

2023

ANNUAL REPORT



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CHAIRMAN'S ASSESSMENT

Dear Business Partners,

The year 2023, which is of historical importance for our country as it is the 100th anniversary of the founding of our Republic, has been a year in which the spirit of national unity, solidarity and solidarity was felt intensely. In addition, the tightening economic policies implemented due to the pressure of the inflationary environment at the global level, which affected the entire world economy, especially the economies of developed countries, had a great impact on the construction and real estate sector. Despite these negative effects, investing in real estate, and especially owning a home, is still the most reliable investment instrument in terms of guaranteeing a secure future.

The real estate sector, with its constantly evolving and changing dynamics, is a sector that faces new opportunities every day, touches people by its very nature and needs to be managed with a human-centered approach in every field.

In order for this approach to be applied in the real estate sector, it is important that buildings are designed and constructed with a human-oriented perspective, aiming to improve the quality of life, offering safe solutions, and leaving a livable environment for future generations in accordance with the principles of sustainability.

As Halk REIT, we completed this period, which was quite challenging, with successful results. In the journey we started in 2010 with TL 477 million in equity, we increased the asset size by 15% to 28 billion TL and shareholders' equity by 14.3% to TL 20 billion, by the end of 2023. While maintaining the strong balance sheet structure, we continue to develop projects that will create value with the principle of sustainable growth and profitability.

The company takes firm steps towards becoming one of the leading brands in the real estate sector with the trust it gives to its investors and stakeholders, its sensitivity to people and the environment and its sustainability approach, while contributing to the national economy in every project it realizes.

In this context, we once again proved our innovative and sustainability approach with the "Halk Office Towers" in the Istanbul Finance Center, which is an important indicator of Türkiye's vision in the field of global finance, Evora Izmir, which adds a different breath to Izmir, Dilovası Modern Industrial Estate, which brings a different vision to the industry and industrialists, and Paye Sakarya, a conceptual living project in Sakarya.

I would like to take this opportunity to express our gratitude to all the stakeholders for their trust and support, and to congratulate the Halk REIT employees, who are one of the most important actors in all these achievements.

Sincerely yours,
Ergin KAYA
Chairman

GENERAL MANAGER'S ASSESSMENT

Dear Stakeholders,

The year 2023 has witnessed many important developments all over the world.

In 2023, we experienced one of the greatest sorrows in the history of our country. We once again remember with mercy all our citizens who lost their lives due to the earthquakes that took place in our Southeastern provinces on February 6, and we deeply share the pain of those left behind.

At the same time, we experienced the pride and joy of celebrating together the 100th anniversary of our Republic, which was founded under the leadership of the Great Leader Gazi Mustafa Kemal Atatürk and will exist forever. In the second century of our Republic, we are working non-stop to rise above the level of contemporary civilizations in line with the goal shown by Atatürk, and we continue to serve with the same determination with our love and commitment to our country.

With its productive economy, Türkiye is increasing its competitiveness in the international arena and gaining the confidence of investors. In addition to Istanbul, which is one of the most important centers of the financial world, our developing cities and areas with high economic potential in various regions of Türkiye continue to attract the attention of international investors. In this context, Türkiye's rich cultural heritage, natural beauties and historical texture, as well as the urbanization process supported by innovative and sustainable projects, are attracting international attention. Infrastructure works integrated with advanced technology, environmentally friendly practices and increasing social living spaces further reveal Türkiye's potential.

Despite the uncertainties in the global economy, we firmly believe that our country will offer a safe investment environment with its stable growth model and will continue its development with the vision projects realized in line with the Twelfth Development Plan prepared with the vision of a strong and prosperous Türkiye and the decisive and rapid steps taken by our new economic administration, especially monetary and fiscal policies.

As Halk REIT, we strengthened our business model with our management quality and expert staff in order to realize our sustainable growth target and successfully manage all kinds of fluctuations while leaving behind a year dominated by challenging global conditions. We completed this period, which was also quite challenging for the sector, with successful results. The company announced a net profit of TL 2.58 billion at the end of the year and reached TL 28 billion in assets with TL 20 billion in shareholders' equity, thanks to the contribution of regular rental income, residential and real estate sales throughout the year and the increase in the value of investment properties.

Within the scope of the 2-year lease agreement we signed with the main shareholder Halkbank for Block A in the 46 and 34-storey Halk Office Towers, which we built in the Istanbul Finance Center, the most important project of our country and the Company, which demonstrates the talents and potential of Turkish engineering, we started to generate rental income as of April 2023.

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The construction and sales activities of Evora Izmir, which is designed with an innovative architectural style in accordance with the urban life of Izmir, continue. Dilovası Modern Industrial Site, which is in the portfolio of our subsidiary Halk Yapı Projeleri Gelistirme A.đ., will turn into a center of attraction that will meet the regional needs of our industrialists and support the export capacity of our enterprises. In Adapazarı, we have reached our targeted construction and sales levels in the Paye Sakarya projects, the best concept living project in Sakarya with its horizontal architecture and large landscaping areas, where work has started on an area of 60 decares.

On the one hand, we contribute to the national economy and fulfill our responsibilities to our investors; on the other hand, we demonstrate our sensitivity to the environment, energy efficiency and sustainability in line with "Türkiye's green development revolution" by realizing Leed certified pioneering projects.

With our expertise, experience and know-how, we prioritize developing environmentally friendly projects with the responsibility of leaving a better world to future generations.

We are confident that by maintaining our balanced and stable growth strategy, we will raise the bar higher and higher in the sector. We will continue to evaluate new investment opportunities all around Türkiye, which we believe will add value to our country, with the understanding of "investing in the future".

I would like to express my gratitude to the founder and main shareholder Halkbank, to all my colleagues, business partners, shareholders and stakeholders who have contributed so much.

Sincerely yours,

Erdal BEKİN
General Manager and Board Member

COMPANY PROFILE

1- About the Company

Established in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. with a total capital of TL 477 million, of which TL 466 million is in kind, Halk Gayrimenkul Yatırım Ortaklığı A.Ş. (Halk REIT) is a company that invests in real estate, real estate projects, real estate based rights and capital market instruments.

The Company observes the regulations of the Capital Markets Board and the relevant legislation in its activities, portfolio investment and management policies and limitations.

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Mersis No:	0456046607600015

VISION

Protects the rights of its stakeholders by creating a transparent management structure,
To be one of the leading institutions in the REIT sector, always preferred by investors...

MISSION

Creating continuous added value for all stakeholders,
Contributing to the development of the REIT sector and global
to become a respected institution of scale...

STRATEGY

Developing the real estate portfolio with an emphasis on commercial properties that can generate high rental income,
To offer high returns to its shareholders through an equity-weighted financing model...

Short History

2010-2011

October 2010

Organization

April 2011

Beyoğlu building's portfolio participation, development and sale in September 2011 with a profit of 18.5 million TL

September 2011

Addition of Bakırköy land to the portfolio

December 2011

Purchase of the Halkbank Finance Tower building in the project phase
Reception of

** Making a net profit of 30 million TL in the first fiscal year (2011) with the contribution of real estate sales to profitability...*

2012

January 2012

Addition of Eskişehir land to the portfolio

February 2012

Tender of Bakırköy land with a minimum net guaranteed income of TL 90.5 million

April 2012

The signing of the 10-year lease agreement for the Levent hotel building with Dedeman Group

September 2012

Addition of Kocaeli Şekerpinar land to the portfolio

September 2012

Moving the General Directorate of the Company to the Şerifali region

2013

January 2013

Start of Levent Hotel project

January 2013

Start of excavation and shoring works of IUFM project tendered to Akdeniz Insaat by Emlak Konut REIT in November 2012

February 2013

Completion of the public offering and TL 250 million in proceeds from the public offering

April 2013

Commencement of Eskişehir Panorama Plus residential project

August 2013

Obtaining the building permit license of Şekerpinar Bankacılık Merkezi and starting its construction

December 2013

The sale of the Karsiyaka building with a value of TL 18 million and a profit of approximately TL 9 million from the sales process

2014

January 2014

Starting title deed transfer procedures to buyers in Referans Bakırköy project

March 2014

Obtaining the construction license for Halk Ofis Şekerpinar

September 2014

Establishing a joint venture with Vakıf REIT to develop a residential project in Sancaktepe, Istanbul

October 2014

Purchase of land for 110 million TL in the name of joint venture within the scope of the planned residential project

December 2014

EIA decision for IFC Halk Office Towers project

2015

March 2015

Conversion of the Salıpaazarı Building into a hotel project and lease for 20 years

June 2015

Obtaining construction permits for IUFM Halk Office Towers project

July 2015

Levent Hotel project completion and handover to the Dedeman Group, the hotel started to serve

September 2015

Commencement of title deed transfer procedures to buyers in the Panorama Plus project

November 2015

Commencement of construction and sales of Bizimtepe Aydos Residential Project realized in partnership with Vakıf REIT

December 2015

Lease of Şekerpinar Banking Center to Halkbank

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2016	2017	2018
<p>April 2016 Addition of Erzurum land to the portfolio and establishment of a joint venture with Er Konut A.Ş. to develop a residential project</p>	<p>January 2017 Obtaining the renovation license for the Salıpazarı Hotel Project</p>	<p>March 2018 Signing a contract with Buga Otis Asansör Sanayi ve Ticaret A.Ş. within the scope of vertical transportation works (elevator and escalator) service procurement of IUFM Halk Office Towers project</p>
<p>May 2016 Starting the construction and sales of the Şehristan Konutları project jointly realized with Er Konut A.Ş.</p>	<p>May 2017 Selection of a consultant firm for the marketing process of Halk Ofis Şekerpinar building</p>	<p>June 2018 Opening of the Salıpazarı Hotel Building</p>
<p>June 2016 Initiation of the tender process for the selection of the main contractor for the IUFM Halk Office Towers project</p>	<p>July 2017 <i>The company is in the category of "investable" as it has been graded as the Long Term National Grade; Determination of (TR) AA-, Short-Term National Grade (TR) A1+</i></p>	<p>July 2018 <i>Confirmation of the company's Long-Term National Grade (TR) AA-, Short-Term National Grade (TR) A1+ by being graded in the category of "investable"</i></p>
<p>November 2016 For the Caddebostan Building, which has entered the urban transformation process a selection of the contractor company</p>	<p>August 2017 Establishment of a joint venture with Teknik Yapı for Evora İzmir Project</p>	<p>September 2018 Obtaining the building license for the first 451 independent units of the Evora İzmir project and the start of pre-sales</p>
<p>December 2016 Initiating the lease/sale process for Halk Ofis Şekerpinar</p>	<p>October 2017 First issue of 100 million TL financing bond</p>	<p>September 2018 Obtaining the building license for 321 more independent units of the Evora İzmir project</p>
<p>December 2016 <i>Completion of main contractor selection process of IUFM Halk Office Towers project, signing of the contract with YDA İnşaat Sanayi ve Ticaret A.Ş. and commencement of project construction</i></p>	<p>November 2017 <i>The company's inclusion in the BIST Dividend Index with 9.24 corporate management notes</i></p>	<p>November 2018 <i>Increasing the Corporate Governance Rating of the company, which is determined as 9.24, to 9.27 with the review</i></p>
	<p>December 2017 <i>Realization of "Türkiye's first REIT Sukuk issuance"</i></p>	

2019	2020	2021
<p>February 2019 Lease of Bahçelievler 2 Building in the portfolio to Ipekyol Giyim A.Ş.</p>	<p>July 2020 <i>Confirmation of the company's Long-Term National Grade (TR) AA-, Short-Term National Grade (TR) A1+ by being graded in the category of "investable"</i></p>	<p>February 2021 <i>Determination of the Corporate Governance Rating of the company as 9.22</i></p>
<p>July 2019 <i>Confirmation of the company's Long-Term National Grade (TR) AA-, Short-Term National Grade (TR) A1+ by being graded in the category of "investable"</i></p>	<p>October 2020 Leasing of the Beyoğlu Building in the portfolio to Taksim Yatirim Gayrimenkul A.Ş.</p>	<p>February 2021 The signing of revenue sharing agreement for "Dilovası Industrial Project" between Halk Yapı Projeleri Geliştirme A.Ş., which is 100% subsidiary of the company, and Marmara Metal Mamulleri Ticaret A.Ş.</p>
<p>September 2019 Signing a contract for the transfer of Şehristan Konutları Project and the purchase of land for 29 million TL in return</p>	<p>November 2020 <i>Updating the Corporate Governance Rating of the company, which is determined as 9.31, to 9.29</i></p>	<p>April 2021 <i>By rating the company in the category of "investable"; Determination of the Long-Term National Grade as "AA+ (Trk)/Stable" and the Short-Term National Grade as "A-1+ (Trk)/Stable"</i></p>
<p>November 2019 <i>Increasing the Corporate Governance Rating of the company, which is determined as 9.27, to 9.31 with the review</i></p>	<p>December 2020 Establishment of a company with share capital of 15.000.000.-TL with the title Halk Yapı Projeleri Gelistirme A.Ş. to operate in the field of real estate development</p>	<p>October 2021 Establishment of the Sustainability Committee of the Company</p>
	<p>December 2020 Sale of the Nisantasi Building in the company's portfolio to the company's subsidiary Halk Yapı Gelistirme A.Ş.</p>	<p>December 2021 The company has signed a "Cooperation Protocol" with a minimum revenue of 30 million TL for the "Adapazarı Project"</p>

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2022

April 2022

The Company was rated in the "investment grade" category; Long Term National Rating was determined as "AA+ (Trk)/Stable" and Short Term National Rating was determined as "J1+ (Trk)/Stable" in the "investment grade" category

Inclusion of *Antalya* lands in the portfolio

May 2022

Inclusion of *Gayrettepe* Building in the portfolio

June 2022

Lease of *IFC Halk Office Towers Block A* Building to the main shareholder T. Halk Bankası A.Ş.

November 2022

Launch and pre-sales of the *Dilovası Modern* Industrial Site project

2023

April 2023

Start generating rental income from the building *IFC Halk Office Towers A Block*

May 2023

Sale of *Şekerpinar Block B* building

June 2023

Sale of *Gayrettepe* Building

December 2023

Lease of *Ataşehir Finance Tower* building as a technopark

2- Board of Directors & Senior Management

The powers and responsibilities of the members of the Board of Directors are set forth in the Company's Articles of Association. The Company is managed and represented externally by the Board of Directors. The Board of Directors fulfills the duties assigned to it by the General Assembly in compliance with the Turkish Commercial Code, Capital Markets Law and other relevant legislation. The Board of Directors consists of 6 members, 2 of whom are independent. Of the members, 1 is an executive member and 5 are non-executive members.

The Members of the Board of Directors of the Company are as follows:

Name-Surname	Title	Membership Start Date	Last Date Elected to Office	Term of Office
Ergin KAYA	Member/ Chairman	24.06.2020	08.08.2023	3 years
Mehmet TANRIVERDİ	Member/Vice Chairman	06.09.2018	08.08.2023	3 years
Mehmet Hakan TERCAN	Member	16.04.2020	08.08.2023	3 years
Raci Kaptan KOLAYLI	Member/ Independent	24.06.2020	08.08.2023	3 years
Fuat GEDİK	Member/ Independent	27.05.2021	08.08.2023	3 years
Erdal BEKİN	Member/ General Manager	31.03.2022	08.08.2023	3 years



Ergin KAYA
Chairman

Born in 1970 in Artvin, he graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration. Mr. KAYA served as Assistant Inspector, Inspector, Department Manager, Head of Department, Assistant General Manager in charge of Operational Transactions and Information Technologies at Türkiye Halk Bankası AŞ and has been serving as Assistant General Manager in charge of Operational Transactions and Support Services since May 31, 2019. On June 24, 2020, he was elected as the Chairman of the Board of Directors of Halk Gayrimenkul Yatırım Ortaklığı A.Ş.



Mehmet TANRIVERDİ
Vice Chairman

Born in 1979 in Giresun, he graduated from Istanbul University, Faculty of Political Sciences, Department of Finance. He started his professional career as an Assistant Inspector at Türkiye Halk Bankası A.Ş. in 2004. He worked as an Inspector, Senior Inspector and Department Manager at the same bank. Since September 2017, he has been working as the Head of Construction Appraisal and Real Estate Management Department at T. Halk Bankası A.Ş. On September 6, 2018, he was elected as a Board Member of Halk Gayrimenkul Yatırım Ortaklığı A.Ş.

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Mehmet Hakan TERCAN
Board Member

Mehmet Hakan TERCAN was born in 1969 in Çorum. He graduated from İhsan Doğramacı Bilkent University, Faculty of Engineering, Department of Electrical-Electronics Engineering (English). TERCAN began his professional career as Network Engineer at Turkish Airlines Electronic Data Processing Department in 1992. As of 1996, he served as System Engineer and Information Security Specialist at Pamukbank, respectively. He continued his duty after merger of Pamukbank with Halkbank. In 2011, he assigned as Information Security Process Manager and on January 4, 2017, he assigned as Information Security Department Manager. He has been serving as Head of Infrastructure Operation and Management Department within the Group Presidency of Information Technologies at Halkbank since October 2, 2019. As of April 16, 2020, TERCAN has been assigned as Board Member of Halk REIT.



Raci Kaptan KOLAYLI
Independent Board Member

Raci Kaptan KOLAYLI was born in 1965 in Trabzon. He graduated from Istanbul Technical University, Faculty of Engineering, Department of Civil Engineering in 1990. In the same year, he started to work as a Civil Engineer at Entes İnşaat. In 1991 and 1992, he worked at Çapkınoğlu Construction and North Naval Field Forces Command respectively and served as site chief at İşbank between 1993 and 2008. After working as Project Manager at Falezboru JV Company in 2009, he worked as coordinator in the office building construction project at Megateknikbud in Kiev, the capital of Ukraine, in 2010. Between 2011 and 2018, he worked as Project Manager at the companies of Akgün Mühendislik, Uzunlar İnşaat, Sera Yapı, Bisccon Yapı, Kavan Yapı, Palace MMC, respectively. As of June 24, 2020, KOLAYLI has been assigned as Board Member of Halk REIT.



Fuat GEDİK
Independent Board Member

Fuat GEDİK was born in Erzurum in 1956. He completed his primary and secondary education in Istanbul. He graduated from Eskişehir Economic and Commercial Sciences in 1978. Between 1979-1991, he worked as Inspector and Branch Manager at Halkbank; between 1991-1999, he worked as branch manager in Albarakaturk and Türkiye Finans Katılım Bankaları. Between 1999 and 2014, he served as Deputy General Manager and Member of the Board of Directors at Istanbul Deniz Otobüsleri. GEDİK, who was appointed as the Chairman of the Board of Directors of İller Bankası at 2014, simultaneously served as Board Member of Bursa Water and Sewerage Administration, Sakarya Water and Sewerage Administration and the subsidiary companies of Savings Deposit Insurance Fund and between 2015-2021. As of May 27, 2021, GEDİK has been assigned as Independent Board Member of Halk REIT. He has the title of Certified Public Accountant and Independent Auditor.



Erdal BEKİN
General Manager and Board Member

Born in 1975 in Istanbul. After graduating from Istanbul University, Department of Civil Engineering in 1998, he completed his master's degree in Business Administration at Istanbul Commerce University, Institute of Social Sciences in 2022. He started his professional career as a construction site supervisor in 1998. Between 1999 and 2011, he worked as an engineer at T. Halk Bankası A.Ş. In February 2011, BEKİN joined Halk Gayrimenkul Yatırım Ortaklığı A.Ş. and served as Department Manager, Group Head, Assistant General Manager, Deputy General Manager and Acting General Manager during his tenure and was appointed as a Member of the Board of Directors on March 31, 2022 and has been serving as General Manager since May 26, 2022.

Authorization and Limitation of Board Members

The Chairman and Members of the Board of Directors have the powers set forth in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association. 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. During the 2023 January - December accounting period, there has been no violation of the prohibition of competition and transactions with the Company in relation to the members of the Board of Directors.

Board of Directors Meetings

The Board of Directors convened 81 times during the January-December 2023 fiscal period and adopted 126 resolutions in these meetings. The decisions of the Board of Directors were taken by unanimous vote of the participants of the meetings.

Declarations of Independence of the Members of the Board of Directors

To the Capital Markets Board and Chairman of the Board of Directors of Halk Real Estate Investment Trust

I hereby declare that, in the last five years I do not have any employment relation in executive position to take upon the important duties and responsibilities between Halk Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (Halk GYO A.Ş.), companies on which Halk GYO A.Ş. hold control of management or significant effect and shareholders who hold control of management of Halk GYO A.Ş. or have significant effect in Halk GYO A.Ş. and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree, that I do not have more than % 5 of capital or voting rights or privileged shares either jointly or solely and that I have not established significant commercial relationship,

In the last five years, I have not worked as a partner (5% and more), at a manager position to undertake significant duties and responsibilities or as a board member, particularly for control (including tax audit, statutory audit, internal audit), rating and consulting of Halk GYO A.Ş., in the companies that Halk GYO A.Ş. has sold or purchased significant amount of goods or services in the framework of the investigations, in the selling or purchasing goods or services period,

I have the professional education, information and experience for conduct of the duties that I will assume as an independent board member,

I will not work as a full-time employee at public authorities and institutions after being elected as an independent member,

I am located in Turkey in accordance with the Income Tax Law (I.T.L) dated 31/12/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience to contribute positively to Halk GYO A.Ş. operations, to maintain my objectivity on the conflicts of interest between Halk GYO A.Ş. and its shareholders, to decide freely considering the rights of the stakeholders,

I will allocate time for Halk GYO A.Ş. business in order to follow up the activities of the Halk GYO A.Ş. and duly fulfill the allocated duties,

I did not serve as a board member more than six years in the Board of Directors of the Halk GYO A.Ş., in the last ten years,

I did not serve as an independent member of the board of directors in more than three of the companies as such; Halk GYO A.Ş. or the controlling shareholders of Halk GYO A.Ş. who hold the control of management corporations and in more than five corporations in total,

Raci Kaptan KOLAYLI
08.08.2023

Fuat GEDİK
08.08.2023

Committees

Within the framework of the Capital Markets Board's Corporate Governance Principles and the working principles of the Company's Board of Directors, a Corporate Governance Committee, Audit Committee, Early Detection of Risk Committee, Remuneration Committee and Sustainability Committee have been established within the current Board of Directors. Working of committees on the basis of Available at <http://www.halkgyo.com.tr/yatirimci-iliskileri/kurumsal-management/committees>. During the reporting period, the Corporate Governance Committee, Audit Committee, Early Detection of Risk Committee and Remuneration Committee continued their activities effectively and efficiently in accordance with the legislation and working principles.

The Corporate Governance Committee was established to fulfill its duties and responsibilities set forth in the Corporate Governance Principles in accordance with the regulations of the Capital Markets Board on corporate governance. The Committee regularly reviews the Company's corporate governance practices and works to improve them. In addition to corporate governance, the Committee also attaches importance to investor relations, reviews the Company's shareholder relations activities and related strategies on a regular basis and ensures that the Board of Directors is regularly informed about the activities. In addition to the aforementioned duties, the Committee is also responsible for ensuring coordination among other committees and providing support to their work when necessary. The Committee convened 4 times during the reporting period and adopted 4 resolutions.

The **Audit Committee**, in parallel with its duties set out in the working principles, has been actively working on the disclosure of the Company's financial information to the public, independent audit, effective operation of the internal control system of the Company, selection of the independent audit firm and monitoring their work at every stage in accordance with the principles set out in the Capital Markets Legislation and other relevant regulations. The Committee convened 6 times during the period and took 6 resolutions.

The Early Detection of Risk Committee was established pursuant to Article 378 of the Turkish Commercial Code (TCC) for the purposes of early detection of risks that may jeopardize the existence, development and continuity of the Company, implementation of necessary measures against detected risks and management of risks, and review of risk management systems in accordance with the regulations of the Capital Markets Board on corporate governance. The Committee convened 6 times during the period and took 6 decisions.

The Remuneration Committee determines the principles, criteria and practices to be used in the remuneration of the Members of the Board of Directors and executives with administrative responsibilities, taking into account the long-term goals of the Company, and supervises them. The Committee submits its recommendations to the Board of Directors regarding the remuneration to be paid to the Members of the Board of Directors and executives with administrative responsibilities, taking into account the degree of achievement of the criteria used in remuneration. The Committee convened once during the reporting period and adopted 1 resolution.

The committees of the Board of Directors of the Company and their distribution of duties are as follows:

Members of the Audit Committee

Name Surname	Duty
Raci Kaptan KOLAYLI	Chairman - Independent Board Member
Fuat GEDİK	Member-Independent Board Member

Corporate Governance Committee Members

Name Surname	Duty
Raci Kaptan KOLAYLI	Chairman - Independent Board Member
Fuat GEDİK	Member-Independent Board Member
Serpil YÖRÜK	Member-Investor Relations Department Manager

Members of the Early Detection of Risk Committee

Name Surname	Duty
Raci Kaptan KOLAYLI	Chairman - Independent Board Member
Fuat GEDİK	Member-Independent Board Member

Remuneration Committee

Name Surname	Duty
Fuat GEDİK	Chairman - Independent Board Member
Mehmet TANRIVERDİ	Member-Board Member

Sustainability Committee

Name Surname	Duty
Fuat GEDİK	Chairman - Independent Board Member
Raci Kaptan KOLAYLI	Member- Independent Board Member
Erdal BEKİN	Member- General Manager and Board Member
Yasar GÖKTAŞ	Member- Deputy General Manager (Financial Management and Planning)
Yavuz ÖZTÜRK	Member- Deputy General Manager (Project Development and Implementation)

Assessment of the Board of Directors on the Effectiveness of the Committees

The Company's committees established within the framework of the Capital Markets Board's Corporate Governance Principles and the working principles of the Board of Directors convened at least once a year, the Remuneration Committee convened at least once a year, the other committees convened at least once every three months, and regularly informed the Board of Directors within the scope of their current working principles.

In this context;

During the reporting period, *the Corporate Governance Committee* worked to regularly review and improve the Company's corporate governance practices. The Committee convened after each quarterly financial period to review the Company's annual report, the annual report of the Investor Relations Department and the activities carried out by the Company in terms of compliance with the Corporate Governance Principles during the reporting period, and submitted its reports and opinions to the Board of Directors. The Committee convened 4 times during the year and issued 4 reports on the relevant issues to be submitted to the Board of Directors.

The Audit Committee held the necessary meetings and submitted its reports and opinions to the Board of Directors on issues that should be included in the agenda of the Board of Directors, including the effective operation of the Company's internal control system, selection of the independent audit firm and monitoring the work of the related firm, performance of the independent audit and public disclosure of the Company's financial information. The Committee convened 6 times during the year within the scope of the aforementioned topics and prepared 6 reports to be submitted to the Board of Directors as a result of the meeting.

During the year, *the Early Detection of Risk Committee* held meetings on credit risk related to the Company's activities, magnitudes of interest rate risks, liquidity ratio notification table, legal and operational risks of the Company, occupational health and safety practices in the Company's ongoing projects, and submitted the reports prepared after the meeting to the Board of Directors. The Committee convened 6 times during the year and prepared 6 reports to be submitted to the Board of Directors on the agenda items.

The Remuneration Committee determines the principles, criteria and practices to be used in the remuneration of the Members of the Board of Directors and executives with administrative responsibilities, taking into account the long-term goals of the Company and supervises them. The Committee submits its recommendations to the Board of Directors regarding the remuneration to be paid to the Members of the Board of Directors and executives with administrative responsibilities, taking into account the degree of achievement of the criteria used in remuneration. The Committee convened once during the reporting period and adopted 1 resolution.

Senior Management Team

Name - Surname	Duty
Erdal BEKİN	General Manager / Board Member
Yasar GÖKTAŞ	Deputy General Manager (Financial Management and Planning)
Yavuz ÖZTÜRK	Deputy General Manager (Project Development and Implementation)

Payments to the Board of Directors and Senior Management

The Company's senior management consists of members of the Board of Directors, General Manager and Assistant General Managers. Benefits provided to key management personnel include salaries, bonuses, health insurance and transportation. Total benefits provided to key management during the period amounted to TL 10.506.557. (January 1 - December 31, 2022: TL 7.266.072)

Changes in the Board of Directors and Senior Management

During the 01.01.2023 - 31.12.2023 accounting period, there has been no change in the Company's Board of Directors or senior management.

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3- Company Capital and Shareholding Structure

Founded in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. with a total capital of TL 477 million, of which TL 466 million was in kind, the Company's application for the issuance of Group B shares with a nominal value of TL 185.5 million in order to increase its issued capital to TL 662.5 million for the purpose of public offering in 2013 was approved by the Capital Markets Board on February 08, 2013 and 28% of the Company's shares were listed on the BIST (formerly Istanbul Stock Exchange - ISE) under the code "HLGYO" as of February 22, 2013 following the public offering process held on February 13-14-15, 2013.

Group A shares have the privilege to nominate candidates for the election of the members of the Board of Directors.

Information on the Company's capital increases and dividend distribution following the public offering and subsequent capital increases are as follows:

		CAPITAL INCREASES					CASH P R O F I T (DIVIDEND) DISTRIBUTIONS
No	Completion Date	Source	Ratio	Former Capital	Increase Rate	New Capital	
1	22.02.2013	Public Offering	%38,888	477.000.000 TL	185.500.000	662,500,000 TL	-
2	25.06.2013	Bonus issue from 2012 profit	%1,6813	662.500.000 TL	11.138.704	673.638.704 TL	-
3	09.06.2014	Bonus issue from 2013 profit	%3,6015	673.638.704 TL	24.261.296	697.900.000 TL	3.0 million TL
4	15.06.2015	Bonus issue from 2014 profit	%6,4622	697.900.000 TL	45.100.000	743.000.000 TL	5.9 million TL
5	27.05.2016	Bonus issue from 2015 profit	%6,3257	743.000.000 TL	47.000.000	790.000.000 TL	5.4 million TL
6	18.08.2017	Bonus issue from 2016 profit	%3,7975	790.000.000 TL	30.000.000	820.000.000 TL	3.0 million TL
7	22.06.2018	Bonus issue from 2017 profit	%4,6341	820.000.000 TL	38.000.000	858.000.000 TL	3.8 million TL
8	24.06.2019	Bonus issue from 2018 profit	%8,1585	858.000.000 TL	70.000.000	928.000.000 TL	5.0 million TL
9	31.08.2020	Bonus issue from 2019 profit	%4,5258	928.000.000 TL	42.000.000	970.000.000 TL	4.4 million TL
10	03.06.2021	Bonus issue from 2020 profit	%5,1546	970.000.000 TL	50.000.000	TL 1.020.000.000	5.0 million TL
11	29.03.2022	Paid-in capital increase	%50	TL 1.020.000.000	510.000.000	TL 1.530.000.000	-
12	01.06.2022	Bonus issue from 2021 profit	%2,61437	TL 1.530.000.000	40.000.000	TL 1.570.000.000	4.0 million TL
13	21.09.2023	Bonus issue from 2022 profit	%4,77701	TL 1.570.000.000	75.000.000	TL 1.645.000.000	7.5 million TL
14	25.01.2024	Paid-in capital increase	%91,18541	TL 1.645.000.000	1.500.000.000	TL 3.145.000.000	-

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The capital structure and shareholding distribution of the Company as of 31.12.2023 is as shown in Table 1, and the current capital and shareholding distribution after the capital increase through rights issue completed on 25.01.2024 is shown in Table 2.

Table 1

			31.12.2023	31.12.2022
	Group	Share Rate %	Share Amount TL	Share Amount TL
Türkiye Halk Bankası A.Ş.	A	%1,58	25.992.187,290	24.807.133,156
Türkiye Halk Bankası A.Ş.	B	%70,38	1.157.787.575,102	1.105.000.875,907
Halk Yatırım A.Ş.	A	%0,04	620.754,310	592.452,443
Halk Finansal Kiralama A.Ş.	A	%0,00	2,473	2,361
Public Portion	B	%28,00	460.599.480,825	439.599.536,133
<i>Türkiye Halk Bankası A.Ş.</i>	<i>B</i>	<i>%7,36</i>	<i>121.143.867,460</i>	<i>115.620.590,899</i>
<i>Halk GYO A.Ş.</i>	<i>B</i>	<i>%2,39</i>	<i>39.390.720,465</i>	<i>33.160.262,984</i>
<i>Actual Circulation</i>	<i>B</i>	<i>%18,24</i>	<i>300.064.892,900</i>	<i>290.818.682,250</i>
Paid-in Capital		100,00	1.645.000.000,000	1.570.000.000,000

Table 2

			CURRENT	31.12.2023
	Group	Share Ratio %	Share Amount TL	Share Amount TL
Türkiye Halk Bankası A.Ş.	A	%1,58	49.693.269,838	25.992.187,290
Türkiye Halk Bankası A.Ş.	B	%70,38	2.213.520.922,387	1.157.787.575,102
Halk Yatırım A.Ş.	A	%0,04	1.186.791,762	620.754,310
Halk Finansal Kiralama A.Ş.	A	%0,00	4,728	2,473
Public Portion	B	%28,00	880.599.011,285	460.599.480,825
<i>Türkiye Halk Bankası A.Ş.</i>	<i>B</i>	<i>%7,36</i>	<i>231.609.399,693</i>	<i>121.143.867,460</i>
<i>Halk GYO A.Ş.*</i>	<i>B</i>	<i>%2,39</i>	<i>71.072.500,712</i>	<i>39.390.720,465</i>
<i>Actual Circulation</i>	<i>B</i>	<i>%18,24</i>	<i>577.917.110,880</i>	<i>300.064.892,900</i>
Paid-in Capital		100,00	3.145.000.000,000	1.645.000.000,000

*Of the total 71,072,500,712 HLGYO shares held by Halk GYO A.Ş., 66,426,132,202 shares (including rights issues and bonus issues) were acquired within the scope of price stabilization transactions made during the public offering in 2013 and 4,646,368,510 shares (including bonus issues) were acquired within the scope of the buy-back program initiated in 2023.

Buy-back Program

On February 07, 2023, in line with the decision of the Board of Directors, a buy-back program was initiated within the framework of the Capital Markets Board's Communiqué on Buy-Back Shares numbered II-22.1 and the related announcements dated 21.07.2016, 25.07.2016 and 23.03.2020.

The amount of funds that can be allocated for buy-back is determined as maximum TL 250,000,000 to be covered from the Company's internal resources, the maximum number of shares that can be subject to buy-back is 40,000,000 (nominal), and the buy-back period is determined as maximum 3 years.

Information on the shares within the framework of the buy-back program is as follows:

Date	Shares Buybacked (Quantity=Nominal)	Average Purchase Price (TL)
7.02.2023	2.500.000	4,115
15.02.2023	100.000	4,400
16.02.2023	385.000	4,416
17.02.2023	1.399.528	4,398
3.03.2023	50.000	4,760
Total Shares buybacked	4.434.528	4,24

The shareholders were informed about the buy-back program and the buy-back transactions made at the Ordinary General Assembly Meeting of 2022 held on August 08, 2023.

Shareholders holding more than 5% of the Capital

As of December 31, 2023, shareholders holding more than 5% of the share capital are as follows

Shareholder	Share
Türkiye Halk Bankası A.Ş.	% 79,33
	Ratio of Publicly Held Shares to Total Capital: 71.96
	Ratio of Public Shares to Total Capital : 7.36%*

* Share acquired by Türkiye Halk Bankası A.Ş. after the purchases of the Company's publicly traded shares in Borsa İstanbul.

EVALUATION OF THE PERIOD JANUARY 1, 2023 - DECEMBER 30, 2023

1- Important Communiqué Publications, Regulation Amendments and CMB Announcements

During the period, there were no legislative changes that would significantly affect the Company's operations.

2- Economic and Sectoral Developments

World Economy

The US economy grew by 3.4 percent in the fourth quarter of 2023. Consumer spending slowed down in the US economy, which grew above expectations, while services consumption grew faster due to increases in food services, accommodation and health services. Considering the whole of 2023, the US economy grew by 2.5%.

In January 2023, inflation data, which was 6.4 percent on an annual basis, dropped to 3 percent in June and realized as 3.4 percent in December.

The unemployment rate, which was 3.4 percent in January, was 3.6 percent in June and 3.7 percent in December. The labor force participation rate remained unchanged at 62.5 percent.

After growing by 0.1 percent in the second quarter of 2023, *the Eurozone* economy stagnated in the third quarter, contracting by 0.1 percent as high inflation, record borrowing costs and weak external demand continued to put downward pressure on growth. Considering the whole of 2023, growth in the euro area economy amounted to 0.4 percent. The economy in the region had grown by 3.4 percent in 2022.

While the inflation rate, which was 8.6 percent in January 2023, was announced as 5.5 percent in June, it declined to 2.9 percent in December due to the 11.1 percent decline in energy costs.

In January 2023, the unemployment rate was 6.7 percent, while in December it was 6.5 percent. The lowest unemployment rate was recorded in Germany with 3.1 percent and the highest unemployment rate was recorded in Spain with 11.6 percent.

Turkish Economy

The Turkish economy, which completed 2022 with 5.5 percent growth compared to the previous year, will continue to grow in 2023. In the 4th quarter, GDP grew by 4.0 percent compared to the same quarter of the previous year. Analyzing the activities that make up GDP; In the fourth quarter of 2023 compared to the previous year, construction increased by 10.8 percent, industry by 1.9 percent, finance and insurance activities by 7.4 percent, services by 3.0 percent, public administration, education, human health and social work activities by 1.9 percent, real estate activities by 2.7 percent, other service activities by 2.2 percent, information and communication activities by 2.8 percent and agriculture sector by 0.5 percent. Professional, administrative and support service activities decreased by 1.5 percent.

Consumer inflation, which increased by 57.68 percent annually in January 2023, rose by 64.77 percent in December and by 53.86 percent according to the twelve-month averages. The rise in producer prices also continued in December, with annual producer inflation up 44.22 percent.

Unemployment rate was realized as 8.8 percent as of December. Unemployment rate was estimated as 7.1 percent for men and 12.0 percent for women. Seasonally adjusted employment rate was 48.8 percent.

Economic confidence index, which was 95.3 in November, increased by 1.1 percent to 96.4 in December. The increase in the economic confidence index stemmed from the increase in consumer confidence, retail trade sector and service sector confidence indices.

Developments in the Sector

While the construction sector grew by 10.8 percent annually in the fourth quarter of 2023, the growth rate of real estate activities was announced as 2.7 percent on an annual basis. In the fourth quarter of 2023, the share of construction sector in GDP was realized as 5.6 percent and the share of real estate activities as 3.9 percent at current prices on an annual basis.

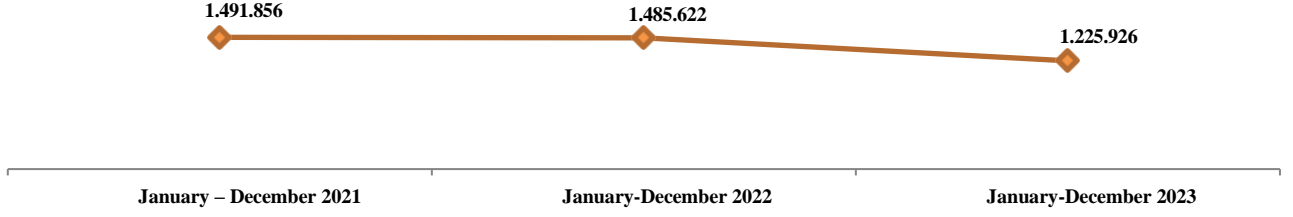
Construction Turnover Index, which is an important data for the sector, increased by 85.0 percent in December 2023 compared to the same month of the previous year.

Construction cost index increased by 1.94 percent in December 2023 compared to the previous month and 67.31 percent compared to the same month of the previous year. Compared to the same month of the previous year, the material index increased by 54.26 percent and the labor index increased by 111.83 percent.

Housing sales in Türkiye decreased by 17.5 percent in the January - December period compared to the same period last year and became 1 million 225 thousand 926 units.

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—◆— Number of Housing Sales

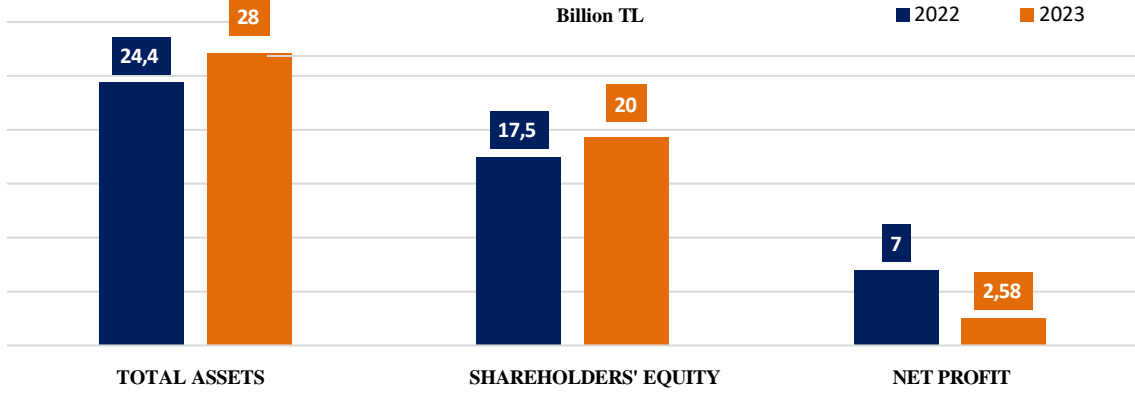


The House Price Index increased by 75.5 percent in December compared to the same month of the previous year and by 1.1 percent compared to the previous month and realized as 1163.2. Unit prices, calculated as housing value per square meter, rose to 30,487 TL for Türkiye average.

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3- Financial Performance & 2023 Realizations

The main financial indicators of the Company, to which inflation accounting has been applied in accordance with TAS 29, are as follows



BALANCE SHEET ITEMS	2022	2023	Change
Current Assets	2.334.121.839	3.636.328.780	%56
- Cash and Cash Equivalents	782.648.063	72.796.501	
- Stocks	1.154.296.366	2.955.929.038	
Fixed Assets	22.056.593.986	24.435.895.935	%11
- Investment Properties	21.423.655.654	24.245.683.893	
TOTAL ASSETS	24.390.715.825	28.072.224.715	%15
Short Term Liabilities	3.980.577.822	4.914.585.607	%23
- Short Term Financial Liabilities	1.379.045.333	1.908.201.624	
- Liabilities Arising From Customer Contracts	1.757.775.874	2.747.698.818	
Long Term Liabilities	2.857.736.166	3.078.627.903	%8
- Long Term Financial Liabilities	1.461.631.698	1.877.632.311	
- Liabilities Arising From Customer Contracts	1.251.154.297	1.195.729.616	
Equity	17.552.401.837	20.079.011.205	%14
TOTAL LIABILITIES	24.390.715.825	28.072.224.715	%15

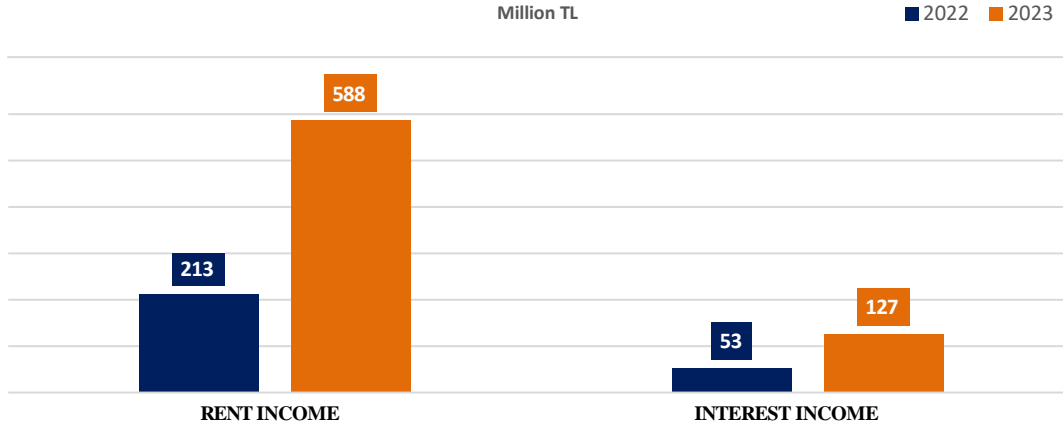
INCOME STATEMENT ITEMS	2022	2023	
Gross Revenue	314.103.787	1.578.642.915	%402
Cost of Sales	(73.967.048)	(869.253.883)	
Other Income / (Expenses)*	6.230.587.947	2.029.502.288	
Operating Profit	6.470.724.686	2.738.891.321	
Finance Expenses	(92.386.412)	(610.922.355)	
Monetary Gain / (Loss)**	682.295.133	481.657.280	
Current Period Tax Income / (Expense)	(3.217.832)	(24.585.221)	
Net Profit for the Period	7.057.415.575	2.585.041.025	

* Other Income / (Expenses) item includes General Administrative, Sales-Marketing expenses and Investment Property Revaluation income.

** The gain or loss on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on net monetary position is included in net profit.

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KEY FINANCIAL RATIOS	2022	2023
Equity / Assets	%72	%71,5
Financial Debt / Equity	%16,2	%18,9
Financial Debt / Assets	%11,6	%13,5
Return on Equity	%40,2	%12,9
Return on Assets	%28,9	%9,2



The Company posted a net profit of TL 2.58 billion and reached TL 28 billion in assets with TL 20 billion in shareholders' equity at the end of the year, thanks to the contribution of regular rental income, residential and real estate sales throughout the year and the increase in the value of investment properties.

The Company, whose main revenue items are rental income, residential and investment property sales income and financial income, generated a total gross revenue of TL 1.58 billion at the end of 2023, while the size of the real estate was realized as TL 25.8 billion based on the latest imputed values.

During the period, the construction and sales activities of the *Dilovası Modern Industrial Site* in Kocaeli province and *Paye Sakarya* project on a 60 decaire area in Adapazari province, which were realized in the portfolio of our subsidiary Halk Yapı Projeleri Gelistirme A.Ş., continued at full speed.

While the construction and sales of the *Evora İzmir* project continued throughout the year, we started to generate rental income as of April 2023 within the scope of the 2-year lease agreement we signed with the main partner Türkiye Halk Bankası A.Ş. in June 2022 for Block A of *Halk Office Towers* within the Istanbul Finance Center.

In 2024, the Company will continue to manage its real estate portfolio with the main strategy of "offering high returns to its stakeholders with an equity-weighted financing model by developing mainly commercial properties that can generate high rental income".

JANUARY 01, 2023 - DECEMBER 31, 2023 COMPANY ACTIVITIES

1- Portfolio Related Studies

In the **January-December 2023** accounting period, the activities carried out regarding the Company's portfolio are as follows:

Within the scope of the lease agreement concluded with the main shareholder Türkiye Halk Bankası A.Ş. on June 01, 2022 for Block A of IFC Halk Office Towers in the Company's portfolio, the relocation process for the use of Block A has started and rental income has started to be generated as of April 01, 2023.

Kocaeli-based Sekerpinar Building Block B, which is included in the Company's portfolio, was sold for TL 210 million (+VAT) and Istanbul Şişli-based Gayrettepe Building was sold for TL 350 million (+VAT).

For the Atasehir Finance Tower Building, which is included in the Company's portfolio and declared as a technology development zone, a lease agreement has been concluded with Recep Tayyip Erdoğan University and Türk-Alman University Technology Development Zone Management Inc. for a period of 1 year at a monthly rent of TL 7.5 million and the lease start date has been determined as 01.05.2024.

During the period, as of the transaction date, the total assets in the last financial statements Within the scope of purchase, sale or lease transactions not exceeding 2%;

- "new lease" transaction with a total monthly rent of approximately TL 16.3 million (+VAT), including renewed contracts, and Beykoz land purchase transaction with a total value of TL 160 million,
- Within the scope of ongoing real estate projects, the Company's share in the Dilovası Modern Industrial Site Project amounting to approximately TL 533.0 million + VAT, the Company's share in the Paye Sakarya Project amounting to approximately TL 23.5 million + VAT, and the Company's share in the Evora Izmir Project amounting to approximately TL 252.9 million (+VAT) were "sold" through real estate sales promise agreements.

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2- Studies on Financial Structure

1. Non-Equity Capital Market Instruments in circulation (Current Status)

Type	Issue Amount		Issue Date	Amortization Date	Rate of Return (%)	Form of Issuance
	Amount	Currency Unit				
Lease Certificate (Based on Management Contract) (TRDHVKA82439)	200.000.000	TL	09.05.2024	08.08.2024	Annual Simple Yield / %53,50 Annual Compound Yield / %65,24	Qualified Investor
Lease Certificate (Based on Management Contract) (TRDHVKA52457)	150.000.000	TL	27.02.2024	28.05.2024	Annual Simple Yield / %45,00 Annual Compound Yield / %53,19	Qualified Investor
Lease Certificate (Based on Management Contract) (TRDHVKA72448)	250.000.000	TL	17.04.2024	17.07.2024	Annual Simple Yield / %54,00 Annual Compound Yield / %65,97	Qualified Investor

2. Information on Past and Current Non-Share Capital Market Sales within the Ceiling

Type	Issuance Ceiling and Board Decision on the Ceiling	Sales within the Ceiling	
		Amount	Currency Unit
Financing Bonds	2.000.000.000.-TL 15.12.2022 / 74-1805	-	TL
Lease Certificate (Based on Management Contract)	3.000.000.000.-TL 21.10.2021 / 54-1569	1.907.000.000	TL
Lease Certificate (Management Contract Based)	4.000.000.000.-TL 15.09.2022 / 13-5066	1.333.000.000	TL
Lease Certificate (Management Contract Based)	4.000.000.000.-TL 12.10.2023 / 60-1313	1.000.000.000	TL

On April 25, 2024, the credit rating review process of the Company by JCR Eurasia Rating A.Ş. was completed and the Company's Long Term National Corporate Credit Rating was upgraded from AA+ to "AAA (Trk)/Stable" and Short Term National Corporate Credit Rating was confirmed as "J1+ (Trk)/Stable". The Long-Term International Local and Foreign Currency Issuer Default Ratings were affirmed as "BB/Negative".

At the meeting of the Company's Board of Directors held on August 23, 2023, it was decided to apply to the Capital Markets Board for a sukuk issuance ceiling limit of up to TL 4,000,000,000 nominal value, and the relevant application was approved by the Board's decision dated October 12, 2023 / 60-1313.

3- General Assembly, Capital Increase and Articles of Association

At the Board of Directors meeting held on February 24, 2023, it was resolved to amend Article 8 of the Articles of Association in order to increase the Company's registered capital ceiling from TL 2,500,000,000,000 to TL 7,500,000,000,000 and to extend the term of the registered capital ceiling until the end of 2027, to apply to the Capital Markets Board and the Ministry of Trade for the necessary legal permissions and to submit the amendments to the approval of the General Assembly.

Subsequent to the decision, the application made to the Capital Markets Board on February 28, 2023 was approved with the Board's letter dated March 06, 2023, and the approval of the Ministry dated March 20, 2023 was obtained as a result of the application made to the Ministry of Trade following the Board's approval.

Pursuant to the resolution of the Board of Directors dated July 13, 2023, the Ordinary General Assembly Meeting of the Company for the fiscal year 2022 was held on Tuesday, August 08, 2023 at 14:00 at the address of Barbaros Mahallesi Sebboy Sokak No:4/1 34746 Atasehir / Istanbul under the supervision of the Ministry Representative assigned by the letter of the Provincial Directorate of Commerce of the Governorship of Istanbul dated August 04, 2023 and numbered 87844841 with a participation rate of 79.40%.

General Assembly Meeting;

- 2022 proposal of the Board of Directors regarding dividend distribution,
- Article 8 amendment to the Articles of Association and other agenda items were discussed and approved,
- Mr. Ergin KAYA, Mr. Mehmet TANRIVERDİ, Mr. Mehmet Hakan TERCAN, Mr. Raci Kaptan KOLAYLI (Independent Member), Mr. Fuat GEDİK (Independent Member) and Mr. Erdal BEKİN (General Manager) were re-elected as Board Members for a term of office of 3 years.

At the Board of Directors meeting held on the same day, it was decided that Mr. Ergin KAYA and Mr. Mehmet TANRIVERDİ, who were elected as members of the Board of Directors, would continue to serve as Chairman and Vice Chairman of the Board of Directors, respectively.

The General Assembly registration process was completed on August 21, 2023.

At the same meeting, it was also decided to start the distribution of cash dividends amounting to TL 7,500,000 to be paid from the profit for the year 2022 on August 11, 2023 and to apply to the Capital Markets Board for a capital increase through bonus shares amounting to TL 75,000,000 and the capital increase application was made to the Capital Markets Board on August 28, 2023. The application was approved by the decision of the Capital Markets Board dated September 14, 2023 / numbered 53-1123 and the distribution of bonus shares started on September 19, 2023 and the distribution process was completed on September 21, 2023.

1,645,000,000 TL new capital registration was completed on September 21, 2023.

At the meeting of the Board of Directors held on October 03, 2023, it was decided to increase the issued capital of the Company from TL 1,645,000,000 to TL 3,145,000,000 within the registered capital ceiling set as TL 7,500,000,000 by increasing the issued capital of the Company by 91.18541%, by TL 1,500,000,000 to TL 3,145,000,000 pursuant to the authorization granted by Article 8 of the Articles of Association of the Company. Following the decision, an application was made to the Capital Markets Board on October 13, 2023 for the necessary permission processes and the application was approved by the Board's decision dated 21.12.2023. On January 25, 2024, the Articles of Association, which included a new capital article of TL 3,145,000,000 after the capital increase through rights issue, was approved by the Board's decision dated February 08, 2024 and the new capital was registered and announced on February 16, 2024.

4- Corporate Governance Studies

The Corporate Governance Principles Compliance Rating process of the Company has been completed by JCR Avrasya Rating Services Inc. and the Company's CMB Corporate Governance Principles Compliance Rating has been determined as 9.21 out of 10 and its outlook as Stable. The Company's grades in 4 main sections are: Shareholders 91.18, Public Disclosure and Transparency 94.60, Stakeholders 94.38, Board of Directors 92.34.

5- Sustainability Studies

Statement of Compliance with Sustainability Principles

The Sustainability Committee was established in 2021 to determine the Company's sustainability strategy, policy and goals in the areas of environmental, social and corporate governance, and to carry out, monitor and supervise the implementation. Work on the preparation of the Company's Sustainability Policy is ongoing.

In all its activities, the Company prioritizes gender equality, decent work, economic growth and the reduction of inequalities, and the efficient use of all resources, and implements sustainable projects that prioritize energy efficiency and sustainability, increase the use of green areas with the materials used, and aim for low CO2 emissions.

The Company has not been subjected to any legal sanctions on environmental, social and corporate governance issues during its operations and has not caused any conflict of interest arising from its practices. During the period, there were no lawsuits filed against the Company for damages caused to the environment.

The Company's real estate projects are produced with environmentally friendly materials with minimal carbon emissions. The Company is working towards LEED certification, an internationally developed green building rating system, for all building types from hospitals to data centers, from historical buildings to schools.

Sustainability Studies

Halk REIT is a corporate member of the U.S. Green Building Council (USGBC), which conducts LEED certification. 3 of its 6 completed projects have received LEED certification. The certification process is ongoing for one of the ongoing projects.

Halk REIT LEED Certified Completed Projects;

- Eskişehir Panorama Plus (LEED Silver)
- Levent Hotel (LEED Gold)
- Şekerpınar Banking Center (LEED Gold)

Halk REIT LEED Certification Process Ongoing Projects;

- Istanbul Finance Center 'Halk Office Towers' (Planned Leed Platinum)

Eskisehir Panorama Plus Housing Project is within the scope of LEED certification;

Savings of 37% in water use and 34% in electricity use were achieved. The amount of wastewater was reduced by 54% by using low-water consuming wet area equipment. During the construction phase, 77% of construction waste was recycled. 33% of the materials used contain recycled materials.

Levent Hotel Project is within the scope of LEED certification;

Water savings of 31% and electricity savings of 24% were achieved. All of the landscape irrigation in the project was provided by the use of gray water. A 44% reduction was achieved through the selection of high-efficiency wet volume fixtures and the use of purified water in reservoirs and urinals. In areas with high intensity use, indoor air quality is measured with CO2 sensors and the necessary fresh air is provided through the automation system.

Şekerpınar Banking Center Project is within the scope of LEED certification;

Savings of 49% in water use and 46% in electricity use were achieved.

Istanbul Finance Center 'Halk Office Towers' within the scope of LEED certification;

For the Istanbul Finance Center Project, LEED certification at Gold level is mandatory for all stakeholders within the framework of the requirements of the design handbook and master booklet published by the Ministry of Environment, Urbanization and Climate Change. However, due to the competitive environment arising from the multi-stakeholder structure of the project, LEED Platinum, the highest level of LEED certification, is targeted in this project and the works are carried out in this direction. In Halk Office Towers, LEED certification is LEED BD + C (Building Design + Construction), in other words, according to the principle of Shell & Core application has been made.

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In addition, Emlak Konut and the Ministry of Environment, Urbanization and Climate Change aim to apply for LEED ND (Neighborhood Development) certification throughout IFC, and the necessary work is being carried out with consultants in this direction.

Savings of 40% in water use and 30% in electricity use are foreseen. In addition, within the scope of efficient energy use, an ice storage system, which is an innovative development, has been built and work is being carried out to commission it. Although 50% recycling of construction waste was targeted during the planning phase, the target was increased to 75% during the process, and additional points were targeted. Indoor air quality will be monitored with CO2 sensors.

Within the scope of Dilovası Modern Industrial Site Project;

Most of the common area energy consumption is planned to be provided by photovoltaic solar panels installed on the roof area.

It is aimed to use rainwater and the water to be obtained from the wells to be drilled for landscape irrigation and to reduce water consumption with an automatic irrigation system.

For landscaping areas, emphasis has been placed on the use of plants that consume little water and bicycle parking areas have been created.

Wide-span joinery has been designed in the buildings to ensure that the workshops benefit from daylight and save energy. LED bulbs with low energy consumption are used for lighting.

It is planned to establish vehicle charging stations.

In accordance with the Capital Markets Board's practices on the subject, the Sustainability Principles Compliance Report is made through the KAP platform using *the "Sustainability Compliance Report"* template. Annual reports can be accessed at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1701-halk-gayrimenkul-yatirim-ortakligi-a-s>

6- Transactions with Related Parties

This report is prepared in accordance with the first three paragraphs of Article 199 of the Turkish Commercial Code and the Capital Markets Board's (CMB) Communiqué on Corporate Governance (II-17.1) titled "Continuous Transactions" in accordance with Article 10 of the Turkish Commercial Code.

LEGAL PROCEEDINGS

A- Transactions by Controlling and Affiliated Companies

Due from and due to related parties

	December 31, 2023
Banks	
Türkiye Halk Bankası A.Ş. (Demand Deposit)	5.483.092
Türkiye Halk Bankası A.Ş. (Time Deposit)	58.600.153
Türkiye Halk Bankası A.Ş. (Pos)	25.000
Total	64.108.245
Deferred Income	
Türkiye Halk Bankası A.Ş.	1.631.155.802
Total	1.631.155.802
Prepaid expenses	
Halk Finansal Kiralama A.Ş.	6.364.554
Total	6.364.554
Purchase of Investment Property	
Türkiye Halk Bankası A.Ş.	160.000.000
Total	160.000.000
Amounts Capitalized in Construction in Progress Investment Properties	
Türkiye Halk Bankası A.Ş. (Interest and Commission Expenses)	389.611.487
Halk Finansal Kiralama A.Ş. (Financial Expenses)	267.879.288
Halk Varlik Kiralama A.Ş.	29.885.108
Total	687.375.882
Financial borrowings	
Türkiye Halk Bankası A.Ş. -Short Term	1.187.172.188
Türkiye Halk Bankası A.Ş. -Long Term	1.822.627.858
Halk Finansal Kiralama A.Ş. - Short Term	110.544.264
Halk Finansal Kiralama A.Ş. - Long Term	54.165.792
Halk Varlik Yonetim A.Ş.	368.920.550
Total	3.543.430.652
Trade receivables from related parties	
Türkiye Halk Bankası A.Ş. Short Term	19.250.000
Total	19.250.000

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Income from Related Parties

	<i>December 31, 2023</i>
<i>Rental income</i>	
Türkiye Halk Bankası A.Ş.	473.566.955
Total	473.566.955
<i>Interest income</i>	
Türkiye Halk Bankası A.Ş.. Interest Income from Time Deposits	131.515.660
Total	131.515.660

Approximately 80% of the Company's revenue for the period ended December 31, 2023 consists of income from related parties.

Related Party Expenses

Expenses	December 31, 2023
<i>Interest, finance and income expenses paid to related parties</i>	
Türkiye Halk Bankası A.Ş.	(635.700.342)
Halk Finansal Kiralama A.Ş.	(351.863.225)
Halk Varlık Kiralama A.Ş.	(72.633.037)
<i>Operating expenses paid to related parties</i>	
Türkiye Halk Bankası A.Ş.	(27.848.035)
Halk Yatırım Menkul Değerler A.Ş.	(153.878)
Total	(1.088.198.517)

A.1. Transactions to which the Controlling Company is a Party

1.1.1. Revenues

a) Rental Income

The Company has leased 14 leasable real estate properties in its portfolio to Türkiye Halk Bankası A.Ş. and has regularly collected rental income from these buildings during the year. These leases were made in accordance with the Capital Markets Board's Communiqué Serial III No.48.1 on Principles Regarding Real Estate Investment Trusts. Total rental income for the year amounted to TL 473,566,955. The Company also leased Block A of the Istanbul Finance Center project to Türkiye Halk Bankası A.Ş. and has deferred rental income amounting to TL 1,631,155,802. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

b) Interest Income

The Company earned TL 131,515,660 in time deposit interest income from transactions with Türkiye Halk Bankası A.Ş. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

1.1.2. Expenses

a) Bank Interest Expenses

Interest and commission expense amounting to TL 635,700,342 was incurred in 2023 for the loan utilized by the Company from Türkiye Halk Bankası A.Ş. TL 36.710.603 of this amount is classified under investment properties. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

b) Bank Transactions Expenses

The Company incurred operating expenses amounting to TL 27,848,035 due to transactions with Türkiye Halk Bankası A.Ş. All of this amount consists of letter of guarantee and other banking commission expenses. TL 1.840.668 of this amount is classified under investment properties. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

c) Asset purchase

The Company has purchased 173,892.00 m² real estates registered on parcel 342 in Akbaba Neighborhood, Beykoz District, Istanbul Province for TL 160,000,000 from the main shareholder Türkiye Halk Bankası A.Ş. and included them in its portfolio. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

1.1.3. Financing Amounts

As of 31.12.2023, the Company has loans amounting to TL 3.009.800.047 from Türkiye Halk Bankası A.Ş. TL 2.378.895.964 of the loans used consist of monthly equal installment loans and TL 630.904.083 of spot and revolving loans used for Izmir Evora Project. As of 31.12.2023, TL 1.187.172.188 of the monthly equal installment, spot and revolving loans are classified as short term and TL 1.822.627.859 as long term. In 2023, financial expenses amounting to TL 635,629,034 were incurred and no financial benefit was provided to the parent company or its subsidiary in these transactions and no loss was incurred by the Company.

A.2. Transactions by Affiliated Companies

1.2.1 Revenues

None.

1.2.2 Expenses

a) Amounts Capitalized in Construction in Progress Investment Properties

Halk Varlık Kiralama A.Ş.

Capitalized expenses amounting to TL 72,633,037 were incurred due to the transactions of the Company with Halk Varlık Kiralama A.Ş.. In these transactions, 64.451.003 of these expenses consisted of financial expenses and TL 8.182.034 of these expenses consisted of brokerage commissions. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

Halk Finansal Kiralama A.Ş.

The Company incurred financial expenses amounting to TL 351,863,225 due to the transactions with Halk Finansal Kiralama A.Ş. TL 36.349.989 of this transaction consists of interest related expenses and TL 315.513.236 consists of foreign exchange difference cost. All of the financial expenses were capitalized in investment properties during the period. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

Other Expenses

Halk Yatırım Menkul Değerler A.Ş.

The Company incurred a period expense of TL 153,878 due to financial consultancy and brokerage transactions with Halk Yatırım Menkul Değerler A.Ş. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

b) Financing Amounts

Halk Varlık Kiralama A.Ş.

In order to meet the financing needs, the company has issued lease certificates with Halk Varlık Kiralama A.Ş. and a financial debt of TL 368,920,550 has been incurred. In 2023, TL 36,125,904 of financial expense was incurred in relation to these transactions, of which TL 24,029,605 was capitalized in investment properties. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

Halk Finansal Kiralama A.Ş.

In order to meet the financing needs of the company, a financial lease agreement was signed with Halk Finansal Kiralama A.Ş. and at the end of 2023, there is a financial lease of TL 164,710,056. In relation to the transactions, a period finance expense of TL 64.451.003 was incurred in 2023 and TL 7.865.330 was capitalized in investment properties. In these transactions, no financial benefit was provided to the parent company or its subsidiary and the Company did not incur any loss.

B- Transactions Under the Direction of the Controlling Company

None.

C- Transactions for the Benefit of the Controlling Company or Subsidiary

None.

MEASURES TAKEN

All of the commercial and legal transactions detailed above were carried out in line with the Company's interests based on market prices. Leasing transactions were carried out in line with the reports made by independent real estate appraisal companies, and purchases of goods and services constituting commercial activities were carried out by taking bids. Since the Company is a publicly traded company, it acts in accordance with the principles of the relevant Communiqué of the Capital Markets Board. The Company is audited quarterly by an independent audit firm. Transactions with related parties included in the independent audit reports are disclosed to the public on a quarterly basis along with their details.

During the activity period, there is no equivalent counter claim to a subsidiary company regarding the material damage/loss incurred by the subsidiary company due to intra-group transactions, the transaction subject to offsetting by the parent company or the benefits provided by the Company.

CONCLUSION

In all transactions made by the Company with the controlling company and its affiliated companies during the operating period of January 1 - December 31, 2023, all legal transactions made for the benefit of the controlling company or an affiliated company with the direction of the controlling company according to the circumstances and conditions known to us and all measures taken or avoided to be taken for the benefit of the controlling company or an affiliated company in the 2023 operating year have been evaluated. Regarding the 2023 activity year, we declare that the Company has not incurred any such loss due to a transaction that occurred according to the known circumstances and conditions.

Pursuant to Article 10 of the Capital Markets Board's Corporate Governance Communiqué (II-17.1) titled "Common and Continuous Transactions", within the scope of the Company's activities in 2023, it is foreseen that the rental income expected to be obtained in the accounting period of 2024 as a result of common and continuous leasing transactions with the main shareholder Türkiye Halk Bankası A.Ş. will exceed 10% of the annual revenue amount included in the Company's publicly disclosed financial statements for 2023. All leasing transactions, including the ongoing lease agreements, are made by taking into account the applicable legislation, appraisal rental values and market conditions.

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DISCLOSURES ON ASSETS AND RIGHTS IN THE PORTFOLIO

1- Real Estate Table

LAND VALUES	Status Information	DECEMBER 2023 *Fair Values (TL)
LANDS		
Antalya Land	Land (empty)	618.541.052
Beykoz Land	Land (empty)	298.488.901
Salıpazarı Land	Land (parking area)	29.848.890
PROJECTED LAND PLOTS & PROJECTS		
Dilovası Modern Industrial Site	Construction and sales phase	**1.123.397.000
Paye Sakarya	Construction and sales phase	**420.000.000
Izmir Evora	Construction and sales process	¹ 1.246.112.428
TOTAL		2.463.347.000

¹ The approximate value of the Company's share of the total appraisal value of the project in its unfinished state as of December 2023. Not included in the portfolio total, for information purposes (65% of the project value is the Joint Venture share and 50% of the partnership share is calculated as Halk REIT share).

**Land values.

BUILDINGS	Current Use Information	2023 Rental Income (TL)	DECEMBER 2023 *Fair Values (TL)
IFC Halk Office Block A	Bank Headquarter	344.817.402	8.826.547.000
IFC Halk Office Block B	Empty	-	6.530.223.000
Ataşehir Finance Tower	Technopark	59.568.376	2.217.052.045
Istanbul Levent Hotel	Hotel	82.259.257	2.023.000.000
Istanbul Salıpazarı Hotel	Hotel	29.579.614	741.000.000
Şekerpınar Banking Center	Banking Center	24.647.701	500.000.000
Istanbul Karaköy Building	Bank Building	6.186.377	355.098.865
Istanbul Beyoğlu Building	Hotel	272.127	323.000.000
Izmir Konak Building 1	Under renovation	-	214.232.689
Istanbul Caddebostan Building	Bank Branch	330.000	165.000.000
Istanbul Etiler Building	Under renovation	941.036	158.500.000
Istanbul Besiktas Building	Bank Branch	4.613.866	144.303.945
Istanbul Bakırköy Building	Bank Branch	5.409.360	134.546.445
Istanbul Şişli Building	Bank Branch	3.913.831	130.851.359
Ankara Kızılay Building	Bank Branch /Ministry	4.469.392	108.588.204
Izmir Konak Building 2	Under renovation	220.329	111.619.567
Istanbul Ataköy Building	Bank Branch	3.022.878	105.695.949
Istanbul Nişantaşı Building	Bank Branch	2.131.924	92.000.000
Istanbul Fatih Building	Bank Branch	2.577.401	74.313.444
Kocaeli Building	Bank Branch	3.181.976	73.181.244
Bursa Building	Empty	559.224	72.286.957
Ankara Başkent Building	Bank Branch / Hotel	3.832.037	66.223.365
Ankara Bahçelievler Building 1	Bank Branch	2.545.581	48.890.423
Adapazarı Building	Bank Branch	1.169.913	47.346.515
Ankara Bahçelievler Building 2	Store	1.644.000	35.304.032
TOTAL		587.893.601	23.298.805.050
PORTFOLIO TOTAL			25.789.080.893

* Fair values stated in the independent audit report dated 31.12.2023.

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2- Company Affiliates & Subsidiaries & Joint Operations

Subsidiaries

	31 December 2023	31 December 2022
Halk Yapı Projeleri Geliştirme A.Ş.	100%	100%

Financial information on Halk Yapı Projeleri Geliştirme A.Ş. is summarized below:

	31 December 2023	31 December 2022
Halk Yapı Projeleri Geliştirme A.Ş.		
Current assets	1,599,469,546	475,231,865
Fixed assets	185,735,839	164,853,790
Current liabilities	(1,556,596,528)	(484,779,016)
Profit/loss for the period(-)	72,324,245	35,643,369

Joint Activities:

	31 December 2023	31 December 2022
Halk GYO-Vakıf GYO Joint Venture		
Current assets	9,015,765	12,685,177
Current liabilities	(668,634)	(932,113)
Profit/loss for the period(-)	579,447	8,919,834

	31 December 2023	31 December 2022
Halk GYO-Erkonut Joint Venture		
Current assets	-	702,215
Current liabilities	-	(387,982)
Profit/loss for the period(-)	(423,222)	(53,991)

	31 December 2023	31 December 2022
Halk GYO-Teknik Yapı Joint Venture		
Current assets	1,501,003,499	529,095,521
Non-current assets	33,547,798	19,328,538
Current liabilities	(1,610,694,709)	(625,746,669)
Non-current liabilities	(94,113)	(1,387,438)
Profit/loss for the period(-)	6,493,398	(19,619,264)

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3- Money and Capital Market Instruments

	31 December 2023	31 December 2022
Cash on hand	72,772,374	782,163,130
<i>Demand deposits(*)</i>	<i>9,453,166</i>	<i>46,212,171</i>
<i>Time deposits with maturities less than three months</i>	<i>63,319,208</i>	<i>735,950,959</i>
Provision for expected loss (-)	(873)	(9,385)
Other cash and cash equivalents (**)	25,000	494,318
Total cash and cash equivalents in the statement of financial position	72,796,501	782,648,063
Less: Interest accruals on cash and cash equivalents	(83,047)	(6,196,302)
Total cash and cash equivalents in the statement of cash flows	<u>72,713,454</u>	<u>776,451,761</u>

(*) As of December 31, 2023 and December 31, 2022, there is blocked amount for salary payments to personnel from demand deposit amounts.

(**) Other cash and cash equivalents consist of pos balances.

As at December 31, 2023, the details of time deposits at banks are as follows

31 December 2023	Amount	Interest rate	Maturity
<u>Time deposits</u>			
TL	53,515,534	13%	2 January 2024
TL	4,716,204	24%	2 January 2024
TL	4,716,611	43%	30 January 2024
TL	2,851	4.75%	2 January 2024
TL	368,008	1%	1 April 2024
	<u>63,319,208</u>		

4- Completed Projects

Istanbul "Referans Bakırköy"



Province
County

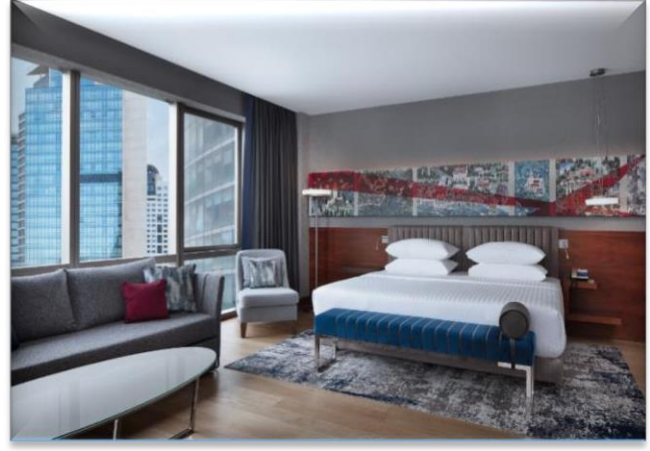
: İstanbul
: Bakırköy

"Referans Bakırköy", which was tendered in 2012 through the revenue sharing method with the Company's share of 50.5% of the total sales revenue, and realized on the land in Bakırköy, is our first residential project. The project, which we carried out and completed together with Biskon Yapı A.Ş., a subsidiary of Kiler Holding, rose in one of the last remaining project areas in Bakırköy, one of the privileged districts of Istanbul.

The project was completed in 2014.

Built in three blocks, the project consists of a total of 327 independent units, 254 of which are residential units and 73 of which are commercial units. All independent units in the project have been sold.

Istanbul Levent Hotel



Province	: İstanbul
County	: ŒiŒli / Levent
Appraisal Value	: 2.0 billion TL

The hotel project, the construction of which started in 2013 and was completed in 2015 on the Levent land in the Company's portfolio, is the Company's first investment in the tourism sector.

The building, which is one of the best examples of city hotel management in terms of its architecture and location, meets the need for business hotels in the Mecidiyeköy-Maslak line.

Levent Hotel, which aims to be an environmentally friendly building, has been awarded **LEED Gold** (Leadership in Energy and Environmental Design) certification.

Eskişehir "Panorama Plus"



Province : Eskişehir
County : Odunpazarı

The project, which is realized on a 9.811 m² plot of land located in the Odunpazarı district of Eskişehir province in the company's portfolio, consists of 97 residential units and 5 commercial units and 102 independent units.

In November 2013, the construction and sales process started and the project was completed in 2015. All independent units of the project have been sold.

Panorama Plus is the first project in Eskişehir to receive *LEED Silver* certification with the highest score in line with the sustainability studies conducted by the United States Green Building Council (USGBC).

Kocaeli Şekerpınar Buildings



Province	:	Kocaeli
County	:	Şekerpınar
Appraisal Value	:	500 Million TL

Built on our 15,652 m² land in Kocaeli Şekerpınar, which was included in the Company's portfolio in September 2012, the "Şekerpınar Project" has a total area of approximately 62,000 m² including A and B Blocks.

The "*Şekerpınar Banking Center*", a 9,000 m² Block A part of the project, was leased for 10 years in April 2015. The building, which is aimed to be an environmentally friendly structure, has **LEED Gold** certification.

"*Halk Ofis Şekerpınar*", Block B of the project, which covers approximately 53 thousand m², was sold in May 2023 for 210 million TL + VAT.

Istanbul "Bizimtepe Aydos"



Province : Istanbul
County : Sancaktepe

The housing project, which was realized through the partnership established in cooperation with Vakıf REIT, is located in Sancaktepe district of İstanbul. The project aims to meet the housing demand in the region as it is located close to the Istanbul Financial Center.

With the slogan "*Happiness starts from your home*", the project rising on a land area of approximately 95 thousand m² has 90% landscape area. The project, which includes 2+1,/ 3+1,/ 4+1 apartment options and consists of 17 blocks with 13 floors each and a total of 1037 residences and 47 commercial units, also includes hobby gardens, bicycle and jogging tracks, children's playgrounds, gazebos and ornamental pools, lawn amphitheaters, a private kindergarten and a bazaar with commercial units.

In November 2015, construction started and the project was completed in 2018.

Erzurum "Şehristan Konutları"



Province : Erzurum
County : Yakutiye

The land located in Yakutiye district of Erzurum province and owned by Er Konut İnşaat, a subsidiary of Erzurum Metropolitan Municipality, was included in the portfolio in April 2016 to develop a residential project. The project, which was realized through the Halk REIT - Er Konut Joint Venture with a 50 percent - 50 percent common share with Er Konut İnşaat, includes 13 blocks of 13 floors each in 3 different types and a total of 632 apartments and 13 commercial units on a 23.734 m² land.

Construction started in May 2016 and the project was completed in 2018. All independent units in the project have been sold.

Salıpazari Hotel



Formerly



**New
Version**

Province	:	Istanbul
County	:	Beyođlu - Salıpazarı
Appraisal Value	:	TL 741 million

The Salıpazari Building in Halk REIT's portfolio, which is used as a bank branch and office, started to serve as a hotel building in 2018 after the completion of its renovation to be used as a hotel building.

5- Ongoing Projects

Istanbul Finance Center "Halk Office Towers"



Province	:	Istanbul
County	:	Ümraniye
Construction Start Date	:	December 2016
End Date	:	December 2023
Construction Completion Rate	:	%99,26
Appraisal Value	:	15.4 billion TL

As one of the major stakeholders of the Istanbul Finance Center (IFC) project coordinated by the Ministry of Environment, Urbanization and Climate Change, the company is building two towers with 46 (Block A) and 34 floors (Block B) on its land within the project.

In June 2022, a 2-year lease agreement for Block A was concluded with the main shareholder Türkiye Halk Bankası A.Ş. for a monthly rent of 35.000.000.-TL. Lease payments have started as of April 2023.

Evora Izmir Project



Province	:	Izmir
County	:	Alsancak
Construction Start Date	:	November 2017
Planned Completion Date	:	December 2024
Construction Completion Rate	:	%59,65

"Teknik Yapı - Halk REIT Joint Venture" has been established with Teknik Yapı A.Ş., which won the revenue sharing in return for land tender held by Emlak Konut REIT in 2017 for approximately 47 acres of land consisting of two separate parcels in Alsancak, Izmir, with a revenue of TL 1 billion 672 million and 35% administration share commitment.

The Teknik Yapı - Halk GYO Joint Venture and Emlak Konut REIT have also signed a "Revenue Sharing Agreement in Return for Land Sale" in relation to the project in question. According to the details of the contract, the income share rate of the Joint Venture is 65%.

EVORA İZMİR project, designed in a mixed structure that combines residential, commercial and social functions, won the "**Best Architectural Design**" award in the 2018 edition of the annual SOTCA (Sign of the City Awards) organization.

The project includes 1195 independent units and the construction and sales process is ongoing. As of December 31, 2023, sales promise agreements have been signed for 724 independent units in the project.

Dilovası Modern Industrial Site



Province	:	Kocaeli
County	:	Dilovası
Construction Start Date	:	September 2022
Planned Completion Date	:	March 2025
Construction Completion Rate	:	%44,76
Appraisal Value (Land)	:	1.12 billion TL

The construction permits of the project, which was realized as a result of the 47% (Marmara Metal) - 53% (Halk Yapı) revenue sharing agreement signed by the Company's 100% subsidiary Halk Yapı Projeleri Geliştirme A.Ş. with Marmara Metal Mamulleri Ticaret A.Ş. in return for land sales, were obtained as of 01.09.2022.

Consisting of 350 independent units including 307 Workshops, 24 Shops, 18 Offices and 1 Health Center, Dilovası Modern Industrial Site Project will be located in the triangle of Istanbul, Bursa and Kocaeli, at the very center of the industrial development axis and will host hundreds of industrial establishments.

The project, which makes a difference with a total of 307 workshops, 19 offices, 24 shops and social facilities from 300 m² to 1500 m², will also support sustainable energy production with its environmentally friendly design.

Sales of the project started after the launch on November 3, 2022. As of December 31, 2023, sales promise agreements have been signed for a total of 127 independent units in the project.

"Paye Sakarya" Residential Project



Province	:	Sakarya
County	:	Adapazarı
Construction Start Date	:	September 2022
Planned Completion Date	:	December 2025
Construction Completion Rate	:	%18,23
Appraisal Value (Land)	:	420 million TL

The Paye Sakarya project, which was realized within the framework of the "Cooperation Protocol" signed between the Company and Haldız Insaat A.Ş. and other 3rd parties in December 2021, consists of 426 residential units and 34 commercial units of different scales on a 60,000 m² land.

With its horizontal architecture and large landscape areas, the project is aimed to be the best concept life project in Sakarya.

The sales and marketing activities of the project started in 2023 and as of December 31, 2023, sales promise agreements have been signed for 121 independent units.

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6- Information on Portfolio Restrictions

	Financial statement primary account items	Regulation	31 December 2023 (TL)	31 December 2022 (TL)
A	Money and capital market instruments	Serial: III-48.1, Art.24/(b)	64,665,139	169,465,833
B	Real estates, based on real estates, rights based on real estates	Serial: III-48.1, Art.24/(a)	25,733,790,636	22,328,908,278
C	Subsidiaries	Serial: III-48.1, Art.24/(b)	226,779,528	226,779,528
	Due from related parties (non-trade)	Serial: III-48.1, Art.23/(f)	--	--
	Other assets		488,858,665	838,114,700
D	Total Assets	Serial: III-48.1, Art.3/(k)	26,514,093,826	23,563,268,339
E	Financial liabilities	Serial: III-48.1, Art.31	3,381,123,879	1,492,743,332
F	Other financial liabilities	Serial: III-48.1, Art.31		--
G	Finance lease payables	Serial: III-48.1, Art.31	164,710,056	131,250,909
H	Due to related parties (non-trade)	Serial: III-48.1, Art.23/(f)	--	--
I	Shareholders' Equity	Serial: III-48.1, Art.31	20,077,476,844	17,523,739,279
	Other sources		2,890,783,047	4,415,534,819
D	Total resources	Serial: III-48.1, Art.3/(k)	26,514,093,826	23,563,268,339
	Other financial information	Regulation	31 December 2023 (TL)	31 December 2022 (TL)
A1	Portion of money and capital markets instruments for real estate payments of 3 years	Serial: III-48.1, Art.24/(b)	--	--
A2	Time/Demand TL/Foreign Currency	Serial: III-48.1, Art.24/(b)	64,640,139	102,848,060
A3	Foreign capital market instruments	Serial: III-48.1, Art.24/(d)	--	--
B1	Foreign real estates, based on real estates projects, rights for real estates	Serial: III-48.1, Art.24/(d)	--	--
B2	Idle land	Serial: III-48.1, Art.24/(c)		
C1	Foreign subsidiaries	Serial: III-48.1, Art.24/(d)	--	--
C2	Investment in the operating company	Serial: III-48.1, Art.28	--	--
J	Non-cash loans	Serial: III-48.1, Art.31	4,874,487,478	5,304,399,933
K	Mortgage amounts on land that project to be developed but the ownership does not belong the entity	Serial: III-48.1, Art.22/(e)	--	--
L	Total investments of money and capital market instruments at one company	III-48.1, Art.22/(l)	--	--

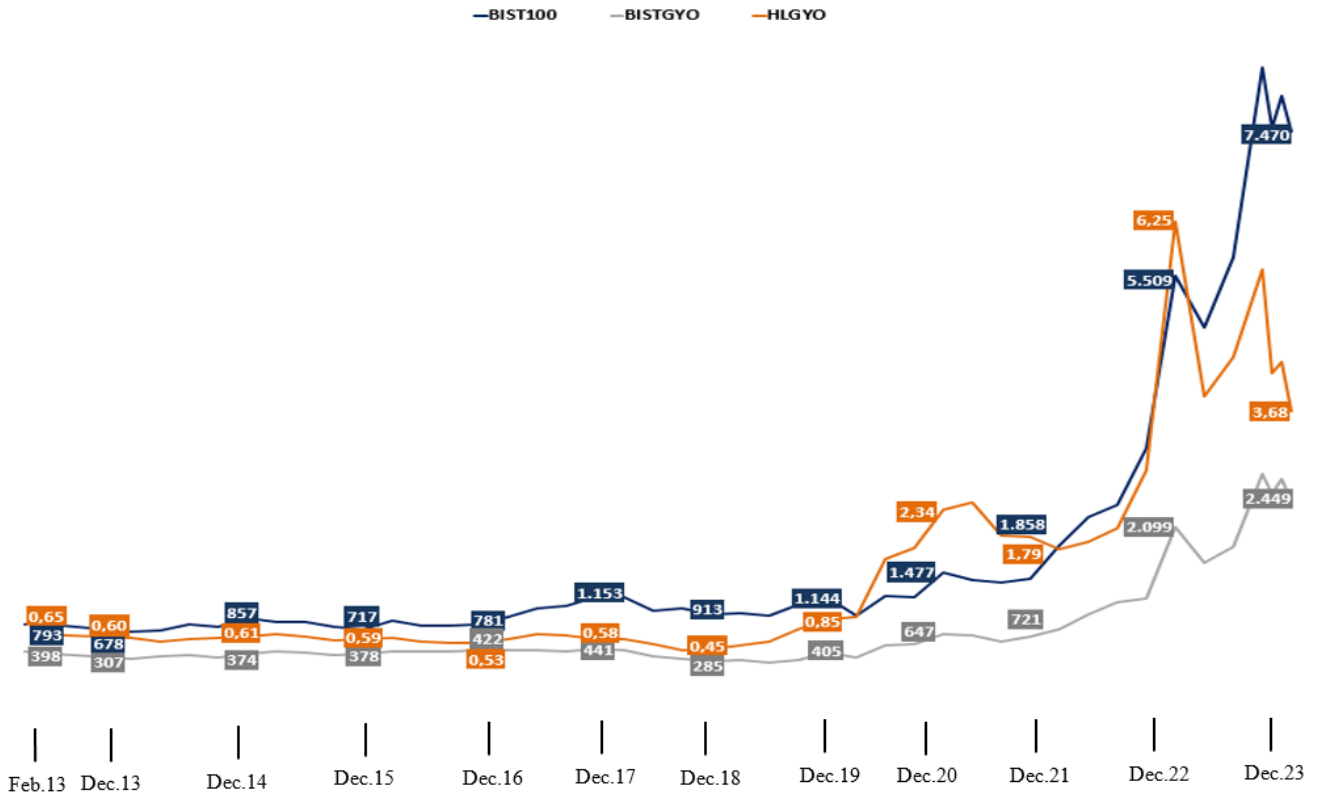
	Portfolio Restriction	Regulation	Calculation	Min/Mx Rate	31 December 2023 (TL)	31 December 2022 (TL)
1	Mortgage amounts on land that project to be developed but the ownership does not belong the entity	Serial: III-48.1, Art.22/(e)	K/D	Maximum 10%	--	--
2	Real estates, based on real estates, rights based on real estates	Serial: III-48.1, Art.24/(a),(b)	(B+A1)/D	Minimum 51%	97.06%	94.76%
3	Money and capital market instruments and associates	Serial: III-48.1, Art.24/(b)	(A+C-A1)/D	Maximum 49%	1.1%	1.68%
4	Foreign real estates, based on real estates projects, rights for real estates, associates, capital market instruments	Serial: III-48.1, Art.24/(d)	(A3+B1-C1)/D	Maximum 49%	--	--
5	Idle land	Serial: III-48.1, Art.24/(c)	B2/D	Maximum 20%	--	--
6	Investment in the operating company	Serial: III-48.1, Art.28	C2/D	Minimum 10%	--	--
7	Borrowing Limit	Serial: III-48.1, Art.31	(E+F+G+H+J)/I	Maximum 500%	41.94%	39.54%
8	Time/Demand TL/Foreign Currency	Serial: III-48.1, Art.24/(b)	(A2-A1)/D	Maximum 10%	0.24%	0.44%
9	Total investments of money and capital market instruments at one company	Serial: III-48.1, Art. 22/(l)	L/D	Maximum 10%	--	--

SHARE PERFORMANCE

The company was offered to the public on February 22, 2013 and 28 percent of its shares are traded on BIST A.Ş. under the code "HLGYO". The shares are listed in *BIST GYO / BIST ALL / BIST FINANCIAL / BIST CORPORATE GOVERNANCE / BIST ALL-100 / BIST BUY BACK* indices.

	Quantity	Ratio (%)	Market Capitalization (TL)
By December 2023			
Closing Price			3,68
Total Shares	1.645.000.000		6.053.600.000
Total Publicly Traded Shares	460.599.481	28,00	1.695.006.089
Other Shares in Active Circulation	300.064.893	18,24	1.104.238.806
Shares purchased by HALKBANK from BIST	121.143.867	7,36	445.809.432
Shares purchased by HALKREIT from BIST	39.390.720	2,39	144.957.851

In December 2023, compared to the previous year; the BIST 100 index increased by 35.60%, while the REIT index increased by 16.68% in its one-year performance. The company's stock, on the other hand, increased by 15.21% on an annual basis, closing December at TL 3.68. As of the end of the period, the Company ranked 18th in the sector with a market capitalization of TL 6,053 million.



RISK MANAGEMENT POLICIES AND INTERNAL CONTROL MECHANISM

The Company's risk management, internal audit and control systems are structured in accordance with international practices, principles and organizational framework. Internal control activities are organized to ensure that the Company's business and operations are carried out regularly, efficiently and effectively within the framework of existing legislation and rules in accordance with the management strategy and practices, the goals and objectives of corporate governance and the legislation, to ensure the integrity and reliability of the accounting and recording system, the timely and accurate availability of information in the data system, the protection of assets, the adequacy of the internal controls within the Company, the reliability and control of the information produced, the prevention and detection of errors, fraud and irregularities.

The internal audit system is operated in a way to help the organization achieve its goals by developing systematic approaches to evaluate and improve the effectiveness and efficiency of risk management, internal control and management processes in an independent and impartial manner in order to develop and improve all kinds of efficiency of the organization and create added value for the organization. Risk management and internal control activities in the Company are carried out by the "*Internal Audit, Risk Management and Compliance Department*". The Directorate reports to the Audit Committee and simultaneously to the Company's senior management on the management of the risks related to the Company's activities within the framework of the Company's risk policy and related internal regulations. The Internal Audit, Risk Management and Compliance Department prepares a periodic assessment report, compliance with portfolio limitations and follow-up table, and monthly liquidity ratio notification table and submits them to the Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee and senior management simultaneously. Thus, it is aimed that the Company's senior management takes the necessary measures and develops control systems to manage these risks.

The Company's internal control system has been established to examine, control, monitor, evaluate the appropriateness, adequacy and effectiveness of the Company's activities and the controls related to these activities and to report the results to the relevant units. A risk-oriented control approach has been adopted in the established system, and in this context, the controls developed to minimize and eliminate the risks integrated with the Company's activities and the adequacy of these controls constitute the basis of the internal audit activity. The Directorate responsible for internal audit activities carries out its operations within the framework of the "Directive of Halk Gayrimenkul Yatırım Ortaklığı A.Ş. Internal Audit, Risk Management and Compliance Directorate", which regulates the functioning, internal control activities, duties, authorities and responsibilities of the personnel assigned, and working procedures and principles.

Risks related to the Company's operations are classified into five categories: Operational Risk, Market Risk, Credit Risk, Liquidity Risk and Compliance Risk in terms of compliance with legal limits:

Operational Risk: This is the risk of direct and indirect loss arising from the Company's processes, employees, technology and infrastructure, and a wide variety of causes. Operational risks may arise from all activities of the Company. The Company's objective is to avoid financial losses and damage to the Company's reputation on the one hand, and to manage operational risk by supporting entrepreneurship and creativity on the other.

Market Risk: Market risk related to money and capital market instruments is regularly measured, monitored within the limits set by the legislation and reported to senior management.

Credit Risk: Due to the Company's core business, the largest source of potential receivables is rent receivables and receivables arising from the sales of units in the projects developed. Credit risk is minimized through a qualified tenant portfolio and the practice of collateralizing receivables within the framework of standards set by the management.

Liquidity Risk: The Company utilizes its cash resources, which are not directed to projects, in money and capital market instruments in a way to meet cash outflows in full and on time, and observes the harmony of amount and maturity.

Compliance Risk: The Company complies with the portfolio limitations set forth in the Communiqué Serial III, No: 48.1 on Principles Regarding Real Estate Investment Trusts published by the CMB and the legal limits to be complied with in asset allocation.

2023 SERVICE COMPANIES

- **Independent Audit Company**
DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
(Deloitte)
- **Rating Company**
JCR Avrasya Rating A.Ş.
- **Appraisal Companies**
Marka Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.
- **Advertising Agency**
M&G Advertising Services
- **P&R Agency**
Engram Agency

There are no conflicts of interest or disputes with these companies from which the Company received services during the period January 01, 2023 - December 31, 2023. Both the contracts concluded and the internal working arrangements of the company are meticulously complied with to avoid conflicts of interest.

OTHER TOPICS

1- Investor Relations Department Activities in 2023

The "Investor Relations Department", established within the scope of the relevant regulations of the Capital Markets Board (CMB), also serves as the Secretariat of the Company's Board of Directors and reports to the General Manager. The Department effectively manages all investor relations activities, particularly the exercise of shareholders' rights, public disclosure, information activities, public offering of capital market instruments, capital increase processes and the general assembly process. The Corporate Governance Committee, which acts as a bridge between the Department and the Board of Directors, actively monitors the activities carried out by the Department throughout the year and convenes regularly. The manager in charge of the Department is also a member of the Corporate Governance Committee and attends the Committee meetings held throughout the year.

Public Disclosure and Information Disclosure Process

During the year, 210 material event disclosures were made by the Department through the Public Disclosure Platform. In 2023, the Department responded to all information requests received from stakeholders such as analysts, portfolio managers, public institutions, as well as shareholders, which fall within the scope of investor relations. In this context, the Department responded to 96 verbal and 54 written information requests received during the year. Information requests received from domestic and foreign shareholders or investment companies were responded to in accordance with all aspects of public disclosure, particularly the legislation and the Company's Disclosure Policy. Shareholders can request information by contacting the Department employees directly or via the Department's e-mail address (ir@halkgyo.com.tr). In addition to shareholders, all information requests received from stakeholders such as analysts, portfolio managers, public and private sector organizations and other stakeholders that fall within the scope of investor relations are responded to. In addition to the information requests received by the Company, reports prepared and information notes published by brokerage houses about the Company during the year are also regularly monitored, and brokerage houses are provided with the necessary support during the report preparation or model update periods. During 2023, no new analyst reports or advisory notes were published. The Company's website is used effectively to facilitate public disclosure and the exercise of shareholders' rights. Quarterly investor presentations in Turkish and English, financial reports and material event disclosures made through the Public Disclosure Platform (KAP) are posted on the website on the same day. In addition, the sections of the Company's website that are open to updating, particularly information that may affect the exercise of shareholders' rights, are regularly updated in line with current developments. Thus, access to accurate and up-to-date information is ensured for different types of individuals or organizations, particularly shareholders and investment companies, who need information about the Company and its activities. Shareholders can access basic information about the Company by connecting to the Central Registry Agency (CRA) portal through the "Information Society Services Section" of the website. In addition, material event disclosures, financial results, etc. are regularly sent to shareholders or investment company employees registered in the "Distribution List" of the Department.

Reporting Processes

During the period, the Department prepared the 2022 year-end annual report, corporate governance principles compliance report, sustainability principles compliance report and 2023 quarterly annual reports and managed the process of sharing them with the public and other interested parties together with the financial reports. Following the publication of the financial reports, investor information presentations were prepared for each period and added to the Company's website.

In addition to monthly stock performance reporting, the department also regularly prepared and shared reports containing macroeconomic data such as inflation, unemployment and growth throughout the year. Sectoral reporting process was also managed on a quarterly basis.

The Department also coordinated company information presentations to be delivered to the Board of Directors, senior management and third parties.

General Assembly Process

The Company's "Ordinary General Assembly Meeting for the year 2022" was conducted and coordinated by the Department within the framework of the Corporate Governance Principles and the provisions of the Turkish Commercial Code, and the meeting was held on August 08, 2023 with 79.40% attendance. General Assembly documents were published 21 days prior to the meeting date on the PDP, MKK's Electronic General Assembly System and the Company's website and made available for shareholders' review. A "General Assembly Information Document" was prepared and all General Assembly documents were published on the Company's website so that shareholders could be informed in advance about the issues to be discussed at the General Assembly. In addition, all General Assembly documents were also prepared in English and made available to all foreign stakeholders via the Company's website. Following the General Assembly meeting, the minutes of the meeting and the list of those present at the meeting were disclosed to the public via PDP and the Company's website and uploaded to the Information Society Services page.

Capital Increases and Dividend Distribution Processes

During the period, the Company initiated the processes for the increase and extension of the registered capital ceiling limit, cash and bonus dividend distribution from the profit of 2022 (capital increase) and subsequent capital increase through rights issues. All processes were managed and coordinated by the Department in accordance with the provisions of the CMB and the Turkish Commercial Code.

Rating Processes

The credit and corporate rating processes of the Company are managed and coordinated by the Department. The 2023 credit and corporate governance ratings have been updated and updated information is presented in the relevant sections of the report.

Corporate Communication Support Activities

The Department has ensured that the Company's press releases and senior management speeches and messages do not contain any content contrary to the Company's Disclosure Policy, existing public disclosures and the provisions of the REIC Communiqué.

2- Human Resources

In achieving its mission, vision and goals, the Company takes as a basis the recruitment of human resources with the necessary qualifications and the ability to develop, and the continuous development and motivation of its qualified personnel.

Issues such as recruitment conditions, career guidance and promotion conditions, monetary arrangements and social benefits are presented to employees in detail and clearly in the Company's Human Resources Regulation. All decisions taken regarding employees are carried out within the Human Resources Department within the framework of the said regulation.

Job descriptions of employees were created as a result of job analysis. The number of employees was determined by the distribution of tasks in line with the workload and demands of the units.

The personal dignity of each employee and all rights recognized by law are protected within the framework of the Code of Ethics, and all kinds of grounds have been prepared for them to work in a safe and healthy environment. The personnel are provided with their social rights regularly and periodically within the scope of legal legislation. We do not have a collective labor agreement

During the year, no complaints of discrimination were received by Human Resources.

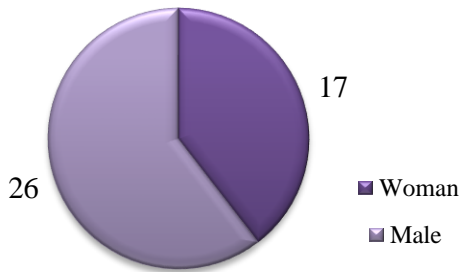
Organizational Structure and Employee Profile

Halk REIT carries out its activities under a structure consisting of the Internal Audit, Risk Management and Compliance Department reporting to the Board of Directors, the Investor Relations and Corporate Communications Department reporting to the General Manager's Office, and six Directorates and Department Directorates reporting to two Assistant General Managers.

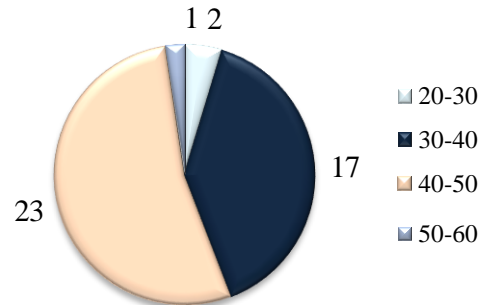
The number of personnel of the Company as of December 31, 2023 is 43. (December 31, 2022: 45)

The organizational structure and employee profile of the Company are as follows:

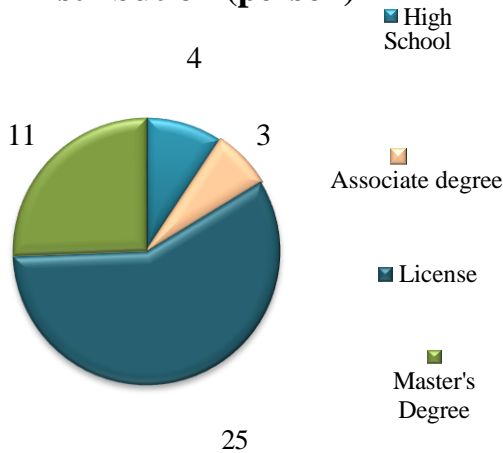
Number of Employees (person)



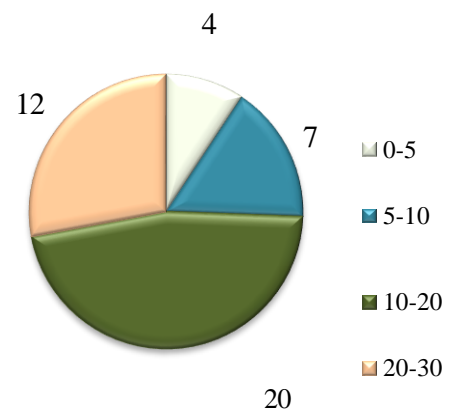
Age Distribution (person)



Education Distribution (person)



Total Work Experience (person)



Social Rights Recognized for Employees

Employees in the Company can receive employer contributions when they participate in the Private Pension System. In addition, all employees are provided with corporate health insurance, daily meal contribution and transportation opportunities.

Education

The Company offers employees in every title group the opportunity to participate in training and seminar programs to support their personal and professional development in line with individual and company goals. These programs aim to bring about positive changes in employees' knowledge, skills and attitudes, as well as career advancement, increase their motivation and strengthen their satisfaction with their jobs. This approach ensures that the company's achievements and the individual goals of employees progress in harmony.

Selection and Placement Process

In the recruitment process, we aim to select the most suitable candidate for all positions by reaching the right target group. It is aimed to recruit customer and result-oriented candidates who are suitable for the corporate culture, believe in open communication and continuous development, have a sense of belonging to the organization. In addition, in our experienced recruitments; candidates are expected to have the education, knowledge, experience and competencies required by the position.

General Recruitment Requirements

The personnel who will start to work in the company must have the following qualifications;

- To be over 18 years of age,
- For male candidates, to have done military service or to be postponed for at least one year or to be exempted from military service,
- Not having a health problem that prevents him/her from performing his/her duties,
- Not to be deprived of public rights,
- Not being under compulsory service commitment to any institution or organization,
- Not to be convicted of a disgraceful offense or not to be under prosecution,

Candidate Recruitment

Existing applications are first evaluated for the positions needed in the Candidate Recruitment process.

Career Planning

In transfers to higher positions, criteria such as knowledge, experience and performance required by the job description and possession of relevant competencies are taken into consideration within the framework of the waiting periods specified in the Human Resources Regulation.

3- Aid and Donations

During the period, in order to support our citizens who suffered damages in the earthquakes centered in Kahramanmaraş and devastatingly affecting 11 provinces, a cash donation of TL 10,000,000 was made to the Republic of Türkiye Ministry of Interior Disaster and Emergency Management Presidency (AFAD), which organized the aid in the region, and TL 1,000,000 to the Real Estate Investors Association (GYODER) in order to contribute to the support to be given to the disaster victims. Information regarding these donations was given at the Ordinary General Assembly Meeting of 2022 held on August 08, 2023.

4- Research and Development Activities

The Company does not carry out any other research and development activities other than land and project feasibility studies.

5- Lawsuits Filed / Ongoing Against the Company

On behalf of the Company's legal entity, there are 2 ongoing lawsuits filed by the Company in the commercial court of first instance, 1 enforcement law court case, 2 administrative courts and 2 criminal courts of first instance.

In addition, Halk Gayrimenkul Yatırım Ortaklığı A.Ş. has 5 ongoing lawsuits/execution proceedings against Halk Gayrimenkul Yatırım Ortaklığı A.Ş., 2 of which are consumer lawsuits, 1 negative assessment lawsuit in the commercial court of first instance, 1 annulment lawsuit in the administrative court and 1 execution proceeding. As a result of the evaluations of the lawyers regarding the related lawsuits, no provision for litigation has been set aside.

There are 6 ongoing execution files opened by Halk REIT - Vakif REIT Joint Venture. In addition, there are 28 consumer lawsuits and 17 enforcement proceedings filed against Halk REIT - Vakif REIT Joint Venture. As a result of the evaluations of the lawyers regarding the related lawsuits, no provision for litigation has been allocated.

There is no legal process filed on behalf of Halk REIT - Erkonut Joint Venture.

There are 2 consumer lawsuits filed against Teknik Yapı - Halk REIT Joint Venture, 1 compensation lawsuit in the civil court of first instance, 1 labor lawsuit and an important administrative lawsuit concerning our Joint Venture. Although the company has no financial liability in the lawsuits against Teknik Yapı - Halk REIT Joint Venture, there is no need to set aside provisions for lawsuits and execution proceedings.

There are no legal proceedings filed on behalf of Halk Yapı Projeleri Geliştirme AŞ.

EVENTS OCCURRING AFTER THE ACCOUNTING PERIOD

There are no significant developments.

Annex 1:

Summaries of CURRENT Appraisal Reports on Real Estates

LANDS

ISTANBUL SALIPAZARI LAND

DATE OF REPORT	20.11.2023
REPORT NUMBER	2023-HALK GYO-12
APPRAISAL DATE	17.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Istanbul Province, Beyoglu District, Kılıçali Neighborhood, 57 land qualified real estate located on block 15 parcel
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 29.000.000.-TL

ISTANBUL BEYKOZ LAND

DATE OF REPORT	30.11.2023
REPORT NUMBER	2023 - Halk GYO - 36
APPRAISAL DATE	27.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Located in Istanbul Province, Beykoz district, Akbaba neighborhood, block 2546, parcel 4, "Field and Real estate in the nature of "scrubland
APPRAISAL (LAND) VALUE (PRECEDENT)	(excluding VAT) 290.000.000.-TL

ANTALYA LAND

DATE OF REPORT	03.11.2023
REPORT NUMBER	2023-OZL-5.rev.
APPRAISAL DATE	30.10.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Antalya Province, Muratpaşa District, Ermenek Neighborhood 27943 Block, Parcel 57, Parcel 58 and Parcel 17 with the characteristics of land
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 600.950.000.-TL

PROJECTED LAND PLOTS

SAKARYA ADAPAZARI LAND (Paye Sakarya Project)

DATE OF REPORT	09.10.2023
REPORT NUMBER	2023-OZL-7
APPRAISAL DATE	25.09.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The real estate qualified as land located in Sakarya Province, Adapazarı District, Tepekum Neighbourhood, Block 4932, Parcel 1
APPRAISAL (LAND) VALUE (PRECEDENT)	(excluding VAT) 420.000.000.-TL

KOCAELİ DİLOVASI LANDS (Dilovası Modern Industrial Site Project)

DATE OF REPORT	28.12.2023
REPORT NUMBER	2023-OZL-38
APPRAISAL DATE	25.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Kocaeli province, Dilovası district, Çerkeşli Neighbourhood, 632 block 12 parcel and 642 block 4 parcel
APPRAISAL (LAND) VALUE (PRECEDENT)	(excluding VAT) 1.123.397.000.-TL

RENTAL INCOME BUILDINGS

IFC "HALK OFİS KULELERİ"

DATE OF REPORT	27.12.2023
REPORT NUMBER	2023 - HALKGYO - 25
APPRAISAL DATE	25.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Istanbul Province, Ümraniye District, Finanskent Neighbourhood, Istanbul Province, Ümraniye District, Finanskent Neighbourhood, parcels 3328 block 4 and 11
APPRAISAL (PROJECT) VALUE (COST - 99%)	(excluding VAT) 15.356.770.000.-TL

ISTANBUL BEYOĞLU HOTEL

DATE OF REPORT	28.12.2023
REPORT NUMBER	2023-HALK GYO-15
APPRAISAL DATE	25.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The real estate with the title of land located in Istanbul Province, Beyoğlu District, Hüseyinağa Neighbourhood, block 338, parcel 8
APPRAISAL (PROJECT) VALUE (PRECEDENT)	(excluding VAT) 323.000.000.-TL

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ISTANBUL ATAŞEHİR FINANCE TOWER

DATE OF REPORT	20.11.2023
REPORT NUMBER	2023-HALK GYO-6
APPRAISAL DATE	17.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Istanbul Province, Ataşehir District, Küçükbakkalköy Neighbourhood, Block B of the main real estate registered with the title of "Reinforced Concrete Building and Land", block 3332, parcel 24, 13 shops and 92 offices
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 2.154.000.000.-TL

ISTANBUL "LEVENT HOTEL"

DATE OF REPORT	08.12.2023
REPORT NUMBER	2023-HALK GYO-23
APPRAISAL DATE	05.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The real estate with the title of "18 Storey Reinforced Concrete Hotel and Land" registered in Istanbul Province, Şişli District, Mecidiyeköy Neighbourhood, 1957 block, parcel number 6
APPRAISAL VALUE (INCOME APPROACH)	(excluding VAT) 2.023.000.000.-TL

ŞEKERPINAR BANKING CENTER

DATE OF REPORT	01.12.2023
REPORT NUMBER	2023-HALK GYO-31
APPRAISAL DATE	29.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Real estates located on the land in Şekerpınar, Çayırova District, Kocaeli Province
APPRAISAL VALUE (COST APPROACH)	(excluding VAT) 500.000.000.- TL

ISTANBUL SALIPAZARI HOTEL

DATE OF REPORT	18.12.2023
REPORT NUMBER	2023-HALK GYO-14
APPRAISAL DATE	15.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The real estate registered as a 10-storey reinforced concrete frame building located in Istanbul Province, Beyoğlu District, Kılıçali Neighbourhood, 138 plan, 57 block 14 parcel
APPRAISAL VALUE (INCOME APPROACH)	(excluding VAT) 741.000.000.-TL

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ISTANBUL ATAKÖY BUILDING

DATE OF REPORT	10.11.2023
REPORT NUMBER	2023-HALK GYO-19
APPRAISAL DATE	08.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	It is a building with basement + ground floor + ground floor + normal floor + mezzanine located in Istanbul Province, Bakırköy District, Kartaltepe Neighbourhood, plot 51, block 115, parcel 174.
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 102.690.000.-TL

ISTANBUL BEŞİKTAŞ BUILDING

DATE OF REPORT	24.11.2023
REPORT NUMBER	2023-HALK GYO-17
APPRAISAL DATE	21.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	It is a building with basement + ground floor + ground floor + normal floor + mezzanine located in Istanbul Province, Bakırköy District, Kartaltepe Neighbourhood, plot 51, block 115, parcel 174.
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 140.200.000.-TL

ISTANBUL BAKIRKÖY BUILDING

DATE OF REPORT	10.11.2023
REPORT NUMBER	2023-HALK GYO-23
APPRAISAL DATE	07.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	It is a 2 basement + ground + 5 normal storey building located in Istanbul Province, Bakırköy District, Zeytinlik Neighbourhood, 16 plan, 101 block, 29 numbered parcel.
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 130.720.000.-TL

ISTANBUL CADDEBOSTAN BUILDING

DATE OF REPORT	27.12.2023
REPORT NUMBER	2023-HALK GYO-27
APPRAISAL DATE	25.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Land share values of independent units numbered 1,2,9,10 in the main real estate registered on the land located in Istanbul Province, Kadıköy District, Erenköy Neighbourhood, Erenköy District, 106/4 plan, 368 block, 25 parcel
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 165.000.000.-TL

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ISTANBUL ETILER BUILDING

DATE OF REPORT	19.12.2023
REPORT NUMBER	2023-HALK GYO-16
APPRAISAL DATE	15.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The building registered in Istanbul Province, Beşiktaş District, Etiler Neighbourhood, Block 578, Parcel 3
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 158.500.000.-TL

ISTANBUL FATİH BUILDING

DATE OF REPORT	23.11.2023
REPORT NUMBER	2023-HALK GYO-20
APPRAISAL DATE	20.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Basement + ground + 4 normal storey building located in Istanbul Province Fatih District, Hobyar Neighbourhood, 25 plot, 418 block, 2 parcel
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 72.200.000. -TL

ISTANBUL KARAKÖY BUILDING

DATE OF REPORT	14.11.2023
REPORT NUMBER	2023-HALK GYO-13
APPRAISAL DATE	13.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Istanbul Province, Beyoğlu District, Müeyyetzade Neighbourhood, Block 102, Parcel 3, is the real estate qualified as "Bank with Attachments" with the independent unit number 1 located on the basement + ground + 1st (mezzanine) + 2nd normal floor
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 345.000.000.-TL

ISTANBUL NİŞANTAŞI BUILDING

DATE OF REPORT	08.12.2023
REPORT NUMBER	2023-HALK GYO-37
APPRAISAL DATE	05.12.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The main real estate registered in Istanbul Province, Şişli District, Halaskargazi Neighbourhood, block 680, parcel 14
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 92.000.000.-TL

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ISTANBUL ŞİŞLİ BUILDING

DATE OF REPORT	23.11.2023
REPORT NUMBER	2023-HALK GYO-21
APPRAISAL DATE	20.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Istanbul Province, Şişli District, Meşrutiyet Neighbourhood, 954 block, parcel 62, 200,00 sqm land area, masonry apartment building with a shop underneath
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 127.130.000.-TL

***ANKARA BAHÇELİEVLER BUILDING 1**

DATE OF REPORT	06.11.2023
REPORT NUMBER	2023 / Halk GYO - 8
APPRAISAL DATE	02.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Ankara Province, Merkez Çankaya District, Yukarı Bahçelievler Neighbourhood, 2758 block 29 parcel, "1, 2 independent unit numbered "Office" and 7 independent unit numbered "shop"
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 47.500.000.-TL

***ANKARA BAHÇELİEVLER BUILDING 2**

DATE OF REPORT	06.11.2023
REPORT NUMBER	2023-Halk GYO - 9
APPRAISAL DATE	03.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Ankara Province, Çankaya District, 2763 block 10 parcel, ground floor 9 independent unit numbered "Warehouse Workplace"
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 34.300.000.-TL

ANKARA KIZILAY BUILDING

DATE OF REPORT	08.11.2023
REPORT NUMBER	2023-HALK GYO-10
APPRAISAL DATE	06.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Real estate (51 independent units) registered as "Kargir Apartman" in Ankara Province, Çankaya District, 1064 block 14 parcel
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 105.500.000.-TL

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ANKARA BAŞKENT BUILDING

DATE OF REPORT	08.11.2023
REPORT NUMBER	2023-HALK GYO-11
APPRAISAL DATE	06.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2022
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	The real estate located in Ankara Province, Çankaya District, 1064 block 27 parcel and registered as "11 Storey Reinforced Concrete Hotel, Office and Workplace and Land" in the title deed
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 64.340.000.-TL

İZMİR KONAK BUILDING 1

DATE OF REPORT	09.11.2023
REPORT NUMBER	2023-HALK GYO-22
APPRAISAL DATE	06.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	"Bank Building with Five Stores and Two Offices" registered on parcel 77, plot 971, block 17, Akdeniz Neighbourhood, Konak District, İzmir Province
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 208.140.000.-TL

İZMİR KONAK BUILDING 2

DATE OF REPORT	27.10.2023
REPORT NUMBER	2023-Halk GYO-29
APPRAISAL DATE	24.10.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Real estates numbered 1-3-5-15 16-17 b.b. in İzmir Province, Konak District, Akdeniz Neighbourhood, plot 77, block 2802, parcel 15
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 105.000.000.- TL

BURSA BUILDING

DATE OF REPORT	27.10.2023
REPORT NUMBER	2023-Halk GYO-32
APPRAISAL DATE	24.10.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Bursa Province, Osmangazi District, Kayıhan Neighbourhood, plot H22D07A3B, block 4306, parcel 1, "7 Storey Reinforced Concrete Bank Building"
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 68.000.000.-TL

HALK REAL ESTATE INVESTMENT TRUST
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KOCAELİ BUILDING

DATE OF REPORT	24.11.2023
REPORT NUMBER	2023-HALK GYO-30
APPRAISAL DATE	21.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	"Reinforced Concrete Bank Service Building" registered in Kocaeli Province, İzmit District, Ömerağa Neighbourhood, 870 block 48 parcel
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 71.100.000.-TL

SAKARYA ADAPAZARI BUILDING

DATE OF REPORT	20.11.2023
REPORT NUMBER	2023-OZL-31
APPRAISAL DATE	17.11.2023
DATE OF THE UNDERLYING CONTRACT	23.01.2023
BRIEF DESCRIPTION OF THE VALUED REAL ESTATE	Sakarya Province, Adapazarı District, Cumhuriyet Neighbourhood, 78 block 233 parcel Real Estate registered as 'Four Storey Reinforced Concrete Youth and Culture Center and Land' with independent unit no.3
APPRAISAL VALUE (PRECEDENT)	(excluding VAT) 46.000.000.-TL

Annex 2:

2023 Corporate Governance Principles Compliance Report

SECTION I - Declaration of Compliance with Corporate Governance Principles

All activities of the Company are carried out by adopting the concepts of "*Equality, Transparency, Accountability and Responsibility*", which are the four main elements of the "Corporate Governance Principles" issued by legal regulations and the Capital Markets Board, and by observing compliance with the said principles. The Company pays utmost attention to the implementation of the "Corporate Governance Principles" published by the Capital Markets Board (CMB) and the regulations on corporate governance in the Turkish Commercial Code.

The Company implements all of the compulsory corporate governance principles and meticulously carries out the necessary work for the implementation of the non-compulsory principles. Some of the exempted principles that cannot be implemented do not cause any conflict of interest. During the year, there were no conflicts of interest arising from the non-application of non-mandatory principles.

The Corporate Governance Committee has been established in the Company, which pays due attention to compliance with corporate governance principles, and its main task is to monitor compliance with corporate governance principles, to carry out improvement activities in this regard and to submit proposals to the Board of Directors.

As a result of the study conducted by JCR Avrasya Derecelendirme A.Ş. (JCR) in 2023 within the scope of evaluating the Company's level of compliance with corporate governance principles, our corporate governance rating score was determined as 92.11. The grades the Company received from 4 main sections are: Shareholders 91.18, Public Disclosure and Transparency 94.60, Stakeholders 94.38, Board of Directors 90.03. The rating report prepared by JCR is available on the Company's website under the "Investor Relations - Financial Information" section, under the heading "Rating Reports".

Pursuant to the decision of the Capital Markets Board dated 10.01.2019 and numbered 2/49; Corporate Governance Compliance Reporting numbered II-17.1 will be made using the Corporate Governance Principles Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates through the PDP platform. The relevant reports can be accessed at [https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1701-halk- gayrimenkul-yatirim-ortakligi-a-s](https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1701-halk-gayrimenkul-yatirim-ortakligi-a-s).

Explanatory information regarding the reports made to the Public Disclosure Platform (PDP) through the templates are detailed below:

SECTION II - SHAREHOLDERS

2- Investor Relations Unit

Since February 22, 2013, 28% of Halk REIT's shares have been traded on the Borsa Istanbul, and the Company has been operating in accordance with the principles set forth in the corporate governance principles published by the CMB.

The Company has established the Investor Relations Department, which reports to the General Manager, in order to ensure the regular and effective management of the exercise of shareholders' rights, public disclosure and information activities, particularly general assembly and capital increase transactions. The department manager is Serpil Yörük. Serpil Yörük, who is also a member of the Corporate Governance Committee, holds the licenses required by CMB legislation.

The contact information of the persons working in the Investor Relations Department is as follows.

Name-Surname	Mission	Telephone	Email	License Info
Serpil YÖRÜK	Department Manager	216 600 10 00	ir@halkgyo.com.tr	Advanced Level / Corporate Governance Rating / Real Estate Appraisal / Derivatives Licenses
M. Erhan ÇELEBİ	Asst. Specialist	216 600 10 00	ir@halkgyo.com.tr	Advanced Level / Corporate Governance Rating Licenses

The Investor Relations Department is mainly composed of;

- ✓ Ensuring that shareholder records are kept in a healthy, secure and up-to-date manner,
- ✓ Responding to shareholders' written requests for information about the Company, except for confidential and/or trade secret information that has not been disclosed to the public,
- ✓ Ensuring that the general shareholders' meeting is held in accordance with the applicable legislation, articles of association and other internal regulations, and ensuring that shareholders have access to the following information
Preparing documents, ensuring that voting results are recorded and reports on the results are shared with shareholders through the relevant channels,
- ✓ Overseeing and monitoring all matters related to public disclosure, including legislation and the Company's disclosure policy
- ✓ Contributing to the promotion and positive evaluation of the Company by organizing meetings with domestic and foreign investors and analysts,
- ✓ Monitoring developments in the REIT sector and competitor company performances, informing senior management,
- ✓ Following the sector news in the press on a daily basis, economic developments, competitor companies and news about Halk REIT,
- ✓ Participating in domestic and international promotional organizations (roadshow)

to fulfill its duties and responsibilities.

The Investor Relations Department, which plays an active role in ensuring communication between shareholders and the Company, attended all meetings of the Corporate Governance Committee during the year, informed the Committee about the activities of the department, important developments that occurred during the period and legislative amendments concerning investor relations activities, and actively participated in the improvement of corporate governance practices and the rating process.

3- Exercise of Shareholders' Right to Obtain Information

Halk REIT's Disclosure Policy is based on transparency and equality, and shareholders' requests for information on transactions that are not currently within the public domain are evaluated in accordance with this policy and principles, and each shareholder is treated equally in all transactions related to public disclosure.

Shareholders may request information by contacting the Investor Relations Department directly or via the Department's e-mail address (ir@halkgyo.com.tr).

During the reporting period, information requests and questions received from investors and analysts were responded to in accordance with the legislation, the Company's Disclosure Policy and all matters related to public disclosure.

The Investor Relations Department regularly keeps the necessary records of written and verbal requests for information and the responses given. In addition to the information requests received by the Company, reports prepared by intermediary institutions on the Company and the sector are also regularly monitored.

The Company's website is used effectively to facilitate public disclosure and the exercise of shareholders' rights. Quarterly investor presentations and financial reports, rating reports, appraisal reports and material event disclosures made through the Public Disclosure Platform (KAP) are published on the website in Turkish and English. In addition, the sections of the Company's website that are open to updating, particularly information that may affect the exercise of shareholders' rights, are regularly updated in line with current developments. Thus, it is ensured that all persons or organizations, particularly investors and analysts, who need information about the Company and its activities are provided with accurate and up-to-date information.

Investors can connect to MKK's portal through the "Information Society Services" section organized by the Ministry of Customs and Trade within the scope of the "Regulation" published by the Ministry of Customs and Trade regarding the websites of capital companies and can access basic information about the Company through this link.

Care is taken to ensure that announcements regarding the Company's activities are published in the national press. In addition, all documents required by the legislation to be included in the ordinary and extraordinary general assembly meetings are published on the Company's website.

Although the Company management avoids taking any action that would make it difficult to conduct a special audit within the scope of shareholders' rights to obtain information and review, the request for the appointment of a special auditor is not regulated as an individual right in the Company's articles of association. On the other hand, the Company has not received any request for the appointment of a special auditor during the reporting period.

4- General Assembly Meetings

General Assembly meetings are convened in a manner that maximizes the participation of shareholders, and the minutes of the meeting are always accessible in written or electronic media. At least twenty-one days prior to the General Assembly (excluding the day of announcement and the day of the meeting), general assembly information documents and financial reports are made available at the company headquarters, on the company website and in places easily accessible by the shareholders. The right of shareholders to ask questions at the General Assembly, to submit proposals on agenda items, and to make speeches on the proposals they have submitted are duly ensured by the chairmanship of the meeting. There is no provision in the Articles of Association regarding the General Assembly's adoption of important decisions such as spin-offs, sale, purchase or lease of significant amounts of assets. These matters are resolved by the Board of Directors elected and authorized by the General Assembly in accordance with the provisions of the Articles of Association. The minutes of the General Assembly are published in the Trade Registry Gazette and are made available to shareholders at the Company's headquarters and are also available on the corporate website.

The 2022 Ordinary General Assembly meeting held on August 08, 2023 was held at the Company's headquarters with 79.40 percent attendance. In addition to the shareholders, the meeting was attended by the Chairman and Members of the Board of Directors, representatives of the independent audit firm to provide information about the Company's financial statements and the period under audit, and the Company's General Manager and other senior officials.

Although there is no provision in the Company's articles of association preventing the media from attending the general shareholders' meeting, there was no media presence at the general shareholders' meeting in 2022.

Within the scope of the Turkish Commercial Code and the relevant regulations of the Ministry of Trade, the Company's General Assembly Meeting for the year 2022 was held simultaneously through the Electronic General Assembly System provided by the Central Registry Agency, and shareholders who have the right to attend the General Assembly Meeting were provided with the opportunity to participate in the meeting electronically, appoint a representative, make suggestions, express opinions and vote through the said system.

The invitation to the general shareholders' meeting was published on the Public Disclosure Platform (KAP), the Company's website, the Electronic General Assembly System (EGKS) of the CRA, and the Trade Registry Gazette, and the invitation letter was sent by registered mail with return receipt requested to the registered shareholders whose shares are not traded on the stock exchange. In addition, a "General Assembly Information Document" was prepared and posted on the Company's website together with a sample power of attorney and the invitation text of the Board of Directors' dividend distribution proposal in order to provide investors with advance information on the issues to be discussed at the General Assembly. The 2022 Annual Report of the Board of Directors was made available to investors twenty-one days prior to the date of the meeting at the Company headquarters, on the Company's website and at www.kap.gov.tr.

All documents prepared for the General Assembly were also uploaded to MKK's Electronic General Assembly System.

Prior to the start of the meeting, shareholders were informed about the total number of votes that can be cast at the general shareholders' meeting, any privileges they may have and the voting procedure in accordance with the Corporate Governance Principles.

Shareholders were given the opportunity to ask questions and make suggestions at every stage of the meeting and all questions were answered and suggestions were taken into consideration. Questions and suggestions received from the shareholders who attended the meeting were recorded in the meeting minutes. On the other hand, before and after the general shareholders' meeting, all written and verbal information requests of the shareholders regarding the Company were responded within the framework of the Company's Disclosure Policy.

Following the General Assembly meeting, the minutes of the meeting were uploaded to EGAS, the minutes and the list of attendees were disclosed to the public via PDP and presented to the shareholders under the heading "Corporate Governance-General Assembly Information" in the "Investor Relations" section of the Company's website.

Changes in the duties of the Board of Directors, capital increase and cash dividend distribution amounts and dates were also decided at the same meeting.

The General Assembly did not convene extraordinarily during the reporting period.

5- Voting Rights and Minority Rights

Within the Company's registered capital ceiling of TL 7,500,000,000,000, 3,145,000,000 total shares with a nominal value of TL 1 representing the issued capital consist of 50,880,066,328 Group A shares and 3,094,119,933,672 Group B shares.

Group A shares have the privilege to nominate candidates for the election of the members of the Board of Directors. The General Assembly elects the members of the Board of Directors who will constitute more than half of the Board of Directors from among those nominated by Group A shareholders, and the remaining members are elected by the General Assembly from among those nominated by Group A and Group B shareholders.

The Company's Articles of Association stipulates that "No securities granting privileges other than shares granting privileges in nominating candidates for the election of members of the Board of Directors may be issued. No privileges, including the privilege to nominate candidates for the Board of Directors, may be created in any way after the public offering."

The principles regarding voting at the General Assembly meetings are set out in the Company's "Internal Directive on the Working Principles and Procedures of the General Assembly", which is submitted to the approval of the General Assembly and disclosed to the public.

Each share is entitled to one vote at Ordinary or Extraordinary General Assemblies. Shareholders may participate in General Assemblies by proxy given to other shareholders or non-shareholders. Proxy holders who are shareholders have the right to vote for each share belonging to the shares they represent, in addition to their own votes.

The Company's controlling shareholder votes at the General Assembly Meeting. Although there is no provision in the Articles of Association granting minority rights to shareholders holding less than one-twentieth of the capital, care is taken to ensure that minority rights are exercised in accordance with the Turkish Commercial Code and CMB regulations.

There are no companies with which the Company has a cross-shareholding relationship.

6- Dividend Right

The Company's dividend distribution policy is determined by the Board of Directors, taking into account the equity structure and cyclical changes, and submitted to the General Assembly for approval. The dividend policy approved by the General Assembly is disclosed to the public. The relevant policy is available on the Company's website and in the annual report. There is no privilege regarding participation in the Company's profit and dividend distribution.

The Company has adopted the principle of distributing at least 50% of its net distributable profit for each accounting year to shareholders as cash dividends or bonus shares, except for extraordinary circumstances arising in the economic framework and high investment amounts for long-term growth.

The Company's procedures and principles regarding dividend distribution are set out in Article 30 of the Articles of Association. The dividends decided to be distributed are distributed to the shareholders within the legal periods stipulated in the legislation.

At the Ordinary General Assembly meeting for the fiscal year 2022, the Board of Directors' proposal for dividend distribution for the year 2022 was approved and the cash amount of the dividend distribution, amounting to TL 7,500,000, was distributed to the shareholders on August 11, 2023.

In line with the Board of Directors decision dated August 08, 2023, it was decided to apply to the Capital Markets Board for bonus dividend distribution transactions amounting to TL 75,000,000 and a capital increase application was made to the Capital Markets Board on August 20, 2023. Capital increase and revision of the Articles of Association to be revised as a result of the increase Article 8 amendment application was approved by the Board decision dated September 14, 2023 / numbered 53-1123 and the bonus issue was started on September 19, 2023.

7- Transfer of Shares

There is no provision in the Articles of Association restricting the transfer of shares.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

8- Company Disclosure Policy

In line with the principles of transparency and equality of corporate governance, the Company's "Disclosure Policy" adopts to disclose to shareholders and stakeholders, in a timely, complete, understandable and easily accessible manner, information that is not a trade secret or of a nature that would hinder the Company's competitive power, in a manner that also considers the rights and interests of the Company.

The Disclosure Policy, which was determined by the Company in 2010 and revised in 2013 within the framework of the "Communiqué on Material Events" published by the Capital Markets Board, was submitted for the information and approval of the shareholders at the 2013 Ordinary General Assembly Meeting. The approved policy was disclosed to the public and included in the Company's annual report. The Disclosure Policy can be accessed from the "Corporate Policies" section of the "Corporate Governance" section under the "Investor Relations" heading on the corporate website.

The Board of Directors is responsible for monitoring, overseeing and developing the Disclosure Policy. Investor Relations is responsible for overseeing and monitoring the Disclosure Policy.

9- Company Website and its Content

The Company's website is available at www.halkgyo.com.tr. All information and documents required by the principles numbered 2.1.1 and 2.1.2 in the Public Disclosure and Transparency section of the CMB Corporate Governance Principles and other relevant laws and regulations are available on the website.

Care is taken to ensure that the website is actively used and continuously updated. Necessary measures have been taken to protect the accuracy of the information published on the website and to prevent any changes. The information on the website is also available in English.

Within the framework of the Central Registry Agency data published through the Public Disclosure Platform, the Company's shareholding structure is updated on a quarterly basis through the Continuous Disclosure Form to include the real and legal persons who directly hold 5% or more shares or voting rights in the capital, and the financial statements and footnotes disclosed to the public in accordance with the capital markets legislation are published on the website in both Turkish and English upon public disclosure.

The Company's website contains the information specified in the Corporate Governance Principles. The information contained on the Company's website is regularly reviewed and the compliance of the website with the relevant regulations in terms of form and content is also monitored.

The Company's website includes an "Information Society Services" section within the scope of the Regulation published by the Ministry of Trade on the websites of capital companies. Investors can connect to MKK's portal through the Information Society Services section and access basic information about the Company through this link.

In 2014, the Company launched a mobile website in both Turkish and English, which can be easily accessed by tablets and smartphones. The mobile site contains all the same information as the website and all updates made are simultaneously made on the mobile site.

10- Annual Report

The Company's annual report is prepared within the framework of the Corporate Governance Principles, other relevant Capital Markets regulations and the relevant Regulation of the Ministry of Trade, in a manner to ensure that the public has access to complete and accurate information about the Company's activities.

In addition to basic information on the Company's activities, attention is paid to include detailed information on board members and committees in the annual report. In this context; resumes of the members of the board of directors, their authorities and responsibilities within the Company and the duties they carry out outside the Company, whether they have carried out any transactions with the Company's legal entity or on the Company's capital market instruments in the field of the Company's main activity, whether they have entered into any debt relationship with the Company, the financial rights provided to the members and the declarations of independence of the independent members; Information on the working principles of the board of directors, the number of meetings held during the year, the attendance to the meetings, the number of resolutions taken and the manner in which the resolutions were taken; information on the structure of the board committees, their working principles, the activities carried out during the year, the number of meetings and resolutions, and the assessment of the board of directors on the effectiveness of the committees are included in the annual report.

In addition, the annual report includes information on legislative amendments that may have a significant impact on the Company's activities, whether there are any conflicts of interest between the Company and the institutions that provide services such as investment consultancy and rating, and the measures taken to prevent conflicts of interest, information on significant lawsuits filed against the Company during the year, if any, and their possible outcomes, information on cross-shareholdings where direct participation in the capital exceeds 5%, information on social rights and vocational training of employees, and the Company's sustainability efforts.

The activities carried out by the Company during the reporting period and the assessment of the Board of Directors on the Company's future targets are also disclosed to investors in the annual reports.

The annual reports are disclosed to the public on a quarterly basis after approval by the Board of Directors. They are published on the website and sent to shareholders upon request.

SECTION IV - STAKEHOLDERS

11- Informing Stakeholders

In its transactions and activities, the Company pays utmost attention to protect the rights of all stakeholders regulated by legislation and mutual agreements, and the rights of all stakeholders are observed within the framework of the Company's "Code of Ethics".

Stakeholders are fully and timely informed through material event disclosures, press releases, financial reports, the Company's website and internal announcements.

Except for trade secrets and/or information that has not been disclosed to the public, the requests and questions of stakeholders regarding the Company's activities are forwarded to the Investor Relations Department within the contact information on the website. At the same time, it is possible for stakeholders to submit their questions about transactions they deem contrary to the legislation and ethical rules to the Corporate Governance Committee or the Audit Committee of the Company.

12- Stakeholder Participation in Management

The protection of shareholders' rights to participate in management is ensured within the framework of relevant laws, regulations and the Articles of Association. The expectations and requests of all stakeholders with whom the Company has relations are evaluated within the framework of the Code of Ethics.

13- Human Resources Policy

Issues such as recruitment conditions, career guidance and promotion conditions, monetary arrangements and social benefits are presented to employees in detail and clearly in the Company's Human Resources Regulation. All decisions taken and communication with employees are carried out within the framework of the said regulation.

All legally recognized rights of each employee are protected within the framework of the Labor Law and Code of Ethics, and all kinds of grounds have been prepared for them to work in a safe and healthy environment.

There were no complaints from employees regarding discrimination during the reporting period.

The Company's Human Resources Policy has been determined in accordance with the following principles and shared with the employees.

- To fulfill the activities to be carried out by the Company to realize its objectives with the ideal number of personnel,
- To realize the selection and assignment of personnel with the competence appropriate to the nature of the work,
- To provide all staff with the environment and conditions in which they can use and develop their talents, professional development and skills,
- To provide staff with adequate wages and other additional benefits in line with market and current conditions,
- To give importance and respect to the personality of the personnel and to protect their material and moral rights,
- To have personnel who adopt the company culture and corporate values and comply with the Code of Ethics,
- To ensure that the personnel work in a cost-conscious manner, based on the principles of efficiency and profitability

14- Ethical Principles and Social Responsibility

Established in 2010 and approved by the Board of Directors, the Code of Ethics was published on the Company's website and disclosed to the public. In 2016, the Company adopted the Ethical Principles of its main shareholder Türkiye Halk Bankası A.Ş. and published them under the heading "Ethical Principles" in the "Corporate" section of the Company website. "Ethical Principles" includes detailed explanations under the main headings of conflicts of interest, rules regulating the flow of information, relations with customers, suppliers and human resources, and the principles and working order regulations that Halk REIT employees must comply with while performing their duties. The purpose of these principles is to prevent any disputes and conflicts of interest that may arise between employees, shareholders, customers and the organization. Attitudes and behaviors contrary to these rules are evaluated in accordance with the Disciplinary Directive, and employees are expected to act in accordance with common sense and good faith in situations and conditions not covered by these rules.

The Company conducts its relations with all stakeholders within the framework of ethical rules.

There were no lawsuits filed against the Company for damages caused to the environment during the period.

In the company's vision, it is important not only to make the best use of its investments, but also to provide benefits in the field of modern urbanism, to build environmentally sensitive buildings, and to take part in activities that will support the sector and to be a pioneer.

The company's real estate projects are produced with environmentally friendly, non-carbon-emitting materials and are LEED certified. In addition, the Company has continued to support the development of the sector by sponsoring many sectoral organizations and conferences.

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SECTION V - BOARD OF DIRECTORS

15- Structure, Composition and Independent Members of the Board of Directors

The powers and responsibilities of the members of the Board of Directors are set forth in the Company's Articles of Association. The Company is managed and represented externally by the Board of Directors. The Board of Directors fulfills the duties assigned to it by the General Assembly in compliance with the Turkish Commercial Code, Capital Markets Law and other relevant legislation. All members of the Board of Directors possess the minimum qualifications required for the election of Board Members as stipulated in the CMB Corporate Governance Principles. The Board of Directors consists of a total of 6 members, 1 executive and 2 independent, 5 non-executive. In 2023, no situation arose that eliminated the independence of the Independent Board Members. As of the date of the report, there are no female members on the Board of Directors. The Company does not have a policy that sets a target rate and time for the ratio of female members in the Board of Directors to be not less than twenty-five percent, and there are no regulations preventing the election of female members to the Board of Directors.

BOARD OF DIRECTORS								
FULL NAME	DUTY	OCCUPATION	DUTIES IN THE PARTNERSHIP IN THE LAST 5 YEARS	POSITIONS HELD OUTSIDE THE PARTNERSHIP AS OF THE LATEST STATUS	CAPITAL SHARE IN THE PARTNERSHIP (%)	SHARE GROUP REPRESENTED	DATE OF FIRST ELECTION TO OFFICE/	STATUS
ERGIN KAYA	CHAIRMAN	BANKER	Chairman of the Board of Directors	T. HALK BANKASI A.Ş. OPERATIONAL TRANSACTIONS AND DEPUTY GENERAL MANAGER OF DIGITAL TRANSFORMATION; BİLESİM A.Ş. CHAIRMAN OF THE BOARD OF DIRECTORS; YILDOZ TEKNO GSYO V. CHAIRMAN OF THE BOARD	-	-	JUNE 2020	NON-EXECUTIVE MEMBER / NOT AN INDEPENDENT MEMBER
MEHMET TANRIVERDİ	VICE CHAIRMAN	BANKER	Chairman of the Board of Directors Deputy / Member	T. HALK BANKASI A.Ş. CONSTRUCTION EXPERTISE AND HEAD OF REAL ESTATE MANAGEMENT DEPARTMENT	-	-	SEPTEMBER 2018	NON-EXECUTIVE MEMBER / NOT AN INDEPENDENT MEMBER
MEHMET HAKAN TERCAN	BOARD MEMBER	BANKER	Board Membership	T. HALK BANKASI A.Ş. INFRASTRUCTURE OPERATION AND HEAD OF MANAGEMENT DEPARTMENT	-	-	APRIL 2020	NON-EXECUTIVE MEMBER / NOT AN INDEPENDENT MEMBER
RACİ KAPTAN KOLAYLI	BOARD MEMBER	ENGINEER	Board Membership	-	-	-	JUNE 2020	NON-EXECUTIVE MEMBER / INDEPENDENT MEMBER
FUAT GEDİK	BOARD MEMBER	BANKER	Board Membership	-	-	-	MAY 2021	NON-EXECUTIVE MEMBER / INDEPENDENT MEMBER
ERDAL BEKİN	GENERAL MANAGER / BOARD MEMBER	ENGINEER	Asst. General Manager of Project Development and Implementation	-	-	-	MARCH 2022	EXECUTIVE MEMBER / NOT INDEPENDENT MEMBER

Within the framework of Corporate Governance Principles, a Nomination Committee has not been established in the Company and the Corporate Governance Committee fulfills the duties of the said committee.

The Corporate Governance Committee submits its reports to the Board of Directors on whether the candidates meet the independence criteria. Declarations of independence of the independent members are included in the 2023 annual report under the relevant section heading.

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. In 2023, there were no incidents of violation of the prohibition of competition and transactions with the Company in relation to the members of the Board of Directors. The résumés of the members of the Company's Board of Directors are included in the annual report and on the Company's corporate website.

16- Operating Principles of the Board of Directors

The Board of Directors convenes upon the call of the Chairman or the Vice Chairman at times deemed necessary for the affairs of the Company. Any member of the Board of Directors may also apply in writing to the Chairman or the Vice Chairman and request that the Board of Directors be called for a meeting. If the Chairman or the Vice Chairman still fails to call the Board to a meeting, the members shall be authorized to call the meeting ex officio.

In the event that none of the members request a meeting, the decisions of the board of directors may also be taken by obtaining the written approval of at least the majority of the total number of members to the proposal made by one of the members of the board of directors on a specific subject and written in the form of a resolution. The fact that the same proposal is made to all members of the board of directors is a condition for the validity of the decision to be taken in this way. The approvals do not have to be on the same paper; however, it is necessary for the validity of the resolution that all of the papers containing the approval signatures are affixed to the decision book of the board of directors or converted into a resolution containing the signatures of the acceptors and entered into the decision book.

Each member has one vote in the meetings. The right to vote is exercised in person. Unless one of the members requests a meeting to be held, a decision may be taken on a proposal made by a member by the other members notifying their approval in writing.

The meeting agenda of the Board of Directors is determined by the Chairman of the Board of Directors. The agenda may be amended by a resolution of the Board of Directors. The meeting place is the Company headquarters. However, the Board of Directors may convene elsewhere provided that a resolution is adopted.

The Board of Directors convenes by absolute majority and takes its decisions by absolute majority of those attending the meeting. In the board of directors, votes are cast as acceptance or rejection. The person who votes against shall sign the decision by writing the reason for rejection. The decisions of the Board of Directors taken on matters falling within the scope of the relevant communiqués and legislation are shared with the public and published on the Company's website.

Members who do not attend the meeting cannot vote in writing or in any other way unless they have a legitimate excuse. Members of the Board of Directors who, for whatever reason or necessity, fail to attend three consecutive meetings without the permission of the Board of Directors or fail to attend half of the meetings held within an accounting period, even if intermittently, shall be deemed to have resigned.

Board meetings may be held physically and/or electronically.

Those who have the right to attend the meetings of the Board of Directors of the Company may also attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. Pursuant to the provisions of the Communiqué on "Communiqué on Meetings to be held electronically in Commercial Companies other than the General Assemblies of Joint Stock Companies", the Company may establish the Electronic Meeting System that will enable the right holders to participate and vote in these meetings electronically, or may purchase services from the systems established for this purpose. In the meetings to be held, it is ensured that the right holders can exercise their rights specified in the relevant legislation within the framework specified in the provisions of the Communiqué through the system established pursuant to this provision of the Articles of Association or through the system from which support services will be purchased.

The Investor Relations Department is in charge of organizing board meetings, preparing and recording the necessary reports and documentation and board resolutions, ensuring information flow and coordination among the members and similar matters.

The Company's Board of Directors convened 81 times during the reporting period and adopted 126 resolutions in these meetings. Care was taken to determine the meeting date in a way to ensure the attendance of all members. All of the decisions of the Board of Directors were taken unanimously. There were no dissenting opinions on any of the resolutions adopted at the meetings. In addition, since there were no dissenting votes, there were no issues recorded in the decision minutes.

Board members are not granted weighted voting rights and/or negative veto rights.

During the year, the Board of Directors resolutions regarding significant related party transactions submitted to the approval of the independent board members were unanimously adopted with the affirmative votes of the independent board members.

During the reporting period, the Company has taken out the necessary insurance to compensate for any damages that may be caused by the members of the Board of Directors due to their negligence during the execution of their duties; however, the Company has not made any PDP disclosure regarding this insurance transaction.

17- Number, Structure and Independence of the Committees Established in the Board of Directors

Within the framework of the Capital Markets Board's Corporate Governance Principles and the Company's Board of Directors Working Principles, an Audit Committee, a Corporate Governance Committee, an Early Detection of Risk Committee and a Remuneration Committee have been established within the current Board of Directors. The Remuneration Committee convenes at least once a year and the other committees convene at least once every three months and submit reports to the Board of Directors on their issues.

Working principles for each of the Committees have been established and disclosed to the public. Committees operate within the framework of these principles. During the year, in accordance with the Capital Markets Board's Corporate Governance Communiqué, following the general shareholders' meeting, the distribution of duties within the board of directors and committee elections were realized and disclosed to the public.

Committee members are selected in accordance with corporate governance principles.

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The chairmen and members of the committees are listed below.

Committee	President	Independence Status	Member	Independence Status
Audit Committee	Raci Kaptan Kolaylı	Independent	Fuat Gedik	Independent
Corporate Governance Committee	Raci Kaptan Kolaylı	Independent	Fuat Gedik Serpil Yörtük	Independent Investor Relations Manager
Remuneration Committee	Fuat Gedik	Independent	Mehmet Tanrıverdi	Not Independent
Early Detection of Risk Committee	Raci Kaptan Kolaylı	Independent	Fuat Gedik	Independent
Sustainability Committee	Fuat Gedik	Independent	Raci Kaptan Kolaylı Erdal Bekin Yasar Gökteş Yavuz Öztürk	Independent Executive Executive Executive

The Company's Board of Directors is composed of 6 members, 1 executive and 5 non-executive, 2 of whom are independent board members. Since the relevant legislation requires at least one independent member to serve on the committees, one board member is assigned to more than one committee in the current structure.

A separate Nomination Committee has not been established within the Board of Directors. The duties of this committee are fulfilled by the Corporate Governance Committee.

The Corporate Governance Committee was established to fulfill its duties and responsibilities set forth in the Corporate Governance Principles in accordance with the regulations of the Capital Markets Board on corporate governance. The Committee regularly reviews the Company's corporate governance practices and works to improve them. In addition to corporate governance, the Committee also attaches importance to investor relations, reviews the Company's shareholder relations activities and related strategies on a regular basis and ensures that the Board of Directors is regularly informed about the activities. In addition to the aforementioned duties, the Committee is also responsible for ensuring coordination among other committees and providing support to their work when necessary. The Committee convened 4 times during the reporting period and adopted 4 resolutions.

In parallel with its duties set out in the working principles, the Audit Committee has been actively involved in the public disclosure of the Company's financial information, independent audit, effective operation of the internal control system of the Company, selection of the independent audit firm and monitoring their work at every stage in accordance with the principles set out in the Capital Markets Legislation and other relevant regulations. The Committee convened 6 times during the year and took 6 decisions.

The Early Detection of Risk Committee was established pursuant to Article 378 of the Turkish Commercial Code (TCC) for the purposes of early detection of risks that may jeopardize the existence, development and continuity of the Company, implementation of necessary measures against detected risks and management of risks, and review of risk management systems in accordance with the regulations of the Capital Markets Board on corporate governance. The Committee convened 6 times during the year and took 6 decisions.

The Remuneration Committee determines the principles, criteria and practices to be used in the remuneration of the members of the Board of Directors and executives with administrative responsibilities, taking into account the long-term goals of the Company and supervises them. Taking into account the degree of achievement of the criteria used in remuneration, the Remuneration Committee determines and supervises

The Committee submits its recommendations to the board of directors regarding the remuneration of executives with executive responsibility. The Committee convened once during the year and adopted 1 resolution.

The Board of Directors' Evaluation Report on the activities of the Committees during the period is included under the relevant heading of the 2023 annual report.

18- Risk Management and Internal Control Mechanism

The Company's risk management, internal audit and internal control systems are structured in accordance with international practices, principles and organizations. Risk management and internal control activities are carried out by the *"Internal Audit, Risk and Compliance Department"*. Internal control systems, including risk management, information systems and processes that can minimize the effects of risks that may affect the stakeholders of the company, especially shareholders, have been established by the Board of Directors in line with the opinions of the relevant committees. The effectiveness of risk management and internal control systems are reviewed at least once a year. Internal audit activities are carried out within the framework of the "Annual Audit Plan" approved by the Audit Committee during the year. The Internal Audit Committee is established to examine, control, monitor, evaluate the appropriateness, adequacy and effectiveness of the Company's activities and the controls related to these activities and to report the results to the relevant units.

Information on the existence, functioning and effectiveness of internal controls and internal audit is also provided in the annual report. The Internal Audit, Risk and Compliance Department prepares a periodic assessment report, compliance with portfolio limitations and follow-up table, monthly liquidity ratio notification table and submits them simultaneously to the Audit Committee, the Corporate Governance Committee, the Early Detection of Risk Committee, the Company's senior management and the Board of Directors. Thus, it is aimed that the Company's senior management and the Board of Directors take the necessary measures and develop control systems for the management of these risks.

As an investment strategy, Halk REIT tries to minimize the risk for its investors by creating a wide portfolio diversity in the real estate sector and by choosing real estate properties that will generate regular rental income. The real estates in the Company's portfolio are insured against all kinds of damages.

19- Strategic Objectives of the Company

The Company's strategic goal is to develop its real estate portfolio with a focus on commercial properties that can generate high rental income and to offer high returns to its shareholders through an equity-weighted financing model.

The Board of Directors approves the annual budget, which sets targets and strategies, including its own changes and suggestions. Except for extraordinary circumstances, all strategic changes and deviations in forecasts resulting from the Company's performance evaluation and decisions taken during the year are made by the Board of Directors on a quarterly basis during the evaluation of the financial statements. Short and long term investment and funding plans are changed and repositioned in line with new developments when necessary.

20- Financial Rights

All kinds of rights, benefits and remuneration provided to the Company's Board of Directors and senior executives, as well as the criteria used in their determination and the principles of remuneration are set out in the Company's Remuneration Policy, and the relevant policy is disclosed to the public on the corporate web site.

The remuneration to be paid to the members of the Board of Directors is determined by the General Assembly in line with the proposal of the Remuneration Committee. Apart from the remuneration determined by the General Assembly, the members of the Board of Directors are not entitled to any other financial benefits such as attendance fees, premiums or bonuses. In determining the remuneration levels of the independent members of the Board of Directors, care is taken to ensure that the remuneration is at a level that protects the independence of the member and within the framework of Corporate Governance Principles, stock options or payment plans based on the company's performance are not used.

Social benefits are provided to senior executives regularly and periodically within the scope of legal regulations, and no other compensation policy is applied other than the legal indemnities stipulated by laws and regulations. The remuneration of senior executives is determined by the Board of Directors upon the recommendation of the Remuneration Committee.

During the reporting period, the Company did not lend any funds or extend any credits to a member of the Board of Directors or senior executives, or grant any personal loans through a third party, or extend any guarantees such as sureties in their favor, and there was no conflict of interest arising from this matter.

Pursuant to Article 4.6.6 of the Corporate Governance Principles, remuneration and all other benefits provided to the members of the Board of Directors and senior executives are disclosed to the public through quarterly annual reports and financial reports. However, the disclosure is not made on individual basis. As of the reporting period, total financial benefits provided to the Company's Board of Directors and senior executives amounted to TL 10,506,557.