Vakıf GYO

The Power of Custom, The Build of The Future

VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ

2022

BOARD OF DIRECTORS ACTIVITY REPORT

Contents

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Stakeholders,

Continuing to grow in line with its vision of becoming a reference organization that directs a change in the sector with its symbol structures, Vakıf GYO is currently carrying out 4 very important real estate projects in 3 major cities. The total construction area of our ongoing projects exceeded 675 thousand square meters. In 2022, the construction and sales activities of our Cubes Ankara and Tablo Adalar projects progressed in line with our company's plans and targets. We delivered our VakıfBank Headquarters Service Building and Facilities project, which is shown as one of the symbol structures within the Finanrace Center Project, to our bank at the end of 2022.

Our Company increased its capital from TL 1 Billion to TL 1 Billion 145 Million in this period in which we continued to achieve significant successes on our way to becoming a company that our shareholders, investors, customers, and employees, i.e. all our stakeholders, will be happy and highly satisfied with.

As of December 31, 2022, our company increased its asset size by 45% compared to the previous year and reached 6.7 billion TL, and in 2022, it made a profit of approximately 2.3 billion TL. Thus, Vakıf GYO achieved the highest period net profit of all time by making a profit of approximately 5 times the profit of 2021 in 2022.

In line with our core purpose of "strength of tradition, construction of the future", we have set our focus on leaving a more livable world to future generations on this path illuminated by the experiences from our roots. To this end, we strive to minimize our environmental footprint, and at every point of our projects, from the design stage to the completion stage, we carry out studies that take into account our environmental impact, ensuring energy and resource efficiency at international standards, and considering the future of efficient buildings and sustainable cities.

In the field of corporate development, we are developing many systems that will be a reference for the sector. We crowned our achievements in line with our 5-year strategic plan in line with the United Nations development goals with the EFQM Turkey Excellence Award in 2022. At the 31st Quality Congress organized by the Turkish Quality Association (KALDER), our Company won the Turkey Excellence Award, which is given to the best-performing organizations concerning the EFQM Model of the European Foundation for Quality Management, with its "Integrated Strategic Planning" best practice, thus becoming the first organization in the finance sector to receive this award in the award program that has been conducted since 1993.

We will continue to add value to our country, pay attention to the protection of our natural resources, realize projects in line with this approach by always considering the welfare of the world we live in and our next generations, and create lasting value for all our stakeholders who are always with us with the principle of sustainable growth. On behalf of the Board of Directors and myself, I would like to thank our main shareholder, VakıfBank TAO, and all our stakeholders who believe in and support a better future together with us through the values we create.

Yours sincerely,

Mikail HIDIR

Chairman of the Board

1. Report Period

01.01.2022-31.12.2022

2. Information About The Company

Authorized Capital	1.750.000.000 TL
Issued Capital	1.145.000.000 TL
Activity Center	Şerifali Mah. Bayraktar Bulvari Nutuk Sok. No: 4 Ümraniye/Istanbul
Date of Establishment	1996
Trade Registry/No	Istanbul Chamber of Commerce/653731
Phone/Fax	0216 265 40 50/0216 265 40 55
Website	www.vakifgyo.com.tr
Mersis No	0922008334600018
E-mail	info@vakifgyo.com.tr
KEP Address	vakifgayrimenkul@hs01.kep.tr

Resolution of the Board of Directors taken under Article 9 of the Communiqué on Principles Regarding Financial Reporting in Capital Markets (II-14.1);

Meeting No	:2023/15
Date of Meeting	:21/02/2023
Decision No	:2023 /34
Location of the Meeting	: General Directorate

VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ

BOARD OF DIRECTORS DECISION

AGENDA: Concerning the Financial and Operating Report for the 01.01.2022-31.12.2022 accounting period

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

Accordingly;

a) The Financial Statements and Footnotes and the Annual Report of the Board of Directors for the accounting period 01.01.2022-31.12.2022 have been reviewed and accepted by us.

b) Based on the information available to the Company within the scope of its duties and responsibilities, the Financial Statements and Footnotes and the Annual Report of the Board of Directors do not contain any misrepresentation of the facts or any omissions that may be construed as misleading as of the date of the disclosure.

c) Within the framework of the information available within the scope of our Company's duties and responsibilities, it has been observed that the information on other financial matters in the Financial Statements and Footnotes and the Board of Directors' Annual Report accurately reflects the truth about the Company's financial status and results of operations.

It has been decided to accept the Independent Audited Financial Statements and footnotes and the Annual Report of the Board of Directors for the accounting period of 01.01.2022-31.12.2022

Mikail HIDIR
Chairman of the Board of Directors

Dr. Şükrü Mete TEPEGÖZ
Deputy Chairman of the Board of Directors

Onur INCEHASAN
Member

Arzu ŞAHİN
Member

Tevfik ERPEK

Korhan TURGUT
Member

Rıfat DEMİRBAŞ
Member

Ömer DEMİR
Member

Mustafa ŞENGÜL
Member

Statement of Responsibility by Article 9 of the Communiqué on Principles Regarding Financial Reporting in Capital Markets (II-14.1);

THE BOARD OF DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

DECISION DATE: 21/02/2023

DECISION NO: 2023/34

OUR DECLARATION UNDER ARTICLE 9 OF THE COMMUNIQUÉ NUMBERED II-14.1 OF THE CAPITAL MARKET BOARD

We hereby declare the following;

a) We have examined the Financial Statements and the Annual Report of the Board of Directors for the activity period ending on 31.12.2022, prepared in accordance with the Communiqué No. II-14.1 published by the Capital Markets Board,

b) Within the framework of the information we have within the scope of our duties and responsibilities at the Company, the Financial Statements and the Annual Report of the Board of Directors do not contain any misrepresentation of the facts on important issues or any omissions that may be misleading as of the date of the disclosure,

c) To the best of our knowledge within the scope of our duties and responsibilities at the Company, the Financial Statements prepared in accordance with CMB Communiqué No. II-14.1 fairly reflect the truth about the Company's assets, liabilities, financial position and profit and loss, and the Board of Directors' Annual Report fairly reflects the development and performance of the business and the financial position of the Company, together with the significant risks and uncertainties that the Company faces .

Sincerely,

VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ

GENERAL DIRECTORATE

Mustafa ŞENGÜL	Rıfat DEMİRBAŞ	Onur İNCEHASAN
Board Member	Board Member	General Manager

3. Board Members and Senior Executives

BOARD MEMBER		TERMS OF OFFICE
Chairman	Mikail HIDIR	22.06.2020-Continued
Deputy Chairman	Dr Şükrü Mete TEPEGÖZ	02.03.2020-Continued
Member	Onur İNCEHASAN	19.03.2020-Continued
Member	Tevfik ERPEK	22.06.2020-Continued
Member	Arzu ŞAHİN	22.06.2020-Continued
Member	Rıfat DEMİRBAŞ	22.06.2020-Continued
Member	Ömer DEMİR	02.04.2021-Continued
Member	Korhan TURGUT	02.04.2021-Continued
Member	Mustafa ŞENGÜL	31.03.2022-Continued
SENIOR MANAGEMENT		TERMS OF OFFICE
General Manager	Onur İNCEHASAN	05.03.2020-Continued
Asst General Manager	Esat HOROZ	24.07.2020-Continued
Dep. General Manager	Hasan Gürsel ÖZTAMUR	15.03.2021 - Continued

BOARD OF DIRECTORS COMMITTEES

Early Detection of Risk Committee

Chairman Rıfat DEMİRBAŞ

Member Tevfik ERPEK

Audit Committee

Chairman Mustafa ŞENGÜL

Member Rıfat DEMİRBAŞ

Corporate Governance Committee

Chairman Ömer DEMİR

Member Tevfik ERPEK

Members of the Board of Directors Resigned During the Period

TERMS OF OFFICE OF BOARD MEMBERS

Ahmet YILMAZ	Member	24.06.2019-31.03.2022
Sedat TARTAN	Member	02.04.2021-31.03.2022
Bedri Sinan GÜL	Member	22.06.2020-31.03.2022
Murat OSKAY	Member	22.06.2020-31.03.2022
Murat NUHOĞLU	Member	02.04.2021-31.03.2022
Hakan TAŞCI	Member	01.05.2008-31.03.2022
İdris Yakup AŞKIN	Member	02.04.2021-31.03.2022

Duties of the members of the Board of Directors and executives outside the company:

BOARD MEMBERS AND GENERAL MANAGER		
NAME SURNAME	TITLE	POSITION/TITLE OUTSIDE THE COMPANY
Mikail HIDIR	Chairman of the Board	T Vakıflar Bank TAO Assistant General Manager
Dr. Şükrü Mete TEPEGÖZ	Vice Chairman of the Board of Directors	T Vakıflar Bankası TAO Head of Specialized Loans Management
Onur INCEHASAN	Board Member / General Manager	General Manager of Vakıf Gayrimenkul Yatırım Ortaklığı AŞ
Arzu ŞAHİN	Member of Board of Directors	T Vakıflar Bankası TAO Head of Corporate Banking Marketing
Tevfik ERPEK	Member of Board of Directors	T Vakıflar Bank TAO Head of SME Banking Marketing
Korhan TURGUT	Member of Board of Directors	T Vakıflar Bankası Head of General Accounting and Financial Affairs
Rıfat DEMİRBAŞ	Member of Board of Directors	High Architect
Ömer DEMİR	Member of Board of Directors	Self-Employed
Mustafa ŞENGÜL	Member of Board of Directors	Lawyer

Declarations of Independence

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

1) I, my spouse and my relatives by blood or marriage up to the second degree have not been employed in a managerial position to assume important duties and responsibilities in the last five years, I do not own more than 5% of the capital or voting rights or privileged shares together or individually, or no significant commercial relationship has been established between myself, my spouse and my relatives by blood or marriage up to the second degree and the company, the partnerships in which the company has management control or significant influence, the shareholders who control the management of the company or have significant influence in the company and the legal entities controlled by these shareholders,

2) Within the last five years, I have not worked as a partner (5% or more), in a managerial position to assume significant duties and responsibilities, or as a member of the Board of Directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

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

4) I will not work full-time in public institutions and organizations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

5) I am considered a resident of Turkey according to the Income Tax Law,

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

7) I have not served as a member of the Board of Directors of the Company for more than six years within the last ten years,

8) I am able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfill the requirements of the duties I have undertaken,

9) I am not serving as an Independent Member of the Board of Directors in more than three of the companies controlled by the company or the shareholders who control the management of the company and in more than five of the companies traded on the stock exchange in total,

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

11) In the event that a situation arises that removes my independence, I will immediately notify the board of directors to be disclosed on the PDP with its justification, I will simultaneously notify the Board in writing about this situation and its justification, and I will resign in principle,

I declare, accept and undertake the following matters:

Rıfat DEMİRBAŞ

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

1) I, my spouse and my relatives by blood or marriage up to the second degree have not been employed in a managerial position to assume important duties and responsibilities in the last five years, I do not own more than 5% of the capital or voting rights or privileged shares together or individually, or no significant commercial relationship has been established between myself, my spouse and my relatives by blood or marriage up to the second degree and the company, the partnerships in which the company has management control or significant influence, the shareholders who control the management of the company or have significant influence in the company and the legal entities controlled by these shareholders,

2) Within the last five years, I have not worked as a partner (5% or more), in a managerial position to assume significant duties and responsibilities, or as a member of the Board of Directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

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

4) I will not work full-time in public institutions and organizations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

5) I am considered a resident of Turkey according to the Income Tax Law (Income Tax Law),

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

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

11) In the event that a situation arises that removes my independence, I will immediately notify the board of directors to be disclosed on the PDP with its justification, I will simultaneously notify the Board in writing about this situation and its justification, and I will resign in principle.

I declare, accept and undertake the following matters:

Ömer DEMİR

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

1) I, my spouse and my relatives by blood or marriage up to the second degree have not been employed in a managerial position to assume important duties and responsibilities in the last five years, I do not own more than 5% of the capital or voting rights or privileged shares together or individually, or no significant commercial relationship has been established between myself, my spouse and my relatives by blood or marriage up to the second degree and the company, the partnerships in which the company has management control or significant influence, the shareholders who control the management of the company or have significant influence in the company and the legal entities controlled by these shareholders,

2) Within the last five years, I have not worked as a partner (5% or more), in a managerial position to assume significant duties and responsibilities, or as a member of the Board of Directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

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

4) I will not work full-time in public institutions and organizations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

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

11) In the event that a situation arises that removes my independence, I will immediately notify the board of directors to be disclosed on the PDP with its justification, I will simultaneously notify the Board in writing about this situation and its justification, and I will resign in principle.

I declare, accept and undertake the following matters:

Mustafa ŞENGÜL

Benefits and Rights Provided to Board Members and Senior Executives

The members of the Company's Board of Directors are not paid any remuneration other than their monthly salaries. The remuneration of the members of the Board of Directors is determined at the Ordinary General Assembly held every year. The General Assembly determined the monthly salaries of the Board of Directors for the year 2022 as net TL 7.590.

The total gross wage paid in 2022 is as follows:

Remuneration and expenses of the Board of Directors	1.291.528,-TL
Payments to other senior executives	3.067.597,-TL

The members of the Board of Directors appointed by the General Assembly of our Company do not have any transactions with the Company on behalf of themselves or third parties that fall within the scope of the prohibition of competition. Members of the Board of Directors do not hold shares on behalf of their individuals. Members of the Board of Directors do not have any commercial relationship with the Company. There is no lawsuit filed or pending against any member of the Board of Directors in relation to matters concerning the Company's operations.
Members of the Board of Directors are not restricted from assuming other duties or tasks outside the Company, and the provisions of the Turkish Commercial Code regarding the prohibition of competition are complied with. It is ensured that he/she is able to allocate time for the Company's affairs to the extent that he/she can follow the functioning of the Company's activities and fully fulfill the requirements of his/her duties.

Activities of the Board Committees in 2022

Audit Committee

The Audit Committee is formed and authorized by the Board of Directors. Mr. Mustafa ŞENGÜL is the chairman and Mr. Rıfat DEMİRBAŞ is the member of the Audit Committee established by the resolution of the Board of Directors of our Company. The Committee acts under its own authority and responsibility, makes recommendations to the Board of Directors and, where necessary, prepares a report and submits its opinion to the Board of Directors. However, the responsibility for the final decision always rests with the Board of Directors.

Early Detection of Risk Committee

Mr. Rıfat DEMİRBAŞ is the chairman and Mr. Tevfik ERPEK is the member of the Early Detection of Risk Committee, which was established by the Board of Directors of our Company in accordance with the Turkish Commercial Code and capital markets legislation for the purposes of early detection of causes that jeopardize the existence, development and continuity of the Company, applying the necessary measures and remedies in this regard and managing the risk.

Corporate Governance Committee

The Corporate Governance Committee established by the Board of Directors is chaired by Mr. Ömer DEMİR and members are Mr. Tevfik ERPEK and Ms. Ebru BOZDOĞANGİL. During the period, the Corporate Governance Committee worked throughout the period to ensure that the Corporate Governance Principles are developed and implemented within the Company, to make recommendations to the Board of Directors to improve corporate governance practices, to oversee the work of the Investor Relations Unit, to make recommendations regarding the number and election of Board Members, the functioning structure and effectiveness of the Board of Directors and its committees, taking into account the Corporate Governance Principles, and to create an agenda for the Board of Directors to foresee the risks that may affect the Company's operations in the areas in which the Company operates and to take measures to eliminate and/or reduce the possible negative effects of these risks.In addition, the Corporate Governance Committee has also assumed the duties of the "Nomination Committee" and the "Remuneration Committee" in our Company. During this period, the Committee prepared the Corporate Compliance Report for the 2021 accounting period and the Investor Relations Department Annual Report, which is prepared quarterly, and submitted it to the Board of Directors during this period.

Board of Directors Meetings

Board meetings are planned and held in an effective and efficient manner. Each member has one vote in the Board of Directors. The Board of Directors shall convene regularly and at least once a month as planned in advance and, if deemed necessary, without being bound by this period and without delay. In principle, a member of the Board of Directors attends every meeting. The Chairman of the Board of Directors sets the agenda for the Board of Directors meetings in consultation with the General Manager. The Company's Board of Directors convened 52 times in 2022 and the attendance rate of the members was realized as 100%.

4. Partnership Structure

	12/31/2022		12/31/2021	
	Share rate	Share Amount (TL)	Share rate (%)	Share Amount
T Vakıflar Bankası Turk Anonim Ortaklığı	49,65	568.490.095	48,95	489.533.418
Vakıfbank Personnel Private Social Security Service	7,51	86.039.911	7,51	75.144.026
Vakıfbank Civil Servants and Services Pension Fund	6,88	78.801.208	6,88	68.822.015
Turkish Ministry of Environment and Urbanization Climate Change Housing Development Administration	3,66	41.864.755	3,66	36.563.104
Other	32,30	369.804.031	33,00	329.937.437
Total	100	1.145.000.000	100	1.000.000.000

5. The main factors affecting the performance of the business, significant changes in the environment in which the business operates, the policies implemented by the business against these changes, the investment and dividend policy implemented by the business to strengthen its performance;

General Economic Outlook ;1

Turkey's corporate sector indebtedness remains moderate compared to peers, while the ratio of financial liabilities to assets continues to decline. The positive outlook in liquidity, profitability and debt repayment indicators of corporate sector firms is maintained.

Construction production showed signs of revival ahead of the expected housing finance support in the upcoming period. In Turkey, leading indicators and high-frequency data suggest that the upward trend in employment has been maintained. The seasonally adjusted real earnings index rose by 21.5 percent quarter-on-quarter in the third quarter. In terms of the course of employee wages in 2023, the minimum wage increase and inflation developments will be influential. The minimum wage level was set at 10,008 TL for the gross minimum wage and 8,506.8 TL for the net minimum wage, thus, the rate of increase in the minimum wage was approximately 55 percent compared to the last quarter of 2022. Expansionary policies were reversed as the effects of the pandemic subsided and economic activity revived, while financial conditions tightened following global inflation developments.

As of May 2022, there has been a significant improvement in the domestic borrowing structure by evaluating the market conditions. During the pandemic recovery process, global commodity prices, of which Turkey is a major importer, increased due to the inability of supply to meet the increasing demand quickly and sufficiently. In this period, the course of confidence indices for services, retail trade and construction sectors as well as the recorded domestic and foreign market orders of manufacturing industry firms point to a stronger domestic demand outlook compared to external demand. On the other hand, expectations for domestic market orders recorded an increase. The ratio of housing and general-purpose loans to GDP was significantly below its pre-pandemic average of the last 10 years, while the low ratio was maintained for BKK and vehicle loans. This development strengthens the repayment performance of retail loan debts and has a positive impact on banking sector asset quality indicators.

As the inflation rate in the US started to decline, expectations that the Fed's monetary policy tightening process was nearing its end led to a decline in the value of the US dollar against other currencies. In line with emerging economies, Turkey's risk premium decreased significantly.

Firms' working capital and inventory financing needs, which have increased due to rising commodity prices, have led to a strong demand for TL corporate loans, while the growth and share of SME, export and investment loans in loans have diverged positively thanks to macroprudential policies. This development will contribute to increasing the

[1] Compiled with excerpts from CBRT periodical reports.

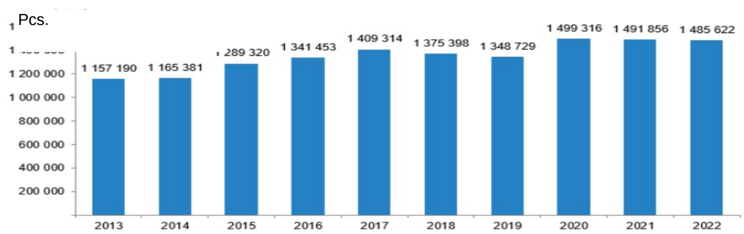
share of sustainable components in the growth composition, strengthening employment and reducing the structural current account deficit.

Real Estate Sector; [2]

According to the housing sales figures announced by TUIK, 1 million 485 thousand 622 houses were sold in 2022.

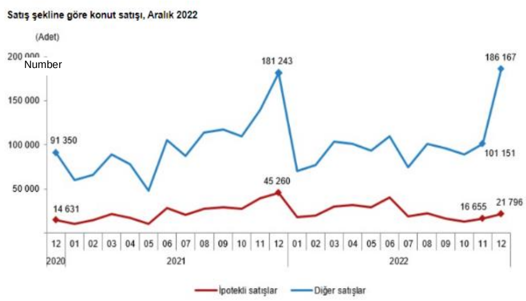
In 2022, house sales decreased by 0.4% compared to the previous year and realized as 1 million 485 thousand 622. Istanbul had the highest share in house sales with 259 thousand 654 house sales and 17.5%. According to the number of sales, Istanbul was followed by Ankara with 126 thousand 166 house sales and 8.5% share and İzmir with 83 thousand 502 house sales and 5.6% share.

Housing sales, 2013-2022

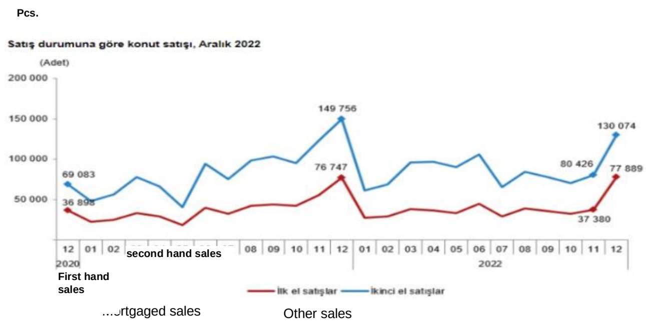


In 2022, mortgaged house sales decreased by 4.8% compared to the previous year to 280 thousand 320. The share of mortgaged sales in total house sales was 18.9% in 2022. Other house sales increased by 0.7% compared to the previous year to 1 million 205 thousand 302. The share of other sales in total housing sales was 81.1% in 2022.

Housing sales by type of sale, December 2022



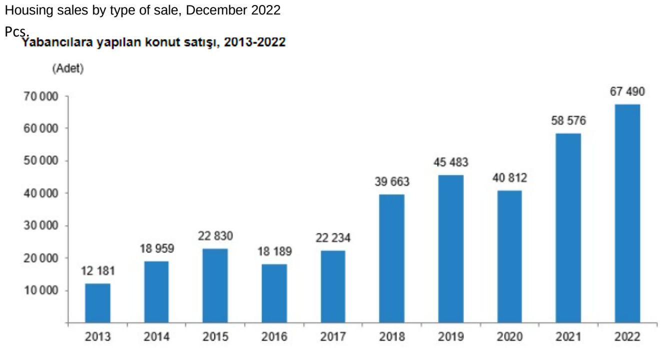
Housing sales by sales status. December 2022



First-hand house sales in Turkey in 2022 decreased by 0.3% compared to the same period of the previous year and realized as 460 thousand 79. The share of first-hand sales in total house sales was 31.0% in 2022. Second-hand house sales decreased by 0.5% to 1 million 25 thousand 543 in 2022. The share of second-hand sales in total house sales was 69.0% in 2022.

67, 490 houses were sold to foreigners throughout Turkey in 2022. Housing sales to foreigners increased by 15.2% in 2022 compared to the previous year and reached 67.490. In 2022, the share of housing sales to foreigners in total housing sales was 4.5%. In 2022, Istanbul took the first place in housing sales to foreigners with 24.953 housing sales. Istanbul was followed by Antalya and Mersin with 21 thousand 860 and 4 thousand 316 house sales, respectively.

Housing sales by type of sale, December 2022



[2] Prepared by quoting TUIK reports.

Kurum İçi Sınırsız Kullanım / Kişisel Veri Değil

6. Financing sources and risk management policies of the business

As of December 31, 2022, there are letters of guarantee given amounting to TL 95.297.575, the details are as follows

Location Given	Project	Amount
İller Bankası AŞ	Istanbul International Finance Center Project	93.217.499 TL
Ankara 25th Civil Court of First Instance	Cubes Ankara Project	270.000 TL
Istanbul 23rd Execution Office	Bizimtepe Aydos Project	121.076 TL
Istanbul 7th Execution Office	Bizimtepe Aydos Project	77.500 TL
Istanbul 6th Execution Office	Bizimtepe Aydos Project	116.500 TL
Istanbul 18th Directorate of Execution	Bizimtepe Aydos Project	120.000 TL
İstanbul 8th Enforcement Directorate	Bizimtepe Aydos Project	230.000 TL
Istanbul Metropolitan Municipality	Sancaktepe Mixed Project	1.145.000 TL
Total		95.297.575 TL

In the event that the buyers of the houses and offices in the ongoing projects of the Company purchase by using the housing/office loans from the banks contracted by the Company within the scope of the related projects, it represents the guarantee amount given to the banks in return for the loan amount. The ratio of other GPMs given by the Company in this context to the Company's equity is 12,03%. (December 31, 2020: 15,36%).The details as of December 31, 2022 and December 31, 2021 are as follows:

	12/31/2022		12/31/2021	
	Sales Made Under Guarantorship	Company Share	Sales Under Guarantorship	Company Share
Cubes Ankara Project (100%)	64.300.665	64.300.665	21.246.099	21.246.099
Bizimtepe Aydos Project (50%)	--	--	1.115.445	557.723
Tablo Adalar Project (99%)	255.787.892	253.230.013	80.325.503	79.522.248
Total	320.088.557	317.530.678	102.687.047	101.326.070

On July 6, 2020, the "Cubes Ankara Project", which is 15% construction progress level, was transferred to the Company. As of December 31, 2022, the total amount of GPMs given in favor of 3rd parties in relation to this transfer is TL 161.154.991. The Company monitors the amounts of the independent units for which a sales promise agreement has been signed and collected by the owner of the previous project under contingent liabilities. The relevant independent sections will be delivered to the customers when the construction is completed.

As of December 31, 2022, the Company has short and long term loans from banks amounting to TL 217,089,626. As of the current situation of our Company, the risks foreseen in this context are under control.

7. Effectiveness of the Internal Control System, Risks and Assessments of the Governing Body

The Early Detection of Risk Committee consists of two members elected by the Company's Board of Directors from among its own members and the chairman of the committee is an independent member of the Board of Directors. In 2022, 6 reports were prepared and submitted to the Board of Directors.

The purpose of the Audit Committee is to ensure that the Company's business and operations are carried out regularly, efficiently and effectively in accordance with the management strategy and policies, within the framework of legislation and rules, to ensure the integrity and reliability of the accounting and recording system, the timely and accurate availability of information in the data system, and the prevention and detection of errors, fraud and irregularities.

In 2022, the Audit Committee convened 11 times and 6 reports were issued. Taking into account the Corporate Governance Principles and Standards, it was observed that the Company's activities are carried out in line with the Company's objectives, that an environment of trust has been established that the Company acts in compliance with the financial statements and the relevant laws and regulations, that the main risks are identified, continuously monitored and minimized in line with the set objectives, and that the existing internal control activities are frequently and continuously evaluated.

In addition, an Internal Control Commission consisting of managers covering all processes was established to organize the Company's Internal Control System and manage it effectively and efficiently.

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

Risks in this context; They are identified under three groups (Strategy, Process and Project risks) and four categories for each group (strategic, operational, financial, reputational risks).

In determining each risk, internal control deficiencies in 6 dimensions *(Policy and Procedure, Documentation, Security, Assignment, Systematicity, Monitoring*) are questioned. Risks are assessed in terms of Likelihood and Impact dimensions and leveled as "*high, medium and low*" risks over 25 points with a 5X5 matrix. An Internal Control Plan is created by planning risk mitigation actions for medium and high risk levels. As of 2021, risks and actions are monitored through the Enterprise Risk Management Module on the Vakıf GYO Integrated Management System Platform.

Risks are monitored at three levels:

- Strategic risks are identified and action is taken by the senior management by taking into account the SWOT, PESTEL, STAKEHOLDER and other analyses conducted on internal and external issues within the scope of the Strategic Plan and the needs and expectations of the relevant parties.
- In addition to the Internal Control Commission in determining the risks and opportunities for the processes, all units make assessments regarding their own processes and take the necessary measures by identifying the risks.
- Real estate project risks are not strategic or process risks, but project-specific risks/opportunities that affect project progress rates, and necessary actions are taken within the business program.

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

8. Sustainability

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

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

Our focus while implementing change and transformation is to ensure sustainable development without ignoring the needs of future generations. By adopting product sustainability beyond the three dimensions of sustainability - economic, social and environmental sustainability - we have ensured that our strategies cover sustainability programs in four dimensions.

The sector's first integrated strategic plan was published, linking our strategies to the 17 Development Goals and 169 Development Targets of the United Nations Sustainability Program. We also focused on meeting the expectations of all five key stakeholder groups in a balanced manner and managing the experience of our stakeholders.

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

- There are many ISO and EN standards for quality assurance systems for sustainable building management. In addition, many rating and certification systems have been developed for green buildings, such as the US LEED certificate, the UK BREEAM certificate and other European countries. In our country, Yes-TR certification regulation was published by the Ministry of Environment, Urbanization and Climate Change.

  In this context, we attach importance to green building rating studies to control carbon emissions from building construction works. Among our current projects; Istanbul International Finance Center Project and Izmir Project are Leed GOLD certificate candidates. In addition, compliance with many green building criteria such as Energy Efficiency, Natural Lighting, Healthy Indoor Environment, Responsible Production and Consumption, Reducing Water Footprint, Increasing Biodiversity, Green Parking Lots and Bicycle Parks are taken into consideration in our other projects without a certification target.

- Within the scope of environmental sustainability , we calculated the carbon emissions of all our projects and reported to CDP, the world's most prestigious environmental reporting institution. Besides we have set targets to reduce carbon emissions.
- Within the scope of social sustainability , we carry out social responsibility projects.

9. Strategic Management and Objectives

GLOBAL OBJECTIVES

Vakıf GYO determines its short and long-term goals with its 5-year strategic plan and annual performance program since 2020 and manages both its current and future performance in line with these goals. Vakıf GYO's Strategic Plan was prepared for the first time in Turkey as an integrated strategic plan by linking it with the United Nations Sustainable Development Objectives (17 SDGs) and Targets (169 SDGs) at every stage, from the current situation analysis stage to the determination of the annual performance program. By adopting the 4P Model (Economic, Social, Environmental and Product sustainability) beyond the 3P Model (Economic, Social, Environmental and Product sustainability) defined and generally accepted in the United Nations Sustainability Program, it has been ensured that our Strategic Plan covers sustainability programs in four dimensions

Our change and transformation strategies focus on meeting the expectations of all five key stakeholder groups in a balanced manner and managing the experience of our stakeholders. In addition, it is aimed to manage the health and well-being of the organization, which is accepted as a global reference, and to keep the values alive in order to create a corporate culture of "We are Vakıf GYO" in line with our main purpose and the continuity of incremental improvement towards institutionalization.

Our main strategy is to continuously grow with innovative and sustainable solutions and to offer value to our stakeholders with the vision of being a reference organization that directs change in the sector with its symbol structures. In order to realize this main strategy, the Company has identified seven strategies and key performance indicators (KPIs), including operational and financial targets. Our strategies and key KPIs are presented below:

- Business Development with Innovative and Conceptual Projects (KPI : Number of business developments, Number of new projects,)
- Strengthening Financial Structure with Effective Sales and Marketing (KPI: Asset Size Ranking, Market Share)
- Effective and Efficient Management of Project Portfolio (KPI: Project Progress Rates (IUFM, Cubes, Tablo Adalar, Izmir Konak)
- Managing Customer Experience Effectively (KPI: Customer Satisfaction Rate, Net Advice Score)
- Managing Organizational Climate (Health) (KPI: Employee Satisfaction Rate, Employee Loyalty Rate)
- Managing Organizational Development (Kpı: EFQM Self-Assessment Score, Strategy Realization Score, Digitalization Level)
- Strengthening Our Reputable Position by Managing Reputation Effectively (Corporate Reputation Ratio, Net Advice Score)

In order to realize the goals set by the Strategic Planning study, the resource requirements for strategic activities in the categories of human resources, investment costs, service procurement, events, etc. are determined and a 5-year financial plan and annual budget are prepared based on this.

The prepared 5-year Strategic Plan and financial plan, annual performance program and budget enter into force upon the approval of the Board of Directors.

The monitoring and evaluation process ensures institutional learning and continuous improvement of activities. At the annual review meetings held at the end of the year, strategic plan realizations are reported and the evaluations made constitute input for the strategic planning process of the following year.

The successful implementation of the strategic plan has resulted in a leapfrog improvement in business results, as presented in the annual report.

A. REAL ESTATE PORTFOLIO AND RELATED ACTIVITIES

1. AVAILABLE STOCK

Province	İstanbul
District	Sancaktepe
Block/Parcel	8085/36

1.1. BİZİMTEPE AYDOS PROJECT INDEPENDENT SECTIONS

Our Company, together with Halk GYO AŞ, has realized a project consisting of 17 residential blocks in a complex on a 95,221.84 m² residential zoned land located on block 8085, parcel 36 in Karapınar Mevkii, Samandıra Mahallesi, Sancaktepe District, Sancaktepe District, Istanbul Province and adjacent to the ongoing Metro Istanbul M5 Çekmeköy-Sultanbeyli extension line. Construction activities have been completed and life has started in the project, which has social facilities, indoor and outdoor swimming pools and a landscape area of approximately 80 decares. 100% of the residential and commercial stock (1037 residential units + 47 commercial units) has been sold and sales and marketing activities have been terminated.

1.2. TABLE ADALAR PROJECT

Province	İstanbul
District	Maltepe
Block/Parcel	15646/44
Purchase Date	05/17/2016
Purchase Cost (including fees)	66.971.250 TL
Appraisal Date	12/30/2022
Appraisal Value	611.375.000 TL

The land with an area of 15.268.61 m² and zoned E:1,25 and TAKS:0,20-0,40 residential zoning, registered in Istanbul Province, Maltepe District, Zümrütevler Neighborhood, block 15646, parcel 44, was purchased by the ordinary partnership established with Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret AŞ for a consideration of TL 66.971.250+KDV, 50% to be paid by Vakıf GYO and 50% by Obaköy.

On January 31, 2018, Obaköy, 50% shareholder of the ordinary partnership, transferred 49% of its shares to our Company for a total consideration of TL 56.831.614, consisting of TL 42.151.214 for the land and development expenses incurred until that date and TL 14.680.400 as share transfer fee.

After this transfer, our share in the ordinary partnership was increased to 99%.

In order to find the most appropriate and correct design for the project to be realized on the land, a preliminary concept was requested from 5 firms with high references and recognition, and a contract was signed with Tabanlıoğlu Architecture as a result of the concept presentations.

It is thought that the project, which will be realized by Tabanlıoğlu Architecture and Vakıf GYO, will have a high brand value and will increase the projected sales figures and speed. In the current situation, Building Permits were renewed from Maltepe Municipality on October 14, 2021, and the "Main Contractor Service" and "Project Management Service" tenders of the project were finalized and construction activities were initiated by signing contracts with the relevant companies.

On December 01, 2021, the launch meeting of the project was held and the sales process was initiated and as of 12/31/2022, a sales promise contract worth TL 558.976.234 was signed for the sale of 226 independent units.

The Total Value of the Project according to the 51,25% Completion Rate of the Project in the 2022 year-end appraisal report is TL 611.375.000 Total Value of the Project at 100% Completion is TL 975.065.000

1.3.IZMIR KONAK MIXED PROJECT

Province	İzmir
District	Konak
Block/Parcel	8601/2
Purchase Date	08/19/2015
Purchase Cost (including fees)	57.500.000 TL
Appraisal Date	12/20/2022
Project Current Appraisal Value	791.250.000 TL

The land located in İzmir Province, Konak District, Mersinli Neighborhood, Block 8601, Parcel 1 with an area of 17.673,63 m² and located in CBD (Central Business Area) was purchased for TL 57.500.000 + VAT on August 19, 2015.

Aiming to create a mixed-use project on block/parcel 8601/1, a main contractor tender was held under the name of "İzmir Konak Mixed Project" and with the method of "Revenue Sharing in Return for Land Sale" and the best bidder İlk İnşaat and Kaf Teknik Business Partnership has committed TL 185.100.000 of Company Share Income to Vakıf GYO AŞ over 30% Company Share Income Rate in return for land sale. The project to be realized in Izmir, one of the most important metropolises of the country, is expected to be extremely beneficial in terms of maintaining the Company's growth vision and increasing its profitability.

The TEİAŞ land, located in the northern neighborhood of our land, was purchased by the company on April 04, 2019 based on the unification condition in the zoning status document received from the relevant municipality, and due to the changes arising from the "Unification and Abandonment to the Public Free of Charge" process, it was registered to the title deed as "8601 block 2 parcel" with an area of 17.703,70 m² and subsequently, the title deed type was changed to "Land" by demolishing the risky structures on the parcel.

The contractor company has completed the project design works based on the license and a building license was obtained on April 16, 2020. Implementation project works are ongoing in the project. in October 2020, site construction activities were initiated by the Main Contractor. In line with the needs in the region, the main contractor made adjustments to the license project and obtained an amendment license dated December 31, 2021.

As of 2021, construction implementation activities were initiated, and while the project progress level was still ~5%, it was decided to terminate the service contract with the Board of Directors Decision dated 13.09.2022/108 due to the contractor's failure to fulfill its obligations under the contract.

According to the valuation report of the real estate dated December 20, 2022, the appraisal value of the "current status of the project" is 791.250.000,-TL.

1.4.CUBES ANKARA PROJECT

Province	Ankara
District	Cankaya
Block/Parcel	16124/5 and 16125/4
Purchase Date	07/06/2020
Purchase Cost	252.500.000 TL
Appraisal Date	12/30/2022
Appraisal Value	1.689.485.000 TL

A contract was signed with T Vakıflar Bankası TAO on May 13, 2020 for the inclusion of the Cubes Ankara Project, which is being constructed in 2 separate blocks with a total closed construction area of 207.853 m² with residential, office, commercial and social facilities areas on land plots with a total area of 16.778,93 m² with block/parcel numbers 16124/5 and 16125/4 in Çukurambar Neighborhood, Çankaya District, Ankara Province, in our Company's portfolio at a price of TL 252.500.000 + VAT. on July 06, 2020, the title deed transfer of "Cubes Ankara Project" to our Company was realized. Project April 20, 2021 the project has a closed construction area of 216.932,15 m² according to the amendment license.

The tenders for the "Main Contractor Service" and "Project Management Service" of the project were finalized and construction activities were initiated by signing contracts with the relevant companies.

On October 13, 2021, the launch meeting of the project was held and the sales process was initiated and as of 12/31/2022, a sales promise agreement worth TL 876.712.018 was signed for the sale of 290 independent units

In the December 30, 2022 dated valuation report; the completion rate of the project is 41,36% and the total value of the project is TL 1.689.485.000 according to the completion rate.

2. PROPERTIES UNDER DEVELOPMENT

2.1. ISTANBUL INTERNATIONAL FINANCE CENTER PROJECT

Province	İstanbul
District	Umraniye
Block/Parcel	3328 / 12
Purchase Date	06/07/2011
Purchase Cost (including fees)	122.000.920 TL
Appraisal Date	12/30/2022
Appraisal Value According to 100% Completion Rate	1.774.040.000 TL + VAT

The 8.774,05 m² land plot on block 3328, parcel 5 in Ümraniye District, Istanbul Province, and the 7.225,80 m² land plot on block 3328, parcel 12 in Ümraniye District, Istanbul Province, are located in the Istanbul International Finance Center. Parcel 5 fronts the ring road in the direction of 15 Temmuz Şehitler Bridge and parcel 12 fronts Şenol Güneş Boulevard. It was purchased by our Company in 2011 for 120.020.438, -TL + VAT.

According to the report of Aden Gayrimenkul Değerleme ve Danışmanlık AŞ, which is authorized by the CMB to provide valuation services, dated 30 December 2022, the fair value of the Istanbul Finance Center located on block 3328, parcel 12 is TL 1.750.562.000 excluding VAT, and the cost of TL 690.033.021 has been transferred from investment properties on block 3328, parcel 5 to inventories on 31 December 2022. as of December 31, 2022, the additional costs on the aforementioned real estate have been transferred to inventories, taking into account the sales promise contract rates, and the inventory has been disposed of by signing a delivery report with T Vakıflar Bankası TAO based on the sales promise contract, the costs of which were collected in advance.

The Company acquired land in Ümraniye with the aim of developing a mixed project consisting of office and commercial areas in the Istanbul International Finance Center, which will be the capital of finance in the national and international arena and will provide ease of transportation due to its proximity to the city's business center districts.

The concept project works have been completed and our project has been approved by the Aesthetic Board Decision of the Ministry of Environment and Urbanization dated 22.05.2014 in order to realize the "T Vakıflar Bank TAO General Directorate Service Building and Facilities Project" on the land of 8.774,05 m² located in Istanbul Province, Umraniye District, Küçükbakkalköy District, 3328 block, 12 parcel and on the land of 8.774,05 m² located in Istanbul Province, Umraniye District, Küçükbakkalköy Neighborhood, 3328 block, 5 parcel. Following the approval, the license projects were completed and prepared, and construction permits for both parcels were obtained from Ümraniye Municipality on June 22, 2015.

Due to the construction of the subway adjacent to the relevant parcels within the scope of the Istanbul International Finance Center project, it was necessary to add an additional 3 basement floors in both parcels of the project, and the excavation and shoring works started in 2016 were completed in 2017. Following the completion of the tender process for the main contractor of the T Vakıflar Bankası TAO Headquarters Service Building and Facilities Project, which will be constructed by our Company in the Istanbul International Finance Center, a contract was signed with REC Uluslararası İnşaat Yatırım San ve Tic AŞ for the said work at a price of TL 711.000.000 + VAT.

At the meeting of the Company's Board of Directors dated 15.11.2018, it was decided to sell a total area of 22.900 m² in the 52-storey block of the "T Vakıflar Bankası TAO Headquarters Service Building and Facilities Project", which is in our Company's portfolio, planned to be used as the Headquarters Service Building of our Bank, to T Vakıflar Bankası TAO, and a "Real Estate Sales Promise Agreement" was signed with T Vakıflar Bankası TAO on 23.11.2018.

At the meeting of the Company's Board of Directors dated 26.10.2020, it was decided to realize the sale of the 28.001,20 m² area located in the 52-storey block of the "T Vakıflar Bankası TAO Headquarters Service Building and Facilities Project", which is in our Company's portfolio, planned to be used as the Bank's Headquarters Service Building, to T Vakıflar Bankası TAO.

At the meeting of the Company's Board of Directors dated 06.01.2021, it has been decided to sell the 4.785,68 m² area located in the 52-storey block planned to be used as VakıfBank Head Office service building for TL 72.981.700 + VAT.

At the meeting of the Company's Board of Directors dated 07.04.2022, it was decided to sell 25.718,12 m² of space in the 52-storey block planned to be used as VakıfBank Head Office service building for TL 930.018.655 + VAT. In order to comply with the revision made in the Master Work Program of the Istanbul International Finance Center Project, additional protocols were signed with the contractor company, project management company and professional supervision services company.

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

The progress level of the project is 98.18% as of 12/31/2022.

2.2.TRANSFORM FİKİRTEPE PROJECT INDEPENDENT SECTIONS

Province	İstanbul
District	Kadikoy
Block/Parcel	3412/3
Purchase Date	05/09/2018
Purchase Cost	24.000.000 TL
Appraisal Date	12/20/2022
Appraisal Value	74.400.000 TL

On May 09, 2018, our Company invested in 30 independent units with a total saleable area of 2.728,92 m² on the 13th, 14th and 15th floors of Block C with a total saleable area of 2.728,92 m² in the Transform Fikirtepe Project located on a 7.813,31 m² plot of land registered on block 3412, parcel 3 in Merdivenköy Neighborhood, Kadıköy District, Istanbul Province, at a price of TL 24.000.000 + VAT.

In the valuation report dated December 20, 2022, the completion rate of the project is determined as 75% and the fair value of the independent units in our Company's portfolio is estimated to be TL 74.400.000 + VAT according to the goodwill study within the framework of the market approach method in case of 100% completion. After our company received the title deeds, the independent sections were transferred to investment properties.

3.RENTAL INCOME PROPERTIES

3.1 KAVAKLIDERE SHOP

3.1.1 Real Estate Information

Province	Ankara
District	Cankaya
Block/Parcel	2537/6
Purchase Date	12/30/2004
Purchase Cost (including fees)	4,100,600 TL
Purchase Appraisal Date	12/27/2004
Purchase Appraisal Value	4.070.000 TL
Appraisal Date	11/25/2022
Appraisal Value	60.000.000 TL

The immovable is located in Ankara Province, Çankaya District, Tunalı Hilmi Street, block 2537, parcel 6. The surroundings of the immovable, which is in a central and convenient location in terms of transportation, mainly consists of shops, stores, business halls, office floors and residences.

The building consists of 1 Basement floor + Ground floor + 6 Normal floors, total 8 floors and 12 independent sections. - The independent section numbered 1, which is located on the 1st basement, ground floor and 1st normal floor with a total gross area of 1.062 m², belongs to our company.

In determining the value of the immovable, the ease of transportation by private and public transportation, the facade of the building to Tunalı Hilmi Street, one of the main arteries of the city, and its size were taken into consideration. on December 30, 2004, the immovable property, which was valued at TL 4.070.000 according to the Expertise Report dated December 27, 2004, was included in the portfolio with a total price of TL 4.100.600 including fees.

According to the Appraisal Report dated November 25, 2022, a total value of TL 60.000.000 + VAT including the land share was appraised for the fair value of the real estate determined according to the market approach method.

3.1.2 Information on Rental Income

It was leased as VakıfBank Kavaklıdere branch on 01.01.2020 with a 10-year contract. The current monthly rent is 128.915,40 TL +VAT.

Rent Appraisal Date	12/25/2019
Rent Appraisal Value (*)	96,000 TL
Current Monthly Rent	128.915,40 TL

(*) In accordance with the requirement to renew the rent appraisal every five years and to determine the rental price accordingly, the rent appraisal dated December 25, 2019 was determined as 96.000,-TL. This amount will be valid for 2020.

3.2 KÜTAHYA BUSINESS CENTER

3.2.1 Real Estate Information

Province	Kutahya
District	Headquarters
Block/Parcel	63/224
Purchase Date	31.01.2011
Purchase Cost	4.066.000 TL
Purchase Appraisal Date	12/04/2010
Purchase Appraisal Value	4.000.000 TL
Appraisal Date	25.11.2022
Appraisal Value	20.365.000 TL

Kütahya Business Center is located in Kütahya Province, Merkez District, Alipaşa Neighborhood, Cumhuriyet Street, on the corner where it intersects with Karagöz Street, on block 63, parcel 224. It was included in our Company portfolio in January 2011. The historical buildings on the street, the small hammam under protection and Karagöz Ahmed Pasha Mosque are in the immediate vicinity of the immovable. Most of the banks are located on Cumhuriyet Street, where our building is also located.

Consisting of 1 basement floor + ground floor + 7 normal floors, the building has a total of 9 floors and 9 independent sections with a gross usage area of 2.060 m².

The factors that positively affect the value of our building are that it is located on Cumhuriyet Street, one of the most active places of Kütahya bazaar center, where commercial activity is intense and in a corner position, it is open and has high visibility from the surrounding area because it faces the square, it has been recently renovated, and in this context, the quality of workmanship and construction is better than the surrounding buildings.

On January 31, 2011, the immovable property, which was valued at TL 4.000.000 according to the Expertise Report dated December 4, 2010, was included in the portfolio with a total price of TL 4.066.000 including fees. According to the November 25, 2022 dated Expertise Report, a total value of TL 20.365.000 + VAT including land share has been appraised for the fair value of the real estate determined according to the market approach method.

3.2.2.1 Information on Rental Income

On 01.02.2021, it was leased as VakıfBank Kütahya branch with a 10-year contract. The current monthly rent is 82.524,10 TL + VAT.

Rent Appraisal Date	12/31/2020
Rent Appraisal Value (*)	60.000.-TL
Current Monthly Rent	82.524.10.-TL

(*) In accordance with the necessity of renewing the rent appraisal every five years and determining the rent accordingly, the rent appraisal dated December 31, 2020 has been determined as 60.000,-TL. This amount will be valid for 2021.

3.3 ALAGA BUSINESS CENTER

3.3.1 Real Estate Information

Province	İzmir
District	Aliaga
Block/Parcel	-/5637
Purchase Date	31.01.2011
Purchase Cost (including fees)	3.049.500 TL
Purchase Appraisal Date	12/14/2010
Purchase Appraisal Value	3.000.000 TL
Appraisal Date	11/25/2022
Appraisal Value	20.925.000 TL

Aliağa Business Center is located in İzmir Province, Aliağa District, Aliağa District, Aliağa Neighborhood, İstiklal Street, parcel 5637. Demokrasi Square, Çarşı Mosque and City Park are located in the immediate vicinity of the immovable. The buildings in the area have 6-7 floors.

Consisting of 7 floors in total, 1 basement floor + ground floor + 5 normal floors, the building is registered in the title deed as 9 separate independent sections with a gross area of 1.323 m².

In the value determination; the fact that the real estate is located in a region with easy transportation facilities, the high commercial mobility of its surroundings, its suitability for workplace use and the smooth infrastructure are factors that affect positively.

On January 31, 2011, the immovable property, which was valued at TL 3.000.000 according to the Expertise Report dated December 14, 2010, was included in the portfolio with a total price of TL 3.049.500 including fees. According to the November 25, 2022 dated Expertise Report, the fair value of the real estate determined according to the market and income approach method is TL 20.925.000 + VAT including the land share.

3.3.2 Information on Rental Income

The 1st basement, ground and 1st floors of the building, totaling 448 m², were leased as VakıfBank Aliağa branch on 01.01.2020 with a 10-year contract. The current monthly rent is 37.823,24 TL + VAT.

In addition, 8 independent properties in the building were rented for TL 17,297.53 + VAT.

Rent Appraisal Date	12/25/2019
Rent Appraisal Value (*)	42.795 TL
Current Monthly Rent	37.823.24 TL

(*) According to the expertise report dated 25.12.2019, the monthly rent determined for the entire real estate is TL 42.795. The rent appraisal value for the areas subject to the lease agreement is TL 32.823.

3.4 FATİH BUSINESS CENTER

3.4.1 Real Estate Information

Province	İstanbul
District	Fatih
Block/Parcel	2123/9
Purchase Date	02/08/2011
Purchase Cost (including fees)	2.642.900 TL
Purchase Appraisal Date	12/14/2010
Purchase Appraisal Value	2.800.000 TL
Appraisal Date	11/25/2022
Appraisal Value	27.740.000 TL

Fatih Business Center is located on the corner of the intersection of the street and Hulusi Noyan Street on Macar Kardeşler Street, Fatih District, Istanbul Province, on block 2123, parcel 9. There are adjoining buildings around it, which are used as shops-stores on the ground floors and as workplace-residential buildings on the normal floors.

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

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

On February 08, 2011, the immovable property, which was valued at TL 2.800.000 according to the Expertise Report dated December 14, 2010, was included in the portfolio through leasing from Vakıf Finansal Kiralama AŞ for a total amount of TL 2.642.900 including fees. According to the November 25, 2022 dated Expertise Report, a total value of TL 27.740.000+VAT including land share has been appraised for the fair value of the real estate determined according to the market and income approach method.

3.4.2. Information on Rental Income

On 01.02.2021, it was leased as VakıfBank Fatih branch with a 10-year contract. The current monthly rent is 53.296,80 TL + VAT.

Rent Appraisal Date	12/30/2020
Rent Appraisal Value (*)	43.000.-TL
Current Monthly Rent	53.296.80 TL

(*) In accordance with the necessity to renew the rent appraisal every five years and determine the rent accordingly, the rent appraisal dated December 30, 2020 has been determined as 43.000,-TL. This amount will be valid for 2021.

3.5 BİZİMTEPE AYDOS COMMERCIAL UNITS

Istanbul / Bizimtepe Aydos project is located in Istanbul Province, Sancaktepe District, Samandıra Neighborhood, 8085 island, 36 parcel. In 2022, the Company sold 17 independent sections for TL 7.015.918+Kdv. There is no commercial section in the project as of December 31, 2022.
As of June 30, 2019, the Company has started to sign lease agreements for its commercial units in Bizimtepe Aydos Project. In the accounting period starting on January 1, 2022 and ending on December 31, 2022, it has obtained a rental income of 70.822 TL.

4. LAND FOR PROJECT DEVELOPMENT

4.1.Izmir Konak Lands

	8603 block 1 parcel	8604 block 1 parcel	8604 block 4 parcel
Province	İzmir	İzmir	İzmir
District	Konak	Konak	Konak
Purchase Date	08/19/2015	08/19/2015	08/19/2015
Purchase Cost (including fees)	16.167.000 TL	20.553.000 TL	19.380.000 TL
Appraisal Date	11/25/2022	11/25/2022	11/25/2022
Appraisal Value	217.035.000 TL	276.365.000 TL	260.485.000 TL

Lands zoned CBD (Central Business Area) with an area of 5.183,53 m² on block 8603, parcel 1, with an area of 6.600,52 m² on block 8604, parcel 1, with an area of 6.221,25 m² on block 8604, parcel 4, located in Mersinli Neighborhood, Konak District, Izmir Province, were included in our portfolio at a cost of TL 56.100.000. The fair value of our lands according to the market approach method in the 2022 year-end expertise report is 753.885.000 TL.

4.2. Istanbul Samandıra Land

Province	İstanbul
District	Sancaktepe
Block/Parcel	6770/2
Purchase Date	12/09/2016
Purchase Cost (including fees)	63.750.000 TL
Appraisal Date	12/20/2022
Appraisal Value	262.800.000 TL

17.518,17 m² of land zoned for commerce + housing, located in Samandıra Neighborhood, Sancaktepe District, Istanbul Province and registered in the title deed on parcel 243EE4D, block 6770, parcel 2, was purchased on 09.12.2016 for TL 63.750.000 including fees.Aiming to develop a mixed-use project on the parcel, the "Sancaktepe Mixed Project Design Tender" was launched on 16.02.2022. The work in question has been awarded to Mental Tasarım Proje Geliştirme ve Yapı San Tic Ltd Sti and design work is ongoing. The fair value of our land according to the market approach method in the 2022 year-end appraisal report is TL 262.800.000.

4.3.Ankara Etimesgut Lands

Province	Ankara
District	Etimesgut
Block/Parcel	48750/1 and 48744/5
Purchase Date	04/12/2000
Purchase Cost	205.928.64 TL
Appraisal Date	11/25/2022
Appraisal Value	6.795.000 TL

The immovables are land plots registered on block 48750, parcel 1 and block 48744, parcel 5 in Erler Neighborhood, Etimesgut District, Ankara Province. Since the lands are located in the Energy Transmission Line area, there is no construction on it. The parceling plan numbered 85170/1, in which the immovables belonging to our Agency are located, was canceled with the decision of Ankara 5th Administrative Court dated December 04, 2018 and numbered 2018/2472, and the legal process continues. the area of the land located on Block 48750, Parcel 1 is 19.023 m² and Vakıf GYO AŞ has a share of 2.111/19.023. the land on block 48744, parcel 5 is 2.399 m².

The fair value of our land according to the market approach method in the 2022 year-end appraisal report is TL 6.795.000.

4.4.Istanbul Samandıra 100 Parcel Land

Province	İstanbul
District	Sancaktepe
Block/Parcel	100
Purchase Date	08/12/2022
Purchase Cost	125.000.000.-TL
Appraisal Date	12/30/2022
Appraisal Value	160.780.000 TL

Located in Istanbul Province, Sancaktepe District, Samandıra Neighborhood, Parcel 100, the 21.000m² land has split layout, H (max): 12,50 meters, TAKS: 0.40 KAKS: 1.00 construction conditions. According to the valuation report dated 27.07.2022, the fair value of the land was determined as 130.523.774,-TL and the land was included in our portfolio with a price of 125.000.000,-TL on 12.08.2022. According to the valuation report dated 30.12.2022, the value of the land was appreciated as 160.780.000,-TL.

4.5.Kocaeli Gebze Çayırova Land

Province	Kocaeli
District	Gebze
Block/Parcel	6365/8
Purchase Date	09/02/2022
Purchase Cost	167.500.000.-TL
Appraisal Date	12/28/2022
Appraisal Value	312.600.000 TL

In Kocaeli Province, Gebze District, Çayırova Neighborhood, 6365/8 Parcel, 28.414 m² of land with a size of 1/1000 Scale Gebze Revision Implementation Zoning Plan, within the "Trade Area" suitable for construction with storage function, with a discrete layout, 12 floors, H (max) 36.50 meters, KAKS: 1.98 construction conditions, was included in our portfolio on 02.09.2022 at a price of 167.500.000,-TL against the real estate value of 210.241.158,-TL determined by the valuation report dated 18.08.2022. According to the valuation report dated 28.12.2022, the value of the land was estimated as 312.600.000,-TL.

5. INVESTMENTS BASED ON PROPERTY ACQUISITION

5.1.Nidapark Küçükyalı Project

Province	İstanbul
District	Maltepe
Block/Parcel	16772/1
Purchase Date	11/30/2018
Purchase Cost	24.972.192 TL
Appraisal Date	12/20/2022
Appraisal Value	175.580.000 TL

On November 30, 2018, our Company invested in a total of 102 independent units with a gross sales area of 20.439,61 m² in the office towers of blocks B10 and B11 of Nidapark Küçükyalı Project, registered with block number 16772, parcel number 1 in Küçükyalı Neighborhood, Maltepe District, Istanbul Province, with an initial purchase cost of TL 220.747.788 + VAT.

According to the additional protocol signed on October 13, 2020, the gross sales area is 20,427.73 m² and the number of independent units is 106.

As of 12/31/2022, the contract rights of 94 real estate have been transferred and 424.203.230,99,-TL revenue has been obtained.

According to the valuation report dated December 20, 2022, the revenue value of the 12 independent units owned by our Company in today's market conditions in case of completion is estimated to be TL 175.580.000 + VAT.

6. REAL ESTATE PORTFOLIO DEVELOPMENT

Our Company attaches importance to the fact that its real estate portfolio consists of properties that have been qualitatively and financially analyzed and whose risk impact has been reduced. Feasibility studies and real estate appraisals are carried out for all of the real estate included in the portfolio to identify the right target groups, and these studies are taken as a basis for purchasing and leasing.

In order to achieve its investment targets, our Company has adopted the principle of including in its portfolio real estate properties with different characteristics that are safe, efficient, stable and with high income-generating factors and without risk parameters by keeping up-to-date with the global and national real estate market and taking new investment actions.

10. Significant events occurring after the Reporting Period

As of the reporting date, earthquake disasters have occurred in Kahramanmaraş and surrounding provinces of Turkey. The Company has no activity in these earthquake zones. Considering the regions in which the Company operates, no significant impact is expected on the Company's operations.

11. Predictions made about the development of the business

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

12. Corporate Governance Principles Compliance Report

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

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

Pursuant to the decision of the Capital Markets Board dated 10/01/2019 and numbered 2/49; Our Company's Corporate Governance Compliance Reporting for the year 2022, prepared in accordance with the Corporate Governance Communiqué numbered II-17.1, was published on 21.02.2023 on the PDP Platform, using the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. In addition, the Sustainability Principles Compliance Report was also announced on the PDP on the same date.

The reports can also be accessed from the links below on KAP.

KAP Corporate Governance Information Form , KAP URF Corporate Governance Compliance Report and 2022 Sustainability Principles Compliance Report

13. Research and development activities

Land, land and project development feasibility studies are continuously carried out by our Company.

14. Nature and amount of capital market instruments issued, if any

The Company did not issue any capital market instruments in 2022.

15. Information about the sector in which the company operates and its position in this sector

The Company operates in the Real Estate Investment Trust sector. Since its establishment in 1996, Vakıf GYO has maintained its position as a reliable, successful and stable company in the real estate sector.

16. Developments in investments, utilization of incentives, and if utilized, to what extent they were realized

No incentives were utilized in the projects realized by our Company.

17. Qualifications of the production units of the enterprise, capacity utilization rates and developments in these units, general capacity utilization rate, developments in the production of goods and services in the field of activity, explanations including comparisons of quantity, quality, version and prices with previous period figures

There are 4 leasable immovable properties in our Company's portfolio are rented In addition, in the "T Vakıflar Bankası TAO Headquarters Service Building and Facilities Project", which is included in the Company's portfolio, located on a parcel area of 7.225,80 m² and registered with block 3328, parcel 12, with a total saleable/rentable area of 54.582,90 m² and a construction area of 112.603,97 m², the remaining 51.563,30 m² of the remaining 51.563.30 m² area, excluding the shops allocated as shop-mix area, to Türkiye Vakıflar Bankası TAO as Shell&Core for a period of 5 + 5 years starting from 05.08.2022, with a monthly rent of TL 13.650.000,- +VAT, with no rent payment for the first six-month period and TL 81.900.000,00+VAT for the second six months, payable in advance in December 2022.

18. Prices, sales revenues, sales conditions of goods and services in the field of activity and developments in these during the year, developments in efficiency and productivity coefficients, reasons for significant changes in these compared to previous years

As can be seen from the table below, rental income has been obtained regularly within the framework of the lease agreements of the real estates in the Company's portfolio during the period.

2022	KAVAKLIDERE SHOP	ALAGA BUSINESS CENTER	ALİAĞA HOUSING	KÜTAHYA BUSINESS CENTER	FATİH BUSINESS CENTER	ISTANBUL SANCAKTEPE 100 PARCEL	BİZİMTEPE AYDOS COMMERCIAL UNITS	TOTAL
January	128.915 ₺	37.823 ₺	4.144 ₺	67.323 ₺	43.479 ₺	-	15.892 ₺	297.576 ₺
February	128.915 ₺	37.823 ₺	5.212 ₺	82.524 ₺	53.297 ₺	-	16.108 ₺	323.879 ₺
March	128.915 ₺	37.823 ₺	8.818 ₺	82.524 ₺	53.297 ₺	-	14.678 ₺	326.055 ₺
April	128.915 ₺	37.823 ₺	10.847 ₺	82.524 ₺	53.297 ₺	-	7.297 ₺	320.704 ₺
May	128.915 ₺	37.823 ₺	12.924 ₺	82.524 ₺	53.297 ₺	-	7.297 ₺	322.781 ₺
June	128.915 ₺	37.823 ₺	16.780 ₺	82.524 ₺	53.297 ₺	-	2.225 ₺	321.564 ₺
July	128.915 ₺	37.823 ₺	16.780 ₺	82.524 ₺	53.297 ₺	-	1.875 ₺	321.214 ₺
August	128.915 ₺	37.823 ₺	16.780 ₺	82.524 ₺	53.297 ₺	100.000 ₺	1.875 ₺	421.214 ₺
September	128.915 ₺	37.823 ₺	16.780 ₺	82.524 ₺	53.297 ₺	100.000 ₺	1.875 ₺	421.214 ₺
October	128.915 ₺	37.823 ₺	16.780 ₺	82.524 ₺	53.297 ₺	100.000 ₺	1.699 ₺	421.038 ₺
November	128.915 ₺	37.823 ₺	16.780 ₺	82.524 ₺	53.297 ₺	100.000 ₺	-	419.339 ₺
December	128.915 ₺	37.823 ₺	17.638 ₺	82.524 ₺	53.297 ₺	100.000 ₺	-	420.197 ₺
Total	**1.546.985 ₺**	**453.879 ₺**	**160.261 ₺**	**975.088 ₺**	**629.744 ₺**	**500.000 ₺**	**70.822 ₺**	**4.336.777 ₺**

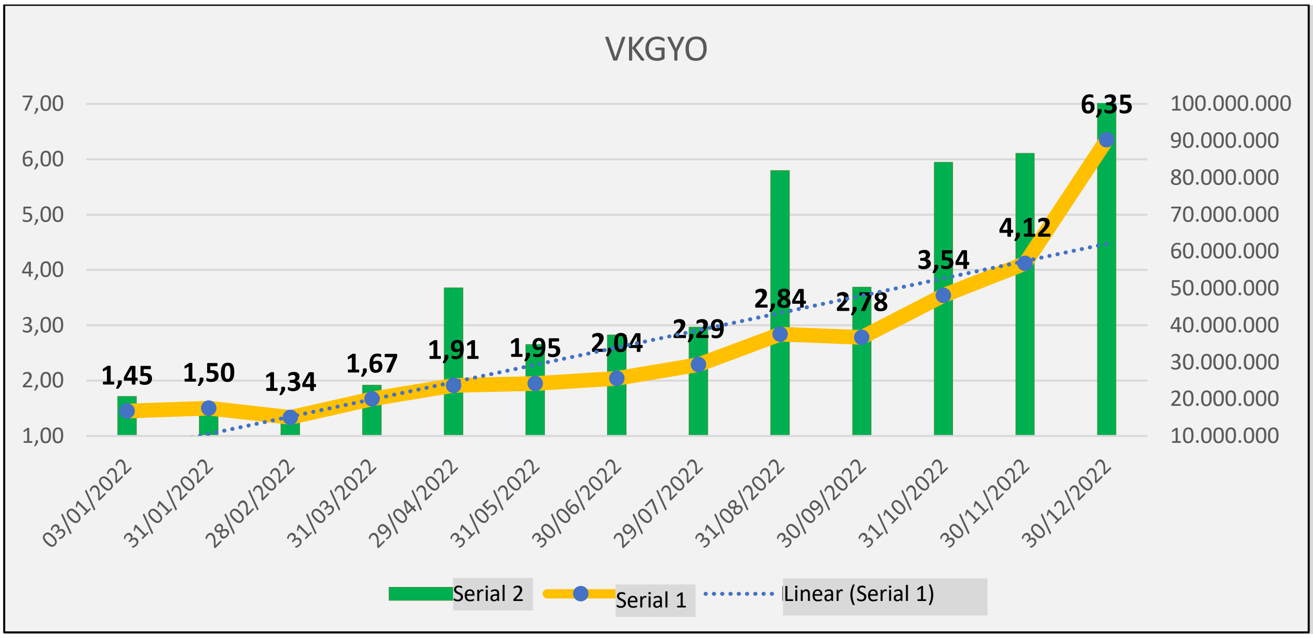
19. Basic ratios calculated on the basis of financial statements and information prepared in accordance with the provisions of this Communiqué on financial position, profitability, and solvency

Ratios	Rate
Current Ratio	2,02
Liquid Ratio	2,02
Cash Ratio	1,50

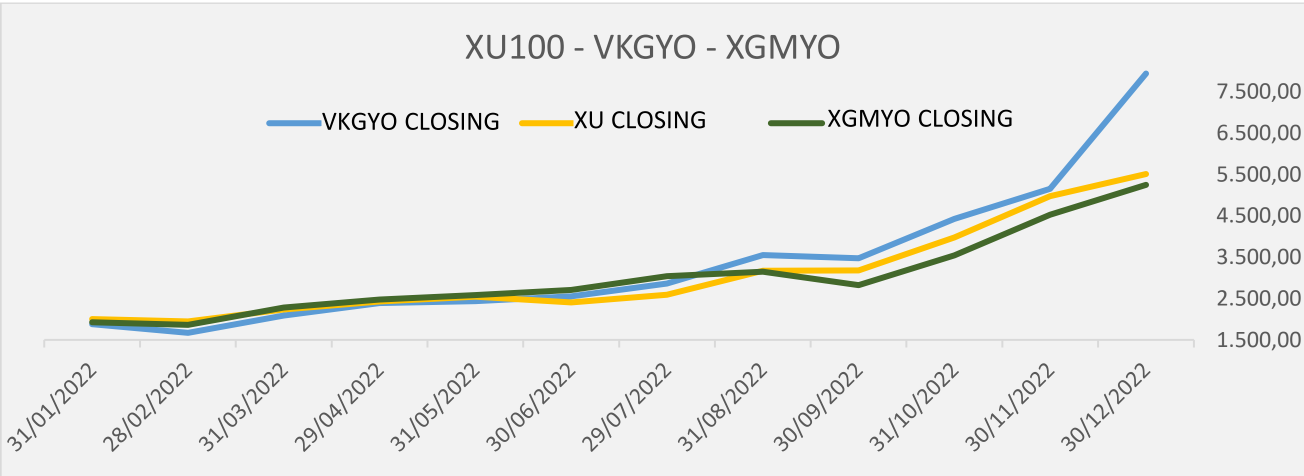
20. Stock Performance

The development of Vakıf Real Estate Investment Trust shares in 2022 is presented in the graphs below. The charts show the price change of our Company's shares between 01.01.2022 – 31.12.2022, the volume of transactions and the comparison of our Company's shares with the BIST 100 and REIT indices.

VKGYO PRICE CHART



VKGYO-XGMYO-XU100 COMPARATIVE MONTHLY CHANGE GRAPH



21. Changes in the Articles of Association and Their Reasons During the Period

Article 7 of our Company's Articles of Association, titled "Capital and Shares", due to the increase in the Registered Capital Ceiling from 1.000.000.000 TL (One Billion TL) to 1.750.000.000 TL (One Billion Seven Hundred and Fifty Million TL), titled "Company Headquarters and Branches". Article 3, Article 10 titled “Board of Directors and Term of Office”, Article 12 titled “Board of Directors Meetings, Special Decisions and Compliance with Corporate Governance Principles”, Article 15 titled “General Manager and Managers”, “General Assembly” Article 19 titled “Meetings”, Article 21 titled “Ministerial Representative at the Meeting” and Article 24 titled “Announcements” have been amended. The KAP statement regarding the CMB approval of the amendment text can be found at https://www.kap.org.tr/tr/Bildirim/1005817 and to our current articles of association http://www.vakifgyo.com.tr/files/esas-sozlesme-11052022.pdf You can access it from the link.

22. Result of 2022 Board of Directors Loyalty Report

All legal transactions made by our company with the controlling company and affiliated companies in 2022 were carried out in accordance with their precedents. In accordance with the circumstances and conditions known to our Company at the time of these legal transactions, an appropriate counter-performance has been provided in each legal transaction. There is no measure taken or avoided that could harm the company. For this reason, there is no right of counterclaim equivalent to a subsidiary company regarding the material damage/loss suffered by our Company due to intra-group transactions, the transaction subject to equalization by the controlling company, or the benefits provided by our Company during the activity period.

23. Balance sheet

VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021 (*)
(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

	Audited	Audited
ASSETS	31 December 2022	31 December 2021
CURRENT ASSETS	1.168.630.977	2.038.355.679
Cash and cash equivalents	864.642.136	849.041.503
Financial investments	113.195.889	--
Trade receivables		
- *Trade receivables from third parties*	*164.649.291*	*36.445.330*
Other receivables		
- *Other receivables from third parties*	*7.916.692*	*807.016*
Inventories	111.123	973.711.360
Prepaid expenses	8.228.266	20.485.966
Current income tax assets	9.885.013	7.874.776
Other current assets	2.567	149.989.728
NON - CURRENT ASSETS	5.534.268.036	2.581.459.332
Trade receivables		
- *Trade receivables from third parties*	*30.401.117*	*29.484.195*
Other receivables		
- *Other receivables from third parties*	*49.374*	*45.944*
Inventories	1.785.703.532	607.713.712
Investment properties	3.444.057.000	1.594.626.855
Tangible assets	1.085.969	406.987
Intangible assets		
- *Goodwill*	*14.631.400*	*14.631.400*
- *Other intangible assets*	*1.493.922*	*1.520.765*
Prepaid expenses	119.360.322	311.920.680
Other non - current assets	137.485.400	21.108.794
TOTAL ASSETS	6.702.899.013	4.619.815.011

LIABILITIES	Audited 31 December 2022	Audited 31 December 2021
CURRENT LIABILITIES	577.423.970	1.673.057.086
Short-term portion of long-term borrowings		
- *Short-term portion of long-term borrowings from related parties*	*103.651.393*	*103.651.639*
- *Short-term portion of long-term borrowings from third parties*	*11.385.790*	*23.897.347*
Trade payables		
- *Trade payables to related parties*	*145.277*	*126.296.305*
- *Trade payables to third parties*	*310.136.599*	*234.722.519*
Payables for employee benefits	887.465	207.774
Other payables		
- *Other payables to third parties*	*25.154.714*	*41.970.524*
Deferred revenue (Other than contract liabilities)		
- *Deferred revenue to related parties*	*81.900.000*	*1.127.006.536*
- *Deferred revenue to third parties*	*10.793.946*	*699.060*
Short term provisions		
- *Short-term provisions for employee benefits*	*1.918.326*	*868.300*
Other current liabilities	31.450.460	13.737.082
NON-CURRENT LIABILITIES	1.352.705.689	505.627.905
Long term borrowings		
- *Long term borrowings from related parties*	*102.052.443*	*184.521.721*
- *Long term borrowings from third parties*	--	*10.233.314*
Other payables		
- *Other payables to third parties*	*44.457.493*	*1.436.089*
Deferred revenue (Other than contract liabilities)		
- *Deferred revenue to third parties*	*1.203.789.772*	*308.443.584*
Long term provisions		
- *Long-term provisions for employee benefits*	*2.405.981*	*993.197*
TOTAL LIABILITIES	1.930.129.659	2.178.684.991
EQUITY	4.772.769.354	2.441.130.020
Paid-in capital	1.145.000.000	1.000.000.000
Adjustment to share capital	21.599.008	21.599.008
Share premiums	301.118.336	301.118.336
Other comprehensive income not to be reclassified to profit or loss		
- *(Loss) / gain on remeasurement of employee benefits*	*(664.786)*	*(186.972)*
Restricted reserves appropriated from profit	19.519.775	11.781.404
Retained earnings	954.079.873	632.130.300
Net profit for the year	2.332.117.148	474.687.944
TOTAL LIABILITIES AND EQUITY	6.702.899.013	4.619.815.011

24. Income Statement

VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022 AND 2021 (*)
(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

	Audited	Audited
	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
PROFIT / LOSS		
Revenue	2.807.370.710	248.238.123
Cost of sales (-)	(1.961.325.390)	(60.457.969)
Gross Profit	846.045.320	187.780.154
General administrative expenses (-)	(33.174.702)	(18.848.025)
Marketing expenses (-)	(44.344.337)	(17.726.344)
Other operating income	1.574.382.523	343.449.371
Other operating expense (-)	(224.240)	(5.636.244)
Operating Income/(Expenses)	2.342.684.564	489.018.912
Operating Profit Before Financial Income / (Expenses)	2.342.684.564	489.018.912
Financial income	--	--
Financial expenses (-)	(10.567.416)	(14.330.968)
Financial Income / (Expenses), Net	(10.567.416)	(14.330.968)
Profit From Continuing Operations Before Tax	2.332.117.148	474.687.944
Net Profit for the Year	2.332.117.148	474.687.944
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income not to be reclassified to profit or loss		
- Gain or loss from the remeasurement of employee benefits	(477.814)	(173.796)
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME	(477.814)	(173.796)
TOTAL COMPREHENSIVE INCOME	2.331.639.334	474.514.148
Earnings per share (in full TRY)	2,037	0,608

(*) Notes to the Balance Sheet and Income Statement www.kap.org.tr and www.vakifgyo.com.tr internet addresses.

25. Measures to be taken to improve the financial structure of the enterprise

During this period, Vakıf GYO endeavored to maintain its strong and stable financial structure and continued its sustainable growth.

26. Changes made in the senior management during the year and the names, surnames and professional experience of those still in office

All information and resumes of our Company's Senior Management and Board Members; is available at the link at https://www.vakifgyo.com.tr/yonetimkurulu

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

As of 12/31/2022, the number of personnel of our company is 40. There is no collective bargaining. Personnel are provided with additional benefits such as private health insurance, life insurance and private pension insurance.

28. Information on donations made during the year

During the period, a cash donation amounting to TL 200 thousand was made within the scope of the social responsibility project carried out by the Real Estate Investors Association (GYODER) for the transformation of the idle Banking and Insurance School building in Marmara University, Göztepe Campus into a dormitory for female students.

29. Information on whether they have decentralized organizations

Our company has no organization outside the headquarters.

30. Other Information on Operations

CONSULTANCY SERVICES
Our Company receives the Independent Audit services for 2022 from Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ and full attestation services from HSY Bağımsız Denetim ve YMM AŞ.

A Corporate Governance Rating Agreement has been signed between our Company and Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri AŞ for a period of one year, effective as of June 23, 2022.

A one-year contract was signed with Jcr Avrasya Derecelendirme AŞ to measure the creditworthiness of our Company.

Since the Company has a portfolio manager with a license certificate employed by the Company for investment consultancy and portfolio management, the Company did not need an institution for additional services.

in 2022, the Company received services from Aden Gayrimenkul Değerleme ve Danışmanlık AŞ for each asset in our portfolio that requires valuation, and from Arge Gayrimenkul Değerleme ve Danışmanlık AŞ and Aden Gayrimenkul Değerleme ve Danışmanlık AŞ for the valuation of assets that may be included in our portfolio during the year and require valuation.

Within the scope of the Istanbul International Finance Center Project, our Company has been receiving project management services from Entegre Proje Yönetimi Dan Müh Ticaret AŞ and professional supervision services from Tabanlıoğlu Mimarlık AŞ as of 2022.

Within the scope of the Tablo Adalar Project, as of 2022, the project management service is provided by Erya Mühendislik Proje Yönetimi Ticaret AŞ and the professional supervision service is provided by Tabanlıoğlu Mimarlık AŞ.

Within the scope of Izmir Konak Karma Project, ground consultancy services are provided by SG Müşavirlik Mühendislik Geoteknik Ve Çevre Hizmetleri AŞ as of 2022.

Within the scope of Cubes Ankara Project, as of 2022, Erya Mühendislik Proje Yönetimi Ticaret AŞ provides project management services, Lejant Mimarlık İnşaat Ltd Sti provides professional supervision services, Innobuild Cephe Dan Ve Müh Ltd Sti provides facade consultancy services, Alara Pro Müh Prod İnş Taah Tic Ve San Ltd Sti provides fire consultancy services, and Bylift Asansör Otomasyon Dan San Ve Tic Ltd Sti provides elevator consultancy services to our company.

Our company has procured 27001 Information Security Management System consultancy service from Volfram Bilgi Teknolojileri Tic Ltd Şti in order to provide the services of analyzing the difference required by the administration within the scope of ISO 27001 ISMS, determining the scope, preparing the relevant documents, making preliminary preparations for the certification audit, and completing the documents determined to be missing after the audit.

Our company has established its own Enterprise Resource Management system in accordance with the growing market and corporate structure in the real estate sector; Agc Erp Hizm Yaz Ltd Sti has provided consultancy and support services for the ERP product purchased in order to increase its competitiveness in the short, medium and long term, to support its growth policy, to provide fast, accurate and reliable data flow in the decision support process, to increase the productivity of the organization and employees, to consolidate all information resources and business processes of the company on an integrated and manageable system without depending on the person, to create a structure that can be managed on a process basis, to use information technologies in a strong and effective way to manage cost management with high efficiency and flexibility.

Within the scope of the "Corporate Development Project" initiated in order to effectively manage change and transformation and to raise Vakıf GYO's corporate performance to a distinctive and sustainable superior performance level, consultancy services are received from Kosova Danışmanlık Ltd Sti on Strategic Planning, Corporate Risk Management, Process Management, Corporate Culture Management and monitoring of corporate development.

There has been no conflict of interest with the aforementioned individuals and organizations.

LEGISLATIVE CHANGES THAT MAY SIGNIFICANTLY AFFECT OPERATIONS

There are no significant changes that will affect our Company's operations. In addition, there are no administrative or judicial sanctions imposed on the Company or the members of the Board of Directors due to practices contrary to the provisions of the legislation.

LAWSUITS TO WHICH THE COMPANY IS A PARTY

As of December 31, 2022, the Company is a party to 52 lawsuits, 37 of which are related to consumer lawsuits, 10 enforcement proceedings, 4 receivable proceedings, 1 lawsuit is related to labor lawsuits. According to the opinion of the lawyers, there are no material cases for which indemnification will be awarded against the Company.

DIRECT OR INDIRECT SUBSIDIARIES OF THE COMPANY

Joint Activities

Joint operations arise when the parties that have joint control of an arrangement have rights to the assets and obligations for the liabilities related to that arrangement. A joint operation participant is evaluated based on its assets, liabilities, revenues and costs. The assets, liabilities, equity items, income and expense accounts and cash flows of joint operations are included in the financial statements on a proportionate consolidation basis and intra-group transactions, balances and unrealized gains/losses arising from these joint operations are eliminated from the financial statements.

Joint Activities	Subject of Activity	Enterprising Partners
Halk GYO - Vakıf GYO Ordinary Partnership ("Halk - Vakıf")	Housing project	Halk GYO AŞ
Vakıf GYO - Obaköy Ordinary Partnership ("Vakıf - Obaköy")	Housing project	Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret AŞ ("Obaköy")

Halk GYO - Vakıf GYO

Halk GYO - Vakıf GYO was established as an ordinary partnership with the project partnership agreement signed on August 29, 2014 and became operational on October 16, 2014. Halk GYO - Vakıf GYO was established with a capital of TL 100,000 and 50% and 50% shares, and the purpose of the established partnership is to develop a housing project in Sancaktepe Istanbul. The Company purchased the land located in Sancaktepe district of Istanbul province with an area of 95.221,84m² for a consideration of TL 110.000.000 + VAT, 50% to be paid by Vakıf GYO and 50% to be paid by Halk GYO.

Vakif GYO - Obakoy

Vakıf GYO -Obaköy was established as an ordinary partnership with the project partnership agreement signed on April 29, 2016 and started its operations on April 29, 2016. Vakıf-Obaköy was established with a capital of TL 100,000 and a 50% shareholding of 50% and 50%, and the purpose of the partnership is to develop a housing project in Maltepe Istanbul. The Company has purchased a land plot with a surface area of 15.268 m2 located in Maltepe district of Istanbul province for TL 66.971.250, 50% of which will be paid by Vakıf GYO and 50% by Obaköy. According to the decision of the Board of Directors numbered 2018/4 taken on January 31, 2018, the Company has decided to increase its share in the Ordinary Partnership established with Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret A.Ş (Obaköy) to develop a project on a 15.268 m2 residential zoned land located in Maltepe district of Istanbul province, in which the Company has 50% share, to 99% by signing a protocol.Until January 31, 2018, Vakıf GYO has contributed to Obaköy 49% of the investment amount (investment amount consists of the land purchased and development expenditures made on it) shared by the two Partners until January 31, 2018 (42.151.214 TL 14,680,400) and TL 14,680,400 as share transfer fee, totaling TL 56,831,614.

The amount between the fair value of the project partnership and the fair value of the net assets in the financial statements prepared as of the date of change in Vakıf GYO's shareholding rate is classified under intangible assets as goodwill arising as a result of purchase accounting in the financial statements. As of 31 December 2022, goodwill amounts to TL 14.631.400. Goodwill arising from the business combination will be expensed gradually over the sales rate of the project with the delivery of the project and there will be no goodwill in the financial statements when the project is sold and delivered.

CORPORATE SOCIAL RESPONSIBILITY

Vakıf GYO, a member of VakıfBank Finance Group, has been considering the impact of its activities on society and the world since the day it was founded with the influence of the foundation heritage at its roots.
In this direction, as Vakıf GYO, our priority areas of work are:

- Sustainable Cities and Communities
- Industry, Innovation and Infrastructure
- Quality Education
- Reducing Inequalities
- Gender Equality

2022 Corporate Social Responsibility Projects Realized in 2022:

- Miniature Building Competition - MDC'22 (Miniature Design Competition)

In line with Vakıf GYO's main purpose of "The Power of Tradition, Building the Future", the Miniature Building Competition was organized in cooperation with Yıldız Technical University in order to enable young people, who are the architects and engineers of the future, to generate ideas, encourage them, listen to their innovative ideas and projects, work on them and reward the projects and students at the end of the process.

- Marmara University Dormitory Transformation Project

In line with Vakıf GYO's sustainability approach, it is aimed to support projects that will provide social benefits. In order to raise awareness about the need for student dormitories in our country, we supported the renovation of the Marmara University School of Banking and Insurance building, which was designed under the umbrella of GYODER (Real Estate Investors Association), of which our Company is a member, and made it ready to be used as a dormitory for female students in the new period.

- Climate Defenders Workshop

In line with Vakıf GYO's main purpose of "Power of Tradition, Building the Future"; it was aimed to raise the awareness of the children who will build the future about the effects of climate change and to bring the culture of sustainability to our students aged 8-12.

- VakıfBank Sports Club Sponsorship

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

27. Portfolio Table

Controlling Compliance with Portfolio Restrictions

As of December 31, 2022, the information given in the footnote titled "Control of Compliance with Portfolio Restrictions" is summary information derived from the financial statements in accordance with Article 16 of the CMB Communiqué Serial II, No 14.1 "Communiqué on Principles of Financial Reporting in Capital Markets". In addition, it has been prepared in accordance with the provisions of Communiqué Serial III, No 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette dated May 28, 2013 and numbered 28660 and Communiqué Serial III, No 48.1a "Communiqué on Amendments to the Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette dated January 23, 2014 and numbered 28891 regarding the control of compliance with portfolio limitations.

In this context, information on total assets, total portfolio and portfolio limitations as of December 31, 2022 and December 31, 2021 are as follows and the ratios related to these limitations are shown in the table:

Financial Statement Main Account Items	Related Regulation	Current Period	Previous Period
Money and capital market instruments	III-48.1 Communiqué Art 24/(b)	977.838.025	849.041.503
Real estate, real estate based projects, real estate based rights	III-48.1 Communiqué Art 24/(a)	5.229.871.655	3.176.051.927
Affiliates	III-48.1 Communiqué Art 24/(b)	--	--
Due from related parties (Non-trade)	III-48.1 Communiqué Art 23/(f)	--	--
Other assets		495.189.333	594.721.581
Total Assets (Total Assets)	**III-48.1 Communiqué Art3/(p)**	**6.702.899.013**	**4.619.815.011**
Financial Liabilities	III-48.1 Communiqué Art 31	217.089.626	322.304.021
Other Financial Liabilities	III-48.1 Communiqué Art 31	--	--
Finance lease payables	III-48.1 Communiqué Art 31	--	--
Due to related parties (Non-trade)	III-48.1 Communiqué Art 23/(f)	--	--
Equities	III-48.1 Communiqué Art 31	4.772.769.354	2.441.130.020
Other sources		1.713.040.033	1.856.380.970
Total resources	**III-48.1 Communiqué Art 3/(p)**	**6.702.899.013**	**4.619.815.011**
Other Financial Information	**Related Regulation**	**Cari Dönem**	**Önceki Dönem**
The portion of money and capital market instruments held for 3-year infrastructure investment and services payments	III-48.1 Communiqué Art 24/(b)	976.655.139	848.468.031
Foreign currency denominated time and demand deposits/special current and participation accounts and TL denominated time and demand deposits/participation accounts	III-48.1 Communiqué Art 24/(b)	1.182.886	573.472
Foreign capital market instruments	III-48.1 Communiqué Art 24/(d)	--	--
Foreign real estate, real estate based projects, real estate based rights	III-48.1 Communiqué Art 24/(d)	--	--
Idle land/plots of land	III-48.1 Communiqué Art 24/(c)	228.187	220.926
Foreign subsidiaries	III-48.1 Communiqué Art 24/(d)	--	--
Participation in the operating company	III-48.1 Communiqué Art 28/1 (a)	--	--
Non-cash loans	III-48.1 Communiqué Art 31	573.983.244	375.061.982
Costs of mortgages not owned by the partnership on which the project will be developed	III-48.1 Communiqué Art 22/(e)	--	--
Total investments in money and capital market instruments in a single company	III-48.1 Communiqué Art 22/(1)	1.182.886	573.472

	Portfolio Limitations	III-48.1 Related Regulation	Current Period	Previous Period	Minimum/Maximum Rate
1	The property on which the project will be developed does not belong to the partnership	Art22/(e)	0,00%	0,00%	≤ %10
2	Real estate, projects based on real estate, rights based on real estate (*)	Art24 / (a), (b)	92,59%	87,11%	≥ %51
3	Money and Capital Market Instruments and Subsidiaries	Art24/(b)	0,02%	0,01%	≤ %49
4	Foreign Real Estate, Real Estate Based Projects, Real Estate Based Rights, Subsidiaries, Capital Market Instruments	Art24/(d)	0,00%	0,00%	≤ %49
5	Idle Land/Land Plots	Art24/(c)	0,00%	0,00%	≤ %20
6	Participation in an Operating Company	Art28/1(a)	0,00%	0,00%	≤ %10
7	Borrowing Limit	Art31	16,57%	28,57%	≤ %500
8	Foreign currency denominated time and demand deposits/special current and participation accounts and	Art24/(b)	0,02%	0,01%	≤ %10
9	Total Money and Capital Market Instruments Investments in a Single Company	Art22.1.	0,02%	0,01%	≤ %10

(*) Pursuant to subparagraph (b) of the first paragraph of Article 24 of the Capital Markets Board Communiqué No. III-48.1 on Real Estate Investment Trusts, the Company has notified the Capital Markets Board of the planned expenditure amounts related to the projects whose cost payments are made in return for certain progress payments or in installments. The cash surpluses corresponding to these expenditures were utilized through the assets mentioned in subparagraph (k) of the first paragraph of Article 22 and presented under the main account item "Part of Money and Capital Market Instruments Held for 3-Year Real Estate Payments" in the Control of Compliance with Portfolio Restrictions table. In addition, as a result of the Company's application to the Capital Markets Board on March 8, 2016, at the meeting of the Board Decision Making Body dated March 23, 2016 and numbered 10/305, it was decided that the cash amounts invested in time deposits/participation accounts would not be considered within the scope of the 10% issuer limit stated in subparagraph (l) of the first paragraph of Article 22 of the Communiqué; therefore, cash surpluses subject to these expenditures were not included in the calculation. Considering these issues, as of December 31, 2022 and December 31, 2021, there is no non-compliance within the scope of the maximum limit in terms of Art 24/(b) of Communiqué III-48.1 and Art 22/(l) of Communiqué III-48.1.

Kurum İçi Sınırsız Kullanım / Kişisel Veri Değil