

ARSEN

BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.



**KIZILBÜK GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
FOR THE ACCOUNTING PERIOD
1 JANUARY – 31 DECEMBER 2025**

(ORIGINALLY ISSUED IN TURKISH)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2025**

CONTENTS	PAGE
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION.....	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	4
CONSOLIDATED STATEMENTS OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-69

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kızılbük Gayrimenkul Yatırım Ortaklığı A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Kızılbük Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of balance sheet as at December 31, 2025, and the consolidated statement of income and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (including International Independence Standards) (Code of Ethics) issued by the POA, as applicable to audits of consolidated financial statements of public interest entities, and other ethical principles included in CMB legislation, together with the ethical requirements that are relevant to the audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the Key Audit Matter Was Addressed in the Audit
<p>Application of the hyperinflationary accounting</p> <p>As explained in note 2.1.c of the consolidated financial statements, the Group has begun applying the “IAS 29 Financial Reporting in Hyperinflationary Economies” standard due to the functional currency of the Group (Turkish Lira) being classified as the currency of a hyperinflationary economy as of December 31, 2023.</p> <p>In accordance with IAS 29, the consolidated financial statements as of December 31, 2025, and consolidated financial information for prior periods have been restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as of the reporting date.</p> <p>In line with the guidance in IAS 29, the Group has used Turkey consumer price indices to prepare inflation-sensitive consolidated financial statements. The principles applied for inflation adjustment are explained in note 2.1.</p> <p>Given the significant impact of IAS 29 on the Group's reported results and consolidated financial position, high inflation accounting has been assessed as a key audit matter.</p>	<p>The audit procedures applied are described below:</p> <ul style="list-style-type: none"> - Discussions were held with management responsible for consolidated financial reporting, and reviews were conducted regarding the principles considered during the application of IAS 29, the identification of non-monetary accounts, and the tests performed on the designed IAS 29 models. - Inputs and indices used to ensure the completeness and accuracy of calculations were tested. - The consolidated financial statements and related financial information restated in accordance with IAS 29 were reviewed, <p>The adequacy of the information provided in the consolidated financial statements and related footnote disclosures where inflation accounting has been applied was assessed by us in accordance with IAS 29.</p>

Key Audit Matters	How the Key Audit Matter Was Addressed in the Audit
<p>Appraisal studies conducted to determine the fair value of investment properties</p>	<p>Procedures performed</p>
<p>As stated in Notes 2 and 11, the Group accounts for its investment properties at fair value. As of December 31, 2025, investment properties constitute 79.64% of the Group's total assets and have a total value of TL 28,256,158,744.</p> <p>As of December 31, 2025, the fair values of investment properties determined by an independent valuation expert are reviewed by the Investor Relations Manager, Project Director, and Budget Manager, and the final approval of the valuation reports is made by the Land Development Manager. These values are used as the fair values of investment properties in the financial statements.</p> <p>The valuation of the Group's investment properties involves significant judgment and requires subjective assumptions.</p> <p>The work performed to determine the fair value of investment properties has been identified as a key audit matter due to the subjective nature of the valuations and the significant assumptions and judgments involved.</p>	<p>Evaluation of controls</p> <p>We tested the design and implementation of controls performed by the Group's senior management on the valuation report prepared by the Valuation Expert appointed by the Group.</p> <p>Evaluation of experts selected by management</p> <p>We evaluated the Appraisal Expert's competence, qualifications, and impartiality. We also evaluated their independence, considering the scope of the work performed and the terms of the agreement.</p> <p>Evaluation of inputs and assumptions used in valuation work</p> <p>We evaluated the Group's Valuation Expert's valuation report, the appropriateness of the valuation method applied, and the assumptions used. We compared the assumptions used with market data and discussed our findings with the Group's Valuation Expert.</p> <p>The values of all real estate in the Groups's portfolio were determined using the income approach method.</p> <p>Evaluation of financial statement disclosures</p> <p>We examined the consistency of the disclosures regarding the fair values of investment properties in Notes 2 and 11 with the information in the valuation expert report and whether the note disclosures were sufficient in terms of IFRS.</p>

4) Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 11, 2026.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2025 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Ali Ordulu.

Arsen Bağımsız Denetim Hizmetleri A.Ş.

An Independent Member of SFAI GLOBAL

Ali ORDULU
Partner
March 11, 2026
İstanbul, Türkiye

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025 AND 2024

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

ASSETS		Audited December 31, 2025	Audited December 31, 2024
Current Assets	Footnote	6,246,513,625	5,724,748,437
Cash and Cash Equivalents	4	8,741,677	6,861,334
Financial Investments	8	47,002,876	-
Trade Receivables	6, 32	759,341,368	1,877,071,601
- Due from Third Parties	6	83,282,809	143,620,186
- Due from Related Parties	6, 32	676,058,559	1,733,451,415
Other Receivables	7, 32	22,662	31,385
- Due from Third Parties	7	22,662	31,385
- Due from Related Parties	7, 32	-	-
Inventories	9	3,596,408,107	1,813,725,535
Prepaid Expenses	17, 32	895,223,582	1,429,341,737
- Due to Third Parties	17	756,508,847	1,429,341,737
- Due to Related Parties	17, 32	138,714,735	-
Other Current Assets	18	939,773,353	597,716,845
Non-Current Assets		28,658,839,704	24,119,692,116
Long-Term Trade Receivables		-	-
Long-Term Other Receivables	7, 32	152,621	199,769
- Due from Third Parties	7	152,621	199,769
- Due from Related Parties	7, 32	-	-
Long-Term Inventories	9	331,082,381	278,259,730
Right of Use Assets	10	12,337,315	16,690,287
Investment Properties	11	28,256,158,744	23,804,612,284
Fixed Assets	12	34,784,021	18,600,307
Intangible Assets	13	5,695,151	1,329,739
Prepaid Expenses	17	1,444,713	-
Deferred Tax Assets	30	17,184,758	-
TOTAL ASSETS		34,905,353,329	29,844,440,553

The accompanying notes are an integral part of the consolidated financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025 AND 2024

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

LIABILITIES AND EQUITY		Audited December 31, 2025	Audited December 31, 2024
Current Liabilities	Footnote	3,399,153,824	1,898,913,403
Short-Term Borrowings	5, 32	742,164,151	-
- Due to Third Parties	5,32	-	-
- Due to Related Parties	5, 32	742,164,151	-
Current Portion of Long-Term Borrowings	5, 32	1,474,962,203	1,018,654,640
- Due to Third Parties	5	1,334,087,199	931,368,596
- Due to Related Parties	5, 32	140,875,004	87,286,044
Trade Payables	6, 32	804,421,442	734,518,226
- Due to Third Parties	6	738,594,436	598,840,843
- Due to Related Parties	6, 32	65,827,006	135,677,383
Employee Benefit Obligations	15	15,065,388	5,834,535
Deferred Income	20	192,059,140	43,547,066
- Due from Third Parties	20	192,059,140	43,547,066
- Due to Related Parties		-	-
Current Provisions	14, 15	22,079,026	7,034,231
- Current Provisions for Employee Benefits	15	7,413,712	6,753,192
- Other Current Provisions	14	14,665,314	281,039
Other Current Liabilities	16	148,402,474	89,324,705
Non-Current Liabilities		9,574,322,746	6,863,782,430
Long-Term Borrowings	5, 32	1,517,958,386	602,614,361
- Due to Third Parties	5	1,509,823,604	602,614,361
- Due to Related Parties	5, 32	8,134,782	-
Trade Payables	6, 32	28,344,504	-
- Due to Third Parties	6	-	-
- Due to Related Parties	6, 32	28,344,504	-
Long-Term Liabilities	15	8,287,292	4,372,083
- Provisions for Employee Benefits	15	8,287,292	4,372,083
Long-term Other Payables	7	169,372,186	158,924,790
- Due to Third Parties	7	169,372,186	158,924,790
- Due to Related Parties		-	-
Long-term Deferred Income	20, 32	639,287,545	108,122,749
- Due to Third Parties	20	23,308,114	23,214,341
- Due to Related Parties	20, 32	615,979,431	84,908,408
Deferred Tax Liability	30	7,211,072,833	5,989,748,447
EQUITY	21	21,931,876,759	21,081,744,720
Equity Attributable to the Parent Company	21	21,935,730,721	21,082,862,575
Issued Capital	21	1,200,000,000	300,000,000
Positive Differences in Capital Adjustment	21	1,718,122,660	1,521,466,223
Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		(999,220)	(489,046)
- Gains (Losses) on Remeasurements of Defined Benefit Plans		(999,220)	(489,046)
Restricted Reserves Appropriated from Profits	21	283,964,586	145,986,371
Effects of Business Combinations Under Common Control	21	(362,911,921)	(362,911,921)
Retained Earnings / (Losses) from Previous Years		18,244,176,296	9,957,747,608
Net Period Profit / (Loss)		853,378,320	9,521,063,340
Non-Controlling Interests		(3,853,962)	(1,117,855)
TOTAL EQUITY AND LIABILITIES		34,905,353,329	29,844,440,553

The accompanying notes are an integral part of the consolidated financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL"), converted to TL based on purchasing power parity as of December 31, 2025.)

	Note	Audited January 1 – December 31, 2025	Audited January 1 – December 31, 2024
CONTINUING OPERATIONS			
Revenue		1,934,182,962	12,900,039,695
Cost of Sales		(393,025,426)	(8,615,165,294)
Gross Profit / (Loss)		1,541,157,536	4,284,874,401
Marketing Expenses	23	(269,994,498)	(271,952,244)
Administrative Expenses	23	(137,739,685)	(153,936,385)
Increases (Decreases) on Revaluation of Investment Properties	11	2,634,628,432	7,814,661,598
Other Operating Income	25	81,320,266	60,076,571
Other Operating Expenses	26	(58,873,181)	(31,074,191)
PROFIT / (LOSS) FROM OPERATING ACTIVITIES		3,790,498,870	11,702,649,750
Investment Activity Income		90,591	-
Investment Activity Expenses		-	-
Share of Profit (loss) from Investments Accounted for Using Equity Method		-	-
PROFIT / (LOSS) BEFORE FINANCING INCOME / (EXPENSE)		3,790,589,461	11,702,649,750
Finance Income	28	123,586,883	50,880,402
Finance Expenses	29	(1,598,761,248)	(310,217,497)
Gains (Losses) on Net Monetary Position	36	(260,414,610)	1,245,710,409
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		2,055,000,486	12,689,023,064
Tax Income / (Expense)		(1,204,358,273)	(3,169,512,679)
Current Period Tax Income / (Expense)		-	-
Deferred Tax Income / (Expense)		(1,204,358,273)	(3,169,512,679)
INCOME / (LOSS) FROM CONTINUING OPERATIONS		850,642,213	9,519,510,385
PERIOD PROFIT / (LOSS)		850,642,213	9,519,510,385
Distribution of Period Profit / Loss			
Non-Controlling Interests		(2,736,107)	(1,552,955)
Parent Company Shares		853,378,320	9,521,063,340
Earnings Per Share			
Earnings (Loss) Per Share from Continuing Operations		0.7111	7.9342
OTHER COMPREHENSIVE INCOME COMPONENT			
Items will not Reclassified in Profit or Loss		(510,174)	(44,358)
Remeasurement Gains (Losses) on Defined Benefit Plans		(510,174)	(44,358)
Items Not Reclassified in Profit or Loss		-	-
OTHER COMPREHENSIVE INCOME		(510,174)	(44,358)
TOTAL COMPREHENSIVE INCOME		850,132,039	9,519,466,027
Distribution of Total Comprehensive Income			
Non-Controlling Interests		(2,736,107)	(1,552,955)
Parent Company Shares		852,868,146	9,521,018,982

The accompanying notes are an integral part of the consolidated financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED DECEMBER 31, 2025 AND 2024

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL"), converted to TL based on purchasing power parity as of December 31, 2024.)

					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		Accumulated Earnings			
	Paid-in Capital	Capital Adjustment Differences	Restricted Reserves Appropriated From Profits	Effects of Transactions Between Entities Under Common Control	Gains (Losses) on Remeasurements of Defined Benefit Plans	Retained Earnings/Loss es from Previous Years	Net Period (Loss)/Profit	Total Equity Attributable to the Parent Company	Non- Controlling Interests	Total Equity
Current Period January 1, 2025	300,000,000	1,521,466,223	145,986,371	(362,911,921)	(489,046)	9,957,747,608	9,521,063,340	21,082,862,575	(1,117,855)	21,081,744,720
Transfers	900,000,000	196,656,437	137,978,215	-	-	8,286,428,688	(9,521,063,340)	-	-	-
Acquisition or Disposal of Affiliated Companies	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense)	-	-	-	-	(510,174)	-	853,378,320	852,868,146	(2,736,107)	850,132,039
- <i>Other comprehensive income (expense)</i>	-	-	-	-	(510,174)	-	-	(510,174)	-	(510,174)
- <i>Net Profit/(loss)</i>	-	-	-	-	-	-	853,378,320	853,378,320	(2,736,107)	850,642,213
December 31, 2025	1,200,000,000	1,718,122,660	283,964,586	(362,911,921)	(999,220)	18,244,176,296	853,378,320	21,935,730,721	(3,853,962)	21,931,876,759
Previous Period January 1, 2024	300,000,000	1,521,466,223	23,327,527	(362,911,921)	(444,688)	16,506,604,791	(3,581,251,379)	14,406,790,553	412,295	14,407,202,848
Transfers	-	-	122,658,844	-	-	(3,703,933,028)	3,581,251,379	(22,805)	22,805	-
Effect of Merger or Liquidation or Division	-	-	-	-	-	-	-	-	-	-
Acquisition or Disposal of Affiliated Companies	-	-	-	-	-	361,983	-	361,983	-	361,983
Other(*)	-	-	-	-	-	(2,845,286,138)	-	(2,845,286,138)	-	(2,845,286,138)
Total comprehensive income (expense)	-	-	-	-	(44,358)	-	9,521,063,340	9,521,018,982	(1,552,955)	9,519,466,027
- <i>Other comprehensive income (expense)</i>	-	-	-	-	(44,358)	-	-	(44,358)	-	(44,358)
- <i>Net Profit/(loss)</i>	-	-	-	-	-	-	9,521,063,340	9,521,063,340	(1,552,955)	9,519,510,385
December 31, 2024	300,000,000	1,521,466,223	145,986,371	(362,911,921)	(489,046)	9,957,747,608	9,521,063,340	21,082,862,575	(1,117,855)	21,081,744,720

The accompanying notes are an integral part of the consolidated financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL"), converted to TL based on purchasing power parity as of December 31, 2025.)

	Note	Audited January 1 - December 31, 2025	Audited January 1 - December 31, 2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		954,940,134	(203,512,810)
Profit (Loss)		850,642,213	9,519,510,385
Adjustments to Reconcile Profit (Loss)		(223,730,420)	(4,356,338,508)
Adjustments for interest income and expenses		1,243,199,334	259,337,095
Adjustments for depreciation and amortization expenses	12, 13, 24	31,311,815	17,788,472
Adjustments for provisions		3,915,209	(3,694,721)
- <i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	15	3,915,209	(1,875,598)
- <i>Adjustments for (Reversal of) Other Provisions</i>	14	-	(1,819,123)
Adjustments for fair value losses (gains)	11	(2,634,628,432)	(7,814,661,598)
- <i>Adjustments for fair value gains on investment property</i>		(2,634,628,432)	(7,814,661,598)
Adjustments for tax income and expenses		1,204,358,273	3,169,512,679
Net monetary gain/loss effect		(71,886,619)	15,379,565
Changes in working capital		329,578,423	(5,366,684,687)
Adjustments for increases/decreases in trade receivables	6	1,117,730,233	(790,196,862)
Adjustments for increases/decreases in trade payables	6	98,247,720	233,036,343
Adjustments for increases/decreases in inventory	9	(1,835,505,223)	4,220,557,064
Adjustments for increases/decreases in prepaid expenses	17	532,673,442	(920,861,258)
Increase/decrease in deferred income	20	679,676,870	(8,411,080,377)
Adjustments for other increases/decreases in working capital		(263,244,619)	301,860,403
Cash Flows From (Used in) Operations		956,490,216	(203,512,810)
Employee Termination Benefit Paid	15	(1,550,082)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(1,847,652,260)	(1,158,339,451)
Cash outflows from the purchase of tangible and intangible fixed assets	12-13	(30,734,232)	(9,083,720)
Cash outflows arising from the acquisition of investment property, net	11	(1,816,918,028)	(1,149,255,731)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		896,211,835	1,228,802,719
Cash inflows from borrowing		6,843,984,676	1,515,422,212
Cash outflows related to debt payments		(4,730,168,938)	(27,282,398)
Interest paid		(1,217,603,903)	(259,337,095)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,499,709	(133,049,542)
EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH AND CASH EQUIVALENTS INFLATION EFFECT		(1,619,366)	(62,090,729)
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,880,343	(195,140,271)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6,861,334	202,001,605
END OF PERIOD CASH AND CASH EQUIVALENTS		8,741,677	6,861,334

The accompanying notes are an integral part of the consolidated financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

1. GROUP ORGANIZATION AND BUSINESS ACTIVITIES

Kızılıbük Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company" or "Kızılıbük") was established on March 30, 2021, through a partial spin-off pursuant to a resolution adopted at the ordinary general meeting held on March 22, 2021, by its parent company, Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Sinpaş GYO") was established on March 30, 2021, through a partial spin-off, pursuant a resolution adopted at the ordinary general meeting held on March 22, 2021. The Company was established as a Real Estate Investment Trust Joint Stock Company in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law, and in compliance with the Capital Markets Board's Communiqué on Principles Regarding Real Estate Investment Trusts, for the purpose of offering its shares to the public and in accordance with the registered capital principles.

The Company was established to operate a portfolio consisting of real estate, real estate projects, and real estate-related rights.

The Company, together with its Affiliates and Subsidiaries, will be referred to as the "Group."

As of December 31, 2025, the Group has 121 employees. (December 31, 2024: 40 employees.) The Company's registered address is Dikilitaş Mahallesi Yenidoğan Sokak. Sinpaş Plaza, No:36/1/1 34349 Beşiktaş, Istanbul.

Approval of the Consolidated Financial Statements:

The consolidated financial statements have been approved by the Board of Directors and authorized for publication on February 27, 2026. The General Assembly has the authority to amend the financial statements.

Transactions between entities under common control

Transactions between entities under common control are not subject to the provisions of IFRS 3, "Business Combinations," as IFRS 3 or any other IFRS does not cover such transactions. In share purchase transactions carried out within this scope, the financial statements of the entity and the company under common control used by the group or ultimate parent company may be used in applying the previous value method.

Güney Marmara Gayrimenkul Yatırımları A.Ş. ("Güney Marmara") and Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş. ("Kızılıbük Kuşgölü") were established in 2023 and have been valued within the scope of transactions between jointly controlled entities. At the same time, the acquisitions of Beyazkum Satış Pazarlama İşletme Hizmetleri A.Ş. ("Beyazkum") and Marmaris Devre Mülk İşletmeleri ve Yönetim Hizmetleri A.Ş. ("Marmaris Devremülk") were evaluated as business combinations under common control. Accordingly, the assets and liabilities assumed in the businesses subject to the acquisition were evaluated as a whole by the Group management; the relevant assets and liabilities were defined as a business combination because they consisted of inputs and processes applied to these inputs that had the ability to generate outputs.

However, the business combination represented by the assets and liabilities assumed in the acquisition transaction was considered a merger involving jointly controlled entities, as all merging entities were controlled by the same person or persons before and after the merger, and this control was not temporary. In accordance with the principle decision published by the KGK in the Official Gazette dated July 21, 2013, and October 17, 2018, regarding the "Accounting for Business Combinations Subject to Joint Control," the acquisition in question must be accounted for by restating the consolidated financial statements of previous periods using the "merger of interests" method for mergers under common control.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Since Güney Marmara and Kızılıbük Kuşgölü were established in 2023, no retrospective adjustment is required. Due to the small size of Beyazkum İşletmesi, its limited scale of operations and its immaterial impact on the consolidated financial statements, prior period financial statements have not been restated retrospectively within the scope of the pooling of interests method.

The main activities of the Group's subsidiaries and affiliates are listed below:

Affiliates and Subsidiaries

As of December 31, 2025, the companies in which the Parent Company directly or indirectly owns 50% or more of the shares, holds more than 50% of the voting rights, or has control over their operations and which are subject to the "full consolidation method" are as follows:

Subsidiaries	Place of Incorporation and Operations	Business Activity
Beyazkum Satış Pazarlama İşletme Hizmetleri A.Ş. ("Beyazkum") (*)	Türkiye	Real estate agency activities
Güney Marmara Gayrimenkul Yatırımları A.Ş. ("Güney Marmara") (***)	Türkiye	Real estate purchase and sale
Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş. ("Kızılıbük Kuşgölü") (****)	Türkiye	Timeshare project development

(*) The company decided, with a board of directors resolution dated April 19, 2023, to purchase all of Beyazkum Satış Pazarlama İşletme Hizmetleri A.Ş. from Sinpaş Yapı Endüstrisi A.Ş. for a price of TL 225,889,036. An agreement has been reached with Sinpaş Yapı Endüstrisi A.Ş. to pay the share price over a 24-month term with an additional term difference based on the CPI index. The relevant notification was published on the Public Disclosure Platform on April 19, 2023. The acquisition in question has been taken into account in the consolidated financial statements as a merger of jointly controlled entities.

(**) With the company's board of directors decision dated September 14, 2023, It has been resolved to acquire a capital participation of TRY 245,000 in Güney Marmara Gayrimenkul Yatırımları A.Ş., which has a share capital of TRY 500,000, for the purpose of developing a timeshare or timeshare property project in Balıkesir. The registration process for Güney Marmara Gayrimenkul Yatırımları A.Ş. was completed on September 22, 2023

(***) With the Company's special situation announcement dated November 28, 2023, it was announced that Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş., a 100% subsidiary of Güney Marmara Gayrimenkul Yatırımları A.Ş., had signed a "Promise of Sale of Real Estate in the Form of Arrangement and Land Sale Agreement" with the landowner for a total of 343,151.54 m2 of land located in the Muradiye Yolu area of Okçuğöl Mahallesi, Susurluk District, Balıkesir Province. According to the agreement, Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş. will develop a timeshare project on the land. Twelve percent of the revenue generated from the sale of the buildings to be constructed in exchange for the land share will be given to the landowner, and the remaining 88% will belong to Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

2. PRINCIPLES FOR THE PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basic principles regarding presentation

a Form of preparation of financial statements

The Group maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, and the Uniform Accounting Plan issued by the Ministry of Finance of the Republic of Turkey. The accompanying consolidated financial statements have been prepared in Turkish Lira based on historical cost, except for financial assets and liabilities presented at fair value. These accompanying consolidated financial statements comply with Turkish Accounting Standard ("TAS") 29 "Financial Reporting in Hyperinflationary Economies," except for monetary assets and liabilities and assets and liabilities measured at fair value, and have been prepared on a historical cost basis adjusted for the effects of inflation on the Turkish Lira at the reporting date.

b Statement of compliance with TFRS

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board's ("CMB") "Communication on Principles Regarding Financial Reporting in the Capital Markets" (Series II, No. 14.1), published in the Official Gazette dated June 13, 2013, and numbered 28676 (the "Communication") published in the Official Gazette dated June 13, 2013 and numbered 28676, and are based on the Turkish Financial Reporting Standards ("TFRS") and related supplements and interpretations issued by the Public Oversight Accounting and Auditing Standards Authority ("KGK") pursuant to Article 5 of the Communication. Furthermore, the consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by the KGK on April 15, 2019, and the Financial Statement Examples and User Guide published by the CMB.

These consolidated financial statements have been prepared in accordance with Turkish Accounting Standard ("TMS") 29 "Financial Reporting in Hyperinflationary Economies," based on historical cost adjusted for the effects of inflation on the Turkish Lira as of the reporting date, except for monetary assets and liabilities and assets and liabilities measured at fair value.

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, TMS 29 Financial Reporting in Hyperinflationary Economies ("IAS 29") for inflation accounting. IAS 29 applies to consolidated financial statements, including financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

The Group's consolidated financial statements have been prepared in accordance with the going concern principle.

The Group's consolidated financial statements are presented in the functional currency that is the primary economic environment in which the Group operates. The Group's financial position and results of operations are expressed in Turkish Lira, which is the Group's functional currency and the presentation currency for the consolidated financial statements. (The figures in the Group's consolidated financial statements have been rounded to the nearest whole number.)

The comparative amounts for prior periods in these consolidated financial statements have been adjusted in accordance with IAS 29 for changes in the general purchasing power of the Turkish Lira and are ultimately expressed in terms of the purchasing power of the Turkish Lira as of December 31, 2025.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

c Adjustment of financial statements in periods of high inflation

Businesses applying IFRS, in accordance with the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, began applying inflation accounting in accordance with IFRS 29 Financial Reporting in Hyperinflationary Economies for financial statements relating to annual reporting periods ending on or after December 31, 2023. IFRS 29 applies to financial statements of entities whose functional currency is the currency of a hyperinflationary economy.

The accompanying consolidated financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment property measured at revalued amounts.

The comparative amounts for prior periods in these consolidated financial statements have been adjusted in accordance with IAS 29 for changes in the general purchasing power of the Turkish lira and are ultimately expressed in terms of the purchasing power of the Turkish lira as of December 31, 2025.

In applying IAS 29, the Group has used the adjustment factors obtained from the Consumer Price Indices (CPI) published by the Turkish Statistical Institute, in accordance with the guidance provided by the KGK. The adjustment coefficients corresponding to the CPI for the current and past periods since January 1, 2005, when the Turkish lira ceased to be defined as the currency of a high-inflation economy, are as follows:

Year-end	Index	Index, %	Adjustment Coefficient
2004	113,86	13,86	30,86132
2005	122,65	7,72	28,64957
2006	134,49	9,65	26,12737
2007	145,77	8,39	24,10558
2008	160,44	10,06	21,90146
2009	170,91	6,53	20,55977
2010	181,85	6,40	19,32290
2011	200,85	10,45	17,49500
2012	213,23	6,16	16,47925
2013	229,01	7,40	15,34374
2014	247,72	8,17	14,18485
2015	269,54	8,81	13,03654
2016	292,54	8,53	12,01159
2017	327,41	11,92	10,73232
2018	393,88	20,30	8,92117
2019	440,50	11,84	7,97700
2020	504,81	14,60	6,96078
2021	686,95	36,08	5,11518
2022	1128,45	64,27	3,11389
2023	1859,38	64,77	1,88981
2024	2684,55	44,37	1,30892
2025	3513,87	30,89	1,00000

In accordance with TMS 29, to make the necessary adjustments in the financial statements, assets and liabilities were first separated into monetary and non-monetary items, and non-monetary assets and liabilities were further separated into those measured at fair value and those measured at cost. Monetary items (except those linked to an index) and non-monetary items measured at their current value at the end of the reporting period are not subject to inflation adjustment as they are already expressed in the current measurement unit as of December 31, 2025. Non-monetary items not expressed in the measurement unit as of December 31, 2025, have been subject to inflation adjustment using the relevant coefficient. Where the inflation-adjusted value of non-monetary items exceeded their recoverable amount or net realizable value, the carrying amount was reduced in accordance with the relevant IFRS. In addition, inflation adjustments were made to all items in the statement of equity, profit or loss, and other comprehensive income.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Non-monetary items acquired or assumed before January 1, 2005, when the Turkish lira ceased to be defined as the currency of a high-inflation economy, and equity items put into operation or arising before that date have been adjusted according to the CPI from January 1, 2005, to December 31, 2025.

The application of IAS 29 has necessitated adjustments arising from the decline in the purchasing power of the Turkish lira, which are presented in the Net Monetary Position Gains (Losses) item in the profit or loss section of the income statement. During periods of inflation, the purchasing power of businesses holding monetary assets in excess of monetary liabilities weakens, while the purchasing power of businesses holding monetary liabilities in excess of monetary assets increases, provided that the value of monetary assets or liabilities is not linked to changes in the index. The net monetary position gain or loss is derived from the adjustment differences of non-monetary items, equity, profit or loss, and other comprehensive income items, and index-linked monetary assets and liabilities.

Furthermore, in the reporting period when IAS 29 is first applied, the Standard's provisions are applied assuming that the relevant economy has always experienced high inflation. Therefore, the financial statement as of January 1, 2022, representing the earliest comparative period, has been adjusted for inflation to serve as a basis for subsequent reporting periods. The inflation-adjusted amount of the retained earnings/losses item in the January 1, 2022, statement of financial position was derived from the required balance sheet equilibrium after adjusting the other items in the statement for inflation.

d Functional and reporting currency

The Group's reporting currency is the Turkish Lira ("TL") and all financial information is presented in TL unless otherwise stated. Information related to currencies other than TL is stated in full unless otherwise stated.

e Comparative information and restatement of prior period financial statements

In order to enable the identification of financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period. Where necessary, classification changes in the current period financial statements are also applied to the previous period financial statements for consistency.

All comparative amounts in the consolidated financial statements and prior periods have been adjusted in accordance with IAS 29 for changes in the general purchasing power of the Turkish Lira and are ultimately expressed in terms of the purchasing power of the Turkish Lira as of December 31, 2025.

The Group has prepared its consolidated statement of financial position as at 31 December 2025 in comparison with the consolidated statement of financial position as at 31 December 2024. The consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the accounting period 1 January 2025 – 31 December 2025 have been presented comparatively with those of the accounting period 1 January 2024 – 31 December 2024.

f Going Concern Assumption

The Group has prepared its consolidated financial statements in accordance with the going concern principle.

g Consolidation Principles

Subsidiaries, the Parent Company, either directly and/or indirectly, owns shares and/or controls other companies, resulting in the right to vote more than 50%; or companies over which the Parent Company has the authority and power to control financial and operating policies in line with the Parent Company's interests by exercising de facto control over financial and operating policies, even though it does not have the authority to exercise more than 50% of the voting rights.

As of December 31, 2025, the Parent Company's directly or indirectly owned companies, companies in which it holds voting rights or has control over their activities, and companies subject to the "full consolidation method" are as follows:

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Subsidiaries	Effective Ownership Ratio		Voting Rights Ratio	
	2025	2024	2025	2024
Beyazkum Satış Pazarlama İşletme Hizmetleri A.Ş.	%100	%100	%100	%100
Güney Marmara Gayrimenkul Yatırımları A.Ş.	%49	%49	%49	%49
KızılbüK Kuşgölü Gayrimenkul Yatırımları A.Ş.	%49	%49	%49	%49

2.2 Changes and errors in accounting policies and estimates

Changes are made to accounting policies if they are necessary or if the effects of transactions and events on the Group's consolidated financial position, performance, or cash flows would result in a more appropriate and reliable presentation in the consolidated financial statements. If changes in accounting policies affect prior periods, the policy is applied retrospectively in the consolidated financial statements as if it had always been in use. There have been no changes in the Group's accounting policies during the current period.

Accounting estimates are made based on reliable information and reasonable estimation methods. However, estimates are reviewed if there is a change in the conditions on which the estimate was based, new information is obtained, or additional developments occur. The effect of a change in an accounting estimate is reflected in the financial statements in a manner that will be taken into account in determining the period profit or loss, only for the period to which the change relates, if the change is made in the current period, or for both the period in which the change is made and future periods, if the change relates to future periods.

The nature and amount of a change in an accounting estimate that affects the current period's operating results or is expected to affect future periods is disclosed in the notes to the consolidated financial statements, except in cases where it is not possible to estimate the effect on future periods. There are no changes in accounting estimates expected to affect the Group's current period operating results.

2.3 Changes in Turkish Financial Reporting Standards, comparative information, and adjustments to prior-period financial statements

2.3.1 New and amended standards and interpretations

The accounting policies applied in the preparation of the consolidated financial statements for the year ended 31 December 2025 have been applied consistently with those used in the prior year, except for the new and amended TFRSs and TFRS Interpretations effective as of 1 January 2025, which are summarised below. The impacts of these standards and interpretations on the Group's consolidated financial position and performance are explained in the relevant paragraphs.

i) New standards, amendments and interpretations effective from 1 January 2025

IAS 21 Amendments – Lack of Exchangeability

In May 2024, the Public Oversight Accounting and Auditing Standards Authority ("KGK") issued amendments to IAS 21. The amendments specify how an entity assesses whether a currency is exchangeable, and how the spot exchange rate is determined when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable, it discloses information that enables users of financial statements to understand how the lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, comparative information is not restated.

The amendments did not have a significant impact on the Group's consolidated financial position or performance.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

ii) Standards issued but not yet effective and not early adopted

As of the date of approval of these financial statements, the following new standards, interpretations and amendments have been issued but are not yet effective for the current reporting period and have not been early adopted by the Group. Unless otherwise stated, the Group will make the necessary changes to its consolidated financial statements and disclosures after these standards and interpretations become effective.

IFRS 10 and IAS 28 Amendments – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, KGK deferred the effective date of the amendments to IFRS 10 and IAS 28 indefinitely, to be amended depending on the outputs of the ongoing research project on the equity method. Early application remains permitted.

The Group will assess the effects of these amendments once the related standards are finalised.

IFRS 17 – Insurance Contracts

This standard is effective for annual reporting periods beginning on or after 1 January 2023 and replaces IFRS 4, which currently permits a wide range of practices. IFRS 17 fundamentally changes the accounting for all entities that issue insurance contracts and certain investment contracts with discretionary participation features.

Following the amendment to the Communiqué on the Presentation of Financial Statements of Insurance and Reinsurance and Pension Companies published in the Official Gazette by the Insurance and Private Pension Regulation and Supervision Agency (“SEDDK”) on 15 December 2025, the application date of IFRS 17 was deferred to 1 January 2027. In its letter dated 7 January 2026 (no. E-64088382-045.01-39032) addressed to the Insurance, Reinsurance and Pension Companies Association of Turkey, KGK stated that the application date of IFRS 17 for banks and holding companies that have insurance, reinsurance or pension company subsidiaries/associates is deferred to 1 January 2027 in their separate and consolidated financial statements.

The standard is not applicable to the Group and will have no impact on the Group’s consolidated financial position or performance.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

IFRS 9 and IFRS 7 Amendments – Classification and Measurement of Financial Instruments

In August 2025, KGK issued amendments to IFRS 9 and IFRS 7 relating to the classification and measurement of financial instruments. The amendments clarify that financial liabilities are derecognised on the “settlement date”. They also introduce an accounting policy option to derecognise certain financial liabilities settled through an electronic payment system before the settlement date, provided specified conditions are met. In addition, the amendments provide clarifications on how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (“ESG”) linked or other similar contingent features; and they include guidance on assets without unlimited liability and contractually linked instruments. The amendments also add new disclosure requirements to IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including ESG-linked events) and for equity instruments measured at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Entities may early adopt the amendments related to classification of financial assets and related disclosures separately from the other amendments. The new requirements will be applied retrospectively by adjusting the opening balance of retained earnings (accumulated profits/losses).

The amendments are not applicable to the Group and have no impact on the consolidated financial position or performance.

Annual Improvements to TFRSs – Volume 11

In September 2025, KGK issued “Annual Improvements to TFRSs – Volume 11”, which includes the following amendments:

- IFRS 1 First-time Adoption of Turkish Financial Reporting Standards – Hedge accounting by a first-time adopter: The amendment removes potential confusion arising from inconsistent wording between IFRS 1 and hedge accounting requirements in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gains or losses on derecognition: The amendment changes the wording related to unobservable inputs and adds a reference to IFRS 13.
- IFRS 9 Financial Instruments – Derecognition of a lease liability by a lessee and transaction price: The amendment clarifies that when a lease liability is extinguished, a lessee applies the derecognition requirements in IFRS 9 and recognises the resulting gain or loss in profit or loss. It also removes the reference to “transaction price”.
- IFRS 10 Consolidated Financial Statements – Determining a “de facto agent”: The amendment eliminates inconsistencies within IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost method: Following previous amendments that removed the term “cost method”, this term is deleted where it still appeared in the Standard.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, and early application is permitted for all amendments.

The amendments are not applicable to the Group and have no impact on the consolidated financial position or performance.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

IFRS 9 and IFRS 7 Amendments – Contracts Referencing Nature-dependent Electricity

In August 2025, KGK issued amendments to IFRS 9 and IFRS 7 titled “Contracts Referencing Nature-dependent Electricity”. The amendments clarify the application of the “own use” exception and permit hedge accounting when such contracts are used as hedging instruments. The amendments also introduce new disclosure requirements to help investors understand the effects of such contracts on an entity’s financial performance and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted and, if elected, must be disclosed. Clarifications related to the “own use” requirements are applied retrospectively; however, the provisions permitting hedge accounting are applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendments are not applicable to the Group and have no impact on the consolidated financial position or performance.

IFRS 18 – Presentation and Disclosure in Financial Statements

In May 2025, KGK issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the presentation of specified totals and subtotals. IFRS 18 requires entities to classify all income and expenses presented in the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. The standard also requires disclosure of management-defined performance measures and introduces enhanced requirements for aggregation and disaggregation of information in the primary financial statements and notes, consistent with the defined roles of each.

The issuance of IFRS 18 also resulted in certain consequential amendments to other standards such as IAS 7, IAS 8 and IAS 34. IFRS 18 and related amendments are effective for annual reporting periods beginning on or after 1 January 2027; early application is permitted. IFRS 18 will be applied retrospectively.

IFRS 18 is a new standard focusing on updates to the statement of profit or loss and introduces key new concepts relating to:

- the structure of the statement of profit or loss,
- disclosures in the financial statements for certain profit or loss performance measures reported outside the financial statements (i.e., management performance measures), and
- enhanced principles for aggregation and disaggregation applicable to the primary financial statements and notes.

Disclosures for the reporting period ended December 2025 should include:

- the nature of the changes,
- the fact that application of IFRS 18 is mandatory for annual reporting periods beginning on or after 1 January 2027,
- the planned date of initial application, and
- either:
 - known or reasonably estimable information to help users assess the possible effects of applying IFRS 18 in the period of initial application; or
 - a statement that such effects are not known or not reasonably estimable.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

To comply with IAS 8 paragraphs 30–31, entities should consider the following when preparing disclosures related to adoption of IFRS 18:

a) Disclosures are expected to become more detailed as implementation progresses toward 2027.

The level of detail depends on the entity's progress in first-time adoption activities, including internal control work. As of the reporting period ended 31 December 2025, entities that have not made significant progress may state that they are actively assessing the potential effects of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided

b) Consider whether to provide quantitative information if it is appropriate and reliable.

If supported by an appropriate and reliable basis (and clearly described as preliminary), Disclosure of draft amounts may be appropriate for example, quantifying effects on subtotals in the statement of profit or loss. If quantitative effects are not reasonably estimable, this should be stated. However, early presentation (before the effective date) of IFRS 18 disclosures such as management performance measures reconciliations is not expected.

c) Consider consistency with other public communications

if management has made public statements (e.g., in an investor presentation) about expected effects, IAS 8 disclosures should be consistent with those communications.

d) Disclosures,

Should be based not only on information available at the end of the reporting period, but also on information available up to the date the financial statements are authorised for issue.

The effects of the standard on the Group's consolidated financial position and performance are being assessed.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In August 2025, KGK issued IFRS 19, which provides an option for eligible entities to apply the recognition, measurement and presentation requirements in TFRSs while providing reduced disclosures. Unless otherwise stated, entities that elect to apply IFRS 19 are not required to apply the disclosure requirements of other TFRSs.

An entity that is a subsidiary, is not publicly accountable, and has a parent (intermediate or ultimate) that prepares TFRS-compliant consolidated financial statements available for public use may elect to apply IFRS 19. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. If early application is elected, this must be disclosed. In the first reporting period (annual or interim) in which IFRS 19 is applied, disclosures presented for the comparative period must be aligned with the disclosures provided in the current period under IFRS 19.

The standard is not applicable to the Group.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

iii) Amendments issued by the IASB but not issued/adopted by KGK

The following amendments to IAS 21 were issued by the International Accounting Standards Board ("IASB") but have not yet been adopted/issued by KGK as part of TFRSs. Therefore, they do not form part of TFRSs. The Company will make the necessary changes to its financial statements and disclosures once these amendments become effective under TFRSs.

IAS 21 Amendments – Translation to a Hyperinflationary Presentation Currency

The amendments issued by the IASB in November 2025 require the use of the closing exchange rate when translating from a non-hyperinflationary functional currency to a hyperinflationary presentation currency. Accordingly, an entity whose functional currency is the currency of a non-hyperinflationary economy but whose presentation currency is the currency of a hyperinflationary economy uses the closing rate at the end of the current period to translate all relevant amounts, including comparative amounts (i.e., assets, liabilities, equity items, income and expenses). In addition, if both the functional currency and the presentation currency are currencies of hyperinflationary economies, an entity expresses comparative amounts of a foreign operation whose functional currency is the currency of a non-hyperinflationary economy in the current measuring unit by applying a general price index in accordance with IAS 29. The amendments also introduce certain additional disclosure requirements.

These amendments are intended to improve the usefulness of information in a cost-effective manner. Based on stakeholder feedback, the amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

2.4 Changes in Accounting Policies

Changes are made to accounting policies if necessary or if the effects of transactions and events on the Group's financial position, performance, or cash flows result in a more appropriate and reliable presentation in the consolidated financial statements. If changes in accounting policies affect prior periods, the policy is applied retrospectively in the consolidated financial statements as if it had always been in use. There have been no changes in the Group's accounting policies in the current period. Changes in accounting policies arising from the first-time adoption of a new IFRS are applied retrospectively or prospectively, as appropriate, in accordance with the transition provisions of that IFRS, if any.

Changes that do not include any transition provisions, significant changes made at the discretion of the accounting policy, or identified accounting errors are applied retrospectively, and the financial statements of previous periods are restated.

2.5 Changes in Accounting Estimates and Errors

Changes are made to accounting policies if they are necessary or if the effects of transactions and events on the Group's financial position, performance, or cash flows would result in a more appropriate and reliable presentation in the financial statements. If changes in accounting policies affect prior periods, the policy is applied retrospectively in the financial statements as if it had always been in use. There have been no changes in the Group's accounting policies during the current period.

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are reviewed if there is a change in the conditions on which the estimate was based, new information is obtained, or additional developments occur. The effect of a change in an accounting estimate is reflected in the financial statements in a manner that will be taken into account in determining the period profit or loss, prospectively, in the current period if the effect relates only to that period, and in both the period in which the change is made and future periods if the effect relates to future periods.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

The nature and amount of a change in an accounting estimate that affects the current period's operating results or is expected to affect future periods is disclosed in the notes to the financial statements, except where it is not possible to estimate the effect on future periods. The Group has no accounting estimate changes expected to affect the current period's operating results.

i) Definition of Lease

Previously, the Group determined whether a contract contained a lease at the inception of the contract in accordance with IFRIC 4 "Determining whether an Arrangement contains a Lease." The Group now assesses whether a contract contains a lease based on the new definition of a lease.

Under IFRS 16, if the right to control the use of an asset defined under a contract is transferred for a specified period, that contract is a lease or contains a lease transaction.

In transitioning to IFRS 16, the Group has opted to apply the new lease definition without reassessing whether contracts previously defined as leases meet the lease definition using the transitional relief. Therefore, it has applied IFRS 16 only to contracts previously defined as lease agreements. Contracts that did not contain a lease under IAS 17 and IFRIC 4 have not been reassessed to determine whether they contain a lease transaction.

ii) As a Lessee

The Group leases buildings. As a lessee, the Group previously classified lease transactions as operating or finance leases based on an assessment of whether all risks and rewards incidental to ownership of the asset were transferred. However, under IFRS 16, the Group now recognizes has recognized right-of-use assets and lease liabilities for most of its leases in its financial statements; in other words, these lease transactions are presented in the statement of financial position.

The Group has presented its lease liabilities in the statement of financial position under "Borrowings."

a) Accounting policy

The Group recognizes the right-of-use asset and lease liability in its consolidated financial statements on the date the lease commences. The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for the remeasurement of the lease liability.

After the lease commences, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect lease payments made. It is remeasured if there is a change in the assessment of the lease term and the purchase option, if there is a change in the amounts expected to be paid under the residual value commitment, or if there is a change in these payments as a result of a change in the index or rate.

The Group has used its judgment to determine the lease term for some lease agreements that include renewal options.

The assessment of whether the Group is reasonably certain to exercise such options affects the lease term; therefore, this matter significantly affects the amounts of the recognized lease liabilities and right-of-use assets.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

2.6 Summary of significant accounting policies

Revenue

Revenue is measured at the fair value of the amount receivable that has been collected or is expected to be collected. Discounts and allowances are deducted from this amount.

Revenue from sales is recognized when the following conditions are met:

- The Group transfers all significant risks and rewards of ownership to the buyer,
- The Group has no continuing managerial involvement and no effective control over the goods sold,
- The amount of revenue can be measured reliably,
- The economic benefits associated with the transaction are likely to flow to the entity,
- Reliable measurement of costs arising from the transaction.

Interest income is accrued in the relevant period at the effective interest rate that discounts the estimated cash inflows from the related financial asset over its expected life to the carrying amount of the asset.

Rental income from real estate is accounted for using the straight-line method over the term of the relevant lease agreement.

If a significant financing component is present in sales, the fair value is determined by discounting future cash flows at the implicit interest rate within the financing component. The difference is recognized in the financial statements on an accrual basis.

Inventories

Semi-finished goods related to construction projects include direct costs, indirect costs that can be related to the project and charged to the project. These semi-finished goods are valued at the lower of cost or net realizable value.

Land purchased for evaluation in construction projects is shown under "land" at the lower of cost or net realizable value.

Completed residential or timeshare properties ready for sale are valued at the lower of cost or net realizable value.

Net realizable value is obtained by deducting the estimated completion cost and the estimated costs that must be incurred to complete the sale from the estimated selling price arising from normal commercial activities.

The Group has classified its inventory by maturity, with land and the portion of residential construction projects under construction that will be completed in more than 12 months classified as long-term, and completed residential and commercial units classified as short-term.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Land and buildings are not subject to depreciation and are stated at cost less accumulated impairment losses. Except for land and investments in progress, the cost amounts of tangible fixed assets are depreciated using the straight-line method based on their expected useful lives. The expected useful life, residual value, and depreciation method are reviewed annually for the possible effects of changes in estimates, and any changes in estimates are accounted for prospectively.

Assets acquired through finance leases are depreciated based on their expected useful lives, as is the case with owned tangible fixed assets. If it is uncertain whether ownership will be acquired at the end of the finance lease term, depreciation is calculated based on the shorter of the expected useful life and the lease term. In accordance with inflation accounting, tangible fixed assets are indexed as of their date of entry into the assets and are presented in the financial statements adjusted to the purchasing power of the relevant reporting period. Fixed assets indexed according to the Domestic Producer Price Index in the legal records are indexed according to the Consumer Price Index in the financial statements prepared in accordance with TFRS. When a tangible fixed asset is disposed of or when no future economic benefit is expected from its use or sale, it is excluded from the statement of financial position. The gain or loss arising from the disposal of tangible fixed assets or the retirement of a tangible fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the income statement. Tangible fixed assets are depreciated over their useful lives.

The estimated useful lives for tangible fixed assets are as follows:

	Economic life
Plant, Machinery and Equipment	10-20 years
Vehicles	5 years
Furniture and Fixtures	3-50 years
Special Costs	5 years

The expected useful life, residual value, and depreciation method are reviewed annually for the potential effects of changes in estimates, and any changes in estimates are accounted for prospectively.

Financial Leasing Transactions

Leases where a significant portion of the risks and rewards of ownership belong to the lessee are classified as financial leases, while other leases are classified as operating leases.

Assets acquired through finance leases are capitalized using the fair value of the asset at the lease date or the present value of the minimum lease payments, whichever is lower. The liability to the lessor is shown on the balance sheet as a finance lease liability. Finance lease payments are allocated between finance expense and principal payments that reduce the finance lease liability, thereby ensuring that interest is calculated at a fixed rate on the remaining principal balance of the debt. Finance expenses are recognized in the income statement, except for the portion of finance expenses capitalized under the Group's general borrowing policy detailed above.

Payments made for operating leases (including incentives received or to be received from the lessor to enable the lease transaction to take place) are recognized in the income statement using the straight-line method over the lease term.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Intangible fixed assets

In accordance with inflation accounting, intangible fixed assets are indexed as of their date of entry into the assets and are presented in the financial statements adjusted to the purchasing power of the relevant reporting period. Fixed assets indexed according to the Domestic Producer Price Index in the legal records are indexed according to the Consumer Price Index in the financial statements prepared in accordance with TFRS.

The expected useful life and depreciation method are reviewed annually to identify the potential effects of changes in estimates, and changes in estimates are accounted for prospectively.

The estimated useful lives for intangible assets are as follows:

	Economic life
Rights	15 years

Impairment of assets

Assets with an indefinite useful life are not subject to amortization. An impairment test is performed annually for these assets. For assets subject to amortization, an impairment test is applied when circumstances or events indicate that the carrying amount may not be recoverable. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs to sell and the value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets subject to impairment, other than goodwill, are reviewed at each reporting date for possible reversal of impairment.

Investment property

Land and facilities held to earn rentals or for capital appreciation, or for both, rather than for use in the production of goods or services, for administrative purposes, or for sale in the ordinary course of business, are classified as investment property and measured at fair value.

Gains or losses arising from a change in the fair value of investment property are included in the comprehensive income statement in the period in which they arise. Gains or losses arising from the discontinuation of use or disposal of investment property are the difference between the net proceeds from the disposal of the asset and the carrying amount of the property and are recognized as investment property net gain or loss on disposal in the period of discontinuation of use or disposal (Note 11).

Borrowing costs

When assets require a significant period of time to be ready for use or sale (qualified assets), borrowing costs directly attributable to the acquisition, construction, or production of the asset are capitalized as part of the asset's cost until the asset is ready for use or sale.

The amount of borrowing costs that can be capitalized in a period in respect of funds borrowed to acquire a qualifying asset is the amount determined by deducting the income earned on temporary investments from the total borrowing costs incurred in that period for those assets. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Financial instruments

Financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists, the Group determines the amount of the impairment loss.

A financial asset or group of financial assets is impaired only if one or more events ("loss event") and that the loss event (or events) has resulted in an impairment due to its effect on the financial asset's or group of assets' future cash flows that can be reliably estimated. Losses that are likely to occur as a result of future events are not recognized, regardless of the likelihood.

Effective interest method

The effective interest method is a method of measuring a financial asset at amortized cost and allocating the related interest income to the period to which it relates. The effective interest rate is the rate that discounts the estimated total cash receipts over the expected life of the financial instrument, or a shorter period if appropriate, to the present value of the financial asset.

Income related to financial assets classified other than financial assets whose fair value changes are recognized in profit or loss is calculated using the effective interest method.

Financial assets whose fair value changes are recognized in profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category when acquired with the intention of selling it in the short term.

Financial assets held to maturity

Fixed-term debt instruments with a fixed or determinable payment schedule, which the Group has the ability and intention to hold to maturity, are classified as investments held to maturity. Held-to-maturity investments are recorded at amortized cost using the effective interest method, less any impairment losses, and related income is calculated using the effective interest method.

Loans and receivables

Commercial and other receivables and loans with fixed and determinable payments that are not traded in the market are classified in this category. Loans and receivables are shown at their discounted cost using the effective interest method, less any impairment loss.

Available-for-sale financial assets

Available-for-sale financial assets consist of financial assets that are not held to maturity, are not loans and receivables, and are not held for trading. Available-for-sale financial assets are measured at fair value after being recorded, provided that they can be reliably measured. Equity instruments held by the Group that are traded in an active market and listed on a stock exchange are classified as available-for-sale financial assets, and their fair values are determined based on the market bid prices published on BIST as of the balance sheet date.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Gains or losses related to available-for-sale financial assets are recognized in the income statement for the relevant period. Changes in the fair value of such assets are recognized in equity accounts. Upon disposal of the relevant asset or impairment, the amount in equity accounts is transferred to the income statement as a gain or loss. The Group assesses whether there is objective evidence of impairment of its financial assets at the balance sheet date. A significant and prolonged decline in the fair value of equity securities classified as available-for-sale below their cost is considered an indication of impairment. If there is objective evidence of impairment of available-for-sale financial assets, the remaining loss, after deducting the impairment amount previously recognized in the income statement from the total loss arising from the difference between the acquisition cost and the fair value of the relevant financial asset, is recognized in the income statement by deducting it from equity. Impairment expenses recorded in the income statement for equity instruments are not recognized in the income statement in subsequent periods, even if the impairment is subsequently reversed. The determination of impairment for trade receivables is disclosed in the accounting policies for trade receivables.

Impairment of financial assets

Financial assets or groups of financial assets other than those whose fair value changes are recognized in profit or loss are assessed at each balance sheet date to determine whether there are any indications of impairment. An impairment loss arises when one or more events occur after the initial recognition of the financial asset and there is an objective indicator that the event has had an adverse effect on the financial asset or group of assets' future cash flows that can be reliably estimated. For financial assets carried at amortized cost, the amount of the impairment loss is the difference between the present value of future estimated cash flows discounted at the financial asset's effective interest rate and the carrying amount.

Except for trade receivables, where the carrying amount is reduced through the use of an allowance account, impairment is deducted directly from the carrying amount of the financial asset. If the trade receivable becomes uncollectible, the amount is written off by deducting it from the allowance account. Changes in the allowance account are recognized in the income statement.

Except for available-for-sale equity instruments, if the impairment loss decreases in a subsequent period and the decrease can be related to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed in the income statement, not exceeding the amortized cost that the investment would have reached if the impairment had never been recognized, on the date the impairment is reversed.

Any increase in the fair value of available-for-sale equity instruments following an impairment is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and other highly liquid short-term investments with maturities of three months or less from the date of purchase, which are readily convertible to cash and do not carry a significant risk of value change.

Financial liabilities

The Group's financial liabilities and equity instruments are classified according to contractual arrangements and the basis for recognizing a financial liability and an equity instrument. A contract that represents the Group's right to the residual interest in the assets of the entity after all of its liabilities have been settled is an equity instrument. The accounting policies applied to specific financial liabilities and equity-linked financial instruments are outlined below.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

Derivatives and hedging activities

Derivatives are recognized at fair value at the date of the initial contract and are subsequently measured at fair value at the end of each reporting period after initial recognition. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedged item. The Group designates certain derivatives as one of the following:

- Hedging against the fair value risk of recognized assets or liabilities or a firm commitment (fair value hedge)
- Hedging against specific risks associated with cash flows related to recognized assets and liabilities and a probable forecast transaction (cash flow hedge), or
- Hedging against the net investment risk in a foreign operation

At the inception of a hedge, the Group documents the relationship between the hedged items and the hedging instruments, as well as the risk management objectives and strategy that led to the various hedging transactions. The Group also documents its assessment, both at the inception and during the continuation of the hedge, that the derivatives used in the hedge are highly effective in offsetting changes in the fair value or cash flows of the hedged item and will continue to be highly effective. Derivatives held for trading are classified as current assets or current liabilities.

Effects of exchange rate changes

The Group's consolidated financial statements are presented in the currency of the primary economic environment in which it operates (functional currency).

During the preparation of the Group's consolidated financial statements, transactions denominated in foreign currencies (currencies other than the Turkish Lira) are recorded based on the exchange rates prevailing on the transaction date. Foreign currency-denominated monetary assets and liabilities included in the balance sheet are converted into Turkish Lira using the exchange rates prevailing on the balance sheet date. Non-monetary items measured at fair value that are recorded in foreign currency are converted into Turkish Lira based on the exchange rates prevailing on the date the fair value was determined. Non-monetary items measured at historical cost in foreign currency are not subject to revaluation.

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

- Exchange differences treated as an adjustment item on interest costs on debts denominated in foreign currency related to assets under construction for future use and included in the cost of such assets,
- Exchange rate differences arising from transactions carried out to provide financial protection against risks arising from foreign currency (accounting policies relating to financial protection against risks are explained below)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Earnings per share

Earnings per share as stated in the income statement are calculated by dividing net profit by the weighted average number of shares outstanding during the year.

In Turkey, companies can increase their capital by distributing "bonus shares" to their shareholders from past period profits. These types of "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is determined by taking into account the retrospective effects of such share distributions.

Events after the balance sheet date

Events after the balance sheet date include all events occurring between the balance sheet date and the date the financial statements are authorized for issuance, even if they arise after any announcement regarding profits or other selected financial information is made public.

The Group adjusts the amounts recognized in the consolidated financial statements to reflect any events occurring after the balance sheet date that require adjustment.

Provisions, contingent assets and liabilities

A provision is recognized in the financial statements when there is a present obligation arising from past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

The amount of the provision is calculated by estimating the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation.

When the provision is measured using the estimated cash flows required to settle the existing obligation, the carrying amount of the provision is equal to the present value of the related cash flows.

Where it is expected that part or all of the economic benefit required to settle the provision will be reimbursed by third parties, the amount to be recovered is recognized as an asset if the recovery is virtually certain and can be measured reliably.

Contracts giving rise to losses

Existing obligations arising from contracts that will cause a loss are calculated and accounted for as provisions.

If the Group has a contract in which the unavoidable costs to be incurred to fulfill its contractual obligations exceed the economic benefits expected to be obtained from the contract in question, the contract is considered to be a contract that will result in a loss.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Taxes calculated on corporate income

The income earned by the Group, which has acquired the status of a Real Estate Investment Trust, from its real estate investment trust activities is exempt from corporate income tax pursuant to Article 5/(1) (d) (4) of the Corporate Income Tax Law No. 5520 (CITL). Pursuant to Article 15/(3) of the CITL, a 15% tax deduction is made on the aforementioned income exempt from corporate tax. The Council of Ministers is authorized to reduce the tax withholding rates specified in Article 15 to zero for each payment and income separately, to increase them up to the corporate tax rate, and to differentiate them within the same limits for the income specified in the third paragraph according to the type of fund or partnership or according to the nature and distribution of the assets in their portfolios. Pursuant to Council of Ministers Decision No. 2009/14594, a 0% tax withholding is applied to the portfolio management profits of Real Estate Investment Partnerships that are exempt from corporate tax. In this context, income subject to tax withholding is not additionally subject to dividend withholding tax pursuant to the provisions of Article 15/(2) of the Corporate Tax Law.

However, with the Law Amending Tax Laws and Certain Laws and Decree-Law No. 375, published in the Official Gazette dated August 2, 2024, changes have been made to the implementation principles of this exemption for real estate investment partnerships and real estate investment funds, effective as of January 1, 2025.;

- The application of the corporate tax exemption provided for the profits of Real Estate Investment Trusts ("REITs") is subject to the condition that at least 50% of the profits earned from the real estate owned by such partnerships be distributed as dividends by the end of the second month following the month in which the corporate tax return is required to be filed.
- Paragraph c added to Article 32 of the Corporate Tax Law introduces a 10% minimum domestic corporate tax, and stipulates that REITs' income from real estate cannot be considered as an exemption or deduction when calculating the minimum corporate tax.

According to these amendments, if the profit is not distributed to the partners within the specified period and at the specified rate, the taxes that were not accrued on time due to the benefit of the exemption will be considered lost. Furthermore, Article 32/C of the Corporate Tax Law has been amended to include the provision that the corporate tax calculated in accordance with the provisions of Articles 32 and 32/A cannot be less than 10% of the corporate income before deductions and exemptions.

In this context, the Group will use the tax rate of 30%, which is the tax rate applicable to undistributed profits in the period tax calculation as of January 1, 2025. The effect of paying tax at 10% of the minimum corporate tax, provided that the relevant exemption condition is met following the Group's General Assembly decision, will be reported in the next accounting period under the period tax income/(expense) item in the profit or loss statement.

Reporting of financial information by segment

The reporting of operating segments should be organized in a manner consistent with the reporting made to the body authorized to make decisions regarding the company's activities. However, since the Group's activities are concentrated in a single geographical segment (Turkey) and all of its activities are concentrated in a single industrial segment (developing residential projects on land in its real estate portfolio), it does not report by segment.

The body authorized to make decisions regarding the company's activities is the Board of Directors. In its decision-making process, the Board of Directors evaluates the Group's financial statements prepared in accordance with accounting principles accepted by the Capital Markets Board for three-month periods.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Employee benefits/severance payments

In accordance with current laws and collective bargaining agreements in Turkey, severance pay is paid in the event of retirement or dismissal. Pursuant to the updated IAS 19 *Employee Benefits* Standard ("IAS 19"), such payments are classified as defined benefit plans.

The severance pay liability recognized in the balance sheet has been calculated based on the net present value of the expected future liabilities arising from the retirement of all employees and reflected in the consolidated financial statements. All calculated actuarial gains and losses have been reflected in the consolidated income statement.

Cash flow statement

In the consolidated cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities.

Cash flows from operating activities represent cash flows arising from the Group's residential project development and residential sales activities.

Cash flows related to investing activities represent the cash flows used and received by the Group in its investing activities (fixed investments and financial investments).

Cash flows related to financing activities represent the sources used by the Group in its financing activities and the repayments of these sources.

Capital and dividends

Common shares are classified as equity. Dividends distributed on common shares are recorded by deducting them from retained earnings in the period in which the dividend decision is made.

2.7 Significant Accounting Estimates, Assumptions, and Judgments

The preparation of consolidated financial statements requires the use of estimates and assumptions that can affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the accounting period. While these estimates are based on management's best judgment and information, accounting estimates, by their nature, may not result in amounts that are identical to the actual results.

The significant estimates, assumptions, and judgments used in preparing the accompanying financial statements as of December 31, 2025, are described below.

Fair values of investment properties:

The fundamental assumptions underlying the expert reports used to determine the fair value of real estate classified as investment property in the consolidated financial statements are outlined below:

The Group commissioned Focus Global Değerleme ve Danışmanlık A.Ş. in 2025 and in 2024 to perform valuation work to determine the fair value of its investment properties. Group management assumes that the effect of expenditures made on investment properties on the fair value of the relevant property is equal to the amount of the expenditure.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

In the consolidated financial statements, the valuation method and comparable square meter values, which are the basic assumptions of the appraisal reports, are presented in the table below during the determination of the fair value of real estate classified as investment property.

Significant estimates and assumptions included in the consolidated financial statements as of December 31, 2025, and December 31, 2024, are outlined below.

December 31, 2025	Appraisal Date	Valuation Method
Sinpaş KızılbüK Thermal Wellness Resort Project	January 8, 2026	Income Capitalization Approach (Discounted Cash Flow)

December 31, 2024	Appraisal Report Date	Valuation Method
Sinpaş KızılbüK Thermal Wellness Resort Project	January 8, 2025	Income Capitalization Approach (Discounted Cash Flow)

The details of the Group's investment property are as follows:

As of 31 December 2025, the Group has classified under investment properties the timeshare and hotel project (Sinpaş KızılbüK Thermal Wellness Resort Project) located on parcels no. 2587, 2588 and 1598, sheet no. 1, in İçmeler Neighborhood, Marmaris district of Muğla province.

The Sinpaş KızılbüK Thermal Wellness Resort Project is situated on parcels no. 2587, 2588 and 1598 with a total land area of 173,477.72 m². The Project consists of two phases currently under construction as a mixed-use development. Initially planned as a 4-phase project, it has been revised due to technical reasons arising from the physical characteristics of the land, and the 4. phase has been abandoned. A new project design has been prepared for Phase 3 on parcels no. 1598 and 2588. The Group's management has applied for and obtained the construction permit for the revised Phase 3. The valuation reports have been prepared by taking Phases 1, 2 and 3 into consideration.

Within the Project, Phases 1 and 2 are located on parcel no. 2587. Parcels no. 1598 and 2588 have been designated as development areas. Phase 3 timeshare and vacation ownership units are planned to be developed on parcels no. 2588 and 1598.

The Group plans to sell 70% of the timeshare units in Phases 1, 2 and 3 and to operate the remaining 30% through leasing in order to ensure the sustainable continuation and success of the Project concept.

In the Group's financial statements dated December 31, 2025, 100% of the Hotel, Thermal SPA, Aquapark, Shopping Areas, and Other Commercial Areas comprising the Group Portfolio are classified as investment property, while 70% of the timeshares in the total project are classified as inventory and 30% as investment property.

In accordance with the provisions of the Capital Markets Board's Communiqué Serial: III, No: 62.1, the appraisal report dated 8 January 2026 and numbered 2025-SPK-074, prepared by Focus Global Değerleme ve Danışmanlık A.Ş., determined the fair value of the investment property at 28,256,158,744 TL as of 31 December 2025, when assessed within the scope of the project.

2.8 Compliance with portfolio restrictions

As of December 31, 2022, the information provided in the footnote titled "Control of Compliance with Portfolio Restrictions" constitutes summary information derived from the financial statements in accordance with Article 16 of the Capital Markets Board Series: II, No: 14.1 "Communiqué on Principles Regarding Financial Reporting in the Capital Markets." The "Regulations on Real Estate Investment Trusts" (Series: III, No: 48.1), published in the Official Gazette No. 28660 on May 28, 2013, and the "Regulations on Amendments to the Regulations on Real Estate Investment Trusts" (Series: III, No: 48.1a), published in the Official Gazette No. 28891 on January 23, 2014, regarding compliance with portfolio restrictions. No. 48.1a, published in the Official Gazette dated January 23, 2014, No. 28891, regarding the amendment of the "Communiqué on the Principles of Real Estate Investment Trusts."

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

3. BUSINESS COMBINATIONS

None.

4. CASH AND CASH EQUIVALENTS

As of December 31, 2025, and December 31, 2024, the Group's cash and cash equivalents are as follows:

	December 31, 2025	December 31, 2024
Bank	7,941,772	6,861,334
- Demand deposits	7,941,772	6,861,334
Other liquid assets	799,905	-
	8,741,677	6,861,334

Cash and cash equivalents included in the cash flow statements as of December 31, 2025 and December 31, 2024 are as follows:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	8,741,677	6,861,334
Interest Income Discounts on Cash and Cash Equivalents	-	-
Total cash and cash equivalents included in the cash flow statement	8,741,677	6,861,334

The Group has no blocked deposits as of December 31, 2025 (December 31, 2024: Not Available).

5. FINANCIAL LIABILITIES

As of December 31, 2025 and December 31, 2024, the details of the Group's financial borrowings are as follows:

Financial liabilities	December 31, 2025	December 31, 2024
Short-Term Borrowings:		
Bank Loans(*)	742,164,151	-
Current Portion of Long-Term Borrowings:		
Bank Loans	1,318,798,419	925,339,441
Debts from Financial Leasing Transactions with Related Parties	140,875,004	87,286,044
Lease Obligations to Third Parties	15,288,780	6,029,155
Long-Term Borrowings		
Bank Loans	1,509,823,604	592,868,264
Debts from Financial Leasing Transactions with Related Parties	8,134,782	-
Lease Obligations to Unrelated Parties	-	9,746,097
Total Financial Liabilities	3,735,084,740	1,621,269,001

(*) Sinpaş GYO, the Group's main partner, has provided the Group's with bridge loans within the scope of intra-group financing, to meet their working capital and/or investment financing needs. As a result of these transactions, interest and other financing costs relating to the bank loans used by Sinpaş GYO are reflected directly in the group's accounts. The Group accounts for these bridge loans as short-term borrowings in its financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Maturity distribution of financial lease liabilities	December 31, 2025	December 31, 2024
0-1 year	140,875,004	87,286,044
1-5 years	8,134,782	-
5 years and over	-	-
	149,009,786	87,286,044

Lease liability maturity distribution	December 31, 2025	December 31, 2024
0-1 year	15,288,780	6,029,155
1-5 years	-	9,746,097
5 years and over	-	-
	15,288,780	15,775,252

Maturity distribution of bank loans	December 31, 2025	December 31, 2024
0-1 year	2,060,962,570	925,339,441
1-5 years	1,509,823,604	592,868,264
5 years and over	-	-
	3,570,786,174	1,518,207,705

The Group's financial debt movement tables as of December 31, 2025, and December 31, 2024, are as follows:

	December 31, 2025	December 31, 2024
January 1	1,621,269,002	133,129,188
Entries	6,843,984,676	1,515,422,212
Expenditures and Other	(4,730,168,938)	(27,282,398)
December 31	3,735,084,740	1,621,269,002

6. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

As of December 31, 2025 and December 31, 2024, the details of the Group's trade receivables are as follows:

Short-Term Trade Receivables	December 31, 2025	December 31, 2024
Trade Receivables from Third Parties Parties	83,282,809	143,620,186
- <i>Buyers</i>	83,277,464	143,613,190
- <i>Deposits and Guarantees Given</i>	5,345	6,996
Trade Receivables from Related Parties (Note: 32)	676,058,559	1,733,451,415
Total	759,341,368	1,877,071,601

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

b) Trade payables

As of December 31, 2025 and December 31, 2024, the details of the Group's short-term trade payables are as follows:

Short-Term Trade Payables	December 31, 2025	December 31, 2024
Trade Payables to Third Parties Parties	738,594,436	598,840,843
- <i>Suppliers</i>	468,309,380	323,233,909
- <i>Promissory Notes</i>	290,178,062	299,815,424
- <i>Discount on Debt</i>	(19,893,006)	(24,208,490)
Trade Payables to Related Parties (Note: 32)	65,827,006	135,677,383
Total	804,421,442	734,518,226

As of December 31, 2025, the average interest rate on debt securities denominated in Turkish Lira is 48% There are no foreign currency debt securities. (December 31, 2024: 48%).

As of December 31, 2025 and December 31, 2024, the details of the Group's long-term trade payables are as follows:

Long-Term Trade Payables	December 31, 2025	December 31, 2024
Trade Payables to Third Parties	-	-
Trade Payables to Related Parties (Note: 32)	28,344,504	-
Total	28,344,504	-

Disclosures regarding the nature and level of risks associated with commercial debts are provided in Note 33.

7. OTHER RECEIVABLES AND LIABILITIES

a) Other receivables

As of December 31, 2025, and December 31, 2024, the Group's other receivables are as follows:

Short-Term Other Receivables	December 31, 2025	December 31, 2024
Other Receivables from Third Parties Parties	22,662	31,385
- <i>Other Miscellaneous Receivables</i>	-	31,385
- <i>Receivables from the Tax Office</i>	22,662	-
Other Receivables from Related Parties (Note: 32)	-	-
Total	22,662	31,385

As of December 31, 2025 and December 31, 2024, details of the Group's other long-term receivables are as follows:

Long-Term Other Receivables	December 31, 2025	December 31, 2024
Deposits and Guarantees Given	152,621	199,769
Total	152,621	199,769

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

b) Other liabilities

As of December 31, 2025 and December 31, 2024, the Group's has no short-term other liabilities.

As of December 31, 2025 and December 31, 2024, the details of the Group's other long-term liabilities are as follows:

Long-Term Other Liabilities	December 31, 2025	December 31, 2024
Deposits and Guarantees Received (*)	169,372,186	158,924,790
Total	169,372,186	158,924,790

(*) Consists of deposits received for the Sinpaş Kızılbük Wellness Resort Project.

8. FINANCIAL INVESTMENTS

As of December 31, 2025 and December 31, 2024, the details of the Group's Financial Investments are as follows:

	December 31, 2025	December 31, 2024
Financial Investment at Fair Value Through Profit or Loss	47,002,876	-
<i>TL Fund</i>	47,002,876	-
Total	47,002,876	-

As of December 31, 2025 and December 31, 2024, the details of the Group's Financial Investments activity statements are as follows:

	December 31, 2025	December 31, 2024
January 1	-	-
Financial Investments Made During the Period	46,912,285	-
Financial Asset Valuation Related to Fair Value Through Profit or Loss	90,591	-
December 31	47,002,876	-

9. INVENTORIES

As of December 31, 2025, and December 31, 2024, the Group's short-term inventories are as follows:

Short-Term Inventories	December 31, 2025	December 31, 2024
Timeshares (*)	3,596,408,107	1,813,725,535
Total	3,596,408,107	1,813,725,535

(*) The Group consists of phase 1 and phase 2 timeshares.

As of December 31, 2025, and December 31, 2024, the Group's long-term inventories are as follows:

Long-Term Inventories	December 31, 2025	December 31, 2024
Residential construction projects under development and construction	331,082,381	278,259,730
- Sinpaş Kızılbük Thermal Wellness Resort Project	229,976,017	252,864,872
- Sinpaş Kasaba Thermal Wellness Resort Project	101,106,364	25,394,858
Total	331,082,381	278,259,730

As of December 31, 2025, inventories and investment properties totaling 2,385,000,000 TL are insured.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Sinpaş Kızılıbük Thermal Wellness Resort Project

Inventories in the Sinpaş Kızılıbük Thermal Wellness Resort Project are shown at cost, and the Company classifies 70% of timeshares as inventory and 30% as investment property. Inventories will only consist of 70% of timeshares belonging to the Sinpaş Kızılıbük Wellness Resort Project in the future. The amount in inventories consists of the cost (expense) of the timeshares belonging to the project.

Sinpaş Kasaba Thermal Wellness Resort Project

According to the company's special situation announcement dated November 28, 2023, Kızılıbük Kuşgölü Gayrimenkul Yatırımları A.Ş., a wholly-owned subsidiary of Güney Marmara Gayrimenkul Yatırımları A.Ş., has signed a "Promise of Sale of Real Estate in the Form of Arrangement and Land" agreement with the landowner for a total of 343,151.54 m² of land located in the Muradiye Yolu area, Okçugöl Mahallesi, Susurluk District, Balıkesir Province. Muradiye Yolu neighborhood, for a total of 343,151.54 m² of land. According to the agreement, Kızılıbük Kuşgölü Real Estate Investments Inc. will develop a timeshare project on the land. Twelve percent of the revenue generated from the sale of the timeshare properties to be built in exchange for the land share will be given to the landowner, and the remaining 88% will belong to Kızılıbük Kuşgölü Real Estate Investments Inc.

Inventories in the Sinpaş Kasaba Thermal Wellness Resort Project are shown at cost.

10. RIGHT-OF-USE ASSETS

As of December 31, 2025, the details *of the* Group's *usage right assets* are as follows:

Cost Value	January 31, 2025	Additions	Exits	December 31, 2025
Buildings	25,035,430	17,740,068	(1,434,716)	41,340,782
Total	25,035,430	17,740,068	(1,434,716)	41,340,782
Accumulated Depreciation				
Buildings	(8,345,143)	(21,136,563)	478,239	(29,003,467)
Total	(8,345,143)	(21,136,563)	478,239	(29,003,467)
Net Book Value	16,690,287			12,337,315

As of December 31, 2024, the details *of the* Group's *right-of-use assets* are as follows:

Cost Value	January 31, 2024	Additions	Exits	December 31, 2024
Buildings	49,141,286	25,035,429	(49,141,285)	25,035,430
Total	49,141,286	25,035,429	(49,141,285)	25,035,430
Accumulated Depreciation				
Buildings	(45,046,179)	(12,198,638)	48,899,674	(8,345,143)
Total	(45,046,179)	(12,198,638)	48,899,674	(8,345,143)
Net Book Value	4,095,107			16,690,287

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

11 INVESTMENT PROPERTIES

As of December 31, 2025, the movement table for investment properties is as follows:

Investment Properties	January 31, 2025	Additions	Exits	Fair Value Change	December 31, 2025
Sinpaş Kızılıbük Thermal Wellness Resort Project	23,804,612,284	1,816,918,028	-	2,634,628,432	28,256,158,744
Total	23,804,612,284	1,816,918,028	-	2,634,628,432	28,256,158,744

As of December 31, 2024, the movement table for investment properties is as follows:

Investment Properties	January 31, 2024	Additions	Exits	Fair Value Change	December 31, 2024
Sinpaş Kızılıbük Thermal Wellness Resort Project	14,840,694,955	1,149,255,731	-	7,814,661,598	23,804,612,284
Total	14,840,694,955	1,149,255,731	-	7,814,661,598	23,804,612,284

The Group's investment properties as of December 31, 2025 are detailed below:

	Fair Value of Investment Properties
Phase 1	15,633,138,086
<i>Timeshare (*)</i>	1,856,253,286
<i>Hotel</i>	11,020,018,800
<i>Shopping Areas</i>	2,221,609,000
<i>SPA</i>	361,342,400
<i>Aquapark</i>	173,914,600
Phase 2	9,434,328,823
<i>Timeshare (*)</i>	9,434,328,823
3rd Phase	3,188,691,835
<i>Timeshare (*)</i>	3,188,691,835
TOTAL	28,256,158,744

(*) Group management classifies timeshares in the Sinpaş Kızılıbük Thermal Wellness Resort project as investment property, as it will sell 70% of them and classify the remaining 30% as investment property to generate rental income. Therefore, timeshares within investment property only represent the fair value of timeshares that will be leased (30% of total timeshares).

There is a mortgage of 1,000,000,000 TL on investment properties, secured by a loan from Türkiye Halk Bankası A.Ş.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

As of December 31, 2024, the detailed information on investment properties is as follows:

Fair Value of Investment Properties	
Phase 1	12,979,396,546
<i>Timeshare (*)</i>	1,761,413,101
<i>Hotel</i>	9,019,942,171
<i>Shopping Areas</i>	1,825,285,751
<i>SPA</i>	255,190,547
<i>Aquapark</i>	117,564,976
Phase 2	7,743,407,788
<i>Timeshare (*)</i>	7,743,407,788
3rd Phase	3,081,807,950
<i>Timeshare (*)</i>	3,081,807,950
TOTAL	23,804,612,284

(*) Group management classifies timeshares in the Sinpaş Kızılbük Thermal Wellness Resort project as investment property, as it will sell 70% of them and classify the remaining 30% as investment property to generate rental income. Therefore, timeshares within investment property only represent the fair value of timeshares that will be leased (30% of total timeshares).

There is a mortgage of 1,308,923,283 TL on investment properties, secured by a loan from Türkiye Halk Bankası A.Ş.

12. FIXED ASSETS

As of December 31, 2025, the Group's tangible fixed assets are as follows:

Cost Value	January 1, 2025	Additions	Disposals	December 31, 2025
Facilities, Machinery, and Equipment	-	1,179,417	-	1,179,417
Vehicles	8,675,376	-	-	8,675,376
Fixed Assets	19,158,042	13,112,464	-	32,270,506
Special Costs	570,726	11,744,458	-	12,315,184
Total	28,404,144	26,046,193	-	54,440,483
Accumulated Depreciation				
Facilities, Machinery, and Equipment	-	(41,103)	-	(41,103)
Vehicles	(2,237,683)	(1,735,075)	-	(3,972,758)
Fixed Assets	(7,217,391)	(6,299,892)	-	(13,517,283)
Special Costs	(348,763)	(1,776,555)	-	(2,125,318)
Total	(9,803,837)	(9,852,625)	-	(19,656,462)
Net Book Value	18,600,307			34,784,021

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

As of December 31, 2024, the Group's tangible fixed assets are as follows:

Cost Value	January 1, 2024	Additions	Disposals	December 31, 2024
Vehicles	15,479,722	-	(6,804,346)	8,675,376
Fixed Assets	11,068,526	8,089,516	-	19,158,042
Special Costs	570,726	-	-	570,726
Total	27,118,974	8,089,516	(6,804,346)	28,404,144
Accumulated Depreciation				
Vehicles	(4,486,799)	(1,739,829)	3,988,945	(2,237,683)
Fixed Assets	(3,560,173)	(3,657,218)	-	(7,217,391)
Special Costs	(234,306)	(114,457)	-	(348,763)
Total	(8,281,278)	(5,511,504)	3,988,945	(9,803,837)
Net Book Value	18,837,696			18,600,307

13 INTANGIBLE FIXED ASSETS

As of December 31, 2025, the Group's intangible fixed assets are as follows:

Cost Value	January 1, 2025	Entries	Exits	December 31, 2025
Rights	1,462,343	4,688,039	-	6,150,382
Total	1,462,343	4,688,039	-	6,150,382
Accumulated Depreciation				
Rights	(132,604)	(322,627)	-	(455,231)
Total	(132,604)	(322,627)	-	(455,231)
Net Book Value	1,329,739			5,695,151

As of December 31, 2024, the Group's intangible fixed assets are as follows:

Cost Value	January 1, 2024	Additions	Disposals	December 31, 2024
Rights	468,139	994,204	-	1,462,343
Total	468,139	994,204	-	1,462,343
Accumulated Depreciation				
Rights	(54,274)	(78,330)	-	(132,604)
Total	(54,274)	(78,330)	-	(132,604)
Net Book Value	413,865			1,329,739

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i) Contingent Assets and Liabilities:

Lawsuit Disclosures

As of December 31, 2025, there are 4 lawsuits filed against the Group, the details of which are as follows:

Plaintiff	Defendant	Subject	File No	December 31, 2025
Arzu Alper, Ufuk Beytekin, Neslişah Çetinkaya, Haydar Küreş	Kızılıbük GYO A.Ş.	Cancellation of Administrative Action	2022 – 1131 Muğla 3rd Administrative Court	Pending
Nurullah Rahman	Kızılıbük GYO A.Ş.	Wage Claim	2023 – 706 Anatolia 27th Labor Court	Pending
Mesut Yılmaz	Kızılıbük GYO A.Ş.	Wage Claim	2023 – 705 Anatolia 27th Labor Court	Pending
Bilal Özdemir	Kızılıbük GYO A.Ş.	Debt Claim	2023 – 121 Marmaris 3rd Civil Court of First Instance	Pending

The Group management has set aside **14,665,314 TL** for the above lawsuits.

As of December 31, 2024, there are 4 lawsuits filed against the Group, and the details of the lawsuits are as follows:

Plaintiff	Defendant	Subject	Case No.	Dec. 31, 24
Arzu Alper, Ufuk Beytekin, Neslişah Çetinkaya, Haydar Küreş	Kızılıbük GYO A.Ş.	Cancellation of Administrative Action	2022 – 1131 Muğla 3rd Administrative Court	Pending
Nurullah Rahman	Kızılıbük GYO A.Ş.	Wage Claim	2023 – 706 Anatolia 27th Labor Court	Pending
Mesut Yılmaz	Kızılıbük GYO A.Ş.	Wage Claim	2023 – 705 Anatolia 27th Labor Court	Pending
Bilal Özdemir	Kızılıbük GYO A.Ş.	Debt Claim	2023 – 121 Marmaris 3rd Civil Court of First Instance	Pending

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

The movement table for other short-term receivables within short-term receivables (lawsuit) is as follows:

	December 31, 2025	December 31, 2024
January 1	281,039	405,761
Increase / (Decrease)	14,450,604	-
Monetary Loss Gain Effect	(66,329)	(124,722)
December 31	14,665,314	281,039

Within the scope of the Sinpaş Kızılıbük Thermal Wellness Resort Project carried out by the Group in Marmaris district of Muğla province, there are lawsuits filed before the administrative courts regarding various administrative proceedings related to the Project.

Lawsuit Regarding the Occupancy Permit (Building Use Permit)

Pursuant to the letter dated 10 January 2025 of the Marmaris Municipality, the Company filed a lawsuit before the Muğla 2nd Administrative Court (File No: 2025/133 E.) seeking the annulment of the administrative act regarding the cancellation of the Building Use Permit dated 29 March 2024 and numbered 15/1 through the Spatial Address Registration System (MAKS).

The aforementioned case was initially rejected on procedural grounds due to the Court's decision requiring the resubmission of the petition. Upon timely resubmission, the case continued under File No: 2025/198 E.

In the proceedings before the Muğla 2nd Administrative Court (File No: 2025/198 E.), a decision was rendered in favor of the Company for the annulment of the administrative act and for the stay of execution.

Lawsuit Regarding the Administrative Fine (2,677,149,516 TL)

The Company filed a lawsuit before the Muğla 2nd Administrative Court (File No: 2025/134 E.) seeking the annulment and stay of execution of the administrative fine amounting to 2,677,149,516 TL imposed pursuant to the Municipal Council (Encümen) decision dated 19 December 2024 and numbered 2024/6028 (regarding the implementation of Article 42).

In the relevant case, the Court decided in favor of the stay of execution and further ruled for the annulment of the administrative act subject to litigation.

Assessment

As of the reporting date, annulment decisions have been rendered in favor of the Company in the aforementioned cases. However, the finalization and appellate processes of such decisions, as well as any potential new administrative actions that may be initiated by the relevant authorities, are being closely monitored. Based on the assessments of the Company's management and legal counsel, it has been concluded that there is no finalized obligation requiring the recognition of an additional provision in the financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

ii) Commitments not included in liabilities:

As of December 31, 2025, the Company has received a letter of guarantee and promissory note in the amount of 178.583.666 TL (December 31, 2024: 444.987.571 TL).

There is a mortgage of 1,000,000,000 TL placed by Türkiye Halk Bankası A.Ş. on investment-purpose real estate in exchange for a loan.

The CPMs issued by the Group as of December 31, 2025, and December 31, 2024, are as follows:

Collateral-Pledges-Mortgages ("CPM") issued by the Group

Collateral-Pledge-Mortgages ("CPM")	December 31, 2025	December 31, 2024
A. Total amount of CPMs provided		
by the Group	1,002,449,036	1,310,526,634
B. Issued in favor of partnerships included in the scope of full consolidation		
in favor of the partnerships included in the scope of full consolidation		
Total amount of CPMs	-	-
C. For the purpose of conducting its ordinary commercial activities		
for the purpose of securing the debt of other third parties		
for the purpose of guaranteeing the debts of other third parties	-	-
D. Total amount of other CPMs issued	-	-
i) Total amount of CPMs granted in favor of the main partner	-	-
ii) The total amount of TRIs granted in favor of other companies not covered by items B and C		
in favor of other companies not covered by Articles B and C	-	-
iii) Total amount of CPMs granted in favor of third parties not covered by Article C		
-	-	-
Total	1,002,449,036	1,310,526,634

15 EMPLOYEE BENEFITS AND CONTINGENCIES

As of December 31, 2025 and December 31, 2024, the Group's liabilities under employee benefits are as follows:

Liabilities Related to Employee Benefits	December 31, 2025	December 31, 2024
Personnel Liabilities	7,071,320	4,228,625
Social Security Law ("SGK") premiums payable	3,904,511	1,605,910
Tax Funds to be Paid	4,089,557	-
Total	15,065,388	5,834,535

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

Provisions for short-term employee benefits

The short-term provisions for employee benefits as of December 31, 2025, and December 31, 2024, are as follows:

Provisions for short-term employee benefits	December 31, 2025	December 31, 2024
Leave Provisions	7,413,712	6,753,192
Total	7,413,712	6,753,192

The statement of changes in short-term liabilities is as follows:

	December 31, 2025	December 31, 2024
January 1	6,753,192	9,152,671
Increase / (Decrease)	2,254,363	413,845
Monetary Loss/Gain Effect	(1,593,843)	(2,813,324)
December 31	7,413,712	6,753,192

Long-Term Employee Benefit Provisions

As of December 31, 2025, and December 31, 2024, long-term provisions for employee benefits are as follows:

Long-Term Employee Benefit Provisions	December 31, 2025	December 31, 2024
Seniority Reserves	8,287,292	4,372,083
Total	8,287,292	4,372,083

	December 31, 2025	December 31, 2024
January 1	4,372,083	3,848,200
Service cost	6,561,844	1,688,991
Interest expense	408,905	212,924
Actuarial gain/loss	728,820	63,368
Monetary gain/loss effect	(1,031,869)	(1,182,848)
Loss/Gain Arising from Payment/Benefit Reduction/Termination	(1,202,409)	(258,552)
Severance Pay Paid	(1,550,082)	-
December 31	8,287,292	4,372,083

Severance pay equivalent:

In accordance with the provisions of the current Labor Law, employers are obligated to pay the statutory severance pay to employees whose employment contracts have ended in a manner entitling them to severance pay. Additionally, pursuant to the provisions of Article 60 of the Social Insurance Law No. 506, as amended by Laws No. 2422 dated March 6, 1981, and No. 4447 dated August 25, 1999, employers are also obligated to pay the statutory severance pay to those who have earned the right to leave their jobs with severance pay. Certain transitional provisions related to pre-retirement service conditions were removed from the Law with its amendment on May 23, 2002.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

As of 31 December 2025, the severance pay ceiling is limited to 64,948.77 TL for each year of service, calculated based on one month's gross salary. In the calculation of the Group's provision for severance pay, the ceiling amount of 64,948.77 TL effective as of 1 January 2026 has been taken into consideration. The severance pay liability is not subject to any funding requirement, as there is no mandatory funding obligation. The severance pay obligation is calculated based on the present value of the estimated future obligation arising from the retirement of the Group's employees. IAS 19 "Employee Benefits" requires the company's obligations to be calculated using actuarial valuation methods within the scope of defined benefit plans. The actuarial assumptions used in calculating the total obligations are specified below. Actuarial loss/(gain) is recognized in the comprehensive income statement under "Accumulated Other Comprehensive Income or Expense Not Reclassified to Profit or Loss."

The main statistical-based estimates used as of December 31, 2025, in calculating the severance pay liability in the accompanying financial statements are as follows:

	<u>December 31, 2025</u>
Discount rate	2.50%
Estimated rate of eligibility for severance pay	100.00%

The main statistical-based estimates used in calculating the severance pay liability in the attached financial statements as of December 31, 2024 are as follows:

	<u>December 31, 2024</u>
Discount rate	1.90%
Estimated rate of eligibility for severance pay	100.00%

16 OTHER SHORT-TERM LIABILITIES

As of December 31, 2025, and December 31, 2024, the Group's other short-term liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Taxes and Funds Payable	148,402,474	89,324,002
Other Payable Liabilities	-	703
Total	148,402,474	89,324,705

17 PREPAID EXPENSES

As of December 31, 2025 and December 31, 2024, the Group's prepaid expenses are as follows:

Short-Term Prepaid Expenses	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepaid Expenses to Third Parties Parties	756,508,847	1,429,341,737
- <i>Advances Paid (*)</i>	756,027,591	1,429,249,216
- <i>Expenses for Future Months</i>	481,256	92,521
Prepaid Expenses to Related Parties	138,714,735	-
Total	895,223,582	1,429,341,737

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

(*) Details of advances granted as of December 31, 2025, and December 31, 2024, are as follows:

(*) Details of advances granted	December 31, 2025	December 31, 2024
Advance Payments for the Sinpaş Kızılıbük Thermal Wellness Resort Project	747,092,146	1,429,249,216
Other Advances	8,935,445	-
Total	756,027,591	1,429,249,216

As of December 31, 2025, and December 31, 2024, the Group's long-term prepaid expenses are as follows:

Long-Term Prepaid Expenses	December 31, 2025	December 31, 2024
Prepaid Expenses to Third Parties Parties	1,444,713	-
- <i>Expenses for Future Years</i>	1,444,713	-
Prepaid Expenses to Related Parties	-	-
Total	1,444,713	-

18. OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

As of December 31, 2025 and December 31, 2024, the details of the Group's short-term other current assets are as follows:

Other Current Assets	December 31, 2025	December 31, 2024
Carried Forward Value Added Tax ("VAT")	939,166,382	597,035,574
Business Advances	606,971	456,660
Personnel Advances	-	224,611
Total	939,773,353	597,716,845

As of December 31, 2025 and December 31, 2024, the Group has no assets related to current period tax.

The Group has no other non-current assets as of December 31, 2025 and December 31, 2024.

19. HELD-FOR-SALE NON-CURRENT ASSETS

As of December 31, 2025 and December 31, 2024, the Group has no non-current assets held for sale.

20. DEFERRED REVENUES

As of December 31, 2025, and December 31, 2024, the details of the Group's short-term deferred revenues are as follows:

Short-Term Deferred Revenues	December 31, 2025	December 31, 2024
Deferred Revenues from Third Parties Parties	192,059,140	43,547,066
- <i>Received Order Advances</i>	192,059,140	43,547,066
Deferred Revenues from Related Parties	-	-
Total	192,059,140	43,547,066

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

As of December 31, 2025, and December 31, 2024, the details of the Group's long-term deferred revenues are as follows:

Long-Term Deferred Revenues	December 31, 2025	December 31, 2024
Deferred Revenues from Third Parties Parties	23,308,114	23,214,341
- Revenues Pertaining to Future Years (*)	-	-
- Received Order Advances	23,308,114	23,214,341
Deferred Income from Related Parties (Note: 32) (*)	615,979,431	84,908,408
Total	639,287,545	108,122,749

(*) Consists of sales for which invoices have been issued but goods have not yet been delivered.

21 EQUITY

The Group's paid-in capital structure as of December 31, 2025, and December 31, 2024, is as follows:

Shareholders	%	December 31, 2025	%	December 31, 2024
Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.	65.20%	782,400,001	65.20%	195,600,000
Other	34.80%	417,599,999	34.80%	104,400,000
Authorized capital	100.00%	1,200,000,000	100.00%	300,000,000

As of December 31, 2025, the Company's actual share ratio in circulation is 34.62% (December 31, 2024: 34.79%).

The Company's capital is valued at a total of TL 1,200,000,000, divided into 5,000,000 Class A shares with a par value of TL 1 each and 1,195,000,000 Class B shares with a par value of TL 1 each. All of these shares are registered. The Group has a registered capital ceiling of 1,200,000,000 TL in accordance with the provisions of the Capital Markets Law, and the registered capital ceiling permit granted by the Capital Markets Board for 1,200,000,000 shares, each with a nominal value of 1 TL, is valid for the years 2021-2025 (5 years).

On January 10, 2025, the Company increased its capital from TL 300,000,000 to TL 1,200,000,000 financed by TL 900,000,000 from internal sources.

On July 2, 2025, the company increased its current registered capital ceiling of 1,200,000,000 TL, valid for the years 2021-2025, in accordance with the provisions of the Capital Markets Law, to 6,000,000,000 TL. The registered capital ceiling permit granted by the Capital Markets Board for 6,000,000,000 shares, each with a nominal value of 1 TL, is valid for the years 2025-2029 (5 years).

b) Positive differences in capital adjustments

The Group's adjusted capital as of December 31, 2025, and December 31, 2024, is as follows:

Partners	%	December 31, 2025	%	December 31, 2024
Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.	65.20%	782,400,001	65.20%	195,600,000
Other	34.80%	417,599,999	34.80%	104,400,000
Nominal Capital	100.00%	1,200,000,000	100.00%	300,000,000
Positive Differences in Capital Adjustments		1,718,122,660		1,521,466,223
Adjusted Capital	100.00%	2,918,122,660	100.00%	1,821,466,223

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

c) Premiums and discounts related to shares

Not available.

d) Repurchased company shares

Not available.

e) Restricted reserves allocated from profit

As of December 31, 2025, and December 31, 2024, the details of the Group's restricted reserves allocated from profit are as follows:

Restricted Reserves Allocated from Profit	December 31, 2025	December 31, 2024
Legal Reserves	283,964,586	145,986,371
Total	283,964,586	145,986,371

f) Retained earnings/losses

As of December 31, 2025, and December 31, 2024, the details of the Group's prior year profits/losses are as follows:

Prior Year Profits/Losses	December 31, 2025	December 31, 2024
Retained Earnings	14,217,495,182	7,455,996,158
Extraordinary Reserves	4,026,681,114	2,501,751,450
Total	18,244,176,296	9,957,747,608

g) Profit distribution

Public joint stock companies whose shares are traded on the stock exchange are subject to the following principles determined by the CMB regarding profit distribution:

It has been decided that the distribution of dividends shall be carried out in accordance with the principles set forth in the CMB's Series: IV, No: 27 "Communication on the Principles to be Observed by Public Joint Stock Companies Subject to the Capital Markets Law in the Distribution of Dividends and Dividend Advances" , the provisions in the companies' articles of association, and the profit distribution policies disclosed to the public by the companies.

In addition, the aforementioned CMB Decision stipulates that companies with financial statement preparation obligations must calculate the net distributable profit amount, taking into account the net period profit included in the financial statements they prepare and disclose to the public in accordance with Circular No. 29 of Series XI, provided that it can be covered by the resources in their legal records.

h) Effects of transactions between entities under common control

The accounting policy applied upon the establishment of the Company on 30 March 2021 through a partial spin-off from Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş. has been determined as the "predecessor accounting method", which is applicable to share transfers and similar transactions between entities under common control. Under this accounting policy, the financial position and results of operations previously reported in the financial statements of the Company's parent, Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş., prepared in accordance with the financial reporting standards accepted by the Capital Markets Board, have been taken as the basis. Accordingly, the predecessor accounting method has been applied prospectively as of the Company's establishment date, and the effects of the transaction have been recognized under equity as "Effects of transactions between entities under common control."

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

In its financial statements prepared in accordance with the Capital Markets Board Bulletin published on March 7, 2024, and TMS 29, the Company transferred the amounts included in the "Effect of Mergers Involving Jointly Controlled Ventures or Businesses" to the "Retained Earnings or Losses" account in accordance with the KGK's statements on the subject and IAS 29, thereby zeroing it out.

Effects of Transactions Between Jointly Controlled Entities	December 31, 2025	December 31, 2024
Effects of Transactions Between Entities Under Common Control (*)	(362,911,921)	(362,911,921)
Total	(362,911,921)	(362,911,921)

(*) See Note 1

22. SALES AND COST OF SALES

a) Revenue

	January 1 – December 31, 2025	January 1 – December 31, 2024
Timeshare Sales	1,934,959,132	12,955,037,043
Sales Returns (-)	(776,170)	(54,997,348)
Total	1,934,182,962	12,900,039,695

b) Cost of Sales

	January 1 – December 31, 2024	January 1 – December 31, 2023
Cost of Sales (-)	(393,025,426)	(8,615,165,294)
Total	(393,025,426)	(8,615,165,294)

23. MARKETING AND GENERAL ADMINISTRATION EXPENSES

Details of the Group's Marketing and General Administration Expenses for the periods ending December 31, 2025 and December 31, 2024 are as follows:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Marketing Expenses	(269,994,498)	(271,952,244)
General Administrative Expenses	(137,739,685)	(153,936,385)
Total	(407,734,183)	(425,888,629)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

a) Marketing Expenses Details	January 1 – December 31, 2025	January 1 – December 31, 2024
Personnel Expenses	(128,225,645)	(120,682,280)
Advertising Expenses	(66,680,680)	(54,982,605)
Maintenance and Repair Expenses	(25,188,074)	(41,083,031)
Sales Office Expenses	(14,311,837)	(14,812,193)
Organization and Promotion Expenses	(6,914,707)	(7,632,840)
Consulting Expenses	(6,106,820)	(1,342,934)
Rental Expenses (*)	(5,723,166)	(5,201,560)
Transportation Expenses	(3,450,764)	(1,900,321)
Depreciation Expenses	(3,313,054)	(1,301,307)
Electricity, Water, and Gas Expenses	(2,022,514)	(1,707,290)
Communication Expenses	(774,000)	(187,998)
Tax, Stamp Duty, and Fee Expenses	(93,048)	(77,089)
Commission Expenses	(18,577)	(156,952)
Other Expenses	(7,171,612)	(20,883,844)
Total	(269,994,498)	(271,952,244)

(*) Consists of lease expenses not included in the scope of IFRS 16.

b) General Administrative Expenses Details	January 1 – December 31, 2025	January 1 – December 31, 2024
Personnel Expenses	(57,574,513)	(70,969,917)
Depreciation Expenses	(27,998,761)	(15,885,842)
Consulting Expenses	(14,240,889)	(6,780,966)
Tax, Stamp Duty, and Fee Expenses	(6,077,674)	(394,377)
Office Expenses	(5,162,470)	(2,189,497)
Donations and Aid	(4,514,923)	(29,015,290)
Registration Expenses	(2,023,527)	(11,954,724)
Rental Expenses (*)	(1,936,951)	(463,228)
Transportation Expenses	(1,254,119)	(1,058,178)
Other Expenses	(16,955,858)	(15,224,366)
Total	(137,739,685)	(153,936,385)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

24. EXPENSES BY TYPE

Expenses by Type	January 1 – December 31, 2025	January 1 – December 31, 2024
Personnel Expenses	(185,800,158)	(191,652,197)
Advertising Expenses	(66,680,680)	(54,982,605)
Depreciation Expenses	(31,311,815)	(17,187,149)
Maintenance and Repair Expenses	(25,188,074)	(41,083,031)
Consulting Expenses	(20,347,709)	(8,123,900)
Sales Office Expenses	(14,311,837)	(14,812,193)
Rental Expenses (*)	(7,660,117)	(5,664,788)
Organization and Promotion Expenses	(6,914,707)	(7,632,840)
Tax, Stamp Duty, and Fee Expenses	(6,170,722)	(471,466)
Office Expenses	(5,162,470)	(2,189,497)
Transportation Expenses	(4,704,883)	(2,958,499)
Donations and Aid	(4,514,923)	(29,015,290)
Registration Expenses	(2,023,527)	(11,954,724)
Electricity, Water, and Gas Expenses	(2,022,514)	(1,707,290)
Communication Expenses	(774,000)	(187,998)
Commission Expenses	(18,577)	(156,952)
Other Expenses	(24,127,470)	(36,108,210)
Total	(407,734,183)	(425,888,629)

(*) Consists of lease expenses not included in the scope of IFRS 16.

25. OTHER INCOME FROM OPERATING ACTIVITIES

As of December 31, 2025, and December 31, 2024, the Group's other income from core activities is as follows:

Other Income from Core Activities	January 1 – December 31, 2025	January 1 – December 31, 2024
Discount Interest Expense	72,613,065	53,954,599
Provisions No Longer Required	679,713	-
Other Ordinary Income and Profits	8,027,488	6,121,972
Total	81,320,266	60,076,571

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

26. OTHER EXPENSES FROM PRIMARY OPERATIONS

As of December 31, 2025, and December 31, 2024, the Group's other expenses from core activities are as follows:

Other Expenses from Core Activities	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign Exchange Losses	(6,180)	(15,071)
Discount Interest Expense	(41,220,597)	(30,704,396)
Litigation Reserves	(14,450,604)	-
Other Expenses and Losses	(3,195,800)	(354,724)
Total	(58,873,181)	(31,074,191)

27. SHARES IN PROFITS/LOSSES OF INVESTMENTS VALUED USING THE EQUITY METHOD

As of December 31, 2025 and December 31, 2024, the Group has no shares in the profits/losses of investments valued using the equity method.

28. FINANCIAL INCOME

As of December 31, 2025 and December 31, 2024, the Group's financial income is as follows:

Financial Income	January 1 – December 31, 2025	January 1 – December 31, 2024
Interest Income from Term Deposits	5,411,297	3,186,265
Exchange Rate Differences Income	118,175,586	47,694,137
Total	123,586,883	50,880,402

29. FINANCIAL EXPENSES

As of December 31, 2025 and December 31, 2024, the details of the Group's financial expenses are as follows:

Financial Expenses	January 1 – December 31, 2025	January 1 – December 31, 2024
Interest Expenses	(1,248,610,631)	(204,852,614)
Exchange Rate Differences Expenses	(350,150,617)	(105,364,883)
Total	(1,598,761,248)	(310,217,497)

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

30. TAX ASSETS AND LIABILITIES

Corporate tax

The Group is subject to the tax legislation and practices in force in Turkey. Corporate tax is declared by the end of the fourth month following the end of the relevant accounting period and paid in a single installment by the end of that month. Companies must calculate provisional tax at the current rate on their quarterly financial profits, declare it by the 17th day of the second month following the period, and pay it by the end of the 17th day. Provisional taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return for that year. If there is a balance remaining after the offset, this amount can be refunded in cash or offset against other financial liabilities.

In Turkey, the general corporate tax rate applied to the legal tax base, which is determined by adding expenses that are not deductible under tax laws to the commercial income of corporations and deducting the exemptions provided for in tax laws, was 20% as of December 31, 2022. However, the "Additional Motor Vehicle Tax to Compensate for Economic Losses Caused by the Earthquakes that Occurred on February 6, 2023" published in the Official Gazette dated July 15, 2023, and numbered 32249 published in the Official Gazette dated July 15, 2023, numbered 32249, the general corporate tax rate has been increased from 20% to 25% with effect from the returns to be filed as of October 1, 2023, following the amendments made to Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate. Therefore, the Group has used a tax rate of 30% - 25% in its tax calculation for the 2023 period.

Under the scope of this change, for periods after December 31, 2023, the rates used in deferred tax calculations, taking into account the corporate tax rates in effect for the Group's companies operating in Turkey, are as follows:

- Parent Company: 30%
- Affiliates: 25%

Deferred tax assets are recognized when it is probable that future taxable income will be available against which the related temporary differences can be utilized; these assumptions are reviewed at each reporting period.

Deferred tax amounts are netted and presented in the statement of financial position if they are subject to the same tax authority and there is a legally enforceable right to offset current tax assets against current tax liabilities.

However, with Law No. 7524 on Amendments to Tax Laws and Certain Laws and Decree Law No. 375, published in the Official Gazette dated August 2, 2024, changes have been made to the principles of application of this exemption for real estate investment partnerships and real estate investment funds, effective as of January 1, 2025.;

- The application of the corporate tax exemption provided for the profits of Real Estate Investment Trusts ("REITs") is subject to the condition that at least 50% of the profits earned from the real estate owned by such partnerships be distributed as dividends by the end of the second month following the month in which the corporate tax return is required to be filed.

- Paragraph c added to Article 32 of the Corporate Tax Law introduces a 10% minimum domestic corporate tax, and stipulates that REITs' income from real estate cannot be considered as an exemption or deduction when calculating the minimum corporate tax.

According to these amendments, if the profit is not distributed to the partners within the specified period and at the specified rate, the taxes that were not accrued on time due to the benefit of the exemption will be considered lost. Furthermore, Article 32/C of the Corporate Tax Law has been amended to include the provision that the corporate tax calculated in accordance with the provisions of Articles 32 and 32/A cannot be less than 10% of the corporate income before deductions and exemptions.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

In this context, the Group will use the tax rate of 30%, which is the tax rate applicable to undistributed profits in the period tax calculation as of January 1, 2025. The effect of paying tax at 10% based on the minimum corporate tax rate, provided that the relevant exemption condition is met following the Group's General Assembly decision, will be reported under the period tax income/(expense) item in the income statement for the following accounting period.

Under Article 298 of the Tax Procedure Law, the necessary conditions for adjusting the financial statements for inflation as of December 31, 2021, have been met. However, pursuant to Law No. 7352 on Amendments to the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated January 29, 2022, and numbered 31734, and in accordance with the temporary Article 33 of the Tax Procedure Law No. 213:

- Regardless of whether the conditions for inflation adjustment under Article 298 have been met, including for provisional tax periods, duplicate financial statements for the 2021 and 2022 accounting periods and the provisional tax periods of the 2023 accounting period shall not be subject to inflation adjustment.

- Financial statements dated December 31, 2023, shall be subject to inflation adjustment in a manner that does not affect the corporate tax base, have been stipulated.

Published in the 2nd supplementary Official Gazette dated December 30, 2023, and numbered 32415, "Pursuant to General Communiqué No. 555 of the Tax Procedure Law and repeated Article 298 of the Tax Procedure Law No. 213, it is essential that the financial statements of businesses operating in Turkey for the 2023 accounting period be subject to inflation adjustment. The financial statements adjusted for inflation shall constitute an opening balance sheet in tax returns to be prepared as of January 1, 2024, and inflation effects shall not be taken into account in the calculation of period tax for 2023.

Pursuant to the transitional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated December 31, 2023, have been included in the deferred tax calculation as of December 31, 2023.

According to the Corporate Tax Law, financial losses shown on the tax return can be deducted from the corporate tax base for the period, provided that they do not exceed 5 years. Tax returns and related accounting records can be examined by the tax office within five years, and tax accounts can be revised.

Dividend payments made by Turkish-resident joint-stock companies to individuals, both resident and non-resident in Turkey, and to legal entities not resident in Turkey, are subject to a 10% income tax, except for those exempt from corporate and income tax.

Dividend payments made by Turkish-resident joint-stock companies to other Turkish-resident joint-stock companies are not subject to income tax. Furthermore, no income tax is calculated if the profit is not distributed or is added to the capital.

Dividend income earned by institutions from their participation in the capital of another institution subject to full taxation is exempt from corporate tax. Furthermore, 75% of the gains arising from the sale of participation shares held in the assets of corporations for at least two full years and the deeds of incorporation, usufruct certificates, and preemptive rights of real estate (immovable property) owned for the same period are exempt from corporate tax. However, with the amendment made by Law No. 7061, this rate has been reduced from 75% to 50% for immovable property, and

this rate has been applied as 50% in tax returns prepared since 2018. Furthermore, with the amendment, as of July 15, 2023, the 50% tax exemption for real estate sales profits provided for in Law No. 5520 has been abolished. However, this exemption will apply at a rate of 25% for the sale of real estate held in the assets of businesses prior to July 15, 2023.

**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025**

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

To benefit from the exemption, the relevant income must be held in a Company account in the liabilities and must not be withdrawn from the business for 5 years. The sale price must be collected by the end of the second calendar year following the year in which the sale was made.

There is no practice of reaching an agreement with the tax administration regarding taxes payable in Turkey. Corporate tax returns are filed within four months following the month in which the accounting period ends. The authorities authorized to conduct tax audits may examine tax returns and the underlying accounting records for a period of five years following the accounting period and may reassess taxes based on their findings.

There is a withholding tax obligation on dividend distributions, and this withholding tax obligation is declared in the period in which the dividend is paid in cash or by account. Dividend payments other than those made to limited taxpayers earning income through a place of business or permanent representative in Turkey and to institutions resident in Turkey were subject to a 15% withholding tax until December 22, 2021. However, pursuant to Presidential Decree No. 4936, published in the Official Gazette No. 31697 dated December 22, 2021, and entered into force, the withholding tax rate on dividends, which was 15% under Income Tax Law No. 193 and Corporate Tax Law No. 5520, has been reduced to 10%.

Withholding tax rates applicable to profit distributions made to non-resident corporations and individuals shall also take into account the withholding tax rates specified in the relevant Double Taxation Avoidance Agreements. The capitalization of profits from previous years is not considered a profit distribution and is therefore not subject to withholding tax.

Transfer pricing regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Distribution of hidden profits through transfer pricing." The communiqué dated November 18, 2007, regarding the distribution of hidden profits through transfer pricing regulates the details of the application.

If a taxpayer purchases or sells goods or services at a price or value determined in violation of the arm's length principle with related parties, the profit is deemed to have been distributed implicitly, in whole or in part, through transfer pricing. Such implicit profit distribution through transfer pricing is considered a non-deductible expense for corporate tax purposes.

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its statutory financial statements and financial statements prepared in accordance with Turkish Financial Reporting Standards issued by the KGK. These differences generally arise from the fact that the amounts of certain income and expense items for tax purposes and those in the financial statements prepared in accordance with KGK Accounting Standards are recognized in different periods, as explained below.

Timing differences arise from the differences between income and expenses recorded for accounting and tax purposes over the years. Timing differences are calculated based on the revaluation of tangible fixed assets (excluding land and real estate), intangible fixed assets, inventories, and prepaid expenses, as well as the discounting of receivables and payables, severance pay provisions, prior year losses, etc. Each balance sheet period, the Group reviews its deferred tax assets and reverses any deferred tax assets that are determined to be unrecoverable from taxable income in future years. The corporate tax rate is used as the basis for the deferred tax account.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Currency - Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") and are stated in TL based on purchasing power parity as of December 31, 2025.)

	Accumulated Temporary Differences	Deferred Tax	Accumulated Temporary Differences	Deferred Tax
	December 31, 2025	December 31, 2025	December 31, 2024	December 31, 2024
Adjustments for investment properties	26,566,163,077	(7,969,848,923)	23,804,612,284	(7,141,383,685)
Adjustments for inventories	2,120,706,267	636,211,880	3,565,945,119	1,069,783,536
Adjustments for tangible fixed assets	90,083,203	27,024,961	132,468,704	39,740,611
Adjustments for prepaid expenses	174,710,070	52,413,021	129,567,279	38,851,648
Adjustments related to Credit and Leasing Transactions	87,627,940	26,288,382	81,195,795	24,358,739
Adjustments for trade payables	53,245,877	(15,973,763)	53,954,599	(16,186,380)
Adjustments for deferred income	156,253,440	46,876,032	26,768,975	(8,030,692)
Adjustments for IFRS 16	2,951,463	885,439	(915,033)	(274,510)
Adjustments related to financial investments	75,493	(22,648)	-	-
Adjustments for leave entitlements	4,691,993	1,407,598	6,753,192	2,025,958
Adjustments for severance pay	7,442,703	2,232,811	2,764,538	829,361
Adjustments for intangible fixed assets	4,922,333	(1,476,700)	508,094	(152,428)
Other	312,783	93,835	2,297,989	689,395
		(7,193,888,075)		(5,989,748,447)

Deferred Tax Movement Table

	December 31, 2025	December 31, 2024
Opening Balance of Deferred Tax Asset/(Liability) (Net)	(5,989,748,447)	-
Current Period Deferred Tax Income/Expense	(1,204,358,273)	(3,169,512,679)
Recognized in Other Comprehensive Income	218,645	19,012
Deferred Tax Recognized in Retained Earnings (*)	-	(2,820,254,780)
Deferred Tax Asset / (Liability) at the End of the Period	(7,193,888,075)	(5,989,748,447)

31 EARNINGS PER SHARE

Earnings per share	January 1 – December 31, 2025	January 1 – December 31, 2024
Average Number of Shares Outstanding During the Period (Full Value)	1,200,000,000	1,200,000,000
Net Period Profit Attributable to Shareholders of the Parent Company	853,378,320	9,521,063,340
Earnings (Loss) per share (TL)	0.7111	7.9342

Under TMS 38 Earnings Per Share Standard; earnings per share reported in the income statement are calculated by dividing net profit by the weighted average number of shares outstanding during the period. In Turkey, companies can increase their capital by distributing "bonus shares" to shareholders from profits earned in previous years. Such distributions of "bonus shares" are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is determined by taking into account the retrospective effects of such share distributions.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

32. RELATED PARTY DISCLOSURES

Details of the balances of related parties with the Group are disclosed below.

December 31, 2025

Balances with related parties	Receivables			Liabilities			Receivables		Liabilities		
	Short-term			Short-term			Long-term		Long-term		
	Commercial	Non-commercial	Prepaid Expenses	Commercial	Non-commercial	Financial	Commercial	Non-commercial	Commercial	Financial	Deferred Revenues
Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.(*)	-	-	3,416,567	53,043,436	-	742,164,151	-	-	28,344,504	-	-
Sinpaş Yapı Endüstrisi A.Ş.	-	-	45,055,086	-	-	-	-	-	-	-	-
Mülk Gayrimenkul Yatırım ve İşletme Tic. A.Ş.	-	-	-	11,353,295	-	-	-	-	-	-	-
Güney Ege Otel İşletmeleri Ve Yönetim Hizmetleri A.Ş.	-	-	67,554,084	-	-	-	-	-	-	-	-
Prodek Mek.Tas.Proje Dek.Üm.San.ve Tic.A.Ş.	-	-	132,062	-	-	-	-	-	-	-	-
Noor Exclusive Tatil Hizmetleri A.Ş.	-	-	22,428,800	-	-	-	-	-	-	-	-
Arı Finansal Kiralama A.Ş.	676,058,559	-	-	-	-	140,875,004	-	-	-	8,134,782	615,979,431
Seranit Granit Seramik San. A.Ş.	-	-	128,136	-	-	-	-	-	-	-	-
OSWE Real Estate GMBH	-	-	-	1,250,875	-	-	-	-	-	-	-
Halit Serhan Ercivelek	-	-	-	179,400	-	-	-	-	-	-	-
Total	676,058,559	-	138,714,735	65,827,006	-	883,039,155	-	-	28,344,504	8,134,782	615,979,431

(*) Sinpaş GYO, the Group's main partner, has provided the Group's with bridge loans within the scope of intra-group financing, to meet their working capital and/or investment financing needs. As a result of these transactions, interest and other financing costs relating to the bank loans used by Sinpaş GYO are reflected directly in the group's accounts. The Group accounts for these bridge loans as short-term borrowings in its financial statements.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

December 31, 2024

	Receivables			Liabilities			Receivables		Liabilities		
	Short-term			Short-term			Long-term		Long-term		
	Commercial	Non-commercial	Prepaid Expenses	Commercial	Non-commercial	Financial	Commercial	Non-commercial	Commercial	Non-commercial	Deferred Revenues
Balances with related parties											
Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.	8,761	-	-	17,425,820	-	-	-	-	-	-	-
Sinpaş Yapı Endüstrisi A.Ş.	-	-	-	108,723,172	-	-	-	-	-	-	-
Sinpaş Tasarruf Finansman A.Ş.	-	-	-	52,504	-	-	-	-	-	-	-
Mülk Gayrimenkul Yatırım ve İşletme Tic. A.Ş.	-	-	-	7,553,388	-	-	-	-	-	-	-
Güney Ege Otel İşletmeleri Ve Yönetim Hizmetleri A.Ş. (Former Title: Meç)	-	-	-	471,212	-	-	-	-	-	-	-
Arı Finansal Kiralama A.Ş.	1,733,382,182	-	-	-	-	87,286,044	-	-	-	-	84,908,408
Servet GYO A.Ş.	60,472	-	-	-	-	-	-	-	-	-	-
OSWE Real Estate GMBH	-	-	-	1,236,624	-	-	-	-	-	-	-
Halit Serhan Ercivelek	-	-	-	214,663	-	-	-	-	-	-	-
Total	1,733,451,415	-	-	135,677,383	-	87,286,044	-	-	-	-	84,908,408

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

January 1 - December 31, 2025									
	Sales Revenue	Interest Income	Leases	Accruals and Purchases	Sales and Marketing	General Administrative Expenses	Interest Expenses	Purchase of Fixed Assets	Other Income
Arı Finansal Kiralama A.Ş.	-	-	-	-	(496,297)	(7,338,553)	(41,388,498)	-	5,911,114
Güney Ege Otel İşletmeleri Ve Yönetim Hizmetleri A.Ş.	-	-	-	-	(92,384)	(4,568,265)	-	72,935	8,401,838
Mülk Gayrimenkul Yatırım ve İşletme Ticaret A.Ş.	-	-	12,906,945	-	(14,904,614)	(9,869,079)	-	-	1,908,865
Noor Exclusive Tatil Hizmetleri A.Ş.	-	-	-	-	-	-	-	68,596	41,110,769
Prodek Mek.Tas.Proje Dek.Ürn.San.ve Tic.A.Ş.	-	-	-	-	-	(185,637)	-	-	399,896
Servet Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	(1,754)	-	-	-	104,227
Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	(12,040,857)	(5,237,787)	(1,766,934)	(73,308,791)	(9,893)	880,903
Sinpaş Yapı Endüstrisi A.Ş.	-	-	-	(555,205)	(3,884,862)	(7,243,709)	(293,982,877)	(1,669)	236,085
Sinpaş Tasarruf Finansman A.Ş.	-	-	-	-	(20,600)	(3,436)	-	-	-
Seranit Granit Seramik Sanayi Ve Ticaret A.Ş. Ket	-	-	-	-	(160,292)	(4,500)	-	-	-
Halit Serhan Ercivelek	-	-	-	-	-	(950,576)	-	-	-
Sinpaş Holding A.Ş.	-	-	-	-	-	(353)	-	-	-
Balıkesir Kasaba Gayrimenkul Satış Paz. İşletme Hiz. A.Ş.	-	-	-	-	-	-	-	-	983,864
Total	-	-	12,906,945	(12,596,062)	(24,798,590)	(31,931,042)	(408,680,166)	129,969	59,937,561

January 1 - December 31, 2024									
	Sales Revenue	Interest Income	Leases	Accruals and Purchases	Sales and Marketing	General Administrative Expenses	Interest Expenses	Purchase of Fixed Assets	Other Income
Servet Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	(88,189)	(943,671)	-	-	-	-	-
Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	(99,701)	(2,032,768)	-	(97,587)	-	-	-
Sinpaş Yapı Endüstrisi A.Ş.	-	-	-	(1,170,367)	-	(963)	-	-	-
Arı Finansal Kiralama A.Ş.	1,347,729,119	-	(88,189)	-	-	(365,631)	-	-	-
Total	1,347,729,119	-	(276,079)	(4,146,806)	-	(464,181)	-	-	-

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

Benefits Provided to Senior Management:

The details of benefits provided to senior executives during the period are as follows:

	December 31, 2025	December 31, 2024
Benefits Provided to Senior Management	6,295,000	10,374,526
Total	6,295,000	10,374,526

33. Nature and Level of Risks Arising from Financial Instruments

a) Capital risk management

The Group aims to ensure the continuity of its operations while also maximizing profits by efficiently utilizing the debt and equity balance in its capital management.

As of December 31, 2025, and December 31, 2024, the net liability/invested capital ratio is as follows:

	December 31, 2025	December 31, 2024
Total debt	12,973,476,570	8,762,695,833
(-) Cash and cash equivalents	8,741,677	6,861,334
Net debt	12,964,734,893	8,755,834,499
Total equity	21,931,876,759	21,081,744,716
Capital employed	34,896,611,652	29,837,579,218
Net debt/capital employed ratio	37.15%	29.34%

b) Financial risk factors

The Group's finance department is responsible for ensuring regular access to financial markets and for monitoring and managing the Group's exposure to financial risks based on the level and magnitude of such risks, as reflected in internal risk reports prepared by the Group. These risks include market risk (which also includes currency risk, fair value interest rate risk, and price risk), credit risk, liquidity risk, and cash flow interest rate risk.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

b.1) Credit risk management

As of December 31, 2025, credit risk details are as follows:

December 31, 2024	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
	Related Party	Third Parties	Related Party	Third Party	
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	676,058,559	83,282,809	-	175,173	8,741,677
-Maximum risk covered by collateral, etc. (**)					
A. Net book value of financial assets that are not past due or impaired	676,058,559	83,282,809	-	175,173	8,741,677
B. Financial assets whose terms have been renegotiated	-	-	-	-	-
C. Net book value of assets past due but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
-Past due gross book value	-	-	-	-	-
-Impairment (-)	-	-	-	-	-

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

As of December 31, 2024, credit risk details are as follows:

December 31, 2023	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
	Related Party	Third Party	Related Party	Third Party	
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	1,733,451,415	143,620,186	-	231,154	6,861,334
-Maximum risk covered by collateral, etc. (**)					
A. Net book value of financial assets that are not past due or impaired	1,733,451,415	143,620,186	-	231,154	6,861,334
B. Financial assets whose terms have been renegotiated	-	-	-	-	-
C. Net book value of assets past due but not impaired	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
-Past due gross book value	-	-	-	-	-
-Impairment (-)	-	-	-	-	-

(*) Factors that increase credit reliability, such as collateral received, have not been taken into account in determining the amount.

(**) Collateral consists of collateral certificates, collateral checks, and mortgages received from customers.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

The risk of the Company incurring a financial loss due to one of the parties to the financial instrument failing to fulfill its contractual obligations is defined as credit risk. The Group seeks to reduce credit risk by conducting transactions only with creditworthy parties and, where possible, by obtaining adequate collateral.

As of the balance sheet date, all past due trade receivables are secured by collateral received in relation to trade receivables. The Company has not made any provisions for past due trade receivables.

The company manages liquidity risk by regularly monitoring estimated and actual cash flows and ensuring the continuity of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

The Group presents the maturity distribution of its non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest payment dates. Interest payable on these liabilities is included in the table below.

b.2) Liquidity risk management

Liquidity risk table:

December 31, 2025	Book value	Cash flow under the contract	Less than 3 months	3-12 months	1 to 5 years	5 years and over
Non-Derivative Financial Liabilities						
Financial Borrowings	3,735,084,740	4,057,420,315	502,006,156	1,764,645,267	1,790,768,892	-
Trade Payables	804,421,442	853,921,442	804,421,442	-	49,500,000	-
Other Liabilities	169,372,186	169,372,186	-	-	169,372,186	-
Total liabilities	4,708,878,368	5,080,713,943	1,306,427,598	1,764,645,267	2,009,641,078	-

December 31, 2024	Book value	Cash flow under the contract	Less than 3 months	3-12 months	1 to 5 years	5 years and over
Non-Derivative Financial Liabilities						
Financial Borrowings	1,621,269,001	2,652,145,751	359,701,688	914,372,873	1,378,071,190	-
Trade Payables	734,518,226	758,726,716	758,726,716	-	-	-
Other Liabilities	158,924,790	158,924,790	-	-	158,924,790	-
Total liabilities	2,514,712,017	3,569,797,257	1,118,428,404	914,372,873	1,536,995,980	-

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

b.3) Market risk management

b.3.1) Currency Risk Management

The Group's activities are primarily exposed to financial risks related to changes in exchange rates and interest rates, as detailed below.

The exchange rates used by the Group to convert its foreign currency transactions into Turkish Lira as of December 31, 2025 and December 31, 2024 are presented in Turkish Lira in the table below:

	US Dollar		Euro	
	Effective Buying Rate	Effective Selling Rate	Effective Buy	Effective Sale
December 31, 2025	42.8323	43.0039	50.4179	50.6199

	U.S. Dollar		Euro	
	Effective Buying Rate	Effective Selling	Effective Buy	Effective Sale
December 31, 2024	35.1987	35.3397	36.7172	36.8643

The table below summarizes the Group's foreign currency position risk as of December 31, 2025 and December 31, 2024. The recorded amounts of foreign currency assets and liabilities held by the Company in Turkish Lira are as follows:

December 31, 2025	USD Dollar	Euro	GBP	TL Equivalent
Current Assets				
Monetary Financial Assets	1,294	39,786	-	2,062,795
Other	1,391,523	1,787,873	-	149,847,790
Total Assets	1,392,817	1,827,659	-	151,910,585
Short-Term Liabilities				
Trade Payables	(80,711)	(283,016)	-	(17,738,522)
Financial liabilities	(1,172,816)	(22,106,958)	-	(1,165,636,365)
Other	-	(12,305,000)	-	(620,826,626)
Long-Term Liabilities				
Financial liabilities	-	(28,339,169)	-	(1,429,801,761)
Other	-	(2,850)	-	(143,792)
Total Liabilities	(1,253,527)	(63,036,993)	-	(3,234,147,066)
Net Balance Sheet Position	139,290	(61,209,334)		(3,082,236,481)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

December 31, 2024	USA Dollars	Euro	GBP	TL Equivalent
Current Assets				
Monetary Financial Assets	1,304	531	-	87,197
Other	1,171,635	2,645,678	-	178,326,109
Total Assets	1,172,939	2,646,209	-	178,413,306
Current Liabilities				
Trade Payables	(894,408)	(1,940,940)	-	(132,501,592)
Financial liabilities	(15,593)	(16,256)	-	(1,499,400)
Other	-	(770,000)	-	(35,500,540)
Long-Term Liabilities				
Financial liabilities	(9,559)	(2,165)	-	(559,542)
Other	-	-	-	-
Total Liabilities	(919,560)	(2,729,361)	-	(170,061,074)
Net Balance Sheet Position	253,379	(83,152)	-	8,352,232

The Net Foreign Currency Position by currency is as follows:

	December 31, 2025	December 31, 2024
Against the US Dollar	5,970,289	12,185,919
Against the Euro	(3,088,206,770)	(3,833,687)
Against GBP	-	-
Net Foreign Currency Position	(3,082,236,481)	8,352,232

Exposure to exchange rate risk

The Group is primarily exposed to exchange rate risk in US Dollars and Euros.

The table below shows the Group's sensitivity to a 10% increase and decrease in US Dollar and Euro exchange rates. The 10% rate is the rate used by senior management when reporting currency risk within the Group and represents the management's expectation of a possible change in exchange rates. The sensitivity analysis covers only monetary items denominated in foreign currencies at year-end and shows the effects of a 10% exchange rate change on these items at year-end. A positive value indicates an increase in profit/loss and other equity items.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Profit/Loss		Equity	
	Foreign Currency appreciation	Foreign currency depreciation	Foreign currency gain in value	Foreign currency depreciation
December 31, 2025				
If the US Dollar appreciates by 10% against the Turkish Lira				
1 - Net US Dollar assets/liabilities	597,029	(597,029)	597,029	(597,029)
2 - US Dollar portion hedged against risk (-)	-	-	-	-
3 - Net impact of US Dollar (1 +2)	597,029	(597,029)	597,029	(597,029)
If the Euro appreciates by 10% against the Turkish Lira				
4 - Net Euro assets / liabilities	(308,820,677)	308,820,677	(308,820,677)	308,820,677
5 - EUR risk-hedged portion (-)	-	-	-	-
6 - EUR net effect (4+5)	(308,820,677)	308,820,677	(308,820,677)	308,820,677
If other exchange rates appreciate by 10% against the Turkish Lira				
7 - Net foreign currency assets/liabilities	-	-	-	-
8 - Portion hedged against other foreign exchange rate risk (-)	-	-	-	-
9 - Other Foreign Exchange Assets net effect (7+8)	-	-	-	-
TOTAL (3 + 6 + 9)	(308,223,648)	308,223,648	(308,223,648)	308,223,648

	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
December 31, 2024				
If the US Dollar appreciates by 10% against the Turkish Lira				
1 - Net US Dollar assets/liabilities	1,218,592	(1,218,592)	1,218,592	(1,218,592)
2 - US Dollar portion hedged against risk (-)	-	-	-	-
3 - Net impact of US Dollar (1 +2)	1,218,592	(1,218,592)	1,218,592	(1,218,592)
If the Euro appreciates by 10% against the Turkish Lira				
4 - Net Euro assets / liabilities	(383,369)	383,369	(383,369)	383,369
5 - EUR risk-hedged portion (-)	-	-	-	-
6 - EUR net impact (4+5)	(383,369)	383,369	(383,369)	383,369
If other exchange rates appreciate by 10% against the Turkish Lira				
7 - Net foreign currency assets/liabilities	-	-	-	-
8 - Portion hedged against other foreign exchange rate risk (-)	-	-	-	-
9 - Net effect of other foreign currency assets (7+8)	-	-	-	-
TOTAL (3 + 6 + 9)	835,223	(835,223)	835,223	(835,223)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

As the Group is newly established, it is not exposed to interest rate risk. Such risks are managed using on-balance sheet methods by balancing the amount and maturity of interest rate-sensitive assets and liabilities.

Non-financial assets

The Group uses real estate valuation reports prepared by a real estate valuation company authorized by the Capital Markets Board (CMB) to determine the fair value of investment properties measured at fair value in the financial statements.

Investment properties:

If the fair value of the investment properties measured using the comparable sales method had increased/decreased by 10%, while all other variables remained constant, profit would have been 2,825,615,874 TL higher/lower (31 December 2024: 2,380,461,228 TL).

As of December 31, 2025, the sensitivity analysis of investment properties using the comparable sales method is as follows:

December 31, 2025	Sensitivity Analysis	Fair value on the value snow effect	Fair value value on loss effect
Sinpaş Kızılbük Thermal Wellness Resort Project	10%	2,825,615,874	(2,825,615,874)
Total		2,825,615,874	(2,825,615,874)

As of December 31, 2024, the sensitivity analysis of investment properties using the comparable sales method is as follows;

December 31, 2024	Sensitivity Analysis	Fair value on the value profit effect	Fair value value on loss effect
Sinpaş Kızılbük Thermal Wellness Resort Project	10%	2,380,461,228	(2,380,461,228)
Total		2,380,461,228	(2,380,461,228)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

34 FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of financial assets and liabilities is determined as follows:

- Level 1: Financial assets and liabilities are measured at quoted market prices in active markets for identical assets and liabilities.
- Level 2: Financial assets and liabilities are measured using inputs other than quoted prices for identical assets or liabilities in an active market that are observable in the market, either directly or indirectly.
- Level 3: Financial assets and liabilities are valued using inputs that are not observable market data used to determine the fair value of the asset or liability.

The level classifications of financial assets and liabilities presented at fair value are as follows:

Financial Assets	As of December 31, 2025			Total
	Level 1	Level 2	Level 3	
Investment property	-	28,256,158,744	-	28,256,158,744
Total	-	28,256,158,744	-	28,256,158,744

Financial Assets	As of December 31, 2024			Total
	Level 1	Level 2	Level 3	
Investment properties	-	23,804,612,284	-	23,804,612,284
Total	-	23,804,612,284	-	23,804,612,284

35 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITORS/INDEPENDENT AUDIT FIRMS

The Group's independent audit fee for the reporting period as of December 31, 2025 is 1,000,000 TL.
(2024: 981,692 TL)

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

36. EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES)

The Group's "Net Monetary Position Gains (Losses)" item reported in the income statement as of December 31, 2025, arises from the following monetary/non-monetary financial statement items:

NON-MONETARY ITEMS	2025	2024
Financial Statement Items	(351,946,453)	780,929,521
Prepaid Expenses	(75,286,661)	88,714,345
Deferred Revenues	(191,113,815)	497,342,421
Investment Properties	5,745,127,090	4,652,941,959
Effects of Transactions Between Jointly Controlled Entities	85,652,035	85,223,424
Financial Investments	(19,276,992)	193,409,063
Deferred Tax Liability	(1,413,660,205)	-
Inventories	573,934,418	3,852,986
Tangible Fixed Assets	3,354,806	4,959,141
Intangible Fixed Assets	3,611,725	212,858
Leasehold Assets	(2,851,611)	2,673,482
Capital	(429,890,226)	(560,193,395)
Remeasurement losses on defined benefit plans	115,421	136,687
Restricted Reserves from Profit	(34,454,723)	(20,441,205)
Retained Earnings/Losses from Previous Years	(4,597,471,543)	(4,167,878,425)
Non-Controlling Interests	263,828	(23,820)
Profit or Loss Statement Items	91,531,843	464,780,888
NET MONETARY POSITION GAINS/(LOSSES)	(260,414,610)	1,245,710,409

37. EVENTS AFTER THE BALANCE SHEET DATE

- 1- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 12 January 2026 is as follows:

“With respect to the administrative fine amounting to 2,677,149,516.00 TL imposed by the Marmaris Municipal Council (Encümen) regarding the project carried out by our Company in Marmaris, a lawsuit was filed by our Company before the Muğla 4th Administrative Court (File No: 2025/215 E.) for the annulment of the penalty notice dated 16 January 2025 and numbered 1.

The Court has ruled in favor of our Company for the stay of execution of the administrative act subject to litigation, on the grounds that the continued implementation of the clearly unlawful administrative act may cause irreparable damages.

Respectfully announced to the public. “

- 2- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 16 January 2026 is as follows:

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

“With respect to the hotel–timeshare project carried out by our Company in Marmaris, a lawsuit was filed by our Company before the Muğla 3rd Administrative Court (File No: 2025/350 E.) seeking the annulment and stay of execution of the demolition decision and the administrative fine amounting to 43,059.91 TL imposed pursuant to the decision of the Marmaris Municipal Council (Encümen) dated 22 January 2025 and numbered 2025/177, as well as the penalty notice dated 18 February 2025 and numbered 71 issued for the collection of such administrative fine.

The Muğla 3rd Administrative Court concluded that the administrative acts subject to litigation were not in compliance with the law and, considering that their implementation would cause irreparable damages, unanimously ruled in favor of our Company for the stay of execution of the administrative acts without requiring any security, pursuant to Article 27 of the Administrative Procedure Law No. 2577.

Respectfully announced to the public.”

- 3- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 5 February 2026 is as follows:

“With respect to the administrative fine amounting to 2,677,149,516.00 TL imposed by the Marmaris Municipal Council (Encümen) regarding the project carried out by our Company in Marmaris, a lawsuit had been filed by our Company before the Muğla 2nd Administrative Court (File No: 2025/134 E.) seeking the annulment of the administrative fine and the related council decision.

Following its review on the merits, the Muğla 2nd Administrative Court, which had previously granted a stay of execution on the grounds that the administrative act was unlawful, concluded that the administrative act was not in compliance with the law in terms of its legal basis (cause) and, by its decision numbered 2025/134 E. and 2026/49 K., ruled in favor of our Company for the annulment of the council decision imposing the administrative fine of 2,677,149,516.00 TL.

Respectfully announced to the public.”

- 4- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 5 February 2026 is as follows:

“Within the scope of the project carried out by our Company in Marmaris, the Building Use Permit (Occupancy Permit) dated 29 March 2024 and numbered 15/1 issued for Phase 1 hotel and timeshare project was revoked by the administrative act of the Marmaris Municipality dated 16 December 2024 and numbered 124. Our Company filed a lawsuit before the Muğla 2nd Administrative Court (File No: 2025/198 E.) seeking the annulment of such administrative act.

Following its review on the merits, the Muğla 2nd Administrative Court, which had previously granted a stay of execution on the grounds that the administrative act was unlawful, concluded that the administrative act was not in compliance with the law in terms of its legal basis (cause) and, by its decision numbered 2025/198 E. and 2026/39 K., ruled in favor of our Company for the annulment of the administrative act regarding the revocation of the Building Use Permit.

Respectfully announced to the public.”

- 5- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 5 February 2026 is as follows:

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

“Within the registered capital ceiling of 6,000,000,000 TL, it has been resolved to increase the Company’s issued share capital from 1,200,000,000 TL to 4,000,000,000 TL through a capital increase of 2,800,000,000 TL, corresponding to 2,800,000,000 shares with a nominal value of 1 TL each. Of the total capital increase amount, 1,291,550,265.90 TL will be covered from inflation adjustment differences related to capital, and 1,508,449,734.10 TL will be covered from extraordinary reserves.

The application submitted to the Capital Markets Board on 11 November 2025 for the approval of the capital increase and the related amendment to Article 8 (“Share Capital and Shares”) of the Company’s Articles of Association has been approved by the Board and published in the CMB Bulletin dated 5 February 2026 and numbered 2026/6.

The relevant procedures will be completed promptly.

Respectfully announced to the public.”

- 6- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 10 February 2026 is as follows:

“With respect to the hotel and timeshare project carried out by our Company in Marmaris district of Muğla province, a lawsuit was filed before the Muğla 2nd Administrative Court (File No: 2024/1391 E.) regarding the administrative act dated 9 December 2024 and numbered 124 of the Marmaris Municipality, which revoked the Phase 1 and Phase 2 building permits dated 8 January 2024. The Court had previously ruled in favor of our Company for the stay of execution of the administrative act on the grounds that it was unlawful.

Following its review on the merits, the Muğla 2nd Administrative Court concluded that the administrative act was not in compliance with the law in terms of its legal basis (cause) and, by its decision numbered 2024/1391 E. and 2026/48 K., ruled in favor of our Company for the annulment of the administrative act regarding the revocation of the Phase 1 and Phase 2 building permits.

Respectfully announced to the public.”

- 7- The disclosure made by the Company through the Public Disclosure Platform (KAP) on 23 February 2026 is as follows:

“Regarding the increase in our company's capital by 2,800,000,000 TL from 1,200,000,000 TL to 4,000,000,000 TL through a capital increase without consideration, Article 8 of our company's Articles of Association, titled Capital, was registered in the trade registry on February 23, 2026, in its new form.

The registration was announced in the Trade Registry Gazette dated February 23, 2026, and numbered 11528.

Respectfully announced to the public.”

38. OTHER MATTERS THAT SHOULD BE DISCLOSED IN ORDER TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE, AND UNDERSTANDABLE

None.

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH PORTFOLIO LIMITATIONS

The first paragraph of Article 31 of the Communiqué on Real Estate Investment Trusts states: "Trusts may use credit up to five times their equity capital as stated in their non-consolidated or individual financial statements prepared and disclosed to the public at the end of the accounting period to meet their fund needs or costs related to their portfolios. In calculating the upper limit of such loans, the partnership's debts arising from financial leasing transactions and non-cash loans shall also be taken into account." In this context, the Company's portfolio limitation compliance control table as of December 31, 2025, and December 31, 2024, is as follows:

Calculation	Non-Consolidated / Individual Financial Statement Main Account Items	Related Regulation	December 31, 2025 (TL)	December 31, 2024 (TL)
A	Money and Capital Market Instruments	Article 24/(b)	2,096,227	85,633
B	(Amendment: RG-9/10/2020-31269) Real Estate, Real Estate-Based Projects, Real Estate-Based Rights, Real Estate Investment Fund Participation Shares and 100% Participation in Capital 28th Companies Covered by Paragraph (c) of the First Clause of Article 28	Article 24/(a)	32,082,542,868	25,816,530,363
C	Participations	Article 24/(b)	631,014,030	607,524,877
	Receivables from Related Parties (Non-Commercial)	Article 23/(f)	-	-
	Other Assets		2,761,382,926	4,109,084,884
D	Total Assets (Total Assets)	Article 3/(p)	35,477,036,051	30,533,225,757
E	Financial Liabilities	Article 31	3,586,074,954	1,533,982,958
F	Other Financial Liabilities	Article 31	-	-
G	Financial Lease Liabilities	Article 31	149,009,786	87,286,044
H	Liabilities to Related Parties (Non-Commercial)	Article 23/(f)	-	-
I	Equity	Article 31	22,762,077,941	21,826,200,431
	Other Sources		8,979,873,370	7,085,756,324
D	Total Resources	Article 3/(p)	35,477,036,051	30,533,225,757

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

ADDITIONAL NOTE - COMPLIANCE WITH PORTFOLIO LIMITATIONS (*Continued*)

Calculation	Non-Consolidated / Individual Financial Statement Main Account Items	Related Regulation	December 31, 2025 (TL)	December 31, 2024 (TL)
A1	Money and Capital Market Instruments 3-Year Section Reserved for Real Estate Payments	Article 24/(b)	-	-
A2	Foreign Currency Term Deposits - Demand Deposits / Special Current Participation Account and TL Term Deposits/Participation Accounts	Article 24/(b)	2,062,757	85,633
A3	Foreign Capital Market Instruments	Article 24/(d)	-	-
B1	Foreign Real Estate, Real Estate-Based Projects, Real Estate-Based Rights	Article 24/(d)	-	-
B2	Vacant Land / Plots	Article 24/(c)	-	-
C1	Foreign Affiliates	Article 24/(d)	-	-
C2	Participations in the Operating Company	Article 28/1(a)	-	-
J	Non-Cash Loans	Article 31	1,001,622,717	1,310,526,634
K	Property to be developed for the project is jointly owned mortgage amounts for mortgaged plots of land	Article 22/(e)	-	-
L	Total Investments in Money and Capital Market Instruments in a Single Company	Article 22/(1)	4,048,974	25,766

KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2025

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

ADDITIONAL NOTE - CONTROL OF COMPLIANCE WITH PORTFOLIO LIMITATIONS (*Continued*)

Calculation	Minimum/ Maximum Rate	Art.	Portfolio Limitations	Related Regulation	Calculation	Minimum/ Maximum Rate	December 31, 2025	December 31, 2024
K/D	Maximum 10%	1	Property to be developed for the project Mortgage amounts for non-owned mortgaged plots	Article 22/e	K/D	≤10	0.00	0.00
(B+A1)/D	Minimum 51%	2	(Amendment: RG-9/10/2020-31269) Real estate, real estate-based projects, real estate-based rights Real Estate Investment Fund Participation Shares and Companies Participating at a Rate of 100% in the Capital Covered by Paragraph (ç) of the First Clause of Article 28	Article 24/(a), (b)	(B+A1)/D	≥51	90.43	84.55
(A+C-A1)/D	Maximum 49%	3	Money and capital market instruments and participations	Article 24/(b)	(A+C-A1)/D	≤49	1.78	1.99
(A3+B1+C1)/D	Maximum 49%	4	Foreign real estate, real estate-backed projects, real estate-based rights, participations, capital market instruments	Article 24/(d)	(A3+B1+C1)/D	≤49	0.00	0.00
B2/D	Maximum 20%	5	Vacant land/plots	Article 24/(c)	B2/D	<20	0.00	0.00
C2/D	Maximum 10%	6	Participation in the Operating Company	Article 28/1(a)	C2/D	≤10	0.00	0.00
(E+F+G+H+J)/I	Maximum 500%	7	Borrowing limit	Article 31	(E+F+G+H+J)/I	≤500	20.81	13.43
(A2-A1)/D	Maximum 10%	8	Foreign Currency Term - Demand Deposits / Special Current-Participation Account and TL-Denominated Term Deposits/Participation Accounts	Article 24/(b)	(A2-A1)/D	≤10	0.01	0.00
(L/D)	Maximum 10%	9	Total Investments in Money and Capital Market Instruments in a Single Company	Article 22/(1)	(L/D)	≤10	0.01	0.00

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

ARSEN |  **SFAI**
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