Marmaris Municipality. The decision was notified on 6 January 2025.
 - Citing the decision of the Muğla 3rd Administrative Court, the occupancy permit (building use permit) issued by the Marmaris Municipality on 29 March 2024 for the 206-room hotel and 555 timeshare property blocks within Phase 1 was ex officio revoked by the Marmaris Municipality. The revocation decision was notified to the Company on 16 January 2025.
 - With respect to the annulment of the zoning status; while the Muğla 2nd Administrative Court found the zoning status to be lawful, the Muğla 3rd Administrative Court ruled that the same zoning status was not lawful. Despite the existence of two conflicting court decisions and the absence of a final judgment, the new construction permits obtained from the Marmaris Municipality on 27 March 2024 for Phase 3 (62 timeshare property units, a wastewater treatment facility and social facilities) on parcel no. 2518 revoked by the Marmaris Municipality. The revocation decision was notified to the Company on 10 February 2025.

Information regarding the current status of the construction permits related to the Project is presented below:

- With the letter of Marmaris Municipality dated 16.12.2025, which was served to us on 30.01.2026, it was notified that, in accordance with the decision of the 3rd Administrative Litigation Chamber of

the T.R. İzmir Regional Administrative Court numbered Merits No: 2024/2787 and Decision No: 2025/1693, **the cancellation procedures regarding our main construction permits have been revoked.**

- With the letter of Marmaris Municipality dated 02 January 2026, which was served to the Company on 06 February 2026, it was notified that, in accordance with the decisions of the T.R. Muğla 2nd Administrative Court numbered Merits No: 2025/305, Merits No: 2024/1391 and Merits No: 2025/198, **the cancellation procedures regarding the 2024 dated amended construction permits for Phase 1 and Phase 2, the occupancy permit (habitation certificate) of Phase 1, and the construction permit of Phase 3 have been lifted.**
- With the letter of Marmaris Municipality dated 06 January 2026, which was served to the Company on 06 February 2026, it was notified that, in accordance with the decisions of the T.R. Muğla 2nd Administrative Court numbered Merits No: 2025/1387 and Merits No: 2024/134, **the seal placed pursuant to the construction suspension record dated 11 December 2024 was removed by Marmaris Municipality on 29 December 2025.**

- A 1/10,000 share of the real property registered in the name of Kızılbük GYO A.Ş., located on parcel no. 2587 in the İcmeler area of Marmaris district, Muğla province, was transferred to Arı Finansal Kiralama A.Ş. on 27.03.2026 for the purpose of establishing the Management Plan.

13.2 OTHER DISCLOSURES OF THE COMPANY WITHIN THE SCOPE OF CAPITAL MARKETS BOARD AND TURKISH COMMERCIAL CODE REGULATIONS

- The Company does not have any cross-shareholding relationships with any entity.
- As of the date of this Annual Report, no administrative or judicial sanctions have been imposed on the Company or the Members of the Board of Directors due to any non-compliance with applicable legislation.
- During the reporting period, there has been no public (tax) audit initiated or ongoing, nor any special audit conducted in respect of the Company.

14. DEVELOPMENTS IN REIT LEGISLATION

During the reporting period, no amendments were made to the Communiqué on Principles Regarding Real Estate Investment Trusts (III-48.1).